Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 September 2013

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thanachart Capital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thanachart Capital Public Company Limited and its subsidiaries as at 30 September 2013, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013 and the consolidated statements of changes in equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thanachart Capital Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My conclusion is not qualified in respect of this matter.

Other matter

The consolidated statement of financial position of Thanachart Capital Public Company Limited and its subsidiaries, and the separate statement of financial position of Thanachart Capital Public Company Limited as at 31 December 2012 (before restatement) were audited by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 18 February 2013. The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and the consolidated statements of changes in equity and cash flows for the nine-month period ended 30 September 2012 of Thanachart Capital Public Company Limited and its subsidiaries, and the separate financial statements of Thanachart Capital Public Company Limited for the same period (before restatement) were also reviewed by the aforementioned auditor who concluded, under her report dated 8 November 2012, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 11 November 2013

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		
		30 September 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited - restated)	
Assets				
Cash		12,605,851	15,181,402	16,005,678
Interbank and money market items - net		54,770,091	71,978,183	63,232,094
Derivative assets	*5*	2,603,921	2,176,536	1,536,490
Investments - net	*6*	147,659,278	150,648,783	152,511,228
Investments in subsidiaries and associates - net	*7*	2,443,949	1,806,808	1,684,351
Loans to customers and accrued interest receivables	*8*			
Loans to customers		849,337,448	813,483,032	676,790,337
Accrued interest receivables		933,770	1,072,443	979,725
Total loans to customers and accrued interest receivables		850,271,218	814,555,475	677,770,062
Less: Deferred revenue		(61,625,002)	(58,152,765)	(39,686,523)
Allowance for doubtful accounts	*9*	(30,509,465)	(24,542,763)	(26,900,029)
Revaluation allowance for debt restructuring	*10*	(338,647)	(348,390)	(385,980)
Net loans to customers and accrued interest receivables		757,798,104	731,511,557	610,797,530
Customers' liability under acceptances		20,394	41,489	90,531
Property foreclosed - net		9,111,573	9,914,893	11,560,135
Land, premises and equipment - net		7,843,466	8,344,276	8,814,746
Intangible assets - net		3,902,532	4,294,348	4,709,482
Goodwill	*12*	16,659,385	16,460,627	16,183,017
Receivables from purchase and sale of securities		3,082,048	2,102,712	858,326
Accrued interest and dividend receivables		1,052,188	1,166,040	1,050,831
Reinsurance assets		461,792	1,155,602	2,573,393
Deferred tax assets		2,986,615	2,547,105	2,534,184
Other assets - net	*13*	4,290,671	8,741,223	5,224,803
Total assets		1,027,291,858	1,028,071,584	899,366,819

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

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Thousand Baht)

		Consolidated financial statements		
	Note	30 September 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited - restated)	
Liabilities and equity				
Deposits		702,333,783	693,421,291	435,864,954
Interbank and money market items	*14*	81,457,892	87,776,950	60,151,091
Liability payable on demand		2,636,144	4,989,214	2,130,716
Derivatives liabilities	*5*	3,237,042	1,206,215	2,885,848
Debts issued and borrowings	*15*	102,803,743	89,505,860	262,653,021
Bank's liability under acceptances		20,394	41,489	90,531
Provisions	*16*	3,344,117	3,299,608	3,143,979
Accrued interest payable		4,521,535	4,059,655	3,267,864
Payables from purchase and sale of securities		2,296,026	2,872,487	850,724
Insurance contract liabilities	*17*	15,011,327	39,632,420	36,154,060
Deferred tax liabilities		3,568,810	3,431,638	3,010,343
Accrued dividend payable		724,246	-	-
Other liabilities	*18*	12,883,539	12,600,900	11,952,887
Total liabilities		934,838,598	942,837,727	822,156,018

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

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		
		30 September 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited - restated)	
Equity				
Share capital	*19*			
Registered, issued and paid-up				
13,306 preferred shares of Baht 10 each				
(1 January 2012: 13,336 preferred shares				
of Bath 10 each)		133	133	133
1,277,816,397 common shares of Baht 10 each				
(1 January 2012: 1,333,140,667 common				
shares of Baht 10 each)		12,778,164	12,778,164	13,331,407
		12,778,297	12,778,297	13,331,540
Premium on common share		2,065,645	2,065,645	2,065,645
Premium on treasury share		165,742	165,742	-
Other components of equity	*20*	1,649,202	1,901,574	1,424,734
Retained earnings				
Appropriated - statutory reserve		1,277,830	1,277,830	1,202,176
- treasury shares reserve		3,398,455	-	387,501
Unappropriated		27,817,871	25,396,290	21,105,753
Less: Treasury shares - common shares		(3,398,455)	-	(387,501)
Equity attributable to owners of the Company		45,754,587	43,585,378	39,129,848
Non-controlling interests		46,698,673	41,648,479	38,080,953
Total equity		92,453,260	85,233,857	77,210,801
Total liabilities and equity		1,027,291,858	1,028,071,584	899,366,819
		-	-	-

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

Directors

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Thousand Baht)

		Separate financial statements		
	Note	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited - restated)	1 January 2012
Assets				
Cash		10	-	-
Interbank and money market items - net		29,703	4,852,214	75,753
Investments - net	*6*	7,644,585	6,724,409	5,657,335
Investments in subsidiaries and associates - net	*7*	31,572,896	31,572,896	31,598,119
Loans to customers and accrued interest receivables	*8*			
Loans to customers		305,355	318,280	1,344,436
Accrued interest receivables		40	30	9,245
Total loans to customers and accrued interest receivables		305,395	318,310	1,353,681
Less: Deferred revenue		(5,095)	(6,875)	(7,847)
Allowance for doubtful accounts	*9*	(204,980)	(214,590)	(258,777)
Net loans to customers and accrued interest receivables		95,320	96,845	1,087,057
Property foreclosed - net		1,273,535	1,667,150	2,006,953
Land, premises and equipment - net		48,293	51,905	55,150
Intangible assets - net		502	385	400
Receivables from purchase and sale of securities		-	-	664
Accrued interest and dividend receivables		451,582	81,522	78,922
Deferred tax assets		144,021	233,321	265,855
Other assets - net	*13*	114,982	83,431	82,595
Total assets		41,375,429	45,364,078	40,908,803

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

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Thousand Baht)

		Separate financial statements		
	Note	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited - restated)	1 January 2012
Liabilities and equity				
Interbank and money market items		-	3	246
Debts issued and borrowings	*15*	13,400,000	15,000,000	12,000,000
Provisions	*16*	35,091	215,105	210,118
Accrued interest payable		120,686	95,462	79,960
Deferred tax liabilities		91,556	73,989	60,917
Accrued dividend payable		723,888	-	-
Other liabilities	*18*	315,194	188,127	147,750
Total liabilities		14,686,415	15,572,686	12,498,991
Equity				
Share capital	*19*			
Registered, issued and paid-up				
13,306 preferred shares of Baht 10 each				
(1 January 2012: 13,336 preferred shares				
of Bath 10 each)		133	133	133
1,277,816,397 common shares of Baht 10 each				
(1 January 2012: 1,333,140,667 common				
shares of Baht 10 each)		12,778,164	12,778,164	13,331,407
		12,778,297	12,778,297	13,331,540
Premium on common share		2,065,645	2,065,645	2,065,645
Premium on treasury share		165,742	165,742	-
Other components of equity	*20*	363,084	293,602	240,304
Retained earnings				
Appropriated - statutory reserve		1,277,830	1,277,830	1,202,176
- treasury shares reserve		3,398,455	-	387,501
Unappropriated		10,038,416	13,210,276	11,570,147
Less: Treasury shares - common shares		(3,398,455)	-	(387,501)
Total equity		26,689,014	29,791,392	28,409,812
Total liabilities and equity		41,375,429	45,364,078	40,908,803
		-	-	-

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

Directors

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss					
Continuing operations					
Interest income	*23*	13,627,296	12,488,265	87,329	109,514
Interest expenses	*24*	(6,949,772)	(6,684,710)	(156,019)	(136,996)
Net interest income		6,677,524	5,803,555	(68,690)	(27,482)
Fees and service income		2,138,546	1,692,947	542	9,294
Fees and service expenses		(494,235)	(375,592)	(182)	(304)
Net fees and service income	*25*	1,644,311	1,317,355	360	8,990
Gains on trading and foreign exchange transactions (losses)	*26*	117,241	179,260	-	(57)
Gains on investments	*27*	174,502	258,332	573	106,871
Share of profit from investments accounted for under equity method		249,627	78,785	-	-
Gains on property foreclosed and other assets (losses)		168,250	319,514	192,096	(5,377)
Insurance/Life insurance income		1,638,218	1,595,540	-	-
Dividend income		342,238	297,898	610,480	78,560
Other operating income		600,234	516,842	29,336	39,376
Total operating income		11,612,145	10,367,081	764,155	200,881
Insurance expenses		(1,053,096)	(1,087,752)	-	-
Net operating income		10,559,049	9,279,329	764,155	200,881
Other operating expenses					
Employee's expenses		2,622,868	2,588,493	28,832	27,712
Directors' remuneration		7,975	6,656	2,912	2,869
Premises and equipment expenses		755,458	782,697	6,946	14,023
Taxes and duties		220,657	221,421	238	941
Other expenses		1,615,452	1,772,857	15,451	19,094
Total other operating expenses		5,222,410	5,372,124	54,379	64,639
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)	*28*	1,687,251	1,099,750	(3,937)	(5,566)
Profit before income tax		3,649,388	2,807,455	713,713	141,808
Income tax	*29*	(681,574)	(531,380)	(36,883)	(14,673)
Profit for the period from continuing operations		2,967,814	2,276,075	676,830	127,135
Discontinued operations					
Profit for the period from discontinued operations	*38*	-	119,742	-	-
Profit for the period		2,967,814	2,395,817	676,830	127,135

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income					
Continuing operations	*30*				
Gains (losses) on change in value of available-for-sale investments		(140,850)	987,859	(18,651)	105,491
Share of other comprehensive income of associates (losses)		(52)	(3,542)	-	-
Income tax relating to components of other comprehensive income		28,081	(190,475)	3,730	(20,834)
Total other comprehensive income from continuing operations (losses)		(112,821)	793,842	(14,921)	84,657
Discontinued operations	*38*				
Other comprehensive income from discontinued operations (losses)		-	(393,965)	-	-
Total other comprehensive income (losses)		(112,821)	399,877	(14,921)	84,657
Total comprehensive income					
Total comprehensive income from continuing operations		2,854,993	3,069,917	661,909	211,792
Total comprehensive income from discontinued operations (losses)		-	(274,223)	-	-
Total comprehensive income		2,854,993	2,795,694	661,909	211,792
Profit attributable to					
The Company					
Profit for the period from continuing operations		1,661,250	1,213,898	676,830	127,135
Profit for the period from discontinued operations		-	61,019	-	-
Profit for the period attributable to the Company		1,661,250	1,274,917	676,830	127,135
Non-controlling interests					
Profit for the period from continuing operations		1,306,564	1,062,177	-	-
Profit for the period from discontinued operations		-	58,723	-	-
Profit for the period attributable to the non-controlling interests		1,306,564	1,120,900	-	-
		2,967,814	2,395,817	676,830	127,135

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
Total comprehensive income attributable to					
The Company					
Total comprehensive income from continuing operations		1,593,532	1,680,154	661,909	211,792
Total comprehensive income from discontinued operations (losses)		-	(156,633)	-	-
Total comprehensive income attributable to the Company		1,593,532	1,523,521	661,909	211,792
Non-controlling interests					
Total comprehensive income from continuing operations		1,261,461	1,389,763	-	-
Total comprehensive income from discontinued operations (losses)		-	(117,590)	-	-
Total comprehensive income attributable to non-controlling interests		1,261,461	1,272,173	-	-
		2,854,993	2,795,694	661,909	211,792
Earnings per share of the Company	*31*				
Basic earnings per share (Baht per share)					
From continuing operations		1.38	0.95	0.56	0.10
From discontinued operations		-	0.05	-	-
Profit attributable to the Company		1.38	1.00	0.56	0.10
Diluted earnings per share (Baht per share)					
From continuing operations		1.38	0.95	0.56	0.10
From discontinued operations		-	0.05	-	-
Profit attributable to the Company		1.38	1.00	0.56	0.10

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss					
Continuing operations					
Interest income	*23*	40,113,878	36,106,095	374,419	323,203
Interest expenses	*24*	(20,561,566)	(18,975,114)	(449,208)	(408,055)
Net interest income		19,552,312	17,130,981	(74,789)	(84,852)
Fees and service income		6,654,903	4,667,896	1,863	18,579
Fees and service expenses		(1,402,293)	(1,104,453)	(800)	(1,235)
Net fees and service income	*25*	5,252,610	3,563,443	1,063	17,344
Gains on trading and foreign exchange transactions (losses)	*26*	261,299	457,446	(8)	(90)
Gains on investments	*27*	12,802,241	572,983	20,150	129,437
Share of profit from investments accounted for under equity method		751,536	240,379	-	-
Gains on property foreclosed and other assets		624,854	913,866	459,203	163,521
Insurance/Life insurance income		5,110,546	4,476,278	-	-
Dividend income		574,398	406,093	1,886,810	2,662,955
Other operating income		1,317,443	1,376,804	74,379	140,666
Total operating income		46,247,239	29,138,273	2,366,808	3,028,981
Insurance expenses		(3,222,199)	(2,706,235)	-	-
Net operating income		43,025,040	26,432,038	2,366,808	3,028,981
Other operating expenses					
Employee's expenses		8,084,932	8,143,816	91,161	83,895
Directors' remuneration		57,028	50,344	26,583	23,071
Premises and equipment expenses		2,236,627	2,340,842	20,813	52,550
Taxes and duties		666,610	685,533	4,266	4,272
Other expenses		4,817,089	4,905,801	56,181	65,112
Total other operating expenses		15,862,286	16,126,336	199,004	228,900
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)	*28*	9,778,133	2,003,412	(20,854)	(21,451)
Profit before income tax		17,384,621	8,302,290	2,188,658	2,821,532
Income tax	*29*	(3,580,828)	(1,746,338)	(89,496)	(29,676)
Profit for the period from continuing operations		13,803,793	6,555,952	2,099,162	2,791,856
Discontinued operations					
Profit for the period from discontinued operations	*38*	354,241	915,801	-	-
Profit for the period		14,158,034	7,471,753	2,099,162	2,791,856

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income					
Continuing operations	*30*				
Gains (losses) on change in value of available-for-sale investments		(581,693)	1,243,066	86,853	132,139
Share of other comprehensive income of associates (losses)		(11,169)	7,073	-	-
Income tax relating to components of other comprehensive income		119,633	(236,772)	(17,371)	(26,162)
Total other comprehensive income from continuing operations (losses)		(473,229)	1,013,367	69,482	105,977
Discontinued operations	*38*				
Other comprehensive incomes from discontinued operations (losses)		(110,403)	(395,599)	-	-
Total other comprehensive income (losses)		(583,632)	617,768	69,482	105,977
Total comprehensive income					
Total comprehensive income from continuing operations		13,330,564	7,569,319	2,168,644	2,897,833
Total comprehensive income from discontinued operations		243,838	520,202	-	-
Total comprehensive income		13,574,402	8,089,521	2,168,644	2,897,833
Profit attributable to					
The Company					
Profit for the period from continuing operations		7,512,084	3,785,207	2,099,162	2,791,856
Profit for the period from discontinued operations		180,519	466,686	-	-
Profit for the period attributable to the Company		7,692,603	4,251,893	2,099,162	2,791,856
Non-controlling interests					
Profit for the period from continuing operations		6,291,709	2,770,745	-	-
Profit for the period from discontinued operations		173,722	449,115	-	-
Profit for the period attributable to the non-controlling interests		6,465,431	3,219,860	-	-
		14,158,034	7,471,753	2,099,162	2,791,856

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Total comprehensive income attributable to					
The Company					
Total comprehensive income from continuing operations		7,300,193	4,361,643	2,168,644	2,897,833
Total comprehensive income from discontinued operations		140,038	272,499	-	-
Total comprehensive income attributable to the Company		7,440,231	4,634,142	2,168,644	2,897,833
Non-controlling interests					
Total comprehensive income from continuing operations		6,030,371	3,207,676	-	-
Total comprehensive income from discontinued operations		103,800	247,703	-	-
Total comprehensive income attributable to non-controlling interests		6,134,171	3,455,379	-	-
		13,574,402	8,089,521	2,168,644	2,897,833
Earnings per share of the Company	*31*				
Basic earnings per share (Baht per share)					
From continuing operations		6.05	2.96	1.69	2.18
From discontinued operations		0.15	0.37	-	-
Profit attributable to the Company		6.20	3.33	1.69	2.18
Diluted earnings per share (Baht per share)					
From continuing operations		6.05	2.96	1.69	2.18
From discontinued operations		0.15	0.37	-	-
Profit attributable to the Company		6.20	3.33	1.69	2.18

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statement

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities				
Profit before income tax from continuing operations	17,384,621	8,302,290	2,188,658	2,821,532
Profit before income tax from discontinued operations	443,187	1,236,693	-	-
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Share of profit from investments accounted for under equity method	(751,536)	(240,379)	-	-
Depreciation and amortisation	1,118,732	1,223,825	16,556	33,495
Impairment loss of loans and debt securities (reversal)	9,778,133	2,003,412	(20,854)	(21,451)
Increase (decrease) in provisions	483,664	278,362	(4,690)	2,682
Increase (decrease) in provision for impairment of property foreclosed	54,513	(65,209)	(28,898)	57,315
Increase (decrease) in provision for impairment of equipment/other assets	166,553	65,649	(102)	(976)
Increase (decrease) in provision for impairment/ revaluation of investments	221,628	(2,602)	8	(41,610)
Unrealised gain on foreign exchange	(637,530)	(50,897)	-	-
Gain on sales of/capital return from investments in subsidiary companies	(12,480,447)	(208,207)	-	(9,205)
Loss on transfers of assets for debt repayment	-	2,184	-	-
Loss (gain) on disposal of equipment	3,779	1,771	-	(550)
Decrease (increase) in accrued other income receivable	(254,925)	126,922	3,438	5,566
	15,530,372	12,673,814	2,154,116	2,846,798
Net interest income	(19,552,312)	(17,812,976)	74,789	84,852
Dividend income	(574,398)	(456,700)	(1,886,810)	(2,662,955)
Cash received from interest on operating activities	38,857,000	34,117,401	53,185	39,635
Cash paid for interest on operating activities	(17,650,681)	(12,300,818)	(29)	(47)
Cash received from corporate income tax refundable	1,014,510	-	-	-
Cash paid for income tax	(3,986,250)	(3,605,891)	(28,240)	(10,339)
Income from operating activities before changes in operating assets and liabilities	13,638,241	12,614,830	367,011	297,944

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Interbank and money market items	14,821,320	(10,733,445)	4,811,452	(44,253)
Derivatives assets	1,018,000	3,009,403	-	-
Investments in trading securities	(485,046)	770,353	900	7,198
Loans to customers	(41,120,834)	(74,226,078)	41,925	1,012,440
Property foreclosed	6,722,462	5,647,286	423,917	179,713
Receivables from purchase and sale of securities	(979,335)	(2,698,612)	-	664
Reinsurance assets	570,087	1,352,001	-	-
Other assets	2,934,570	(1,992,011)	(15,772)	(15,807)
Operating liabilities increase (decrease)				
Deposits	8,912,492	214,402,910	-	-
Interbank and money market items	(6,939,243)	13,493,007	(3)	11
Liability payable on demand	(2,353,070)	1,353,661	-	-
Derivatives liabilities	(43,975)	(2,448,192)	-	-
Payable from purchase and sales of securities	(576,461)	3,550,448	-	149,835
Insurance contract liabilities	(1,984,418)	827,760	-	-
Other liabilities	(1,782,104)	(1,358,092)	(48,278)	39,771
Net cash from (used in) operating activities	(7,647,314)	163,565,229	5,581,152	1,627,516
Cash flows from investing activities				
Decrease (increase) in investments in securities	(20,925,681)	11,141,310	(844,185)	(3,149,188)
Cash received from interest	2,868,740	3,368,133	251,238	165,016
Cash received from dividend	678,423	551,481	1,586,810	2,662,955
Cash received from disposal of investment in subsidiary	18,366,774	-	-	-
Cash paid for purchase of land and equipment/ intangible assets	(416,211)	(618,551)	(4,264)	(6,922)
Cash received from disposal of equipment/ intangible assets	37,190	27,416	-	550
Net cash from (used in) investing activities	609,235	14,469,789	989,599	(327,589)

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from financing activities				
Cash received from debts issued and borrowings	72,166,465	535,355,208	1,400,000	-
Cash paid for debts issued and borrowings	(58,868,581)	(710,573,440)	(3,000,000)	-
Cash paid for interest expenses on debts issued and borrowings	(3,204,360)	(6,021,298)	(423,608)	(406,496)
Cash paid to non-controlling interest for decrease / return shares capital of a subsidiary company	-	(6,311)	-	-
Cash paid for dividend	(1,148,678)	(893,421)	(1,148,678)	(893,421)
Cash paid for treasury shares	(3,398,455)	-	(3,398,455)	-
Cash paid for dividend to non-controlling interests	(1,083,863)	(1,115,290)	-	-
Net cash from (used in) financing activities	4,462,528	(183,254,552)	(6,570,741)	(1,299,917)
Net increase (decrease) in cash	(2,575,551)	(5,219,534)	10	10
Cash at beginning of the period	15,181,402	16,005,678	-	-
Cash at ending of the period	12,605,851	10,786,144	10	10
	-			
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans, other receivable and investments in receivables purchased	6,012,459	3,878,720	1,404	35,478
Bad debt written off/hair-cut loans from debt restructuring	3,494,780	4,139,448	664	346

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of changes in equity

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements														
	Equity attributable to the Company's shareholders														
					Other components of equity				Amounts recognised in other comprehensive income and accumulated in equity ralating to assets held for sale	Retained earnings					
	Issued and paid-up share capital		Share premium on common share	Premium on treasury share	Share premium of a subsidiary	Amount by which the value of investment in subsidiary lower than attributable net book value	Revaluation surplus on investments - net	Share of other comprehensive income (losses) of associates		Appropriated			Treasury shares	Non-controlling interests	Total
	Preferred shares	Common shares								Statutory reserve	Treasury shares reserve	Unappropriated			
Balance as at 1 January 2012 - as previously reported	133	13,331,407	2,065,645	-	775,814	226,460	579,661	(18,654)	-	1,202,176	387,501	20,096,019	(387,501)	37,422,478	75,681,139
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	(145,821)	7,274	-	-	-	1,009,734	-	658,475	1,529,662
Balance as at 1 January 2012 - as restated	133	13,331,407	2,065,645	-	775,814	226,460	433,840	(11,380)	-	1,202,176	387,501	21,105,753	(387,501)	38,080,953	77,210,801
Dividend paid (Note 22)	-	-	-	-	-	-	-	-	-	-	-	(1,533,396)	-	-	(1,533,396)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	1,060	-	-	1,060
Share capital reduction from treasury shares cancellation	-	(553,243)	-	165,742	-	-	-	-	-	-	(387,501)	387,501	387,501	-	-
Decrease in non - controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,121,647)	(1,121,647)
Total comprehensive income for the period - as restated	-	-	-	-	-	-	377,074	5,175	-	-	-	4,251,893	-	3,455,379	8,089,521
Balance as at 30 September 2012	133	12,778,164	2,065,645	165,742	775,814	226,460	810,914	(6,205)	-	1,202,176	-	24,212,811	-	40,414,685	82,646,339
Balance as at 1 January 2013 - as previously reported	133	12,778,164	2,065,645	165,742	775,814	226,460	1,057,032	15,693	50,601	1,277,830	-	24,358,604	-	41,017,997	83,789,715
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	(212,450)	(1,456)	(10,120)	-	-	1,037,686	-	630,482	1,444,142
Balance as at 1 January 2013 - as restated	133	12,778,164	2,065,645	165,742	775,814	226,460	844,582	14,237	40,481	1,277,830	-	25,396,290	-	41,648,479	85,233,857
Cash payment for treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	(3,398,455)	-	(3,398,455)
Dividend paid (Note 22)	-	-	-	-	-	-	-	-	-	-	-	(1,873,935)	-	-	(1,873,935)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	1,368	-	-	1,368
Transfer of retained earnings to treasury shares reserve (Note 19)	-	-	-	-	-	-	-	-	-	-	3,398,455	(3,398,455)	-	-	-
Decrease in non - controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,083,977)	(1,083,977)
Total comprehensive income for the period (loss)	-	-	-	-	-	-	(203,794)	(8,097)	(40,481)	-	-	7,692,603	-	6,134,171	13,574,402
Balance as at 30 September 2013	133	12,778,164	2,065,645	165,742	775,814	226,460	640,788	6,140	-	1,277,830	3,398,455	27,817,871	(3,398,455)	46,698,673	92,453,260
	-	-	-	-						-	-	-	-	-	-

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up share capital				Other components of equity - revaluation	Retained earnings				
						Appropriated				
	Preferred shares	Common shares	Premium on common share	Premium on treasury share	surplus on investments - net	Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	Total
Balance as at 1 January 2012 - as previously reported	133	13,331,407	2,065,645	-	300,712	1,202,176	387,501	11,304,801	(387,501)	28,204,874
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	(60,408)	-	-	265,346	-	204,938
Balance as at 1 January 2012 - as restated	133	13,331,407	2,065,645	-	240,304	1,202,176	387,501	11,570,147	(387,501)	28,409,812
Dividend paid (Note 22)	-	-	-	-	-	-	-	(1,533,396)	-	(1,533,396)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	1,060	-	1,060
Share capital reduction from treasury shares cancellation	-	(553,243)	-	165,742	-	-	(387,501)	387,501	387,501	-
Total comprehensive income for the period - as restated	-	-	-	-	105,977	-	-	2,791,856	-	2,897,833
Balance as at 30 September 2012	133	12,778,164	2,065,645	165,742	346,281	1,202,176	-	13,217,168	-	29,775,309
Balance as at 1 January 2013 - as previously reported	133	12,778,164	2,065,645	165,742	367,003	1,277,830	-	12,977,543	-	29,632,060
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	(73,401)	-	-	232,733	-	159,332
Balance as at 1 January 2013 - as restated	133	12,778,164	2,065,645	165,742	293,602	1,277,830	-	13,210,276	-	29,791,392
Cash payment for treasury shares	-	-	-	-	-	-	-	-	(3,398,455)	(3,398,455)
Dividend paid (Note 22)	-	-	-	-	-	-	-	(1,873,935)	-	(1,873,935)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	1,368	-	1,368
Transfer of retained earnings to treasury shares reserve (Note 19)	-	-	-	-	-	-	3,398,455	(3,398,455)	-	-
Total comprehensive income for the period	-	-	-	-	69,482	-	-	2,099,162	-	2,168,644
Balance as at 30 September 2013	133	12,778,164	2,065,645	165,742	363,084	1,277,830	3,398,455	10,038,416	(3,398,455)	26,689,014
	-	-	-	-	-	-	-	-	-	-

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

Thanachart Capital Public Company Limited and its subsidiaries
Notes to interim financial statements
For the three-month and nine-month periods ended 30 September 2013

1. General information

Thanachart Capital Public Company Limited ("the Company") is incorporated as a public limited company and operated its business in Thailand. The Company is mainly engaged in investment holding and is the parent company of the Thanachart Group. The registered office of the Company is at 444, 16-17th Floor, MBK Tower, Phayathai Road, Wangmai, Pathumwan, Bangkok.

All subsidiaries are registered limited or public limited companies under Thai laws and operate their businesses in Thailand. The subsidiaries businesses include commercial bank, non-performing assets management business, securities business, leasing and hire purchase business, non-life insurance business, life insurance business, fund management business and others.

2. Basis of preparation of the financial statements

2.1 Basis of preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity, and cash flows in the same format as that used for the annual financial statements, which are in accordance with the BOT's Notification relating to the preparation and format of the financial statements of commercial banks and holding company of financial business groups, dated 3 December 2010.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official interim financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

2.2 Basis of preparation of the interim consolidated financial statements

a) The basis of preparation for the interim consolidated financial statements is the same as that for the consolidated financial statements for the year ended 31 December 2012, and there were no changes in shareholding structure during this period, except that Thanachart Bank sold all of its investment in ordinary shares of Thanachart Life Assurance Public Company Limited, as mentioned in Note 38 to the financial statements. Therefore, the interim consolidated financial statements included the financial statements of the Company and the following subsidiary companies.

	Percentage of holding by the Company		Percentage of holding by the subsidiaries	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Subsidiaries directly held by the Company				
Thanachart Bank Plc.	50.96	50.96	-	-
N.F.S. Asset Management Co., Ltd.	100.00	100.00	-	-
Max Asset Management Co., Ltd.	83.44	83.44	-	-
NASSET Property Fund 6	99.80	99.80	0.06	0.06
Thiravanit Co., Ltd.	99.90	99.90	-	-
Thanachart SPV 01 Co., Ltd.	100.00	100.00	-	-
Subsidiaries indirectly held by the Company				
SCIB Plc.	-	-	99.98	99.98
Thanachart Securities Plc.	-	-	100.00	100.00
Thanachart Life Assurance Plc.	-	-	-	100.00
Thanachart Insurance Plc.	-	-	100.00	100.00
Thanachart Fund Management Co., Ltd.	-	-	75.00	75.00
Thanachart Broker Co., Ltd.	-	-	100.00	100.00
Thanachart Group Leasing Co., Ltd.	-	-	100.00	100.00
Thanachart Management & Services Co., Ltd.	-	-	100.00	100.00
Thanachart Training & Development Co., Ltd.	-	-	100.00	100.00
TS Asset Management Co., Ltd.	-	-	100.00	100.00
Ratchthani Leasing Plc.	-	-	65.18	65.18
National Leasing Co., Ltd.	-	-	100.00	100.00
Siam City Life Assurance Plc.	-	-	100.00	100.00
SCIB Service Co., Ltd.	-	-	100.00	100.00

b) Total assets and net operating income of the subsidiaries that have significant impact to and are included in the consolidated financial statements as at 30 September 2013 and 31 December 2012 and for the nine-month periods ended 30 September 2013 and 2012, after eliminating significant intercompany transactions, are as follows:

(Unit: Million Baht)

	Total assets		Net operating income for the nine-month periods ended 30 September*	
	30 September 2013	31 December 2012	2013	2012
Thanachart Bank Plc.	952,558	934,431	35,172	19,917
Siam City Life Assurance Plc.	11,495	12,465	117	467
Thanachart Insurance Plc.	9,450	8,605	2,193	1,783
Thanachart Securities Plc.	8,665	6,914	1,735	1,038
TS Asset Management Co., Ltd.	9,373	10,045	417	541
Ratchthani Leasing Plc.	25,793	18,971	1,082	809
N.F.S. Asset Management Co., Ltd.	2,325	2,436	278	568
Thanachart Life Assurance Plc.	-	27,316	-	-

* Presented as part of continuing operations

c) The consolidated statement of comprehensive income for the nine-month period ended 30 September 2013 included the operating results of Thanachart Life Assurance Plc. from 1 January 2013 until the date of disposal of the investment. Such subsidiary had total income of Baht 4,025 million and net income of Baht 354 million.

2.3 The separate financial statements, which present investments in subsidiary and associated companies under the cost method, have been prepared solely for the benefit of the public.

2.4 Accounting standards that became effective in the current accounting period

Below is a summary of accounting standards that became effective in the current accounting period.

Accounting Standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments

Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The aforementioned accounting standards do not have any significant impact on the financial statements for the current period, except for TAS 12 Income Taxes.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in the accounting policies has been separately presented in Note 4 to the financial statements.

2.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policies as follow:

a) Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

The changes in this accounting policy were made to conform with TAS 12 Income Taxes, which is effective for the current year.

b) Assets held for sale and discontinued operations

Assets held for sale are measured at the lower of their carrying value and fair value less costs to sell. Disposal groups of assets are classified as assets held for sale if their carrying value is recovered principally through a sales transaction rather than through continuing use. In such case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. Management of the Company and its subsidiaries must be committed to the sale plan, which should be expected to qualify for recognition as a complete sale within one year from the date of classification them as assets held for sale.

In the consolidated statements of comprehensive income of the reporting period and the prior comparable period, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations and shown as profit from discontinued operation in the line item next to profit from continuing operations.

3. Accounting standards that will become effective in the future

Below is a summary of accounting standards that will become effective in the future.

		Effective date
Accounting Standard:		
TAS 12 (revised 2012)	Income taxes	1 January 2014
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company and its subsidiaries has assessed the effect of the above accounting standards and believes that they are not relevant to the business of the Company and its subsidiaries, except TFRS 4, TFRIC 10 and TFRIC 13, of which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the changes described in Note 2.5 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in equity.

As a result of the Company and its subsidiaries adopting TAS 12 Income Taxes, the subsidiary is required to restate the financial statements as if it had always applied this accounting standard, including at the acquisition date of Siam City Bank ("SCIB"). The subsidiary has therefore adjusted the assets and liabilities relevant to the business combination (consisting of the deferred tax assets and deferred tax liabilities related to the assets and liabilities in the accounts of SCIB, the fair value adjustment of SCIB's assets, and intangible assets) in order to determine the reallocation of cost of business combination. As a result, goodwill arising from the business combination increased by Baht 2,202 million.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	30 September 2013	31 December 2012	1 January 2012	30 September 2013	31 December 2012	1 January 2012
		(Restated)			(Restated)	
Statements of financial position						
Increase in deferred tax assets	2,987	2,547	2,534	144	233	266
Increase in goodwill	2,202	2,202	2,202	-	-	-
Increase in deferred tax liabilities	3,569	3,432	3,010	92	74	61
Increase in non-controlling interests of the subsidiaries	913	630	658	-	-	-
Increase in unappropriated retained earnings	1,059	1,038	1,010	143	233	265
Decrease in other components of equity	(161)	(224)	(139)	(91)	(73)	(60)

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Statements of comprehensive income				
Continuing operations				
Profit or loss				
Increase in income tax	40	17	61	15
Increase (decrease) in profit attributable to non-controlling interest of the subsidiaries	32	(9)	-	-
Decrease in profit attributable to equity holders of the Company	(72)	(8)	(61)	(15)
Decrease in basic earnings per share (Baht/share)	(0.06)	(0.006)	(0.051)	(0.011)
Decrease in diluted earnings per share (Baht/share)	(0.06)	(0.006)	(0.051)	(0.011)
Other comprehensive income				
Increase (decrease) in income tax relating to components of other comprehensive income	(28)	190	(4)	20
Discontinued operations				
Profit or loss				
Increase in income tax	-	18	-	-
Decrease in profit attributable to non-controlling interest of the subsidiaries	-	(9)	-	-
Decrease in profit attributable to equity holders of the Company	-	(9)	-	-
Decrease in basic earnings per share (Baht/share)	-	(0.007)	-	-
Decrease in diluted earnings per share (Baht/share)	-	(0.007)	-	-
Other comprehensive income				
Decrease in income tax relating to components of other comprehensive income	-	(117)	-	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Statements of comprehensive income				
Continuing operations				
Profit or loss				
Increase (decrease) in income tax	(186)	4	89	30
Increase in profit attributable to non-controlling interest of the subsidiaries	180	14	-	-
Increase (decrease) in profit attributable to equity holders of the Company	6	(18)	(89)	(30)
Increase (decrease) in basic earnings per share (Baht/share)	0.005	(0.014)	(0.072)	(0.023)
Increase (decrease) in diluted earnings per share (Baht/share)	0.005	(0.014)	(0.072)	(0.023)
Other comprehensive income				
Increase (decrease) in income tax relating to components of other comprehensive income	(120)	237	17	26
Discontinued operations				
Profit or loss				
Increase (decrease) in income tax	(30)	23	-	-
Increase (decrease) in profit attributable to non-controlling interest of the subsidiaries	15	(12)	-	-
Increase (decrease) in profit attributable to equity holders of the Company	15	(11)	-	-
Increase (decrease) in basic earnings per share (Baht/share)	0.012	(0.009)	-	-
Increase (decrease) in diluted earnings per share (Baht/share)	0.012	(0.009)	-	-
Other comprehensive income				
Decrease in income tax relating to components of other comprehensive income	(28)	(120)	-	-

5. Derivatives

As at 30 September 2013 and 31 December 2012, notional amount, fair value of trading derivatives and the adjustments made on an accrual basis for hedging derivatives (banking book) were classified by type of risk are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2013			31 December 2012		
	Fair value/Adjustment on an accrual basis		Notional	Fair value/Adjustment on an accrual basis		Notional
Type of risk	Assets	Liabilities	amount*	Assets	Liabilities	amount*
Foreign exchange rate						
Derivatives for trading	1,024	1,073	125,898	766	675	77,561
Derivatives for banking book	31	291	16,249	316	19	27,038
Interest rate						
Derivatives for trading	1,528	1,512	277,746	493	489	101,254
Derivatives for banking book	-	-	26,100	-	-	26,100
Foreign exchange rate and interest rate						
Derivatives for trading	11	4	761	18	6	1,595
Derivatives for banking book	10	347	11,558	584	13	10,650
Others						
Derivatives for trading	-	10	833	-	4	54
Total	2,604	3,237	459,145	2,177	1,206	244,252

* Disclosed only in case that the subsidiaries have an obligation to pay

Derivatives for hedging (banking book) are obligations under contracts which are not held for trading, and are measured on an accrual basis. Gain (loss) on exchange at the end of the period is presented under derivative assets/derivative liabilities. Accrued interest receivables/payables per the contracts are recorded as receivables and payables in other assets/other liabilities.

6. Investments

6.1 Classified by type of investment

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2013		31 December 2012		30 September 2013		31 December 2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading securities								
Government and state enterprises securities	7,807	7,599	6,141	6,040	-	-	-	-
Private debt securities	5,074	4,994	5,678	5,730	-	-	1	1
Foreign debt securities	-	-	620	628	-	-	-	-
Domestic marketable equity securities	59	58	16	16	-	-	-	-
	12,940	12,651	12,455	12,414	-	-	1	1
Less: Allowance for change in value	(289)		(41)		-		-	
Net	12,651		12,414		-		1	
Available-for-sale securities								
Government and state enterprises securities	70,256	70,197	55,220	55,434	999	999	-	-
Private debt securities	25,040	25,114	30,315	30,718	280	281	646	655
Foreign debt securities	10,619	10,443	11,485	11,746	-	-	-	-
Domestic marketable equity securities	10,272	11,548	7,270	8,235	1,124	1,577	127	485
	116,187	117,302	104,290	106,133	2,403	2,857	773	1,140
Add: Allowance for change in value	1,115		1,865		454		367	
Less: Allowance for impairment	-		(22)		-		-	
Net	117,302		106,133		2,857		1,140	
Held-to-maturity debt securities								
Government and state enterprises securities	11,927	12,168	23,388	24,127	370	370	1,080	1,079
Private debt securities	352	369	2,731	2,802	3,636	3,632	3,636	3,627
Investment in receivables purchased	1,464	1,178	1,543	1,279	823	705	888	791
	13,743	13,715	27,662	28,208	4,829	4,707	5,604	5,497
Less: Allowance for impairment	(286)		(264)		(118)		(97)	
Net	13,457		27,398		4,711		5,507	

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2013		31 December 2012		30 September 2013		31 December 2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
General investment								
Investment in property fund	417		564		-		-	
Domestic non-marketable equity securities	3,879		4,191		112		112	
Foreign non-marketable equity securities	39		39		-		-	
	4,335		4,794		112		112	
Less: Allowance for impairment	(86)		(90)		(36)		(36)	
Net	4,249		4,704		76		76	
Total investment - net	147,659		150,649		7,644		6,724	

6.2 As at 30 September 2013, the Company and its subsidiaries recorded no revaluation surplus and revaluation deficit arising from reclassifications of investments in debt securities in the consolidated financial statements. (31 December 2012: outstanding revaluation surplus amounting to Baht 10 million and outstanding revaluation deficit amounting to Baht 38 million in the consolidated financial statements).

6.3 As at 30 September 2013 and 31 December 2012, the Company has investments of Baht 3,636 million in perpetual non-cumulative subordinated hybrid bonds (Hybrid Tier I). These debentures are unsecured and non-convertible and will be redeemed only upon the dissolution of Thanachart Bank or when conditions specified are met. The debentures bear interest at a rate equal to the highest rate for Thanachart Bank's six-month fixed deposit plus 6 percent per annum, payable semi-annually.

6.4 Investments in securities in which the Company and its subsidiaries hold not less than 20 percent of the equity of the investee

As at 30 September 2013 and 31 December 2012, the subsidiary companies have investments in unit trusts in which the subsidiaries hold not less than 20 percent of the units issued. The subsidiaries do not treat these investments as investments in subsidiaries or associates because the subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by fund managers in accordance with the details of each fund project, and are under the supervision of the SEC. The subsidiaries therefore record them as available-for-sale or general investments, based on their investment objectives.

Securities	Consolidated financial statements			
	30 September 2013		31 December 2012	
	Net book value	Percentage of holding	Net book value	Percentage of holding
	Million Baht	Percent	Million Baht	Percent
Business Strategic Fund	278	67.33	278	67.33
Thanachart Long Term Fixed Income Fund	-	-	61	27.79
SCB Foreign Fixed Income Fund 1Y22	-	-	829	23.53
Hua Hin Property Fund	-	-	121	100.00

6.5 Investments in receivables purchased

Investments in receivables purchased are loans receivable purchased through bidding from local financial institutions. The outstanding balances of loans receivable as at 30 September 2013 and 31 December 2012 can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Investments in receivables purchased	1,464	1,543	823	888
Less: Allowance for impairment	(286)	(264)	(118)	(97)
Investments in receivables purchased - net	1,178	1,279	705	791

	30 September 2013				31 December 2012			
	Number of debtors	Balance per agreement	Purchase price	Yield	Number of debtors	Balance per agreement	Purchase price	Yield
		Million Baht	Million Baht	Percent		Million Baht	Million Baht	Percent
Consolidated financial statements								
Total accumulated investments in receivables purchased	2,938	33,611	7,845	1.75 - 18.97	2,938	33,611	7,845	1.75 - 18.97
Outstanding investments in receivables purchased as at the end of the period	544	10,061	1,464		615	10,092	1,543	
Separate financial statements								
Total accumulated investments in receivables purchased	691	8,190	1,937	11.94 - 18.97	691	8,190	1,937	11.94 - 18.97
Outstanding investments in receivables purchased as at the end of the period	203	4,991	823		203	4,991	888	

During the nine-month period ended 30 September 2013, a subsidiary company had restructured with 2 debtors, with book balances before restructuring totaling approximately Baht 8 million, by modification of repayment conditions. There were no losses on debt restructuring and had maturity in 2013 (For the nine-month period ended 30 September 2012: a subsidiary company had restructured with 1 debtor, with book balances before restructuring totaling approximately Baht 12 million with no losses on debt restructuring, by modification of repayment conditions)

Restructured receivables are transferred to the loans account on the debt restructuring agreement date, in accordance with the BOT's regulations. They are transferred at their book value, which is considered to be fair value. Therefore, as at 30 September 2013 and 31 December 2012, there was no outstanding restructured receivables in the investments in receivables purchased account.

6.6 Investments in companies having problems relating to financial position and operating results

As at 30 September 2013 and 31 December 2012, investments in securities of the Company and its subsidiaries included investments in securities of companies with having problems relating to financial position and operating results, summarised below.

	Consolidated financial statements							
	Number of debtors		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
			Million Baht					
Investments in receivables purchased								
1. Closed financial institutions	7	7	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial position to listed companies vulnerable to delisting from the SET	1	1	3	3	-	-	3	3
3. Companies which have loan settlement problems or have defaulted on the repayment	170	172	1,088	1,150	1,521	1,693	211	194

	Separate financial statements							
	Number of debtors		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Investments in receivables purchased								
1. Companies which have loan settlement problems or have defaulted on the repayment	70	70	639	696	924	1,004	90	74

7. Investments in subsidiary and associated companies

7.1 Separate financial statements

As at 30 September 2013 and 31 December 2012, investments in subsidiary companies and an associated company in the separate financial statements stated under the cost method, consist of investment in ordinary shares of the following companies:

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid-up share capital		Percentage of holding (Percent)		Value of investment under the cost method		Dividend income for the nine-month periods ended 30 September	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	2013	2012
Subsidiary companies								
Thanachart Bank Plc.	55,137	55,137	50.96	50.96	29,056	29,056	1,040	983
N.F.S. Asset Management Co., Ltd.	1,000	1,000	100.00	100.00	1,000	1,000	600	1,000
Max Asset Management Co., Ltd.	572	572	83.44	83.44	469	469	167	549
NASSET Property Fund 6	371	371	99.80	99.80	370	370	-	62
Thiravanit Co., Ltd.	6	6	99.90	99.90	34	34	-	-
Thanachart SPV 01 Co., Ltd.	2	2	100.00	100.00	2	2	-	-
Associated company								
MBK Plc.	1,886	1,886	10.00	10.00	658	658	52	47
Total investments in subsidiary and associated companies					31,589	31,589	1,859	2,641
Less: Allowance for impairment					(16)	(16)		
Total investments in subsidiary and associated companies - net					31,573	31,573		

7.2 Consolidated financial statements

a) Investments in associated companies in the consolidated financial statements

As at 30 September 2013 and 31 December 2012, investments in associated companies in the consolidated financial statements, which are recorded under the equity method, consist of investments in ordinary shares of the following companies which operate in Thailand:

(Unit: Million Baht)

Company's name	Paid-up share capital		Percentage of holding		Value of investment				Dividend income for the nine-month periods ended 30 September		Share of profit (loss) for the nine-month periods ended 30 September	
					Cost method		Equity method					
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	2013	2012	2013	2012
MBK Plc. (operating in property rental, hotel and services business)	1,886	1,886	19.90	19.90	948	948	2,444	1,807	103	94	752	265
Siam Samsung Life Insurance Co., Ltd. (operating in life insurance business)	-	-	-	-	-	-	-	-	-	-	-	(25)
Total investments in associated companies					948	948	2,444	1,807	103	94	752	240

The Company and its subsidiaries classified investment in MBK Plc. as investment in an associated company since the Company and its subsidiaries had significant influence in that company.

b) Summarised financial information of an associated company

Summarised financial information of MBK Plc. as at 30 June 2013 and 30 September 2012 and for the nine-month periods ended 30 June 2013 and 2012 are as follows:

(Unit: Million Baht)

Paid-up share capital		Total assets		Total liabilities		Total income for the nine-month periods ended 30 June		Profit for the nine-month periods ended 30 June	
30 June 2013	30 September 2012	30 June 2013	30 September 2012	30 June 2013	30 September 2012	2013	2012	2013	2012
1,886	1,886	39,005	30,499	22,748	15,008	9,461	6,791	3,774	1,274

The share of profit from investment in MBK Plc. accounted for under the equity method was determined based on financial statements of MBK Plc. that were prepared for periods different from those of the Company, due to limited information available. However, they are financial statements prepared for the same length of time and based on the principle of consistency. Therefore, share of profit of the associate under the equity method for the nine-month period ended 30 September 2013 was determined based on financial statements that were prepared with reference to financial statements for the nine-month period ended 30 June 2013 that had been audited or reviewed by the associate's auditor and adjusted for the effect of differences in accounting policies and significant transactions that occur during the nine-month period ended 30 September 2013 by the Company's management.

7.3 Fair value of investment in an associated company

As at 30 September 2013 and 31 December 2012, the fair value of investment in an associated company which is listed on the Stock Exchange of Thailand is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
MBK Plc.	5,706	4,092	2,866	2,055

8. Loans to customers and accrued interest receivables

8.1 Classified by loan type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Loans to customers				
Overdrafts	21,888	21,527	-	-
Loans	272,573	277,661	187	192
Notes receivable	51,282	54,589	7	7
Hire purchases receivables	498,363	454,896	111	119
Financial leases receivables	1,552	1,985	-	-
Others	206	212	-	-
Less: Deferred revenues	(61,625)	(58,153)	(5)	(7)
Total loans to customers net of deferred revenues	784,239	752,717	300	311
Add: Accrued interest receivables	934	1,073	-	-
Total loans to customers and accrued interest receivables net of deferred revenues	785,173	753,790	300	311
Less: Allowance for doubtful accounts				
1) BOT's minimum requirement provision				
- Individual approach	(21,286)	(18,340)	(205)	(214)
- Collective approach	(8,488)	(5,520)	-	-
2) Excess provision	(563)	(511)	-	-
Less: Revaluation allowance for debt restructuring	(339)	(348)	-	-
Loans to customer and accrued interest receivables - net	754,497	729,071	95	97
Securities business receivables				
Credit balances receivables	3,281	2,424	-	-
Other receivables	192	189	-	-
Total securities business receivables	3,473	2,613	-	-
Less: Allowance for doubtful accounts	(172)	(172)	-	-
Securities business receivables - net	3,301	2,441	-	-
Loans to customer and accrued interest receivables - net	757,798	731,512	95	97

8.2 Non-performing loans

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries (banking, securities and asset management businesses) had non-performing loans classified in accordance with the Notification of the BOT and SEC (debtors classified as substandard, doubtful and doubtful of loss) as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Non-performing loans (excluding accrued interest receivables)				
The Company	293	306	293	306
Banking business	23,700	20,036	-	-
Securities business	173	173	-	-
Asset management business	12,385	13,236	-	-

The above definition of non-performing loans does not include overdue loans which have been already restructured and are now qualified for classification as normal or special mention debt.

Additionally, the Company and its subsidiaries (banking and securities businesses) had loans for which income recognition under an accrual basis has been discontinued, as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
The Company	196	207	196	207
Banking business	23,186	19,896	-	-
Securities business	173	173	-	-

The Company recognises income from loans that were transferred from investment in receivables on a cash basis. Subsidiary companies engaged in the asset management business also recognise income from loans on a cash basis.

8.3 Debt restructuring

During the nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries (banking, asset management and securities businesses) have entered into debt restructuring agreements as follows:

	Consolidated financial statements				
	For the nine-month periods ended 30 September				
Type of restructuring	Number of debtors	Outstanding balances before restructuring (1)	Outstanding balances after restructuring (1)	Type of assets to be transferred	Fair value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
2013					
Modification of repayment conditions	3,957	8,702	8,699		
Transfer of assets and/or ordinary shares and/or modification of repayment conditions	6	305	305	Land, land and premise thereon and movable assets	168
Total	3,963	9,007	9,004		
2012					
Modification of repayment conditions	14,722	15,059	12,244		
Transfer of assets and/or ordinary shares and/or modification of repayment conditions	1	582	432	Common stock	432
Total	14,723	15,641	12,676		

(1) Presents the outstanding balance per the books of account (principal plus accrued interest receivable)

	Separate financial statements		
	For the nine-month periods ended 30 September		
Type of restructuring	Number of debtors	Outstanding loans balance before restructuring (1)	Outstanding loans balance after restructuring (1)
		Million Baht	Million Baht
2013			
Modification of repayment conditions	38	2	2
Total	38	2	2
2012			
Modification of repayment conditions	22	9	9
Total	22	9	9

(1) Presents the outstanding balance per the books of account (principal plus accrued interest receivables)

Counting from the end of the period, the remaining periods to maturity of receivables which entered into debt restructuring agreements during the nine-month periods ended 30 September 2013 and 2012, are summarised below.

	Consolidated financial statements			
	For the nine-month periods ended 30 September			
	2013		2012	
Periods	Number of debtors	Outstanding balances after restructuring	Number of debtors	Outstanding balances after restructuring
		Million Baht		Million Baht
Past due after restructuring	1,142	1,041	4,520	3,629
Due within the year	348	1,634	1,786	3,064
Less than 5 years	739	2,785	7,155	2,628
5 - 10 years	1,493	2,890	1,106	3,016
10 - 15 years	87	323	53	145
Over 15 years	154	331	103	194
Total	3,963	9,004	14,723	12,676

	Separate financial statements			
	For the nine-month periods ended 30 September			
	2013		2012	
Periods	Number of debtors	Outstanding balances after restructuring	Number of debtors	Outstanding balances after restructuring
		Million Baht		Million Baht
Past due after restructuring	1	-	-	-
Due within the year	36	1	18	2
Less than 5 years	-	-	2	2
5 - 10 years	1	1	1	1
10 - 15 years	-	-	1	4
Total	38	2	22	9

Supplemental information for the nine-month periods ended 30 September 2013 and 2012 relating to restructured loans is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Interest incomes recognised in the statements of comprehensive income	1,621	1,893	12	10
Gain on debt settlement/disposal	51	64	2	-
Loss on debt restructuring (net of allowance for doubtful accounts as previously recorded)	3	3	-	-
Cash repayment from receivables	8,909	9,939	21	13
Property foreclosed received for debts settlement	468	883	-	-

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries have the following restructured receivables balances (principal and accrued interest receivable):

	Total number of outstanding receivables		Restructured receivables					
			Number of receivables		Outstanding balances		Outstanding balances, net of collateral	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	Thousand	Thousand			Million Baht	Million Baht	Million Baht	Million Baht
Thanachart Capital Plc.	3.0	3.1	57	60	114	119	23	26
Thanachart Bank Plc.	1,830.4	1,719.6	45,826	53,284	20,811	24,058	11,531	14,604
Thanachart Securities Plc.	0.5	0.5	3	4	35	50	35	50
TS Asset Management Co., Ltd.	1.9	2.3	1,346	1,566	10,525	9,553	5,201	4,919
Other subsidiaries	0.5	0.6	179	204	515	610	138	188

8.4 Classified by classification

As at 30 September 2013 and 31 December 2012, the Company and its financial institution subsidiaries (banking and asset management businesses) classified and made allowances against their loans in accordance with the BOT's guidelines as summarised below.

(Unit: Million Baht)

	Consolidated financial statements [1]					
	Loans and accrued interest receivables		Net balance used in made allowance for doubtful accounts		Allowance for doubtful accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Normal	688,488	671,689	495,533	480,971	8,187	4,885
Special mention	33,513	28,575	30,174	22,593	3,425	1,475
Substandard	8,263	5,312	4,756	3,744	3,730	3,559
Doubtful	7,055	4,543	4,155	2,555	3,282	2,394
Doubtful of loss	21,117	23,781	11,278	11,166	10,087	10,801
Total	758,436	733,900	545,896	521,029	28,711	23,114
Additional allowance for possible uncollectible accounts					551	499
Total					29,262	23,613

(1) Only the Company and subsidiary companies subject to BOT's regulations; and after deducting intergroup transactions.

(Unit: Million Baht)

	Separate financial statements					
	Loans and accrued interest receivables		Net balance used in made allowance for doubtful accounts		Allowance for doubtful accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Normal	7	3	-	1	-	-
Special mention	-	2	-	-	-	-
Substandard	1	1	-	-	-	-
Doubtful	9	5	-	-	-	-
Doubtful of loss	283	300	205	214	205	214
Total	300	311	205	215	205	214

	Percentage of allowance for doubtful account set up			
	Hire purchase receivables - personal consumer for Thanachart Bank[(2)]		Other loans	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Normal	0.63	0.20	1	1
Special mention	8.91	3.50	2	2
Substandard	46.79	83.14	100	100
Doubtful	40.45	83.14	100	100
Doubtful of loss	58.51	83.14	100	100

(2) These percentages are average rate used in setting up allowance for doubtful accounts.

8.5 Loan to companies which have settlement problems

As at 30 September 2013 and 31 December 2012, loans of the Company and its subsidiaries (which engaged in banking, asset management, hire purchases and financial leases business) in the consolidated financial statements and the separate financial statements included amounts due from companies with weak financial positions and poor operating results, as follows:

	Consolidated financial statements							
	Number of debtors		Debt balances		Collateral value		Allowance for doubtful accounts provided in the accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies possible to delisting from the SET	6	6	833	835	73	64	769	771
2. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	9	10	575	584	329	329	231	238
3. Companies which have loan settlement problems or have defaulted on the repayment	1,390	1,315	20,180	18,188	11,355	10,352	9,904	9,009

	Separate financial statements							
	Number of debtors		Debt balances		Collateral value		Allowance for doubtful accounts provided in the accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Companies which have loan settlement problems or have defaulted on the repayment	50	54	99	101	80	81	26	27

8.6 Classification of securities business receivables in accordance with the Notification of the Securities and Exchange Commission

As at 30 September 2013 and 31 December 2012, subsidiary company operating in the securities business classified securities business receivables and accrued interest receivables, in accordance with the Notification of the Securities and Exchange Commission ("SEC") governing accounting for the non-performing debts of securities companies as follows:

(Unit: Million Baht)

	Receivable balances		Allowance for doubtful accounts		Debt balances net of allowance for doubtful accounts	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Normal	3,300	2,440	-	-	3,300	2,440
Substandard	3	5	2	4	1	1
Doubtful	170	168	170	168	-	-
Total	3,473	2,613	172	172	3,301	2,441

Allowance for doubtful accounts for substandard loans set aside by subsidiary is higher than the minimum amount required by the SEC, and takes into account uncertainties as to collateral value and the risk from collection of such receivables.

8.7 Hire purchase receivables/financial lease receivables of subsidiaries classified by aging

As at 30 September 2013 and 31 December 2012, hire purchase and financial lease receivables balances of subsidiary companies engaged in hire purchase and financial lease businesses are classified by the due date of the contracts (after elimination) as follows:

(Unit: Million Baht)

	30 September 2013	31 December 2012
Current or overdue not over 90 days	25,815	19,254
Overdue 91 - 365 days	423	249
Overdue more than 1 year	67	64
Debtors under legal actions	287	233
Total	26,592	19,800
Allowance for doubtful accounts provided in the accounts	1,074	757

9. Allowance for doubtful accounts

(Unit: Million Baht)

	Consolidated financial statements								
	For the nine-month period ended 30 September 2013								
	The Company and subsidiary companies which are financial institutions								
	Normal	Special mention	Sub-standard	Doubtful	Doubtful of loss	Excess provision	Total	Subsidiary companies	Consolidated
Balance - beginning of the period	4,885	1,475	3,559	2,394	10,801	499	23,613	930	24,543
Increase during the period	3,302	1,950	171	888	2,732	52	9,095	337	9,432
Bad debts recovery	-	-	-	-	456	-	456	10	466
Bad debts written-off	-	-	-	-	(3,464)	-	(3,464)	(29)	(3,493)
Reversal on hair-cut loans	-	-	-	-	(99)	-	(99)	(1)	(100)
Reversal from disposal of loans	-	-	-	-	(339)	-	(339)	-	(339)
Balance - end of the period	8,187	3,425	3,730	3,282	10,087	551	29,262	1,247	30,509

(Unit: Million Baht)

	Consolidated financial statements								
	For the year ended 31 December 2012								
	The Company and subsidiary companies which are financial institutions								
	Normal	Special mention	Sub-standard	Doubtful	Doubtful of loss	Excess provision	Total	Subsidiary companies	Consolidated
Balance - beginning of the year	4,049	721	3,897	7,509	9,209	417	25,802	1,098	26,900
Increase (decrease) during the year	836	754	(336)	(2,670)	4,226	82	2,892	(6)	2,886
Bad debts recovery	-	-	-	-	453	-	453	10	463
Bad debts written-off	-	-	-	-	(1,910)	-	(1,910)	(55)	(1,965)
Reversal on hair-cut loans	-	-	(2)	(2,445)	(541)	-	(2,988)	(117)	(3,105)
Reversal from disposal of loans	-	-	-	-	(636)	-	(636)	-	(636)
Balance - end of the year	4,885	1,475	3,559	2,394	10,801	499	23,613	930	24,543

(Unit: Million Baht)

	Separate financial statements						
	For the nine-month period ended 30 September 2013						
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	Excess provision	Total
Balance - beginning of the period	-	-	-	-	214	-	214
Decrease during the period	-	-	-	-	(41)	-	(41)
Bad debts recovery	-	-	-	-	33	-	33
Bad debts written-off	-	-	-	-	(1)	-	(1)
Balance - end of the period	-	-	-	-	205	-	205

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2012						
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	Excess provision	Total
Balance - beginning of the year	10	-	-	-	249	-	259
Decrease during the year	(10)	-	-	-	(26)	-	(36)
Bad debts recovery	-	-	-	-	2	-	2
Bad debts written-off	-	-	-	-	(1)	-	(1)
Reversal from disposal of loans	-	-	-	-	(10)	-	(10)
Balance - end of the year	-	-	-	-	214	-	214

10. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2013	For the year ended 31 December 2012	For the nine-month period ended 30 September 2013	For the year ended 31 December 2012
Balance - beginning of the period	348	386	-	-
Decrease during the period	-	(2)	-	-
Amortised during the period	(9)	(36)	-	-
Balance - end of the period	339	348	-	-

11. Classification of assets

As at 30 September 2013 and 31 December 2012, the quality of assets of the Company and its financial institution subsidiaries (banking and asset management businesses) classified in accordance with the announcements of the Bank of Thailand are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2013					
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	30,567	688,488	-	-	230	719,285
Special mention	-	33,513	-	-	126	33,639
Substandard	-	8,263	-	-	16	8,279
Doubtful	-	7,055	-	-	12	7,067
Doubtful of loss	-	21,117	695	813	367	22,992
Total	30,567	758,436	695	813	751	791,262

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2012					
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	39,223	671,689	-	-	199	711,111
Special mention	-	28,575	-	-	94	28,669
Substandard	-	5,312	-	-	7	5,319
Doubtful	-	4,543	-	-	6	4,549
Doubtful of loss	-	23,781	278	756	354	25,169
Total	39,223	733,900	278	756	660	774,817

(Unit: Million Baht)

	Separate financial statements					
	30 September 2013					
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	7	-	-	-	7
Special mention	-	-	-	-	1	1
Substandard	-	1	-	-	-	1
Doubtful	-	9	-	-	-	9
Doubtful of loss	-	283	178	435	82	978
Total	-	300	178	435	83	996

(Unit: Million Baht)

	Separate financial statements					
	31 December 2012					
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	3	-	-	-	3
Special mention	-	2	-	-	1	3
Substandard	-	1	-	-	-	1
Doubtful	-	5	-	-	-	5
Doubtful of loss	-	300	149	464	83	996
Total	-	311	149	464	84	1,008

12. Goodwill

As at 30 September 2013 and 31 December 2012, goodwill stated in the consolidated financial statements are as follows.

(Unit: Million Baht)

	30 September 2013	31 December 2012
		(Restated)
Goodwill - beginning of the period/year	17,986	15,784
Effect of change in accounting policy[(1)]	-	2,202
Goodwill - beginning of the period/year	17,986	17,986
Deferred gain on disposal of investment	(1,327)	(1,525)
Goodwill - ending of the period/year	16,659	16,461

(1) As mentioned in Note 4 to the financial statements, goodwill increased due to the adoption of new accounting standard, TAS 12 Income taxes, which was effective in current year.

13. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Accrued premium insurance income	175	496	-	-
Other receivables	1,276	1,531	83	98
VAT refundable	393	2,301	-	-
Other receivables - VAT paid in advance for customers	283	226	-	1
Deposit	308	302	5	6
Estimated insurance claims recoveries	308	256	-	-
Receivable from clearing house	50	944	-	-
Leasehold right	291	340	12	13
Prepaid corporate income tax	83	1,076	58	29
Deposit from derivative contracts	256	102	-	-
Prepaid expenses	439	347	8	6
Others	1,027	1,255	32	13
Total	4,889	9,176	198	166
Less: Allowance for impairment	(598)	(435)	(83)	(83)
Other assets - net	4,291	8,741	115	83

14. Interbank and money market items (liabilities)

As at 30 September 2013, interbank and money market items in the consolidated financial statements included loans of a subsidiary company amounting to Baht 2,450 million, consisting of (i) a loan of Baht 98 million, repayable in 36 monthly installments from the date of the loan drawdown, and carrying interest at a fixed interest rate per annum, payable monthly, (ii) a loan of Baht 800 million, repayable in full within 3 years from the date of the loan drawdown and carrying interest at a fixed rate per annum, payable monthly, (iii) a loan of Baht 252 million, repayable in quarterly installments, carrying interest at MLR minus a fixed rate, payable monthly, (iv) a loan of Baht 500 million, repayable in full within 4 years from the date of the loan drawdown, carrying interest at a fixed rate per annum, payable monthly, (v) a loan of Baht 500 million, repayable in quarterly installments, carrying interest at a fixed rate per annum, payable monthly, and (vi) a loan of Baht 300 million in the form of promissory notes, repayable at the date as specified in each promissory note, and carrying interest at fixed rates per annum, payable monthly. In addition, the subsidiary has to comply with the terms and conditions specified in the loan agreements, such as maintenance of a debt to equity ratio (31 December 2012: included loans of a subsidiary company amounting to Baht 1,754 million).

15. Debts issued and borrowings

As at 30 September 2013 and 31 December 2012, the balance of domestic debts issued and borrowings, which stated in Baht, are as follows:

(Unit: Million Baht)

Type of borrowings	Interest rate per annum (as at 30 September 2013)	Maturity date	Consolidated financial statements		Separate financial statements	
			30 September 2013	31 December 2012	30 September 2013	31 December 2012
Unsubordinated debentures	4.60 – 4.90 percent	2014 - 2022	12,000	14,995	12,000	15,000
Unsubordinated debentures	4.70 – 5.50 percent	2014 – 2025	13,160	11,072	1,400	-
Perpetual subordinated hybrid bonds issued under Tier I	8.25 percent	Dissolution	3,494	3,494	-	-
Subordinated hybrid bonds issued under Tier II	5.25 percent	2019 and 2024	5,000	4,999	-	-
Subordinated debentures issued under Tier II	4.70 – 6.00 percent	2015 – 2022	35,515	33,773	-	-
Subordinated debentures			-	1,742	-	-
Short-term debentures	2.60 – 2.95 percent	2013 – 2014	31,929	13,235	-	-
Bills of exchange	0.00 percent	At call	26	41	-	-
Bills of exchange	3.67 percent	2013	500	4,889	-	-
Promissory notes	0.50 – 2.50, 4.25 percent	At call	1,122	1,168	-	-
Borrowings – Department of Alternative Energy Development and Efficiency	0.50 percent	2013 – 2017	58	98	-	-
Total debts issued and borrowings			102,804	89,506	13,400	15,000

On 14 June 2013, a subsidiary issued 2,000,000 units of name registered unsubordinated, unsecured, unconvertible debentures with a debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2017 and bear interest at fixed rate of 4.70 percent per annum, payable quarterly. In addition, the subsidiary has to comply with the terms and conditions as specified in the loan agreement, such as maintenance of a debt to equity ratio.

On 9 August 2013, the Company issued 1,400,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. Of these, 500,000 debentures will mature in 2023 and bear interest at fixed rate of 4.85 percent per annum, payable semi-annually. The remaining 900,000 debentures will mature in 2025 and bear interest at fixed rate of 4.95 percent per annum, payable semi-annually.

On 30 August 2013, a subsidiary issued 760,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2017 and bear interest at fixed rate of 4.759 percent per annum, payable semi-annually. In addition, the subsidiary has to comply with the terms and conditions as specified in the loan agreement, such as maintenance of a debt to equity ratio.

16. Provisions

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Loss from litigation	224	196	9	9
Employee benefits payable	2,068	1,943	26	23
Obligation of off-balance	515	222	-	-
Provision for loss sharing arise from loans transferred to TAMC	-	383	-	183
Others	537	556	-	-
Total	3,344	3,300	35	215

17. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Life policy reserve	10,422	34,291	-	-
Loss reserves and outstanding claims	1,759	1,975	-	-
Unearned premium reserve	2,757	3,116	-	-
Other liabilities under insurance policies	73	250	-	-
Total insurance contract liabilities	15,011	39,632	-	-

18. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Other payables	1,744	1,676	27	87
Suspense cash received from accounts receivable	434	516	27	34
Income received in advance	1,935	434	-	-
Corporate income tax payable	671	1,222	-	-
Accrued personnel expenses	1,639	1,885	36	29
Accrued contribution fee to the Financial Institutions Development Fund/Deposit Protection Agency	912	1,666	-	-
Accrued other expenses	1,399	1,541	2	2
Payables to clearing house	1,193	126	-	-
Insurance premium received in advance	1,426	1,194	-	-
Others	1,531	2,341	223	36
Total other liabilities	12,884	12,601	315	188

19. Share capital/Treasury stocks

During the nine-month period ended 30 September 2013, there's no conversion of preferred shares to the Company's common shares. Therefore, as at 30 September 2013, 13,306 preferred shares remained unconverted. Each preferred share can convert to 1 common share. The conversion right is unconditional and does not expire.

On 26 November 2012, the Company's Board of Directors approved a treasury stock program for financial management purposes, with a budget of up to Baht 3,400 million, and the number of shares to be repurchased not to exceed 127,781,636 shares, representing 10 percent of the shares of the Company in issue. The repurchase period runs from 11 December 2012 to 10 June 2013. As at 30 September 2013, the Company had 71,350,000 shares of treasury stocks, valued at Baht 3,398.5 million, at an average price of Baht 47.63 per share and has not disposed of any shares during the year. A condition of the treasury stock program is that the shares are to be disposed of within 3 years counting from the end of the buy-back period.

20. Other components of equity

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Share premium of a subsidiary	776	776	-	-
Amount by which the value of investment in subsidiary lower than attributable net book value	226	226	-	-
Revaluation surplus (deficit) on investments				
Revaluation surplus on investments				
Available-for-sale investments				
Debt instruments	147	464	1	9
Equity instruments	900	692	461	358
Held-to-maturity investments (reclassified from available-for-sale investments)	-	10	-	-
Total	1,047	1,166	462	367
Revaluation deficit on investments				
Available-for-sale investments				
Debt instruments	(230)	(20)	-	-
Equity instruments	(16)	-	(8)	-
Held-to-maturity investments (reclassified from available-for-sale investments)	-	(38)	-	-
Total	(246)	(58)	(8)	-
Total revaluation surplus on investments	801	1,108	454	367
Less: The effect of deferred tax assets (liabilities)	(160)	(222)	(91)	(73)
Net revaluation surplus on investments	641	886	363	294
Share of other comprehensive income of associates	6	15	-	-
Less: The effect of deferred tax liabilities	-	(1)	-	-
Net share of other comprehensive income of associates	6	14	-	-

Total	1,649	1,902	363	294

21. Capital funds

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have an appropriate financial structure and preserve the ability to continue their business as going concerns. Moreover, the Company and its subsidiaries have legal requirements and rules specific to their areas of each business regarding maintenance of capital funds, cash, liquidity and other matters.

In compliance with the Notification of BOT Re: Consolidated Supervision, the Company has to disclose qualitative and quantitative information about the capital requirements of the Company and its subsidiaries in the financial group (Full Consolidation). The BOT granted a waiver for the Company to indirectly hold more shares of SCIB than permitted by law through Thanachart Bank, for the purposes of the business transfer. The BOT also permitted the Company not to include SCIB into the financial group until the date of completion of liquidation. The Company had disclosed capital requirement information as at 30 June 2013 on its website at www.thanachart.co.th, since October 2013.

22. Dividends

During the nine-month periods ended 30 September 2013 and 2012, the Company has dividend payment as below.

Dividends	Approved by	Dividend payment	Dividend per share	Payment date
		Million Baht	Baht	
Interim dividend for the first half-year of 2013	The Company's Board of Directors on 23 September 2013	724	0.60	21 October 2013
Dividend for the second half-year of 2012	The Annual General Meeting of shareholders on 4 April 2013	1,150	0.90	30 April 2013
		1,874	1.50	
Interim dividend for the first half-year of 2012	The Company's Board of Directors on 24 September 2012	639	0.50	22 October 2012
Dividend for the second half-year of 2011	The Annual General Meeting of shareholders on 5 April 2012	894	0.70	30 April 2012
		1,533	1.20	

23. Interest income

Interest income for the three-month and nine-month periods ended 30 September 2013 and 2012 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Interbank and money market items	459	654	3	1
Investments and trading transactions	109	126	-	-
Investments in debt securities	1,029	917	81	105
Loans to customers	5,328	5,292	2	4
Hire purchase and financial lease	6,702	5,499	1	-
Total interest income	13,627	12,488	87	110

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Interbank and money market items	1,379	1,695	28	1
Investments and trading transactions	368	374	-	-
Investments in debt securities	2,980	2,815	332	283
Loans to customers	15,688	15,999	13	39
Hire purchase and financial lease	19,699	15,223	1	-
Total interest income	40,114	36,106	374	323

24. Interest expenses

Interest expenses for the three-month and nine-month periods ended 30 September 2013 and 2012 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposits	4,507	4,184	-	-
Interbank and money market items	340	370	-	-
Contribution fee to the Financial Institutions Development Fund and Deposit Protection Agency	912	825	-	-
Debts issued and borrowings				
- Subordinated debentures	625	559	-	-
- Unsubordinated debentures	548	234	156	136
- Others	17	511	-	-
Borrowings cost	1	2	-	1
Total interest expenses	6,950	6,685	156	137

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposits	13,305	10,007	-	-
Interbank and money market items	1,111	1,172	-	-
Contribution fee to the Financial Institutions Development Fund and Deposit Protection Agency	2,693	2,154	-	-
Debts issued and borrowings				
- Subordinated debentures	1,857	1,506	-	-
- Unsubordinated debentures	1,507	578	449	406
- Others	85	3,547	-	-
Borrowings cost	4	11	-	2
Total interest expenses	20,562	18,975	449	408

25. Fees and service income

Fees and service income for the three-month and nine-month periods ended 30 September 2013 and 2012 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Fees and service income				
Acceptance, aval and guarantees	95	87	-	-
Hire purchase fee income	350	272	-	-
Credit card fees	255	184	-	-
ATM and electronic banking services	180	175	-	-
Brokerage fee from securities/derivatives	412	322	-	-
Insurance brokerage fee income	383	321	-	-
Others	463	332	-	9
Total fees and service income	2,138	1,693	-	9
Fees and service expenses	(494)	(376)	-	-
Net fees and service income	1,644	1,317	-	9

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Fees and service income				
Acceptance, aval and guarantees	237	248	-	-
Hire purchase fee income	964	814	1	2
Credit card fees	754	529	-	-
ATM and electronic banking services	552	536	-	-
Brokerage fee from securities/derivatives	1,525	886	-	-
Insurance brokerage fee income	1,173	668	-	-
Others	1,450	987	1	16
Total fees and service income	6,655	4,668	2	18
Fees and service expenses	(1,402)	(1,104)	(1)	(1)
Net fees and service income	5,253	3,564	1	17

26. Gains on trading and foreign exchange transactions

Gains (losses) on trading and foreign exchange transactions for the three-month and nine-month periods ended 30 September 2013 and 2012 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Foreign exchange and derivatives relating to foreign exchange	140	122	-	-
Derivatives relating to interest rate	9	-	-	-
Debt securities	(59)	55	-	-
Equity securities	(1)	-	-	-
Others	28	2	-	-
Total	117	179	-	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Foreign exchange and derivatives relating to foreign exchange	425	431	-	-
Derivatives relating to interest rate	13	-	-	-
Debt securities	(216)	23	-	-
Equity securities	(9)	(2)	-	-
Others	48	5	-	-
Total	261	457	-	-

27. Gains on investments

Gains on investments for the three-month and nine-month periods ended 30 September 2013 and 2012 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Gains (losses) on disposal				
Available-for-sale securities	98	111	1	32
General investments	6	32	-	29
Investments in subsidiaries	66	69	-	-
Gains on debt settlement/disposal of debt/assets transferred from investments in receivables purchased	1	4	-	4
Reversal of losses on impairment from investments	4	42	-	42
Total	175	258	1	107

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Gains (losses) on disposal				
Available-for-sale securities	282	290	17	33
General investments	(3)	19	-	28
Investments in subsidiaries (Note 38)	12,480	208	-	-
Gains on the capital returned	-	-	-	9
Gains on debt settlement/disposal of debt/assets transferred from investments in receivables purchased	17	29	3	17
Reversal of losses on impairment from investments	26	27	-	42
Total	12,802	573	20	129

28. 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 2013 and 2012 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Impairment loss of loans				
Interbank and money market items (reversal)	9	(14)	-	-
Loans to customers (reversal)	1,681	1,112	(4)	(6)
Reversal of revaluation allowance for debts restructured during the period	(3)	(4)	-	-
Hair-cut losses from court ruling	-	4	-	-
Loss from debt restructuring	-	1	-	-
Loss from impairment of investments in receivables purchased	-	1	-	-
Total (reversal)	1,687	1,100	(4)	(6)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Impairment loss of loans				
Interbank and money market items	20	8	-	-
Loans to customers (reversal)	9,742	2,019	(42)	(24)
Reversal of revaluation allowance for debts restructured during the period	(9)	(34)	-	-
Hair-cut losses from court ruling	-	4	-	-
Loss from debt restructuring	3	3	-	-
Loss from impairment of investments in receivables purchased	22	3	21	3
Total (reversal)	9,778	2,003	(21)	(21)

29. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2013 and 2012 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Continuing operations				
Current income tax:				
Interim corporate income tax	642	514	(24)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	40	17	61	15
Income tax expense reported in statements of comprehensive income	682	531	37	15
Discontinued operations				
Current income tax:				
Interim corporate income tax	-	66	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	-	18	-	-
Income tax expense reported in statements of comprehensive income	-	84	-	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Continuing operations				
Current income tax:				
Interim corporate income tax	3,767	1,742	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(186)	4	89	30
Income tax expense reported in statements of comprehensive income	3,581	1,746	89	30
Discontinued operations				
Current income tax:				
Interim corporate income tax	119	298	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(30)	23	-	-
Income tax expense reported in statements of comprehensive income	89	321	-	-

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Continuing operations				
Deferred tax relating to gain on changes in value of available-for-sale investments	(29)	190	(4)	20
Deferred tax relating to share of other comprehensive income of associates	1	-	-	-
	(28)	190	(4)	20
Discontinued operations				
Deferred tax relating to gain on changes in value of available-for-sale investments	-	(117)	-	-
	-	(117)	-	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Continuing operations				
Deferred tax relating to gain on changes in value of available-for-sale investments	(119)	237	17	26
Deferred tax relating to share of other comprehensive income of associates	(1)	-	-	-
	(120)	237	17	26
Discontinued operations				
Deferred tax relating to gain on changes in value of available-for-sale investments	(28)	(120)	-	-
	(28)	(120)	-	-

30. Components of other comprehensive income

Components of other comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 are as the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income				
Continuing operations				
Available-for-sale investments:				
Unrealised gains (losses) during the period	(43)	1,099	(18)	137
Less: Reclassification of adjustment for realised gains/losses that included in profit or loss	(98)	(111)	(1)	(32)
	(141)	988	(19)	105
Share of other comprehensive income of an associated company	-	(4)	-	-
Other comprehensive income for the period (loss)	(141)	984	(19)	105
Effects of relevant income taxes				
Income tax - gains (losses) on changes in value of available-for-sale investments	29	(190)	4	(20)
Income tax - share of other comprehensive income of an associated company	(1)	-	-	-
Effects of relevant income taxes	28	(190)	4	(20)
Net other comprehensive income for the period (loss)	(113)	794	(15)	85

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income				
Continuing operations				
Available-for-sale investments:				
Unrealised gains (losses) during the period	(300)	1,533	103	165
Less: Reclassification of adjustment for realised gains/losses that included in profit or loss	(282)	(290)	(17)	(33)
	(582)	1,243	86	132
Share of other comprehensive income of an associated company (loss)	(11)	7	-	-
Other comprehensive income for the period (loss)	(593)	1,250	86	132
Effects of relevant income taxes				
Income tax - gains (losses) on changes in value of available-for-sale investments	119	(237)	(17)	(26)
Income tax - share of other comprehensive income of an associated company	1	-	-	-
Effects of relevant income taxes	120	(237)	(17)	(26)
Net other comprehensive income for the period (loss)	(473)	1,013	69	106

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common shares in issue during the period, netting of treasury shares held by the Company.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of common shares outstanding during the period, netting of treasury shares held by the Company, plus the weighted average number of common shares that would be required to be issued to convert all potential common shares to common shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential common shares were issued.

	Consolidated financial statements					
	For the three-month periods ended 30 September					
	Profit for the period from continuing operations		Weighted average number of common shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
Basic earnings per share						
Profit attributable to the Company	1,661,250	1,213,898	1,206,467	1,277,817	1.38	0.95
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	1,661,250	1,213,898	1,206,480	1,277,830	1.38	0.95

	Consolidated financial statements					
	For the three-month periods ended 30 September					
	Profit for the period from discontinued operations		Weighted average number of common shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
Basic earnings per share						
Profit attributable to the Company	-	61,019	1,206,467	1,277,817	-	0.05
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	-	61,019	1,206,480	1,277,830	-	0.05

	Consolidated financial statements					
	For the nine-month periods ended 30 September					
	Profit for the period from continuing operations		Weighted average number of common shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
Basic earnings per share						
Profit attributable to the Company	7,512,084	3,785,207	1,241,045	1,277,817	6.05	2.96
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	7,512,084	3,785,207	1,241,058	1,277,830	6.05	2.96

	Consolidated financial statements					
	For the nine-month periods ended 30 September					
	Profit for the period from discontinued operations		Weighted average number of common shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
Basic earnings per share						
Profit attributable to the Company	180,519	466,686	1,241,045	1,277,817	0.15	0.37
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	180,519	466,686	1,241,058	1,277,830	0.15	0.37

	Separate financial statements					
	For the three-month periods ended 30 September					
	Profit for the period		Weighted average number of common shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
Basic earnings per share						
Profit attributable to the Company	676,830	127,135	1,206,467	1,277,817	0.56	0.10
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	676,830	127,135	1,206,480	1,277,830	0.56	0.10

	Separate financial statements					
	For the nine-month periods ended 30 September					
	Profit for the period		Weighted average number of common shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
Basic earnings per share						
Profit attributable to the Company	2,099,162	2,791,856	1,241,045	1,277,817	1.69	2.18
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	2,099,162	2,791,856	1,241,058	1,277,830	1.69	2.18

32. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	For the three-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		Pricing policies
	2013	2012	2013	2012	(For the period 2013)
Transactions occurred during the periods					
Subsidiary companies					
Purchase of investments in debt securities	-	-	4,654	15,870	At market prices
Sales of investments in debt securities	-	-	679	-	At market prices
Interest income	-	-	79	81	At interest rate of 0.75 – 8.25 percent per annum
Dividend income	-	-	600	79	As declared
Rental and other service income	-	-	17	33	At the rate agreed under the contract
Interest expense - borrowing cost	-	-	-	1	
Other expense	-	-	3	4	
Associated companies					
Other income	4	-	-	-	
Interest expenses	17	17	-	-	At interest rate of 0.75 - 5.25 percent per annum
Dividend payment	-	-	78	65	As declared
Other expenses	35	34	3	7	
Related companies (presented as part of continuing operations)					
Sales of investments in debt securities	12	906	-	-	At market prices
Purchases/Sales of forward exchange contracts (2013: loss by Baht 46 million 2012: gain by Baht 19 million)	170,712	133,381	-	-	At market prices
Interest income	105	83	-	-	At interest rate of 2.40 – 7.78 percent per annum
Dividend income	9	7	-	-	As declared
Insurance/Life insurance income	7	29	-	-	At the rate agreed under the contract
Other income	3	4	1	1	
Interest expenses	88	104	-	-	At interest rate of 0.35 – 8.25 percent per annum
Project management expenses	21	9	5	6	At the contract price calculated by reference to estimated usage time
Other expenses	33	38	4	4	
Related companies (presented as part of discontinued operations)					
Insurance/Life insurance income	-	2	-	-	
Other expenses	-	4	-	-	

(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		Pricing Policies
	2013	2012	2013	2012	(For the period 2013)
Transactions occurred during the periods					
Subsidiary companies					
Purchase of investments in debt securities	-	-	11,776	27,225	At market prices
Sales of investments in debt securities	-	-	3,154	50	At market prices
Returned capital from a subsidiary company (2012: gain by Baht 9 million)	-	-	-	34	
Interest income	-	-	250	261	At interest rate of 0.75 – 8.50 percent per annum
Dividend income	-	-	1,807	2,594	As declared
Rental and other service income	-	-	65	118	At the rate agreed under the contract
Interest expenses - borrowing cost	-	-	-	2	
Other expenses	-	-	10	13	
Associated companies					
Sales of investment in debt securities	-	270	-	-	
Dividend income	-	-	52	47	As declared
Other income	9	-	-	-	
Interest expenses	71	55	-	-	At interest rate of 0.75 - 5.25 percent per annum
Dividend payment	-	-	195	156	As declared
Other expenses	104	51	8	22	
Related companies (presented as part of continuing operations)					
Purchase of investments in debt securities	229	40	-	-	At market prices
Sales of investments in debt securities	109	1,203	-	-	At market prices
Purchase/Sales of forward exchange contracts (2013: loss by Baht 87 million 2012: gain by Baht 18 million)	330,067	388,872	-	-	At market prices
Sales of foreclosed assets (2012: gain by Baht 7 million)	-	34	-	-	
Interest income	200	255	-	-	At interest rate of 2.40 – 7.78 percent per annum
Dividend income	49	33	18	17	As declared
Insurance/Life insurance income	27	5	-	-	At the rate agreed under the contract
Other income	9	12	1	1	
Dividend payment	900	851	-	-	As declared
Interest expenses	292	309	-	-	At interest rate of 0.50 - 8.25 percent per annum
Project management expenses	55	42	16	20	At the contract price calculated by reference to estimated usage time
Other expenses	101	114	10	5	
Related companies (presented as part of discontinued operations)					
Dividend income	-	4	-	-	
Insurance/Life insurance income	2	2	-	-	At the rate agreed under the contract
Other expenses	5	13	-	-	

The outstanding balances of the above transactions during the nine-month periods ended 30 September 2013 and 2012 have been shown at the average balance at the end of each month as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Subsidiary companies				
Interbank and money market items (assets)	-	-	1,132	109
Loans to customers	-	-	-	490
Debts issued and borrowings	-	-	1	-
Associated companies				
Deposits	1,160	85	-	-
Debts issued and borrowings	1,200	1,488	-	-
Related companies				
Interbank and money market items (assets)	241	475	-	-
Loans to customers	8,076	9,561	-	-
Deposits	2,280	1,220	-	-
Interbank and money market items (liabilities)	12,203	10,476	-	-
Debts issued and borrowings	3,894	4,192	-	-

As at 30 September 2013 and 31 December 2012, the significant outstanding balances of the above transactions are as follows:

(Unit: Million Baht)

	Consolidated financial statements								
	30 September 2013								
	Assets				Liabilities				
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debts issued and borrowings	Other liabilities	Commitments
Associated company									
MBK Plc.	-	-	-	37	73	-	1,200	89	-
Related companies									
Thai Hua Rubber Plc.	-	-	1,945	-	310	-	-	1	790
Synphaet Co., Ltd.	-	-	819	-	7	-	-	-	5
The Bank of Nova Scotia	720	-	-	1	-	13,088	3,494	158	1,941
Srithai Superware Plc.	-	-	636	-	33	-	-	-	105
Krungthai Card Plc.	-	-	3,519	-	5	-	-	-	-
Thai Reinsurance Plc.	-	-	-	17	667	-	-	9	-
GMM Grammy Plc.	-	-	29	-	500	-	-	1	-
Other related companies	-	-	1,133	156	1,240	38	-	92	907
	720	-	8,081	211	2,835	13,126	4,694	350	3,748

(Unit: Million Baht)

	Consolidated financial statements								
	31 December 2012								
	Assets				Liabilities				
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debts issued and borrowings	Other liabilities	Commitments
Associated company									
MBK Plc.	-	-	-	34	1,041	-	1,200	18	-
Related companies									
Thai Hua Rubber Plc.	-	-	2,744	-	349	-	-	2	487
Synphaet Co., Ltd.	-	-	829	-	36	-	-	-	5
The Bank of Nova Scotia	57	-	-	39	-	11,615	3,494	100	1,971
Srithai Superware Plc.	-	-	711	-	69	-	-	-	-
Krungthai Card Plc.	-	-	4,138	-	11	-	-	-	-
Thai Reinsurance Plc.	-	-	-	51	102	-	-	-	-
GMM Grammy Plc.	-	-	36	-	-	-	-	-	-
Other related companies	-	-	1,469	127	840	165	400	35	320
	57	-	9,927	251	2,448	11,780	5,094	155	2,783

(Unit: Million Baht)

	Separate financial statements								
	30 September 2013								
	Assets				Liabilities				
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debts issued and borrowings	Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	24	3,636	-	151	-	-	-	20	-
Thanachart Securities Plc.	-	-	-	1	-	-	-	5	-
N.F.S. Asset Management Co., Ltd.	-	-	-	300	-	-	-	-	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	13	-
Associated company									
MBK Plc.	-	-	-	3	-	-	-	78	-
	24	3,636	-	455	-	-	-	116	-

(Unit: Million Baht)

	Separate financial statements								
	31 December 2012								
	Assets				Liabilities				
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debts issued and borrowings	Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	4,842	3,637	-	81	-	-	5	20	-
Thanachart Securities Plc.	-	-	-	-	-	-	-	5	-
N.F.S. Asset Management Co., Ltd.	-	-	-	1	-	-	-	-	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	16	-
Associated company									
MBK Plc.	-	-	-	4	-	-	-	-	-
	4,842	3,637	-	86	-	-	5	41	-

As at 30 September 2013, the Company and its subsidiaries have investments amounting to Baht 1,478 million (Baht 638 million in the separate financial statements) in related companies in which they are related by means of members of their management being shareholders and/or directors of those companies (31 December 2012: Baht 1,277 million in the consolidated financial statements and Baht 535 million in the separate financial statements).

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries have the following related parties transactions with executive employees of the Company and companies within Thanachart Group from management level up, including related persons who together with these employees:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Loans	73	68	-	-
Deposits	892	696	-	-

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries recorded the following benefits to their key management personnel, including directors:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	125	120	18	18
Post-employment benefits	4	4	1	1
	129	124	19	19

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	421	428	73	70
Post-employment benefits	12	12	2	2
	433	440	75	72

33. Financial information classified by operating segment

The Company and its subsidiaries' operations involve 6 principal segments: (1) Company; (2) Banking business; (3) Asset management business; (4) Securities business; (5) Life insurance business; and (6) Non-life insurance business.

The chief operating decision maker reviews the operating results of each segment separately in order to make decisions on the allocation of resources to each operating segment and to assess performance. The Company and its subsidiaries measure segment performance based on net interest income generated by each segment with net interest income being interest income and interest expenses from external customers, net of interest income and interest expenses from inter-segment lending and borrowing with other business segment. For inter-segment borrowing, market interest rates are charged.

Financial information regarding the Company and its subsidiaries operating segments are as follows:

(Unit: Million Baht)

	For the three-month period ended 30 September 2013								
	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other business	Eliminations	Consolidated
Net interest income	(69)	6,021	67	125	62	133	337	1	6,677
Other operating income	833	2,145	569	(60)	435	199	199	(438)	3,882
Other operating expenses	(54)	(4,557)	(331)	(24)	(188)	(68)	(154)	153	(5,223)
Impairment loss of loans and debt securities	4	(1,588)	-	-	-	29	(67)	(65)	(1,687)
Profit before income tax	714	2,021	305	41	309	293	315	(349)	3,649
Income tax	(37)	(378)	(61)	(8)	(62)	(62)	(59)	(14)	(681)
Profit from continuing operations before non-controlling interests	677	1,643	244	33	247	231	256	(363)	2,968
Profit from discontinued operations	-	-	-	-	-	-	-	-	-
Profit before non-controlling interests	677	1,643	244	33	247	231	256	(363)	2,968

(Unit: Million Baht)

	For the three-month period ended 30 September 2012								
	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other business	Eliminations	Consolidated
Net interest income	(27)	5,341	46	129	48	36	227	3	5,803
Other operating income	228	2,149	429	(75)	385	305	164	(109)	3,476
Other operating expenses	(65)	(4,783)	(290)	(24)	(177)	(54)	(134)	155	(5,372)
Impairment loss of loans and debt securities	6	(1,140)	-	-	-	35	-	(1)	(1,100)
Profit before income tax	142	1,567	185	30	256	322	257	48	2,807
Income tax	(15)	(178)	(43)	(8)	(116)	(85)	(68)	(18)	(531)
Profit from continuing operations before non-controlling interests	127	1,389	142	22	140	237	189	30	2,276
Profit from discontinued operations before income tax	-	-	-	204	-	-	-	-	204
Income tax	-	-	-	(84)	-	-	-	-	(84)
Profit before non-controlling interests	127	1,389	142	142	140	237	189	30	2,396

(Unit: Million Baht)

	For the nine-month period ended 30 September 2013								
	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other business	Eliminations	Consolidated
Net interest income	(75)	17,674	187	391	186	250	949	(10)	19,552
Other operating income	2,442	19,844	2,059	(255)	1,401	402	600	(3,020)	23,473
Other operating expenses	(199)	(13,630)	(1,103)	(71)	(700)	(174)	(428)	443	(15,862)
Impairment loss of loans and debt securities	21	(9,338)	-	-	-	(142)	(133)	(186)	(9,778)
Profit before income tax	2,189	14,550	1,143	65	887	336	988	(2,773)	17,385
Income tax	(90)	(2,752)	(226)	(13)	(179)	(78)	(200)	(43)	(3,581)
Profit from continuing operations before non-controlling interests	2,099	11,798	917	52	708	258	788	(2,816)	13,804
Profit from discontinued operations before income tax	-	-	-	443	-	-	-	-	443
Income tax	-	-	-	(89)	-	-	-	-	(89)
Profit before non-controlling interests	2,099	11,798	917	406	708	258	788	(2,816)	14,158

(Unit: Million Baht)

	For the nine-month period ended 30 September 2012								
	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other business	Eliminations	Consolidated
Net interest income	(85)	15,490	142	364	133	404	703	(20)	17,131
Other operating income	3,114	5,864	1,262	112	979	795	530	(3,355)	9,301
Other operating expenses	(229)	(14,386)	(865)	(69)	(493)	(221)	(383)	519	(16,127)
Impairment loss of loans and debt securities	22	(3,616)	-	-	-	1,707	(32)	(84)	(2,003)
Profit before income tax	2,822	3,352	539	407	619	2,685	818	(2,940)	8,302
Income tax	(30)	(462)	(120)	(96)	(175)	(636)	(184)	(43)	(1,746)
Profit from continuing operations before non-controlling interests	2,792	2,890	419	311	444	2,049	634	(2,983)	6,556
Profit from discontinued operations before income tax	-	-	-	1,237	-	-	-	-	1,237
Income tax	-	-	-	(321)	-	-	-	-	(321)
Profit before non-controlling interests	2,792	2,890	419	1,227	444	2,049	634	(2,983)	7,472

The segment assets of the Company and its subsidiaries as at 30 September 2013 and 31 December 2012 are as follow:

(Unit: Million Baht)

	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other business	Eliminations	Consolidated
Segment assets									
As at 30 September 2013	41,375	969,977	9,144	11,607	9,816	12,744	29,452	(56,823)	1,027,292
As at 31 December 2012	45,364	954,345	7,315	41,043	9,304	13,792	23,072	(66,163)	1,028,072

34. Encumbrance of assets

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries have the following encumbrance assets, presented at book value as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Investment in securities				
Placed with the registrar	3,715	8,329	-	-
Guarantees of loans at commercial bank	-	5,985	-	-
Placed at court	390	22	-	-
Property foreclosed				
Immovable assets subject to buyback options or first refusal rights	482	870	-	-
Immovable assets subject to purchase or sell agreements with clients but currently being settled in installments or through transfer of ownership	657	650	12	112
	5,244	15,856	12	112

35. Commitments and contingent liabilities

As at 30 September 2013 and 31 December 2012, significant commitments and contingent liabilities consisted of:

35.1 Commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Aval to bills	498	554	-	-
Liability under unmatured import bills	636	885	-	-
Letter of credits	4,041	3,183	-	-
Other obligations				
Committed (but not draw) overdraft	28,206	28,249	-	-
Others	24,270	25,965	1	1
Total	57,651	58,836	1	1

In addition, the Company and its subsidiaries have commitments in respect of foreign exchange contracts, cross currency and interest rate swap contracts, interest rate swap contracts, and gold futures contracts, as mentioned in Note 5 to the financial statements.

35.2 As at 30 September 2013, the Company and its subsidiaries have commitments to pay the service fees in relation to property foreclosed, computer system services and other services, including commitments in respect of office rental and related service fees under long-term contracts, as follow:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements	
Year	Other companies	Other companies	Subsidiaries
2013	538	9	2
2014	1,791	14	5
2015 onward	3,795	12	5

In addition, the Company has obligations to pay an administrative fee to a subsidiary company, determined at actual cost plus a margin, for the period stipulated in the agreement.

35.3 Commitments of SCIB from transfer of business from Bangkok Metropolitan Bank Public Company Limited and transfer of non-performing assets to Sukhumvit Asset Management Company Limited

SCIB entered into a business transfer agreement with Bangkok Metropolitan Bank Plc. (“BMB”), effective from 1 April 2002, and transferred its assets and those of BMB to Petchburi Asset Management Co., Ltd. (“PAM”), before they were transferred to Sukhumvit Asset Management Co., Ltd. (“SAM”). Subsequently, SCIB transferred its entire business, including commitments and agreements with PAM and SAM, to Thanachart Bank, effective from 1 October 2011. Thanachart Bank thus has commitments as a result of such transfer. However, the commitments of the Financial Institutions Development Fund (“FIDF”) to SCIB have been transferred to/assumed by Thanachart Bank as the purchaser of SCIB’s shares from FIDF. As at 30 September 2013, outstanding obligations are summarised below.

a) There was an outstanding difference of Baht 93 million, as a result of the transfer of assets to SAM. These comprised receivables awaiting collection and the difference is presented under the caption of “Differences as a result of assets transferred to SAM” in the statements of financial position. Such amounts mainly relate to transfers of guarantee claims, for which there are pending issues with regard to proof the rights of claim or the qualification of the assets transferred in accordance with the conditions set out in the transfer agreements. Such differences are now being examined and/or negotiated among Thanachart Bank, SAM and the FIDF for final resolution.

   As at 30 September 2013, such differences consist of (i) Baht 10 million of transactions incurred directly by SCIB, for which full allowance for doubtful debts has been set aside, and (ii) Baht 83 million of transactions incurred by BMB. If losses arise on the latter and collection cannot be made from SAM, the FIDF will consider compensating for all losses. Thanachart Bank’s management believes that no significant further losses will arise.

b) SAM is re-examining certain previously transferred assets (both of SCIB and BMB) in order to determine whether to transfer the assets back, to request price adjustments or to request settlement together with interest. The major pending issue relates to the proof of rights of claim over these assets.

   As at 30 September 2013, the transferred assets which SAM is re-examining totaling Baht 136 million consist of (i) Baht 7 million of transactions incurred directly by SCIB, for which full allowance for doubtful loss has been set aside under the caption of “Provision for liabilities” in the statements of financial position, and (ii) Baht 129 million of transactions incurred by BMB. If losses arise, Thanachart Bank will receive compensation for loss from FIDF and any adjusting transactions will be within the limit of the funds set aside by FIDF to compensate losses in such cases, amounting to approximately Baht 68 million. In addition, SAM is now negotiating with Thanachart Bank to request interest payment on the assets transferred back, or a price adjustment.

c) Lawsuits in which SCIB is involved as a result of the transfer of business from BMB amounting to approximately Baht 11,633 million, as disclosed under contingent liabilities in Note 36 to the financial statements.

d) Outstanding letters of guarantee.

The FIDF deposited an amount equal to the loss compensation limit with Thanachart Bank in the FIDF's account. Such deposit account is to compensate for losses incurred as a result of the transfer of business from BMB, if such losses are actually incurred due to the outstanding issues described in a), b), c) and d) above. As at 30 September 2013, the deposit account of the FIDF with Thanachart Bank to fund the payment of compensation for losses has an outstanding balance of approximately Baht 707 million. In addition, there is a memorandum of agreement concerning conditions for additional loss compensation if Thanachart Bank incurs losses in relation to the two lawsuits discussed in c), with claims totaling Baht 9,965 million.

However, Thanachart Bank and SAM had a meeting and mutually agreed a resolution to such pending issues. Thanachart Bank believes that no significant further losses will be incurred, other than losses for which it has already set aside full allowance for doubtful debts and/or amount that will compensate by FIDF.

35.4 Commitments arising from sale of ordinary shares of Siam City Securities

As a result of the sale of all ordinary shares of Siam City Securities in August 2011, SCIB is obligated to pay compensation to indemnify the buyer from pending lawsuits including litigation in which Siam City Securities is pursuing collection of debt amounts and/or future litigation which made claims against its debtor that arose before the disposal date of such shares. Moreover, SCIB undertakes to compensate the buyer for any expenses incurred whenever the buyer or Siam City Securities provide SCIB with written notification of reasons for such compensation, together with evidence, for up to 3 years from the share transfer date. Such commitment of SCIB has transferred to Thanachart Bank at the date of the entire business transfer. However, Thanachart Bank's management believes that no further losses will be incurred.

36. Litigation

As at 30 September 2013, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 15,375 million (separate financial statements: Baht 522 million) in respect of litigation. However, the Company and its subsidiaries' management have already made certain provisions for contingent losses, and for the remaining portion the management believes that no losses will result and therefore no liabilities are currently recorded.

Part of the contingent liabilities for litigation mentioned above in the consolidated financial statements amounting to Baht 11,633 million, relates to lawsuits involving Thanachart Bank, as a result of the transfer of business from BMB to SCIB. In this regard, Thanachart Bank is entitled to compensation for actual losses incurred if such losses are in accordance with the conditions agreed with the FIDF (Baht 9,586 million of this amount relates to a single case brought by a debtor that BMB had already transferred to SAM before SCIB received the transfer of business from BMB, and Thanachart Bank believes that the lawsuit has been brought against the wrong party, and not Thanachart Bank and SCIB's responsibility).

In addition, SCIB was requested to make restitution for the forging SCIB's documents and using such counterfeit documents by a person acting on behalf of SCIB. However, SCIB has already filed a complaint against the person who produced and used counterfeit documents so as to proceed with a legal action. The court has already ordered the transfer of some of these cases to Thanachart Bank. Thanachart Bank's management believes that no liability will arise from such restitution claim.

37. Letter of guarantees

As at 30 September 2013, the Company and its subsidiaries had letter of guarantees issued by banks on behalf of the Company and its subsidiaries, amounting approximately Baht 40 million, placed for electricity usage (separate financial statements: Baht 1 million).

38. Disposal of investment in a subsidiary company / Discontinued operations - Investment in Thanchart Life Assurance Plc.

On 5 November 2012, Thanachart Bank, a subsidiary company, signed a Share Purchase Agreement with Prudential Life Insurance (Thailand) Plc. ("the Buyer") to sell the common shares of Thanachart Life Assurance Public Company Limited ("Thanachart Life Assurance") held by Thanachart Bank. The value of the transaction was Baht 17,500 million, with a post-completion adjustment to be made based on agreed terms to reflect the net asset value as at the completion date. A further payment of Baht 500 million is also due in 12 months after the completion date. Under this agreement, the share payment and transfer will occur after the Buyer obtains an approval from the Office of Insurance Commission ("OIC") and both parties sign the Exclusive Bancassurance Agreement. The transaction will be recognised when the transfer of the shares and related payment are complete.

On 29 March 2013, the Buyer received an approval from the Office of Insurance Commission (“OIC”) to acquire more than 10% of the issued and paid up shares of Thanachart Life Assurance for the purpose of the business combination, which was an important condition in the agreement. On 3 May 2013, the Share Purchase Agreement became legally effective as both parties fulfilled the conditions stated in the agreement, including the conclusion of an Exclusive Bancassurance Agreement between Thanachart Bank and Prudential Life Insurance, which will be effective for a period of 15 years. Thanachart Bank transferred 328,500,000 shares of Thanachart Life Assurance Plc., representing 100% of shares, and received payment for the shares in the amount of Baht 17,500 million in accordance with the agreement. A post-completion adjustment on the net asset value of Thanachart Life Assurance as at the completion date amounting to Baht 940 million was recognised as a part of this transaction and payment of this amount was received in July 2013. During the period, Thanachart Bank therefore recognised the transaction and allocated the full selling price of investment between the value of the shares and the service to be provided by Thanachart Bank under the Exclusive Bancassurance Agreement, based on the estimated fair value of shares as determined by Thanachart Bank’s management and other factors. Gain on disposal of Baht 12,281 million was recognised in the consolidated statement of comprehensive income for the nine-month period ended 30 September 2013.

In addition, Thanachart Bank is to receive a further payment amounting to Baht 500 million for granting the right to use Thanachart logo. The further payment is due in 12 months after the date the payment was made for the shares. Thanachart Bank amortises the amount to income over the period.

According to the Exclusive Bancassurance agreement, Thanachart Bank is to recognise such allocated income throughout the period as specified in the agreement and to present such allocated service fee as a part of “Other Liabilities - income received in advance”. In addition, Thanachart Bank has to comply with the terms and conditions as specified in such agreement.

Therefore, to comply with the requirements of accounting standards, the operating results of Thanachart Life Assurance Plc. were separately presented under “Profit for the period from discontinued operations” and “Other comprehensive income from discontinued operations” in the consolidated statement of comprehensive income for the accounting period of 2013, and that of 2012 for comparative purposes. The details are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013[(1)]	2012
Consolidated statement of comprehensive income				
Profit or loss				
Discontinued operations				
Interest income	-	239	358	682
Interest expenses	-	-	-	-
Net interest income	-	239	358	682
Fees and service income	-	-	-	-
Fees and service expenses	-	(1)	(1)	(2)
Net fees and service income	-	(1)	(1)	(2)
Gains on investments	-	(2)	17	133
Life insurance income	-	1,959	3,644	5,541
Dividend income	-	3	4	50
Other income	-	-	3	-
Total operating income	-	2,198	4,025	6,404
Insurance expenses	-	(1,902)	(3,452)	(4,899)
Net operating income	-	296	573	1,505
Other operating expenses				
Personnel expenses	-	21	49	80
Premises and equipment expenses	-	16	21	51
Taxes and duties	-	7	11	21
Other expenses	-	48	49	116
Total other operating expenses	-	92	130	268
Profit before income tax	-	204	443	1,237
Income tax	-	(84)	(89)	(321)
Profit for the period from discontinued operations	-	120	354	916
Other comprehensive income				
Gains (losses) on change in value of available-for-sale investments	-	(511)	(138)	(516)
Income tax relating to components of other comprehensive income	-	117	28	120
Other comprehensive income from discontinued operations (loss)	-	(394)	(110)	(396)
Total other comprehensive income	-	(274)	244	520

(1) Present operation of Thanachart Life Plc. since 1 January 2013 to the date of disposal of the investment

Changes of operating assets and operating liabilities of Thanachart Life Assurance Plc. which included in consolidated cash flows statements for the nine-month periods ended 30 September 2013 and 2012 are as follows:

(Unit: Million Baht)

	2013[(1)]	2012
Operating assets (increase) decrease		
- Interbank and money market items	538	(2,514)
- Investment - net	(2,862)	194
- Others	33	(958)
	(2,291)	(3,278)
Operating liabilities increase (decrease)		
- Insurance contract liabilities	706	1,370
- Income tax payable	115	54
- Payables from purchase and sale of securities	959	966
- Others	108	(139)
	1,888	2,251

(1) For periods since 1 January 2013 to the date of disposal of the investment

Cash flow information of Thanachart Life Assurance Plc. for the nine-month periods ended 30 September 2013 and 2012 are as follows:

(Unit: Million Baht)

	2013[(1)]	2012
Net cash flows from (used in) operating activities	2,819	1,243
Net cash flows from (used in) investing activities	(2,819)	(1,243)

(1) For periods since 1 January 2013 to the date of disposal of investment

39. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2013.