

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 September 2015

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 2015, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015 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: 11 November 2015

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2015

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		10,721,284	16,605,432	15	-
Interbank and money market items - net		57,968,346	66,037,890	19,422	21,076
Derivatives assets	3	7,359,653	4,389,463	-	-
Investments - net	4	170,430,570	162,318,264	7,336,412	6,039,651
Investments in subsidiary and associated companies - net	5	2,503,120	2,416,988	31,079,214	31,435,390
Loans to customers and accrued interest receivables	6				
Loans to customers		766,353,545	811,443,114	1,214,734	541,675
Accrued interest receivables		661,185	787,822	1	12
Total loans to customers and accrued interest receivables		767,014,730	812,230,936	1,214,735	541,687
Less: Deferred revenue		(51,322,568)	(55,786,980)	(2,030)	(2,712)
Allowance for doubtful accounts	7	(28,969,811)	(28,347,084)	(90,808)	(149,939)
Revaluation allowance for debt restructuring	8	(4,482)	(103,222)	-	-
Net loans to customers and accrued interest receivables		686,717,869	727,993,650	1,121,897	389,036
Customers' liability under acceptances		7,444	48,217	-	-
Property foreclosed - net		7,356,598	8,930,622	779,386	885,924
Land, premises and equipment - net		7,801,497	7,981,567	38,394	43,390
Intangible assets - net		3,077,433	3,426,976	2,657	2,081
Goodwill	10	17,147,580	16,968,935	-	-
Deferred tax assets		1,142,217	1,167,662	57,110	61,000
Receivables from purchase and sale of securities		3,357,611	1,804,740	-	-
Accrued interest and dividend receivables		871,035	1,111,511	141,557	76,886
Other assets - net	11	5,817,998	4,428,454	94,162	97,370
Total assets		982,280,255	1,025,630,371	40,670,226	39,051,804

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 2015

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Deposits		663,416,132	696,948,507	-	-
Interbank and money market items	12	69,989,381	80,138,910	-	5
Liability payable on demand		1,824,369	1,655,381	-	-
Derivatives liabilities	3	8,985,457	5,200,037	-	-
Debts issued and borrowings	13	91,988,244	98,417,715	13,700,000	12,200,000
Bank's liability under acceptances		7,444	48,217	-	-
Provisions	14	3,131,463	2,850,552	46,686	46,406
Deferred tax liabilities		1,115,063	1,825,834	-	-
Accrued interest payables		3,401,675	4,069,972	212,610	95,161
Payables from purchase and sale of securities		5,068,114	1,519,696	958,866	-
Insurance contracts liabilities	15	14,389,112	14,610,121	-	-
Accrued dividend payables		815,596	-	815,591	-
Other liabilities	16	11,075,061	14,069,812	95,177	91,130
Total liabilities		875,207,111	921,354,754	15,828,930	12,432,702

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 2015

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
Note	2015	2014	2015	2014
	(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	133	133	133	133
1,277,816,427 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	2,139,680	488,206	486,802
Retained earnings				
Appropriated - statutory reserve	1,277,830	1,277,830	1,277,830	1,277,830
- treasury share reserve	4,798,369	3,398,455	4,798,369	3,398,455
Unappropriated	33,194,667	32,549,037	8,065,576	9,844,786
Less: Treasury shares - common shares	(4,798,369)	(3,398,455)	(4,798,369)	(3,398,455)
Equity attributable to owners of the Company	51,621,861	51,352,996	24,841,296	26,619,102
Non-controlling interests	55,451,283	52,922,621	-	-
Total equity	107,073,144	104,275,617	24,841,296	26,619,102
Total liabilities and equity	982,280,255	1,025,630,371	40,670,226	39,051,804

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 2015**

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss					
Interest income	21	11,957,150	13,177,482	92,166	118,083
Interest expenses	22	(5,015,177)	(6,284,712)	(152,421)	(253,557)
Net interest income		6,941,973	6,892,770	(60,255)	(135,474)
Fees and service income		2,169,178	2,048,610	67	145
Fees and service expenses		(674,927)	(712,420)	(47)	(74)
Net fees and service income	23	1,494,251	1,336,190	20	71
Gains on trading and foreign exchange transactions	24	153,326	331,467	-	8,937
Gains on investments	25	219,521	214,110	8,442	109,621
Share of profit from investments accounted for under equity method		53,816	63,428	-	-
Gains (losses) on property foreclosed and other assets		(19,524)	15,381	(1,370)	145
Insurance/Life insurance income		1,705,965	1,633,028	-	-
Dividend income		185,161	163,851	565	101,789
Other operating income		385,460	412,603	14,526	17,579
Total operating income		11,119,949	11,062,828	(38,072)	102,668
Insurance expenses		(1,219,666)	(1,147,689)	-	-
Net operating income		9,900,283	9,915,139	(38,072)	102,668
Other operating expenses					
Employee's expenses		2,793,178	2,828,588	30,242	34,711
Directors' remuneration		9,921	8,600	3,156	3,072
Premises and equipment expenses		775,112	734,367	6,975	7,087
Taxes and duties		212,612	215,145	52	356
Other expenses		1,229,662	1,227,353	19,868	16,101
Total other operating expenses		5,020,485	5,014,053	60,293	61,327
Impairment loss of loans and debt securities	26	1,707,834	1,790,852	1,288	6,127
Profit (loss) before income tax		3,171,964	3,110,234	(99,653)	35,214
Income tax	27	(400,133)	(552,816)	(13,568)	(47,374)
Profit (loss) for the period		2,771,831	2,557,418	(113,221)	(12,160)

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 2015

(Unit: Thousand Baht except earnings per share expressed in Baht)				
Note	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Other comprehensive income (loss)	28			
<i>Transactions will be reclassified subsequently to profit or loss</i>				
Gains (losses) on change in value of				
available-for-sale securities	(487,004)	177,237	(3,683)	64,043
Share of other comprehensive income (loss) of an associate	(6,708)	16,875	-	-
Income tax relating to components of				
other comprehensive income	97,734	(36,272)	737	(12,809)
Total other comprehensive income (loss)	(395,978)	157,840	(2,946)	51,234
Total comprehensive income (loss)	2,375,853	2,715,258	(116,167)	39,074
Profit (loss) attributable to				
The Company	1,353,133	1,202,310	(113,221)	(12,160)
Non-controlling interests	1,418,698	1,355,108	-	-
	2,771,831	2,557,418	(113,221)	(12,160)
Total comprehensive income (loss) attributable to				
The Company	1,147,982	1,313,991	(116,167)	39,074
Non-controlling interests	1,227,871	1,401,267	-	-
	2,375,853	2,715,258	(116,167)	39,074
Earnings per share of the Company	29			
Basic earnings per share (Baht per share)	1.16	1.00	(0.10)	(0.01)
Diluted earnings per share (Baht per share)	1.16	1.00	(0.10)	(0.01)

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 2015**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
Profit or loss					
Interest income	21	36,779,899	40,001,309	268,405	406,299
Interest expenses	22	(16,035,140)	(19,310,965)	(446,498)	(752,369)
Net interest income		20,744,759	20,690,344	(178,093)	(346,070)
Fees and service income		6,103,425	5,977,927	251	479
Fees and service expenses		(2,030,236)	(2,082,956)	(407)	(414)
Net fees and service income	23	4,073,189	3,894,971	(156)	65
Gains on trading and foreign exchange transactions	24	547,545	842,785	636	10,691
Gains on investments	25	1,602,190	925,800	60,684	198,450
Share of profit from investments accounted for under equity method	5.2	210,904	183,838	-	-
Gains (losses) on property foreclosed and other assets		271,724	376,724	(18,007)	3,367
Insurance/Life insurance income		5,046,143	4,802,454	-	-
Dividend income		310,361	308,837	1,927,279	2,025,709
Other operating income		1,003,231	1,150,545	49,031	55,021
Total operating income		33,810,046	33,176,298	1,841,374	1,947,233
Insurance expenses		(3,481,020)	(3,437,325)	-	-
Net operating income		30,329,026	29,738,973	1,841,374	1,947,233
Other operating expenses					
Employee's expenses		8,376,713	8,208,938	92,448	97,187
Directors' remuneration		68,481	64,764	28,516	28,606
Premises and equipment expenses		2,202,437	2,180,358	20,459	21,934
Taxes and duties		652,449	637,562	1,441	812
Other expenses		3,824,999	3,524,035	50,666	50,498
Total other operating expenses		15,125,079	14,615,657	193,530	199,037
Impairment loss of loans and debt securities	26	6,886,943	5,508,366	2,331	4,467
Profit before income tax		8,317,004	9,614,950	1,645,513	1,743,729
Income tax	27	(46,234)	(1,900,734)	(3,539)	(9,575)
Profit for the period		8,270,770	7,714,216	1,641,974	1,734,154

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 2015

(Unit: Thousand Baht except earnings per share expressed in Baht)				
Note	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Other comprehensive income (loss)	28			
<i>Transactions will be reclassified subsequently to profit or loss</i>				
Gains (losses) on change in value of				
available-for-sale securities	(900,795)	1,069,381	1,755	265,940
Share of other comprehensive income (loss) of an associate	(11,821)	15,207	-	-
Income tax relating to components of				
other comprehensive income	180,891	(214,436)	(351)	(53,188)
Total other comprehensive income (loss)	<u>(731,725)</u>	<u>870,152</u>	<u>1,404</u>	<u>212,752</u>
Total comprehensive income	<u>7,539,045</u>	<u>8,584,368</u>	<u>1,643,378</u>	<u>1,946,906</u>
Profit attributable to				
The Company	4,077,446	3,760,948	1,641,974	1,734,154
Non-controlling interests	4,193,324	3,953,268	-	-
	<u>8,270,770</u>	<u>7,714,216</u>	<u>1,641,974</u>	<u>1,734,154</u>
Total comprehensive income attributable to				
The Company	3,700,681	4,313,825	1,643,378	1,946,906
Non-controlling interests	3,838,364	4,270,543	-	-
	<u>7,539,045</u>	<u>8,584,368</u>	<u>1,643,378</u>	<u>1,946,906</u>
Earnings per share of the Company	29			
Basic earnings per share (Baht per share)	3.44	3.12	1.39	1.44
Diluted earnings per share (Baht per share)	3.44	3.12	1.39	1.44

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 2015

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before income tax	8,317,004	9,614,950	1,645,513	1,743,729
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	(210,904)	(183,838)	-	-
Depreciation and amortisation	1,106,499	1,076,862	16,044	16,951
Impairment loss of loans and debt securities	6,886,943	5,508,366	2,331	4,467
Increase in provisions	648,404	308,057	281	2,392
Increase (decrease) in provision for impairment of property foreclosed	30,845	(2,701)	53,847	6,519
Increase (decrease) in provision for impairment of equipment/other assets	(2,520)	(102,395)	(511)	26
Unrealised loss (gain) from change in value of investments/ allowance for impairment of investments	120,330	(278,288)	(10,576)	(242)
Unrealised loss (gain) on exchange	(1,299,674)	414,300	-	-
Gain from disposal of/capital return from investments in subsidiary companies	(168,897)	(182,474)	(1,234)	(91,897)
Loss (gain) on disposal of equipment	(11,389)	9,252	(17)	(2)
Decrease (increase) in accrued other income receivable	218,818	398,024	5,026	(101)
	15,635,459	16,580,115	1,710,704	1,681,842
Net interest income	(20,744,759)	(20,690,344)	178,093	346,070
Dividend income	(310,361)	(308,837)	(1,927,279)	(2,025,709)
Cash received from interest on operating activities	33,987,403	36,903,780	48,549	61,934
Cash paid for interest on operating activities	(14,760,603)	(17,324,893)	(181)	(19)
Cash paid for income tax	(1,700,231)	(2,865,087)	(4,553)	(6,265)
Income from operating activities before changes in operating assets and liabilities	12,106,908	12,294,734	5,333	57,853

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 2015**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items	8,335,678	13,991,733	1,674	(3,296,386)
Derivative assets	1,009,314	606,845	-	(1,225)
Investments in trading securities	1,761,633	(1,002,549)	600	(27,620)
Loans to customers	31,445,086	6,613,648	(732,891)	3,575
Property foreclosed	6,528,137	6,465,051	54,890	124,398
Receivables from purchase and sale of securities	(1,552,871)	(7,215,384)	-	-
Other assets	(1,785,906)	1,579,325	(11,502)	(5,339)
Increase (decrease) in operating liabilities				
Deposits	(33,532,374)	(23,384,879)	-	-
Interbank and money market items	(11,085,968)	(27,185,045)	(5)	(13)
Liability payable on demand	168,987	(1,702,176)	-	-
Derivatives liabilities	(1,179,503)	(1,339,118)	-	-
Payables from purchase and sales of securities	3,548,418	5,246,654	-	-
Insurance contract liabilities	(221,009)	(652,357)	-	-
Other liabilities	(1,108,327)	(1,015,410)	4,166	(25,893)
Net cash flows from (used in) operating activities	14,438,203	(16,698,928)	(677,735)	(3,170,650)
Cash flows from investing activities				
Decrease (increase) in investments in securities	(9,952,769)	7,107,966	(329,266)	2,902,446
Cash paid for purchase of investment in subsidiary	-	-	-	(482,119)
Cash received from interest	3,036,004	3,119,503	159,725	247,666
Cash received from dividend	422,972	421,508	1,927,279	2,025,710
Cash received from disposal of/capital return from subsidiary companies	-	-	355,210	331,504
Cash paid for purchase of equipment/intangible assets	(603,638)	(814,186)	(1,917)	(4,079)
Cash received from disposal of equipment/intangible assets	22,275	15,349	31	2
Net cash flows from (used in) investing activities	(7,075,156)	9,850,140	2,111,062	5,021,130

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 2015

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Cash flows from financing activities				
Cash received from debts issued and borrowings	56,628,700	88,506,500	1,500,000	-
Cash paid for debts issued and borrowings	(63,058,171)	(81,405,264)	-	-
Cash paid for interest expenses on debts issued and borrowings	(2,879,693)	(3,440,991)	(327,719)	(644,074)
Cash paid for capital return to non-controlling interests of a subsidiary company	(362)	(451)	-	-
Cash paid for dividend	(1,205,679)	(1,206,391)	(1,205,679)	(1,206,391)
Cash paid for treasury shares	(1,399,914)	-	(1,399,914)	-
Cash paid for dividend to non-controlling interests	(1,332,076)	(1,389,251)	-	-
Net cash flows from (used in) financing activities	(13,247,195)	1,064,152	(1,433,312)	(1,850,465)
Net increase (decrease) in cash	(5,884,148)	(5,784,636)	15	15
Cash at beginning of the period	16,605,432	17,940,109	-	-
Cash at end of the period	10,721,284	12,155,473	15	15

Supplemental cash flows information

Non-cash transactions

Property foreclosed transferred from loans to customers and investments in receivables purchased	4,974,005	6,533,790	-	29
Property foreclosed received from capital returned from a subsidiary company	-	-	2,200	7,320
Bad debt written off/hair-cut loans from debt restructuring	5,023,030	5,594,651	614	132
Payable from purchase of assets	49,540	55,189	2	23

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 2015

(Unit: Thousand Baht)

	Consolidated financial statements													
	Equity attributable to the Company's shareholders													
	Other components of equity													
	Issued and paid-up share capital		Premium on common shares	Premium on treasury shares	Share premium of a subsidiary	Amount by which		Share of other comprehensive income (loss) of an associate	Retained earnings			Treasury shares	Non-controlling interests	Total
						in subsidiary lower than attributable net book value	Revaluation surplus on investments - net		Appropriated		Unappropriated			
	Preferred shares	Common shares							Statutory reserve	Treasury shares reserve				
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
Balance as at 1 January 2015	133	12,778,164	2,065,645	165,742	775,814	226,460	1,499,956	14,215	1,277,830	3,398,455	32,549,037	(3,398,455)	52,922,621	104,275,617
Cumulative effect of change in accounting policy for fair value measurement (Note 2.4)	-	-	-	-	-	-	-	-	-	-	(10,632)	-	(10,232)	(20,864)
Dividend paid (Note 20)	-	-	-	-	-	-	-	-	-	-	(2,021,570)	-	-	(2,021,570)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	300	-	-	300
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,299,470)	(1,299,470)
Cash payment for treasury shares (Note 17)	-	-	-	-	-	-	-	-	-	-	-	(1,399,914)	-	(1,399,914)
Transfer of retained earnings to treasury shares reserve	-	-	-	-	-	-	-	-	-	1,399,914	(1,399,914)	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	-	(368,191)	(8,574)	-	-	4,077,446	-	3,838,364	7,539,045
Balance as at 30 September 2015	133	12,778,164	2,065,645	165,742	775,814	226,460	1,131,765	5,641	1,277,830	4,798,369	33,194,667	(4,798,369)	55,451,283	107,073,144

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 2015

(Unit: Thousand Baht)

	Separate financial statements									
	Other components					Retained earnings				
	Issued and paid-up share capital				of equity -	Appropriated				
	Preferred	Common	Premium on	Premium on	surplus on	Statutory	Treasury shares	Unappropriated	Treasury shares	Total
	shares	shares	common shares	treasury shares	investments - net	reserve	reserve			
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
Balance as at 1 January 2015	133	12,778,164	2,065,645	165,742	486,802	1,277,830	3,398,455	9,844,786	(3,398,455)	26,619,102
Dividend paid (Note 20)	-	-	-	-	-	-	-	(2,021,570)	-	(2,021,570)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	300	-	300
Cash payment for treasury shares (Note 17)	-	-	-	-	-	-	-	-	(1,399,914)	(1,399,914)
Transfer of retained earnings to treasury shares reserve	-	-	-	-	-	-	1,399,914	(1,399,914)	-	-
Total comprehensive income for the period	-	-	-	-	1,404	-	-	1,641,974	-	1,643,378
Balance as at 30 September 2015	133	12,778,164	2,065,645	165,742	488,206	1,277,830	4,798,369	8,065,576	(4,798,369)	24,841,296

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 nine-month period ended 30 September 2015

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 2014) “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 statements for the year ended 31 December 2014, and there were no changes in shareholding structure during this period. Therefore, the interim consolidated financial statements included the financial statements of the Company and the following subsidiary companies.

	Percentage of holding by the Company		Percentage of holding by the subsidiaries	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
<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
Siam City Life Assurance Plc.	51.00	53.50	-	-
<u>Subsidiaries indirectly held by the Company</u>				
SCIB Plc.	-	-	-	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 2015 and 31 December 2014 and for the nine-month periods ended 30 September 2015 and 2014, 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		
	2015	2014	2015	2014
Thanachart Bank Plc.	911,810	954,801	24,291	23,744
Siam City Life Assurance Plc.	10,425	10,762	10	193
Thanachart Insurance Plc.	10,373	10,331	2,357	2,085
Thanachart Securities Plc.	7,552	7,412	1,240	1,178
TS Asset Management Co., Ltd.	5,840	8,179	353	479
Ratchthani Leasing Plc.	28,131	27,050	1,284	1,222
NFS Asset Management Co., Ltd.	1,642	1,776	95	91

- 2.3** The separate financial statements present investments in subsidiary and associated companies under the cost method.

2.4 Financial reporting standards that became effective in the current accounting period

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions but did not restate the prior year'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.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. The Company and its subsidiaries are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The Company and its subsidiaries are required to measure the fair value in accordance with the guidance of this standard and recognised prospectively, except for the effect of credit risk on the fair value measurement of derivatives, with the subsidiary electing to adjust the effect of credit risks on fair value against retained earnings as of 1 January 2015, as allowed in the transition provision under Thai Financial Reporting Standards. The change has the effect of decreasing the beginning balance of retained earnings for 2015 of the Company and its subsidiaries by Baht 21 million. The cumulative effect of changes in accounting policy has been separately presented in the statement of changes in equity.

2.5 Financial reporting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believe that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

2.6 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 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 2.4 to the financial statements and the change in the accounting policy regarding life insurance premium reserve as follows:

Life insurance premium reserve

During the period, the subsidiary changed its accounting policy regarding provision for life insurance, from the higher of Net Level Premium Valuation (NPV) or Gross Premium Valuation (GPV) to GPV only. The subsidiary's management believes that the GPV reflects the fair value of the provision and is more appropriate and consistent with the fact that the investments of the subsidiary are measured primarily at fair value. In addition, the GPV approach is consistent with the guidelines of the Office of Insurance Commission.

The change had no effect on the comparative financial statements because the provision formerly recorded and presented in the comparative financial statements was determined based on GPV, which was higher than the amount of provision determined based on NPV.

3. Derivatives

As at 30 September 2015 and 31 December 2014, the notional amount and the fair value of trading derivatives, and the adjustments made on an accrual basis for hedging derivatives (banking book), are classified by type of risk as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2015			31 December 2014		
	Fair value/Adjustments		Notional amount*	Fair value/Adjustments		Notional amount*
	on an accrual basis			on an accrual basis		
Types of risk	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate						
Derivatives for trading	2,739	2,718	112,304	411	319	72,468
Derivatives for banking book	72	247	5,903	9	87	7,796
Interest rate						
Derivatives for trading	4,034	4,051	346,523	3,896	3,856	352,184
Derivatives for banking book	-	-	4,180	-	-	16,100
Foreign exchange rate and interest rate						
Derivatives for trading	473	403	8,616	19	6	2,792
Derivatives for banking book	42	1,562	11,192	54	930	12,770
Others						
Derivatives for trading	-	4	710	-	2	299
Total	7,360	8,985	489,428	4,389	5,200	464,409

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

Derivatives for hedging (banking book) are obligations under contracts which are not held for trading, and are measured on an accrual basis. Gain (loss) on exchange at the end of the period is presented under 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 2015		31 December 2014		30 September 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading securities								
Government and state enterprises securities	7,589	7,605	8,221	8,319	-	-	-	-
Private debt securities	4,171	4,384	5,169	5,434	-	-	1	1
Domestic marketable equity securities	67	63	198	194	-	-	-	-
	11,827	12,052	13,588	13,947	-	-	1	1
Add: Allowance for change in value	225		359		-		-	
Net	12,052		13,947		-		1	
Available-for-sale securities								
Government and state enterprises securities	101,254	101,626	68,156	68,985	1,729	1,729	-	-
Private debt securities	27,376	28,115	45,325	46,226	398	415	731	755
Foreign debt securities	10,063	10,169	11,766	11,827	-	-	-	-
Domestic marketable equity securities	3,638	4,585	3,281	4,552	241	834	127	711
Unit trusts	74	74	256	259	63	63	241	241
	142,405	144,569	128,784	131,849	2,431	3,041	1,099	1,707
Add: Allowance for change in value	2,164		3,065		610		608	
Net	144,569		131,849		3,041		1,707	
Held-to-maturity debt securities								
Government and state enterprises securities	8,601	8,831	11,157	11,473	-	-	-	-
Private debt securities	404	441	466	501	3,636	3,636	3,636	3,631
Investment in receivables purchased	1,214	1,649	1,293	1,039	696	608	708	620
	10,219	10,921	12,916	13,013	4,332	4,244	4,344	4,251
Less: Allowance for impairment	(213)		(254)		(88)		(88)	
Net	10,006		12,662		4,244		4,256	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2015		31 December 2014		30 September 2015		31 December 2014	
	Cost/ Amortised		Cost/ Amortised		Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value	cost	Fair value	cost	Fair value
General investments								
Domestic non-marketable								
equity securities	3,843		3,879		76		112	
Foreign non-marketable								
equity securities	39		39		-		-	
Unit trusts	25		58		-		-	
	<u>3,907</u>		<u>3,976</u>		<u>76</u>		<u>112</u>	
Less: Allowance for impairment	(103)		(116)		(25)		(36)	
Net	<u>3,804</u>		<u>3,860</u>		<u>51</u>		<u>76</u>	
Total investments - net	<u>170,431</u>		<u>162,318</u>		<u>7,336</u>		<u>6,040</u>	

4.2 As at 30 September 2015 and 31 December 2014, 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 2015 and 31 December 2014 can be summarised as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Investments in receivables purchased	1,214	1,293	696	708
Less: Allowance for impairment	(213)	(254)	(88)	(88)
Investments in receivables purchased - net	<u>1,001</u>	<u>1,039</u>	<u>608</u>	<u>620</u>

30 September 2015					31 December 2014			
	Number	Balance		Yield	Number	Balance		Yield
	of	per	Purchase		of	per	Purchase	
	debtors	agreement	price		debtors	agreement	price	
		Million	Million	Percent		Million	Million	Percent
		Baht	Baht			Baht	Baht	
<u>Consolidated financial statements</u>								
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	334	9,032	1,214		510	9,875	1,293	
<u>Separate financial statements</u>								
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	199	4,842	696		202	4,850	708	

During the nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries have entered into debt restructuring agreements with its investments in receivables 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
2015					
Modification of repayment conditions	3	3	3		
Total	3	3	3		
2014					
Modification of repayment conditions	2	4	4		
Transfer of assets	1	6	6	Land and premise thereon	17
Total	3	10	10		

Counting from the end of the period, the remaining periods to maturity of receivables of the Company and its subsidiaries that were restructured during the nine-month periods ended 30 September 2015 and 2014 are as summarised below:

Consolidated financial statements				
For the nine-month periods ended 30 September				
Periods	2015		2014	
	Number of receivables	Outstanding balances after restructuring	Number of receivables	Outstanding balances after restructuring
		Million Baht		Million Baht
Due within the year	3	3	3	10
Total	3	3	3	10

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 2015 and 31 December 2014, there were 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 2015 and 31 December 2014, 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	31	30	31	30	31	30	31
	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<u>Investments in receivables purchased</u>								
1. Closed financial institutions	6	7	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial position to listed companies vulnerable to delisting from the SET	-	1	-	3	-	-	-	3
3. Companies which have loan settlement problems or have defaulted on the repayment	135	169	933	994	1,421	1,456	158	178

Separate financial statements								
						Allowance for possible		
Number of debtors		Cost		Fair value/ collateral value		loss/impairment provided in the accounts		
30	31	30	31	30	31	30	31	
September	December	September	December	September	December	September	December	
r 2015	2014	r 2015	2014	r 2015	2014	r 2015	2014	
		Million	Million	Million	Million	Million	Million	
		Baht	Baht	Baht	Baht	Baht	Baht	
<u>Investments in receivables purchased</u>								
1. Companies which have loan settlement problems or have defaulted on the repayment	68	69	537	547	910	921	59	59

5. Investments in subsidiary and associated companies

5.1 Separate financial statements

As at 30 September 2015 and 31 December 2014, 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 for the	
	30	31	30	31	30	31	nine-month periods ended	
	September	December	September	December	September	December	30 September	
	2015	2014	2015	2014	2015	2014	2015	2014
<u>Subsidiary companies</u>								
Thanachart Bank Plc.	55,137	55,137	50.96	50.96	29,056	29,056	1,264	1,264
NFS Asset Management Co., Ltd.	700	1,000	100.00	100.00	700	1,000	585	350
Siam City Life Assurance Plc.	700	700	51.00	53.50	460	482	-	-
Max Asset Management Co., Ltd.	143	143	83.44	83.44	117	117	-	327
NASSET Property Fund 6	121	122	99.80	99.80	88	122	-	4
<u>Associated company</u>								
MBK Plc.	1,886	1,886	10.00	10.00	658	658	57	56
Total investments in subsidiary and associated companies					31,079	31,435	1,906	2,001

On 5 January 2015, the Company sold its investment in 1,750,000 ordinary shares of Siam City Life Assurance Plc. to MBK Plc. for Baht 23 million.

During the nine-month period ended 30 September 2015, NFS Asset Management Co., Ltd. decreased its registered shares capital and returned Baht 300 million to the Company, based on the par value. However, the Company had no gain on the capital return.

During the nine-month period ended 30 September 2015, NASSET Property Fund 6 returned capital of Baht 34 million to the Company. On the first occasion, it returned Baht 2 million as a result of the reduction in the number of registered units, based on the net asset value on the date it announced the capital return to the unit holders. The Company recorded a gain on capital return of Baht 1 million in the separate financial statements and this was eliminated in the consolidated financial statements. The second occasion was the return of Baht 32 million as a result of liquidation, since the Fund matured on 31 August 2015.

5.2 Consolidated financial statements

As at 30 September 2015 and 31 December 2014, investment in an associated company, which presented under the equity method, in the consolidated financial statements 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		Share of other comprehensive income	
					Cost method		Equity method		for the nine-month periods ended		for the nine-month periods ended		for the nine-month periods ended	
	30	31	30	31	30	31	30	31						
	September	December	September	December	September	December	September	December	30 September		30 September		30 September	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
MBK Plc. (operating in property rental, hotel and services businesses)	1,886	1,886	19.90	19.90	948	948	2,503	2,417	113	113	211	184	(12)	15
Total investment in an associated company					948	948	2,503	2,417	113	113	211	184	(12)	15

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 2015 and 30 September 2014 and for the nine-month periods ended 30 June 2015 and 2014 are as follows:

(Unit: Million Baht)									
Paid-up share capital		Total assets		Total liabilities		Total income		Profit	
30 June	30 September	30 June	30 September	30 June	30 September	for the nine-month periods ended	for the nine-month periods ended	for the nine-month periods ended	for the nine-month periods ended
2015	2014	2015	2014	2015	2014	30 June	30 June ⁽¹⁾	30 June	30 June ⁽¹⁾
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
1,886	1,886	40,390	37,799	23,143	20,561	7,772	7,467	1,059	918

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

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 2015 was determined based on financial statements that were prepared with reference to financial statements for the nine-month period ended 30 June 2015 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 period is not materially different from the income for the nine-month period ended 30 September 2015.

b) Fair value of investment in an associated company

As at 30 September 2015 and 31 December 2014, 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 2015	31 December 2014	30 September 2015	31 December 2014
MBK Plc.	5,218	5,443	2,621	2,734

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	31 December	30 September	31 December
	2015	2014	2015	2014
<u>Loans to customers</u>				
Overdrafts	19,233	20,773	-	-
Loans	273,269	282,197	116	184
Notes receivables	48,214	48,154	1,044	299
Hire purchase receivables	420,366	454,981	55	59
Financial lease receivables	1,292	1,202	-	-
Others	350	301	-	-
Less: Deferred revenues	(51,323)	(55,787)	(2)	(3)
Total loans to customers net of deferred revenues	711,401	751,821	1,213	539
Add: Accrued interest receivables	661	788	-	-
Total loans to customers and accrued interest receivables net of deferred revenues	712,062	752,609	1,213	539
Less: Allowance for doubtful accounts				
1) BOT's minimum requirement provision				
- Individual approach	(17,189)	(18,948)	(91)	(150)
- Collective approach	(10,154)	(8,934)	-	-
2) Excess provision	(1,502)	(294)	-	-
Less: Revaluation allowance for debt restructuring	(4)	(103)	-	-
Loans to customers and accrued interest receivables - net	683,213	724,330	1,122	389
<u>Securities business receivables</u>				
Credit balances receivables	3,503	3,633	-	-
Other receivables	127	202	-	-
Total securities business receivables	3,630	3,835	-	-
Less: Allowance for doubtful accounts	(125)	(171)	-	-
Securities business receivables - net	3,505	3,664	-	-
Total loans to customers and accrued interest receivables - net	686,718	727,994	1,122	389

6.2 Non-performing loans

As at 30 September 2015 and 31 December 2014, the Company and its subsidiaries (banking, securities and asset management businesses) had non-performing loans classified in accordance with the Notification of the BOT and SEC (debtors classified as substandard, doubtful and doubtful of loss) as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Non-performing loans (excluding accrued interest receivables)				
The Company	160	232	160	232
Banking business	18,297	22,597	-	-
Securities business	125	172	-	-
Asset management business	6,618	9,273	-	-

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

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
The Company	160	232	160	232
Banking business	18,977	23,031	-	-
Securities business	125	172	-	-

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 2015 and 2014, the Company and its subsidiaries (banking, asset management and securities businesses) have entered into debt restructuring agreements with their debtors as follows:

Consolidated financial statements					
For the nine-month periods ended 30 September					
Type of restructuring	Number of debtors	Outstanding balances before restructuring ⁽¹⁾ Million Baht	Outstanding balances after restructuring ⁽¹⁾ Million Baht	Type of assets to be transferred	Fair value of assets to be transferred under agreement Million Baht
2015					
Transfer of assets	1	1	1	Land and premise thereon	1
Modification of repayment conditions	1,509	2,976	2,916		
Transfer of assets and/or ordinary shares and/or modification of repayment conditions	27	292	291	Land, land and premise thereon	294
Total	1,537	3,269	3,208		
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		

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

Separate financial statements			
For the nine-month periods ended 30 September			
Type of restructuring	Number of debtors	Outstanding loans balance before restructuring ⁽¹⁾ Million Baht	Outstanding loans balance after restructuring ⁽¹⁾ Million Baht
2015			
Modification of repayment conditions	3	-	-
Total	3	-	-
2014			
Modification of repayment conditions	8	8	8
Total	8	8	8

(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 2015 and 2014, are summarised below.

Consolidated financial statements				
For the nine-month periods ended 30 September				
Periods	2015		2014	
	Number of debtors	Outstanding balances after restructuring	Number of debtors	Outstanding balances after restructuring
		Million Baht		Million Baht
Past due after restructuring	398	559	937	1,363
Due within the year	278	1,452	369	1,744
Less than 5 years	356	304	676	1,349
5 - 10 years	385	459	801	708
10 - 15 years	48	225	46	162
Over 15 years	72	209	67	124
Total	1,537	3,208	2,896	5,450

Separate financial statements				
For the nine-month periods ended 30 September				
Periods	2015		2014	
	Number of debtors	Outstanding balances after restructuring	Number of debtors	Outstanding balances after restructuring
		Million Baht		Million Baht
Due within the year	3	-	7	-
5 - 10 years	-	-	1	8
Total	3	-	8	8

Supplemental information for the nine-month periods ended 30 September 2015 and 2014 relating to restructured loans is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Interest income recognised in the statements of				
comprehensive income	1,002	1,174	6	3
Gain on debt settlement	12	40	2	-
Gain on transfers of assets for debt repayment	-	13	-	-
Loss on debt restructuring (net of allowance for				
doubtful accounts as previously recorded)	-	3	-	-
Cash received from receivables	3,873	5,887	17	4
Property foreclosed received for debts settlement	310	514	-	-

As at 30 September 2015 and 31 December 2014, the Company and its subsidiaries have the following restructured receivables balances (principal and accrued interest receivable):

	Restructured receivables							
	Total number of		Number of receivables				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
	2015	2014	2015	2014	2015	2014	2015	2014
	Thousand	Thousand			Million Baht	Million Baht	Million Baht	Million Baht
Thanachart Capital Plc.	0.4	2.6	18	53	101	109	14	15
Thanachart Bank Plc.	1,783.3	1,811.9	23,089	31,690	11,825	14,465	4,972	7,260
Thanachart Securities								
Plc.	1.5	1.4	2	3	18	35	18	35
TS Asset Management								
Co., Ltd.	1.2	1.5	946	1,155	6,365	8,720	3,699	4,190
Other subsidiaries	0.4	0.5	150	165	435	451	135	143

6.4 Classified by classification

As at 30 September 2015 and 31 December 2014, 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 2015			31 December 2014		
	Net balance			Net balance		
	Loans and	used in making		Loans and	used in making	
	accrued	allowance for	Allowance	accrued	allowance for	Allowance
	interest	doubtful	for doubtful	interest	doubtful	for doubtful
	receivables	accounts	accounts ⁽²⁾	receivables	accounts	accounts ⁽²⁾
Normal	623,073	423,023	8,104	657,369	454,666	5,831
Special mention	34,314	31,036	3,848	34,488	30,176	4,342
Substandard	4,302	3,075	2,025	5,809	3,365	2,421
Doubtful	3,769	2,440	1,392	4,135	2,824	1,704
Doubtful of loss	17,025	11,907	10,279	22,206	13,178	11,760
Total	682,483	471,481	25,648	724,007	504,209	26,058
Additional allowance for possible uncollectible accounts			1,502			294
Total			27,150			26,352

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

(2) As at 30 September 2015, the provisions set aside by the Company and subsidiary companies exceeded the minimum requirement per the BOT's notification No. Sor Nor Sor 31/2551 by a total of Baht 10,159 million (31 December 2014: Baht 7,051 million). The Company and subsidiary companies allocated Baht 8,657 million (31 December 2014: Baht 6,757 million) of the excess provision to a specific provision for an individual debtor and so combined with the minimum provision requirement of Baht 16,991 million (31 December 2014: Baht 19,301 million), the total provision set aside in accordance with BOT requirements is Baht 25,648 million (31 December 2014: Baht 26,058 million).

(Unit: Million Baht)

Separate financial statements						
	30 September 2015			31 December 2014		
	Net balance			Net balance		
	Loans and	used in making		Loans and	used in making	
	accrued interest	allowance for	Allowance	accrued interest	allowance for	Allowance
	receivables	doubtful	for doubtful	receivables	doubtful	for doubtful
	receivables	accounts	accounts	receivables	accounts	accounts
Normal	1,053	1,036	10	307	291	3
Special mention	-	-	-	-	-	-
Substandard	1	-	-	1	-	-
Doubtful	-	-	-	6	-	-
Doubtful of loss	159	81	81	225	147	147
Total	1,213	1,117	91	539	438	150

	Percentage of allowance for doubtful account set up			
	Hire purchase receivables -			
	personal consumer for Thanachart Bank ⁽³⁾		Other loans	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Normal	0.74	0.52	1	1
Special mention	8.58	8.47	2	2
Substandard	47.81	52.63	100	100
Doubtful	42.75	48.56	100	100
Doubtful of loss	61.03	51.73	100	100

(3) 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 2015 and 31 December 2014, loans of the Company and its subsidiaries (which engaged in banking business, asset management business, and 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							
							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
	2015	2014	2015	2014	2015	2014	2015	2014
			Million	Million	Million	Million	Million	Million
			Baht	Baht	Baht	Baht	Baht	Baht
1. Listed companies possible to delisting from the SET	2	6	418	713	10	67	408	681
2. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	38	45	505	898	336	585	169	312
3. Companies which have loan settlement problems or have defaulted on the repayment	1,022	1,117	10,086	14,988	5,115	8,470	5,388	7,043

Separate 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
	2015	2014	2015	2014	2015	2014	2015	2014
			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	22	28	84	91	88	94	11	12

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

As at 30 September 2015 and 31 December 2014, 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 2015			31 December 2014		
	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	3,505	-	3,505	3,663	-	3,663
Substandard	1	1	-	5	4	1
Doubtful	124	124	-	167	167	-
Total	3,630	125	3,505	3,835	171	3,664

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 2015 and 31 December 2014, 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 2015	31 December 2014
Current or overdue not over 90 days	27,910	26,817
Overdue 91 - 365 days	964	1,018
Overdue more than 1 year	191	131
Debtors under legal actions	223	367
Total	29,288	28,333
Allowance for doubtful accounts provided in the accounts	1,694	1,822

7. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements									
For the nine-month period ended 30 September 2015									
	The Company and subsidiary companies which are financial institutions							Other subsidiary companies	Consolidated
	Normal	Special mention	Sub-standard	Doubtful	Doubtful of loss	Excess provision	Total		
Balance - beginning of the period	5,831	4,342	2,421	1,704	11,760	294	26,352	1,995	28,347
Increase (decrease) during the period	2,273	(494)	(396)	(312)	2,021	1,208	4,300	4	4,304
Bad debts recovery	-	-	-	-	1,338	-	1,338	4	1,342
Bad debts written-off	-	-	-	-	(4,840)	-	(4,840)	(183)	(5,023)
Balance - end of the period	8,104	3,848	2,025	1,392	10,279	1,502	27,150	1,820	28,970

(Unit: Million Baht)

	Consolidated financial statements								
	For the year ended 31 December 2014								
	The Company and subsidiary companies which are financial institutions							Other	
	Normal	Special	Sub-		Doubtful	Excess		subsidiary	
		mention	standard	Doubtful	of loss	provision	Total	companies	Consolidated
Balance - beginning of									
the year	7,163	4,217	2,729	5,125	9,682	8	28,924	1,543	30,467
Increase (decrease)									
during the year	(1,332)	125	(308)	(3,421)	8,311	286	3,661	559	4,220
Bad debts recovery	-	-	-	-	1,210	-	1,210	8	1,218
Bad debts written-off	-	-	-	-	(7,443)	-	(7,443)	(115)	(7,558)
Balance - end of the year	5,831	4,342	2,421	1,704	11,760	294	26,352	1,995	28,347

(Unit: Million Baht)

Separate financial statements						
For the nine-month period ended 30 September 2015						
	Special			Doubtful		Total
	Normal	mention	Substandard	Doubtful	of loss	
Balance - beginning of the period	3	-	-	-	147	150
Increase (decrease) during the period	7	-	-	-	(67)	(60)
Bad debts recovery	-	-	-	-	1	1
Balance - end of the period	10	-	-	-	81	91

(Unit: Million Baht)

Separate financial statements						
For the year ended 31 December 2014						
	Special			Doubtful		Total
	Normal	mention	Substandard	Doubtful	of loss	
Balance - beginning of the year	-	-	-	-	180	180
Increase (decrease) during the year	3	-	-	-	(23)	(20)
Bad debts recovery	-	-	-	-	1	1
Bad debts written-off	-	-	-	-	(11)	(11)
Balance - end of the year	3	-	-	-	147	150

8. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the	For the	For the	For the
	nine-month	year ended	nine-month	year ended
	period ended	year ended	period ended	year ended
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Balance - beginning of the period	103	305	-	-
Amortised during the period	(99)	(202)	-	-
Balance - end of the period	4	103	-	-

9. Classification of assets

As at 30 September 2015 and 31 December 2014, 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 2015					
	Loans to					
	customers and					
	Interbank and	accrued	Investments	Property	Other assets	Total
	money market	interest				
	items	receivables		foreclosed		
Normal	36,427	623,073	-	-	229	659,729
Special mention	-	34,314	-	-	139	34,453
Substandard	-	4,302	-	-	17	4,319
Doubtful	-	3,769	-	-	14	3,783
Doubtful of loss	-	17,025	426	1,115	397	18,963
Total	36,427	682,483	426	1,115	796	721,247

(Unit: Million Baht)

Consolidated financial statements

31 December 2014

	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	46,399	657,369	-	-	276	704,044
Special mention	-	34,488	-	-	134	34,622
Substandard	-	5,809	-	-	18	5,827
Doubtful	-	4,135	-	-	17	4,152
Doubtful of loss	-	22,206	317	1,081	370	23,974
Total	46,399	724,007	317	1,081	815	772,619

(Unit: Million Baht)

Separate financial statements

30 September 2015

	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	1,053	-	-	-	1,053
Special mention	-	-	-	-	-	-
Substandard	-	1	-	-	-	1
Doubtful	-	-	-	-	-	-
Doubtful of loss	-	159	123	717	77	1,076
Total	-	1,213	123	717	77	2,130

(Unit: Million Baht)

Separate financial statements

31 December 2014

	Loans to customers and Interbank and money market items	accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	307	-	-	-	307
Special mention	-	-	-	-	-	-
Substandard	-	1	-	-	-	1
Doubtful	-	6	-	-	-	6
Doubtful of loss	-	225	124	663	78	1,090
Total	-	539	124	663	78	1,404

10. Goodwill

As at 30 September 2015 and 31 December 2014, goodwill stated in the consolidated financial statements are as follows:

	(Unit: Million Baht)	
	30 September 2015	31 December 2014
Goodwill	17,986	17,986
Deferred gain on disposal of investment	(838)	(1,017)
Goodwill - ending of the period/year	17,148	16,969

11. Other assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Accrued premium insurance income	148	274	-	-
Other receivables	1,051	1,127	76	78
VAT refundable	24	32	-	-
Other receivables - VAT paid in advance				
for customers	321	312	-	-
Deposits	342	312	3	3
Estimated insurance claims recoveries	293	301	-	-
Receivable from clearing house	396	18	-	-
Leasehold right	223	254	11	11
Prepaid corporate income tax	208	73	47	42
Deposits from derivative contracts	1,686	444	-	-
Prepaid expenses	477	485	13	12
Reinsurance assets	214	179	-	-
Others	935	1,105	21	29
Total	6,318	4,916	171	175
Less: Allowance for impairment	(500)	(488)	(77)	(78)
Other assets - net	5,818	4,428	94	97

12. Interbank and money market items (liabilities)

As at 30 September 2015, interbank and money market items in the consolidated financial statements included loans of a subsidiary company amounting to Baht 1,495 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 28 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, and (iv) a loan of Baht 167 million, repayable in quarterly installments, carrying interest at a fixed rate 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 2014: included loans of a subsidiary company amounting to Baht 2,012 million).

13. Debt issued and borrowings

As at 30 September 2015 and 31 December 2014, the balance of domestic debt issued and borrowings, which stated in Baht, are as follows:

			(Unit: Million Baht)			
Types of borrowings	Interest rate per annum (as at 30 September 2015)	Maturity date	Consolidated financial statements		Separate financial statements	
			30 September 2015	31 December 2014	30 September 2015	31 December 2014
Unsubordinated debentures	1.97 - 5.50 percent	2015 - 2025	28,321	27,471	13,700	12,200
Perpetual subordinated hybrid bonds issued under Tier I	7.30 percent	Dissolution	3,494	3,494	-	-
Subordinated debentures issued under Tier II	4.70 percent	2022	12,515	23,514	-	-
Subordinated instruments issued under Tier II	4.65, 6.00 percent	2024 - 2025	19,530	12,600	-	-
Short-term debentures	1.55 - 1.70 percent	2015 - 2016	26,900	30,180	-	-
Structured notes	1.00 percent	2015	14	37	-	-
Promissory notes	0.40 - 2.50, 3.90, 7.40 percent	At call, 2015	1,207	1,110	-	-
Borrowings - Department of Alternative Energy Development and Efficiency	0.50 percent	2016 - 2017	7	12	-	-
Total debt issued and borrowings			91,988	98,418	13,700	12,200

On 22 January 2015, the Company issued 500,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2016 and bear interest at fixed rate of 2.60 percent per annum, payable semi-annually.

On 28 April 2015, a subsidiary issued 200,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2017 and bear interest at a fixed rate of 3.35 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 11 May 2015, Thanachart Bank issued 7,000,000 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 will mature in 2025 and bear interest at a fixed rate of 4.65 percent per annum, payable quarterly. Thanachart Bank has a call option to early redeem these instruments at par if conditions specified are met.

On 26 May 2015, the Company issued 500,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2016 and bear interest at a fixed rate of 2.15 percent per annum, payable semi-annually.

On 3 September 2015, 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 will mature in 2018 and bear interest at a fixed rate of 3.10 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.

On 11 September 2015, a subsidiary issued 350,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2018 and bear interest at a fixed rate of 3.10 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.

On 15 September 2015, the Company issued 500,000 units of name registered unsubordinated and unsecured debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2017 and bear interest at a fixed rate of 1.97 percent per annum, payable semi-annually.

On 23 September 2015, 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 will mature in 2018 and bear interest at a fixed rate of 3.10 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 2015, Thanachart Bank exercised a call option to early redeem 6,000,000 units of name registered subordinated, unsecured, unconvertible debentures with a debenture holders' representative, with a face value of Baht 1,000 each. Thanachart Bank issued these debentures on 2 April 2010, and they were to mature in 2020.

14. Provisions

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Loss from litigation	383	171	13	9
Employee benefits payable	1,956	1,944	34	37
Obligations from off-balance items	458	434	-	-
Others	334	302	-	-
Total	3,131	2,851	47	46

15. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Life policy reserve	9,641	9,827	-	-
Loss reserves and outstanding claims	1,696	1,652	-	-
Unearned premium reserve	2,986	3,070	-	-
Other liabilities under insurance policies	66	61	-	-
Total insurance contract liabilities	14,389	14,610	-	-

16. Other liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Other payables	1,423	1,778	11	10
Suspense cash received from accounts receivable	823	551	16	18
Income received in advance	1,862	1,946	-	-
Corporate income tax payable	197	1,219	-	-
Accrued personnel expenses	1,625	2,080	62	57
Accrued contribution fee to the Financial Institutions Development Fund/Deposit Protection Agency	841	1,778	-	-
Accrued other expenses	1,356	1,417	2	2
Payables to clearing house	699	480	-	-
Insurance premium received in advance	1,443	1,482	-	-
Others	806	1,339	4	4
Total other liabilities	11,075	14,070	95	91

17. Share capital/Treasury stocks

During the nine-month period ended 30 September 2015, there is no conversion of preferred shares to the Company's common shares. Therefore, as at 30 September 2015, 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.

On 26 January 2015, a meeting of the Company's Board of Directors passed a resolution approving a plan to repurchase the Company's shares for the purpose of financial management. The scheme has a budget of up to Baht 1,400 million with no more than 56,431,642 shares to be repurchased and the period of the share repurchase is from 10 February 2015 to 9 August 2015. When combined with the 71,350,000 treasury shares repurchased during 11 December 2012 to 10 June 2013, the Company will have a total of 127,781,642 treasury shares, which is not more than 10 percent of the shares of the Company in issue.

As at 30 September 2015, the Company had 112,700,000 shares of treasury stock, valued at Baht 4,798 million, with an average price of Baht 42.58 per share. These consist of 71,350,000 treasury shares from the now-ended share repurchase plan that the directors approved on 26 November 2012, from which the treasury shares have not yet been sold, and 41,350,000 treasury shares from the ongoing share repurchase plan that the directors approved on 26 January 2015. Both plans require that the treasury shares are to be sold within 3 years from the repurchase date.

18. Other components of equity

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
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	707	948	17	24
Equity instruments	916	954	602	584
Total	1,623	1,902	619	608
Revaluation deficit on investments				
Available-for-sale securities				
Debt instruments	(78)	(22)	-	-
Equity instruments	(131)	(6)	(9)	-
Total	(209)	(28)	(9)	-
Total revaluation surplus on investments	1,414	1,874	610	608
Less: The effect of deferred tax liabilities	(282)	(374)	(122)	(122)
Net revaluation surplus on investments	1,132	1,500	488	486
Share of other comprehensive income of associate	6	15	-	-
Less: The effect of deferred tax liabilities	-	(1)	-	-
Net share of other comprehensive income of associate	6	14	-	-
Total	2,140	2,516	488	486

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 2015 on its website at www.thanachart.co.th since October 2015.

20. Dividends

During the nine-month periods ended 30 September 2015 and 2014, 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 2015	The Company's Board of Directors on 21 September 2015	816	0.70	16 October 2015
Dividend for the second half-year of 2014	The Annual General Meeting of shareholders on 2 April 2015	1,206	1.00	30 April 2015
		2,022	1.70	
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
		1,930	1.60	

21. Interest income

Interest income for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Interbank and money market items	404	525	-	33
Investments and trading transactions	78	117	-	-
Investments in debt securities	897	961	73	85
Loans to customers	4,833	5,189	19	-
Hire purchase and financial lease	5,745	6,385	-	-
Total interest income	11,957	13,177	92	118

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Interbank and money market items	1,224	1,462	-	83
Investments and trading transactions	272	367	-	-
Investments in debt securities	2,887	3,181	220	320
Loans to customers	14,675	15,331	48	3
Hire purchase and financial lease	17,722	19,660	-	-
Total interest income	36,780	40,001	268	406

22. Interest expenses

Interest expenses for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deposits	2,998	4,022	-	-
Interbank and money market items	227	200	-	-
Contribution fee to the Financial Institutions				
Development Fund and Deposit Protection Agency	841	894	-	-
Debts issued and borrowings				
- Subordinated debentures	213	322	-	-
- Unsubordinated debentures	451	640	152	254
- Subordinated instruments	272	191	-	-
- Others	12	11	-	-
Borrowings cost	1	4	-	-
Total interest expenses	5,015	6,284	152	254

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deposits	9,901	12,272	-	-
Interbank and money market items	757	879	-	-
Contribution fee to the Financial Institutions				
Development Fund and Deposit Protection Agency	2,545	2,672	-	-
Debts issued and borrowings				
- Subordinated debentures	737	1,365	-	-
- Unsubordinated debentures	1,364	1,866	445	751
- Subordinated instruments	690	215	-	-
- Others	36	33	-	-
Borrowings cost	5	9	1	1
Total interest expenses	16,035	19,311	446	752

23. Fees and service income

Fees and service income for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Fees and service income				
Acceptance, aval and guarantees	74	75	-	-
Hire purchase fee income	377	366	-	-
Credit card	243	235	-	-
ATM and electronic banking services	211	202	-	-
Brokerage fee from securities/derivatives	334	489	-	-
Insurance brokerage fee income	305	255	-	-
Others	625	427	-	-
Total fees and service income	2,169	2,049	-	-
Fees and service expenses	(675)	(713)	-	-
Net fees and service income	1,494	1,336	-	-

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Fees and service income				
Acceptance, aval and guarantees	182	198	-	-
Hire purchase fee income	1,131	1,104	-	-
Credit card	726	754	-	-
ATM and electronic banking services	651	627	-	-
Brokerage fee from securities/derivatives	1,108	1,064	-	-
Insurance brokerage fee income	876	907	-	-
Others	1,429	1,324	-	-
Total fees and service income	6,103	5,978	-	-
Fees and service expenses	(2,030)	(2,083)	-	-
Net fees and service income	4,073	3,895	-	-

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 2015 and 2014 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Foreign exchange and derivatives contract				
relating to foreign exchange	138	136	-	8
Derivatives relating to interest	(2)	5	-	-
Debt securities	28	188	-	1
Equity securities	(36)	6	-	-
Others	25	(4)	-	-
Total	153	331	-	9

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Foreign exchange and derivatives contract				
relating to foreign exchange	497	439	-	8
Derivatives relating to interest	6	1	-	-
Debt securities	41	389	1	3
Equity securities	(31)	6	-	-
Others	35	8	-	-
Total	548	843	1	11

25. Gains on investments

Gains on investments for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Gains on disposal				
Available-for-sale securities	154	168	8	18
General investments	5	-	-	-
Investments in subsidiary companies	60	61	-	-
Gains (losses) on the capital returned	-	(1)	1	92
Gains on debt settlement/assets transferred from				
investments in receivables purchased	2	2	-	-
Losses from impairment of investments	(1)	(16)	-	-
Total	220	214	9	110

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Gains on disposal				
Available-for-sale securities	1,377	792	23	98
General investments	18	1	10	-
Investments in subsidiary companies	169	183	1	-
Gains (losses) on the capital returned	2	(1)	1	92
Gains on debt settlement/assets transferred				
from investments in receivables purchased	23	11	16	8
Reversal of losses from impairment of investments				
(losses from impairment)	13	(60)	10	-
Total	1,602	926	61	198

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 2015 and 2014 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Impairment loss of loans (reversal)				
Interbank and money market items	3	(1)	-	-
Loans to customers	1,708	1,787	1	(8)
Amortised of revaluation allowance for debts restructured during the period	(1)	(9)	-	-
Loss from impairment of investments in receivables purchased	(2)	14	-	14
Total	1,708	1,791	1	6

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Impairment loss of loans (reversal)				
Interbank and money market items	(2)	(29)	-	-
Loans to customers	6,893	5,537	2	(10)
Amortised of revaluation allowance for debts restructured during the period	(2)	(16)	-	-
Loss from impairment of investments in receivables purchased	(2)	16	-	14
Total	6,887	5,508	2	4

27. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax	174	469	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	226	84	14	47
Income tax expense reported in statements of comprehensive income	400	553	14	47

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax	533	2,021	-	-
Adjustment in respect of income tax from previous year	12	29	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(499)	(149)	4	10
Income tax expense reported in statements of comprehensive income	46	1,901	4	10

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		statements	
	2015	2014	2015	2014
Deferred tax relating to gain (loss) on changes				
in value of available-for-sale securities	(97)	35	(1)	13
Deferred tax relating to share of other				
comprehensive income of associates	(1)	1	-	-
	(98)	36	(1)	13

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		statements	
	2015	2014	2015	2014
Deferred tax relating to gain (loss) on changes				
in value of available-for-sale securities	(180)	213	-	53
Deferred tax relating to share of other				
comprehensive income of associates	(1)	1	-	-
	(181)	214	-	53

28. Components of other comprehensive income

Components of other comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 are as the following:

	(Unit: Million Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Other comprehensive income				
Available-for-sale securities:				
Unrealised gains (losses) during the period	(333)	345	4	82
Less: Reclassification of adjustment for realised gains/losses that included in profit or loss	(154)	(168)	(8)	(18)
	(487)	177	(4)	64
Share of other comprehensive income of associates (losses)	(7)	17	-	-
Other comprehensive income for the period (losses)	(494)	194	(4)	64
Effects of relevant income taxes				
Income tax - losses (gains) on changes in value of available-for-sale securities	97	(35)	1	(13)
Income tax - share of other comprehensive income of associates	1	(1)	-	-
Effects of relevant income taxes	98	(36)	1	(13)
Net other comprehensive income for the period (losses)	(396)	158	(3)	51

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Other comprehensive income				
Available-for-sale securities:				
Unrealised gains during the period	476	1,861	24	364
Less: Reclassification of adjustment for realised gains/losses that included in profit or loss	(1,377)	(792)	(23)	(98)
	(901)	1,069	1	266
Share of other comprehensive income of associates (losses)	(12)	15	-	-
Other comprehensive income for the period (losses)	(913)	1,084	1	266
Effects of relevant income taxes				
Income tax - losses (gains) on changes in value of available-for-sale securities	180	(213)	-	(53)
Income tax - share of other comprehensive income of associates	1	(1)	-	-
Effects of relevant income taxes	181	(214)	-	(53)
Net other comprehensive income for the period (losses)	(732)	870	1	213

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 in 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		Weighted average number of common shares		Earnings per share	
2015	2014	2015	2014	2015	2014
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the Company	1,353,133	1,202,310	1,165,117	1,206,467	1.16 1.00
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	1,353,133	1,202,310	1,165,130	1,206,480	1.16 1.00

Consolidated financial statements					
For the nine-month periods ended 30 September					
Profit for the period		Weighted average number of common shares		Earnings per share	
2015	2014	2015	2014	2015	2014
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the Company	4,077,446	3,760,948	1,184,154	1,206,467	3.44 3.12
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	4,077,446	3,760,948	1,184,167	1,206,480	3.44 3.12

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		
2015	2014	2015	2014	2015	2014	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit (loss) attributable to the Company	(113,221)	(12,160)	1,165,117	1,206,467	(0.10)	(0.01)
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	(113,221)	(12,160)	1,165,130	1,206,480	(0.10)	(0.01)

Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of common shares		Earnings per share		
2015	2014	2015	2014	2015	2014	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit attributable to the Company	1,641,974	1,734,154	1,184,154	1,206,467	1.39	1.44
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	1,641,974	1,734,154	1,184,167	1,206,480	1.39	1.44

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 significant transactions.

(Unit: Million Baht)

	For the three-month periods ended				
	30 September				
	Consolidated		Separate		Pricing policies
	financial statements		financial statements		
	2015	2014	2015	2014	(For the period 2015)
Transactions occurred during the periods					
Subsidiary companies					
Purchase of investments in debt securities	-	-	1,878	20	At market prices
Sales of investments in debt securities	-	-	159	222	At market prices
Returned capital from a subsidiary company (2015: gain Baht 1 million 2014: gain Baht 92 million)	-	-	34	337	Net assets value
Interest income	-	-	85	82	At interest rate of 0.10 - 7.40 percent per annum
Dividend income	-	-	-	100	
Rental and other service income	-	-	20	17	At the rate agreed under the contract
Other expenses	-	-	3	4	
Associated company					
Other income	1	2	-	-	
Interest expenses	1	8	-	-	At interest rate of 0.40 - 7.50 percent per annum
Dividend payment	-	-	91	78	As declared
Other expenses	32	33	3	3	
Related companies					
Purchases of investments in debt securities	534	241	-	-	At market prices
Sales of investments in debt securities	293	306	-	-	At market prices
Purchases/sales of forward exchange contracts	39,912	76,138	-	-	At market prices
Interest income	65	70	-	-	At interest rate of 0.10 - 7.78 percent per annum
Dividend income	-	9	-	-	
Insurance premium/life insurance premium income	-	4	-	-	
Other income	4	2	-	-	
Interest expenses	82	80	-	-	At interest rate of 0.35 - 7.30 percent per annum
Project management expenses	16	18	4	6	At the contract price calculated by reference to estimated usage time
Insurance/Life insurance expenses	4	-	-	-	At the rate agreed under the contract
Other expenses	27	28	-	1	

(Unit: Million Baht)

	For the nine-month periods ended				
	30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	2015	2014	2015	2014	(For the period 2015)
Transactions occurred during the periods					
Subsidiary companies					
Purchase of investments in debt securities	-	-	1,878	1,055	At market prices
Sales of investments in debt securities	-	-	424	5,286	At market prices
Purchase of investment in a subsidiary	-	-	-	482	
Returned capital from a subsidiary company	-	-	334	339	Net assets value
(2015: gain Baht 1 million					
2014: gain Baht 92 million)					
Interest income	-	-	242	268	At interest rate of 0.10 - 7.625 percent per annum
Dividend income	-	-	1,849	1,945	As declared
Rental and other service income	-	-	58	113	At the rate agreed under the contract
Other expenses	-	-	9	10	
Associated company					
Sales of investment in a subsidiary	-	418	-	-	
Dividend income	-	-	57	56	As declared
Other income	4	4	1	-	
Interest expenses	4	42	-	-	At interest rate of 0.40 - 7.625 percent per annum
Dividend payment	-	-	221	208	As declared
Other expenses	97	99	8	8	
Related companies					
Purchase of investments in debt securities	1,453	279	-	-	At market prices
Sales of investments in debt securities	653	414	-	-	At market prices
Purchase/sales of forward exchange contracts	192,826	351,194	-	-	At market prices
Interest income	215	220	-	-	At interest rate of 0.09 - 7.78 percent per annum
Dividend income	35	40	20	18	As declared
Insurance premium/life insurance premium income	-	3			
Other income	6	6	-	-	
Dividend payment	1,216	1,216	-	-	As declared
Interest expenses	252	269	-	-	At interest rate of 0.25 - 7.55 percent per annum
Project management expenses	48	53	12	16	At the contract price calculated by reference to estimated usage time
Insurance/life insurance expenses	9	-	-	-	At the rate agreed under the contract
Other expenses	84	86	1	2	

The outstanding balances of the above transactions during the nine-month periods ended 30 September 2015 and 2014 have been shown at the average balance at the end of each month as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Subsidiary companies</u>				
Interbank and money market items (assets)	-	-	99	2,493
Debt issued and borrowings	-	-	-	1
Loans to customers	-	-	726	-
<u>Associated company</u>				
Deposits	118	351	-	-
Debt issued and borrowings	58	960	-	-
<u>Related companies</u>				
Interbank and money market items (assets)	248	199	-	-
Loans to customers	7,169	7,681	-	-
Deposits	1,284	1,952	-	-
Interbank and money market items (liabilities)	13,289	13,963	-	-
Debt issued and borrowings	3,670	3,890	-	-

As at 30 September 2015 and 31 December 2014, the significant outstanding balances of the above transactions are as follows:

	(Unit: Million Baht)								
	Consolidated financial statements								
	30 September 2015								
	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.	-	-	-	42	45	-	58	91	-
Related companies									
The Bank of Nova Scotia	244	-	-	-	-	14,975	3,494	137	1,612
Krungthai Card Plc.	-	-	2,318	-	3	-	-	-	-
I-Con Siam Co., Ltd.	-	-	1,471	-	160	-	-	-	98
Synphaet Co., Ltd.	-	-	1,197	-	22	-	-	-	36
Other related companies	-	-	1,701	57	1,211	87	139	84	827
	244	-	6,687	99	1,441	15,062	3,691	312	2,573

(Unit: Million Baht)

Consolidated financial statements									
31 December 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.	-	-	-	39	116	-	58	1	-
Related companies									
The Bank of Nova Scotia	348	-	-	-	-	12,842	3,494	74	3,566
Krunghai Card Plc.	-	-	4,770	-	8	-	-	-	-
Synphaet Co., Ltd.	-	-	815	-	1	-	-	-	36
Other related companies	-	684	1,465	76	1,145	71	-	124	379
	<u>348</u>	<u>684</u>	<u>7,050</u>	<u>115</u>	<u>1,270</u>	<u>12,913</u>	<u>3,552</u>	<u>199</u>	<u>3,981</u>

(Unit: Million Baht)

Separate financial statements									
30 September 2015									
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.	18	3,636	-	134	-	-	-	959	-
Thanachart Securities Plc.	-	-	-	2	-	-	-	-	-
NFS Asset Management Co., Ltd.	-	-	700	-	-	-	-	-	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	3	-
Max Asset Management Co., Ltd.	-	-	336	-	-	-	-	-	-
Associated company									
MBK Plc.	-	-	-	3	-	-	-	91	-
	<u>18</u>	<u>3,636</u>	<u>1,036</u>	<u>139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053</u>	<u>-</u>

(Unit: Million Baht)

	Separate financial statements								
	31 December 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.	17	3,638	-	77	-	-	-	-	-
Thanachart Securities Plc.	-	-	-	2	-	-	-	-	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	8	-
Max Asset Management Co., Ltd.	-	-	291	-	-	-	-	-	-
Associated company									
MBK Plc.	-	-	-	3	-	-	-	-	-
	17	3,638	291	82	-	-	-	8	-

As at 30 September 2015 and 31 December 2014, the Company has loans to subsidiary companies as follows:

Company's name	Interest rate	Outstanding balances	
		30 September 2015	31 December 2014
Max Asset Management Co., Ltd.	MLR of Thanachart Bank + 0.5%	336	291
NFS Asset Management Co., Ltd.	MLR of Thanachart Bank	700	-
Total		1,036	291

As at 30 September 2015, the Company and its subsidiaries have investments amounting to Baht 1,627 million (Baht 779 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 2014: Baht 1,594 million in the consolidated financial statements and Baht 761 million in the separate financial statements).

As at 30 September 2015 and 31 December 2014, 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 and above, including persons related with these employees:

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Loans to customers	83	91	-	-
Deposits	681	712	-	-

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2015 and 2014, 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	
	2015	2014	2015	2014
Short-term employee benefits	145	133	19	20
Post-employment benefits	3	4	1	1
	<u>148</u>	<u>137</u>	<u>20</u>	<u>21</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	477	450	78	79
Post-employment benefits	12	12	1	1
	<u>489</u>	<u>462</u>	<u>79</u>	<u>80</u>

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 2015								
				Life	Non-life	Asset			
	The	Banking	Securities	insurance	insurance	management	Other		
	Company	business	business	business	business	business	businesses	Eliminations	Consolidated
Net interest income	(60)	6,364	53	95	57	93	350	(10)	6,942
Other operating income	22	3,425	490	(108)	540	37	250	(1,698)	2,958
Other operating expenses	(60)	(4,281)	(331)	(37)	(224)	(50)	(204)	167	(5,020)
Impairment loss of loans and debt securities	(1)	(1,762)	1	-	-	73	(82)	63	(1,708)
Profit before income tax	(99)	3,746	213	(50)	373	153	314	(1,478)	3,172
Income tax	(14)	(168)	(43)	16	(75)	(39)	(49)	(28)	(400)
Profit (loss) before non- controlling interests	(113)	3,578	170	(34)	298	114	265	(1,506)	2,772

(Unit: Million Baht)

	For the three-month period ended 30 September 2014								
	The	Banking	Securities	Life	Non-life	Asset	Other		
	Company	business	business	insurance	insurance	management	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 (loss) before non- controlling interests	(12)	1,103	229	163	257	708	243	(134)	2,557

(Unit: Million Baht)

	For the nine-month period ended 30 September 2015								
	The Company	Banking business	Securities business	Life insurance business	Non-life insurance business	Asset management business	Other businesses	Eliminations	Consolidated
Net interest income	(178)	19,022	161	309	191	249	1,016	(25)	20,745
Other operating income	2,019	9,049	1,573	(269)	1,590	141	709	(5,228)	9,584
Other operating expenses	(193)	(12,899)	(1,001)	(100)	(656)	(168)	(582)	474	(15,125)
Impairment loss of loans and debt securities	(2)	(6,566)	20	-	-	(165)	(287)	113	(6,887)
Profit before income tax	1,646	8,606	753	(60)	1,125	57	856	(4,666)	8,317
Income tax	(4)	561	(147)	29	(227)	(33)	(161)	(64)	(46)
Profit (loss) before non-controlling interests	1,642	9,167	606	(31)	898	24	695	(4,730)	8,271

(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
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

The segment assets of the Company and its subsidiaries as at 30 September 2015 and 31 December 2014 are as follows:

(Unit: Million Baht)

	The	Banking	Securities	Life	Non-life	Asset	Other		
	Company	business	business	insurance	insurance	management	businesses	Eliminations	Consolidated
Segment assets									
As at 30 September 2015	40,670	923,035	7,933	10,944	11,093	8,358	30,062	(49,815)	982,280
As at 31 December 2014	39,052	967,216	8,060	11,294	11,234	10,784	30,824	(52,834)	1,025,630

32. Encumbrance of assets

As at 30 September 2015 and 31 December 2014, the Company and its subsidiaries have the following encumbrance assets, presented at book value as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Interbank and money market items (assets)				
Placed at insurance registrar	750	-	-	-
Placed at court	7	7	-	-
Investments in securities				
Placed at insurance registrar	2,479	3,295	-	-
Placed at court	401	422	-	-
Placed for electricity usage	1	1	-	-
Property foreclosed				
Immovable assets subject to buyback options or first refusal rights	247	289	-	-
Immovable assets subject to purchase or sell agreements with clients but currently being settled in installments or through transfer of ownership	175	426	26	1
	<u>4,060</u>	<u>4,440</u>	<u>26</u>	<u>1</u>

33. Commitments and contingent liabilities

As at 30 September 2015 and 31 December 2014, significant commitments and contingent liabilities consisted of:

33.1 Commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Aval to bills	578	256	-	-
Liability under unmatured import bills	818	509	-	-
Letter of credits	4,059	4,796	-	-
Other obligations				
Committed (but not drawn) overdraft	23,644	27,400	-	-
Others	21,377	22,951	1	1
Total	<u>50,476</u>	<u>55,912</u>	<u>1</u>	<u>1</u>

In addition, the 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 2015, 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 contracts, as follows:

(Unit: Million Baht)

Year	Consolidated financial statements	Separate financial statements	
	Other companies	Other companies	Subsidiaries
2015	551	8	3
2016	1,855	15	-
2017 onward	2,586	22	-

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

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 2015, outstanding obligations are summarised below.

- a) There was an outstanding difference of Baht 2 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. The remaining 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, for which full allowance for doubtful debts has been set aside, are now being examined and/or negotiated among Thanachart Bank, SAM and the FIDF for final resolution.

- 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 2015, the transferred assets which SAM is re-examining totaling Baht 37 million of transactions incurred by BMB. If losses arise 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 37 million.

- c) Lawsuits in which SCIB is involved as a result of the transfer of business from BMB amounting to Baht 1,047 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 2015, the outstanding balance of FIDF's deposit account with Thanachart Bank to fund the payment of compensation for losses has an outstanding balance of approximately Baht 414 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 2015, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 3,582 million (separate financial statements: Baht 65 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 1,047 million, relates to lawsuits involving Thanachart Bank, as a result of the transfer of business from BMB to SCIB, 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 2015, the Company and its subsidiaries had letter of guarantees issued by banks on behalf of the Company and its subsidiaries, amounting approximately to Baht 31 million, placed for electricity usage (separate financial statements: Baht 1 million).

36. Acquisition and disposal of investments 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.

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.

During the first quarter of 2015, the Company sold 1,750,000 ordinary shares of Siam City Life Assurance Plc. to MBK Plc. As a result, the Company’s investment in Siam City Life Assurance Plc. amounts to 35,700,000 ordinary shares, representing 51 percent of its issued and paid-up share capital.

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.

37. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company and its subsidiaries use the quoted price in an active market to measure the fair value of a financial asset or liability, whenever such a price is available. If a quoted price in an active market is not available, the Company and its subsidiaries measures fair value using a generally accepted valuation technique, which includes analysis of the present value of cash flows and use of a theoretical valuation model.

The Company and its subsidiaries' fair value hierarchy used to measure the fair value of financial assets and financial liabilities are as follows:

Level 1 - Use of quoted market prices for the same assets or liabilities in an observable active market

Level 2 - Use of other inputs that are observable for the assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

Valuation techniques and inputs used for Level 2 fair value measurement

- A) The fair value of investments in debt securities has been determined by using the yield rates quoted by the Thai Bond Market Association or by other market.
- B) The fair value of derivatives, which have no active market, has been determined by using valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate and foreign exchange rate and adjust with counterparty credit risk.

As at 30 September 2015, the Company and its subsidiaries had financial assets and financial liabilities that were measured at fair value using the different input levels as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Trading securities				
Equity securities	63	-	-	63
Debt securities	-	11,989	-	11,989
Available-for-sale securities				
Equity securities	4,585	74	-	4,659
Debt securities	-	139,910	-	139,910
Derivatives assets				
Foreign exchange contracts	-	2,739	-	2,739
Cross currency and interest rate swap contracts	-	473	-	473
Interest rate swap contracts	-	4,034	-	4,034
Financial liabilities measured at fair value				
Derivatives liabilities				
Foreign exchange contracts	-	2,718	-	2,718
Cross currency and interest rate swap contracts	-	403	-	403
Interest rate swap contracts	-	4,051	-	4,051
Others	4	-	-	4

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale securities				
Equity securities	834	63	-	897
Debt securities	-	2,144	-	2,144

38. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2015.