

KIATNAKIN BANK PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

30 SEPTEMBER 2017

AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Kiatnakin Bank Public Company Limited

I have reviewed the interim consolidated financial information of Kiatnakin Bank Public Company Limited and its subsidiaries, and the interim separate financial information of Kiatnakin Bank Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 September 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Unakorn Phruithithada
Certified Public Accountant (Thailand) No. 3257
Bangkok
9 November 2017

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Financial Position
As at 30 September 2017

	Notes	Consolidated		Separate	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Cash		1,189,521	1,167,425	1,189,324	1,167,228
Interbank and money market items, net		8,379,262	11,484,482	9,033,785	13,278,925
Derivatives assets		2,678,857	1,353,345	2,625,156	1,316,371
Investments in securities, net	5	32,931,499	28,365,336	17,387,772	15,044,934
Investments in subsidiaries, net	6	-	-	10,034,011	10,711,188
Investments in receivables, net	7	2,339,511	2,553,786	789,840	829,729
Investments in properties, net		741,130	851,094	-	-
Loans to customers and accrued interest receivables, net	8				
Loans to customers		203,232,919	196,487,830	205,671,668	198,552,580
Accrued interest receivables		982,950	922,666	987,945	926,724
		<u>204,215,869</u>	<u>197,410,496</u>	<u>206,659,613</u>	<u>199,479,304</u>
<u>Less</u> Deferred revenue		(19,418,612)	(20,133,733)	(19,418,612)	(20,133,733)
<u>Less</u> Allowance for doubtful accounts	10	(10,890,726)	(10,964,711)	(10,905,426)	(10,975,611)
<u>Less</u> Allowance for troubled debt restructuring	11	(1,745)	(1,135)	(1,745)	(1,135)
		<u>173,904,786</u>	<u>166,310,917</u>	<u>176,333,830</u>	<u>168,368,825</u>
Properties foreclosed, net		3,677,031	3,728,384	5,486,165	4,870,703
Land, premises and equipment, net		2,131,312	2,091,799	787,917	774,174
Other intangible assets, net		812,563	733,724	754,343	667,910
Goodwill		3,066,035	3,066,035	-	-
Deferred tax assets		1,731,405	1,680,935	1,725,661	1,673,658
Accounts receivable from clearing house and broker - dealers		2,465,034	629,469	-	-
Securities and derivative business receivables		7,123,864	7,602,021	-	-
Other assets, net		2,552,321	2,157,627	2,119,124	1,608,782
		<u>245,724,131</u>	<u>233,776,379</u>	<u>228,266,928</u>	<u>220,312,427</u>
Total assets		245,724,131	233,776,379	228,266,928	220,312,427

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Financial Position (Cont'd)
As at 30 September 2017

	Consolidated		Separate	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity				
Liabilities				
Deposits	130,734,225	109,922,919	131,114,569	110,209,032
Interbank and money market items, net	8,458,570	8,359,651	8,137,073	8,000,191
Liabilities payable on demand	474,346	225,390	474,346	225,390
Derivatives liabilities	3,827,296	2,499,389	2,696,187	1,897,126
Debt issued and borrowings	43,839,483	56,054,619	39,490,940	52,946,967
Provisions	617,229	567,823	473,079	431,181
Deferred tax liabilities	112,719	54,614	-	-
Accounts payable to clearing house and broker - dealers	594,520	2,885,681	-	-
Securities and derivative business payables	8,633,979	4,382,762	-	-
Accrued interest expenses	555,959	476,549	555,959	476,549
Other accounts payable	2,497,057	1,876,181	2,382,055	1,787,697
Legal Execution Department payable	12	575,380	575,380	575,380
Income tax payable and specific business tax payable		338,655	288,315	504,285
Other liabilities	13	4,257,708	3,911,747	4,141,911
Total liabilities		205,517,126	193,259,025	190,099,650
Equity				
Share capital	14			
Authorised share capital				
846,751,109 ordinary shares of Baht 10 each		8,467,511	8,467,511	8,467,511
Issued and paid-up share capital				
846,751,109 ordinary shares of Baht 10 each		8,467,511	8,467,511	8,467,511
Premium on share capital		9,356,233	9,356,233	9,356,233
Other components of equity		1,459,134	511,318	417,308
Retained earnings				
Appropriated				
Legal reserve		852,337	852,337	852,337
Others		380	380	380
Unappropriated		19,856,729	20,504,824	20,022,949
Total equity of the Bank		39,992,324	40,298,033	38,167,278
Non-controlling interests		214,681	219,321	-
Total equity		40,207,005	40,517,354	38,167,278
Total liabilities and equity		245,724,131	233,776,379	228,266,928

.....
(Mr. Aphinant Klewpatinond)
Chief Executive Officer and President

.....
(Mr. Suraphol Kulsiri)
Director

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2017

	Notes	Consolidated		Separate	
		2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Interest income	17	3,820,103	4,041,272	3,679,427	3,595,416
Interest expenses	18	1,043,324	1,081,990	1,020,637	1,059,032
Interest income, net		2,776,779	2,959,282	2,658,790	2,536,384
Fees and services income	19	1,126,870	1,009,220	513,860	502,230
Fees and services expenses	19	99,298	120,977	29,396	32,640
Fees and services income, net		1,027,572	888,243	484,464	469,590
Gain on trading and foreign exchange transactions, net	20	44,771	143,765	60,065	18,997
Gain on investments, net	21	124,227	114,478	23,703	188,057
Dividend income and profit sharing		220,661	142,664	555,414	582,680
Other operating income		99,789	146,382	93,907	105,827
Total operating income		4,293,799	4,394,814	3,876,343	3,901,535
Other operating expenses					
Employee's expenses		1,311,691	1,175,755	1,004,472	906,941
Directors' remuneration		12,075	5,220	10,980	6,070
Premises and equipment expenses		250,255	232,781	211,316	197,657
Taxes and duties		93,534	119,513	84,440	117,617
Loss from revaluation of foreclosed assets		45,835	138,594	50,001	138,122
Loss (Gain) from sale of foreclosed assets		37,404	(661,355)	88,675	(262,320)
Other expenses		372,154	405,396	334,823	367,042
Total other operating expenses		2,122,948	1,415,904	1,784,707	1,471,129
Impairment loss on loans and debt securities	22	75,482	1,010,589	90,982	1,007,441
Profit from operating before income tax expenses		2,095,369	1,968,321	2,000,654	1,422,965
Income tax	23	372,757	252,889	295,653	166,644
Net profit		1,722,612	1,715,432	1,705,001	1,256,321

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 September 2017

	Notes	Consolidated		Separate	
		2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gain (Loss) on remeasuring investments in receivables		(36,333)	(50,231)	11,673	(728)
Gain on remeasuring available-for-sale securities	5	140,340	22,074	151,834	20,290
Gain (Loss) on currency translation differences		(1,323)	-	-	-
Income taxes relating to items that will be subsequently reclassified to profit or loss	23	(30,841)	(4,264)	(32,702)	(3,913)
Total items that will be reclassified subsequently to profit or loss		71,843	(32,421)	130,805	15,649
Items that will not be reclassified subsequently to profit or loss					
Remeasurments of post-employment benefit obligations		-	-	-	-
Income taxes relating to items that will be not subsequently reclassified to profit or loss		-	-	-	-
Total items that will not be reclassified subsequently to profit or loss		-	-	-	-
Total other comprehensive income (expenses)		71,843	(32,421)	130,805	15,649
Total comprehensive income		1,794,455	1,683,011	1,835,806	1,271,970
Net profit attributable to					
Equity holders of the Bank		1,723,182	1,691,015	1,705,001	1,256,321
Non-controlling interests		(570)	24,417	-	-
Total comprehensive income attributable to					
Equity holders of the Bank		1,795,576	1,660,974	1,835,806	1,271,970
Non-controlling interests		(1,121)	22,037	-	-
Earnings per share of Equity holders of the Bank					
Basic earnings per share (Baht)	24	2.04	2.00	2.01	1.48

.....
(Mr. Aphinant Klewpatinond)
Chief Executive Officer and President

.....
(Mr. Suraphol Kulsiri)
Director

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Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2017

	Notes	Consolidated		Separate	
		2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Interest income	17	11,088,581	11,202,744	10,864,835	10,454,297
Interest expenses	18	3,117,729	3,371,553	3,042,297	3,310,137
Interest income, net		7,970,852	7,831,191	7,822,538	7,144,160
Fees and services income	19	3,165,445	3,041,643	1,493,418	1,478,780
Fees and services expenses	19	279,265	348,833	86,204	99,633
Fees and services income, net		2,886,180	2,692,810	1,407,214	1,379,147
Gain on trading and foreign exchange transactions, net	20	86,740	417,663	144,040	65,409
Gain (Loss) on investments, net	21	175,504	227,727	(310,789)	233,210
Dividend income and profit sharing		569,477	371,332	1,154,727	1,952,473
Other operating income		361,054	453,877	281,703	338,533
Total operating income		12,049,807	11,994,600	10,499,433	11,112,932
Other operating expenses					
Employees' expenses		3,593,423	3,407,259	2,758,670	2,467,041
Directors' remuneration		55,067	24,490	50,007	24,840
Premises and equipment expenses		746,981	736,777	626,305	590,946
Taxes and duties		246,149	261,013	234,026	253,511
Loss from revaluation of foreclosed assets (reversal)		145,348	(17,219)	155,651	(2,994)
Loss (Gain) from sale of foreclosed assets		35,389	(717,798)	189,584	(136,527)
Other expenses		1,182,805	1,228,060	1,042,907	1,087,525
Total other operating expenses		6,005,162	4,922,582	5,057,150	4,284,342
Impairment loss on loans and debt securities	22	698,157	2,213,027	688,694	2,196,740
Profit from operating before income tax expenses		5,346,488	4,858,991	4,753,589	4,631,850
Income tax	23	887,237	706,693	716,657	504,499
Net profit		4,459,251	4,152,298	4,036,932	4,127,351

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Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2017

	Notes	Consolidated		Separate	
		2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gain (Loss) on remeasuring investments in receivables		(62,975)	49,836	23,163	1,353
Gain on remeasuring available-for-sale securities	5	506,877	446,224	94,350	337,685
Gain (Loss) on currency translation differences		(1,323)	-	-	-
Income taxes relating to items that will be subsequently reclassified to profit or loss	23	(102,007)	(89,657)	(23,503)	(67,808)
Total items that will be reclassified subsequently to profit or loss		340,572	406,403	94,010	271,230
Items that will not be reclassified subsequently to profit or loss					
Remeasurments of post-employment benefit obligations		-	313	-	-
Income taxes relating to items that will be not subsequently reclassified to profit or loss	23	-	(1,153)	-	-
Total items that will not be reclassified subsequently to profit or loss		-	(840)	-	-
Total other comprehensive income (expenses)		340,572	405,563	94,010	271,230
Total comprehensive income		4,799,823	4,557,861	4,130,942	4,398,581
Net profit attributable to					
Equity holders of the Bank		4,432,287	4,094,574	4,036,932	4,127,351
Non-controlling interests		26,964	57,724	-	-
Total comprehensive income attributable to					
Equity holders of the Bank		4,774,673	4,501,910	4,130,942	4,398,581
Non-controlling interests		25,150	55,951	-	-
Earnings per share of Equity holders of the Bank					
Basic earnings per share (Baht)	24	5.23	4.84	4.77	4.87

.....
(Mr.Aphinant Klewpatinond)
Chief Executive Officer and President

.....
(Mr. Suraphol Kulsiri)
Director

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2017

Consolidated (Thousand Baht)														
Equity attributable to the Bank's shareholders														
	Note	Other components of equity						Appropriated retained earnings				Total equity attributable to the Bank's shareholders	Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on share capital	Revaluation Surplus (Deficit) on investments in receivables	Revaluation Surplus (Deficit) on available-for-sale securities	Deferred tax relating to components of other comprehensive income (expenses)	Translating financial statements	Surplus on business combination under common control	Legal reserve	Others	Unappropriated retained earnings			
Opening balances as at 1 January 2016		8,467,511	9,356,233	908,376	56,056	(33,847)	-	(24,403)	852,337	380	18,345,916	37,928,559	227,397	38,155,956
Dividend paid	15	-	-	-	-	-	-	-	-	-	(3,386,978)	(3,386,978)	-	(3,386,978)
Total comprehensive income (expense)		-	-	51,589	446,244	(89,658)	-	-	-	-	4,093,735	4,501,910	55,951	4,557,861
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(24,236)	(24,236)
Closing balances as at 30 September 2016		<u>8,467,511</u>	<u>9,356,233</u>	<u>959,965</u>	<u>502,300</u>	<u>(123,505)</u>	<u>-</u>	<u>(24,403)</u>	<u>852,337</u>	<u>380</u>	<u>19,052,673</u>	<u>39,043,491</u>	<u>259,112</u>	<u>39,302,603</u>
Opening balances as at 1 January 2017		8,467,511	9,356,233	843,955	397,980	(100,784)	-	(24,403)	852,337	380	20,504,824	40,298,033	219,321	40,517,354
Dividend paid	15	-	-	-	-	-	-	-	-	-	(5,080,382)	(5,080,382)	-	(5,080,382)
Total comprehensive income (expense)		-	-	(61,097)	506,796	(101,990)	(1,323)	-	-	-	4,432,287	4,774,673	25,150	4,799,823
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(29,790)	(29,790)
Closing balances as at 30 September 2017		<u>8,467,511</u>	<u>9,356,233</u>	<u>782,858</u>	<u>904,776</u>	<u>(202,774)</u>	<u>(1,323)</u>	<u>(24,403)</u>	<u>852,337</u>	<u>380</u>	<u>19,856,729</u>	<u>39,992,324</u>	<u>214,681</u>	<u>40,207,005</u>

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2017

Seperate (Thousand Baht)										
	Note	Other components of equity				Appropriated retained earnings			Total equity	
		Issued and paid-up share capital	Premium on share capital	Revaluation Surplus (Deficit) on investments in receivables	Revaluation Surplus (Deficit) on available-for-sale securities	Deferred tax relating to components of other comprehensive income (expenses)	Legal reserve	Others		Unappropriated retained earnings
Opening balances as at 1 January 2016		8,467,511	9,356,233	111,551	266,688	(75,647)	852,337	380	17,988,425	36,967,478
Dividend paid	15	-	-	-	-	-	-	-	(3,386,978)	(3,386,978)
Total comprehensive income (expense)		-	-	1,353	337,685	(67,808)	-	-	4,127,351	4,398,581
Closing balances as at 30 September 2016		<u>8,467,511</u>	<u>9,356,233</u>	<u>112,904</u>	<u>604,373</u>	<u>(143,455)</u>	<u>852,337</u>	<u>380</u>	<u>18,728,798</u>	<u>37,979,081</u>
Opening balances as at 1 January 2017		8,467,511	9,356,233	117,283	404,351	(104,326)	852,337	380	20,022,949	39,116,718
Dividend paid	15	-	-	-	-	-	-	-	(5,080,382)	(5,080,382)
Total comprehensive income (expense)		-	-	23,163	94,350	(23,503)	-	-	4,036,932	4,130,942
Closing balances as at 30 September 2017		<u>8,467,511</u>	<u>9,356,233</u>	<u>140,446</u>	<u>498,701</u>	<u>(127,829)</u>	<u>852,337</u>	<u>380</u>	<u>18,979,499</u>	<u>38,167,278</u>

.....
(Mr. Aphinant Klewpatinond)
Chief Executive Officer and President

.....
(Mr. Suraphol Kulsiri)
Director

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2017

	Consolidated		Separate	
	2017	2016	2017	2016
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit from operating before income tax expenses	5,346,488	4,858,991	4,753,589	4,631,850
Adjustments to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities				
Depreciation	312,116	262,892	161,330	139,459
Amortisation	77,274	77,682	64,194	59,037
Amortisation of premium on investments in securities	123,535	74,268	123,185	74,268
Bad debt and doubtful accounts	1,395,338	2,895,037	1,385,638	2,878,462
Loss on impairment of investments in receivables	38,735	13,480	38,972	13,768
Gain from transferring investments in receivables to loans	-	(486)	-	(486)
Unrealised loss (gain) on trading and foreign exchange transactions	2,395	358,570	(509,724)	193,251
(Gain) loss on remeasuring trading securities	96,051	(618,328)	101,038	(565,456)
(Reversal) loss on impairment of General Investment	(46)	-	(46)	-
(Reversal) loss on impairment on investments in subsidiaries	-	-	342,822	(198,953)
Loss (gain) on diminution in value of properties foreclosed	145,348	(17,219)	155,651	(2,995)
Loss on impairment of other assets	4,494	247	4,494	247
(Gain) loss on disposal of investment in securities	(161,247)	(355,233)	(9,745)	625,701
Gain on disposal of equipment	(11,968)	(8,984)	(23,631)	(6,902)
Loss on disposal of investment in properties	9,993	-	-	-
Loss on disposal of intangible assets	-	3	-	-
Loss on write-off of equipment and intangible assets	235	3,423	98	1,290
Other income	-	(46,729)	-	(46,729)
Net interest income	(8,094,388)	(7,907,331)	(7,945,723)	(7,220,300)
Dividend income	(569,477)	(371,332)	(1,154,727)	(1,952,473)
Proceeds from interest income	11,165,037	11,289,249	10,959,146	10,550,904
Interest paid	(3,206,722)	(3,686,413)	(3,192,162)	(3,636,457)
Dividend received	565,696	371,659	202,759	158,802
Cash paid for corporate income tax	(1,252,731)	(1,302,715)	(1,013,349)	(1,036,741)
Increase in provision expenses	49,406	106,536	41,898	106,794
(Decrease) increase in specific business tax payable	4,724	(852)	5,216	411
Decrease in accrued expenses	(350,141)	(413,127)	(60,961)	(155,906)
Profit from operating before changes in operating assets and liabilities	5,690,145	5,583,288	4,429,962	4,610,846
(Increase) decrease in operating assets				
Interbank and money market items	3,106,038	(1,157,688)	4,259,459	(592,345)
Investments in trading and available-for-sale securities	(1,854,814)	(4,698,766)	(813,677)	(107,612)
Investments in receivables	112,360	185,739	23,875	34,069
Investment in properties	(2,205)	(34,081)	-	-
Loans and receivables	(11,971,330)	(2,212,168)	(12,292,364)	(1,325,770)
Properties foreclosed	2,952,284	3,589,488	3,087,996	4,074,280
Securities and derivative business receivables	478,157	2,126,096	-	-
Accounts receivable from clearing house and broker-dealers	(1,835,565)	575,096	-	-
Other assets	(414,797)	(437,304)	(556,687)	(349,006)

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2017

	Consolidated		Separate	
	2017	2016	2017	2016
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Cash flows from operating activities (Cont'd)				
Increase (decrease) in operating liabilities				
Deposits	20,811,306	2,981,551	20,905,537	3,500,976
Interbank and money market items	98,919	767,191	136,882	(9,445)
Liabilities payable on demand	248,956	(80,711)	248,956	(82,821)
Short term borrowings	(90,000)	-	(90,000)	-
Accounts payable to clearing house and broker-dealers	(2,291,161)	2,066,936	-	-
Securities and derivative business payables	4,251,217	(660,730)	-	-
Other payables	645,916	578,511	597,366	526,469
Other liabilities	6,965	(104,445)	2,925	(194,156)
Net cash from operating activities	19,942,391	9,068,003	19,940,230	10,085,485
Cash flows from investing activities				
Cash paid for long-term investments in securities	(5,723,957)	(884,769)	(4,704,951)	(433,379)
Proceeds from long-term investments in securities	3,461,193	1,096,062	3,055,709	-
Proceeds from investments in properties	164	-	-	-
Dividend received from subsidiaries	-	-	420,528	1,039,410
Cash paid for building improvement and equipment	(286,627)	(325,322)	(178,229)	(253,807)
Proceeds from sales of equipment	23,932	13,899	23,681	9,220
Purchases of intangible assets	(154,642)	(113,373)	(145,609)	(79,634)
Net cash from investing activities	(2,679,937)	(213,503)	(1,528,871)	281,810
Cash flows from financing activities				
Proceeds from issuance of debentures	54,697,311	72,586,490	39,532,100	63,515,000
Cash paid for redemption of debentures	(66,826,193)	(78,218,947)	(52,841,000)	(70,683,000)
Dividend paid	(5,080,363)	(3,386,978)	(5,080,363)	(3,386,978)
Dividend paid to minority interest	(28,733)	(23,023)	-	-
Decrease in share capital of minority shareholders in subsidiaries	(1,057)	(946)	-	-
Net cash from financing activities	(17,239,035)	(9,043,404)	(18,389,263)	(10,554,978)
Exchange losses on cash and cash equivalents	(1,323)	-	-	-
Net increase (decrease) in cash and cash equivalents	23,419	(188,904)	22,096	(187,683)
Cash and cash equivalents as at 1 January	1,167,425	1,032,052	1,167,228	1,030,634
Cash and cash equivalents as at 30 September	1,189,521	843,148	1,189,324	842,951

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2017

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the periods ended 30 September 2017 and 2016 are as follows;

	Consolidated		Separate	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Decrease in account payables from Land, premises and equipment purchased	(25,041)	(23,079)	(3,008)	(19,852)
Transfer of assets for loan settlement	3,046,279	2,887,419	2,993,314	2,775,809
Increase (decrease) in fair value reserves on investments in receivables	(62,975)	49,836	23,163	1,353
Increase in fair value reserves on available-for-sale securities	506,877	446,224	94,350	337,685
Pay-in-kind properties foreclosed for reduction of the capital of the subsidiaries	-	-	334,355	-
Dividend payables to minority interest	-	267	-	-
Profit sharing in form of pay-in-kind	-	-	531,440	228,601
Transfer of investments in properties to land, premises and equipment	84,150	34,326	-	-
Increase in dividend payables	19	-	19	-

.....
(Mr. Aphinant Klewpatinond)
Chairman of the Executive Committee

.....
(Mr. Suraphol Kulsiri)
Director

The condensed notes are an integral part of this interim financial information.

Kiatnakin Bank Public Company Limited and Subsidiaries
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2017

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1 General

Kiatnakin Bank Public Company Limited (“the Bank”) was incorporated in Thailand. Its head office is located at 500 Amarin Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok. The Bank provides banking business through its branches network in Thailand. As at 30 September 2017 and 31 December 2016, the Bank has 13 and 12 subsidiaries and funds (“subsidiaries”), respectively.

This interim consolidated and separate financial information have been approved for issue by the Bank’s authorised directors on 9 November 2017.

This interim consolidated and separate financial information have been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act and the Notification of the Bank of Thailand (“BOT”), no. SorNorSor 21/2558. The preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group dated on 4 December 2015.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies (Cont'd)

2.2 Basis for Preparation of the Consolidated Financial Information

The consolidated financial information include the accounts of the head office and all branches of the Bank and its subsidiaries (collectively known as “the Group”) where the Bank has a controlling interest. Significant related party transactions and balances have been eliminated. All subsidiaries were incorporated in Thailand except for Phatra Asset Management (Cayman) Limited and Phatra Equity Market Neutral Asia Pacific Fund which were incorporated in Cayman. The list of subsidiaries is as follows:

	Type of business	Ownership interest (%)	
		As at 30 September 2017	As at 31 December 2016
Phatra Capital PCL.	Holding Company	99.98	99.98
Phatra Securities PCL.	Securities	99.95 ⁽¹⁾	99.95 ⁽¹⁾
Phatra Asset Management Co., Ltd.	Fund Management	99.97 ⁽²⁾	99.97 ⁽²⁾
Erawan Law Office Co., Ltd.	Law Office	99.96 ⁽³⁾	99.96 ⁽³⁾
Asia Recovery 1 Fund	Investments	99.95	99.95
Asia Recovery 2 Fund	Investments	99.59	99.59
Asia Recovery 3 Fund	Investments	99.97	99.97
Thai Restructuring Fund	Investments	98.91	98.91
Bangkok Capital Fund	Investments	95.72	95.72
Gamma Capital Fund	Investments	94.03	94.03
CMIC Development Co., Ltd.	Real estate	80.58	80.58
Phatra Asset Management (Cayman) Limited	Fund Management	99.98 ⁽⁴⁾	99.98 ⁽⁴⁾
Phatra Equity Market Neutral Asia Pacific Fund	Investments	99.95 ⁽⁵⁾	-

(1) Indirectly holding via Phatra Capital PCL. of 99.97%

(2) Indirectly holding via Phatra Capital PCL. of 99.99%

(3) Registered for liquidation on 30 June 2016 and under liquidation process

(4) Indirectly holding via Phatra Capital PCL. of 100.00% and registered as a limited company on 25 July 2016.

(5) Indirectly having control via Phatra Securities PCL.

2.3 Revised accounting standards, revised financial reporting standards, and related interpretations

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017 and relevant to the Group.

a) Financial reporting standards, which have significant changes:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TFRS 10 (revised 2016)	Consolidated financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

2 Accounting policies (Cont'd)

2.3 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017 and relevant to the Group. (Cont'd)

a) Financial reporting standards, which have significant changes: (Cont'd)

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

Management has already assessed that those accounting standards have no significant impact on the Group interim financial information.

b) Financial reporting standards with minor changes

There are 47 financial reporting standards with minor changes. Management assesses that they do not have an impact on the Group interim financial information.

2 Accounting policies (Cont'd)

2.3 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable.

Management has already assessed that those accounting standards have no significant impact on the Group interim financial information.

2 Accounting policies (Cont'd)

2.4 Change in presentation

According to Sor Thor 22/2016, announcement of The Office of the Securities and Exchange Commission in relation to the format of securities company financial statements, securities company shall change the presentation following this announcement. However, the management assesses to the impact from the reclassification of comparative figures that the impact is not material. Therefore, the Group does not restate the comparative figures of the year 2016.

The effect of change in presentation to the comparative figures are as follow:

	Originally stated	Effect of change
	Thousand Baht	in presentation
		Increase (Decrease)
		Thousand Baht
Statement of financial position		
As at 31 December 2016		
Assets		
Accounts receivable from clearing house and broker - dealers	629,469	168,227
Securities and derivative business receivables	7,602,021	(8,947)
Other assets, net	2,157,627	(159,280)
Liabilities		
Accounts payable to clearing house and broker - dealers	2,885,681	12,007
Securities and derivative business payables	4,382,762	(4,130)
Other account payable	1,876,181	(7,877)
Statement of Profit or Loss and Other		
Comprehensive Income		
For the three-month period ended 30 September 2016		
Revenue		
Fees and services income	1,009,220	(94)
Expenses		
Fees and services expenses	120,977	(94)
Premises and equipment expenses	232,781	23
Other expenses	405,396	(23)
Statement of Profit or Loss and Other		
Comprehensive Income		
For the nine-month period ended 30 September 2016		
Revenue		
Fees and services income	3,041,643	(343)
Expenses		
Fees and services expenses	348,833	(329)
Premises and equipment expenses	736,777	61
Other expenses	1,228,060	(75)

3 Estimates

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

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

4 Segment information

Segment information is summarised as follows:

The Group discloses operating segments information in accordance with the Thai Financial Reporting Standard No.8 "Operating Segments" and under the same basis as internal management reports presented to the Group's chief operating decision maker for resources allocation to and performance evaluation of various segments. Accordingly, the Group has divided reportable segments in accordance with the new structure of the Kiatnakin Phatra Financial Group and characteristics of segments operating in significantly diverse environment. These operating segments are; Commercial Banking Business, Capital Market Business, and the Debt Restructuring Segment under the Commercial Banking Business. Details of each operating segment are as follows:

- Commercial banking business consists of all commercial banking business and CMIC Development Co., Ltd except for the Debt restructuring segment.
- Capital market business consists of Phatra Capital PCL., Phatra Securities PCL., Phatra Asset Management Co., Ltd., Phatra Asset Management (Cayman) Limited, and Phatra Equity Market Neutral Asia Pacific Fund.
- The Debt restructuring segment

Assessing the performance of operating segments is measured in accordance with Thai Financial Reporting Standard as adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralised costs and income between segments. Transactions between segments are eliminated on consolidation.

4.1 Operation result

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the three-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated			Total Million Baht
	For the three-month period ended 30 September 2017			
	Commerical banking business Million Baht	Capital market business Million Baht	Debt Restructuring segment Million Baht	
Income from external clients				
Interest income, net	2,651	(26)	152	2,777
Fees and services income, net	481	546	-	1,027
Other operating income	219	264	6	489
Total operating income	3,351	784	158	4,293
Income between segments	550	28	-	578
Depreciation and amortisation	86	26	3	115
Other expenses	1,709	385	(86)	2,008
Total other operating expenses	1,795	411	(83)	2,123
Impairment loss on loans and debt securities (reversal)	83	-	(8)	75
Profit from operating before income tax expenses	1,473	373	249	2,095
Income tax	283	74	16	373
Net profit	1,190	299	233	1,722

4 Segment information (Cont'd)

4.1 Operation result (Cont'd)

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the three-month periods ended 30 September 2017 and 2016 are as follows:
(Cont'd)

	Consolidated			
	For the three-month period ended 30 September 2016			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt Restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	2,422	(12)	549	2,959
Fees and services income, net	464	424	-	888
Other operating income	197	347	4	548
Total operating income	3,083	759	553	4,395
Income between segments	587	22	3	612
Depreciation and amortisation	76	26	2	104
Other expenses	1,433	355	(476)	1,312
Total other operating expenses	1,509	381	(474)	1,416
Impairment loss on loans and debt securities (reversal)	1,036	-	(25)	1,011
Profit from operating before income tax expenses	538	378	1,052	1,968
Income tax	128	80	45	253
Net profit	410	298	1,007	1,715

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated			
	For the nine-month periods ended 30 September 2017			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt Restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	7,746	(83)	308	7,971
Fees and services income, net	1,394	1,491	1	2,886
Other operating income	647	537	8	1,192
Total operating income	9,787	1,945	317	12,049
Income between segments	1,182	75	-	1,257
Depreciation and amortisation	253	77	10	340
Other expenses	4,693	1,082	(110)	5,665
Total other operating expenses	4,946	1,159	(100)	6,005
Impairment loss on loans and debt securities (reversal)	666	-	32	698
Profit from operating before income tax expenses	4,175	786	385	5,346
Tax expenses	711	162	14	887
Net profit	3,464	624	371	4,459

4 Segment information (Cont'd)

4.1 Operation result (Cont'd)

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the three-month periods ended 30 September 2017 and 2016 are as follows:
(Cont'd)

	Consolidated			
	For the nine-month periods ended 30 September 2016			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt Restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	6,978	(31)	884	7,831
Fees and services income, net	1,362	1,330	1	2,693
Other operating income	382	1,085	4	1,471
Total operating income	8,722	2,384	889	11,995
Income between segments	1,945	71	10	2,026
Depreciation and amortisation	224	87	5	316
Other expenses	4,221	1,233	(847)	4,607
Total other operating expenses	4,445	1,320	(842)	4,923
Impairment loss on loans and debt securities (reversal)	2,249	-	(36)	2,213
Profit from operating before income tax expenses	2,028	1,064	1,767	4,859
Tax expenses	376	235	96	707
Net profit	1,652	829	1,671	4,152

Total assets classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment

	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
As at 30 September 2017	213,337	26,597	5,790	245,724
As at 31 December 2016	203,786	23,572	6,418	233,776

4.2 Reconciliation operating segments information

Reconciliation between consolidated income from all segments and income and reconciliation between consolidated profit from all segments and profit from operating before income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated	
	For the three-month periods ended 30 September	
	2017 Million Baht	2016 Million Baht
Income		
Consolidated profit from all segments	4,871	5,007
Elimination of inter-segment profit	(578)	(612)
Total income	4,293	4,395
Profit		
Consolidated profit from all segments	2,095	1,968
Elimination of inter-segment profit	-	-
Profit from operating before income tax expenses	2,095	1,968

4 Segment information (Cont'd)

4.2 Reconciliation operating segments information (Cont'd)

Reconciliation between consolidated income from all segments and income and reconciliation between consolidated profit from all segments and profit from operating before income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows: (Cont'd)

	Consolidated	
	For the nine-month periods ended 30 September	
	2017	2016
	Million Baht	Million Baht
Income		
Consolidated profit from all segments	13,306	14,021
Elimination of inter-segment profit	(1,257)	(2,026)
Total income	<u>12,049</u>	<u>11,995</u>
Profit		
Consolidated profit from all segments	5,346	4,859
Elimination of inter-segment profit	-	-
Profit from operating before income tax expenses	<u>5,346</u>	<u>4,859</u>

Reconciliation between consolidated assets from all segments and total assets as at 30 September 2017 and 31 December 2016 are as follows:

	Consolidated	
	30 September	31 December
	2017	2016
	Million Baht	Million Baht
Assets		
Consolidated assets from all segments	245,724	233,776
Elimination of inter-segment assets	-	-
Total assets	<u>245,724</u>	<u>233,776</u>

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

The Bank and its subsidiaries operate in Thailand mainly. Only Phatra Asset Management (Cayman) Limited and Phatra Equity Market Neutral Asia Pacific Fund operate in Cayman. However, the transactions from both entities are immaterial to the interim consolidated financial information.

There has been no material change in total assets or total liabilities from the amounts disclosed in the last annual financial statements.

5 Investments in securities, net

5.1 Classification of investments in securities

	Consolidated		Separate	
	Fair value		Fair value	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
Trading securities				
Government and state enterprise securities	706,236	441,639	706,236	441,639
Private sector's debt securities	228,178	417,936	228,178	417,936
Domestic marketable equity securities	12,609,571	13,473,147	-	1,912,429
Total trading securities	13,543,985	14,332,722	934,414	2,772,004
Securities designated at fair value through profit or loss*				
Domestic marketable equity securities	2,547,477	-	2,547,477	-
Total securities designated at fair value through profit or loss	2,547,477	-	2,547,477	-
Available-for-sale securities				
Government and state enterprise securities	9,744,313	9,245,168	9,744,313	9,214,925
Domestic marketable equity securities	4,196,682	2,736,980	3,129,243	2,024,820
Foreign marketable equity securities	1,696,892	932,258	-	-
Total available-for-sale securities	15,637,887	12,914,406	12,873,556	11,239,745

*The Bank classifies investments which have specific intention to manage the risk in trading derivatives portfolio as investment designated at fair value through profit or loss (Fair Value Option) to help the Bank reduces the accounting mismatch on measurement or recognition between investments and trading derivatives transactions.

	Consolidated		Separate	
	Cost/Amortised cost		Cost/Amortised cost	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
Held-to-maturity debt securities				
Government and state enterprise securities	1,178,044	1,093,949	1,003,479	1,004,185
Total held-to-maturity debt securities	1,178,044	1,093,949	1,003,479	1,004,185
General investments				
Domestic non-marketable equity securities	51,447	51,646	30,999	31,199
<u>Less</u> Allowance for impairment	(27,341)	(27,387)	(2,153)	(2,199)
Total general investments	24,106	24,259	28,846	29,000
Total investments in securities, net	32,931,499	28,365,336	17,387,772	15,044,934

5 Investments in securities, net (Cont'd)

5.2 Investments in securities with holdings of 10% upwards

Investments in securities in which the Group hold 10% upwards of the paid-up capital in each entity, classified by industry are as follows:

Business type	Consolidated and Separate				
	30 September 2017		31 December 2016		
	Investment amount at cost Baht	Holding %	Investment amount at cost Baht	Holding %	
<u>Other companies</u>					
Rayongrungrong Co., Ltd.	Real Estate	14,949,792	24.99	14,950,427	24.99
BTMU Leasing (Thailand) Co., Ltd.	Leasing	3,085,200	10.00	3,085,200	10.00

5.3 Recognition of transaction in profit or loss and other comprehensive income for available for sales investments

Recognition of transaction in profit or loss and other comprehensive income for available for sales investments for the three-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	30 September 2017 Thousand Baht	30 September 2016 Thousand Baht	30 September 2017 Thousand Baht	30 September 2016 Thousand Baht
Gain (loss) from change in value of available-for-sale Investments	264,491	22,072	166,558	20,290
Realised (gain) loss from sale of available-for-sale investments transferred to profit or loss	(124,151)	2	(14,724)	-
	<u>140,340</u>	<u>22,074</u>	<u>151,834</u>	<u>20,290</u>

Recognition of transaction in profit or loss and other comprehensive income for available for sales investments for the nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	30 September 2017 Thousand Baht	30 September 2016 Thousand Baht	30 September 2017 Thousand Baht	30 September 2016 Thousand Baht
Gain (loss) from change in value of available-for-sale Investments	682,259	559,572	118,741	337,685
Realised (gain) loss from sale of available-for-sale investments transferred to profit or loss	(175,382)	(113,348)	(24,391)	-
	<u>506,877</u>	<u>446,224</u>	<u>94,350</u>	<u>337,685</u>

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6 Investments in subsidiaries, net

The Bank has investments in subsidiaries as follows:

		Separate					
		30 September 2017					
		Cost method			Net balance Thousand Baht	Holding %	Dividend received and profit sharing Thousand Baht
Business type	Securities investment type	Cost Thousand Baht	Impairment Thousand Baht	Cost			
Phatra Capital PCL.	Holding Company	Ordinary shareholder	7,170,617	-	7,170,617	99.98	420,528
Erawan Law Office Co., Ltd.	Law office	Ordinary shareholder	999	-	999	99.96	-
Asia Recovery 1 Fund	Investments*	Unit trust	192,037	(5,176)	186,861	99.95	-
Asia Recovery 2 Fund	Investments*	Unit trust	449,476	(2,589)	446,887	99.59	-
Asia Recovery 3 Fund	Investments*	Unit trust	588,600	-	588,600	99.97	11,678
Thai Restructuring Fund	Investments*	Unit trust	166,200	-	166,200	98.91	932
Bangkok Capital Fund	Investments*	Unit trust	1,801,113	(1,062,928)	738,185	95.72	242,685
Gamma Capital Fund	Investments*	Unit trust	1,219,914	(484,252)	735,662	94.03	276,145
CMIC Development Co., Ltd.	Real estate	Ordinary shareholder	-	-	-	80.58	-
			11,588,956	(1,554,945)	10,034,011		951,968

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

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6 Investments in subsidiaries, net (Cont'd)

The Bank has investments in subsidiaries as follows: (Cont'd)

		Separate					
		31 December 2016					
		Cost method			Net balance	Holding	Dividend
Business type	Securities investment type	Cost	Impairment	Thousand			
		Thousand	Thousand	Thousand		profit sharing	
		Baht	Baht	Baht		Thousand	
						Baht	
Phatra Capital PCL.	Holding Company	Ordinary shareholder	7,170,617	-	7,170,617	99.98	1,019,780
Erawan Law Office Co., Ltd.	Law office	Ordinary shareholder	999	-	999	99.96	52,979
Asia Recovery 1 Fund	Investments*	Unit trust	223,687	-	223,687	99.95	15,992
Asia Recovery 2 Fund	Investments*	Unit trust	710,476	(42,004)	668,472	99.59	-
Asia Recovery 3 Fund	Investments*	Unit trust	630,305	(5,989)	624,316	99.97	62,659
Thai Restructuring Fund	Investments*	Unit trust	166,200	-	166,200	98.91	252,223
Asia Recovery Property Fund 3	Investments**	Unit trust	-	-	-	-	3,945
Bangkok Capital Fund	Investments*	Unit trust	1,801,113	(869,052)	932,061	95.72	552,671
Gamma Capital Fund	Investments*	Unit trust	1,219,914	(295,078)	924,836	94.03	572,525
CMIC Development Co., Ltd.	Real estate	Ordinary shareholder	-	-	-	80.58	-
			11,923,311	(1,212,123)	10,711,188		2,532,774

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

** Investments in receivables or properties and was liquidated

6 Investments in subsidiaries, net (Cont'd)

The liquidation of the capital of the mutual funds

According to the Notifications of the Capital Market Supervisory Board No. Thor Nor. 21/2552 Thor Nor. 22/2552, and Thor Nor. 23/2552: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institutions Problems, it specified that the maturity date of the scheme to be no later than 31 August 2015. Therefore, Asia Recovery Property Fund 1, Asia Recovery Property Fund 3, Asia Recovery Fund 1, Asia Recovery Fund 2, Asia Recovery Fund 3, Thai Restructuring Fund, Bangkok Capital Fund and Gamma Capital Fund are required to be liquidated in accordance with these notifications.

The Asia Recovery Property Fund 3 and the Asia Recovery Property Fund 1 were liquidated on 24 March 2016 and 26 November 2015, respectively. The remaining funds are in the process of liquidation.

During the nine-month period ended 30 September 2017, The Bank has received capital distribution for liquidation from Asia Recovery Fund 1, Asia Recovery Fund 2, and Asia Recovery Fund 3 in amount of Baht 334.36 million (30 September 2016 : the Bank has received capital distribution for liquidation from Asia Recovery Property Fund 3, Asia Recovery Fund 2, and Thai Restructuring Fund in the amount of Baht 612.93 million).

7 Investments in receivables, net

The details of investments in receivables auctioned from the Financial Restructuring Authority ("FRA"), the Legal Execution Department ("LED") and other companies are as follows:

Purchase date	Consolidated and Separate			
	30 September 2017			
	Number of debtors	Outstanding balance per original and renewed agreements Thousand Baht	Cost Thousand Baht	Fair value Thousand Baht
<u>Kiatnakin Bank Public Company Limited</u>				
Receivables auctioned from FRA				
30 September 1999	301	2,119,301	154,809	66,614
15 December 1999	146	416,023	4,464	5,452
Receivables purchased				
January 2009 - September 2017	3	110,687	55,349	23,027
Receivables auctioned from LED	1,142	11,663,636	958,660	694,747
	1,592	14,309,647	1,173,282	789,840
<u>Subsidiaries (Fund)</u>	2,638	49,317,672	952,210	1,549,671
Total	4,230	63,627,319	2,125,492	2,339,511
Consolidated and Separate				
31 December 2016				
	Number of debtors	Outstanding balance per original and renewed agreements Thousand Baht	Cost Thousand Baht	Fair value Thousand Baht
<u>Kiatnakin Bank Public Company Limited</u>				
Receivables auctioned from FRA				
30 September 1999	301	2,120,910	159,132	71,419
15 December 1999	147	416,645	4,464	4,925
Receivables purchased				
January 2009 - December 2016	3	110,687	55,349	23,235
Receivables auctioned from LED	1,158	11,677,031	978,418	730,150
	1,609	14,325,273	1,197,363	829,729
<u>Subsidiaries (Fund)</u>	2,651	49,341,659	1,040,694	1,724,057
Total	4,260	63,666,932	2,238,057	2,553,786

8 Loans to customers and accrued interest receivables, net

8.1 Classified by product

	Consolidated		Separate	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<u>Loans</u>				
Overdrafts	982,615	1,115,428	982,615	1,115,428
Loans	72,142,889	56,741,485	74,581,638	58,806,235
Bills	45,555	48,836	45,555	48,836
Hire-purchase receivables	129,302,835	137,731,087	129,302,835	137,731,087
Finance lease receivables	759,025	850,994	759,025	850,994
Total loans	203,232,919	196,487,830	205,671,668	198,552,580
<u>Less</u> Deferred revenue	(19,418,612)	(20,133,733)	(19,418,612)	(20,133,733)
Total loans net of deferred revenue	183,814,307	176,354,097	186,253,056	178,418,847
<u>Add</u> Accrued interest receivables	982,950	922,666	987,945	926,724
Total loans and accrued interest receivables net of deferred revenue	184,797,257	177,276,763	187,241,001	179,345,571
<u>Less</u> Allowance for doubtful accounts				
1. Minimum allowance per BOT guideline				
- Individual Approach	(2,415,414)	(2,209,657)	(2,430,114)	(2,220,557)
- Collective Approach	(3,453,299)	(3,625,354)	(3,453,299)	(3,625,354)
2. Surplus reserve	(5,022,013)	(5,129,700)	(5,022,013)	(5,129,700)
<u>Less</u> Allowance for troubled debt restructuring	(1,745)	(1,135)	(1,745)	(1,135)
Net loans to customers and accrued interest receivables	173,904,786	166,310,917	176,333,830	168,368,825

Deferred interest revenue of hire-purchase and finance lease contracts are stated net of commissions and direct expenses incurred at the initiation of the contracts.

8.2 Classified by currency and residence of customers

	Consolidated		Separate	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic				
Baht	179,974,216	172,578,655	182,412,965	174,643,405
US Dollar	206,082	-	206,082	-
Foreign				
Baht	2,017,213	2,017,344	2,017,213	2,017,344
US Dollar	1,616,796	1,758,098	1,616,796	1,758,098
Total loans	183,814,307	176,354,097	186,253,056	178,418,847

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8 Loans to customers and accrued interest receivables, net (Cont'd)

8.3 Classified by business type and loans classification

	Consolidated					Separate						
	30 September 2017					30 September 2017						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht
Agriculture and mining	190,920	-	-	29	8,568	199,517	190,920	-	-	29	8,568	199,517
Manufacturing and commerce	8,639,652	295,192	250,935	373,239	493,626	10,052,644	8,639,652	295,192	250,935	373,239	493,626	10,052,644
Property development and construction	19,858,536	1,364,383	1,031,905	788,111	4,508,485	27,551,420	20,827,285	1,364,383	1,031,905	788,111	4,508,485	28,520,169
Public utilities and services	8,822,254	78,119	23,160	10,897	50,220	8,984,650	8,822,254	78,119	23,160	10,897	50,220	8,984,650
Housing loans	8,205,222	55,640	27,613	48,761	53,649	8,390,885	8,205,222	55,640	27,613	48,761	53,649	8,390,885
Hire-purchase loans	96,081,967	11,532,657	1,064,562	885,779	410,597	109,975,562	96,081,967	11,532,657	1,064,562	885,779	410,597	109,975,562
Leasing loans	572,995	57,992	27,450	6,015	31,715	696,167	572,995	57,992	27,450	6,015	31,715	696,167
Others	17,516,741	217,606	171,160	14,160	43,795	17,963,462	18,986,741	217,606	171,160	14,160	43,795	19,433,462
Total loans	159,888,287	13,601,589	2,596,785	2,126,991	5,600,655	183,814,307	162,327,036	13,601,589	2,596,785	2,126,991	5,600,655	186,253,056
Accrued interest receivables	777,835	205,115	-	-	-	982,950	782,830	205,115	-	-	-	987,945
Total	160,666,122	13,806,704	2,596,785	2,126,991	5,600,655	184,797,257	163,109,866	13,806,704	2,596,785	2,126,991	5,600,655	187,241,001

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8 Loans to customers and accrued interest receivables, net (Cont'd)

8.3 Classified by business type and loans classification (Cont'd)

	Consolidated						Separate					
	31 December 2016						31 December 2016					
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht
Agriculture and mining	193,277	-	96	8,568	-	201,941	193,277	-	96	8,568	-	201,941
Manufacturing and commerce	9,189,594	188,166	366,795	172,909	450,860	10,368,324	9,189,594	188,166	366,795	172,909	450,860	10,368,324
Property development and construction	18,557,481	2,320,221	1,638,770	538,162	4,203,054	27,257,688	19,532,231	2,320,221	1,638,770	538,162	4,203,054	28,232,438
Public utilities and services	4,746,752	120,568	7,007	1,757	54,195	4,930,279	4,746,752	120,568	7,007	1,757	54,195	4,930,279
Housing loans	3,235,710	57,394	11,326	18,191	45,714	3,368,335	3,235,710	57,394	11,326	18,191	45,714	3,368,335
Hire-purchase loans	103,247,204	12,209,223	1,134,256	827,127	270,310	117,688,120	103,247,204	12,209,223	1,134,256	827,127	270,310	117,688,120
Leasing loans	711,347	7,273	27,188	11,062	21,316	778,186	711,347	7,273	27,188	11,062	21,316	778,186
Others	11,426,266	175,441	101,137	11,087	47,293	11,761,224	12,516,266	175,441	101,137	11,087	47,293	12,851,224
Total loans	151,307,631	15,078,286	3,286,575	1,588,863	5,092,742	176,354,097	153,372,381	15,078,286	3,286,575	1,588,863	5,092,742	178,418,847
Accrued interest receivables	708,941	213,725	-	-	-	922,666	712,999	213,725	-	-	-	926,724
Total	152,016,572	15,292,011	3,286,575	1,588,863	5,092,742	177,276,763	154,085,380	15,292,011	3,286,575	1,588,863	5,092,742	179,345,571

8 Loans to customers and accrued interest receivables, net (Cont'd)

8.4 Classified by business type and loans classification

Loans classification	Consolidated 30 September 2017			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	64,094,475	22,929,970	1.00	229,300
Other hire-purchase receivables ⁽²⁾	4,797,464	2,740,293	1.00	27,403
Hire-purchase receivables	91,774,183	91,304,334	1.54	1,405,040
Special mention				
Loans ⁽¹⁾	2,090,063	391,937	2.00	7,838
Other hire-purchase receivables ⁽²⁾	157,346	123,974	2.00	2,480
Hire-purchase receivables	11,559,295	11,377,271	11.02	1,253,361
Substandard				
Loans	1,532,223	382,086	100.00	382,086
Other hire-purchase receivables ⁽²⁾	39,999	26,059	100.00	26,059
Hire-purchase receivables	1,024,563	1,024,563	34.25	350,906
Doubtful				
Loans	1,241,213	253,285	100.00	253,285
Other hire-purchase receivables ⁽²⁾	10,444	10,444	100.00	10,444
Hire-purchase receivables	875,335	875,335	34.67	303,479
Doubtful loss				
Loans	5,190,056	1,473,403	100.00	1,473,403
Other hire-purchase receivables ⁽²⁾	3,116	3,116	100.00	3,116
Hire-purchase receivables	407,482	407,482	34.48	140,513
Total loans and accrued interest receivables	<u>184,797,257</u>	<u>133,323,552</u>		5,868,713
Additional allowance for some doubtful accounts				522,013
General reserve				<u>4,500,000</u>
Total				<u>10,890,726</u>

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables-fleet, car3X and mortorbike

8 Loans to customers and accrued interest receivables, net (Cont'd)

8.4 Classified by business type and loans classification (Cont'd)

Loans classification	Consolidated 31 December 2016			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	48,276,862	14,392,177	1.00	143,922
Other hire-purchase receivables ⁽²⁾	4,402,222	2,667,242	1.00	26,672
Hire-purchase receivables	99,337,488	98,861,399	1.54	1,520,449
Special mention				
Loans ⁽¹⁾	2,897,756	234,877	2.00	4,697
Other hire-purchase receivables ⁽²⁾	156,798	144,311	2.00	2,886
Hire-purchase receivables	12,237,457	12,054,638	11.36	1,369,207
Substandard				
Loans	2,152,319	462,354	100.00	462,354
Other hire-purchase receivables ⁽²⁾	91,423	63,362	100.00	63,362
Hire-purchase receivables	1,042,833	1,042,833	34.61	360,935
Doubtful				
Loans	761,736	228,470	100.00	228,470
Other hire-purchase receivables ⁽²⁾	7,100	7,100	100.00	7,100
Hire-purchase receivables	820,027	820,027	34.54	283,198
Doubtful loss				
Loans	4,822,432	1,270,161	100.00	1,270,161
Other hire-purchase receivables ⁽²⁾	33	33	100.00	33
Hire-purchase receivables	270,277	270,277	33.88	91,565
Total loans and accrued interest receivables	<u>177,276,763</u>	<u>132,519,261</u>		5,835,011
Additional allowance for some doubtful accounts				629,700
General reserve				<u>4,500,000</u>
Total				<u>10,964,711</u>

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables-fleet, car3X and mortorbike

8 Loans to customers and accrued interest receivables, net (Cont'd)

8.4 Classified by business type and loans classification (Cont'd)

Loans classification	Separate 30 September 2017			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	66,538,219	24,399,970	1.00	244,000
Other hire-purchase receivables ⁽²⁾	4,797,464	2,740,293	1.00	27,403
Hire-purchase receivables	91,774,183	91,304,334	1.54	1,405,040
Special mention				
Loans ⁽¹⁾	2,090,063	391,937	2.00	7,838
Other hire-purchase receivables ⁽²⁾	157,346	123,974	2.00	2,480
Hire-purchase receivables	11,559,295	11,377,271	11.02	1,253,361
Substandard				
Loans	1,532,223	382,086	100.00	382,086
Other hire-purchase receivables ⁽²⁾	39,999	26,059	100.00	26,059
Hire-purchase receivables	1,024,563	1,024,563	34.25	350,906
Doubtful				
Loans	1,241,213	253,285	100.00	253,285
Other hire-purchase receivables ⁽²⁾	10,444	10,444	100.00	10,444
Hire-purchase receivables	875,335	875,335	34.67	303,479
Doubtful loss				
Loans	5,190,056	1,473,403	100.00	1,473,403
Other hire-purchase receivables ⁽²⁾	3,116	3,116	100.00	3,116
Hire-purchase receivables	407,482	407,482	34.48	140,513
Total loans and accrued interest receivables	<u>187,241,001</u>	<u>134,793,552</u>		5,883,413
Additional allowance for some doubtful accounts				522,013
General reserve				<u>4,500,000</u>
Total				<u>10,905,426</u>

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables-fleet, car 3X and mortorbike

8 Loans to customers and accrued interest receivables, net (Cont'd)

8.4 Classified by business type and loans classification (Cont'd)

Loans classification	Separate 31 December 2016			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	50,345,670	15,482,177	1.00	154,822
Other hire-purchase receivables ⁽²⁾	4,402,222	2,667,242	1.00	26,672
Hire-purchase receivables	99,337,488	98,861,399	1.54	1,520,449
Special mention				
Loans ⁽¹⁾	2,897,756	234,877	2.00	4,697
Other hire-purchase receivables ⁽²⁾	156,798	144,311	2.00	2,886
Hire-purchase receivables	12,237,457	12,054,638	11.36	1,369,207
Standard				
Loans	2,152,319	462,354	100.00	462,354
Other hire-purchase receivables ⁽²⁾	91,423	63,362	100.00	63,362
Hire-purchase receivables	1,042,833	1,042,833	34.61	360,935
Doubtful				
Loans	761,736	228,470	100.00	228,470
Other hire-purchase receivables ⁽²⁾	7,100	7,100	100.00	7,100
Hire-purchase receivables	820,027	820,027	34.54	283,198
Doubtful loss				
Loans	4,822,432	1,270,161	100.00	1,270,161
Other hire-purchase receivables ⁽²⁾	33	33	100.00	33
Hire-purchase receivables	270,277	270,277	33.88	91,565
Total loans and accrued interest receivables	<u>179,345,571</u>	<u>133,609,261</u>		5,845,911
Additional allowance for some doubtful accounts				629,700
General reserve				<u>4,500,000</u>
Total				<u>10,975,611</u>

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables-fleet, car 3X and mortorbike

8 Loans to customers and accrued interest receivables, net (Cont'd)

8.5 Non-performing loans

The Group has non-performing loans, defined according to the BOT's Notification as loan classified as substandard, doubtful, and doubtful loss, including interbank and money market items, but excluding accrued interest receivables, as follows:

	Consolidated		Separate	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
Non-performing loans (excluding accrued interest receivables)	10,324,431	9,968,180	10,324,431	9,968,180
Percentage of non-performing loans to total loans (including loans to financial institutions)	5.44	5.39	5.31	5.23
Non-performing loans net of allowance for doubtful accounts (excluding accrued interest receivables)	7,033,577	6,766,736	7,033,577	6,766,736
Percentage of non-performing loans net of allowance for doubtful accounts to total loans net of allowance for doubtful accounts (including loans to financial institutions)	3.77	3.72	3.68	3.61
Percentage of non-performing loans to the total of each type of loans				
Loans	10.78	13.16	10.44	12.72
Hire-purchase receivables	2.15	1.90	2.15	1.90

Loans and accrued interest receivables from which recognition of income based on accrual basis has been discontinued are as follows:

	Consolidated and Separate			
	30 September 2017		31 December 2016	
	Principal Thousand Baht	Interest receivables Thousand Baht	Principal Thousand Baht	Interest receivables Thousand Baht
Loans and bills receivables	7,963,493	-	7,736,487	-
Hire-purchase receivables	2,360,938	-	2,231,693	-
Total loans from which recognition of income has been discontinued	10,324,431	-	9,968,180	-

9 Troubled debt restructuring

As at 30 September 2017, the Group has outstanding receivables which have been restructured as follows:

	Consolidated and Separate		
	Number of loans	Outstanding balance after restructuring Thousand Baht	Outstanding balance Thousand Baht
Restructured before 2017	66	1,319,543	201,434
Restructured during the nine-month period ended 30 September 2017	2	8,369	-

Details of customers whose debts have been restructured during the nine-month period ended 30 September 2017 and 2016 compared with the total customers, both in the consolidated and bank interim financial information are as follows:

	Consolidated and Separate			
	2017		2016	
	Number of loans	Outstanding balance before restructuring Thousand Baht	Number of loans	Outstanding balance before restructuring Thousand Baht
Restructured debts	2	8,369	3	81,061
Total customers	454,815	186,253,056	467,180	177,221,153

Details of the restructured debts for the nine-month periods ended 30 September 2017 and 2016, classified into the restructuring methods are as follows:

	Consolidated and Separate					
	For the nine-month periods ended 30 September 2017					
	Number of loans	Outstanding balance		Assets transferred		
		Before restructuring Thousand Baht	After restructuring Thousand Baht	Type of assets	Fair value of assets Thousand Baht	Loss from restructuring Thousand Baht
Transfer of properties	1	8,258	-	Land and Building	4,671	3,587
Modifications of terms of receivables	1	111	-		-	71
Total	2	8,369	-		4,671	3,658

	Consolidated and Separate					
	For the nine-month periods ended 30 September 2016					
	Number of loans	Outstanding balance		Assets transferred		
		Before restructuring Thousand Baht	After restructuring Thousand Baht	Type of assets	Fair value of assets Thousand Baht	Loss from restructuring Thousand Baht
Transfer of properties	3	81,061	-	Land and Building	78,815	2,245
Total	3	81,061	-		78,815	2,245

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9 Troubled debt restructuring (Cont'd)

The debts restructured referred to above can be classified by the terms of repayment under the restructuring agreements as follows:

Period of debts restructuring contracts	Consolidated and Separate					
	For the nine-month periods ended			For the nine-month periods ended		
	30 September 2017			30 September 2016		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
Before restructuring Thousand Baht		After restructuring Thousand Baht	Before restructuring Thousand Baht		After restructuring Thousand Baht	
0 - 1 month	-	-	-	-	-	-
More than 1 month - 3 months	-	-	-	-	-	-
More than 3 months - 6 months	-	-	-	-	-	-
More than 6 months - 12 months	-	-	-	-	-	-
More than 12 months	1	90,671	28,280	1	90,671	42,964
Total	1	90,671	28,280	1	90,671	42,964

Supplemental information relating to the restructured debts for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated and Separate			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loss on debt restructuring	-	-	3,658	2,245
Interest income	703	1,044	2,362	9,541

10 Allowance for doubtful accounts

	Consolidated						
	30 September 2017						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
As at 1 January 2017	1,858,590	1,404,677	938,689	545,058	1,717,697	4,500,000	10,964,711
<u>Add</u> Doubtful accounts (reversal)	(31,199)	(132,195)	(146,321)	45,419	1,651,493	-	1,387,197
<u>Less</u> Bad debt written-off	-	-	-	-	(1,461,182)	-	(1,461,182)
As at 30 September 2017	1,827,391	1,272,482	792,368	590,477	1,908,008	4,500,000	10,890,726

	Consolidated						
	31 December 2016						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	1,696,744	1,505,626	1,086,998	1,269,411	1,130,556	2,850,000	9,539,335
<u>Add</u> Doubtful accounts (reversal)	161,846	(100,949)	(148,309)	(724,353)	2,452,348	1,650,000	3,290,583
<u>Less</u> Bad debt written-off	-	-	-	-	(1,865,207)	-	(1,865,207)
At end of year	1,858,590	1,404,677	938,689	545,058	1,717,697	4,500,000	10,964,711

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10 Allowance for doubtful accounts (Cont'd)

	Separate						Total Thousand Baht
	30 September 2017						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	
As at 1 January 2017	1,869,490	1,404,677	938,689	545,058	1,717,697	4,500,000	10,975,611
<u>Add</u> Doubtful accounts (reversal)	(27,399)	(132,195)	(146,321)	45,419	1,651,493	-	1,390,997
<u>Less</u> Bad debt written-off	-	-	-	-	(1,461,182)	-	(1,461,182)
As at 30 September 2017	<u>1,842,091</u>	<u>1,272,482</u>	<u>792,368</u>	<u>590,477</u>	<u>1,908,008</u>	<u>4,500,000</u>	<u>10,905,426</u>

	Separate						Total Thousand Baht
	31 December 2016						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	
At beginning of year	1,711,744	1,505,626	1,086,998	1,269,411	1,123,456	2,850,000	9,547,235
<u>Add</u> Doubtful accounts (reversal)	157,746	(100,949)	(148,309)	(724,353)	2,459,448	1,650,000	3,293,583
<u>Less</u> Bad debt written-off	-	-	-	-	(1,865,207)	-	(1,865,207)
At end of year	<u>1,869,490</u>	<u>1,404,677</u>	<u>938,689</u>	<u>545,058</u>	<u>1,717,697</u>	<u>4,500,000</u>	<u>10,975,611</u>

11 Allowance for troubled debt restructuring

	Consolidated and Separate	
	30 September 2017	31 December 2016
	Thousand Baht	Thousand Baht
At beginning of period/year	1,135	6,413
<u>Less</u> Increase (decrease) during period/year	610	(5,278)
At end of period/year	<u>1,745</u>	<u>1,135</u>

12 Legal Execution Department payable

As at 30 September 2017, and 31 December 2016, the Bank had an outstanding principal payable to the Legal Execution Department in the amount of Baht 575.38 million in accordance with the order of the Central Bankruptcy Court dated 16 November 2010 which resulted from the breach of contract for bidding a secured property in a bankruptcy case of a Bank's debtor in which the Legal Execution Department demanded for the different amount between the first and final bidding. On 17 January 2014 the Bank has placed with the official receiver a government bond of Baht 575,380,000 together with a letter of acknowledgement of debt, according to the resolution of the meeting of the creditors committee on 6 November 2013. Afterwards, the Bank has filed the petition with the official receiver requesting for preferential right over such amount since the Bank is a secured creditor over such secured property. In which the Central Bankruptcy Court dismissed the petition of the Bank. On 18 September 2015, the Bank filed the petition to the Supreme Court and was approved for the petition. Presently, such order is under the consideration of the Supreme Court.

13 Other liabilities

	Consolidated		Separate	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
Accrued Dividend	19	-	19	-
Accrued bonus	952,325	1,346,270	674,463	825,000
Accrued expenses	607,441	735,786	496,787	579,360
Front-end fees	235,648	248,337	251,324	261,227
Other income received in advance	1,816,335	1,908,668	1,904,288	2,004,228
Deposits	213,235	235,383	213,235	235,383
Suspense accounts cash received from customers	44,207	34,433	44,207	34,433
Value added tax payable	193,857	180,338	175,710	168,437
Others	194,641	83,799	151,714	33,843
Total other liabilities	4,257,708	4,773,014	3,911,747	4,141,911

14 Share capital

On 25 April 2016, the Annual General Meeting of the Bank's shareholders for the year 2016 approved the decrease of the Bank's registered capital from the existing registered capital of Baht 8,523,372,680 (852,337,268 shares) to a newly registered capital of Baht 8,467,511,090 (846,751,109 shares) with Baht 10 par value by reducing the total of 5,586,159 unissued ordinary shares of which 5,447,500 shares were remained from the exercise of ESOP Warrants and 138,659 shares were remained from the Bank's share swap with shares of Phatra Capital Public Company Limited.

15 Dividend paid

On 25 April 2016, the Annual General Meeting of the Bank's shareholders for the year 2016 approved the resolution regarding the payment of dividend for the year 2015 at the rate of Baht 3.00 per ordinary share, a part of which had been paid as interim dividend at the rate of Baht 1.00 per share on 25 September 2015, amounting to Baht 846,723,108 and the remaining amount will be paid on 24 May 2016 at the rate of Baht 2.00 per share, amounting to Baht 1,693,489,018.

On 25 August 2016, the meeting of the Board of Directors of the Bank No. 9/2559 approved the resolution regarding the payment of interim dividend from six-month period operating performance at the rate of Baht 2.00 per ordinary share. The dividends was paid on 23 September 2016 amounting to Baht 1,693,489,218.

On 24 April 2017, the Annual General Meeting of the Bank's shareholders for the year 2017 approved the resolution regarding the payment of dividend for the year 2016 at the rate of Baht 6.00 per ordinary share, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share on 23 September 2016, amounting to Baht 1,693,489,218 and the remaining amount will be paid on 23 May 2017 at the rate of Baht 4.00 per share, amounting to Baht 3,386,964,836.

On 24 August 2017, the meeting of the Board of Directors of the Bank No. 8/2017 approved the resolution regarding the payment of interim dividend from six-month period operating performance at the rate of Baht 2.00 per ordinary share. The dividends was paid on 22 September 2017 amounting to Baht 1,693,416,618.

16 Capital fund

As a result of BASEL II improvement, on 8 November 2012, the Bank of Thailand issued the new supervisory guideline on capital fund for the commercial bank to comply with global regulatory framework (BASEL III) of Basel Committee on Banking Supervision (BCBS) which is effective by phase starting on 1 January 2013 up to 1 January 2019.

The minimum capital requirement, the Bank of Thailand as follow:

Capital funds	Minimum required by BOT (%)
Common equity tier 1 capital to risk-weighted assets	4.50
Tier 1 capital to risk-weighted assets	6.00
Capital funds to risk-weighted assets	8.50

The Bank thus conducts the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Bank.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As at 30 September 2017 and 31 December 2016, the Bank's total capital funds can be categorised as follows:

	Consolidated		Separate	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
Tier 1 capital				
Issued and paid-up capital	8,467,511	8,467,511	8,467,511	8,467,511
Share premium	9,356,233	9,356,233	9,356,233	9,356,233
Legal reserve	852,337	852,337	852,337	852,337
General reserve	380	380	380	380
Retained earnings after appropriation	19,245,942	19,075,061	16,635,984	16,294,936
Other reserve and other provisions	715,719	289,332	384,587	292,309
Non-controlling interests	-	681	-	-
<u>Less</u> Deferred tax assets	(1,847,237)	(1,771,731)	(1,847,237)	(1,771,731)
Intangible Assets	(650,050)	(440,234)	(603,474)	(400,746)
Goodwill	(3,066,035)	(3,066,035)	(3,066,035)	(3,066,035)
Investments in equity securities	(106,250)	(187,668)	-	-
Total tier 1 capital	32,968,550	32,575,867	30,180,286	30,025,194
Tier 2 capital	7,055,828	7,041,104	7,055,828	7,041,040
Total capital fund	40,024,378	39,616,971	37,236,114	37,066,234

16 Capital fund (Cont'd)

As at 30 September 2017 and 31 December 2016, capital adequacy ratios and leverage ratios maintained by the Bank in accordance with the Notification of the BOT are as follows:

	Capital funds			
	Consolidated		Separate	
	30 September 2017 (%)	31 December 2016 (%)	30 September 2017 (%)	31 December 2016 (%)
Common equity tier 1 capital to risk-weighted assets	14.62	15.59	13.87	15.01
Tier 1 capital to risk-weighted assets	14.62	15.59	13.87	15.01
Capital funds to risk-weighted assets	17.74	18.96	17.12	18.53

	Consolidated		Separate	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
	Capital funds less capital add-ons			
Capital funds to risk-weighted assets (Thousand Baht)	40,024,378	39,616,971	37,236,114	37,066,234
Rate of capital funds to risk-weighted assets (%)	17.74	18.96	17.12	18.53

Disclosure of Capital Maintenance information under the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance for Commercial Banks.

Location of disclosure: www.kiatnakin.co.th
Date of disclosure: 30 October 2017
Information as at: 30 June 2017

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17 Interest income

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

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items	34,095	34,688	31,056	25,206
Investments in debt securities	93,443	102,873	78,536	86,730
Investments in receivables	153,748	568,901	(1,650)	121,141
Loans	1,369,685	1,113,965	1,402,348	1,141,494
Hire-purchase and financial leases	2,168,227	2,220,845	2,168,227	2,220,845
Others	905	-	910	-
Total	3,820,103	4,041,272	3,679,427	3,595,416

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items	107,233	98,564	108,527	71,110
Investments in debt securities	282,301	301,558	238,697	255,898
Investments in receivables	343,345	932,900	72,366	174,262
Loans	3,722,814	3,191,772	3,812,340	3,275,077
Hire-purchase and financial leases	6,630,113	6,677,950	6,630,113	6,677,950
Others	2,775	-	2,792	-
Total	11,088,581	11,202,744	10,864,835	10,454,297

18 Interest expenses

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

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deposits	585,787	517,999	585,791	517,999
Interbank and money market items	29,376	22,993	27,876	22,124
Contributions to Financial Institution Development Fund and Deposit Protection Agency	187,845	180,161	187,845	180,161
Debt issued				
Senior securities	141,641	271,585	141,641	271,585
Subordinated bond	70,890	61,521	70,890	61,521
Others	16,168	17,687	-	2,976
Fees and charges on borrowings	2,104	972	4,520	2,666
Others	9,513	9,072	2,074	-
Total	1,043,324	1,081,990	1,020,637	1,059,032

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18 Interest expenses (Cont'd)

Interest expense for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows: (Cont'd)

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deposits	1,698,383	1,606,644	1,698,866	1,606,812
Interbank and money market items	80,482	60,754	75,452	68,340
Contributions to Financial Institution Development Fund and Deposit Protection Agency	556,378	546,225	556,378	546,225
Debt issued				
Senior securities	491,472	911,296	491,472	911,296
Subordinated bond	210,360	162,602	210,360	162,602
Others	48,933	47,280	900	8,863
Fees and charges on borrowings	4,221	2,736	6,370	5,999
Others	27,500	34,016	2,499	-
Total	3,117,729	3,371,553	3,042,297	3,310,137

19 Fees and services income, net

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

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Fees and services income				
Brokerage fees	421,746	417,375	-	-
Bancassurance fees	246,070	229,656	246,070	229,656
Acceptance, avals and guarantees	17,616	19,001	17,616	19,001
Others	441,438	343,188	250,174	253,573
Total fees and services income	1,126,870	1,009,220	513,860	502,230
Fees and services expenses				
Security management fees	59,672	81,036	-	-
Others	39,626	39,941	29,396	32,640
Total fees and services expenses	99,298	120,977	29,396	32,640
Total	1,027,572	888,243	484,464	469,590

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19 Fees and services income, net (Cont'd)

Fees and services income, net for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows: (Cont'd)

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Fees and services income				
Brokerage fees	1,100,797	1,292,197	-	-
Bancassurance fees	725,975	708,153	725,975	708,153
Acceptance, avals and guarantees	54,680	62,478	54,680	62,478
Others	1,283,993	978,815	712,763	708,149
Total fees and services income	3,165,445	3,041,643	1,493,418	1,478,780
Fees and services expenses				
Security management fees	167,044	226,592	-	-
Others	112,221	122,241	86,204	99,633
Total fees and services expenses	279,265	348,833	86,204	99,633
Total	2,886,180	2,692,810	1,407,214	1,379,147

20 Gain on trading and foreign exchange transactions, net

Gain on trading and foreign exchange transactions, net for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on trading and foreign exchange transactions				
Foreign exchange	(10,094)	(4,517)	(4,466)	677
Debt securities	17,281	6,690	16,582	5,897
Equity securities	507,088	96,032	60,371	202,718
Derivatives	(469,504)	45,560	(12,422)	(190,295)
Total	44,771	143,765	60,065	18,997

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on trading and foreign exchange transactions				
Foreign exchange	(41,900)	(28,941)	(26,201)	6,743
Debt securities	58,699	49,771	56,642	46,776
Equity securities	42,406	706,133	(100,316)	562,254
Derivatives	27,535	(309,300)	213,915	(550,364)
Total	86,740	417,663	144,040	65,409

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21 Gain on investments, net

Gain on investments, net for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on sale				
Available-for-sale investments	124,151	(2)	14,724	-
General investments	76	-	76	-
Investments in subsidiaries	-	114,480	3,283	39,863
Total	124,227	114,478	18,083	39,863
Reversal (loss) on impairment				
Investments in subsidiaries	-	-	5,620	148,194
Total	-	-	5,620	148,194
Total gain on investments, net	124,227	114,478	23,703	188,057

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on sale				
Available-for-sale investments	175,382	113,348	24,391	-
General investments	76	-	76	-
Investments in subsidiaries	-	114,480	7,520	34,358
Total	175,458	227,828	31,987	34,358
Reversal (loss) on impairment				
General investments	46	(101)	46	(101)
Investments in subsidiaries	-	-	(342,822)	198,953
Total	46	(101)	(342,776)	198,852
Total gain on investments, net	175,504	227,727	(310,789)	233,210

22 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items	(4,524)	(13,000)	7,476	(11,250)
Loans	383,456	1,275,829	386,956	1,270,779
Loss on revaluation and impairment of investments in receivables	219	4,532	219	4,684
Gain from transferring investments in receivables to loans	-	(486)	-	(486)
Total	379,151	1,266,875	394,651	1,263,727
<u>Less</u> Bad debts recovered from loans and hire purchase receivables	(300,768)	(233,747)	(300,768)	(233,747)
Bad debts recovered from investments in receivables	(2,901)	(22,539)	(2,901)	(22,539)
Total	75,482	1,010,589	90,982	1,007,441

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items	3,872	(7,500)	(9,628)	(18,500)
Loans	1,387,808	2,900,292	1,391,608	2,894,717
Loss from restructuring	3,658	2,245	3,658	2,245
Loss on revaluation and impairment of investments in receivables	38,735	13,480	38,972	13,768
Gain from transferring investments in receivables to loans	-	(486)	-	(486)
Total	1,434,073	2,908,031	1,424,610	2,891,744
<u>Less</u> Bad debts recovered from loans and hire purchase receivables	(732,157)	(672,094)	(732,157)	(672,094)
Bad debts recovered from investments in receivables	(3,759)	(22,910)	(3,759)	(22,910)
Total	698,157	2,213,027	688,694	2,196,740

23 Income tax

Income tax for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current income tax for the period	350,328	353,292	273,515	265,525
Adjustment in respect of current income tax of previous period	-	143	-	-
Deferred tax	22,429	(100,546)	22,138	(98,881)
Total income tax expenses	372,757	252,889	295,653	166,644

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current income tax for the period	989,538	951,631	797,512	673,789
Adjustment in respect of current income tax of previous period	(7,929)	(8,915)	(5,349)	(8,435)
Deferred tax	(94,372)	(236,023)	(75,506)	(160,855)
Total income tax expenses	887,237	706,693	716,657	504,499

Reconciliation of effective tax rate for the nine-month period ended 30 September 2017 and 2016.

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit before income tax expenses	5,346,488	4,858,991	4,753,589	4,631,850
Tax calculated at a tax rate of 20%	1,069,298	971,798	950,718	926,370
Adjustment in respect of current income tax of previous period	(7,929)	(8,915)	(5,349)	(8,435)
Income not subjected to tax	(209,584)	(325,383)	(245,667)	(469,561)
Expenses not deductible for tax purpose	35,452	69,193	16,955	56,125
Income tax expenses as statements of comprehensive income	887,237	706,693	716,657	504,499

The weighted average applicable tax rate in the consolidated and separate financial information for the nine-month period ended 30 September 2017 was 16.59% and 15.08%, respectively (30 September 2016: 14.54% and 10.89%, respectively).

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23 Income tax (Cont'd)

Income tax relating to components of other comprehensive income (expense) for the three-month and nine-month period are as follows:

	Consolidated					
	For the three-month periods ended 30 September 2017			For the three-month periods ended 30 September 2016		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	(36,333)	(2,335)	(38,668)	(50,231)	145	(50,086)
Gain (loss) on remeasuring available-for-sale securities	140,340	(28,506)	111,834	22,074	(4,409)	17,665
Gain (Loss) arising from translating the financial statements of a foreign operation	(1,323)	-	(1,323)	-	-	-
Other comprehensive income (expense)	<u>102,684</u>	<u>(30,841)</u>	<u>71,843</u>	<u>(28,157)</u>	<u>(4,264)</u>	<u>(32,421)</u>
	Separate					
	For the three-month periods ended 30 September 2017			For the three-month periods ended 30 September 2016		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	11,673	(2,335)	9,338	(728)	145	(583)
Gain (loss) on remeasuring available-for-sale securities	151,834	(30,367)	121,467	20,290	(4,058)	16,232
Other comprehensive income (expense)	<u>163,507</u>	<u>(32,702)</u>	<u>130,805</u>	<u>19,562</u>	<u>(3,913)</u>	<u>15,649</u>
	Consolidated					
	For the nine-month periods ended 30 September 2017			For the nine-month periods ended 30 September 2016		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	(62,975)	(4,633)	(67,608)	49,836	(271)	49,565
Gain (loss) on remeasuring available-for-sale securities	506,877	(97,374)	409,503	446,224	(89,386)	356,838
Remeasurements of post-employment benefit obligations	-	-	-	313	(1,153)	(840)
Gain (Loss) arising from translating the financial statements of a foreign operation	(1,323)	-	(1,323)	-	-	-
Other comprehensive income (expense)	<u>442,579</u>	<u>(102,007)</u>	<u>340,572</u>	<u>496,373</u>	<u>(90,810)</u>	<u>405,563</u>

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23 Income tax expenses (income) (Cont'd)

Income tax relating to components of other comprehensive income (expense) for the three-month and nine-month period are as follows: (Cont'd)

	Separate					
	For the nine-month periods ended 30 September 2017			For the nine-month periods ended 30 September 2016		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	23,163	(4,633)	18,530	1,353	(271)	1,082
Gain (loss) on remeasuring available-for-sale securities	94,350	(18,870)	75,480	337,685	(67,537)	270,148
Other comprehensive income (expense)	117,513	(23,503)	94,010	339,038	(67,808)	271,230

24 Earnings per share

Earnings per share in the consolidated and the separate financial information for the three-month and nine-month periods ended 30 September 2017 and 2016 are calculated as follows:

	Consolidated					
	Profit for the three-month periods ended 30 September		Weighted average number of ordinary shares		Earnings per share	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Share	2016 Thousand Share	2017 Baht	2016 Baht
Basic earnings per share						
Net profit available to ordinary shareholders	1,723,182	1,691,015	846,751	846,751	2.04	2.00
	Separate					
	Profit for the three-month periods ended 30 September		Weighted average number of ordinary shares		Earnings per share	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Share	2016 Thousand Share	2017 Baht	2016 Baht
Basic earnings per share						
Net profit available to ordinary shareholders	1,705,001	1,256,321	846,751	846,751	2.01	1.48
	Consolidated					
	Profit for the nine-month periods ended 30 September		Weighted average number of ordinary shares		Earnings per share	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Share	2016 Thousand Share	2017 Baht	2016 Baht
Basic earnings per share						
Net profit available to ordinary shareholders	4,432,287	4,094,574	846,751	846,751	5.23	4.84
	Separate					
	Profit for the nine-month periods ended 30 September		Weighted average number of ordinary shares		Earnings per share	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Share	2016 Thousand Share	2017 Baht	2016 Baht
Basic earnings per share						
Net profit available to ordinary shareholders	4,036,932	4,127,351	846,751	846,751	4.77	4.87

25 Assets with obligations and restrictions

As at 30 September 2017 and 31 December 2016, there is no assets with obligations and restrictions of property foreclosed where the Group and the Bank grant an option to debtor for repurchasing. Additionally, the Group and the Bank have government and state enterprise securities with fair value of Baht 605.75 million are used as collateral for other commitments with government departments and state enterprises. (31 December 2016: Baht 575.88 million).

As at 30 September 2017, the Group and the Bank have investments in government securities which are pledged as collaterals for repurchase agreement with fair value of Baht 500.46 million. (31 December 2016: nil).

26 Commitments and Contingencies

	Consolidated		Separate	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Aval to bills of exchange	140,653	79,709	140,653	79,709
Letters of credit	-	5,097	-	5,097
Other contingencies				
- Unused overdraft credit facilities	5,278,977	1,332,981	6,658,977	3,042,981
- Other guarantee	5,687,945	5,705,522	5,687,945	5,705,522
Total	11,107,575	7,123,309	12,487,575	8,833,309

As at 30 September 2017, the Group has other commitments in the form of various agreements relating to computer system and software development and construction contract. The group is obligated to pay a further Baht 285 million. (31 December 2016: nil)

27 Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 30 September 2017 and 31 December 2016 are as follows:

27.1 Investments in securities

The Group has investments in companies which were ordered to discontinue their operations and defaulted their debts as at 30 September 2017 and 31 December 2016 as follows:

	Consolidated and Separate				
	30 September 2017				
Type of investment	Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht	
Company which has defaulted on interest payment	Senior debenture	1	0.04	-	0.04
Listed company being subject to delisted	Common stocks	3	5.42	5.42	-
Unlisted company whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	Common stocks	1	1.19	-	1.19
		5	6.65	5.42	1.23

27 Information on quality of assets (Cont'd)

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 30 September 2017 and 31 December 2016 are as follows: (Cont'd)

27.1 Investments in securities (Cont'd)

The Group has investments in companies which were ordered to discontinue their operations and defaulted their debts as at 30 September 2017 and 31 December 2016 as follows: (Cont'd)

Consolidated and Separate					
31 December 2016					
Type of investment	Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht	
Company which has defaulted on interest payment	Senior debenture	1	0.04	-	0.04
Listed company being subject to delisted	Common stocks	4	6.60	5.42	1.19
		<u>5</u>	<u>6.64</u>	<u>5.42</u>	<u>1.23</u>

27.2 Loans and accrued interest receivables

The Group had granted loans and accrued interest receivables to companies which faced the financial operational difficulties and provided related allowance for doubtful accounts in the consolidated and the separate financial information as follows:

Consolidated and Separate				
30 September 2017				
Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for doubtful accounts Thousand Baht	
Companies which are under default problem	136	6,855,021	11,616,316	1,937,030
	<u>136</u>	<u>6,855,021</u>	<u>11,616,316</u>	<u>1,937,030</u>
Consolidated and Separate				
31 December 2016				
Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for doubtful accounts Thousand Baht	
Companies which are under default problem	109	6,660,946	11,861,472	1,939,978
	<u>109</u>	<u>6,660,946</u>	<u>11,861,472</u>	<u>1,939,978</u>

28 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship rather than the legal form.

According to the Bank of Thailand's Notification Sor Nor Sor. 6/2553 regarding the Guideline on Consolidated Supervision dated 18 June 2010, 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:

The Inter-Group Transactions in the Financial Business Group Policy

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

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

To manage the operation and consolidated supervision, the Board of Directors assigned the Risk Management Committee to take the policy into action, control and monitor business and supporting unit to conform with the Financial Business Group Policy. Moreover, the Board of Directors shall be informed of the significant risk of the Financial Business Group on a regularly basis.

Furthermore, the Risk Management Committee of each company in the Financial Business Group is responsible to perform the risk assessment according to its policy, and report the results to the Bank's Risk Management Committee on a regularly basis. In case there is any significant change or any circumstance that will impact the current business operation, the Risk Management Committee shall report such matters immediately.

28 Related party transactions (Cont'd)

The following transactions were carried out with related parties for the three-month and nine-month periods ended 30 September 2017 and 2016.

28.1 Income

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Interest, dividend income				
And profit sharing				
Subsidiaries				
Phatra Capital PCL.	-	-	441	541
Phatra Securities PCL.	-	-	5	1
CMIC Development Co., Ltd.	-	-	13	13
Asia Recovery Fund 3	-	-	12	-
Asia Recovery Property Fund 1	-	-	11	-
Asia Recovery Property Fund 3	-	-	33	-
	-	-	515	555
Fees and services income				
Subsidiaries				
Phatra Capital PCL.	-	-	1	2
Phatra Securities PCL.	-	-	7	4
Phatra Asset Management Co., Ltd.	-	-	2	1
Asia Recovery Fund 2	-	-	1	1
Asia Recovery Fund 3	-	-	1	1
Thai Restructuring Fund	-	-	2	2
Bangkok Capital Fund	-	-	2	2
Gamma Capital Fund	-	-	2	2
Directors and management at the position of department head and above including their related persons who have control or significant influences	3	3	-	-
	3	3	18	15

28 Related party transactions (Cont'd)

The following transactions were carried out with related parties for the three-month and nine-month periods ended 30 September 2017 and 2016. (Cont'd)

28.1 Income (Cont'd)

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Other operating income				
Subsidiaries				
Phatra Securities PCL.	-	-	(7)	(6)
Thai Restructuring Fund	-	-	(3)	-
Bangkok Capital Fund	-	-	(4)	19
Gamma Capital Fund	-	-	(3)	20
	-	-	(17)	33
	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Interest and dividend income				
Subsidiaries				
Phatra Capital PCL.	-	-	473	1,077
Phatra Securities PCL.	-	-	26	3
KKTRADE Securities Co., Ltd.	-	-	-	1
Erawan Law Office Co., Ltd.	-	-	-	53
CMIC Development Co., Ltd.	-	-	37	38
Asia Recovery 1 Fund	-	-	-	16
Asia Recovery 3 Fund	-	-	12	3
Thai Restructuring Fund	-	-	1	252
Bangkok Capital Fund	-	-	243	312
Gamma Capital Fund	-	-	276	134
Asia Recovery Property Fund 3	-	-	-	4
	-	-	1,068	1,893

28 Related party transactions (Cont'd)

The following transactions were carried out with related parties for the three-month and nine-month periods ended 30 September 2017 and 2016. (Cont'd)

28.1 Income (Cont'd)

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and services income				
Subsidiaries				
Phatra Capital PCL.	-	-	6	5
Phatra Securities PCL.	-	-	20	10
KKTRADE Securities Co., Ltd.	-	-	-	2
Phatra Asset Management Co., Ltd.	-	-	5	3
Asia Recovery 2 Fund	-	-	1	1
Asia Recovery 3 Fund	-	-	2	2
Thai Restructuring Fund	-	-	4	4
Bangkok Capital Fund	-	-	4	4
Gamma Capital Fund	-	-	5	5
Directors and management at the position of department head and above including their related persons who have control or significant influences	9	9	-	-
	9	9	47	36
Other operating income				
Subsidiaries				
Phatra Securities PCL.	-	-	(31)	(21)
KKTRADE Securities Co., Ltd.	-	-	-	2
Thai Restructuring Fund	-	-	(3)	6
Asia Recovery Property Fund 3	-	-	-	(17)
Bangkok Capital Fund	-	-	(2)	24
Gamma Capital Fund	-	-	(2)	21
	-	-	(38)	15

28 Related party transactions (Cont'd)

The following transactions were carried out with related parties for the three-month and nine-month periods ended 30 September 2017 and 2016. (Cont'd)

28.2 Expenses

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Million	Million	Million	Million
	Baht	Baht	Baht	Baht
Interest and discounts on borrowings				
Subsidiaries				
Phatra Securities PCL.	-	-	3	1
Directors and management at the position of department head and above including their related persons who have control or significant influences	10	9	10	9
	<u>10</u>	<u>9</u>	<u>13</u>	<u>10</u>
Other service expenses				
Subsidiaries				
Phatra Capital PCL.	-	-	33	15
Phatra Securities PCL.	-	-	10	5
CMIC Development Co., Ltd.	-	-	43	41
Other related parties	13	17	13	17
	<u>13</u>	<u>17</u>	<u>99</u>	<u>78</u>

28 Related party transactions (Cont'd)

The following transactions were carried out with related parties for the three-month and nine-month periods ended 30 September 2017 and 2016. (Cont'd)

28.2 Expenses (Cont'd)

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Interest and discounts on borrowings				
Subsidiaries				
Phatra Securities PCL.	-	-	5	3
KKTRADE Securities Co., Ltd.	-	-	-	10
Directors and management at the position of department head and above including their related persons who have control or significant influences	28	24	28	24
	<u>28</u>	<u>24</u>	<u>33</u>	<u>37</u>
Other service expenses				
Subsidiaries				
Phatra Capital PCL.	-	-	94	41
Phatra Securities PCL.	-	-	30	14
CMIC Development Co., Ltd.	-	-	127	120
Other related parties	46	54	46	54
	<u>46</u>	<u>54</u>	<u>297</u>	<u>229</u>

The outstanding balance of significant related party transactions as at 30 September 2017 and 31 December 2016 are as follows:

28.3 Outstanding balances

	Consolidated		Separate	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Million Baht	Million Baht	Million Baht	Million Baht
Loans to financial institutions/ Loans				
Subsidiaries				
Phatra Capital PCL.	-	-	1,470	1,090
Phatra Securities PCL.	-	-	2,150	3,500
CMIC Development Co., Ltd.	-	-	(969)	(975)
<u>Less</u> Allowance of doubtful accounts			(36)	(46)
Directors and management at the position of department head and above including their related persons who significant influences	-	1	-	1
	<u>-</u>	<u>1</u>	<u>4,553</u>	<u>5,520</u>

28 Related party transactions (Cont'd)

The outstanding balance of significant related party transactions as at 30 September 2017 and 31 December 2016 are as follows: (Cont'd)

28.3 Outstanding balances (Cont'd)

	Consolidated		Separate	
	30 September 2017 Million Baht	31 December 2016 Million Baht	30 September 2017 Million Baht	31 December 2016 Million Baht
Accrued interest receivables				
Subsidiaries				
Phatra Capital PCL.	-	-	5	4
	-	-	5	4
Other accounts receivables				
Subsidiaries				
Phatra Capital PCL.	-	-	2	6
Phatra Securities PCL.	-	-	29	8
Phatra Asset Management Co., Ltd.	-	-	1	-
	-	-	32	14
Derivative assets				
Subsidiaries				
Phatra Securities Co., Ltd.	-	-	4	5
	-	-	4	5
Other assets				
Subsidiaries				
CMIC Development Co., Ltd.	-	-	50	47
Other related parties	-	-	1	-
	-	-	51	47

28 Related party transactions (Cont'd)

The outstanding balance of significant related party transactions as at 30 September 2017 and 31 December 2016 are as follows: (Cont'd)

28.3 Outstanding balances (Cont'd)

	Consolidated		Separate	
	30 September 2017 Million Baht	31 December 2016 Million Baht	30 September 2017 Million Baht	31 December 2016 Million Baht
Deposits				
Subsidiaries				
Phatra Capital PCL.	-	-	5	6
Phatra Securities PCL.	-	-	32	11
KKTRADE Securities Co., Ltd.	-	-	16	-
Erawan Law Office Co., Ltd.	-	-	6	6
Bangkok Capital Fund	-	-	57	52
Gamma Capital Fund	-	-	201	197
CMIC Development Co., Ltd.	-	-	111	25
Directors and management at the position of department head and above including their related persons who have control or significant influences	591	577	591	577
	<u>591</u>	<u>577</u>	<u>1,019</u>	<u>874</u>
Borrowings				
Directors and management at the position of department head and above including their related persons who have control or significant influences and other related parties	648	603	648	603
	<u>648</u>	<u>603</u>	<u>648</u>	<u>603</u>
Derivatives liabilities				
Subsidiaries				
Phatra Securities PCL.	-	-	28	11
	<u>-</u>	<u>-</u>	<u>28</u>	<u>11</u>
Accrued interest expenses				
Other related parties	7	3	7	3
	<u>7</u>	<u>3</u>	<u>7</u>	<u>3</u>
Other liabilities				
Subsidiaries				
Phatra Capital PCL	-	-	31	83
Phatra Securities PCL.	-	-	10	26
CMIC Development Co., Ltd.	-	-	7	7
Other related parties	4	4	4	4
	<u>4</u>	<u>4</u>	<u>52</u>	<u>120</u>

29 Benefits paid to directors and executives

The Group has no special benefits given to the directors and executives beyond the general benefits provided such as directors' remuneration, executives' salary and bonus (if any) included ESOP warrants.

For the three-month and nine-month periods ended 30 September 2017 and 2016, compensations paid to key management personnel are as follows:

	Consolidated		Separate	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	76,791	66,487	65,990	54,335
Post-employment benefits	1,390	1,572	1,068	1,134
Total	78,181	68,059	67,058	55,469

	Consolidated		Separate	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	235,853	198,851	195,140	159,888
Post-employment benefits	4,202	5,510	3,203	3,401
Total	240,055	204,361	198,343	163,289

30 Fair value

30.1 Fair value estimation

The fair value of financial instruments are defined into the following three different levels by valuation method as follows:

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

The following table presents the Group's financial assets and liabilities that are measured and recognised at fair value at 30 September 2017 and 31 December 2016.

	Consolidated				
	30 September 2017				
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht		
Assets					
Derivatives assets	2,678,857	-	2,678,857	-	2,678,857
Trading securities and securities designated at fair value through profit or loss					
Government and state enterprise securities	706,236	-	706,236	-	706,236
Private sector's debt securities	228,178	-	228,178	-	228,178
Domestic marketable equity securities	15,157,048	15,157,048	-	-	15,157,048
Available-for-sale securities					
Government and state enterprise securities	9,744,313	-	9,744,313	-	9,744,313
Domestic marketable equity securities	4,196,682	4,196,682	-	-	4,196,682
Foreign marketable equity security	1,696,892	1,696,892	-	-	1,696,892
Investments in receivables, net	2,339,511	-	-	2,339,511	2,339,511
Total assets	36,747,717	21,050,622	13,357,584	2,339,511	36,747,717
Liabilities					
Derivatives liabilities	3,827,296	-	3,827,296	-	3,827,296
Total liabilities	3,827,296	-	3,827,296	-	3,827,296

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30 Fair value (Cont'd)

30.1 Fair value estimation (Cont'd)

The following table presents the Group's financial assets and liabilities that are measured and recognised at fair value at 30 September 2017 and 31 December 2016. (Cont'd)

	Consolidated				
	31 December 2016				
	Carrying amount	Fair value			Total
Thousand Baht	Level 1	Level 2	Level 3	Thousand Baht	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Derivatives assets	1,353,345	-	1,353,345	-	1,353,345
Trading securities					
Government and state enterprise securities	441,639	-	441,639	-	441,639
Private sector's debt securities	417,936	-	417,936	-	417,936
Domestic marketable equity securities	13,473,147	13,473,147	-	-	13,473,147
Foreign marketable equity Securities					
Available-for-sale securities					
Government and state enterprise securities	9,245,168	-	9,245,168	-	9,245,168
Domestic marketable equity securities	2,736,980	2,736,980	-	-	2,736,980
Foreign marketable equity security	932,258	932,258	-	-	932,258
Investments in receivables, net	2,553,786	-	-	2,553,786	2,553,786
Total assets	31,154,259	17,142,385	11,458,088	2,553,786	31,154,259
Liabilities					
Derivatives liabilities	2,499,389	-	2,499,389	-	2,499,389
Total liabilities	2,499,389	-	2,499,389	-	2,499,389

During the nine-month periods ended 30 September 2017 and for the year ended 31 December 2016, there was no transfers between Level 1 and 2.

	Separate				
	30 September 2017				
	Carrying amount	Fair value			Total
Thousand Baht	Level 1	Level 2	Level 3	Thousand Baht	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Derivatives assets	2,625,156	-	2,625,156	-	2,625,156
Trading securities and securities designated at fair value through profit or loss					
Government and state enterprise securities	706,236	-	706,236	-	706,236
Private sector's debt securities	228,178	-	228,178	-	228,178
Domestic marketable equity securities	2,547,477	2,547,477	-	-	2,547,477
Available-for-sale securities					
Government and state enterprise securities	9,744,313	-	9,744,313	-	9,744,313
Domestic marketable equity securities	3,129,243	3,129,243	-	-	3,129,243
Investments in receivables, net	789,840	-	-	789,840	789,840
Total assets	19,770,443	5,676,720	13,303,883	789,840	19,770,443
Liabilities					
Derivatives liabilities	2,696,187	-	2,696,187	-	2,696,187
Total liabilities	2,696,187	-	2,696,187	-	2,696,187

30 Fair value (Cont'd)

30.1 Fair value estimation (Cont'd)

The following table presents the Bank's financial assets and liabilities that are measured and recognised at fair value at 30 September 2017 and 31 December 2016. (Cont'd)

	Separate				
	31 December 2016				
	Carrying amount Thousand Baht	Fair value			Total
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Thousand Baht	
Assets					
Derivatives assets	1,316,371	-	1,316,371	-	1,316,371
Trading securities					
Government and state enterprise securities	441,639	-	441,639	-	441,639
Private sector's debt securities	417,936	-	417,936	-	417,936
Domestic marketable equity securities	1,912,429	1,912,429	-	-	1,912,429
Available-for-sale securities					
Government and state enterprise securities	9,214,925	-	9,214,925	-	9,214,925
Domestic marketable equity securities	2,024,820	2,024,820	-	-	2,024,820
Investments in receivables, net	829,729	-	-	829,729	829,729
Total assets	16,157,849	3,937,249	11,390,871	829,729	16,157,849
Liabilities					
Derivatives liabilities	1,897,126	-	1,897,126	-	1,897,126
Total liabilities	1,897,126	-	1,897,126	-	1,897,126

During the nine-month periods ended 30 September 2017 and for the year ended 31 December 2016, there was no transfers between Level 1 and 2.

30.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and foreign exchange swaps which are fair valued based on forward rate of foreign currency against Thai Baht and discounted with Thai Baht interest rate. Interest rate swap and cross currency swap are fair valued based on the cash flow from contract rate (for fixed interest rate) or forward rate (for floating rate) and discounted with interest rate in each currency which can be obtained from observable market. Equity linked swap is fair valued based on each component in contracts. For equity component, the fair value is measured by using the last bid price quoted by the Stock Exchange of Thailand. For accrued dividend payable or receivable, the fair value is measured based on the expected cash inflow or outflow. For interest component, the fair value measurement is calculated the same method with interest rate swap contracts. The fair value of the option that is embedded with the structured note and is managed through the back to back deal, is obtained from the counterparty. The model that is used by the counterparty to calculate the fair value use valuation inputs that are mainly observable.

The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the fair value is known as the credit value adjustment (CVA).

Level 2 debt investments of marketable securities are fair valued based on yield curve of the Thai Bond Market Association under discounted cash flow model.

30 Fair value (Cont'd)

30.3 Fair value measurements using significant unobservable inputs (Level 3)

	Investments in receivables, net			
	Consolidated		Separate	
	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht	30 September 2017 Thousand Baht	31 December 2016 Thousand Baht
Opening balance	2,553,786	2,898,694	829,729	901,876
Transfer out or repayment	(112,564)	(294,557)	(24,080)	(100,619)
Gain (loss) recognised in profit and loss	(38,736)	23,668	(38,972)	22,740
Gain (loss) recognised in other comprehensive income	(62,975)	(74,019)	23,163	5,732
Closing balance	<u>2,339,511</u>	<u>2,553,786</u>	<u>789,840</u>	<u>829,729</u>

There was no changes in fair value basis and estimation during the period / year.

30.4 Group's valuation processes

The main Level 3 input used by the Group pertains to the estimated discounted cash flow projections of expected cash receive from debtor and selling of collateral with the expected selling period but not exceeding the balance in the original contract. The discount rate is estimated based on current market assessments of the time value of money, risk adjusted and in line with the related BOT's notification which are at the rates between 7% to 18% per annum.

If the change in the discount rate shifted + 1 or - 1%, the impact on profit or loss in the consolidated and the separate interim financial information will be as follows:

	Consolidated		Separate	
	30 September 2017 Million Baht	31 December 2016 Million Baht	30 September 2017 Million Baht	31 December 2016 Million Baht
	Discount rate increased 1%	(54)	(57)	(17)
Discount rate decreased 1%	59	55	19	19

Asset Quality Management Department reviews fair value of assets at the end of each month by using fair value of collaterals. The collaterals are appraised every 3 year and uses the discount rate announced by the BOT regulations.