

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 September 2009

Review report of Independent Auditor

To the Shareholders of Thanachart Capital Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Thanachart Capital Public Company Limited and its subsidiaries as at 30 September 2009, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2009 and 2008, changes in shareholders' equity, and cash flows for the nine-month periods then ended, and the separate financial statements of Thanachart Capital Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiaries and the separate financial statements of Thanachart Capital Public Company Limited for the year ended 31 December 2008 in accordance with generally accepted auditing standards and expresses an unqualified opinion on those financial statements under my report dated 26 February 2009. The consolidated and the separate balance sheets as at 31 December 2008, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on.

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 12 November 2009

Thanachart Capital Public Company Limited and its subsidiaries

Balance sheets

As at 30 September 2009 and 31 December 2008

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2009	2008	2009	2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		2,737,084	4,017,994	40	40
Interbank and money market items	2				
Domestic					
Interest bearing		32,308,859	40,977,469	7,969,424	3,366,783
Non-interest bearing		2,825,440	3,945,117	76,370	111,212
Foreign					
Interest bearing		27,856,160	20,372,081	-	-
Non-interest bearing		260,136	495,715	-	-
Total interbank and money market items - net		63,250,595	65,790,382	8,045,794	3,477,995
Investments					
Current investments - net	3	12,816,781	11,823,115	75,162	2,999,343
Long-term investments - net	3	34,514,880	26,157,768	7,255,794	5,562,868
Investments in subsidiaries - net	4	-	-	13,243,049	16,903,297
Investments in an associated company - net	5	1,514,316	1,404,444	657,994	657,994
Total investments - net		48,845,977	39,385,327	21,231,999	26,123,502
Receivables from clearing house		5	50,186	-	-
Loans and accrued interest receivables	6				
Loans		279,392,949	277,553,638	5,522,918	8,627,834
Securities business receivables		3,155,069	1,896,481	-	-
Total loans and receivables		282,548,018	279,450,119	5,522,918	8,627,834
Accrued interest receivables		333,528	323,640	164	181
Total loans and accrued interest receivables		282,881,546	279,773,759	5,523,082	8,628,015
Less: Allowance for doubtful accounts	7	(11,490,473)	(9,920,939)	(1,169,223)	(1,302,142)
Less: Revaluation allowance for debt restructuring	8	(80,379)	(86,795)	(181)	(272)
Total loans and accrued interest receivables - net		271,310,694	269,766,025	4,353,678	7,325,601
Property foreclosed - net	10	6,819,965	7,554,495	2,362,606	2,440,980
Property, premises and equipment - net		2,495,778	2,522,254	209,321	209,231
Intangible assets - software - net		465,791	419,173	1,541	2,424
Leasehold right - net		493,774	552,384	221,075	247,210
Goodwill		44,274	44,274	-	-
Value added tax refundable		241,728	398,586	-	-
Financial derivative assets		1,587,334	1,369,064	-	-
Accrued insurance premium receivables - net		1,708,179	516,295	-	-
Other assets - net		2,096,923	1,749,272	196,985	97,299
Total assets		402,098,101	394,135,711	36,623,039	39,924,282

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

Thanachart Capital Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 30 September 2009 and 31 December 2008

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2009	2008	2009	2008
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Deposits				
Deposits in Baht	250,313,597	269,660,019	-	-
Deposits in foreign currencies	89,712	70,368	-	-
Total deposits	250,403,309	269,730,387	-	-
Interbank and money market items				
Domestic				
Interest bearing	14,558,844	6,679,211	2,088	4,501,864
Non-interest bearing	297,004	607,158	-	-
Foreign				
Interest bearing	3,527,019	-	-	-
Non-interest bearing	7,173	6,451	-	-
Total interbank and money market items - net	18,390,040	7,292,820	2,088	4,501,864
Payable to clearing house	1,021,956	294,804	-	-
Securities business payable	1,689,102	854,589	-	-
Liabilities payable on demand	1,280,943	1,316,693	-	-
Borrowings	11			
Short-term borrowings	47,346,815	46,652,605	6,589,936	2,944,305
Long-term borrowings	13,373,700	18,810,500	1,500,000	8,000,000
Total borrowings	60,720,515	65,463,105	8,089,936	10,944,305
Accrued interest payable	1,382,625	1,774,585	73,945	70,887
Life insurance premium reserve	13,573,660	7,821,623	-	-
Unearned insurance premium reserve	1,275,468	1,465,631	-	-
Corporate income tax payable	769,083	301,189	54,857	70,220
Accrued dividend payable	524,190	46,170	524,190	46,170
Other liabilities	6,775,432	5,412,946	351,159	370,494
Total liabilities	357,806,323	361,774,542	9,096,175	16,003,940

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

Thanachart Capital Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 30 September 2009 and 31 December 2008

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2009	2008	2009	2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	12				
Registered, issued and paid-up					
15,856 preference shares of Baht 10 each		159	159	159	159
1,333,138,147 ordinary shares of Baht 10 each		13,331,381	13,331,381	13,331,381	13,331,381
		13,331,540	13,331,540	13,331,540	13,331,540
Share premium		2,065,645	2,065,645	2,065,645	2,065,645
Share premium of a subsidiary company		775,814	1,141,664	-	-
Amount by which the value of investment in subsidiary is lower than attributable net book value		226,460	226,460	-	-
Revaluation surplus on investments	13	1,820,513	380,737	1,384,788	99,598
Revaluation deficit on investments	13	(656,564)	(1,699,455)	(5,423)	(543,785)
Retained earnings					
Appropriated - statutory reserve		803,179	803,179	803,179	803,179
- treasury stock reserve		387,501	110,260	387,501	110,260
Unappropriated		12,787,057	10,342,356	9,947,135	8,164,165
Total shareholders' equity before treasury stock and minority interest		31,541,145	26,702,386	27,914,365	24,030,602
Less: Treasury stock	12	(387,501)	(110,260)	(387,501)	(110,260)
Equity attributable to the Company's shareholders		31,153,644	26,592,126	27,526,864	23,920,342
Minority interest - equity attributable to minority shareholders of subsidiaries		13,138,134	5,769,043	-	-
Total shareholders' equity		44,291,778	32,361,169	27,526,864	23,920,342
Total liabilities and shareholders' equity		402,098,101	394,135,711	36,623,039	39,924,282
		-	-	-	-
Off-balance sheet items - commitments	19.1				
Avals to bills and guarantees of loans		174,554	128,025	10,000	10,000
Obligation under unmatured import bills		217,217	442,518	-	-
Letter of credit		627,054	664,174	-	-
Other contingencies		113,055,085	94,516,147	8,000,560	8,000,560

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

Directors

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Income statements****For the three-month periods ended 30 September 2009 and 2008**

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

	Consolidated financial statements		Separate financial statements	
Note	2009	2008	2009	2008
Interest and dividend income				
Loans	1,161,407	996,833	17,932	7,322
Interbank and money market items	220,980	295,687	20,655	8,679
Hire purchases and financial leases	3,839,245	3,724,943	48,964	199,863
Investments	382,732	398,442	168,836	73,857
Total interest and dividend income	5,604,364	5,415,905	256,387	289,721
Interest expenses				
Deposits	961,490	1,750,335	-	-
Interbank and money market items	37,292	59,862	17	44,130
Short-term borrowings	278,487	419,955	48,798	66,494
Long-term borrowings	220,398	182,180	35,141	32,767
Total interest expenses	1,497,667	2,412,332	83,956	143,391
Net interest and dividend income	4,106,697	3,003,573	172,431	146,330
Reversal of bad debt and doubtful accounts				
(Bad debt and doubtful accounts)	(185,743)	(1,151,274)	52,575	33,582
Loss on debt restructuring	(15,057)	(5,336)	(74)	-
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	3,905,897	1,846,963	224,932	179,912
Non-interest income				
Brokerage fees	279,211	163,800	-	-
Gain (loss) on investments	9,233	(39,978)	17,259	(4,072)
Share of income from investments in associated company accounted for under equity method	61,136	78,191	-	-
Fees and service income				
Acceptances, avals and guarantees	10,382	9,221	50	-
Discounted income on insurance premium	91,909	108,650	88	10
Others	477,144	425,299	29,374	47,322
Gain on exchange and financial derivatives	40,807	40,625	-	-
Gain (loss) on property foreclosed and other assets	(9,032)	121,892	(75,613)	20,460
Gain on debt settlements/disposals	36,081	24,513	126	147
Insurance premium/Life insurance premium income	5,819,560	1,560,804	-	-
Other income	256,317	215,962	124,167	131,622
Total non-interest income	7,072,748	2,708,979	95,451	195,489

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Income statements (continued)****For the three-month periods ended 30 September 2009 and 2008**

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

	Consolidated financial statements		Separate financial statements	
Note	2009	2008	2009	2008
Non-interest expenses				
Personnel expenses	1,129,445	987,974	18,366	17,947
Premises and equipment expenses	456,747	390,827	32,921	35,873
Taxes and duties	43,238	61,095	438	890
Fees and service expenses	356,799	61,378	1,034	2,810
Directors' remuneration	4,499	6,720	1,815	2,030
Fund contributed to the Financial Institutions				
Development Fund/Deposit Protection Fund	281,819	219,416	-	-
Insurance/Life insurance expenses	5,329,223	1,172,643	-	-
Other expenses	917,681	828,428	61,273	105,927
Total non-interest expenses	8,519,451	3,728,481	115,847	165,477
Income before corporate income tax	2,459,194	827,461	204,536	209,924
Corporate income tax	(717,444)	(164,826)	(56,685)	(45,441)
Net income for the period	1,741,750	662,635	147,851	164,483
Net income attributable to				
The Company	1,001,547	576,232	147,851	164,483
Minority interests of the subsidiaries	740,203	86,403	-	-
	1,741,750	662,635	147,851	164,483
Earnings per share (Baht per share)	16			
Basic earnings per share				
Net income attributable to the Company	0.78	0.43	0.12	0.12
Diluted earnings per share				
Net income attributable to the Company	0.78	0.43	0.12	0.12

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Income statements****For the nine-month periods ended 30 September 2009 and 2008**

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

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
Interest and dividend income					
Loans		3,083,524	2,722,029	56,168	43,658
Interbank and money market items		878,529	1,055,145	55,064	38,359
Hire purchases and financial leases		11,470,946	10,972,939	227,677	802,814
Investments		1,171,340	924,981	1,013,636	797,863
Total interest and dividend income		16,604,339	15,675,094	1,352,545	1,682,694
Interest expenses					
Deposits		3,920,745	4,829,498	-	-
Interbank and money market items		82,528	140,070	15,455	241,703
Short-term borrowings		881,523	1,296,827	144,852	182,615
Long-term borrowings		554,478	461,617	135,171	98,381
Total interest expenses		5,439,274	6,728,012	295,478	522,699
Net interest and dividend income		11,165,065	8,947,082	1,057,067	1,159,995
Reversal of bad debt and doubtful accounts					
(bad debt and doubtful accounts)	14	(2,788,615)	(2,898,253)	133,995	174,733
Loss on debt restructuring		(32,683)	(5,339)	(271)	-
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		8,343,767	6,043,490	1,190,791	1,334,728
Non-interest income					
Brokerage fees		634,523	601,932	-	-
Gain on investments		2,732,080	121,608	3,053,666	83,288
Share of income from investments in associated company accounted for under equity method	5	206,880	211,188	-	-
Fees and service income					
Acceptances, avals and guarantees		29,323	24,875	149	-
Discounted income on insurance premium		292,583	421,202	88	193
Others		1,348,712	1,245,780	112,263	171,551
Gain on exchange and financial derivatives		101,603	186,421	-	-
Gain (loss) on property foreclosed and other assets		199,579	186,232	(36,432)	(83,096)
Gain on debt settlements/disposals		236,749	189,822	2,664	9,181
Insurance premium/Life insurance premium income		10,875,663	5,367,838	-	-
Other income		740,749	595,038	385,388	384,381
Total non-interest income		17,398,444	9,151,936	3,517,786	565,498

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Income statements (continued)****For the nine-month periods ended 30 September 2009 and 2008**

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

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
Non-interest expenses					
Personnel expenses		3,247,581	2,638,265	55,471	50,489
Premises and equipment expenses		1,314,923	1,089,113	101,198	103,695
Taxes and duties		175,964	158,323	9,807	3,150
Fees and service expenses		529,141	193,728	4,133	9,135
Directors' remuneration		36,031	35,319	17,157	18,163
Fund contributed to the Financial Institutions					
Development Fund/Deposit Protection Fund		790,560	603,372	-	-
Insurance/Life insurance expenses		9,480,072	4,233,078	-	-
Other expenses		2,580,289	2,430,694	206,365	325,576
Total non-interest expenses		18,154,561	11,381,892	394,131	510,208
Income before corporate income tax		7,587,650	3,813,534	4,314,446	1,390,018
Corporate income tax	15	(2,358,785)	(925,720)	(1,040,393)	(229,304)
Net income for the period		5,228,865	2,887,814	3,274,053	1,160,714
Net income attributable to					
The Company		3,935,784	2,352,942	3,274,053	1,160,714
Minority interests of the subsidiaries		1,293,081	534,872	-	-
		5,228,865	2,887,814	3,274,053	1,160,714
Earnings per share (Baht per share)	16				
Basic earnings per share					
Net income attributable to the Company		3.07	1.76	2.56	0.87
Diluted earnings per share					
Net income attributable to the Company		3.07	1.76	2.56	0.87

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Cash flows statements****For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income before corporate income tax	7,587,650	3,813,534	4,314,446	1,390,018
Adjustments to reconcile net income before corporate income tax to net cash provided from (used in) operating activities				
Share of income from investments accounted for under equity method	(206,880)	(211,188)	-	-
Depreciation and amortisation	524,205	424,631	42,450	40,434
Bad debt and doubtful accounts and loss on debt restructuring (reversal)	2,821,298	2,903,592	(133,724)	(174,733)
Increase (decrease) in provision for impairment of property foreclosed	(14,776)	180,023	76,930	160,424
Increase (decrease) in provision for impairment of equipment/other assets	38,942	19,122	(3,738)	(5,866)
Increase (decrease) in provision for impairment/ revaluation of investments	(189,403)	16,869	31,311	(3,577)
Amortisation of deferred gain on disposal of property foreclosed	(4,997)	(210,541)	-	(579)
Unrealised loss on foreign exchange and financial derivatives	266,951	982,001	-	-
Increase in unearned insurance premium reserve/ life insurance premium reserve	5,947,560	1,728,399	-	-
Gain on sales of/capital return from investments in subsidiary and associated companies	(2,833,251)	-	(3,038,370)	(27,362)
Gain on transfers of assets for debt repayment	(13,763)	(11,398)	(2,477)	(7,251)
Loss (gain) on disposal of equipment	1,618	6,465	(3,611)	(2,053)
Amortisation of deferred income	(5,734)	(5,450)	-	-
Decrease (increase) in accrued other income receivable	141,471	55,722	(9,768)	(12,046)
	14,060,891	9,691,781	1,273,449	1,357,409
Net interest and dividend income	(11,165,065)	(8,947,082)	(1,057,067)	(1,159,995)
Cash received from interest on operating activities	15,455,060	14,633,164	315,896	869,943
Cash paid for interest on operating activities	(4,201,066)	(4,307,010)	(15,455)	(241,703)
Cash paid for corporate income tax	(1,824,276)	(1,778,537)	(1,055,756)	(799,060)
Income (loss) from operating activities before changes in operating assets and liabilities	12,325,544	9,292,316	(538,933)	26,594

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Cash flows statements (continued)****For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Operating assets (increase) decrease				
Interbank and money market items	1,740,650	(5,542,184)	(4,556,464)	(599,471)
Securities purchased under resale agreements	-	2,500,000	-	-
Investments in trading securities	(1,370,514)	(122,909)	-	-
Receivable from clearing house	50,181	36,617	-	-
Loans	(9,480,627)	(40,346,645)	3,036,819	12,963,106
Property foreclosed	5,944,960	4,747,956	86,674	271,269
Other assets	(1,069,293)	(879,209)	(896)	26,613
Operating liabilities increase (decrease)				
Deposits	(19,327,077)	64,061,718	-	-
Interbank and money market items	11,097,220	4,530,291	(4,499,776)	(7,998,442)
Payable to clearing house	727,152	179,915	-	-
Securities business payable	834,513	432,020	-	-
Liability payable on demand	(35,751)	(69,680)	-	-
Other liabilities	994,776	527,677	(3,722)	(182,299)
Net cash flows from (used in) operating activities	2,431,734	39,347,883	(6,476,298)	4,507,370
Cash flows from investing activities				
Decrease (increase) in long-term investments	(5,044,301)	(13,627,782)	3,017,691	(2,350,601)
Cash received from sale of investment in subsidiary and associated companies	7,740,066	-	7,655,761	-
Capital returned from subsidiaries	-	-	-	209,751
Cash paid for purchase of investment in subsidiary company	-	(2,649)	(1,018,903)	(2,649)
Cash received from interest and dividend	1,119,005	953,410	976,369	733,053
Cash paid for purchase of land and equipment/intangible assets	(580,468)	(578,407)	(19,066)	(12,339)
Cash received from disposal of equipment/ intangible assets	10,180	16,403	3,237	2,124
Net cash flows from (used in) investing activities	3,244,482	(13,239,025)	10,615,089	(1,420,661)

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the nine-month periods ended 30 September 2009 and 2008

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	2009	2008	2009	2008
Cash flows from financing activities				
Cash received from borrowings	7,980,797	9,706,156	980,797	4,706,156
Cash paid for borrowings	(12,772,581)	(33,619,805)	(3,869,337)	(6,732,968)
Cash paid for interest expense for borrowings	(1,576,885)	(1,942,259)	(237,188)	(290,933)
Cash received from minority interest for shares capital issuance of a subsidiary company	981,097	-	-	-
Dividend payment	(735,822)	(768,964)	(735,822)	(768,964)
Cash paid for treasury stocks	(277,241)	-	(277,241)	-
Dividend paid to minority interest	(556,491)	(211,886)	-	-
Net cash flows used in financing activities	(6,957,126)	(26,836,758)	(4,138,791)	(3,086,709)
Net decrease in cash	(1,280,910)	(727,900)	-	-
Cash at beginning of the period	4,017,994	3,274,647	40	40
Cash at ending of the period	2,737,084	2,546,747	40	40

Supplemental cash flows information

Non-cash transactions

Conversion of preference shares to ordinary shares	-	34	-	34
Property foreclosed transferred from loans, other receivable and investments in receivables purchased	5,179,369	4,739,860	82,754	180,094
Leasehold transferred from property foreclosed	-	126,088	-	126,088
Bad debt written-off	1,329,101	941,767	16,134	40,189
Accounts payable for purchase of fixed assets	80,163	33,529	483	2,326

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2009 and 2008

(Unit: Thousand Baht)

Consolidated financial statements

	Amount by which											Minority interest	
	the value of										- equity		
	investment in										attributable		
	Share					Retained earnings					Total equity		
Issued and paid-up share capital			premium of	subsidary is	Revaluation	Appropriated			Treasury	attributable to	to minority		
Preference	Ordinary	Share	a subsidiary	attributable net	(deficit) on	Statutory	Treasury stock	Unappropriated	stock	the parent's	shareholders of	Total	
shares	shares	premium	company	book value	investments	reserve	reserve			shareholders	subsidiaries		
Balance as at 1 January 2008	193	13,331,347	2,065,645	1,141,664	-	(17,080)	734,878	-	8,951,656	-	26,208,303	6,053,966	32,262,269
Increase in revaluation deficit on investments	-	-	-	-	-	(1,116,830)	-	-	-	-	(1,116,830)	-	(1,116,830)
Expenses recognised directly in equity	-	-	-	-	-	(1,116,830)	-	-	-	-	(1,116,830)	-	(1,116,830)
Net income for the period	-	-	-	-	-	-	-	-	2,352,942	-	2,352,942	534,872	2,887,814
Total income (expenses) for the period	-	-	-	-	-	(1,116,830)	-	-	2,352,942	-	1,236,112	534,872	1,770,984
Dividend paid (Note 12)	-	-	-	-	-	-	-	-	(1,199,839)	-	(1,199,839)	-	(1,199,839)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	149	-	149	-	149
Conversion of preference shares to ordinary shares	(34)	34	-	-	-	-	-	-	-	-	-	-	-
Decrease in minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(435,330)	(435,330)
Balance as at 30 September 2008	159	13,331,381	2,065,645	1,141,664	-	(1,133,910)	734,878	-	10,104,908	-	26,244,725	6,153,508	32,398,233
Balance as at 1 January 2009	159	13,331,381	2,065,645	1,141,664	226,460	(1,318,718)	803,179	110,260	10,342,356	(110,260)	26,592,126	5,769,043	32,361,169
Decrease in share premium of subsidiary company from disposal of investments	-	-	-	(365,850)	-	-	-	-	-	-	(365,850)	-	(365,850)
Increase in revaluation surplus on investments	-	-	-	-	-	2,482,667	-	-	-	-	2,482,667	-	2,482,667
Income (expenses) recognised directly in equity	-	-	-	(365,850)	-	2,482,667	-	-	-	-	2,116,817	-	2,116,817
Net income for the period	-	-	-	-	-	-	-	-	3,935,784	-	3,935,784	1,293,081	5,228,865
Total income (expenses) for the period	-	-	-	(365,850)	-	2,482,667	-	-	3,935,784	-	6,052,601	1,293,081	7,345,682
Cash payment for treasury stock (Note 12)	-	-	-	-	-	-	-	-	-	(277,241)	(277,241)	-	(277,241)
Dividend paid (Note 12)	-	-	-	-	-	-	-	-	(1,213,938)	-	(1,213,938)	-	(1,213,938)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	96	-	96	-	96
Transfer of retained earnings to treasury stock reserve	-	-	-	-	-	-	-	277,241	(277,241)	-	-	-	-
Increase in minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	6,076,010	6,076,010
Balance as at 30 September 2009	159	13,331,381	2,065,645	775,814	226,460	1,163,949	803,179	387,501	12,787,057	(387,501)	31,153,644	13,138,134	44,291,778

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2009 and 2008

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and paid-up share capital			Revaluation surplus (deficit) on investments	Retained earnings				Total
	Preference shares	Ordinary shares	Share premium		Appropriated		Unappropriated	Treasury stock	
					Statutory reserve	Treasury stock reserve			
Balance as at 1 January 2008	193	13,331,347	2,065,645	300,694	734,878	-	8,175,865	-	24,608,622
Decrease in revaluation surplus on investments	-	-	-	(454,962)	-	-	-	-	(454,962)
Expenses recognised directly in equity	-	-	-	(454,962)	-	-	-	-	(454,962)
Net income for the period	-	-	-	-	-	-	1,160,714	-	1,160,714
Total income (expenses) for the period	-	-	-	(454,962)	-	-	1,160,714	-	705,752
Dividend paid (Note 12)	-	-	-	-	-	-	(1,199,839)	-	(1,199,839)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	149	-	149
Conversion of preference shares to ordinary shares	(34)	34	-	-	-	-	-	-	-
Balance as at 30 September 2008	159	13,331,381	2,065,645	(154,268)	734,878	-	8,136,889	-	24,114,684
Balance as at 1 January 2009	159	13,331,381	2,065,645	(444,187)	803,179	110,260	8,164,165	(110,260)	23,920,342
Increase in revaluation surplus on investments	-	-	-	1,823,552	-	-	-	-	1,823,552
Income recognised directly in equity	-	-	-	1,823,552	-	-	-	-	1,823,552
Net income for the period	-	-	-	-	-	-	3,274,053	-	3,274,053
Total income for the period	-	-	-	1,823,552	-	-	3,274,053	-	5,097,605
Cash payment for treasury stock (Note 12)	-	-	-	-	-	-	-	(277,241)	(277,241)
Dividend paid (Note 12)	-	-	-	-	-	-	(1,213,938)	-	(1,213,938)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	96	-	96
Transfer of retained earnings to treasury stock reserve	-	-	-	-	-	277,241	(277,241)	-	-
Balance as at 30 September 2009	159	13,331,381	2,065,645	1,379,365	803,179	387,501	9,947,135	(387,501)	27,526,864

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

Thanachart Capital Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the nine-month periods ended 30 September 2009 and 2008

1. General information

1.1 The Company's information

Thanachart Capital Public Company Limited ("the Company") was incorporated as a public company limited under Thai laws and operates its business in Thailand. The Company is mainly engaged in investment holding and is the parent company of the Thanachart Group. The Company's registered address is 444 MBK Tower, 10-11 and 15-20 Floors, Phayathai Road, Wangmai, Pathumwan, Bangkok.

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

1.2 Basis of preparation of the interim financial statements

These interim financial statements have been prepared in accordance with Thai Accounting Standards No. 34 (revised 2007) "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to those 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.

These 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.

1.3 Basis of preparation of the interim consolidation financial statements

These interim consolidation financial statements are prepared using the same basis as was used for the consolidated financial statements for the year ended 31 December 2008, and there were no changes in shareholding structure during the period, except for shareholding in Thanachart Bank Plc. ("the Bank"), which decreased from 74.93% to 50.92% since the Company sold an additional 416,526,737 ordinary shares of the Bank to The Bank of Nova Scotia ("BNS") on 3 February 2009 at a price of Baht 18.38 per share, or a total of Baht 7,656 million, this accorded with the conditions of the Shareholders' Agreements. As a result of the sale, BNS's shareholding in the Bank is 48.998% of the Bank's total issued capital. The Company has gain on the sale, calculated under the cost method, of Baht 3,038 million in the separate income statement, while a gain of Baht 2,805 million in the consolidated income statement under the equity method.

In addition, on 29 May 2009, the Bank issued 200 million new ordinary shares, or Baht 2,000 million, to offer to the existing shareholders. The Company exercised its own entitlement and unexercised entitlements of minority shareholders, to purchase Baht 1,018.90 million of such shares at Baht 10 per share (par value). After purchasing such additional shares, the Company's shareholding in the Bank remains at 50.92%.

Total assets and total income of the subsidiaries that have significant impact to and are included in the consolidated financial statements as at 30 September 2009 and 31 December 2008 and for the nine-month periods ended 30 September 2009 and 2008, after eliminating significant intercompany transactions, are as follows:

	(Unit: Million Baht)			
	Total assets as at		Total income	
	30 September	31 December	for the nine-month periods	
	2009	2008	ended 30 September	
			2009	2008
Thanachart Bank Plc.	358,083	351,272	16,858	15,198
Thanachart Life Assurance Co., Ltd.	14,819	7,231	8,982	3,763
NFS Asset Management Co., Ltd.	4,094	5,585	459	360
Thanachart Securities Plc.	3,960	2,869	822	745
Thanachart Insurance Co., Ltd.	2,782	2,499	2,088	1,910
Max Asset Management Co., Ltd.	1,658	1,778	180	186

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

1.5 Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows:

Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued
Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management of the company and its subsidiaries have assessed the effect of these standards and believes that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company and its subsidiaries, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007) and Accounting Treatment Guidance for leasehold right do not have any significant impact on the financial statements for the current period.

Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 are allow for early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 is not relevant to the business of the Company and its subsidiaries, while TAS 24 (revised 2007) and TAS 40 will not have significant impact on the financial statements for the year in which they are initially applied.

1.6 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 2008.

2. Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institution Development Fund	2,511	2,500	5,011	3,422	35,800	39,222
Commercial banks	416	29,150	29,566	689	4,490	5,179
Other banks	52	50	102	118	50	168
Other financial institutions	300	148	448	18	320	338
Total	3,279	31,848	35,127	4,247	40,660	44,907
Add: Accrued interest receivable	-	7	7	1	40	41
Less: Allowance for doubtful accounts	-	-	-	-	(26)	(26)
Total domestic items	3,279	31,855	35,134	4,248	40,674	44,922
Foreign						
US Dollar	203	27,729	27,932	286	20,236	20,522
Euro	15	-	15	98	-	98
Others	43	-	43	112	-	112
Total	261	27,729	27,990	496	20,236	20,732
Add: Accrued interest receivable	-	127	127	-	136	136
Total foreign items	261	27,856	28,117	496	20,372	20,868
Total	3,540	59,711	63,251	4,744	61,046	65,790

(Unit: Million Baht)

	Separate financial statements					
	30 September 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic						
Commercial banks	308	7,700	8,008	201	3,250	3,451
Other banks	5	-	5	6	-	6
Other financial institutions	-	20	20	-	20	20
Total	313	7,720	8,033	207	3,270	3,477
Add: Accrued interest receivable	1	12	13	-	1	1
Total	314	7,732	8,046	207	3,271	3,478

During the nine-month period ended 30 September 2009, a subsidiary company entered into debt restructuring agreement with a financial institution which it has outstanding debt of Baht 306 million, whereby terms of payment were amended and some debt was converted to equity. The subsidiary company had loss on debt restructuring amounting to Baht 9 million and reversed existing allowance for doubtful accounts of Baht 25 million (31 December 2008: the outstanding debt by Baht 306 million and related allowance by Baht 25 million).

Moreover, as at 30 September 2009, the Company had deposits of Baht 6,300 million with Thanachart Bank Plc. (a subsidiary company) in the form of bill of exchange, maturing in the fourth quarter of 2009 and bearing interest at a rate of 1.20 - 1.35 percent per annum (31 December 2008: Baht 3,250 million).

3. Investments

3.1 Classified by type of investments

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2009		31 December 2008		30 September 2009		31 December 2008	
	Cost/ Amortised		Cost/ Amortised		Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value	cost	Fair value	cost	Fair value
<u>Current investments</u>								
Trading securities								
Government and state enterprise securities	1,970	1,968	604	607	-	-	-	-
Domestic marketable equity securities	5	5	-	-	-	-	-	-
	1,975	1,973	604	607	-	-	-	-
Add(less): Allowance for change in value	(2)		3		-		-	
	1,973		607		-		-	
Available-for-sale securities								
Government and state enterprise securities	2,755	2,755	4,264	4,290	-	-	-	-
Private debt securities	1,237	1,243	463	469	-	-	-	-
Foreign debt securities	336	338	-	-	-	-	-	-
Domestic marketable equity securities	129	131	49	49	-	-	-	-
	4,457	4,467	4,776	4,808	-	-	-	-
Add: Allowance for change in value	10		32		-		-	
	4,467		4,808		-		-	
Held-to-maturity debt securities - due within 1 year								
Government and state enterprise securities	1,736		5,783		40		2,999	
Private debt securities	120		101		35		-	
Foreign debt securities	4,421		524		-		-	
	6,277		6,408		75		2,999	
Other investments								
Investments in property fund	100		-		-		-	
	100		-		-		-	
Total current investments - net	12,817		11,823		75		2,999	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2009		31 December 2008		30 September 2009		31 December 2008	
	Cost/ Amortised		Cost/ Amortised		Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value	cost	Fair value	cost	Fair value
Long-term investments								
Available-for-sale securities								
Government and state enterprise securities	1,635	1,645	618	697	-	-	-	-
Private debt securities	6,901	7,075	4,360	4,540	81	75	-	-
Foreign debt securities	5,435	5,557	-	-	-	-	-	-
Domestic marketable equity securities	3,303	4,537	4,492	2,819	1,476	2,861	1,505	1,050
	17,274	18,814	9,470	8,056	1,557	2,936	1,505	1,050
Add(less): Allowance for change in value	1,566		(1,168)		1,379		(444)	
Less: Allowance for impairment	(26)		(246)		-		(11)	
	18,814		8,056		2,936		1,050	
Held-to-maturity debt securities								
Government and state enterprise securities	12,456		10,688		344		418	
Private debt securities	1,372		792		3,010		3,000	
Foreign debt securities	-		4,323		-		-	
	13,828		15,803		3,354		3,418	
Less: Allowance for impairment	(557)		(557)		(183)		(183)	
	13,271		15,246		3,171		3,235	
Other investments								
Investments in receivables purchased	2,116		2,318		1,140		1,227	
Investments in property fund	448		658		-		-	
Domestic non-marketable equity securities	338		329		230		230	
Foreign non-marketable equity securities	3		-		-		-	
	2,905		3,305		1,370		1,457	
Less: Allowance for impairment	(475)		(449)		(221)		(179)	
	2,430		2,856		1,149		1,278	
Total long-term investments - net	34,515		26,158		7,256		5,563	

3.2 As at 30 September 2009, a revaluation surplus and a revaluation deficit in the consolidated shareholders' equity, amounting to Baht 23 million and Baht 212 million, respectively, are as a result of the recategorisation of debt securities (31 December 2008: outstanding revaluation surplus amounting to Baht 30 million and outstanding revaluation deficit amounting to Baht 331 million in the consolidated financial statements).

3.3 As at 30 September 2009, long-term investments in held-to-maturity debt securities include Baht 995 million of non-transferable, 10-year promissory notes received from Thai Asset Management Corporation ("TAMC") as a result of the transfer of non-performing loans to TAMC (separate financial statements: Baht 344 million) (31 December 2008: Baht 1,169 million in the consolidated financial statements and Baht 418 million in the separate financial statements). However, the agreed transfer price received in the form of promissory notes could be revised up or down after TAMC reviews the prices, or assesses the collateral or adjusts the prices.

As at 30 September 2009, the Company and its subsidiaries are still unable to assess the exact amount of such losses. However, the Company and its subsidiaries have estimated their share of losses which may arise from the management of non-performing assets at approximately Baht 557 million and presented as allowance for impairment under the caption of investments in held-to-maturity debt securities, classified by the type of promissory note (separate financial statements: Baht 183 million) (31 December 2008: Baht 557 million in the consolidated financial statements and Baht 183 million in the separate financial statements).

Moreover, the Company and its subsidiaries remain jointly liable with TAMC for their share of gains or losses arising from management of non-performing assets, as described in Note 19.2 to the financial statements.

3.4 As at 30 September 2009, the Company has investments of Baht 3,081 million in subordinated debentures issued by Thanachart Bank Plc. (a subsidiary company) (31 December 2008: Baht 3,000 million).

- 3.5** As at 30 September 2009, investments in government and state enterprise bonds in the consolidated financial statements amounting to Baht 1,720 million, at amortised cost, have been placed as collateral for loans from commercial banks and as security with the Insurance Registrar (31 December 2008: Baht 1,257 million).
- 3.6** As at 30 September 2009 and 31 December 2008, the subsidiary companies have the following investments in mutual funds in which subsidiary companies hold not less than 20 percent of the equity of the investees. The subsidiaries do not consider the investments in the mutual funds as being investments in subsidiaries or associated company as the subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by fund manager in accordance with the details of each fund project and the funds are under the supervision of the Securities and Exchange Commission. Therefore subsidiaries account for their investments in these mutual funds as long-term available-for-sale or other investments which depend on the investment objectives as follow:

		Consolidated financial statements			
		30 September 2009		31 December 2008	
Name	Nature of business	Net	Percentage	Net	Percentage
		book value	of holding	book value	of holding
		Million Baht	%	Million Baht	%
The Thai Business Fund 3	Mutual fund invests in property	275	26.67	340	26.67
Sub Thawee Property Fund	Mutual fund invests in property	126	56.00	156	56.00
Thanasarn Open-Ended Fund	Mutual fund invests in debt securities	-	-	267	28.99

3.7 Investments in receivables purchased

Investments in receivables purchased are receivable purchased through bidding from local financial institutions. The outstanding balances of receivable as at 30 September 2009 and 31 December 2008 can be summarised as follows:

(Unit: Million Baht)

	Consolidated				Separate			
	financial statements				financial statements			
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2009	2008	2009	2008	2009	2008	2009	2008
Investments in receivables	2,116	2,318	1,140	1,227				
Less: Allowance for impairment	(355)	(322)	(124)	(81)				
Investments in receivables - net	1,761	1,996	1,016	1,146				

	30 September 2009				31 December 2008			
	Number	Balance	Purchase	Yield	Number	Balance	Purchase	Yield
	of	per	price		of	per	price	
	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	1,662	33,559	7,793	6.50 - 18.97	1,662	33,559	7,793	6.50 - 18.97
Outstanding investments in receivables as at the balance sheet date	923	14,570	2,116		933	14,868	2,318	
<u>Separate financial statements</u>								
Total accumulated investments in receivables	691	8,190	1,937	11.94 - 18.97	691	8,190	1,937	11.94 - 18.97
Outstanding investments in receivables as at the balance sheet date	492	6,843	1,140		495	6,983	1,227	

During the nine-month period ended 30 September 2009 the Company and its subsidiaries have restructured investments in receivables purchased, by means of various types of restructuring, as summarised below.

Type of restructuring	Number of debtors	Outstanding loan balance before restructuring	Outstanding loan balance after restructuring	Type of assets to be transferred	Value of assets to be transferred per agreements
		Million Baht	Million Baht		Million Baht
<u>Consolidated financial statements</u>					
Modification of terms	6	31	31		
Transfer of assets and/or equity securities and/or modification of terms	3	24	24	Land and common stocks	27
Total	9	55	55		
<u>Separate financial statements</u>					
Modification of terms	2	7	7		
Transfer of assets and/or equity securities and/or modification of terms	1	7	7	Land	10
Total	3	14	14		

The remaining periods to maturity of the restructured debts of the Company and its subsidiaries, counting from the balance sheet date are as follow:

Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balance after restructuring	Number of receivables	Outstanding loan balance after restructuring
		Million Baht		Million Baht
Defaulted after debt restructuring	1	7	1	7
Due within 2009	6	34	2	7
Less than 5 years	2	14	-	-
Total	9	55	3	14

Restructured investments in 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 2009, there were no outstanding restructured receivables in the investments in receivables account.

3.8 As at 30 September 2009 and 31 December 2008, investments in securities of the Company and its subsidiaries, include investments in securities of companies with weak financial positions and poor operating results, are summarised as below.

Consolidated financial statements							
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<u>Equity securities - common shares</u>							
1. Companies which have loan settlement problems or have defaulted the repayment of debts	2	2	1	1	1	-	-
2. Companies which auditors' reports cited going concern issues	11	13	134	134	36	36	98
3. Financial institutions that are in the process of debt restructuring	1	1	16	8	16	-	8
<u>Investments in receivables purchased</u>							
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	1	1	3	3	-	-	3
2. Companies which have loan settlement problems or have defaulted the repayment of debts	347	351	1,555	1,672	2,281	2,481	236
207							
Separate financial statements							
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<u>Equity securities - common shares</u>							
1. Companies which have loans settlement problems or have defaulted the repayment of debts	1	1	1	1	1	-	-
2. Companies which auditors' reports cited going concern issues	4	5	113	113	35	35	77
<u>Investments in receivables purchased</u>							
1. Companies which have loan settlement problems or have defaulted the repayment of debts	159	161	850	907	1,218	1,401	75
							36

4. Investments in subsidiaries

4.1 As at 30 September 2009 and 31 December 2008, investments in subsidiaries in the separate financial statements which are recorded under the cost method comprise of investments in ordinary shares of the following subsidiaries:

(Unit: Million Baht)

Company's name	Nature of business	Separate financial statements							
		Paid-up share capital				Percentage of holding		Value of investment under the cost method	
		30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	Dividend income for the nine-month periods ended 30 September	
								2009	2008
Thanachart Bank Plc.	Commercial bank	19,346	17,346	50.92	74.93	10,811	14,409	495	559
NFS Asset Management Co., Ltd.	Non-performing assets management	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Max Asset Management Co., Ltd.	Non-performing assets management	572	572	83.44	83.44	514	576	189	-
NASSET Property Fund 6	Investment in non-performing assets and collection rights	900	900	99.80	99.80	898	898	-	-
Thiravanit Co., Ltd.	Liquidating	6	6	99.90	99.90	34	34	-	-
Thanachart SPV 01 Co., Ltd.	Not yet operation	2	2	100.00	100.00	2	2	-	-
						13,259	16,919	684	559
						(16)	(16)		
						13,243	16,903		

Less: Allowance for impairment

Investments in subsidiaries - net

During February 2009, the Company sold additional 416 million ordinary shares of Thanachart Bank Plc. to The Bank of Nova Scotia ("BNS") at a price of Baht 18.38 per share or a total of Baht 7,656 million. As a result, the Company's shareholding decreased to be 50.92% of the Bank's shares. And during May 2009, the Bank issued 200 million new ordinary shares for offering to the existing shareholders. The Company exercised its own entitlement and unexercised entitlements of minority shareholders, as a result, the Company still holds 50.92% of the Bank's shares.

4.2 The consolidated balance sheet as at 31 December 2008 and the consolidated income statement for the nine-month period ended 30 September 2008 included assets, income and net income of Thanachart Life Assurance Co., Ltd., a subsidiary company of Thanachart Bank Plc.. The auditor of this subsidiary company issued a qualified report on the financial statements for the year ended 31 December 2008 and 2007 with respect to the effect to the financial statements of any adjustments which might be required as a result of a scope limitation imposed on the audit of insurance income and related expenses. Such issue is already corrected and adjusted in the financial statements for the nine-month period ended 30 September 2009. However, the results of such adjustments are not material impact to the current period consolidated financial statements.

4.3 The consolidated balance sheet as at 30 September 2009 included Baht 6 million of assets, Baht 0.1 million of liabilities and Baht 0.1 million of net loss for nine-month period then ended of Thiravanit Co., Ltd. which registered its dissolution and is currently in the liquidation process. The financial statement of this subsidiary was prepared by its management and was not reviewed by its auditor.

5. Investments in an associated company

5.1 As at 30 September 2009 and 31 December 2008, the Company and its subsidiaries have investments in ordinary shares of MBK Public Company Limited which is registered under Thai laws and engages in property rental, hotel and services. Information of the associated company is as follow:

											(Unit: Million Baht)	
Company's name	Percentage of holding				Investment value				Dividend income for		Consolidated financial statements	
	Paid-up share capital		(%)		Cost method		Equity method		the nine-month		Share of income for	
	30	31	30	31	30	31	30	31	periods ended		the nine-month periods	
	September	December	September	December	September	December	September	December	30 September		ended 30 September	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<u>Consolidated financial statements</u>												
MBK Plc.	1,886	1,886	19.90	20.76	948	992	1,514	1,404	163	78	207	211
<u>Separate financial statements</u>												
<u>in which the cost method is applied</u>												
MBK Plc.	1,886	1,886	10.00	10.00	658	658			80	38		

The Company and its subsidiaries classify investments in ordinary shares of MBK Public Company Limited as investments in an associated company because the Company and its subsidiaries have significant influence over that associated company.

Moreover, during the nine-month period ended 30 September 2009, a subsidiary company sold investment in this associated company amounting to Baht 84 million with gain on the sale, calculated under the equity method, of Baht 29 million in the consolidated income statement.

5.2 Summarised financial information of the associated company

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income	
	30	30	30	30	30	30	for the nine-month		for the nine-month	
	June	September	June	September	June	September	periods ended 30 June		periods ended 30 June	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
MBK Plc.	1,886	1,886	20,166	19,164	10,720	10,889	4,772	4,895	1,006	1,142

The shares of income recognised in each period are determined based on financial statements of that associated company prepared for a different period, as a result of a limitation on the availability of information. The financial information used was that as at 30 June 2009 and 30 September 2008 and for the three-month and the nine-month periods ended 30 June 2009 and 2008, prepared by the Company's management, with reference to the financial statements as reviewed by its auditor and adjusted for the effect of the differences in accounting policies. The Company's management believes that income for the nine-month period ended 30 June 2009 is not materially different from that income for the nine-month period ended 30 September 2009.

- 5.3** As at 30 September 2009, the fair values of the investment in MBK Plc. which is listed in the Stock Exchange of Thailand, on a portion held by the Company and its subsidiaries is Baht 2,355 million (separate financial statements: Baht 1,183 million).

6. Loans and accrued interest receivables

6.1 Classified by loan types

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2009	2008	2009	2008
<u>Loans</u>				
Overdrafts	2,629	2,511	-	-
Loans	49,742	43,691	229	235
Notes receivable	16,009	17,636	2,408	394
Hire purchases receivables	208,766	211,828	2,886	7,999
Financial leases receivables	2,247	1,888	-	-
Total loans	279,393	277,554	5,523	8,628
Add: Accrued interest receivables	333	324	-	-
Less: Allowance for doubtful accounts	(11,175)	(9,623)	(1,169)	(1,302)
Less: Revaluation allowance for debt restructuring	(80)	(87)	-	-
Loans and accrued interest receivables - net	268,471	268,168	4,354	7,326

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
<u>Securities business receivables</u>				
Customers' accounts	1,973	884	-	-
Credit balances in receivables	789	598	-	-
Other receivables	393	414	-	-
Total securities business receivables	3,155	1,896	-	-
Less: Allowance for doubtful accounts	(315)	(298)	-	-
Securities business receivables and accrued interest receivables - net	2,840	1,598	-	-
Loans and accrued interest receivables - net	271,311	269,766	4,354	7,326

6.2 Non-performing loans

As at 30 September 2009 and 31 December 2008, the Company and its financial institution subsidiaries (banking, asset management and securities business) have non-performing loans, classified in accordance with the BOT's and SEC's regulations (debtors classified as substandard, doubtful and doubtful of loss) as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Non-performing loans (excluding accrued interest receivables)				
The Company	1,097	1,232	1,097	1,232
Banking business	8,698	7,167	-	-
Asset management business	2,765	3,176	-	-
Securities business	317	299	-	-

The above non-performing loans do not include loans which have already restructured and are now qualified for classification as normal debts or special mentioned debts.

Additionally, the Company and its financial institutions subsidiaries (banking and securities business) have the following loans for which income recognition under an accrual basis has been discontinued:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
The Company	1,019	1,198	1,019	1,198
Banking business	8,746	7,251	-	-
Securities business	317	299	-	-

For restructured investments in receivables transferred to the loans account, the Company and its subsidiaries engaged in the asset management business recognise income from these loans on a cash basis.

6.3 Unearned income

As at 30 September 2009 and 31 December 2008, unearned income is summarised as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Unearned interest income	73	75	-	-
Unearned income from hire purchases/ financial leases	30,449	31,446	113	352

6.4 Troubled debt restructuring

During the nine-month period ended 30 September 2009, the Company and its subsidiaries entered into debt restructuring agreements with loans. The details are as followed:

Type of restructuring	Number of receivables	Outstanding loan balance before restructuring ⁽¹⁾ Million Baht	Outstanding loan balance after restructuring ⁽¹⁾ Million Baht	Type of assets to be transferred	Value of assets to be transferred per agreements Million Baht
<u>Consolidated financial statements</u>					
Transfer of assets	3	5	5	Land and premises thereon	8
Modification of terms	9,097	2,808	2,808		
Transfer of assets and/or equity securities and/or modification of terms	9	31	31	Land	31
Total	9,109	2,844	2,844		
<u>Separate financial statements</u>					
Modification of terms	41	2	2		
Total	41	2	2		

(1) Outstanding balance includes both principal and interest receivables

The remaining periods to maturity of the restructured receivables of the Company and its subsidiaries, counting from the balance sheet date are as follow:

Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balance after restructuring	Number of receivables	Outstanding loan balance after restructuring
		Million Baht		Million Baht
Defaulted after debt restructuring	3,574	1,163	9	1
Due within 2009	489	106	29	1
Less than 5 years	2,076	472	3	-
5 - 10 years	2,945	988	-	-
10 - 15 years	13	86	-	-
More than 15 years	12	29	-	-
Total	9,109	2,844	41	2

Supplemental information for the current periods relating to restructured receivables is as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Interest income recognised in income statements	341	2
Gain on debt repayment repayment/disposals recognised in income statements	44	1
Gain on transfers of assets for debt repayment recognised in income statements	9	2
Loss on debt restructuring recognised in income statements	24	-
Cash proceeds from collection of debts	909	11
Assets transferred from debtors	86	10

As at 30 September 2009, the Company and its subsidiaries have the following restructured receivables balances (principal and interest receivable), including restructured receivables who were transferred from investments in receivables:

	Total number of outstanding receivables	Restructured receivables		
		Number of receivables	Outstanding loans	
			Outstanding loans balance	balance, net of collateral
			Million Baht	Million Baht
Thanachart Capital Plc.	45,970	71	138	33
Thanachart Bank Plc.	786,002	9,211	4,990	1,775
Thanachart Securities Plc.	3,573	6	109	109
Other subsidiaries	6,635	353	1,743	518

6.5 As at 30 September 2009 and 31 December 2008, the Company has the following loans to the subsidiary companies:

Company	Type of credit	Contract period as at 30 September 2009	Interest rate as at 30 September 2009	Outstanding balance	
				30	31
				September	December
				2009	2008
				Million Baht	Million Baht
NFS Asset Management Co., Ltd.	Promissory note	At call	Fixed at 2.80% per annum	2,400	264
National Leasing Co., Ltd.	Promissory note			-	112
Thanachart Legal and Appraisal Co., Ltd.	Promissory note			-	10
Total				2,400	386

6.6 Classification of loans under the Bank of Thailand's guidelines

As at 30 September 2009 and 31 December 2008, the Company and its financial institution subsidiaries (banking and asset management business) classified and made allowances against their loans (including loans to financial institutions which are presented as part of interbank and money market items) in accordance with the BOT's guidelines as summarise below.

(Unit: Million Baht)

	Consolidated financial statements ⁽¹⁾						
	Debt balance/ book value		Debt balance after collateral ⁽³⁾		Minimum percentage	Allowance for doubtful accounts	
	30	31	30	31		30	31
	September	December	September	December		September	December
	2009	2008	2009	2008		2009	2008
<u>Loans and accrued interest receivables</u>							
<u>(including interbank and money market items) ⁽²⁾</u>							
Normal	263,638	274,523	75,166	64,078	1	775	912
Special mention	28,792	25,107	9,822	9,253	2	197	185
Substandard	1,919	2,024	1,409	1,427	100	1,504	1,466
Doubtful	2,037	1,719	1,430	1,230	100	1,430	1,230
Doubtful of loss	8,802	7,897	6,305	5,074	100	6,395	5,127
Total	305,188	311,270	94,132	81,062		10,301	8,920
Additional allowance for possible uncollectible debts	-	-	-	-		391	270
	305,188	311,270	94,132	81,062		10,692	9,190
Less: Revaluation allowance for debt restructuring	(80)	(87)					
Intercompany gain	(203)	(209)					
Total loans and accrued interest receivables	304,905	310,974					

(1) Only the Company and those subsidiaries under control of the BOT.

(2) Debt balance/book value of normal and special mention loans excluding accrued interest receivables.

(3) The debt balance after collateral for substandard, doubtful and doubtful of loss loans is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

(Unit: Million Baht)

	Separate financial statements						
	Debt balance/ book value		Debt balance after collateral (2)		Minimum percentage	Allowance for doubtful accounts	
	30	31	30	31		30	31
	September	December	September	December		September	December
	2009	2008	2009	2008		2009	2008
<u>Loans and accrued interest receivables</u>							
<u>(including interbank and money market items)</u>							
<i>(1)</i>							
Normal	4,226	6,519	3,123	1,740	1	31	17
Special mention	220	897	127	346	2	2	7
Substandard	32	100	29	100	100	29	100
Doubtful	35	83	35	73	100	35	73
Doubtful of loss	1,030	1,049	932	965	100	932	965
Total loans and accrued interest receivables	5,543	8,648	4,246	3,224		1,029	1,162
Additional allowance for possible uncollectible debts						140	140
						1,169	1,302

(1) Debt balance/book value of normal and special mention loans excluding accrued interest receivables.

(2) The debt balance after collateral for substandard, doubtful and doubtful of loss loans remained after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

6.7 Loans to companies which have settlement problems

As at 30 September 2009 and 31 December 2008, the Company and its subsidiaries' loans (including loans to financial institutions) in the consolidated and the separate financial statements included the following debtors with weak financial positions and operating results:

	Consolidated financial statements							
	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	30	31	30	31	30	31	30	31
	September 2009	December 2008	September 2009	December 2008	September 2009	December 2008	September 2009	December 2008
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Closed financial institutions	4	4	-	-	-	-	-	-
2. Listed companies vulnerable to delisting from the SET	5	4	362	294	124	124	274	206
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	14	13	843	858	815	809	284	284
4. Companies which have loan settlement problems or have defaulted on the repayment of debts	1,083	980	2,393	2,696	1,780	2,288	1,206	1,124
5. Companies whose auditors' reports cited going concern issues	4	2	51	51	-	-	51	51

Separate financial statements

	Number of debtors		Debt balance		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
	2009	2008	2009	2008	2009	2008	2009	2008
			Million	Million	Million	Million	Million	Million
			Baht	Baht	Baht	Baht	Baht	Baht
1. Companies which have loan settlement problems or have defaulted on the repayment of debts	249	268	162	173	101	75	88	106

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

As at 30 September 2009 and 31 December 2008, a subsidiary company operating in the securities business classifies its securities business receivables and accrued interest receivables and provides related allowance for doubtful accounts in accordance with the Notification of the Securities and Exchange Commission (SEC) as follows:

	Receivables and accrued interest receivables		Allowance for doubtful accounts as required by SEC		Allowance for doubtful Accounts provided in the accounts	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2009	2008	2009	2008	2009	2008
Doubtful	314	296	314	296	314	296
Substandard	3	4	-	-	1	2
Total	317	300	314	296	315	298

The above substandard receivables represent receivable balances with a value equivalent to their collaterals.

6.9 Hire purchases receivables/financial leases receivables of subsidiaries separate by aging

As at 30 September 2009 and 31 December 2008, hire purchases and financial leases receivables of three subsidiaries engaged in hire purchase and financial lease businesses are classified by the due date of the contracts (after eliminating intercompany transactions) as follows:

	(Unit: Million Baht)	
	30 September 2009	31 December 2008
Current or overdue less than 90 days	4,028	5,177
Overdue 91 - 365 days	202	207
Overdue more than 1 year	66	45
Debtors under legal actions	160	136
Total	4,456	5,565
Allowance for doubtful accounts	483	433

7. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements									
For the nine-month period ended 30 September 2009									
The Company and its financial institution subsidiaries (banking and asset management business)									
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total	Other subsidiaries	Consolidated
Balance - beginning of the period	912	185	1,466	1,230	5,127	270	9,190	731	9,921
Add: Increase (decrease) during the period	(137)	12	38	200	2,334	121	2,568	265	2,833
Bad debt recovery	-	-	-	-	56	-	56	9	65
Less: Bad debt written-off	-	-	-	-	(1,122)	-	(1,122)	(207)	(1,329)
Balance - end of the period	775	197	1,504	1,430	6,395	391	10,692	798	11,490

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2008									
The Company and its financial institution subsidiaries (banking and asset management business)									
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total	Other subsidiaries	Consolidated
Balance - beginning of the year	525	141	1,685	1,085	3,870	523	7,829	543	8,372
Add: Increase (decrease) during the year	387	44	(219)	145	3,066	(253)	3,170	393	3,563
Bad debt recovery	-	-	-	-	54	-	54	1	55
Less: Bad debt written-off	-	-	-	-	(1,634)	-	(1,634)	(206)	(1,840)
Reversal from the disposals	-	-	-	-	(229)	-	(229)	-	(229)
Balance - end of the year	912	185	1,466	1,230	5,127	270	9,190	731	9,921

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements							
For the nine-month period ended 30 September 2009							
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance - beginning of the period	17	7	100	73	965	140	1,302
Add: Increase (decrease) during the period	14	(5)	(71)	(38)	(34)	-	(134)
Bad debt recovery	-	-	-	-	17	-	17
Less: Bad debt written-off	-	-	-	-	(16)	-	(16)
Balance - end of the period	31	2	29	35	932	140	1,169

(Unit: Million Baht)

Separate financial statements							
For the year ended 31 December 2008							
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance - beginning of the year	44	18	188	180	1,082	140	1,652
Add: Decrease during the year	(27)	(11)	(88)	(107)	(4)	-	(237)
Bad debt recovery	-	-	-	-	11	-	11
Less: Bad debt written-off	-	-	-	-	(109)	-	(109)
Reversal from the disposals	-	-	-	-	(15)	-	(15)
Balance - end of the year	17	7	100	73	965	140	1,302

8. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month		For the nine-month	
	period ended	For the year ended	period ended	For the year ended
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Balance - beginning of the period	87	84	-	-
Add: Increase during the period	12	8	-	-
Less: Amortised during the period	(19)	(5)	-	-
Balance - end of the period	80	87	-	-

9. Classification of assets

As at 30 September 2009 and 31 December 2008, the quality of assets of the Company and its financial business subsidiaries classified in accordance with the announcements of the Bank of Thailand are as follows:

(Unit: Million Baht)

	Consolidated financial statements									
	Loans and accrued		Property							
	interest receivables		Investments		foreclosed		Other assets		Total	
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2009	r 2008	2009	2008	2009	2008	2009	2008	2009	2008
Normal	263,638	274,523	-	-	-	-	94	67	263,732	274,590
Special mention	28,792	25,107	-	-	-	-	60	82	28,852	25,189
Substandard	1,919	2,024	-	-	-	-	4	6	1,923	2,030
Doubtful	2,037	1,719	-	-	-	-	6	7	2,043	1,726
Doubtful of loss	8,802	7,897	1,003	1,547	894	906	267	242	10,966	10,592
Total	305,188	311,270	1,003	1,547	894	906	431	404	307,516	314,127
Less: Revaluation	(80)	(87)								
allowance for debt										
restructuring										
Intercompany gain	(203)	(209)								
from loans										
transferred										
	304,905	310,974								

(Unit: Million Baht)

	Separate financial statements									
	Loans and accrued				Property					
	Interest receivables		Investments		foreclosed		Other assets		Total	
	30	31	30	31	30	31	30	31	30	31
	September	Decembe	September	Decembe	September	Decembe	September	Decembe	September	Decembe
	2009	r 2008	2009	r 2008	2009	r 2008	2009	r 2008	2009	r 2008
Normal	4,226	6,519	-	-	-	-	5	10	4,231	6,529
Special mention	220	897	-	-	-	-	7	14	227	911
Substandard	32	100	-	-	-	-	1	2	33	102
Doubtful	35	83	-	-	-	-	1	1	36	84
Doubtful of loss	1,030	1,049	426	933	595	519	124	126	2,175	2,627
Total	5,543	8,648	426	933	595	519	138	153	6,702	10,253

10. Property foreclosed

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2009	2008	2009	2008
Cost	7,722	8,471	2,958	2,960
Less: Allowance for impairment	(902)	(917)	(595)	(519)
Property foreclosed - net	6,820	7,554	2,363	2,441

As at 30 September 2009, the Company and its subsidiaries have entered into sales agreements with customers to sell property foreclosed of approximately Baht 390 million (at cost) (separate financial statements: Baht 202 million), but the payment of installments or the transfer of ownership rights is still in progress. The Company and its subsidiaries have not recognised any gains in these cases and the assets are still recorded as property foreclosed.

11. Borrowings

(Unit: Million Baht)

Type of borrowings	Interest rate per annum (as at 30 September 2009)	Maturity year	Consolidated		Separate	
			financial statements		financial statements	
			30	31	30	31
			September 2009	December 2008	September 2009	December 2008
<u>Short-term borrowings</u>						
Unsubordinated and unsecured debentures	2.41 - 4.75 percent	2010	6,328	-	6,500	-
Bills of exchange	Non-interest bearing	At call	3	2	-	-
Bills of exchange	1.00 - 4.80 percent	2009 - 2010	41,016	46,150	90	2,444
Promissory notes			-	500	-	500
Total short-term borrowings			47,347	46,652	6,590	2,944
<u>Long-term borrowings</u>						
Subordinated debentures (TIER II)	5.10 - 5.25 percent	2015 and 2019	7,000	5,000	-	-
Subordinated debentures	5.25 percent	2019 and 2024	4,919	-	-	-
Unsubordinated and unsecured debentures	5.25 percent	2011	1,455	7,741	1,500	8,000
Bills of exchange			-	6,070	-	-
Total long-term borrowings			13,374	18,811	1,500	8,000
Total borrowings			60,721	65,463	8,090	10,944

On 31 March 2003, the Company issued 4,000,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2010 and bear interest at the rate of the average MLR of 4 commercials banks minus a fixed rate per annum, payable semi-annually.

On 18 November 2008, the Company issued 4,000,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures of 2.5 million units will be mature in 2010 and bear interest at fixed rates of 4.75 percent per annum, and the debentures amounting to 1.5 million units will be mature in 2011 and bear interest at fixed rate of 5.25 percent per annum, payable semi-annually.

On 9 May 2008, Thanachart Bank issued 5,000,000 units of subordinated, unsecured, unconvertible debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2015 and bear interest at a fixed rate of 5.1 percent per annum for the first three years and 6 percent per annum for the fourth to seventh years, payable quarterly.

On 3 April 2009, Thanachart Bank issued 2,000,000 units of name registered subordinated, unsecured, unconvertible debentures with debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2019 and bear interest at a fixed rates of 5.25 percent per annum for the first three years, 5.75 percent per annum for the forth to seventh years and 6.50 percent per annum for the eighth to tenth years, payable quarterly. After 5 years, Thanachart Bank has call option to early redemption these debentures if the conditions as specified are met.

In addition, on 24 July 2009, Thanachart Bank issued 5,000,000 units of name registered subordinated, unsecured, unconvertible debentures with debenture holders' representative, with a face value of Baht 1,000 each. The debentures amounting to 3.5 million units will mature in 2019 and bear interest at a fixed rates of 5.25 percent per annum for the first five years and 6.00 percent per annum for the sixth to tenth years, and the debentures amounting to 1.5 million units will mature in 2024 and bear interest at a fixed rates of 5.25 percent per annum for the first five years, 5.50 percent per annum for the sixth to tenth years and 6.50 percent per annum for the eleventh to fifteenth years, payable quarterly. After 5 years, Thanachart Bank has call option to early redemption these debentures if the conditions as specified are met. The debentures are in the process of being approved by the Bank of Thailand as Tier II capital.

12. Share capital/treasury stocks/dividends

As at 30 September 2009, 15,856 preference shares of the Company, with each preference share convertible to 1 ordinary share, remain unconverted. The conversion rights are unconditional and do not expire.

During the nine-month period ended 30 September 2009, the Company purchased 39,034,700 of its own common shares from the shareholders for a total of Baht 277.24 million, at an average price of Baht 7.10 per share. The shares repurchase scheme ended on 14 June 2009. Therefore, as at 30 September 2009, the Company has treasury stocks totaling 55,324,300 shares or an amount of Baht 387.50 million. Such treasury stocks were not disposed of during the period and are to be disposed of within 3 years counting from the purchasing date. The treasury stock transactions are in accordance with a resolution of the Board of Directors of the Company to manage the excess liquidity of the Company.

During the nine-month periods ended 30 September 2009 and 2008, the Company has dividend payments as below.

Dividends	Approved by	Dividend payment	Dividend per share	Payment date
		Million Baht	Baht	
Interim dividend on earnings for the first half-year of 2009	The Company's Board of Directors on 29 September 2009	447	0.35	28 October 2009
Dividend on earnings for the second half-year of 2008	The Annual General Meeting of shareholders on 29 April 2009	767	0.60	28 May 2009
Total dividend during the nine-month period ended 30 September 2009		1,214	0.95	
Interim dividend on earnings for the first half-year of 2008	The Company's Board of Directors on 25 September 2008	400	0.30	24 October 2008
Dividend on earnings for the second half-year of 2007	The Annual General Meeting of shareholders on 28 April 2008	800	0.60	27 May 2008
Total dividend during the nine-month period ended 30 September 2008		1,200	0.90	

13. Revaluation surplus (deficit) on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Revaluation surplus on investments				
Available-for-sale investments				
Debt instruments	179	220	-	-
Equity instruments	1,448	131	1,385	100
Held-to-maturity debt securities	23	30	-	-
Surplus recognised for an associated company - under equity method	171	-	-	-
Total	1,821	381	1,385	100
Revaluation deficit on investments				
Available-for-sale investments				
Debt instruments	(6)	(1)	(6)	-
Equity instruments	(317)	(1,329)	-	(544)
Held-to-maturity debt securities	(212)	(331)	-	-
Deficit recognised for an associated company - under equity method	(122)	(39)	-	-
Total	(657)	(1,700)	(6)	(544)
Revaluation surplus (deficit) on investments	1,164	(1,319)	1,379	(444)

14. Bad debt and doubtful accounts

Bad debt and doubtful accounts in the income statements for the nine-month periods ended 30 September 2009 and 2008 consists of:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Bad debt and doubtful accounts (reversal of bad debt and doubtful accounts) from loans and interbank and money market items	2,808	2,894	(134)	(175)
Amortisation of revaluation allowance for debt restructuring during the period	(19)	4	-	-
Total bad debt and doubtful accounts (reversal)	2,789	2,898	(134)	(175)

15. Corporate income tax

Corporate income tax was calculated on net income for the period, after adding back expenses and allowances which are disallowable for tax computation purposes and deducting income which is exempted for tax computation purposes.

Corporate income tax in the consolidated income statement for the nine-month period ended 30 September 2008 was presented after netting the Baht 102 million cash refund received from the Revenue Department. This was a result of a subsidiary company changing its accounting method for recognising property foreclosed - movable assets in 2007, from recording the cost of such assets at the book value of the receivables on the transfer date, to recording them at fair value with reference to the appraisal value less estimated selling expenses, but not exceed the book value of such receivables. In this regard, the subsidiary company restated the year 2006 financial statements to reflect these changes, of which the effect was to decrease the corporate income tax of the year 2006. The subsidiary company therefore resubmitted a tax return of 2006 to refund the overpaid amount.

16. Reconciliation of diluted earnings per share

Consolidated financial statements						
For the three-month periods ended 30 September						
Net income		Weighted average		Earnings per share		
		number of ordinary shares				
2009	2008	2009	2008	2009	2008	
Thousand	Thousand	Thousand	Thousand	Baht	Baht	
Baht	Baht	shares	shares			
Basic earnings per share						
Net income attributable to						
the Company	1,001,547	576,232	1,277,814	1,333,138	0.78	0.43
Effect of dilutive securities						
Preference shares convertible to						
ordinary shares	-	-	16	16		
Diluted earnings per share						
Net income of ordinary						
shareholders assuming						
conversion of dilutive securities	<u>1,001,547</u>	<u>576,232</u>	<u>1,277,830</u>	<u>1,333,154</u>	<u>0.78</u>	<u>0.43</u>

Consolidated financial statements						
For the nine-month periods ended 30 September						
Net income		Weighted average number of ordinary shares		Earnings per share		
2009	2008	2009	2008	2009	2008	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net income attributable to						
the Company						
3,935,783	2,352,942	1,280,604	1,333,138	3.07	1.76	
Effect of dilutive securities						
Preference shares convertible to						
ordinary shares						
-	-	16	16			
Diluted earnings per share						
Net income of ordinary						
shareholders assuming						
conversion of dilutive						
securities						
3,935,783	2,352,942	1,280,620	1,333,154	3.07	1.76	

Separate financial statements						
For the three-month periods ended 30 September						
Net income		Weighted average number of ordinary shares		Earnings per share		
2009	2008	2009	2008	2009	2008	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net income						
147,851	164,483	1,277,814	1,333,138	0.12	0.12	
Effect of dilutive securities						
Preference shares convertible to						
ordinary shares						
-	-	16	16			
Diluted earnings per share						
Net income of ordinary						
shareholders assuming						
conversion of dilutive securities						
147,851	164,483	1,277,830	1,333,154	0.12	0.12	

	Separate financial statements					
	For the nine-month periods ended 30 September					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net income	3,274,053	1,160,714	1,280,604	1,333,138	2.56	0.87
Effect of dilutive securities						
Preference shares convertible to ordinary shares	-	-	16	16		
Diluted earnings per share						
Net income of ordinary shareholders assuming conversion of dilutive securities	<u>3,274,053</u>	<u>1,160,714</u>	<u>1,280,620</u>	<u>1,333,154</u>	<u>2.56</u>	<u>0.87</u>

17. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with their related parties. These transactions, which have been concluded on the commercial terms and bases specified in the agreements between the Company and those companies, are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	2009	2008	2009	2008	(For the period 2009)
Subsidiary companies					
Purchase of investments in debt securities	-	-	331	13,401	At market price
Purchase of assets	-	-	-	1	
Interest income from loans	-	-	17	6	At interest rate of 2.80 percent per annum
Interest income from cash at banks	-	-	18	5	At interest rate of 0.75 - 1.35 percent per annum
Interest income from investments in debt securities	-	-	47	47	At interest rate of 5.25 and 6.18 percent per annum
Dividend income	-	-	71	-	As declared
Rental and other service income	-	-	51	48	At the contracted rate
Fees and other income	-	-	-	2	
Interest expenses	-	-	2	46	At interest rate of 2.41 - 5.25 percent per annum
Rental and other service expenses	-	-	22	49	At the contracted rate
Insurance expenses	-	-	1	-	As insurance policy

(Unit: Million Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	2009	2008	2009	2008	(For the period 2009)
Associated company					
Interest income	1	-	-	-	At interest rate of 1.75 - 2.85 percent per annum
Dividend income	-	-	42	-	As declared
Other income	-	2	-	-	
Interest expenses	1	1	-	-	At interest rate of 0.65 - 0.75 percent per annum
Dividend payment	50	-	-	-	As declared
Other expenses	12	14	8	9	
Related companies					
Purchase of investments in debt securities	40	15,540	-	-	At market price
Sale of investments in debt securities (2008: gain by Baht 60 thousand)	-	138	-	-	
Purchases/sales of forward exchange contracts (2009: gain by Baht 2 million 2008: gain by Baht 11 million)	32,768	35,922	-	-	At market price
Interest income	19	28	-	-	At interest rate of 0.05 - 8.50 percent per annum
Dividend income	2	4	-	4	As declared
Other income	2	-	-	-	
Interest expenses	4	5	-	-	At interest rate of 0.23 - 5.10 percent per annum
Project management expenses	16	15	7	7	At the contract price, calculated by reference to estimated usage time
Other expenses	23	12	1	1	

(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	2009	2008	2009	2008	(For the period 2009)
Subsidiary companies					
Purchase of investments in debt securities	-	-	11,557	19,853	At market price
Investments in ordinary shares of a subsidiary company	-	-	1,019	-	At par value
Purchase of assets	-	-	-	1	
Interest income from loans	-	-	52	32	At interest rate of 2.80 - 5.25 percent per annum
Interest income from cash at banks	-	-	43	35	At interest rate of 0.75 - 2.10 percent per annum
Interest income from investments in debt securities	-	-	139	139	At interest rate of 5.25 and 6.18 percent per annum

(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	2009	2008	2009	2008	(For the period 2009)
Subsidiary companies (continued)					
Dividend income	-	-	683	559	As declared
Rental and other service income	-	-	144	126	At the contracted rate
Fees and other income	-	-	-	6	
Interest expenses	-	-	23	245	At interest rate of 2.41 - 5.25 percent per annum
Rental and other service expenses	-	-	72	129	At the contracted rate
Insurance expenses	-	-	2	2	As insurance policy
Associated company					
Interest income	1	3	-	-	At interest rate of 1.75 - 2.85 percent per annum
Dividend income	-	-	80	38	As declared
Other income	1	3	-	-	
Interest expenses	1	4	-	-	At interest rate of 0.50 - 0.75 percent per annum
Dividend payment	50	-	-	-	As declared
Other expenses	41	33	23	20	
Related companies					
Purchase of investments in debt securities	50	21,047	-	-	At market price
Sales of investments in debt securities (2009: gain by Baht 7 thousand 2008: gain by Baht 13 million)	545	1,279	-	-	At market price
Sales of investments in subsidiary company (2009: gain by Baht 2,805 million in the consolidated financial statements and Baht 3,038 million in the separate financial statements)	7,656	-	7,656	-	1.6 times of the net book value per share
Purchases/sales of forward exchange contracts (2009: loss by Baht 7 million 2008: loss by Baht 28 million)	103,759	106,759	-	-	At market price
Interest income	86	137	-	-	At interest rate of 0.05 - 8.50 percent per annum
Dividend income	18	14	12	4	As declared
Other income	4	8	1	1	
Dividend payment	476	168	-	-	As declared
Interest expenses	14	50	-	-	At interest rate of 0.15 - 5.10 percent per annum
Project management expenses	49	45	22	21	At the contract price, calculated by reference to estimated usage time
Other expenses	67	66	2	4	

The significant outstanding balances of the above transactions during the nine-month periods ended 30 September 2009 and 2008 are below shown at the average month end balance.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Subsidiary companies</u>				
Interbank and money market items (assets)	-	-	3,998	1,360
Loans	-	-	2,224	708
Interbank and money market items (liabilities)	-	-	808	8,254
Borrowings	-	-	245	102
<u>Associated company</u>				
Loans	287	60	-	-
Deposits	232	44	-	-
Borrowings	1,200	30	-	-
<u>Related companies</u>				
Interbank and money market items (assets)	4,033	4,117	20	42
Loans	764	852	-	-
Deposits	1,120	1,112	-	-
Interbank and money market items (liabilities)	1,756	372	-	-
Borrowings	396	651	-	-

The significant outstanding balances with subsidiaries, associated company or related parties as at 30 September 2009 and 31 December 2008 are separately shown as follows:

	(Unit: Million Baht)									
	Consolidated financial statements									
	30 September 2009									
	Assets					Liabilities				
	Interbank and money market items	Investments in debt securities	Loans and accrued interest receivables	Other assets	Deposits	Interbank and money market items	Borrowings	Accrued interest payable	Other liabilities	Commitments
Associated company										
MBK Plc.	-	-	-	95	729	-	1,200	6	6	67
Related companies										
IRPC Plc.	-	-	1,001	-	-	-	-	-	-	-
Advanced Info Service Plc.	-	320	44	1	537	-	500	-	4	-
The Bank of Nova Scotia	203	-	-	4	-	3,229	-	1	5	1,344
Others	20	-	728	16	256	148	400	3	6	65
Total	223	320	1,773	116	1,522	3,377	2,100	10	21	1,476

(Unit: Million Baht)

Consolidated financial statements										
31 December 2008										
Assets					Liabilities					
Interbank and money market items	Investments in debt securities	Loans and accrued interest receivables	Other assets	Deposits	Interbank and money market items	Borrowings	Accrued interest payable	Other liabilities	Commitments	
Associated company										
MBK Plc.	-	-	-	10	65	-	-	-	6	64
Related companies										
Advanced Info										
Service Plc.	-	714	43	23	32	-	-	-	6	-
The Bank of Nova										
Scotia	7,754	-	-	3	-	8	-	-	4	1,229
Others	20	-	308	16	568	94	212	9	2	68
Total	7,774	714	351	52	665	102	212	9	18	1,361

(Unit: Million Baht)

Separate financial statements										
30 September 2009										
Assets					Liabilities					
Interbank and money market items	Investment s in debt securities	Loans and accrued interest receivables	Other assets		Interbank and money market items	Borrowings	Accrued interest payable	Other liabilities	Commitments	
Subsidiary companies										
Thanachart Bank Plc.	6,590	3,081	-	80	2	-	-	76	-	
Thanachart Securities Plc.	-	-	-	4	-	-	-	3	-	
National Leasing Co., Ltd.	-	-	-	-	-	-	-	18	-	
NFS Asset Management										
Co., Ltd.	-	-	2,400	-	-	-	-	1	-	
Thanachart Insurance										
Co., Ltd.	-	-	-	1	-	80	-	-	-	
Thanachart Life Assurance										
Co., Ltd.	-	-	-	-	-	137	2	-	-	
Associated company										
MBK Plc.	-	-	-	45	-	-	-	5	-	
Related companies										
Others	20	-	-	-	-	-	-	4	10	
Total	6,610	3,081	2,400	130	2	217	2	107	10	

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements								
	31 December 2008								
	Assets				Liabilities				
	Interbank and money market items	Investment s in debt securities	Loans and accrued interest receivables	Other assets	Interbank and money market items	Borrowings	Accrued interest payable	Other liabilities	Commitment
Subsidiary companies									
Thanachart Bank Plc.	3,414	3,000	-	23	4,502	-	-	22	-
Thanachart Securities Plc.	-	-	-	2	-	-	-	9	-
National Leasing Co., Ltd.	-	-	112	-	-	-	-	9	-
NFS Asset Management Co., Ltd.	-	-	264	-	-	-	-	1	-
Thanachart Legal and Appraisal Co., Ltd.	-	-	10	-	-	-	-	-	-
Thanachart Insurance Co., Ltd.	-	-	-	1	-	123	1	-	-
Thanachart Life Assurance Co., Ltd.	-	-	-	-	-	137	1	-	-
Associated company									
MBK Plc.	-	-	-	3	-	-	-	5	-
Related companies									
Others	20	-	-	1	-	-	-	1	10
Total	3,434	3,000	386	30	4,502	260	2	47	10

As at 30 September 2009, the Company and its subsidiaries have investments amounting to approximately Baht 593 million (separate financial statements: Baht 296 million) in companies in which they are related by means of members of their management being shareholders and/or directors of those companies (31 December 2008: Baht 439 million in the consolidated financial statements and Baht 219 million in separate financial statements).

The Company and its subsidiaries have related party transactions with executive employees of the Company and companies in Thanachart Group from department manager level up, including the related persons who together with these employees. The outstanding balances as at 30 September 2009 and 31 December 2008 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Loans	46	69	-	2
Deposits	488	496	-	-

Remunerations to key management personnel

During the nine-month period ended 30 September 2009, the Company and its subsidiaries paid salaries, meeting allowance and gratuities to their key management personnel, including directors totaling Baht 205 million (separate financial statements: Baht 41 million).

18. Financial information by segment

Financial information presented in the consolidated financial statements as at 30 September 2009 and 31 December 2008 and for the three-month and nine-month periods ended 30 September 2009 and 2008, is presented below by segment.

(Unit: Million Baht)

For the three-month period ended 30 September 2009									
	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	225	3,417	181	53	115	23	150	(258)	3,906
Share of income from investments accounted for under equity method	-	-	-	-	-	-	-	61	61
Non-interest income	96	711	103	425	5,150	665	124	(262)	7,012
Non-interest expenses	(116)	(2,313)	(26)	(288)	(5,386)	(551)	(104)	265	(8,519)
Corporate income tax	(57)	(567)	(51)	(41)	39	(14)	(27)	-	(718)
Net income	148	1,248	207	149	(82)	123	143	(194)	1,742

(Unit: Million Baht)

For the three-month period ended 30 September 2008									
	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	180	1,553	17	35	91	23	17	(69)	1,847
Share of income from investments accounted for under equity method	-	-	-	-	-	-	-	78	78
Non-interest income	195	568	99	290	878	658	158	(215)	2,631
Non-interest expenses	(166)	(1,967)	(33)	(263)	(831)	(658)	(107)	297	(3,728)
Corporate income tax	(45)	(3)	(24)	(20)	(38)	2	(37)	-	(165)
Net income	164	151	59	42	100	25	31	91	663

(Unit: Million Baht)

For the nine-month period ended 30 September 2009

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,191	7,705	244	92	295	61	204	(1,448)	8,344
Share of income from investments accounted for under equity method	-	-	-	-	-	-	-	207	207
Non-interest income	3,517	2,079	399	1,071	8,727	2,057	381	(1,039)	17,192
Non-interest expenses	(394)	(6,623)	(103)	(773)	(8,901)	(1,864)	(307)	810	(18,155)
Corporate income tax	(1,040)	(900)	(150)	(100)	(18)	(67)	(84)	-	(2,359)
Net income	3,274	2,261	390	290	103	187	194	(1,470)	5,229

(Unit: Million Baht)

For the nine-month period ended 30 September 2008

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,335	5,098	26	110	252	69	166	(1,013)	6,043
Share of income from investments accounted for under equity method	-	-	-	-	-	-	-	211	211
Non-interest income	565	1,846	375	1,006	3,538	1,884	479	(752)	8,941
Non-interest expenses	(510)	(5,436)	(85)	(774)	(3,238)	(1,889)	(338)	888	(11,382)
Corporate income tax	(229)	(147)	(114)	(99)	(162)	(52)	(122)	-	(925)
Net income	1,161	1,361	202	243	390	12	185	(666)	2,888

(Unaudited but reviewed)

(Unit: Million Baht)

As at 30 September 2009

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Interbank and money market items - net	8,046	60,760	251	713	2,194	562	222	(9,497)	63,251
Investments - net	21,232	31,063	1,062	815	12,581	2,411	984	(21,302)	48,846
Loans and accrued interest receivables - net	4,354	264,707	1,454	3,519	5	-	4,115	(6,843)	271,311
Land, premises and equipment - net	209	2,003	2	76	162	30	14	-	2,496
Other assets	2,782	7,689	3,381	150	1,796	422	313	(339)	16,194
Total assets	36,623	366,222	6,150	5,273	16,738	3,425	5,648	(37,981)	402,098

(Unit: Million Baht)

As at 31 December 2008

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Interbank and money market items - net	3,478	63,691	270	626	2,838	477	467	(6,057)	65,790
Investments - net	26,124	26,586	2,147	701	5,787	2,037	841	(24,838)	39,385
Loans and accrued interest receivables - net	7,325	266,843	1,993	1,810	2	-	5,269	(13,476)	269,766
Land, premises and equipment - net	209	2,015	2	107	139	34	16	-	2,522
Other assets	2,788	9,176	3,372	175	285	650	480	(253)	16,673
Total assets	39,924	368,311	7,784	3,419	9,051	3,198	7,073	(44,624)	394,136

19. Commitments and contingent liabilities

As at 30 September 2009 and 31 December 2008, the significant commitments and contingent liabilities consisted of the following:

19.1

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2009			31 December 2008		
	Foreign			Foreign		
	Baht	currencies	Total	Baht	currencies	Total
Avals to bills and guarantees of loans	175	-	175	128	-	128
Liabilities under unmatured import bills	2	215	217	69	374	443
Letters of credit	1	626	627	1	663	664
Other commitments						
Interest rate swap agreements						
Bought contracts	21,370	336	21,706	16,270	-	16,270
Sold contracts	21,370	336	21,706	16,270	-	16,270
Forward foreign exchange contracts						
Bought contracts	-	7,712	7,712	-	8,519	8,519
Sold contracts	-	40,453	40,453	-	36,161	36,161
Cross currency and interest rate swap contracts						
Bought contracts	-	4,965	4,965	-	5,169	5,169
Sold contracts	-	7,775	7,775	-	4,846	4,846
Committed but not drawn down overdraft	4,739	-	4,739	4,164	-	4,164
Others	3,945	54	3,999	3,083	34	3,117
Total	51,602	62,472	114,074	39,985	55,766	95,751

(Unit: Million Baht)

	Separate financial statements					
	30 September 2009			31 December 2008		
	Foreign			Foreign		
	Baht	currencies	Total	Baht	currencies	Total
Guarantees of loans	10	-	10	10	-	10
Other commitments						
Interest rate swap agreements						
Bough contracts	4,000	-	4,000	4,000	-	4,000
Sold contracts	4,000	-	4,000	4,000	-	4,000
Others	1	-	1	1	-	1
Total	8,011	-	8,011	8,011	-	8,011

19.2 During the years 2001 to 2003, the Company and its subsidiaries entered into agreements to sell loans with transfer prices totaling approximately Baht 3,409 million to the Thai Asset Management Corporation (“TAMC”) (separate financial statements: Baht 584 million). The Company and its subsidiaries are still jointly entitled to/liable for a share of the gains or losses arising from TAMC’s management of these non-performing assets, which is to be calculated at the end of fifth and tenth years, counting from 1 July 2001. In case of losses, the Company and its subsidiaries are liable for all initial losses up to 20 percent of the transfer price, with the next 20 percent of such losses are to be shared equally between the Company or its subsidiaries and TAMC. TAMC is liable for all remaining losses. Such gains or losses will be determined based on the cumulative value of the collections made on the assets as at the date of determination, minus transfer costs and all operating expenses of TAMC, including interest on the debt instruments issued to purchase the receivables. The gain or loss cannot be reliably estimated by the Company and its subsidiaries at this stage. However, as at 30 September 2009, the Company and its subsidiaries have estimated their share of the losses which may arise from the management of non-performing assets at approximately Baht 557 million (separate financial statements: Baht 183 million). This is presented as a part of the allowance for impairment of investment in promissory notes (31 December 2008: Baht 557 million and Baht 183 million, respectively).

19.3 The Company and a subsidiary company have entered into agreements to sell housing loans/transfer rights of claim in housing debts to the Secondary Mortgage Corporation, under which they are committed to compensate the Corporation for losses from uncollected debts up to a maximum of 20 percent of the selling price of the said receivables. As at 30 September 2009, the maximum commitment is approximately Baht 4 million in the consolidated financial statements and Baht 2 million in separate financial statements.

19.4 As at 30 September 2009, the Company and its subsidiaries have obligations to pay service fees related to property foreclosed and other services including long-term office rental and services agreements, as follows:

(Unit: Million Baht)

Year	Consolidated financial statements	Separate financial statements	
	Other companies	Other companies	Subsidiaries
2009	158	9	1
2010	401	3	5
2011 onward	605	2	15

The Company also has commitments under support service agreement with a subsidiary company which the contract had expired on 31 December 2008. However, subsequent to the present, the Company still to be received such services and in the process of drawing up a new service agreement. Moreover, the Company has an obligation to pay an administrative service fee to another subsidiary company at actual cost plus margin based on the period in the agreement.

19.5 As at 30 September 2009, a subsidiary company has commitments under a research support and distribution services agreement made with an overseas company, whereby it must pay service charges on a quarterly basis at the rate specified in the agreement. The agreement was expired on 30 September 2009 and it is in the process of being renew.

19.6 Under the agreements among the Company, the Bank and BNSAL (on 11 January 2008, BNSAL transferred rights and obligations under the agreements to BNS), the Company and the Bank have to disclose information relating to business, business performance, operations and legal compliance of the Bank and the Bank's subsidiaries, and certify the correctness of the disclosed information, to assist in deciding whether to purchase shares in the Bank. In the event that the Bank or its subsidiaries have to pay any damages, compensation or penalties to any other parties as a result of events or information which the Company and the Bank failed to disclose to BNS before it purchases shares, the Company and the Bank will jointly compensate BNS for its losses in accordance with the principles stipulated in the agreements, but not beyond the prescribed period stipulated by Thai laws for each damage claim.

In addition, under the Shareholders' Agreement between the Company and BNS there are mutual agreements whereby the Company and its subsidiaries and BNS have certain stipulated rights and obligations per the conditions therein, with no expiry date on such obligations. However, the management of the Company and the Bank believe that the Company, the Bank and the Bank's subsidiaries operate their businesses under adequate supervision and therefore no material losses will result which would significantly affect the Company, the Bank and its subsidiaries financial positions.

20. Litigation

As at 30 September 2009, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 1,390 million as a result of litigation (separate financial statements: Baht 840 million). The cases are not yet finalised. However, the Company and its subsidiaries' management believe that no losses will result and therefore no liabilities are currently recorded.

21. Bank guarantee

As at 30 September 2009, there are outstanding bank guarantees of approximately Baht 6 million (separate financial statements: Baht 6 million) issued by banks on behalf of the Company and its subsidiaries as guarantees for the use of electricity and the rental of land.

22. Financial instruments

Financial instruments are any contracts which give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

22.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company and its subsidiaries. The maximum exposure to credit risk is the carrying amount of financial assets less provision for losses as stated in the balance sheet and off-balance sheet aval, guarantees of loans, other guarantees and derivative contracts.

22.2 Market risk

a) Interest rate risk

As at 30 September 2009 and 31 December 2008, financial assets and liabilities classified by types of interest rate are as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Outstanding balance of financial instruments							
	30 September 2009				31 December 2008			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial assets								
Cash	-	-	2,737	2,737	-	-	4,018	4,018
Interbank and money market items	473	59,557	3,086	63,116	322	60,876	4,441	65,639
Investments	2,116	40,902	5,311	48,329	2,318	33,214	6,238	41,770
Receivables from clearing house	-	-	-	-	-	-	50	50
Loans (include intercompany gain on loan transferred) ⁽¹⁾	45,125	234,266	3,395	282,786	41,831	235,826	2,038	279,695
Financial liabilities								
Deposits	88,138	161,601	664	250,403	76,102	193,065	563	269,730
Interbank and money market items	10,308	7,778	304	18,390	5,332	1,347	614	7,293
Payables from clearing house	-	-	1,022	1,022	-	-	295	295
Securities business payable	-	-	1,689	1,689	-	-	855	855
Liabilities payable on demand	-	-	1,281	1,281	-	-	1,317	1,317
Borrowings	-	60,721	-	60,721	-	65,463	-	65,463

(1) The outstanding balances of loans which have floating interest rates or fixed interest rate include loans on which interest recognition under accrual basis has been discontinued.

(Unit: Million Baht)

	Separate financial statements							
	Outstanding balance of financial instruments							
	30 September 2009				31 December 2008			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial assets								
Interbank and money market items	257	7,700	76	8,033	116	3,250	111	3,477
Investments	1,140	3,510	15,623	20,273	1,227	6,417	19,312	26,956
Loans ⁽¹⁾	128	5,307	88	5,523	136	8,413	79	8,628
Financial liabilities								
Interbank and money market items	2	-	-	2	2	4,500	-	4,502
Borrowings	-	8,090	-	8,090	-	10,944	-	10,944

(1) The outstanding balances of loans which have floating interest rates or fixed interest rate include loans on which interest recognition under accrual basis has been discontinued.

With respect to financial instruments that carry fixed interest rates, the periods from the balance sheet date to the repricing or maturity date (whichever is the earlier) are presented below.

(Unit: Million Baht)

Consolidated financial statements							
30 September 2009							
Transactions	Repricing or maturity date					Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Percentage							
<u>Financial assets</u>							
Interbank and money market items	164	53,114	6,279	-	-	59,557	1.21 - 1.31
Investments	-	12,878	6,181	17,983	3,860	40,902	1.76 - 4.07
Loans (include intercompany gain on loan transferred)	2,068	4,435	12,914	180,174	34,675	234,266	7.25 - 9.53
<u>Financial liabilities</u>							
Deposits	-	85,008	57,803	18,790	-	161,601	1.83
Interbank and money market items	-	6,407	1,256	115	-	7,778	1.03
Borrowings	3	20,928	26,416	13,374	-	60,721	3.09 - 4.09

(Unit: Million Baht)

Consolidated financial statements							
31 December 2008							
Transactions	Repricing or maturity date					Total	Weighted average interest rates Percentage
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items	129	60,547	200	-	-	60,876	2.59 - 3.89
Investments	-	8,797	8,932	13,887	1,598	33,214	2.23 - 4.59
Loans (include intercompany gain on loan transferred)	1,677	6,667	14,663	170,655	42,164	235,826	6.61 - 9.99
<u>Financial liabilities</u>							
Deposits	4	107,599	85,420	42	-	193,065	3.49
Interbank and money market items	50	1,060	237	-	-	1,347	3.56
Borrowings	2	37,456	9,194	18,811	-	65,463	3.71 - 4.03

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements							
30 September 2009							
Transactions	Repricing or maturity date					Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Percentage							
<u>Financial assets</u>							
Interbank and money market items	-	7,700	-	-	-	7,700	1.27
Investments	-	384	35	3,010	81	3,510	5.54
Loans	3,192	193	1,284	638	-	5,307	5.24
<u>Financial liabilities</u>							
Borrowings	-	90	6,500	1,500	-	8,090	4.09

(Unit: Million Baht)

Separate financial statements							
31 December 2008							
Transactions	Repricing or maturity date					Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Percentage							
<u>Financial assets</u>							
Interbank and money market items	-	3,250	-	-	-	3,250	2.13
Investments	-	3,417	-	3,000	-	6,417	4.08
Loans	1,184	337	2,424	4,468	-	8,413	6.61
<u>Financial liabilities</u>							
Interbank and money market items	4,500	-	-	-	-	4,500	4.06
Borrowings	-	2,426	518	8,000	-	10,944	4.03

In addition, the Company and its subsidiaries have interest bearing financial assets and financial liabilities. The monthly average balance of performing financial assets and liabilities of the Company and its subsidiaries for the nine-month periods ended 30 September 2009 and 2008, and the average rate of interest income and expense, can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	For the nine-month period ended			For the nine-month period ended		
	30 September 2009			30 September 2008		
	Average	Interest	Average	Average	Interest	Average
	balances	and	rate	balances	dividend	rate
<u>Interest bearings financial assets</u>						
Interbank and money market items	63,020	879	1.86	37,599	1,024	3.63
Securities purchased under resale agreements	-	-	-	1,286	31	3.23
Investments	42,302	1,171	3.69	32,728	925	3.77
Loans/hire purchase and finance lease	265,914	14,554	7.30	243,201	13,695	7.51
<u>Interest bearings financial liabilities</u>						
Deposits	265,763	3,921	1.97	218,479	4,830	2.95
Interbank and money market items	12,878	82	0.85	6,338	140	2.95
Borrowings	55,222	1,436	3.47	62,564	1,758	3.75

(Unit: Million Baht)

	Separate financial statements					
	For the nine-month period ended			For the nine-month period ended		
	30 September 2009			30 September 2008		
	Average	Interest	Average	Average	Interest	Average
	balances	and	rate	balances	dividend	rate
<u>Interest bearings financial assets</u>						
Interbank and money market items	5,165	55	1.42	1,436	38	3.56
Investments	22,798	1,014	5.93	24,010	798	4.43
Loans/hire purchase and finance lease	6,453	284	5.86	16,034	847	7.04
<u>Interest bearings financial liabilities</u>						
Interbank and money market items	809	15	2.55	8,255	242	3.90
Borrowings	9,410	280	3.97	10,919	281	3.43

b) Foreign exchange risk

The status of the subsidiaries' foreign currency balances in the consolidated financial statements as at 30 September 2009 and 31 December 2008 are as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Outstanding balances of financial instruments							
	30 September 2009				31 December 2008			
	US dollar	Euro	Yen	Others	US dollar	Euro	Yen	Others
Foreign currency - in balance sheets								
Cash	17	10	12	13	50	98	88	36
Interbank and money market items	28,059	15	14	29	20,658	98	65	47
Investments	5,767	-	175	4,253	699	-	-	4,148
Loans	1,314	19	-	-	955	68	-	-
Other assets	70	-	-	69	8	-	-	12
Total assets	35,227	44	201	4,364	22,370	264	153	4,243
Deposits	45	4	-	41	65	-	-	5
Interbank and money market items	3,630	-	-	-	-	-	-	-
Total liabilities	3,675	4	-	41	65	-	-	5
Net foreign currency in balance sheets	31,552	40	201	4,323	22,305	264	153	4,238
Foreign currency - off balance sheets								
Liabilities under unmatured import bills	135	-	80	-	291	-	83	-
Letters of credit	361	260	-	5	472	165	-	26
Interest rate swap contracts								
- Bought contracts	336	-	-	-	-	-	-	-
- Sold contracts	336	-	-	-	-	-	-	-
Foreign exchange contracts								
- Bought contracts	5,297	1,727	63	625	8,393	10	27	89
- Sold contracts	37,601	1,745	329	778	35,239	398	281	243
Cross currency interest rate swap contracts								
- Bought contracts	4,965	-	-	-	5,169	-	-	-
- Sold contracts	3,522	-	-	4,253	699	-	-	4,147
Others	54	-	-	-	34	-	-	-

c) Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenues and in the values of financial assets.

22.3 Liquidity risk

Counting from the balance sheet date, the periods to maturity of financial instruments held as at 30 September 2009 and 31 December 2008 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements									
	30 September 2009					31 December 2008				
	At call	Less than 1 year	Over 1 year	Unspecified	Total	At call	Less than 1 year	Over 1 year	Unspecified	Total
<u>Financial assets</u>										
Cash	2,737	-	-	-	2,737	4,018	-	-	-	4,018
Interbank and money										
market items	3,703	59,393	20	-	63,116	5,172	60,447	20	-	65,639
Investments	2,116	12,794	28,264	5,155	48,329	2,318	11,778	21,476	6,198	41,770
Receivables to										
clearing house	-	-	-	-	-	-	50	-	-	50
Loans ⁽¹⁾	15,779	87,320	179,687	-	282,786	15,951	83,090	180,654	-	279,695
<u>Financial liabilities</u>										
Deposits	84,649	145,791	19,963	-	250,403	73,475	194,841	1,414	-	269,730
Interbank and money										
market items	10,612	7,663	115	-	18,390	5,996	1,297	-	-	7,293
Payables to										
clearing house	-	1,022	-	-	1,022	-	295	-	-	295
Securities business										
payable	-	1,689	-	-	1,689	-	855	-	-	855
Liabilities payable										
on demand	1,281	-	-	-	1,281	1,317	-	-	-	1,317
Borrowings	3	47,344	13,374	-	60,721	2	46,650	18,811	-	65,463
<u>Off-balance sheet items</u>										
Avals to bills and										
guarantee of loans	10	4	161	-	175	10	106	12	-	128
Liability under										
unmatured import										
bills	-	217	-	-	217	-	360	83	-	443
Letters of credit	-	627	-	-	627	48	616	-	-	664
Other commitments	5,128	82,008	23,914	2,005	113,055	4,311	51,611	37,533	1,061	94,516

(1) The outstanding balance of loans includes intercompany gain on loan transferred. Call loans include loans on which interest recognition under accrual basis has been discontinued.

(Unit: Million Baht)

Separate financial statements										
Transactions	30 September 2009					31 December 2008				
	At call	Less than	Over	Unspecified	Total	At call	Less than	Over	Unspecified	Total
		1 year	1 year				1 year	1 year		
<u>Financial assets</u>										
Interbank and money										
market items	313	7,700	20	-	8,033	207	3,250	20	-	3,477
Investments	1,140	75	3,435	15,623	20,273	1,227	2,999	3,418	19,312	26,956
Loans ⁽¹⁾	3,523	1,770	230	-	5,523	1,693	5,573	1,362	-	8,628
<u>Financial liabilities</u>										
Interbank and money										
market items	2	-	-	-	2	4,502	-	-	-	4,502
Borrowings	-	6,590	1,500	-	8,090	-	2,944	8,000	-	10,944
<u>Off-balance sheet items</u>										
Avals to bills and										
guarantee of loans	10	-	-	-	10	10	-	-	-	10
Other commitments	1	8,000	-	-	8,001	1	-	8,000	-	8,001

(1) Call loans include loans on which interest recognition under accrual basis has been discontinued.

22.4 Fair value

As at 30 September 2009 and 31 December 2008, there are no material differences between the book values of financial instruments and their fair values.

22.5 Financial derivatives

As at 30 September 2009 and 31 December 2008, the Company and its subsidiaries have financial derivatives classified by period to maturity as follows:

(Unit: Million Baht)

Consolidated financial statements						
	30 September 2009			31 December 2008		
	Less than	Over 1	Total	Less than	Over 1	Total
	1 year	year		1 year	year	
Interest rate swap contracts						
- Fixed interest rate payment	11,570	9,336	20,906	950	13,070	14,020
- Floating interest rate payment	-	800	800	1,450	800	2,250
- Fixed interest rate receipt	-	800	800	1,450	800	2,250
- Floating interest rate receipt	11,570	9,336	20,906	950	13,070	14,020
Foreign exchange contracts						
- Bought contracts	7,712	-	7,712	8,519	-	8,519
- Sold contracts	40,453	-	40,453	36,161	-	36,161
Cross currency interest rate swap contracts						
- Bought contracts	4,965	-	4,965	-	5,169	5,169
- Sold contracts	4,420	3,355	7,775	524	4,322	4,846

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements					
	30 September 2009			31 December 2008		
	Less than	Over 1	Total	Less than	Over 1	Total
	1 year	year		1 year	year	
Interest rate swap contracts						
- Fixed interest rate payment	4,000	-	4,000	-	4,000	4,000
- Floating interest rate receipt	4,000	-	4,000	-	4,000	4,000

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2009.