



## **Tax Shield**

**Q: As of Sep03, KBANK has a retained loss of Bt67bn. Can all of this be used as tax credit in the future?**

**A:** Only "tax loss" may be brought forward as tax shield. The retained loss of Bt67bn reported in **KBANK's** financial statement is an "accounting loss," which is a different amount as some expense items may be regarded as expenses for accounting purpose but may not be regarded as expenses for tax purpose.

**Q: When will KBANK resume paying the corporate income tax?**

**A:** According to the Revenue Code, the tax loss can be brought forward from accounting periods no longer than 5 years preceding the current accounting period. The company will start to pay tax again after the tax shield expires at the end of year 5. The last time **KBANK** made a tax loss was in 1999, which means that the tax shield will expire at the end of 2004. Since the Bank has not made additional tax loss during 2000-2004, **KBANK** expects to resume paying corporate income tax in 2005.

The corporate income tax rates for the companies listed on the Stock Exchange of Thailand (SET) before September 6, 2001 are as follows:

2002-2006

- 25% for the first Bt300mn of net profit
- 30% for the net profit over Bt300mn

2007 onwards

- 30% for all

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