

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 September 2014

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 2014, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014 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.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 10 November 2014

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2014

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		12,155,473	17,940,109	15	-
Interbank and money market items - net		56,251,054	70,214,825	6,863,309	3,542,552
Derivatives assets	3	3,327,143	3,913,805	1,225	-
Investments - net	4	143,019,775	147,686,390	8,423,908	11,047,674
Investments in subsidiaries and associated companies - net	5	2,453,212	2,389,163	31,787,417	31,552,224
Loans to customers and accrued interest receivables	6				
Loans to customers		829,678,302	853,177,090	276,339	279,776
Accrued interest receivables		911,092	1,015,204	11	26
Total loans to customers and accrued interest receivables		830,589,394	854,192,294	276,350	279,802
Less: Deferred revenue		(57,754,119)	(62,002,495)	(3,773)	(3,982)
Allowance for doubtful accounts	7	(30,112,880)	(30,467,235)	(169,762)	(179,470)
Revaluation allowance for debt restructuring	8	(288,882)	(305,386)	-	-
Net loans to customers and accrued interest receivables		742,433,513	761,417,178	102,815	96,350
Customers' liability under acceptances		39,696	30,330	-	-
Property foreclosed - net		9,111,222	9,027,386	1,131,347	1,254,916
Land, premises and equipment - net		7,931,905	8,083,957	42,221	46,696
Intangible assets - net		3,502,127	3,843,509	1,245	486
Goodwill	10	16,908,111	16,725,637	-	-
Deferred tax assets		1,094,086	1,075,552	-	55,904
Receivables from purchase and sale of securities		8,861,051	1,645,667	-	-
Accrued interest and dividend receivables		1,146,197	1,081,291	159,574	88,395
Other assets - net	11	3,897,633	5,839,093	112,210	109,079
Total assets		1,012,132,198	1,050,913,892	48,625,286	47,794,276

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 2014

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
Note		30 September	31 December	30 September	31 December
		2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Deposits		692,546,267	715,931,146	-	-
Interbank and money market items	12	54,037,660	81,082,201	-	13
Liability payable on demand		1,516,491	3,218,667	-	-
Derivatives liabilities	3	4,215,042	5,701,330	-	-
Debts issued and borrowings	13	116,391,682	109,290,446	20,700,000	20,700,000
Bank's liability under acceptances		39,696	30,330	-	-
Provisions	14	2,917,331	3,183,299	42,587	40,195
Deferred tax liabilities		1,785,196	1,700,941	6,859	-
Accrued interest payables		3,942,996	4,474,707	260,572	153,432
Payables from purchase and sale of securities		6,713,373	1,466,719	-	-
Insurance contracts liabilities	15	14,366,696	15,019,053	-	-
Accrued dividend payables		741,725	-	723,888	-
Other liabilities	16	11,860,218	14,375,627	95,589	121,472
Total liabilities		911,074,373	955,474,466	21,829,495	21,015,112

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 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Equity					
Share capital	17				
Registered, issued and paid-up					
13,276 preferred shares of Baht 10 each					
(31 December 2013: 13,306 preferred shares					
of Baht 10 each)		133	133	133	133
1,277,816,427 common shares of Baht 10 each					
(31 December 2013: 1,277,816,397 common shares					
of Baht 10 each)		12,778,164	12,778,164	12,778,164	12,778,164
		12,778,297	12,778,297	12,778,297	12,778,297
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Premium on treasury share		165,742	165,742	165,742	165,742
Other components of equity	18	2,275,952	1,723,075	582,758	370,006
Retained earnings					
Appropriated - statutory reserve		1,277,830	1,277,830	1,277,830	1,277,830
- treasury share reserve		3,398,455	3,398,455	3,398,455	3,398,455
Unappropriated		31,188,975	29,358,306	9,925,519	10,121,644
Less: Treasury shares - common shares		(3,398,455)	(3,398,455)	(3,398,455)	(3,398,455)
Equity attributable to owners of the Company		49,752,441	47,368,895	26,795,791	26,779,164
Non-controlling interests		51,305,384	48,070,531	-	-
Total equity		101,057,825	95,439,426	26,795,791	26,779,164
Total liabilities and equity		1,012,132,198	1,050,913,892	48,625,286	47,794,276

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 2014**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Profit or loss					
Continuing operations					
Interest income	21	13,177,482	13,625,588	118,083	87,329
Interest expenses	22	(6,284,712)	(6,965,815)	(253,557)	(156,019)
Net interest income		6,892,770	6,659,773	(135,474)	(68,690)
Fees and service income		2,048,610	2,138,546	145	542
Fees and service expenses		(712,420)	(662,891)	(74)	(182)
Net fees and service income	23	1,336,190	1,475,655	71	360
Gains on trading and foreign exchange transactions	24	331,467	117,241	8,937	-
Gains on investments	25	214,110	174,502	109,621	573
Share of profit from investments					
accounted for under equity method		63,428	249,627	-	-
Gains on property foreclosed and other assets		15,381	168,250	145	192,096
Insurance/Life insurance income		1,633,028	1,638,218	-	-
Dividend income		163,851	342,238	101,789	610,480
Other operating income		412,603	572,818	17,579	29,336
Total operating income		11,062,828	11,398,322	102,668	764,155
Insurance/Life insurance expenses		(1,147,689)	(1,053,096)	-	-
Net operating income		9,915,139	10,345,226	102,668	764,155
Other operating expenses					
Employee's expenses		2,828,588	2,622,868	34,711	28,832
Directors' remuneration		8,600	7,975	3,072	2,912
Premises and equipment expenses		734,367	755,458	7,087	6,946
Taxes and duties		215,145	221,016	356	238
Other expenses		1,227,353	1,428,685	16,101	15,451
Total other operating expenses		5,014,053	5,036,002	61,327	54,379
Impairment loss of loans and debt securities (reversal)	26	1,790,852	1,659,836	6,127	(3,937)
Profit before income tax		3,110,234	3,649,388	35,214	713,713
Income tax	27	(552,816)	(681,574)	(47,374)	(36,883)
Profit (loss) for the period		2,557,418	2,967,814	(12,160)	676,830

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 2014**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Other comprehensive income	28				
Continuing operations					
Gains (losses) on change in value of					
available-for-sale securities		177,237	(140,850)	64,043	(18,651)
Share of other comprehensive income of associates (loss)		16,875	(52)	-	-
Income tax relating to components of					
other comprehensive income		(36,272)	28,081	(12,809)	3,730
Total other comprehensive income (loss)		157,840	(112,821)	51,234	(14,921)
Total comprehensive income		2,715,258	2,854,993	39,074	661,909
Profit attributable to					
The Company		1,202,310	1,661,250	(12,160)	676,830
Non-controlling interests		1,355,108	1,306,564	-	-
		2,557,418	2,967,814	(12,160)	676,830
Total comprehensive income attributable to					
The Company		1,313,991	1,593,532	39,074	661,909
Non-controlling interests		1,401,267	1,261,461	-	-
		2,715,258	2,854,993	39,074	661,909
Earnings per share of the Company	29				
Basic earnings per share (Baht per share)					
Profit (loss) attributable to the Company		1.00	1.38	(0.01)	0.56
Diluted earnings per share (Baht per share)					
Profit (loss) attributable to the Company		1.00	1.38	(0.01)	0.56

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 2014**

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss					
Continuing operations					
Interest income	21	40,001,309	40,108,542	406,299	374,419
Interest expenses	22	(19,310,965)	(20,603,682)	(752,369)	(449,208)
Net interest income		20,690,344	19,504,860	(346,070)	(74,789)
Fees and service income		5,977,927	6,654,903	479	1,863
Fees and service expenses		(2,082,956)	(2,012,258)	(414)	(800)
Net fees and service income	23	3,894,971	4,642,645	65	1,063
Gains on trading and foreign exchange transactions (losses)	24	842,785	261,299	10,691	(8)
Gains on investments	25	925,800	12,802,241	198,450	20,150
Share of profit from investments accounted for under equity method	5.2	183,838	751,536	-	-
Gains on property foreclosed and other assets		376,724	624,854	3,367	459,203
Insurance/Life insurance income		4,802,454	5,110,546	-	-
Dividend income		308,837	574,399	2,025,709	1,886,810
Other operating income		1,150,545	1,394,042	55,021	74,379
Total operating income		33,176,298	45,666,422	1,947,233	2,366,808
Insurance/Life insurance expenses		(3,437,325)	(3,222,199)	-	-
Net operating income		29,738,973	42,444,223	1,947,233	2,366,808
Other operating expenses					
Employee's expenses		8,208,938	8,084,932	97,187	91,161
Directors' remuneration		64,764	57,028	28,606	26,583
Premises and equipment expenses		2,180,358	2,236,627	21,934	20,813
Taxes and duties		637,562	667,660	812	4,266
Other expenses		3,524,035	4,469,339	50,498	56,181
Total other operating expenses		14,615,657	15,515,586	199,037	199,004
Impairment loss of loans and debt securities (reversal)	26	5,508,366	9,544,016	4,467	(20,854)
Profit before income tax		9,614,950	17,384,621	1,743,729	2,188,658
Income tax	27	(1,900,734)	(3,580,828)	(9,575)	(89,496)
Profit for the period from continuing operations		7,714,216	13,803,793	1,734,154	2,099,162
Discontinued operations					
Profit for the period from discontinued operations	36	-	354,241	-	-
Profit for the period		7,714,216	14,158,034	1,734,154	2,099,162

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 2014**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Other comprehensive income	28				
Continuing operations					
Gains (losses) on change in value of					
available-for-sale securities		1,069,381	(581,693)	265,940	86,853
Share of other comprehensive income of associates (loss)		15,207	(11,169)	-	-
Income tax relating to components of					
other comprehensive income		(214,436)	119,633	(53,188)	(17,371)
Total other comprehensive income from					
continuing operations (loss)		870,152	(473,229)	212,752	69,482
Discontinued operations					
Other comprehensive income from					
discontinued operations (loss)		-	(110,403)	-	-
Total other comprehensive income (loss)		870,152	(583,632)	212,752	69,482
Total comprehensive income					
Total comprehensive income from continuing operations		8,584,368	13,330,564	1,946,906	2,168,644
Total comprehensive income from discontinued operations		-	243,838	-	-
Total comprehensive income		8,584,368	13,574,402	1,946,906	2,168,644
Profit attributable to					
The Company					
Profit for the period from continuing operations		3,760,948	7,512,084	1,734,154	2,099,162
Profit for the period from discontinued operations		-	180,519	-	-
Profit for the period attributable to the Company		3,760,948	7,692,603	1,734,154	2,099,162
Non-controlling interests					
Profit for the period from continuing operations		3,953,268	6,291,709	-	-
Profit for the period from discontinued operations		-	173,722	-	-
Profit for the period attributable to					
non-controlling interests		3,953,268	6,465,431	-	-
		7,714,216	14,158,034	1,734,154	2,099,162

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 2014

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Total comprehensive income attributable to					
The Company					
Total comprehensive income from continuing operations		4,313,825	7,300,193	1,946,906	2,168,644
Total comprehensive income from discontinued operations		-	140,038	-	-
Total comprehensive income attributable to the Company		4,313,825	7,440,231	1,946,906	2,168,644
Non-controlling interests					
Total comprehensive income from continuing operations		4,270,543	6,030,371	-	-
Total comprehensive income from discontinued operations		-	103,800	-	-
Total comprehensive income attributable to non-controlling interests		4,270,543	6,134,171	-	-
		8,584,368	13,574,402	1,946,906	2,168,644
Earnings per share of the Company	29				
Basic earnings per share (Baht per share)					
From continuing operations		3.12	6.05	1.44	1.69
From discontinued operations		-	0.15	-	-
Profit attributable to the Company		3.12	6.20	1.44	1.69
Diluted earnings per share (Baht per share)					
From continuing operations		3.12	6.05	1.44	1.69
From discontinued operations		-	0.15	-	-
Profit attributable to the Company		3.12	6.20	1.44	1.69

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows

For the nine-month period ended 30 September 2014

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax from continuing operations	9,614,950	17,384,621	1,743,729	2,188,658
Profit before income tax from discontinued operations	-	443,187	-	-
Profit before income tax	9,614,950	17,827,808	1,743,729	2,188,658
Adjustments to reconcile profit before income tax				
to net cash received (paid) from operating activities				
Share of profit from investments accounted for under equity method	(183,838)	(751,536)	-	-
Depreciation and amortisation	1,076,862	1,118,732	16,951	16,556
Impairment loss of loans and debt securities (reversal)	5,508,366	9,544,016	4,467	(20,854)
Increase (decrease) in provisions	308,057	794,380	2,392	(4,690)
Increase (decrease) in provision for impairment of property foreclosed	(2,701)	54,513	6,519	(28,898)
Increase (decrease) in provision for impairment				
of equipment/other assets	(102,395)	166,553	26	(102)
Unrealised loss (gain) from change in value				
of investments/ allowance for impairment of investments	(278,288)	221,628	(242)	8
Unrealised loss (gain) on exchange	414,300	(637,530)	-	-
Gain from disposal of/capital return from investments				
in subsidiary companies	(182,474)	(12,480,447)	(91,897)	-
Loss (gain) on disposal of equipment	9,252	3,779	(2)	-
Decrease (increase) in accrued other income receivable	398,024	(254,925)	(101)	3,438
	16,580,115	15,606,971	1,681,842	2,154,116
Net interest income	(20,690,344)	(19,504,860)	346,070	74,789
Dividend income	(308,837)	(574,399)	(2,025,709)	(1,886,810)
Cash received from interest on operating activities	36,903,780	38,857,000	61,934	53,185
Cash paid for interest on operating activities	(17,324,893)	(17,650,681)	(19)	(29)
Cash received from corporate income tax refundable	-	1,014,510	-	-
Cash paid for income tax	(2,865,087)	(3,986,250)	(6,265)	(28,240)
Income from operating activities before				
changes in operating assets and liabilities	12,294,734	13,762,291	57,853	367,011

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items	13,991,733	14,821,320	(3,296,386)	4,811,452
Derivative assets	606,845	1,018,000	(1,225)	-
Investments in trading securities	(1,002,549)	(485,046)	(27,620)	900
Loans to customers	6,613,648	(41,244,885)	3,575	41,925
Property foreclosed	6,465,051	6,722,462	124,398	423,917
Receivables from purchase and sale of securities	(7,215,384)	(979,335)	-	-
Other assets	1,579,325	3,643,700	(5,339)	(15,772)
Increase (decrease) in operating liabilities				
Deposits	(23,384,879)	8,912,492	-	-
Interbank and money market items	(27,185,045)	(6,939,243)	(13)	(3)
Liability payable on demand	(1,702,176)	(2,353,070)	-	-
Derivatives liabilities	(1,339,118)	(43,975)	-	-
Payables from purchase and sales of securities	5,246,654	(576,461)	-	-
Insurance contract liabilities	(652,357)	(1,984,418)	-	-
Other liabilities	(1,015,410)	(1,801,513)	(25,893)	(48,278)
Net cash flows from (used in) operating activities	(16,698,928)	(7,527,681)	(3,170,650)	5,581,152
Cash flows from investing activities				
Decrease (increase) in investments in securities	7,107,966	(21,045,314)	2,902,446	(844,185)
Cash paid for purchase of investment in subsidiary	-	-	(482,119)	-
Cash received from interest	3,119,503	2,868,740	247,666	251,238
Cash received from dividend	421,508	678,423	2,025,710	1,586,810
Cash received from disposal of/capital return from subsidiary companies	-	18,366,774	331,504	-
Cash paid for purchase of land and equipment/ intangible assets	(814,186)	(416,211)	(4,079)	(4,264)
Cash received from disposal of equipment/ intangible assets	15,349	37,190	2	-
Net cash flows from investing activities	9,850,140	489,602	5,021,130	989,599

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the nine-month period ended 30 September 2014

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2014	2013	2014	2013
Cash flows from financing activities				
Cash received from debts issued and borrowings	88,506,500	72,166,465	-	1,400,000
Cash paid for debts issued and borrowings	(81,405,264)	(58,868,581)	-	(3,000,000)
Cash paid for interest expenses on debts issued and borrowings	(3,440,991)	(3,204,360)	(644,074)	(423,608)
Cash paid for capital return to non-controlling interests	(451)	-	-	-
Cash paid for dividend	(1,206,391)	(1,148,678)	(1,206,391)	(1,148,678)
Cash paid for treasury shares	-	(3,398,455)	-	(3,398,455)
Cash paid for dividend to non-controlling interests	(1,389,251)	(1,083,863)	-	-
Net cash flows from (used in) financing activities	1,064,152	4,462,528	(1,850,465)	(6,570,741)
Net increase (decrease) in cash	(5,784,636)	(2,575,551)	15	10
Cash at beginning of the period	17,940,109	15,181,402	-	-
Cash at end of the period	12,155,473	12,605,851	15	10

Supplemental cash flows information

Non-cash transactions

Property foreclosed transferred from loans to customers,
other receivable and investments in
receivables purchased

6,533,790	6,012,459	29	1,404
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Property foreclosed received from

capital returned from a subsidiary company

-	-	7,320	-
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Bad debt written off/hair-cut loans from debt restructuring

5,594,651	3,494,780	132	664
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Payable from purchase of assets

55,189	68,184	23	20
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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 2014

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to the Company's shareholders															
	Other components of equity									Retained earnings					
	Amounts recognised in									Appropriated					
	the value of investment									income and					
	Issued and paid-up share capital	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	Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale		Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	Non-controlling interests	Total
Preferred shares	Common shares														
Balance as at 1 January 2013	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 paid for treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	(3,398,455)	-	(3,398,455)
Dividend paid (Note 20)	-	-	-	-	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	-	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
Balance as at 1 January 2014	133	12,778,164	2,065,645	165,742	775,814	226,460	714,616	6,185	-	1,277,830	3,398,455	29,358,306	(3,398,455)	48,070,531	95,439,426
Dividend paid (Note 20)	-	-	-	-	-	-	-	-	-	-	-	(1,930,368)	-	-	(1,930,368)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	89	-	-	89
Decrease in non - controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,035,690)	(1,035,690)
Total comprehensive income for the period	-	-	-	-	-	541,767	11,110	-	-	-	-	3,760,948	-	4,270,543	8,584,368
Balance as at 30 September 2014	133	12,778,164	2,065,645	165,742	775,814	226,460	1,256,383	17,295	-	1,277,830	3,398,455	31,188,975	(3,398,455)	51,305,384	101,057,825

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 2014

(Unit: Thousand Baht)

	Separate financial statements									
					Other components					
	Issued and paid-up share capital				of equity -	Retained earnings				
	Preferred	Common	Premium on	Premium on	revaluation	Appropriated				
	shares	shares	common share	treasury share	surplus on	Statutory	Treasury shares	Unappropriated	Treasury shares	Total
					investments - net	reserve	reserve			
Balance as at 1 January 2013	133	12,778,164	2,065,645	165,742	293,602	1,277,830	-	13,210,276	-	29,791,392
Cash paid for treasury shares	-	-	-	-	-	-	-	-	(3,398,455)	(3,398,455)
Dividend paid (Note 20)	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	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
Balance as at 1 January 2014	133	12,778,164	2,065,645	165,742	370,006	1,277,830	3,398,455	10,121,644	(3,398,455)	26,779,164
Dividend paid (Note 20)	-	-	-	-	-	-	-	(1,930,368)	-	(1,930,368)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	89	-	89
Total comprehensive income for the period	-	-	-	-	212,752	-	-	1,734,154	-	1,946,906
Balance as at 30 September 2014	133	12,778,164	2,065,645	165,742	582,758	1,277,830	3,398,455	9,925,519	(3,398,455)	26,795,791

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 2014

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 2012) “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 Bank of Thailand (“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 interim consolidated financial statements were prepared on the same basis as the consolidated financial the statements for the year ended 31 December 2013. However, there was a change in structure of shareholding with regard to the investment in ordinary shares of Siam City Life Assurance Public Company Limited during the period, as mentioned in Note 36.1 to the financial statements, because the Company's indirect shareholding in such company changed to a direct shareholding. The interim consolidated financial statements therefore consist of 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 2014	31 December 2013	30 September 2014	31 December 2013
<u>Subsidiaries directly held by the Company</u>				
Thanachart Bank Plc.	50.96	50.96	-	-
NFS 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
Thanachart SPV 01 Co., Ltd.	-	100.00	-	-
Siam City Life Assurance Plc.	53.50	-	-	100.00
<u>Subsidiaries indirectly held by the Company</u>				
SCIB Plc.	-	-	99.98	99.98
Thanachart Securities Plc.	-	-	100.00	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 and Services Co., Ltd.	-	-	100.00	100.00
Thanachart Training and 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
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 2014 and 31 December 2013 and for the nine-month periods ended 30 September 2014 and 2013, 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	31 December		
	2014	2013	2014	2013
Thanachart Bank Plc.	932,500	975,824	23,744	34,592
Ratchthani Leasing Plc.	27,230	26,654	1,222	1,082
Siam City Life Assurance Plc.	10,536	10,216	193	117
Thanachart Insurance Plc.	9,813	8,794	2,085	2,193
TS Asset Management Co., Ltd.	8,870	9,055	479	416
Thanachart Securities Plc.	8,634	6,536	1,178	1,735
NFS Asset Management Co., Ltd.	1,759	1,997	91	278

* 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 New accounting standards

- a. Accounting standards that became effective in the current accounting period

The Company and its subsidiaries disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact, except for TFRIC 13 as the following:

Financial Reporting Standard Interpretation 13: Customer Loyalty Programmes

This financial reporting standard interpretation requires the Company and its subsidiaries to record and measure the Company's and its subsidiaries commitments to provide goods, services or discounts on goods or services in the future, by apportioning compensation received or receivable from sales to accumulated reward points, and realising the apportioned amount as deferred revenue. Such amounts are then realised as revenue through the statement of comprehensive income when customers claim the rewards and the Company and its subsidiaries have fulfilled their commitment.

The Company and its subsidiaries have changed accounting policy in the current period, but did not restate the prior period's financial statements presented as comparative information, since the managements of the Company and its subsidiaries consider that the change did not have a significant impact to the financial statements.

b. Accounting standard that will become effective in the future

The Company and its subsidiaries have disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries are still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

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 2013, except for the change in the accounting policy as follows:

Fee and service income recognition

Fee and service income are recognised on an accrual basis. When the Company and its subsidiaries provide loyalty programmes to customers, they apportion compensation received from such services based on the fair value of accumulated reward points and realise it as deferred revenue. This deferred revenue is recorded under "other liabilities" in the statement of financial position. The Company and its subsidiaries then realise it as revenue through the statement of comprehensive income when the customers claim a reward and the Company and its subsidiaries have fulfilled their commitment to provide such reward.

3. Derivatives

As at 30 September 2014 and 31 December 2013, the notional amount and the fair value of trading derivatives, and the adjustments made on an accrual basis for hedging derivatives (banking book), were classified by type of risk as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2014			31 December 2013		
	Fair value/Adjustments		Notional	Fair value/Adjustments		Notional
	on an accrual basis			on an accrual basis		
Types of risk	Assets	Liabilities	amount*	Assets	Liabilities	amount*
Foreign exchange rate						
Derivatives for trading	317	339	83,197	1,260	1,356	73,700
Derivatives for banking book	24	190	19,844	12	878	23,142
Interest rate						
Derivatives for trading	2,929	2,914	348,106	2,569	2,534	280,730
Derivatives for banking book	-	-	16,100	-	-	26,100
Foreign exchange rate and interest rate						
Derivatives for trading	21	13	2,776	24	18	1,640
Derivatives for banking book	35	751	12,591	49	914	12,754
Others						
Derivatives for trading	1	8	279	-	1	281
Total	3,327	4,215	482,893	3,914	5,701	418,347

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

As at 30 September 2014, the Company had derivatives amounting Baht 1 million held for the purpose of hedging exchange rate risk and not for trading, which are presented as derivative assets. The notional amount of the relevant agreements is Baht 2,015 million.

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 derivatives assets/derivatives liabilities. Accrued interest receivables/payables per the contracts are recorded as receivables and payables in other assets/other liabilities.

4. Investments

4.1 Classified by type of investments

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2014		31 December 2013		30 September 2014		31 December 2013	
	Cost/ Amortised		Cost/ Amortised		Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value	cost	Fair value	cost	Fair value
Trading securities								
Government and state								
enterprises securities	6,286	6,289	5,706	5,532	-	-	-	-
Private debt securities	5,474	5,586	5,266	5,214	30	30	2	2
Domestic marketable								
equity securities	232	227	17	16	-	-	-	-
	11,992	12,102	10,989	10,762	30	30	2	2
Add (less): Allowance for								
change in value	110		(227)		-		-	
Net	12,102		10,762		30		2	
Available-for-sale securities								
Government and state								
enterprises securities	62,613	63,004	76,880	77,313	-	-	5,482	5,508
Private debt securities	31,378	31,855	26,136	26,347	1,301	1,323	656	662
Foreign debt securities	14,452	14,546	14,691	14,543	-	-	-	-
Domestic marketable								
equity securities	1,878	3,256	1,096	1,890	176	873	127	558
Unit trusts	1,913	1,928	23	19	1,890	1,899	-	-
	112,234	114,589	118,826	120,112	3,367	4,095	6,265	6,728
Add: Allowance for change								
in value	2,355		1,286		728		463	
Net	114,589		120,112		4,095		6,728	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2014		31 December 2013		30 September 2014		31 December 2013	
	Cost/ Amortised		Cost/ Amortised		Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value	cost	Fair value	cost	Fair value
Held-to-maturity debt securities								
Government and state enterprises securities	11,166	11,463	11,435	11,735	-	-	-	-
Private debt securities	272	298	352	369	3,636	3,632	3,636	3,631
Investment in receivables purchased	1,295	1,007	1,358	1,078	710	587	715	606
	12,733	12,768	13,145	13,182	4,346	4,219	4,351	4,237
Less: Allowance for impairment	(288)		(280)		(123)		(109)	
Net	12,445		12,865		4,223		4,242	
General investment								
Domestic non-marketable equity securities	3,879		3,879		112		112	
Foreign non-marketable equity securities	39		39		-		-	
Unit trusts	83		87		-		-	
	4,001		4,005		112		112	
Less: Allowance for impairment	(117)		(58)		(36)		(36)	
Net	3,884		3,947		76		76	
Total investments - net	143,020		147,686		8,424		11,048	

4.2 As at 30 September 2014 and 31 December 2013, 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.

4.3 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 2014 and 31 December 2013 can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Investments in receivables purchased	1,295	1,358	710	715
Less: Allowance for impairment	(288)	(280)	(123)	(109)
Investments in receivables purchased - net	1,007	1,078	587	606

30 September 2014				31 December 2013			
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	514	9,875	1,295		537	9,919	1,358	

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	202	4,850	710		202	4,851	715	

During the nine-month periods ended 30 September 2014 and 2013, the subsidiaries had restructured agreements with its investments in receivable purchased, by means of various types of restructuring, as summarised below.

Consolidated financial statements					
For the nine-month periods ended 30 September					
Type of restructuring	Number of debtors	Outstanding balances before restructuring	Outstanding balances after restructuring	Type of assets to be transferred	Fair value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
2014					
Modification of repayment conditions	2	4	4		
Transfer of assets	1	6	6	Land, and premise thereon	17
Total	3	10	10		
2013					
Modification of repayment conditions	2	8	8		
Total	2	8	8		

Counting from the end of the period, the remaining periods to maturity of receivables of the subsidiaries that were restructured during the nine-month periods ended 30 September 2014 and 2013 are as summarised below:

Consolidated financial statements				
For the nine-month periods ended 30 September				
	2014		2013	
Periods	Number of receivables	Outstanding balances after restructuring	Number of receivables	Outstanding balances after restructuring
		Million Baht		Million Baht
Due within the year	3	10	2	8
Total	3	10	2	8

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 2014 and 31 December 2013, there was no outstanding restructured receivables in the investments in receivables purchased account.

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

As at 30 September 2014 and 31 December 2013, investments in securities of the Company and its subsidiaries included investments in companies 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 r 2014	31 December 2013	30 September r 2014	31 December 2013	30 September r 2014	31 December 2013	30 September r 2014	31 December 2013
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	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. Companies which have loan settlement problems or have defaulted on the repayment	169	169	994	1,001	1,362	1,396	212
						206	

Separate financial statements							
Number of debtors		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
30 September r 2014	31 December 2013	30 September r 2014	31 December 2013	30 September r 2014	31 December 2013	30 September r 2014	31 December 2013
		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	69	69	547	549	829	845	94
						81	

5. Investments in subsidiary and associated companies

5.1 Separate financial statements

As at 30 September 2014 and 31 December 2013, investments in subsidiary and associated companies 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	
	30	31	30	31	30	31	for the nine-month periods	
	September	December	September	December	September	December	ended 30 September	
	2014	2013	2014	2013	2014	2013	2014	2013
<u>Subsidiary companies</u>								
Thanachart Bank Plc.	55,137	55,137	50.96	50.96	29,056	29,056	1,264	1,040
NFS Asset Management Co., Ltd.	1,000	1,000	100.00	100.00	1,000	1,000	350	600
Siam City Life Assurance Plc.	700	-	53.50	-	482	-	-	-
Max Asset Management Co., Ltd.	572	572	83.44	83.44	469	469	327	167
NASSET Property Fund 6	122	368	99.80	99.80	122	367	4	-
Thanachart SPV 01 Co., Ltd.	-	2	-	100.00	-	2	-	-
<u>Associated company</u>								
MBK Plc.	1,886	1,886	10.00	10.00	658	658	56	52
Total investments in subsidiary and associated companies					31,787	31,552	2,001	1,859

On 2 June 2014, the Company purchased 37,450,000 ordinary shares of Siam City Life Assurance Plc. from Thanachart Bank Plc. totaling Baht 482 million.

During the year 2014, Thanachart SPV 01 Co., Ltd. registered its dissolution and has already completed its liquidation process.

During the nine-month period ended 30 September 2014, NASSET Property Fund 6 decreased the number of its registered units and returned of Baht 337 million to the Company, based on the net assets value at the declaration date. The Company therefore recorded a gain on capital return of Baht 92 million in the separate financial statements. This gain has been eliminated in the consolidated financial statements.

5.2 Consolidated financial statements

As at 30 September 2014 and 31 December 2013, investment in an associated company in the consolidated financial statements, which are recorded under the equity method, consists of investment in ordinary shares of the following company which operates in Thailand:

											(Unit: Million Baht)	
Company's name	Paid-up share capital		Percentage of holding		Value of investment				Dividend income	Share of profit		
	30 September 2014	31 December 2013	30 September 2014	31 December 2013	Cost method		Equity method		for the nine-month periods ended 30 September 2014	for the nine-month periods ended 30 September 2013		
					30 September 2014	31 December 2013	30 September 2014	31 December 2013				
					2014	2013	2014	2013				
MBK Plc. (operating in property rental, hotel and services businesses)	1,886	1,886	19.90	19.90	948	948	2,453	2,389	113	103	184	752
Total investment in an associated company					948	948	2,453	2,389	113	103	184	752

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.

5.3 Summarised financial information of an associated company

- a) Summarised financial information of MBK Plc. as at 30 June 2014 and 30 September 2013 and for the nine-month periods ended 30 June 2014 and 2013 are as follows:

								(Unit: Million Baht)	
Paid-up share capital		Total assets		Total liabilities		Total income		Profit	
						for the nine-month		for the nine-month	
30	30	30	30	30	30	periods ended		periods ended	
June	September	June	September	June	September	30 June		30 June	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
1,886	1,886	37,632	39,584	20,943	23,617	7,467	9,461	918	3,774

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 2014 was determined based on financial statements that were prepared with reference to financial statements for the nine-month period ended 30 June 2014 that had been audited or reviewed by the associate's auditor and adjusted for the effect of differences in accounting policies by the Company's management. In addition, the Company's management considered that the income for the nine-month period is not materially different from the income for the nine-month period ended 30 September 2014.

b) Fair value of investment in an associated company

As at 30 September 2014 and 31 December 2013, 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 2014	31 December 2013	30 September 2014	31 December 2013
MBK Plc.	6,119	5,236	3,074	2,630

6. Loans to customers and accrued interest receivables**6.1 Classified by loan type**

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Loans to customers</u>				
Overdrafts	21,191	22,104	-	-
Loans	283,102	274,495	187	188
Notes receivables	48,655	49,526	7	8
Hire purchase receivables	471,399	501,998	82	84
Financial lease receivables	1,283	1,535	-	-
Others	317	202	-	-
Less: Deferred revenues	(57,754)	(62,003)	(3)	(4)
Total loans to customers net of deferred revenues	768,193	787,857	273	276
Add: Accrued interest receivables	911	1,015	-	-
Total loans to customers and accrued interest receivables net of deferred revenues	769,104	788,872	273	276
Less: Allowance for doubtful accounts				
1) BOT's minimum requirement provision				
- Individual approach	(20,747)	(21,640)	(170)	(180)
- Collective approach	(8,908)	(8,635)	-	-
2) Excess provision	(287)	(20)	-	-
Less: Revaluation allowance for debt restructuring	(289)	(305)	-	-
Loans to customers and accrued interest receivables - net	738,873	758,272	103	96

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Securities business receivables</u>				
Credit balances receivables	3,556	3,144	-	-
Other receivables	175	173	-	-
Total securities business receivables	3,731	3,317	-	-
Less: Allowance for doubtful accounts	(171)	(172)	-	-
Securities business receivables - net	3,560	3,145	-	-
Loans to customers and accrued interest receivables - net	742,433	761,417	103	96

6.2 Non-performing loans

As at 30 September 2014 and 31 December 2013, 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:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Non-performing loans (excluding accrued interest receivables)				
The Company	256	266	256	266
Banking business	24,795	24,394	-	-
Securities business	172	173	-	-
Asset management business	10,842	11,636	-	-

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:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
			financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
The Company	256	170	256	170
Banking business	25,355	24,418	-	-
Securities business	172	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.

6.3 Debt restructuring

During the nine-month periods ended 30 September 2014 and 2013, the Company and its subsidiaries (banking, asset management and securities businesses) have entered into debt restructuring agreements with their debtors as follows:

Type of restructuring	Consolidated financial statements				
	For the nine-month periods ended 30 September				
	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
2014					
Modification of repayment conditions	2,852	5,018	5,010		
Transfer of assets and/or ordinary shares and/or modification of repayment conditions	44	466	440	Land and premise thereon	326
Total	2,896	5,484	5,450		
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		

(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	Outstanding loans
		balance before	balance after
		restructuring ⁽¹⁾	restructuring ⁽¹⁾
		Million Baht	Million Baht
2014			
Modification of repayment conditions	8	8	8
Total	8	8	8
2013			
Modification of repayment conditions	38	2	2
Total	38	2	2

(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 2014 and 2013, are summarised below.

Consolidated financial statements				
For the nine-month periods ended 30 September				
Periods	2014		2013	
	Number of debtors	Outstanding balances after restructuring	Number of debtors	Outstanding balances after restructuring
		Million Baht		Million Baht
Past due after restructuring	937	1,363	1,142	1,041
Due within the year	369	1,744	348	1,634
Less than 5 years	676	1,349	739	2,785
5 - 10 years	801	708	1,493	2,890
10 - 15 years	46	162	87	323
Over 15 years	67	124	154	331
Total	2,896	5,450	3,963	9,004

Separate financial statements				
For the nine-month periods ended 30 September				
Periods	2014		2013	
	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	7	-	36	1
5 - 10 years	1	8	1	1
Total	8	8	38	2

Supplemental information for the nine-month periods ended 30 September 2014 and 2013 relating to restructured loans is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Interest income recognised in the statements of comprehensive income	1,174	1,621	3	12
Gain on debt settlement	40	51	-	2
Gain on transfers of assets for debt repayment	13	-	-	-
Loss on debt restructuring (net of allowance for doubtful accounts as previously recorded)	3	3	-	-
Cash received from receivables	5,887	8,909	4	21
Property foreclosed received for debts settlement	514	468	-	-

As at 30 September 2014 and 31 December 2013, the Company and its subsidiaries have the following restructured receivables balances (principal and accrued interest receivable):

	Restructured receivables							
	Total number of						Outstanding balances -	
	outstanding receivables		Number of receivables		Outstanding balances		net of collateral	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2014	2013	2014	2013	2014	2013	2014	2013
	Thousand	Thousand			Million Baht	Million Baht	Million Baht	Million Baht
Thanachart Capital Plc.	2.8	2.8	53	54	112	112	16	23
Thanachart Bank Plc.	1,831.3	1,861.4	34,643	43,138	18,133	20,222	8,346	10,983
Thanachart Securities Plc.	0.5	0.5	3	3	35	35	35	35
TS Asset Management Co., Ltd.	1.7	1.8	1,286	1,330	9,799	10,120	4,835	4,877
Other subsidiaries	0.6	0.6	168	175	492	534	143	137

6.4 Classified by classification

As at 30 September 2014 and 31 December 2013, 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⁾					
	30 September 2014			31 December 2013		
	Net balance			Net balance		
	Loans and accrued interest receivables	used in making allowance for doubtful accounts	Allowance for doubtful accounts	Loans and accrued interest receivables	used in making allowance for doubtful accounts	Allowance for doubtful accounts
Normal	670,036	467,081	5,936	689,727	492,419	7,163
Special mention	34,359	30,490	4,293	34,909	31,413	4,217
Substandard	5,543	3,521	2,587	6,193	3,912	2,729
Doubtful	5,915	4,246	3,230	9,336	5,566	5,125
Doubtful of loss	24,492	13,289	11,903	20,826	10,920	9,682
Total	740,345	518,627	27,949	760,991	544,230	28,916
Additional allowance for possible uncollectible debts			287			8
Total			28,236			28,924

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

(Unit: Million Baht)

	Separate financial statements					
	30 September 2014			31 December 2013		
	Net balance			Net balance		
	Loans and accrued interest receivables	used in making allowance for doubtful accounts	Allowance for doubtful accounts	Loans and accrued interest receivables	used in making allowance for doubtful accounts	Allowance for doubtful accounts
Normal	15	-	-	8	-	-
Special mention	1	-	-	2	-	-
Substandard	1	-	-	-	-	-
Doubtful	-	-	-	8	-	-
Doubtful of loss	256	170	170	258	180	180
Total	273	170	170	276	180	180

Percentage of allowance for doubtful account set up				
	Hire purchase receivables -			
	personal consumer for Thanachart Bank ⁽²⁾		Other loans	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Normal	0.53	0.58	1	1
Special mention	8.38	8.49	2	2
Substandard	53.91	47.13	100	100
Doubtful	44.59	41.73	100	100
Doubtful of loss	52.18	57.91	100	100

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

6.5 Loans to companies which have settlement problems

As at 30 September 2014 and 31 December 2013, loans of the Company and its subsidiaries (which engaged in banking, asset management, hire purchase and financial lease businesses) 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	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2014	2013	2014	2013	2014	2013	2014	2013
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies possible to delisting from the SET	7	7	821	823	85	85	766	768
2. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	45	41	1,220	1,011	723	521	497	490
3. Companies which have loan settlement problems or have defaulted on the repayment	1,256	1,312	16,648	18,628	9,135	10,893	8,010	8,824

	Separate financial statements							
							Allowance for doubtful accounts provided in the accounts	
	Number of debtors		Debt balances		Collateral value			
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2014	2013	2014	2013	2014	2013	2014	2013
		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	40	40	96	96	96	80	15	22

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

As at 30 September 2014 and 31 December 2013, a 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)						
30 September 2014			31 December 2013			
	Debt balances	Allowance for doubtful accounts	Debt balances net of allowance for doubtful accounts	Debt balances	Allowance for doubtful accounts	Debt balances net of allowance for doubtful accounts
Normal	3,559	-	3,559	3,144	-	3,144
Substandard	4	3	1	3	2	1
Doubtful	168	168	-	170	170	-
Total	3,731	171	3,560	3,317	172	3,145

Allowance for doubtful accounts for substandard loans set aside by the 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.

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

As at 30 September 2014 and 31 December 2013, 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 2014	31 December 2013
Current or overdue not over 90 days	27,094	26,645
Overdue 91 - 365 days	881	712
Overdue more than 1 year	142	62
Debtors under legal actions	372	288
Total	28,489	27,707
Allowance for doubtful accounts provided in the accounts	1,704	1,370

7. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements								
For the nine-month period ended 30 September 2014								
The Company and subsidiary companies which are financial institutions								
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Excess provision	Total	Other subsidiary companies Consolidated
Balance - beginning of the period	7,163	4,217	2,729	5,125	9,682	8	28,924	1,543
Increase (decrease) during the period	(1,227)	76	(142)	(1,895)	8,081	279	5,172	362
Bad debts recovery	-	-	-	-	609	-	609	5
Bad debts written-off	-	-	-	-	(5,543)	-	(5,543)	(18)
Reversal on hair-cut loans	-	-	-	-	(43)	-	(43)	-
Reversal from disposal of loans	-	-	-	-	(883)	-	(883)	(15)
Balance - end of the period	5,936	4,293	2,587	3,230	11,903	287	28,236	1,877

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2013									
The Company and subsidiary companies which are financial institutions									
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Excess provision	Total	Other subsidiary companies	Consolidated
Balance - beginning of the year	4,885	1,475	3,559	2,394	10,801	499	23,613	930	24,543
Increase (decrease) during the year	2,278	2,742	(830)	2,731	4,325	(491)	10,755	666	11,421
Bad debts recovery	-	-	-	-	687	-	687	13	700
Bad debts written-off	-	-	-	-	(5,034)	-	(5,034)	(34)	(5,068)
Reversal on hair-cut loans	-	-	-	-	(378)	-	(378)	(1)	(379)
Reversal from disposal of loans	-	-	-	-	(719)	-	(719)	(31)	(750)
Balance - end of the year	7,163	4,217	2,729	5,125	9,682	8	28,924	1,543	30,467

(Unit: Million Baht)

Separate financial statements						
For the nine-month period ended 30 September 2014						
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	Total
Balance - beginning of the period	-	-	-	-	180	180
Decrease during the period	-	-	-	-	(10)	(10)
Balance - end of the period	-	-	-	-	170	170

(Unit: Million Baht)

Separate financial statements						
For the year ended 31 December 2013						
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	Total
Balance - beginning of the year	-	-	-	-	214	214
Decrease during the year	-	-	-	-	(46)	(46)
Bad debts recovery	-	-	-	-	34	34
Bad debts written-off	-	-	-	-	(1)	(1)
Reversal from disposal of loans	-	-	-	-	(21)	(21)
Balance - end of the year	-	-	-	-	180	180

8. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2014	For the year ended 31 December 2013	For the nine-month period ended 30 September 2014	For the year ended 31 December 2013
Balance - beginning of the period	305	348	-	-
Amortised during the period	(16)	(43)	-	-
Balance - end of the period	289	305	-	-

9. Classification of assets

As at 30 September 2014 and 31 December 2013, 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 2014					
	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	32,792	670,036	-	-	260	703,088
Special mention	-	34,359	-	-	136	34,495
Substandard	-	5,543	-	-	19	5,562
Doubtful	-	5,915	-	-	17	5,932
Doubtful of loss	-	24,492	368	821	368	26,049
Total	32,792	740,345	368	821	800	775,126

(Unit: Million Baht)

Consolidated financial statements

31 December 2013

	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	44,361	689,727	-	-	277	734,365
Special mention	-	34,909	-	-	135	35,044
Substandard	-	6,193	-	-	18	6,211
Doubtful	-	9,336	-	-	16	9,352
Doubtful of loss	-	20,826	509	839	357	22,531
Total	44,361	760,991	509	839	803	807,503

(Unit: Million Baht)

Separate financial statements

30 September 2014

	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	15	-	-	-	15
Special mention	-	1	-	-	-	1
Substandard	-	1	-	-	-	1
Doubtful	-	-	-	-	-	-
Doubtful of loss	-	256	159	444	78	937
Total	-	273	159	444	78	954

(Unit: Million Baht)

Separate financial statements

31 December 2013

	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	8	-	-	-	8
Special mention	-	2	-	-	1	3
Substandard	-	-	-	-	-	-
Doubtful	-	8	-	-	-	8
Doubtful of loss	-	258	145	437	82	922
Total	-	276	145	437	83	941

10. Goodwill

As at 30 September 2014 and 31 December 2013, goodwill stated in the consolidated financial statements are as follows:

	(Unit: Million Baht)	
	30 September 2014	31 December 2013
Goodwill - beginning of the period/year	17,986	17,986
Deferred gain on disposal of investment	(1,078)	(1,260)
Goodwill - ending of the period/year	16,908	16,726

11. Other assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Accrued premium insurance income	150	237	-	-
Other receivables	1,054	1,216	78	83
VAT refundable	17	380	1	-
Other receivables - VAT paid in advance for customers	324	306	-	-
Deposits	312	313	5	5
Estimated insurance claims recoveries	322	312	-	-
Receivable from clearing house	133	170	-	-
Leasehold right	267	273	11	12
Prepaid corporate income tax	78	78	57	51
Deposits from derivative contracts	293	1,034	-	-
Prepaid expenses	512	423	14	14
Reinsurance assets	198	401	-	-
Others	731	1,291	24	26
Total	4,391	6,434	190	191
Less: Allowance for impairment	(493)	(595)	(78)	(82)
Other assets - net	3,898	5,839	112	109

12. Interbank and money market items (liabilities)

As at 30 September 2014, interbank and money market items in the consolidated financial statements included loans of a subsidiary company amounting to Baht 1,932 million, consisting of (i) 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, (ii) a loan of Baht 140 million, repayable in quarterly installments, carrying interest at MLR minus a fixed rate per annum, payable monthly, (iii) 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, (iv) a loan of Baht 292 million, repayable in quarterly installments, carrying interest at a fixed rate per annum, payable monthly, and (v) a loan of Baht 200 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 2013: included loans of a subsidiary company amounting to Baht 2,794 million).

13. Debt issued and borrowings

As at 30 September 2014 and 31 December 2013, the balance of domestic debt issued and borrowings, which stated in Baht, are as follows:

Types of borrowings	Interest rate per annum (as at 30 September 2014)	Maturity date	(Unit: Million Baht)			
			Consolidated financial statements		Separate financial statements	
			30 September 2014	31 December 2013	30 September 2014	31 December 2013
Unsubordinated debentures	4.10 - 5.50 percent	2014 - 2025	35,971	34,946	20,700	20,700
Perpetual subordinated hybrid bonds issued under Tier I	7.65 percent	Dissolution	3,494	3,494	-	-
Subordinated hybrid bonds issued under Tier II	-	-	-	5,000	-	-
Subordinated debentures issued under Tier II	4.70 - 6.00 percent	2015 - 2022	23,516	35,513	-	-
Subordinated instruments issued under Tier II	6.00 percent	2024	12,600	-	-	-
Short-term debentures	2.20 - 2.60 percent	2014 - 2015	39,653	29,226	-	-
Structured notes	1.00 percent	2014	77	-	-	-
Promissory notes	0.50 - 2.50, 4.25 percent	At call	1,065	1,065	-	-
Borrowings - Department of Alternative Energy Development and Efficiency	0.50 percent	2014 - 2017	16	46	-	-
Total debt issued and borrowings			116,392	109,290	20,700	20,700

On 30 April 2014, a subsidiary issued 280,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures mature in 2017 and bear interest at fixed rate of 4.25 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.

On 2 May 2014, a subsidiary issued 2,000,000 units of name registered unsubordinated and unsecured debentures with debenture holders' representative, with a face value of Baht 1,000 each. The debentures mature in 2018 and bear interest at fixed rate of 4.75 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 2 May 2014, a subsidiary issued 210,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures mature in 2017 and bear interest at fixed rate of 4.25 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.

On 19 June 2014, Thanachart Bank issued 13 million units of name registered Tier II capital subordinated unsecured instruments with no instrument holder's representative, with a face value of Baht 1,000 each. The instruments will be fully converted to ordinary shares of the issuer in the event that a Point of Non-Viability is triggered requiring financial assistance from the regulators. The instruments mature in 2024 and bear interest at a fixed rate of 6.00 percent per annum, payable quarterly. Thanachart Bank has a call option to early redeem these instruments at par if conditions specified are met.

On 3 July 2014, a subsidiary issued 150,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures mature in 2017 and bear interest at a fixed rate of 4.22 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.

On 25 September 2014, a subsidiary issued 300,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures mature in 2017 and bear interest at a fixed rate of 4.10 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.

During the second quarter of 2014, Thanachart Bank exercised a call option to early redeem 2,000,000 units of name registered subordinated, unsecured, unconvertible debentures with debenture holders' representative, with a face value of Baht 1,000 each. Thanachart Bank issued these debentures on 3 April 2009, and they were to mature in 2019. In addition, Thanachart Bank exercised a call option to early redeem 10,000,000 units of unsecured subordinated debentures with a face value of Baht 1,000 each. Thanachart Bank issued these debentures on 20 June 2011 and they were to mature in 2019.

During the third quarter of 2014, Thanachart Bank exercised a call option to early redeem 5,000,000 units of name registered cumulative subordinated, unsecured, unconvertible hybrid debentures with a debenture holders' representative, with a face value of Baht 1,000 each. Thanachart Bank issued these debentures on 24 July 2009, and they were to mature in 2019 and 2024.

14. Provisions

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Loss from litigation	156	154	9	9
Employee benefits payable	1,893	1,906	34	31
Obligations from off-balance items	445	579	-	-
Others	423	544	-	-
Total	2,917	3,183	43	40

15. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Life policy reserve	9,703	10,297	-	-
Loss reserves and outstanding claims	1,715	1,766	-	-
Unearned premium reserve	2,891	2,889	-	-
Other liabilities under insurance policies	58	67	-	-
Total insurance contract liabilities	14,367	15,019	-	-

16. Other liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Other payables	1,394	2,198	13	14
Suspense cash received from accounts receivable	873	397	24	28
Income received in advance	2,137	1,980	-	-
Corporate income tax payable	479	1,296	-	-
Accrued personnel expenses	1,692	2,008	51	41
Accrued contribution fee to the Financial Institutions Development Fund/Deposit Protection Agency	894	1,817	-	-
Accrued other expenses	1,354	1,544	2	6
Payables to clearing house	288	509	-	-
Insurance premium received in advance	1,526	1,495	-	-
Others	1,223	1,132	6	32
Total other liabilities	11,860	14,376	96	121

17. Share capital/Treasury stocks

During the nine-month period ended 30 September 2014, preferred shares converted 30 preference shares to the Company's common shares. Therefore, as at 30 September 2014, 13,276 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 2014, 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 period. 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.

18. Other components of equity

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
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 securities				
Debt instruments	537	394	22	31
Equity instruments	1,073	650	706	432
Total	1,610	1,044	728	463
Revaluation deficit on investments				
Available-for-sale securities				
Debt instruments	(33)	(127)	-	-
Equity instruments	(6)	(24)	-	-
Total	(39)	(151)	-	-
Total revaluation surplus on investments	1,571	893	728	463
Less: The effect of deferred tax liabilities	(314)	(178)	(145)	(93)
Net revaluation surplus on investments	1,257	715	583	370
Share of other comprehensive income of associates	18	6	-	-
Less: The effect of deferred tax liabilities	(1)	-	-	-
Net share of other comprehensive income of associates	17	6	-	-
Total	2,276	1,723	583	370

19. 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 disclosed capital requirement information as at 30 June 2014 on its website at www.thanachart.co.th since October 2014.

20. Dividends

During the nine-month periods ended 30 September 2014 and 2013, 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 2014	The Company's Board of Directors on 22 September 2014	724	0.60	17 October 2014
Dividend for the second half-year of 2013	The Annual General Meeting of shareholders on 3 April 2014	1,206	1.00	30 April 2014
		<u>1,930</u>	<u>1.60</u>	
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
		<u>1,874</u>	<u>1.50</u>	

21. Interest income

Interest income for the three-month and nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Interbank and money market items	525	461	33	3
Investments and trading transactions	117	110	-	-
Investments in debt securities	961	1,027	85	81
Loans to customers	5,189	5,326	-	2
Hire purchase and financial lease	6,385	6,702	-	1
Total interest income	13,177	13,626	118	87

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Interbank and money market items	1,462	1,382	83	28
Investments and trading transactions	367	368	-	-
Investments in debt securities	3,181	2,977	320	332
Loans to customers	15,331	15,683	3	13
Hire purchase and financial lease	19,660	19,699	-	1
Total interest income	40,001	40,109	406	374

22. Interest expenses

Interest expenses for the three-month and nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deposits	4,022	4,507	-	-
Interbank and money market items	200	356	-	-
Contribution fee to the Financial Institutions Development Fund and Deposit Protection Agency	894	912	-	-
Debts issued and borrowings				
- Subordinated debentures	322	625	-	-
- Unsubordinated debentures	640	548	254	156
- Subordinated instruments	191	-	-	-
- Others	11	17	-	-
Borrowings cost	4	1	-	-
Total interest expenses	6,284	6,966	254	156

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deposits	12,272	13,305	-	-
Interbank and money market items	879	1,153	-	-
Contribution fee to the Financial Institutions Development Fund and Deposit Protection Agency	2,672	2,693	-	-
Debts issued and borrowings				
- Subordinated debentures	1,365	1,857	-	-
- Unsubordinated debentures	1,866	1,507	751	449
- Subordinated instruments	215	-	-	-
- Others	33	85	-	-
Borrowings cost	9	4	1	-
Total interest expenses	19,311	20,604	752	449

23. Fees and service income

Fees and service income for the three-month and nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Fees and service income				
Acceptance, aval and guarantees	75	95	-	-
Hire purchase fee income	366	350	-	-
Credit card fees	235	232	-	-
ATM and electronic banking services	202	203	-	-
Brokerage fee from securities/derivatives	489	412	-	-
Insurance brokerage fee income	255	383	-	-
Others	427	464	-	-
Total fees and service income	2,049	2,139	-	-
Fees and service expenses	(713)	(663)	-	-
Net fees and service income	1,336	1,476	-	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Fees and service income				
Acceptance, aval and guarantees	198	237	-	-
Hire purchase fee income	1,104	964	-	1
Credit card fees	754	679	-	-
ATM and electronic banking services	627	627	-	-
Brokerage fee from securities/derivatives	1,064	1,525	-	-
Insurance brokerage fee income	907	1,173	-	-
Others	1,324	1,450	-	1
Total fees and service income	5,978	6,655	-	2
Fees and service expenses	(2,083)	(2,012)	-	(1)
Net fees and service income	3,895	4,643	-	1

24. 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 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Foreign exchange and derivatives contract				
relating to foreign exchange	136	140	8	-
Derivatives contract relating to interest rate	5	9	-	-
Debt securities	188	(59)	1	-
Equity securities	6	(1)	-	-
Others	(4)	28	-	-
Total	331	117	9	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Foreign exchange and derivatives contract				
relating to foreign exchange	439	425	8	-
Derivatives contract relating to interest rate	1	13	-	-
Debt securities	389	(216)	3	-
Equity securities	6	(9)	-	-
Others	8	48	-	-
Total	843	261	11	-

25. Gains on investments

Gains on investments for the three-month and nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Gains on disposal				
Available-for-sale securities	168	98	18	1
General investments	-	6	-	-
Investments in subsidiaries	61	66	-	-
Gains (losses) on the capital returned	(1)	-	92	-
Gains on debt settlement/disposal of				
debt/assets transferred from investments				
in receivables purchased	2	1	-	-
Reversal of losses from impairment of				
investments (losses from impairment)	(16)	4	-	-
Total	214	175	110	1

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Gains (losses) on disposal				
Available-for-sale securities	792	282	98	17
General investments	1	(3)	-	-
Investments in subsidiaries	183	12,480	-	-
Gains (losses) on the capital returned	(1)	-	92	-
Gains on debt settlement/disposal of				
debt/assets transferred from investments				
in receivables purchased	11	17	8	3
Reversal of losses from impairment of				
investments (losses from impairment)	(60)	26	-	-
Total	926	12,802	198	20

26. Impairment loss of loans and debt securities

Impairment loss of loans and debt securities (reversal) for the three-month and nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Impairment loss of loans (reversal)				
Interbank and money market items	(1)	9	-	-
Loans to customers	1,786	1,654	(8)	(4)
Reversal of revaluation allowance for debts restructured during the period	(9)	(3)	-	-
Loss from debt restructuring	1	-	-	-
Loss from impairment of investments in receivables purchased	14	-	14	-
Total	1,791	1,660	6	(4)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Impairment loss of loans (reversal)				
Interbank and money market items	(29)	20	-	-
Loans to customers	5,534	9,508	(10)	(42)
Reversal of revaluation allowance for debts restructured during the period	(16)	(9)	-	-
Loss from debt restructuring	3	3	-	-
Loss from impairment of investments in receivables purchased	16	22	14	21
Total	5,508	9,544	4	(21)

27. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2014 and 2013 are as follows:

(Unit: Million Baht)			
For the three-month periods ended 30 September			
Consolidated		Separate	
financial statements		financial statements	
2014	2013	2014	2013
Continuing operations			
Current income tax:			
Interim corporate income tax	469	642	- (24)
Deferred tax:			
Relating to origination and reversal of temporary differences	84	40	47 61
Income tax expense reported in statements of comprehensive income	553	682	47 37

(Unit: Million Baht)			
For the nine-month periods ended 30 September			
Consolidated		Separate	
financial statements		financial statements	
2014	2013	2014	2013
Continuing operations			
Current income tax:			
Interim corporate income tax	2,021	3,704	- -
Adjustment in respect of income tax from previous year	29	63	- -
Deferred tax:			
Relating to origination and reversal of temporary differences	(149)	(186)	10 89
Income tax expense reported in statements of comprehensive income	1,901	3,581	10 89
Discontinued operations			
Current income tax:			
Interim corporate income tax	-	119	- -
Deferred tax:			
Relating to origination and reversal of temporary differences	-	(30)	- -
Income tax expense reported in statements of comprehensive income	-	89	- -

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2014 and 2013 are as follows:

(Unit: Million Baht)

For the three-month periods ended 30 September			
Consolidated financial statements		Separate financial statements	
2014	2013	2014	2013
35	(29)	13	(4)
1	1	-	-
36	(28)	13	(4)

(Unit: Million Baht)

For the nine-month periods ended 30 September			
Consolidated financial statements		Separate financial statements	
2014	2013	2014	2013
213	(119)	53	17
1	(1)	-	-
214	(120)	53	17

Discontinued operations

Deferred tax relating to gain on changes in value of available-for-sale securities	-	(28)	-	-
	<u>-</u>	<u>(28)</u>	<u>-</u>	<u>-</u>

28. Components of other comprehensive income

Components of other comprehensive income for the three-month and nine-month periods ended 30 September 2014 and 2013 are as the following:

	(Unit: Million Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Other comprehensive income				
Available-for-sale securities:				
Unrealised gains (losses) during the period	345	(43)	82	(18)
Less: Reclassification of adjustment for realised gains/losses that included in profit or loss	(168)	(98)	(18)	(1)
	177	(141)	64	(19)
Share of other comprehensive income of associates	17	-	-	-
Other comprehensive income for the period (loss)	194	(141)	64	(19)
Effects of relevant income taxes				
Income tax - losses (gains) on changes in value of available-for-sale securities	(35)	29	(13)	4
Income tax - share of other comprehensive income of associates	(1)	(1)	-	-
Effects of relevant income taxes	(36)	28	(13)	4
Net other comprehensive income for the period (loss)	158	(113)	51	(15)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Other comprehensive income				
Available-for-sale securities:				
Unrealised gains (losses) during the period	1,861	(300)	364	103
Less: Reclassification of adjustment for realised gains/losses that included in profit or loss	(792)	(282)	(98)	(17)
	1,069	(582)	266	86
Share of other comprehensive income of associates (loss)	15	(11)	-	-
Other comprehensive income for the period (loss)	1,084	(593)	266	86
Effects of relevant income taxes				
Income tax - losses (gains) on changes in value of available-for-sale securities	(213)	119	(53)	(17)
Income tax - share of other comprehensive income of associates	(1)	1	-	-
Effects of relevant income taxes	(214)	120	(53)	(17)
Net other comprehensive income for the period (loss)	870	(473)	213	69

29. 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 issued during the periods, 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		Weighted average		Earnings per share	
continuing operations		number of common shares			
2014	2013	2014	2013	2014	2013
Thousand	Thousand	Thousand	Thousand	Baht	Baht
Baht	Baht	shares	shares		
Basic earnings per share					
Profit attributable to the Company	1,202,310	1,661,250	1,206,467	1,206,467	1.00 1.38
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	<u>1,202,310</u>	<u>1,661,250</u>	<u>1,206,480</u>	<u>1,206,480</u>	<u>1.00 1.38</u>

Consolidated financial statements					
For the nine-month periods ended 30 September					
Profit for the period from		Weighted average		Earnings per share	
continuing operations		number of common shares			
2014	2013	2014	2013	2014	2013
Thousand	Thousand	Thousand	Thousand	Baht	Baht
Baht	Baht	shares	shares		
Basic earnings per share					
Profit attributable to the Company	3,760,948	7,512,084	1,206,467	1,241,045	3.12 6.05
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	<u>3,760,948</u>	<u>7,512,084</u>	<u>1,206,480</u>	<u>1,241,058</u>	<u>3.12 6.05</u>

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		
2014	2013	2014	2013	2014	2013	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit attributable to the Company	-	180,519	1,206,467	1,241,045	-	0.15
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	1,206,480	1,241,058	-	0.15
Separate financial statements						
For the three-month periods ended 30 September						
Profit (loss) for the period		Weighted average number of common shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit (loss) attributable to the Company	(12,160)	676,830	1,206,467	1,206,467	(0.01)	0.56
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit (loss) of common shareholders assuming conversion of dilutive securities	(12,160)	676,830	1,206,480	1,206,480	(0.01)	0.56

	Separate financial statements					
	For the nine-month periods ended 30 September					
	Profit for the period		Weighted average number of common shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to the Company	1,734,154	2,099,162	1,206,467	1,241,045	1.44	1.69
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	1,734,154	2,099,162	1,206,480	1,241,058	1.44	1.69

30. 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.

	For the three-month periods ended				
	30 September				
	Consolidated		Separate		Pricing policies
	financial statements		financial statements		
	2014	2013	2014	2013	(For the period 2014)
<u>Transactions occurred during the periods</u>					
Subsidiary companies					
Purchase of investments in debt securities	-	-	20	4,654	At market prices
Sales of investments in debt securities	-	-	222	679	At market prices
Returned capital from a subsidiary company (2014: gain Baht 92 million)	-	-	337	-	Net assets value
Interest income	-	-	82	79	At interest rate of 0.10 - 7.65 percent per annum
Dividend income	-	-	100	600	As declared
Rental and other service income	-	-	17	17	At the rate agreed under the contract
Other expenses	-	-	4	3	
Associated company					
Other income	2	4	-	-	
Interest expenses	8	17	-	-	At interest rate of 0.50 - 5.50 percent per annum
Dividend payment	-	-	78	78	As declared
Other expenses	33	35	3	3	
Related companies (presented as part of continuing operations)					
Purchases of investments in debt securities	241	-	-	-	At market prices
Sales of investments in debt securities	306	12	-	-	At market prices
Purchases/sales of forward exchange contracts	76,138	170,712	-	-	At market prices
Interest income	70	105	-	-	At interest rate of 0.07 - 7.78 percent per annum
Dividend income	9	9	-	-	As declared
Insurance/Life insurance income	4	7	-	-	At the rate agreed under the contract
Other income	2	3	-	1	
Interest expenses	80	88	-	-	At interest rate of 0.25 - 7.65 percent per annum
Project management expenses	18	21	6	5	At the contract price calculated by reference to estimated usage time
Other expenses	28	33	1	4	

	For the nine-month periods ended				
	30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	2014	2013	2014	2013	(For the period 2014)
Transactions occurred during the periods					
Subsidiary companies					
Purchase of investments in debt securities	-	-	1,055	11,776	At market prices
Sales of investments in debt securities	-	-	5,286	3,154	At market prices
Purchase of investment in a subsidiary	-	-	482	-	At the contract rate agreed with reference to the opinion of an independent financial advisor
Returned capital from a subsidiary company (2014: gain Baht 92 million)	-	-	339	-	Net assets value
Interest income	-	-	268	250	At interest rate of 0.10 - 8.25 percent per annum
Dividend income	-	-	1,945	1,807	As declared
Rental and other service income	-	-	113	65	At the rate agreed under the contract
Other expenses	-	-	10	10	
Associated company					
Sales of investment in a subsidiary	418	-	-	-	At the contract rate agreed with reference to the opinion of an independent financial advisor
Dividend income	-	-	56	52	As declared
Other income	4	9	-	-	
Interest expenses	42	71	-	-	At interest rate of 0.50 - 5.50 percent per annum
Dividend payment	-	-	208	195	As declared
Other expenses	99	104	8	8	
Related companies (presented as part of continuing operations)					
Purchase of investments in debt securities	279	229	-	-	At market prices
Sales of investments in debt securities	414	109	-	-	At market prices
Purchase/sales of forward exchange contracts	351,194	330,067	-	-	At market prices
Interest income	220	200	-	-	At interest rate of 0.07 - 7.78 percent per annum
Dividend income	40	49	18	18	As declared
Insurance/life insurance income	3	27	-	-	At the rate agreed under the contract
Other income	6	9	-	1	
Dividend payment	1,216	900	-	-	As declared
Interest expenses	269	292	-	-	At interest rate of 0.10 - 8.25 percent per annum
Project management expenses	53	55	16	16	At the contract price calculated by reference to estimated usage time
Other expenses	86	101	2	10	
Related companies (presented as part of discontinued operations)					
Insurance/life insurance income	-	2	-	-	
Other expenses	-	5	-	-	

The outstanding balances of the above transactions during the nine-month periods ended 30 September 2014 and 2013 have been shown at the average balance at the end of each month as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Subsidiary companies</u>				
Interbank and money market items (assets)	-	-	2,493	1,132
Debt issued and borrowings	-	-	1	1
<u>Associated company</u>				
Deposits	351	1,160	-	-
Debt issued and borrowings	960	1,200	-	-
<u>Related companies</u>				
Interbank and money market items (assets)	199	241	-	-
Loans to customers	7,681	8,076	-	-
Deposits	1,952	2,280	-	-
Interbank and money market items (liabilities)	13,963	12,203	-	-
Debt issued and borrowings	3,890	3,894	-	-

As at 30 September 2014 and 31 December 2013, the significant outstanding balances of the above transactions are as follows:

	(Unit: Million Baht)								
	Consolidated financial statements								
	30 September 2014								
	Assets					Liabilities			
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debt issued and borrowings	Other liabilities	Commitment s
Associated company									
MBK Plc.	-	-	-	38	761	-	-	79	-
Related companies									
Synphaet Co., Ltd.	-	-	840	-	23	-	-	-	6
The Bank of Nova Scotia	185	-	-	-	-	13,723	3,494	144	2,780
Srithai Superware Plc.	-	-	469	-	24	-	-	-	-
Krungthai Card Plc.	-	-	4,169	-	4	-	-	-	-
Thai Reinsurance Plc.	-	-	-	-	460	-	-	25	-
GMM Grammy Plc.	-	-	28	-	-	-	-	-	-
Bangkok Dusit Medical Services Plc.	-	375	2,019	3	1	-	-	-	40
Other related companies	-	-	1,160	163	1,120	206	240	91	209
	185	375	8,685	204	2,393	13,929	3,734	339	3,035

(Unit: Million Baht)

Consolidated financial statements

31 December 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	Debt issued and borrowings	Other liabilities	Commitments
Associated company									
MBK Plc.	-	-	-	37	963	-	1,200	11	-
Related companies									
Synphaet Co., Ltd.	-	-	443	-	7	-	-	-	5
The Bank of Nova Scotia	258	-	-	-	-	14,406	3,494	82	2,680
Srithai Superware Plc.	-	-	594	-	50	-	-	-	19
Krungthai Card Plc.	-	-	4,970	-	7	-	-	-	-
Thai Reinsurance Plc.	-	-	-	7	680	-	-	23	-
GMM Grammy Plc.	-	-	232	-	550	-	-	2	-
Other related companies	-	-	1,349	172	1,957	119	400	92	877
	258	-	7,588	216	4,214	14,525	5,094	210	3,581

(Unit: Million Baht)

Separate financial statements

30 September 2014

	Assets				Liabilities				
	Interbank and money market items	Investment s - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debt issued and borrowings	Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	1,825	3,636	-	142	-	-	-	-	-
Thanachart Securities Plc.	-	-	-	2	-	-	-	-	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	8	-
Associated company									
MBK Plc.	-	-	-	3	-	-	-	-	-
	1,825	3,636	-	147	-	-	-	8	-

(Unit: Million Baht)

Separate financial statements

31 December 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	Debt issued and borrowings	Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	3,036	3,638	-	77	-	-	-	20	-
Thanachart Securities Plc.	-	-	-	2	-	-	-	5	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	12	-
Associated company									
MBK Plc.	-	-	-	3	-	-	-	-	-
	3,036	3,638	-	82	-	-	-	37	-

As at 30 September 2014, the Company and its subsidiaries have investments amounting to Baht 1,819 million (Baht 873 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 2013: Baht 1,424 million in the consolidated financial statements and Baht 609 million in the separate financial statements).

As at 30 September 2014 and 31 December 2013, 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		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Loans to customers	81	82	-	-
Deposits	794	906	-	-

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2014 and 2013, 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		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	133	125	20	18
Post-employment benefits	4	4	1	1
	137	129	21	19

	(Unit: Million Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	450	421	79	73
Post-employment benefits	12	12	1	2
	462	433	80	75

31. 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 2014								
	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other businesses	Eliminations	Consolidated
Net interest income	(135)	6,297	45	114	70	163	347	(8)	6,893
Other operating income	238	1,601	616	83	468	63	212	(259)	3,022
Other operating expenses	(62)	(4,268)	(375)	(29)	(215)	(53)	(171)	159	(5,014)
Impairment loss of loans and debt securities	(6)	(2,262)	-	-	-	567	(81)	(9)	(1,791)
Profit before income tax	35	1,368	286	168	323	740	307	(117)	3,110
Income tax	(47)	(265)	(57)	(5)	(66)	(32)	(64)	(17)	(553)
Profit before non-controlling interests	(12)	1,103	229	163	257	708	243	(134)	2,557

(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)	6,020	50	126	63	133	337	-	6,660
Other operating income	833	1,949	569	(61)	436	199	198	(438)	3,685
Other operating expenses	(54)	(4,387)	(315)	(24)	(188)	(68)	(153)	153	(5,036)
Impairment loss of loans and debt securities	4	(1,561)	-	-	-	29	(67)	(65)	(1,660)
Profit before income tax	714	2,021	304	41	311	293	315	(350)	3,649
Income tax	(37)	(378)	(61)	(8)	(63)	(62)	(59)	(13)	(681)
Profit before non-controlling interests	677	1,643	243	33	248	231	256	(363)	2,968

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2014

	The	Banking	Securities	Life	Non-life	Asset	Other		
	Company	business	business	insurance	insurance	management	businesses	Eliminations	Consolidated
				business	business	business			
Net interest income	(346)	18,974	148	344	215	321	1,057	(23)	20,690
Other operating income	2,293	6,621	1,514	(52)	1,333	302	612	(3,574)	9,049
Other operating expenses	(199)	(12,667)	(963)	(72)	(526)	(158)	(491)	460	(14,616)
Impairment loss of loans and debt securities	(4)	(5,752)	-	-	-	606	(284)	(74)	(5,508)
Profit before income tax	1,744	7,176	699	220	1,022	1,071	894	(3,211)	9,615
Income tax	(10)	(1,201)	(137)	(15)	(215)	(108)	(186)	(29)	(1,901)
Profit before non-controlling interests	1,734	5,975	562	205	807	963	708	(3,240)	7,714

(Unit: Million Baht)

For the nine-month period ended 30 September 2013

	The	Banking	Securities	Life	Non-life	Asset	Other		
	Company	business	business	insurance	insurance	management	business	Eliminations	Consolidated
				business	business	business			
Net interest income	(75)	17,668	145	391	186	250	949	(9)	19,505
Other operating income	2,442	19,312	2,059	(255)	1,401	401	600	(3,020)	22,940
Other operating expenses	(199)	(13,325)	(1,061)	(71)	(700)	(174)	(428)	442	(15,516)
Impairment loss of loans and debt securities	21	(9,105)	-	-	-	(141)	(133)	(186)	(9,544)
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

The segment assets of the Company and its subsidiaries as at 30 September 2014 and 31 December 2013 are as follow:

(Unit: Million Baht)

	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other businesses	Eliminations	Consolidated
Segment assets									
As at 30 September 2014	48,625	946,117	9,285	11,008	10,630	11,553	30,792	(55,878)	1,012,132
As at 31 December 2013	47,794	990,724	7,121	11,399	9,896	12,188	30,700	(58,908)	1,050,914

32. Encumbrance of assets

As at 30 September 2014 and 31 December 2013, 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 2014	31 December 2013	30 September 2014	31 December 2013
Interbank and money market items (assets)				
Placed at insurance registrar	-	700	-	-
Guarantees of loans at commercial bank	-	1,250	-	-
Placed at court	8	8	-	-
Investments in securities				
Placed at insurance registrar	3,128	1,783	-	-
Placed at court	417	384	-	-
Property foreclosed				
Immovable assets subject to buyback options or first refusal rights	209	353	-	-
Immovable assets subject to purchase or sell agreements with clients but currently being settled in installments or through transfer of ownership	507	673	12	6
	4,269	5,151	12	6

33. Commitments and contingent liabilities

As at 30 September 2014 and 31 December 2013, significant commitments and contingent liabilities consisted of:

33.1 Commitments

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Aval to bills	459	665	-	-
Liability under unmatured import bills	584	646	-	-
Letter of credits	3,972	4,066	-	-
Other obligations				
Committed (but not drawn) overdraft	28,077	27,984	-	-
Others	22,023	23,310	1	1
Total	55,115	56,671	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 3 to the financial statements.

33.2 As at 30 September 2014, the Company and its subsidiaries have commitments to pay the service fees in relation to property foreclosed, computer system and other services, including commitments in respect of office rental and related service fees under long-term rental and services contracts, as follows:

Year	Consolidated		Separate	
	financial statements		financial statements	
	Other companies		Other companies	
2014	543		9	
2015	1,660		10	
2016 onward	3,111		4	

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

33.3 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 2014, 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. This 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. SAM agreed to accept the outstanding of Baht 91 million, which is now in the process of being paid. The remaining Baht 2 million mainly relates to transfers of guarantee claims, for which there are pending issues with regard to proof of rights of claim or the qualification of the assets transferred under 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 2014, 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 2014, the transferred assets which SAM is re-examining totaling Baht 106 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 "Provisions" in the statements of financial position, and (ii) Baht 99 million of transactions incurred by BMB. If losses arise from (ii), Thanachart Bank will receive compensation for those 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 54 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 Baht 2,029 million, as disclosed under contingent liabilities in Note 34 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 2014, the outstanding balance of FIDF's deposit account with Thanachart Bank to fund the payment of compensation for losses is 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 lawsuit discussed in c), whereby claims total Baht 379 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 loss will be incurred, other than losses for which it has already set aside full allowance for doubtful debts and/or amount that will be compensated by FIDF.

34. Litigation

As at 30 September 2014, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 5,090 million (separate financial statements: Baht 68 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 loss 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 2,029 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.

35. Letter of guarantees

As at 30 September 2014, the Company and its subsidiaries had letter of guarantees issued by the Company and its subsidiaries, amounting approximately Baht 34 million, placed for electricity usage (separate financial statements: Baht 1 million).

36. Acquisition and disposal of investments in subsidiary companies / Discontinued operations

36.1 Acquisition of investment in a subsidiary company - Investment in Siam City Life Assurance Plc.

On 5 March 2014, the Company and MBK Plc. (“an associated company”) signed a Share Purchase Agreement with Thanachart Bank Plc. (“the subsidiary company”) to buy the ordinary shares of Siam City Life Assurance Plc. The transaction value is Baht 900 million, of which the Company's portion is Baht 482 million, for a 53.5 percent shareholding.

On 3 April 2014, the Annual General Meeting of Shareholders of the Company approved a resolution to purchase ordinary shares of Siam City Life Assurance Plc. from the subsidiary company. On 23 May 2014, the Company received approval from the Bank of Thailand to acquire more than 10 percent of all issued shares of Siam City Life Assurance Plc., which was in accordance with the conditions stated in the agreement. On 2 June 2014, the Company received 37,450,000 ordinary shares in Siam City Life Assurance Plc., which was 53.5 percent of all shares issued, and paid Baht 482 million.

The agreement stipulates that if the buyers resell the acquired shares within two years from the contract date, and either or both buyers earn a capital gain from the sales, the buyers are to pay the capital gain to the contracted seller within 15 days from the date on which the shares are resold.

However, since this transaction is a restructuring of shareholding, by converting an indirect shareholding into a direct shareholding, there is no significant impact on the consolidated financial statements.

36.2 Disposal of investment in a subsidiary company / Discontinued operations - Investment in Thanachart 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 all common shares of Thanachart Life Assurance Public Company Limited (“Thanachart Life Assurance”) held by Thanachart Bank.

During the first quarter of the year 2013, the Buyer received approval from the Office of Insurance Commission (“OIC”) to acquire the shares of Thanachart Life Assurance for the purpose of the business combination, which was an important condition in the agreement. Therefore, to comply with the requirements of accounting standards, the operating results of Thanachart Life Assurance 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 period 2013. This sales transaction was recognised in the second quarter of year 2013 as disclosed in the financial statements for the year 2013.

37. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 10 November 2014.