

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 September 2010

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 2010, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009, the related consolidated statements of 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 2009 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements under my report dated 24 February 2010. The consolidated and the separate balance sheets as at 31 December 2009, 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: 11 November 2010

Thanachart Capital Public Company Limited and its subsidiaries

Balance sheets

As at 30 September 2010 and 31 December 2009

(Unit: Thousand Baht)

Note	Consolidated		Separate		
	financial statements		financial statements		
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Cash	11,439,364	3,720,273	40	40	
Interbank and money market items					
Domestic					
Interest bearing	70,470,049	53,198,935	1,150,308	6,671,661	
Non-interest bearing	7,308,146	3,765,768	47,989	68,094	
Foreign					
Interest bearing	265,309	7,571,685	-	-	
Non-interest bearing	980,001	331,089	-	-	
Total interbank and money market items - net	79,023,505	64,867,477	1,198,297	6,739,755	
Investments					
Current investments - net	4	43,249,843	34,927,223	1,410,929	10,765,759
Long-term investments - net	4	94,376,099	60,484,334	5,152,113	8,464,437
Investments in subsidiaries - net	5	-	-	31,084,054	13,243,049
Investments in an associated companies - net	6	2,482,065	1,701,082	657,994	657,994
Total investments - net		140,108,007	97,112,639	38,305,090	33,131,239
Receivables from clearing house		924,641	429,220	-	-
Loans and accrued interest receivables					
Loans		584,396,328	289,112,832	1,653,406	4,057,200
Accrued interest receivables		955,910	310,757	9,276	57
Total loans and accrued interest receivables		585,352,238	289,423,589	1,662,682	4,057,257
Less: Allowance for doubtful accounts	8	(28,205,129)	(10,435,922)	(521,031)	(588,013)
Less: Revaluation allowance for debt restructuring	9	(500,923)	(98,252)	(61)	(151)
Total loans and accrued interest receivables - net		556,646,186	278,889,415	1,141,590	3,469,093
Property foreclosed - net	11	11,981,052	6,524,475	2,028,853	2,161,601
Customers' liability under acceptance		64,212	-	-	-
Property, premises and equipment - net		9,216,923	2,423,023	126,362	209,667
Intangible assets - net		4,821,221	477,149	582	1,287
Leasehold right - net		475,045	476,491	77,529	212,270
Goodwill	1.2.6	16,468,852	44,274	-	-
Financial derivative assets		3,505,538	956,688	-	-
Receivables from purchase and sale securities and derivatives					
		5,539,365	1,031,720	-	-
Accrued interest receivables		1,216,818	541,842	115,041	20,588
Other assets - net		3,687,093	2,470,574	120,762	65,264
Total assets		845,117,822	459,965,260	43,114,146	46,010,804

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 2010 and 31 December 2009

(Unit: Thousand Baht)

Note	Consolidated		Separate		
	financial statements		financial statements		
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Deposits					
	Deposits in Baht	496,798,183	265,780,766	-	-
	Deposits in foreign currencies	566,047	89,954	-	-
	Total deposits	497,364,230	265,870,720	-	-
Interbank and money market items					
	Domestic				
	Interest bearing	38,580,082	15,305,724	1,184	540
	Non-interest bearing	1,503,088	430,964	-	-
	Foreign				
	Interest bearing	5,912,992	5,193,821	-	-
	Non-interest bearing	98,005	8,822	-	-
	Total interbank and money market items	46,094,167	20,939,331	1,184	540
	Liabilities payable on demand	3,512,979	2,111,812	-	-
	Bank's liability under acceptance	64,212	-	-	-
	Borrowings				
	Short-term borrowings	129,832,742	74,928,699	-	6,500,000
	Long-term borrowings	48,623,621	22,376,700	13,500,000	10,500,000
	Total borrowings	178,456,363	97,305,399	13,500,000	17,000,000
	Accrued interest payable	2,140,969	1,109,757	109,303	117,343
	Corporate income tax payable	1,267,954	1,348,105	-	-
	Payables to clearing house	615,582	95,690	-	-
	Payables from purchase and sale securities and derivatives	5,686,710	1,345,843	499,691	-
	Accrued expenses	1,835,463	1,471,550	30,155	28,268
	Unearned premium reserve	1,662,543	1,354,934	-	-
	Life premium reserve	25,325,692	15,286,244	-	-
	Accrued dividend payable	797,240	94,905	764,600	94,905
	Other liabilities	10,257,103	4,224,354	189,368	247,397
	Total liabilities	775,081,207	412,558,644	15,094,301	17,488,453

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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 2010 and 31 December 2009

(Unit: Thousand Baht)

Note	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital	13			
Registered, issued and paid-up				
15,856 preference shares of Baht 10 each		159	159	159
1,333,138,147 ordinary shares of Baht 10 each		13,331,381	13,331,381	13,331,381
		13,331,540	13,331,540	13,331,540
Share premium		2,065,645	2,065,645	2,065,645
Share premium of a subsidiary company		775,814	775,814	-
Amount by which the value of investment in subsidiary is lower than attributable net book value		226,460	226,460	-
Revaluation surplus on investments	14	1,215,314	243,358	2,126,587
Revaluation deficit on investments	14	(458,360)	-	(5,768)
Retained earnings				
Appropriated - statutory reserve		979,539	979,539	979,539
- treasury stock reserve		387,501	387,501	387,501
Unappropriated		16,629,192	11,399,763	10,024,808
Total shareholders' equity before treasury stock and minority interest		35,152,645	28,407,346	28,909,852
Less: Treasury stock	13	(387,501)	(387,501)	(387,501)
Equity attributable to the Company's shareholders		34,765,144	28,019,845	28,522,351
Minority interest - equity attributable to minority shareholders of subsidiaries		35,271,471	-	-
Total shareholders' equity		70,036,615	28,019,845	28,522,351
Total liabilities and shareholders' equity		845,117,822	43,114,146	46,010,804
Off-balance sheet items - commitments 21.1				
Avals to bills and guarantees of loans		1,084,520	-	10,000
Obligation under unmatured import bills		1,304,511	-	-
Letter of credit		3,011,292	-	-
Other commitments		202,532,309	560	8,000,560

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

Directors

Thanachart Capital Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 30 September 2010 and 2009

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

Note	Consolidated		Separate	
	2010	2009	2010	2009
Interest and dividend income				
Loans	4,574,571	1,161,407	9,101	17,932
Interbank and money market items	245,659	220,980	4,678	20,655
Hire purchases and financial leases	3,791,224	3,839,245	4,722	48,964
Investments	1,371,073	382,732	185,509	168,836
Total interest and dividend income	9,982,527	5,604,364	204,010	256,387
Interest expenses				
Deposits	1,560,116	961,490	-	-
Interbank and money market items	178,613	37,292	13	17
Short-term borrowings	353,093	278,487	-	48,798
Long-term borrowings	608,089	220,398	156,337	35,141
Total interest expenses	2,699,911	1,497,667	156,350	83,956
Net interest and dividend income	7,282,616	4,106,697	47,660	172,431
Reversal of bad debt and doubtful accounts				
(Bad debt and doubtful accounts)	(280,487)	(185,743)	20,778	52,575
Loss on debt restructuring	(81,625)	(15,057)	(54)	(74)
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	6,920,504	3,905,897	68,384	224,932
Non-interest income				
Brokerage fees	416,795	279,211	-	-
Gain on investments	192,997	9,233	3,990	17,259
Share of income from investments in associated companies accounted for under equity method	69,201	61,136	-	-
Fees and service income				
Acceptances, avals and guarantees	65,717	10,382	36	50
Others	973,541	569,053	7,996	29,462
Gain on exchange and financial derivatives	85,788	40,807	-	-
Gain (loss) on property foreclosed and other assets	61,533	(9,032)	28,913	(75,613)
Insurance premium/Life insurance premium income	3,078,454	5,819,560	-	-
Other income	360,509	292,398	78,901	124,293
Total non-interest income	5,304,535	7,072,748	119,836	95,451

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

Thanachart Capital Public Company Limited and its subsidiaries

Income statements (continued)

For the three-month periods ended 30 September 2010 and 2009

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
Non-interest expenses					
Personnel expenses		2,461,257	1,129,445	24,861	18,366
Premises and equipment expenses		962,928	456,747	22,375	32,921
Taxes and duties		188,125	43,238	577	438
Fees and service expenses		60,325	356,799	230	1,034
Directors' remuneration		9,675	4,499	2,305	1,815
Fund contributed to the Deposit Protection Agency		527,666	281,819	-	-
Insurance/Life insurance expenses		2,406,583	5,329,223	-	-
Other expenses		1,440,910	917,681	34,489	61,273
Total non-interest expenses		8,057,469	8,519,451	84,837	115,847
Income before corporate income tax		4,167,570	2,459,194	103,383	204,536
Corporate income tax		(1,289,153)	(717,444)	2,915	(56,685)
Net income for the period		2,878,417	1,741,750	106,298	147,851
Net income attributable to					
The Company		1,537,990	1,001,547	106,298	147,851
Minority interests of the subsidiaries		1,340,427	740,203	-	-
		2,878,417	1,741,750	106,298	147,851
Earnings per share (Baht per share)					
18					
Basic earnings per share					
Net income attributable to the Company		1.20	0.78	0.08	0.12
Diluted earnings per share					
Net income attributable to the Company		1.20	0.78	0.08	0.12

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

Thanachart Capital Public Company Limited and its subsidiaries

Income statements

For the nine-month periods ended 30 September 2010 and 2009

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
Interest and dividend income					
Loans		10,068,385	3,083,524	32,732	56,168
Interbank and money market items		632,478	878,529	34,305	55,064
Hire purchases and financial leases		11,409,140	11,470,946	29,315	227,677
Investments		3,270,012	1,171,340	1,209,426	1,013,636
Total interest and dividend income		25,380,015	16,604,339	1,305,778	1,352,545
Interest expenses					
Deposits		4,166,681	3,920,745	-	-
Interbank and money market items		378,012	82,528	13	15,455
Short-term borrowings		895,757	881,523	87,011	144,852
Long-term borrowings		1,508,609	554,478	458,131	135,171
Total interest expenses		6,949,059	5,439,274	545,155	295,478
Net interest and dividend income		18,430,956	11,165,065	760,623	1,057,067
Reversal of bad debt and doubtful accounts					
(bad debt and doubtful accounts)	15	(1,141,753)	(2,788,615)	83,631	133,995
Loss on debt restructuring	16	(123,360)	(32,683)	(79)	(271)
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		17,165,843	8,343,767	844,175	1,190,791
Non-interest income					
Brokerage fees		947,113	634,523	-	-
Gain on investments		762,295	2,732,080	2,309,568	3,053,666
Share of income from investments in associated companies accounted for under equity method	6	317,871	206,880	-	-
Fees and service income					
Acceptances, avals and guarantees		150,997	29,323	136	149
Others		2,346,284	1,641,295	45,376	112,351
Gain on exchange and financial derivatives		242,884	101,603	-	-
Gain (loss) on property foreclosed and other assets		473,513	199,579	325,907	(36,432)
Insurance premium/Life insurance premium income		7,952,908	10,875,663	-	-
Other income		1,131,436	977,498	323,626	388,052
Total non-interest income		14,325,301	17,398,444	3,004,613	3,517,786

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

Thanachart Capital Public Company Limited and its subsidiaries

Income statements (continued)

For the nine-month periods ended 30 September 2010 and 2009

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
Non-interest expenses					
Personnel expenses		6,030,278	3,247,581	74,933	55,471
Premises and equipment expenses		2,367,380	1,314,923	84,813	101,198
Taxes and duties		434,365	175,964	4,359	9,807
Fees and service expenses		201,725	529,141	1,440	4,133
Directors' remuneration		56,703	36,031	18,659	17,157
Fund contributed to the Deposit Protection Agency		1,376,098	790,560	-	-
Insurance/Life insurance expenses		6,195,762	9,480,072	-	-
Other expenses		3,302,013	2,580,289	127,747	206,365
Total non-interest expenses		19,964,324	18,154,561	311,951	394,131
Income before corporate income tax		11,526,820	7,587,650	3,536,837	4,314,446
Corporate income tax	17	(3,642,158)	(2,358,785)	(756,357)	(1,040,393)
Net income for the period		7,884,662	5,228,865	2,780,480	3,274,053
Net income attributable to					
The Company		4,249,902	3,935,784	2,780,480	3,274,053
Minority interests of the subsidiaries		3,634,760	1,293,081	-	-
		7,884,662	5,228,865	2,780,480	3,274,053
Earnings per share (Baht per share)					
18					
Basic earnings per share					
Net income attributable to the Company		3.33	3.07	2.18	2.56
Diluted earnings per share					
Net income attributable to the Company		3.33	3.07	2.18	2.56

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

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements

For the nine-month periods ended 30 September 2010 and 2009

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income before corporate income tax	11,526,820	7,587,650	3,536,837	4,314,446
Adjustments to reconcile net income before corporate income tax to net cash provided by (paid from) operating activities				
Share of income from investments accounted for under equity method	(317,871)	(206,880)	-	-
Depreciation and amortisation	942,110	524,205	59,730	42,450
Bad debt and doubtful accounts and loss on debt restructuring (reversal)	1,265,113	2,821,298	(83,552)	(133,724)
Increase (decrease) in provision for impairment of property foreclosed	(848)	(14,776)	(57,992)	76,930
Increase (decrease) in provision for impairment of equipment/other assets	159,670	38,942	(2,089)	(3,738)
Increase (decrease) in provision for impairment/ revaluation of investments	(252,208)	(189,403)	20,581	31,311
Amortisation of deferred gain on disposal of property foreclosed	(6,787)	(4,997)	-	-
Unrealised loss on foreign exchange and financial derivatives	703,935	266,951	-	-
Increase in unearned insurance premium reserve/ life insurance premium reserve	3,388,749	5,947,560	-	-
Gain on sales of/capital return from investments in subsidiary and associated companies	(27,351)	(2,833,251)	(2,135,730)	(3,038,370)
Gain on transfers of assets for debt repayment	(2,303)	(13,763)	-	(2,477)
Loss (gain) on disposal of equipment	27,417	1,618	(115,490)	(3,611)
Amortisation of deferred income	(6,641)	(5,734)	-	-
Decrease (increase) in accrued other income receivable	(59,039)	141,471	5,635	(9,768)
	17,340,766	14,060,891	1,227,930	1,273,449
Net interest and dividend income	(18,430,956)	(11,165,065)	(760,623)	(1,057,067)
Cash received from interest on operating activities	22,218,441	15,455,060	99,745	315,896
Cash paid for interest on operating activities	(4,698,443)	(4,201,066)	(13)	(15,455)
Cash paid for corporate income tax	(5,243,782)	(1,824,276)	(759,819)	(1,055,756)
Income (loss) from operating activities before changes in operating assets and liabilities	11,186,026	12,325,544	(192,780)	(538,933)

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

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the nine-month periods ended 30 September 2010 and 2009

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2010	2009	2010	2009
Operating assets (increase) decrease				
Interbank and money market items	48,729,708	1,740,650	5,532,932	(4,556,464)
Investments in trading securities	1,356,777	(1,370,514)	(80,166)	-
Receivable from clearing house	(359,789)	50,181	-	-
Loans	(21,693,364)	(9,480,627)	2,433,338	3,036,819
Receivables from purchase and sale securities and derivatives	(4,241,301)	(1,089,364)	-	-
Property foreclosed	4,818,261	5,944,960	199,079	86,674
Other assets	3,315,106	20,071	(16,053)	(896)
Operating liabilities increase (decrease)				
Deposits	(76,810,267)	(19,327,077)	-	-
Interbank and money market items	(16,404,806)	11,097,220	643	(4,499,776)
Payable to clearing house	3,931,033	727,152	-	-
Payable from purchase and sales securities and derivatives	436,818	834,513	-	-
Liability payable on demand	506,160	(35,751)	-	-
Other liabilities	1,188,170	994,776	(50,805)	(3,722)
Net cash provided from (used in) operating activities	(44,041,468)	2,431,734	7,826,188	(6,476,298)
Cash flows from investing activities				
Decrease (increase) in long-term investments	33,192,020	(5,044,301)	10,098,901	3,017,691
Cash received from sale of investment in subsidiary and associated companies	212,766	7,740,066	3,402,205	7,655,761
Capital returned from subsidiary companies	-	-	404,486	61,760
Cash paid for purchase of investment in subsidiary company	(55,396,316)	-	(18,245,491)	(1,018,903)
Cash received from interest and dividend	5,122,030	1,119,005	1,009,098	914,609
Cash paid for purchase of land and equipment/intangible assets	(626,383)	(580,468)	(3,876)	(19,066)
Cash received from disposal of equipment/ intangible assets	271,797	10,180	297,500	3,237
Net cash provided from (used in) investing activities	(17,224,086)	3,244,482	(3,037,177)	10,615,089

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

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cash flows from financing activities				
Cash received from borrowings	366,791,920	7,980,797	5,989,260	980,797
Cash paid for borrowings	(310,442,823)	(12,772,581)	(9,500,000)	(3,869,337)
Cash paid for interest expense on borrowings	(3,574,472)	(1,576,885)	(542,441)	(237,188)
Cash received from minority interest for shares capital issuance of a subsidiary company	17,542,018	981,097	-	-
Cash paid to minority interest for decrease shares capital of a subsidiary company	6,833	-	-	-
Dividend payment	(735,830)	(735,822)	(735,830)	(735,822)
Cash paid for treasury stocks	-	(277,241)	-	(277,241)
Dividend paid to minority interest	(603,001)	(556,491)	-	-
Net cash provided from (used in) financing activities	68,984,645	(6,957,126)	(4,789,011)	(4,138,791)
Net decrease in cash	7,719,091	(1,280,910)	-	-
Cash at beginning of the period	3,720,273	4,017,994	40	40
Cash at ending of the period	11,439,364	2,737,084	40	40

Supplemental cash flows information

Non-cash transactions

Property foreclosed transferred from loans, other receivable

and investments in receivables purchased

3,093,292 5,179,369 8,339 82,754

Bad debt written-off

663,263 1,329,101 2,509 16,134

Accounts payable for purchase of assets

46,050 80,163 59 483

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the Company's shareholders												
	Amount by which											
	Issued and paid-up share capital		Share premium of a subsidiary company	the value of investment in subsidiary is lower than attributable net book value	Revaluation surplus (deficit) on investments	Retained earnings				Minority interest - equity attributable to minority shareholders of subsidiaries	Total	
	Preference shares	Ordinary shares				Share premium	Statutory reserve	Treasury stock reserve	Unappropriated			Treasury stock
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)	5,769,043	32,361,169
Decrease in share premium of a subsidiary company from disposal of investments	-	-	-	(365,850)	-	-	-	-	-	-	-	(365,850)
Increase in revaluation surplus on investments	-	-	-	-	-	2,482,667	-	-	-	-	-	2,482,667
Income (expenses) recognised directly in equity	-	-	-	(365,850)	-	2,482,667	-	-	-	-	-	2,116,817
Net income for the period	-	-	-	-	-	-	-	-	3,935,784	-	1,293,081	5,228,865
Total income (expenses) for the period	-	-	-	(365,850)	-	2,482,667	-	-	3,935,784	-	1,293,081	7,345,682
Cash payment for treasury stock	-	-	-	-	-	-	-	-	-	(277,241)	-	(277,241)
Dividend paid (Note 13)	-	-	-	-	-	-	-	-	(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)	-	-	-
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)	13,138,134	44,291,778
Balance as at 1 January 2010	159	13,331,381	2,065,645	775,814	226,460	2,158,851	979,539	387,501	13,784,815	(387,501)	14,083,952	47,406,616
Decrease in revaluation surplus on investments	-	-	-	-	-	(1,401,897)	-	-	-	-	-	(1,401,897)
Expenses recognised directly in equity	-	-	-	-	-	(1,401,897)	-	-	-	-	-	(1,401,897)
Net income for the period	-	-	-	-	-	-	-	-	4,249,902	-	3,634,760	7,884,662
Total income (expenses) for the period	-	-	-	-	-	(1,401,897)	-	-	4,249,902	-	3,634,760	6,482,765
Dividend paid (Note 13)	-	-	-	-	-	-	-	-	(1,405,613)	-	-	(1,405,613)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	88	-	-	88
Increase in minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	17,552,759	17,552,759
Balance as at 30 September 2010	159	13,331,381	2,065,645	775,814	226,460	756,954	979,539	387,501	16,629,192	(387,501)	35,271,471	70,036,615

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2010 and 2009

(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 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	-	-	-	-	-	-	-	(277,241)	(277,241)
Dividend paid (Note 13)	-	-	-	-	-	-	(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
Balance as at 1 January 2010	159	13,331,381	2,065,645	2,120,819	979,539	387,501	10,024,808	(387,501)	28,522,351
Decrease in revaluation surplus on investments	-	-	-	(1,877,461)	-	-	-	-	(1,877,461)
Expenses recognised directly in equity	-	-	-	(1,877,461)	-	-	-	-	(1,877,461)
Net income for the period	-	-	-	-	-	-	2,780,480	-	2,780,480
Total income (expenses) for the period	-	-	-	(1,877,461)	-	-	2,780,480	-	903,019
Dividend paid (Note 13)	-	-	-	-	-	-	(1,405,613)	-	(1,405,613)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	88	-	88
Balance as at 30 September 2010	159	13,331,381	2,065,645	243,358	979,539	387,501	11,399,763	(387,501)	28,019,845

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

Thanachart Capital Public Company Limited and its subsidiaries
Notes to interim financial statements
For the nine-month periods ended 30 September 2010 and 2009

1. General information

1.1 The Company 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 Thanachart Bank Plc.’s project to purchase Siam City Bank Plc.’s common shares with the purpose of transferring Siam City Bank’s entire business to Thanachart Bank Plc.

1.2.1 The purchase of the common shares of Siam City Bank Plc. from the Financial Institutions Development Fund

On 24 February 2010, the Board of Directors of the Company passed a resolution to approve Thanachart Bank Plc. (“Thanachart Bank”), a subsidiary company, entered into a share purchase agreement with the Financial Institutions Development Fund (“FIDF”) to purchase shares of Siam City Bank Plc. (“SCIB”). On 11 March 2010, Thanachart Bank signed such agreement to purchase 1,005,330,950 SCIB’s shares, or 47.58% of the total issued and paid-up shares capital, at a price of Baht 32.50 per share, or for total of Baht 32,673 million.

On 1 April 2010, the Bank of Thailand (“BOT”) approved Thanachart Bank to hold the shares of SCIB in accordance with certain specified conditions, i.e. SCIB is to continue operating as a commercial bank but has to return its license within 31 December 2011, the requirements on capital fund calculation, the structure of financial business group, and holding in companies in the financial business group.

On 7 April 2010, the Annual General Meeting of the Shareholders of the Company and Thanachart Bank for the year 2010 passed resolutions to (a) approve Thanachart Bank to purchase SCIB's shares from FIDF, make a tender offer for all shares of SCIB from the other shareholders, and accept the transfer of the entire business of SCIB, including SCIB's employees, and to propose SCIB to delist its shares from the Stock Exchange of Thailand and Thanachart Bank then to submit a tender offer for SCIB's shares. On 9 April 2010, Thanachart Bank paid FIDF for SCIB's shares, in accordance with conditions in an agreement and, as a result, Thanachart Bank is now a major shareholder of SCIB; and (b) approve a tender offer for all shares of Ratchthani Leasing Plc., an associated company of SCIB, because indirect control over this listed company, as a result of the acquisition of SCIB's shares (according to the Chain Principle).

As a result of Thanachart Bank's purchase of SCIB's shares from FIDF, combined with 104,964,000 SCIB's shares held by the Company, total shareholding in SCIB is 52.55%.

1.2.2 Significant procedures after acquiring of SCIB's ordinary shares from FIDF

Rights offering of additional paid-up share capital to shareholders of Thanachart Bank

During 8 - 19 April 2010, Thanachart Bank called up 3,579,045,631 additional shares with a par value of Baht 10, or a total of Baht 35,790 million, from existing shareholders, in proportion to their holdings, and as a result Thanachart Bank's issued and paid-up share capital totals Baht 55,136,649,030. The Company exercised both its own entitlement and the unexercised entitlements of minority shareholders to purchase such shares for a total of Baht 18,245,490,680 and as a consequence the Company's shareholding in Thanachart Bank increased from 50.92% to 50.96%.

Offering of subordinate debentures of Thanachart Bank

In April 2010, Thanachart Bank issued 6,000,000 units of subordinated, unsecured debentures (Lower Tier II), with a face value of Baht 1,000 each, to the public offering. BOT granted permission for these debentures to be counted as Tier II Capital. In addition, Thanachart Bank issued 7,130,000 units of perpetual non-cumulative subordinated hybrid bonds (Hybrid Tier I), with a face value of Baht 1,000 each, by private placement to the Company and another major shareholder of Thanachart Bank (The Bank of Nova Scotia "BNS") which the Company invested Baht 3,636 million in these debentures. BOT granted permission for these debentures to be counted as Tier I Capital of Thanachart Bank. The objectives of these issues are to provide funds for the acquisition of the SCIB's shares and to increase Thanachart Bank's capital funds to support future operations.

1.2.3 Tender offer for ordinary shares of SCIB

After acquiring of SCIB's common shares from FIDF, Thanachart Bank submitted a tender offer for all shares of SCIB of Baht 32.50 per share (the same price as Thanachart Bank paid at auction from FIDF). This comprised 1,107,479,726 shares, with a value not exceeding Baht 35,993 million and the tender offer period ran from 29 April 2010 to 9 June 2010. During the tender offer period, other shareholders sold totaling 1,091,439,949 shares of common stock, amounting to Baht 35,472 million, or 51.66% of the issued and paid-up shares of SCIB. Combined with Thanachart Bank's existing holding, Thanachart Bank's shareholding in SCIB totals 99.24%. Such additional purchase of SCIB's shares included 104,964,000 shares purchased from the Company, the Company therefore recorded a gain on sale of Baht 2,136 million and related income tax expenses of Baht 629 million in the separate income statement. The total gain on sale has been eliminated from the consolidated financial statements and the related income tax has been presented as "suspense account - deferred tax from business combination".

On 9 June 2010, the Board of Directors of Thanachart Bank passed resolutions to approve (a) SCIB to delist of its shares from the Stock Exchange of Thailand; (b) Thanachart Bank to submit a tender offer for SCIB's shares at a price of Baht 32.50 per share, legally effective when the delisting is approved by a shareholders of SCIB and the Stock Exchange of Thailand. On 5 August 2010, the extraordinary of SCIB's shareholders meeting approved the delisting, and the Stock Exchange of Thailand granted approval for the voluntary delisting application on 27 August 2010, with condition that SCIB is obligated to perform the tender offer for SCIB's shares in accordance with certain specified conditions. The latest status, Thanachart Bank is currently making a tender offer to SCIB's existing shareholders, from 17 September 2010 to 19 November 2010; and (c) to appoint Thanachart Securities Plc. (a subsidiary company) as financial advisor and to prepare the tender offer for delisting of SCIB's shares.

1.2.4 Making a tender offer of the common shares in Ratchthani Leasing Plc. from other shareholders

SCIB holds 48.32% of the issued and paid-up share capital of Ratchthani Leasing Plc., and so Thanachart Bank had to make a tender offer for all shares of Ratchthani Leasing Plc. held by other shareholders. Thanachart Bank was made tender offer for 822,593,906 shares at a price of Baht 1.10 per share (the price that financial advisor opines that is a reasonable price) and ran from 29 April 2010 to 9 June 2010. During the tender offer period, other shareholders of Ratchthani Leasing Plc. sold 215,000 shares of common stock, or 0.03 percent of the issued and paid-up shares. As a result, Thanachart Bank and SCIB hold 48.35% shares in Ratchthani Leasing Plc., and also treated as associated company of Thanachart Bank and the Company.

In addition, on 30 June 2010, the Board of Directors of Thanachart Bank passed a resolution approving a decision not make a second tender offer for the remaining shares of Ratchthani Leasing Plc.

1.2.5 Key operational plans after the tender offer of SCIB's shares

Thanachart Bank and SCIB together set plans, in preparation for the entire business transfer of SCIB's business, including a business plan for the period after the transfer, to be acted on after BOT approval. Once BOT approves the plan, both Thanachart Bank and SCIB are to hold extraordinary general meetings of their shareholders in order to propose the plan for approval. Thanachart Bank is currently preparing the plan and expects to be able to complete the entire business transfer in 2011, and upon completion Thanachart Bank will return SCIB's banking licenses to BOT and proceed with the liquidation process of SCIB.

1.2.6 Allocating the cost of a business combination

On 9 April 2010, Thanachart Bank acquired 47.58% in SCIB's shares and combined with the Company's existing holding at 4.97%, the Thanachart Group hold 52.55% interest in SCIB's shares. In addition, at the same day, the Thanachart's management are assigned to be the SCIB's directors at the portion that Thanachart have control over voting right of SCIB. Therefore, the Company and Thanachart Bank have considered the investments in SCIB's shares as investments in subsidiary company since 9 April 2010 because Thanachart has control over shareholding and management. Moreover, in June 2010, Thanachart Bank purchased additional ordinary shares of SCIB, increase its shareholding to 99.24%. The Company and Thanachart Bank paid a total cost of Baht 66,001 million, with direct expenses related to business combination amounting to Baht 206 million, including expenses of Baht 34 million that were paid to a subsidiary company. Total cost of investments thus total Baht 66,173 million in the consolidated financial statements. For the purpose of allocating the cost of a business combination, the management of the Company and Thanachart Bank estimated the initial fair value of each assets and liabilities as at 9 April 2010, as follows:

1. Assets and liabilities in SCIB's accounts were valued and noted that the fair value of assets and liabilities of SCIB as at investment payment date were totaled of Baht 45,685 million, which was Baht 1,314 million higher than book value.
2. Intangible assets are assets that will generate future economic benefits. The Company and Thanachart Bank estimated the fair value of the intangible assets of SCIB at Baht 4,100 million, comprised of (a) Core Deposit Intangibles which were evaluated using the incremental cash-flows from low cost deposit, and considering the cost saving for current and savings deposits; (b) Customer Relationships, which were valued on the base of future revenues that will be earned from SCIB's existing customers.
3. For specific and contingent liabilities, the Company and Thanachart Bank estimated these and concluded that no contingent liabilities need to be recognised.

The acquisition of ordinary shares of SCIB on 10 June 2010 is a transaction under the Securities and Commission Act. Hence, these two share purchase transactions are considered as a single transaction. The Company and Thanachart Bank therefore used the fair value of assets, liabilities and intangible assets estimated at the first transaction date in computing goodwill for the second purchase transaction. Differences between the cost of business combination and the fair value of assets, liabilities, contingent liabilities and intangible assets in proportion to the shareholding, amounting to Baht

(Unaudited but reviewed)

16,425 million, are recognised as goodwill from business combination in the consolidated financial statements.

The initial estimated fair value of assets and liabilities of SCIB and its subsidiaries and the carrying value of each significant account as at the date the Company and Thanachart Bank have control over SCIB are as follow:

	(Unit: Million Baht)	
	Book value	Fair value
Assets		
Cash and Interbank and money market items	72,528	72,528
Investments	83,019	84,333
Loans and receivables	262,154	262,154
Intangible assets	293	4,393
Other assets	18,001	18,001
	<u>435,995</u>	<u>441,409</u>
Liabilities		
Deposits and Borrowings	375,255	375,255
Other liabilities	16,369	16,369
	<u>391,624</u>	<u>391,624</u>
Net asset value	<u>44,371</u>	<u>49,785</u>
Proportion of fair value of net asset value		49,748
Goodwill from business combination		<u>16,425</u>
Cost of business combination		<u>66,173</u>
Cash flows used in purchase of investments in subsidiaries		
Total cash payment		66,173
Cash payment before the year 2010		(1,266)
Net cash of subsidiaries at purchase date		<u>(9,510)</u>
Net cash paid for the year 2010		<u>55,397</u>

In allocating the cost of a business combination, the Company and Thanachart Bank did not recognised deferred tax liabilities of Baht 1,624 million, arising from adjustment of assets to fair value, and did not recognised the SCIB's employees benefits payable under the labour law amounting to Baht 1,300 million, since the two relevant accounting standards are not yet effective.

However, the Company and Thanachart Bank have 12 months from the purchase date, or until 8 April 2011, to adjust the estimated fair value of the above transactions and the allocation of the cost of a business combination.

1.2.7 Obligations of FIDF under the Share Purchase Agreement

The Share Purchase Agreement between Thanachart Bank as “the Purchaser” and FIDF as “the Seller”, dated 11 March 2010, states that the obligations, guarantees, liabilities or indemnities of the Seller to SCIB under any arrangements, agreements or documents in connection with the merger between SCIB and Bangkok Metropolitan Bank Public Company Limited (“BMB”) (the “Seller’s Obligations”), including funds deposited in accounts opened and maintained with SCIB to compensate for any losses or damages suffered or incurred by SCIB arising out of or in connection with the merger between SCIB and BMB will continue in full force and effect after completion of the sale and purchase of SCIB’s shares. Rights and obligations of SCIB related to the Seller’s Obligation, including funds deposited in the accounts opened and maintained with SCIB, will be transferred to and/or assumed by Thanachart Bank, with effect from the completion date of the merger and/or consolidation between SCIB and Thanachart Bank. In addition, in case of the liquidation of the Seller, the Seller’s Obligations will be transferred and/or assumed by another government agency.

2. Basis of preparation of interim financial statements

- 2.1** 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.

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

2.2 Basis of preparation of the interim consolidated financial statements

- a) These interim consolidated financial statements are prepared using the same basis as was used for the financial statements for the year ended 31 December 2009, and there were no changes in shareholding structure during the period, except
- (a) Shareholding in Thanachart Bank increased from 50.92% to 50.96% since Thanachart Bank issued additional ordinary shares, as discussed in Note 1.2.2 to the financial statements.
- (b) Thanachart Bank purchased ordinary shares of SCIB from FIDF in April 2010 and purchased additional shares from the minority shareholders in June 2010, as discussed in Note 1.2.1 and 1.2.3 to the financial statements. As a result, Thanachart Bank has a 99.24% shareholding in SCIB.

The consolidated financial statements included the balance sheets of SCIB and its subsidiaries as at 30 September 2010 and the income statements included income and expenses from 9 April 2010 (the date on which the Company and Thanachart Bank assumed control over SCIB) to 30 September 2010, and recognised net income of SCIB and its subsidiaries totaling Baht 603 million from the date that the Company and Thanachart Bank assumed control, based on its shareholding interest at each period.

For additional information to facilitate evaluation of the financial impact of the business combination, proforma consolidated total income and net income of the Company and its subsidiaries for the period are presented below, inclusive of income and net income of SCIB and its subsidiaries as if business combination had occurred since the beginning of the period.

	(Unit: Million Baht)
	For the nine-month period ended 30 September 2010
	<hr/>
Total income as if business combination occurred on 1 January 2010	45,804
Net income as if business combination occurred on 1 January 2010 (exclude adjustment transactions before the purchase date)	4,964

- (c) During the period, Thanachart Bank disposed all investments in common shares of T Leasing Co., Ltd. to MBK Plc. for a total of Baht 213 million. As result, Thanachart Bank had decreased in percentage of holding. The gain on disposal of Baht 27 million was recognised in the consolidated income statement.

As at 30 September 2010 and 31 December 2009, the interim consolidated financial statements include the financial statements of the Company and the subsidiaries as follows:

	Percentage of shares held by the Company		Percentage of shares held by the subsidiaries	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Subsidiaries directly held by the Company</u>				
Thanachart Bank Plc.	50.96	50.92	-	-
NFS Asset Management Co., Ltd.	100.00	100.00	-	-
MAX Asset Management Co., Ltd.	83.44	83.44	-	-
NASSET Property Fund 6	99.80	99.80	0.06	0.06
Thiravanit Co., Ltd.	99.90	99.90	-	-
Thanachart SPV 01 Co., Ltd.	100.00	100.00	-	-
<u>Subsidiaries indirectly held</u>				
Thanachart Securities Plc.	-	-	100.00	100.00
Thanachart Insurance Co., Ltd.	-	-	100.00	100.00
Thanachart Life Assurance Co., Ltd.	-	-	100.00	100.00
Thanachart Fund Management Co., Ltd.	-	-	75.00	75.00
Thanachart Broker Co., Ltd.	-	-	100.00	100.00
Thanachart Group Leasing Co., Ltd.	-	-	100.00	100.00
Thanachart Management & Services Co., Ltd.	-	-	100.00	100.00
Thanachart Legal and Appraisal Co., Ltd.	-	-	100.00	100.00
National Leasing Co., Ltd.	-	-	100.00	100.00
Thanachart Training & Development Co., Ltd.	-	-	100.00	100.00
Siam City Bank Plc.	-	-	99.24	-
SCIB Services Co., Ltd.	-	-	100.00	-
Siam City Life Assurance Co., Ltd.	-	-	100.00	-
Siam City Securities Co., Ltd.	-	-	99.79	-
Siam City Asset Management Co., Ltd.	-	-	60.00	-
T Leasing Co., Ltd.	-	-	-	100.00

- b) The consolidated financial statements for the nine-month period ended 30 September 2010 did not include the financial statements of Chada Thong Properties Co., Ltd., a subsidiary indirectly held by SCIB at 70 percent, because that subsidiary has ceased its operation and is in the process of being liquidated. SCIB has already made a full allowance for impairment in value of its investment in this subsidiary.

- c) Total assets and total income of the subsidiaries that have a significant impact to and are included in the consolidated financial statements as at 30 September 2010 and 31 December 2009 and for the nine-month periods ended 30 September 2010 and 2009, after eliminating significant intercompany transactions, are as follows:

(Unit: Million Baht)

	Total assets		Total income for the nine-month periods ended 30 September	
	30 September	31 December		
	2010	2009	2010	2009
Thanachart Bank Plc.	384,841	406,426	17,682	16,858
Siam City Bank Plc.	389,941	-	9,569	-
Thanachart Life Assurance Co., Ltd.	19,395	15,936	4,496	8,982
Siam City Life Assurance Co., Ltd.	10,037	-	2,125	-
Thanachart Securities Plc.	4,851	3,079	994	822
Thanachart Insurance Co., Ltd.	4,146	3,095	2,281	2,088
NFS Asset Management Co., Ltd.	3,135	4,167	392	459

- d) On 3 February 2009, the Company sold 416,526,737 ordinary shares of Thanachart Bank to The Bank of Nova Scotia (“BNS”) at a price of Baht 18.38 per share or a total of Baht 7,656 million. This accorded with the conditions in the Shareholders’ Agreements. The Company recognised a gain on the sale of Baht 3,038 million in the separate income statement for the period ended 30 September 2009, calculated under the cost method, while a gain of Baht 2,805 million was recognised in the consolidated income statement under the equity method.

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

2.4 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 2009, except

- a) Investments with embedded derivatives

Subsidiary company measures the fair value of investments with embedded derivatives using the fair value as estimated by the seller, with gain/losses arising from revaluation recognised in the income statements. This method of measurement is in compliance with the BOT’s notification.

b) Intangible assets arising from business combination and amortisation

Intangible assets arising from business combination are determined with reference to the fair value on the business combination date, and have finite useful lives of approximately 10 years.

3. Adoption of new accounting standards

During the current period, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

3.1 Accounting standards that will become effective in fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements
(revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

3.2 Accounting standards that will become effective in fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The management of the Company and its subsidiaries believe that these accounting standards will not have any significant impact on the financial statements for the years in which they are initially applied, except TAS 12 of which the management has yet to complete its evaluation of the impact of such accounting standard in the year when it is adopted.

4. Investments

4.1 Classified by type of investments

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2010		31 December 2009		30 September 2010		31 December 2009	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Current investments								
Trading securities								
Government and state enterprise securities	1,279	1,280	917	917	-	-	-	-
Private debt securities	80	81	754	759	80	81	-	-
Foreign debt securities	3,346	3,362	-	-	-	-	-	-
Domestic marketable equity securities	643	876	5	6	-	-	-	-
	5,348	5,599	1,676	1,682	80	81	-	-
Add: Allowance for change in value	251		6		1		-	
	5,599		1,682		81		-	
Available-for-sale securities								
Government and state enterprise securities	22,553	22,545	24,545	24,553	-	-	10,077	10,083
Private debt securities	3,697	3,755	1,379	1,387	-	-	-	-
Foreign debt securities	908	918	334	336	-	-	-	-
Domestic marketable equity securities	220	235	128	132	-	-	-	-
	27,378	27,453	26,386	26,408	-	-	10,077	10,083
Add: Allowance for change in value	75		22		-		6	
	27,453		26,408		-		10,083	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2010		31 December 2009		30 September 2010		31 December 2009	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Current investments (continued)								
Held-to-maturity debt securities								
- due within 1 year								
Government and state enterprise securities								
	3,651		2,252		1,320		648	
Private debt securities	1,677		35		10		35	
Foreign debt securities	4,870		4,450		-		-	
	<u>10,198</u>		<u>6,737</u>		<u>1,330</u>		<u>683</u>	
Other investments								
Investment in property fund								
	-		100		-		-	
	<u>-</u>		<u>100</u>		<u>-</u>		<u>-</u>	
Total current investments - net	<u>43,250</u>		<u>34,927</u>		<u>1,411</u>		<u>10,766</u>	
Long-term investments								
Available-for-sale securities								
Government and state enterprise securities								
	23,732	23,965	20,844	20,864	-	-	-	-
Private debt securities	5,572	5,755	7,060	7,222	-	-	578	575
Foreign debt securities	11,858	12,156	5,406	5,667	-	-	-	-
Domestic marketable equity securities								
	8,214	9,046	3,668	5,775	127	370	1,476	3,594
	<u>49,376</u>	<u>50,922</u>	<u>36,978</u>	<u>39,528</u>	<u>127</u>	<u>370</u>	<u>2,054</u>	<u>4,169</u>
Add: Allowance for change in value								
	1,552		2,556		243		2,115	
Less: Allowance for impairment								
	(6)		(6)		-		-	
	<u>50,922</u>		<u>39,528</u>		<u>370</u>		<u>4,169</u>	
Held-to-maturity debt securities								
Government and state enterprise securities								
	33,239		17,839		321		331	
Private debt securities	5,132		1,372		3,636		3,010	
Foreign debt securities	913		-		-		-	
	<u>39,284</u>		<u>19,211</u>		<u>3,957</u>		<u>3,341</u>	
Less: Allowance for impairment								
	(383)		(557)		(183)		(183)	
	<u>38,901</u>		<u>18,654</u>		<u>3,774</u>		<u>3,158</u>	
Other investments								
Investments in receivables purchased								
	1,883		2,062		1,011		1,118	
Investments in property fund	914		367		-		-	
Domestic non-marketable equity securities								
	2,123		338		209		230	
Foreign non-marketable equity securities								
	84		3		-		-	
	<u>5,004</u>		<u>2,770</u>		<u>1,220</u>		<u>1,348</u>	
Less: Allowance for impairment								
	(451)		(468)		(212)		(211)	
	<u>4,553</u>		<u>2,302</u>		<u>1,008</u>		<u>1,137</u>	
Total long-term investments - net	<u>94,376</u>		<u>60,484</u>		<u>5,152</u>		<u>8,464</u>	

4.2 As at 30 September 2010, a revaluation surplus and a revaluation deficit in the consolidated shareholders' equity amounting to Baht 19 million and Baht 140 million, respectively, are as a result of the recategorisation of debt securities (31 December 2009: outstanding revaluation surplus amounting to Baht 22 million and outstanding revaluation deficit amounting to Baht 193 million in the consolidated financial statements).

4.3 As at 30 September 2010, long-term investments in held-to-maturity debt securities included Baht 715 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 321 million) (31 December 2009: Baht 933 million in the consolidated financial statements and Baht 331 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 2010, 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 383 million. Such losses have been shown 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 2009: 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 21.2 to the financial statements.

4.4 As at 30 September 2010, the Company has investments of Baht 3,636 million in perpetual non-cumulative subordinated hybrid bonds (Hybrid Tier I). These debentures are unsecured and non-convertible and will be redeemed only at the liquidation date of Thanachart Bank or the condition specified are met. The debentures bear interest at a rate equal to the highest rate for a six-month fixed deposit plus 6 percent per annum, payable semi-annually.

As at 31 December 2009, the Company had investments of Baht 3,000 million in subordinated debentures issued by Thanachart Bank, and classified as held-to-maturity debt securities which will be matured in 2013. On 30 March 2010, Thanachart Bank, subordinate debentures' issuer, early redeemed all debentures at par value.

4.5 Investments in securities in which the Company and its subsidiaries hold not less than 20 percent

As at 30 September 2010 and 31 December 2009, the subsidiary companies have investments in the following unit trusts in which those subsidiaries hold not less than 20 percent of the unit issued, but those subsidiaries do not treat these investments as investments in subsidiary or associated companies because the subsidiary companies do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund manager in accordance with the details of each fund project and are under the supervision of the Securities and Exchange Commission. The subsidiary companies therefore record these investments in unit trusts as long-term available-for-sale or other investments, based on their investment objectives.

Name	Consolidated financial statements			
	30 September 2010		31 December 2009	
	Net	Percentage	Net	Percentage
	book value	of holding	book value	of holding
	Million Baht	Percent	Million Baht	Percent
The Thai Opportunity Fund 2	684	25.21	-	-
The Thai Business Fund 3	410	60.00	252	26.67
Business Strategic Fund	278	67.33	-	-
Sub Thawee Property Fund	86	56.00	116	56.00
Thanachart Fixed Long Term	61	27.79	-	-
Thanachart Fixed Income FIF51	50	22.63	-	-
MAX Balance Retirement Mutual Fund	30	25.99	-	-

4.6 Investments in receivables purchased

Investments in receivables purchased are loans receivable purchased through bidding from local financial institutions. The outstanding balances of loans receivable as at 30 September 2010 and 31 December 2009 can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
September	December	September	December	
2010	2009	2010	2009	
Investments in receivables	1,883	2,062	1,011	1,118
Less: Allowance for impairment	(370)	(349)	(135)	(113)
Investments in receivables - net	1,513	1,713	876	1,005

(Unaudited but reviewed)

	30 September 2010				31 December 2009			
	Number of debtors	Balance per agreement	Purchase price	Yield	Number of debtors	Balance per agreement	Purchase price	Yield
		Million Baht	Million Baht	Percent		Million Baht	Million Baht	Percent
<u>Consolidated financial statements</u>								
Total accumulated investments in receivables	2,938	33,611	7,845	1.75 - 18.97	1,662	33,559	7,793	6.50 - 18.97
Outstanding investments in receivables as at the balance sheet date	1,596	13,857	1,883		775	13,997	2,062	
<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	343	6,210	1,011		346	6,290	1,118	

During the nine-month periods ended 30 September 2010 and 2009, the Company and its subsidiaries have entered into debt restructuring agreements with its investments in receivable purchased, by various types of restructuring, as summarised below.

Type of restructuring	For the nine-month period ended 30 September 2010				
	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 under agreement
		Million Baht	Million Baht		Million Baht
<u>Consolidated financial statements</u>					
Modification of terms	10	50	50	-	-
Total	10	50	50		
<u>Separate financial statements</u>					
Modification of terms	2	31	31	-	-
Total	2	31	31		

(Unaudited but reviewed)

For the nine-month period ended 30 September 2009					
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 under agreement
		Million Baht	Million Baht		
Consolidated financial statements					
Modification of terms	6	31	31		
Transfer of assets and/or equity securities and/or modification of terms	3	24	24	Land and ordinary shares	27
Total	9	55	55		
Separate financial statements					
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 end of the periods are as follow:

For the nine-month period ended 30 September 2010				
Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balances after restructuring	Number of receivables	Outstanding loan balances after restructuring
		Million Baht		Million Baht
Due within 2010	10	50	2	31
Total	10	50	2	31

For the nine-month period ended 30 September 2009				
Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balances after restructuring	Number of receivables	Outstanding loan balances 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 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 2010, there were no outstanding restructured receivables in the investments in receivables account.

4.7 Investments subject to restrictions

As at 30 September 2010 and 31 December 2009, subsidiary companies have the following government and state enterprise securities, which are subject to restrictions as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Placed for securities sold under repurchase agreements	3,032	-	-	-
Placed at insurance registrar	6,187	1,718	-	-
Placed at court	286	20	-	-
Placed for derivative agreement	187	-	-	-
Placed for utilities usage	13	-	-	-
	<u>9,705</u>	<u>1,738</u>	<u>-</u>	<u>-</u>

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

As at 30 September 2010 and 31 December 2009, investments in securities of the Company and its subsidiaries included investments in securities of companies with having problems relating to financial position and operating results, summarised below.

Consolidated financial statements								
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts		
30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	
		Million Baht	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 on the repayment	2	1	-	-	-	-	-	-
2. Companies which auditors' reports cited going concern issues	10	8	-	18	-	-	-	18
<u>Investments in receivables purchased</u>								
1. Closed financial institutions	9	-	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	1	1	3	3	-	-	3	3
3. Companies which have loan settlement problems or have defaulted on the repayment	290	296	1,319	1,487	1,851	2,013	242	231
Separate financial statements								
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts		
30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	
		Million Baht	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	-	-	-	-	-	-	-
2. Companies which auditors' reports cited going concern issues	3	1	-	-	-	-	-	-
<u>Investments in receivables purchased</u>								
1. Companies which have loan settlement problems or have defaulted on the repayment	109	111	753	845	1,114	1,188	80	70

5. Investments in subsidiaries

5.1 As at 30 September 2010 and 31 December 2009, 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)

		Separate financial statements							
		Paid-up share capital		Percentage of holding (%)		Value of investment under the cost method		Dividend income for the nine-month periods ended	
						30		30	
		30 September	31 December	30 September	31 December	September	December	2010	2009
Company's name	Nature of business	2010	2009	2010	2009	2010	2009	2010	2009
Thanachart Bank Plc.	Commercial bank	55,137	19,346	50.96	50.92	29,056	10,811	552	495
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	469	514	157	189
NASSET Property Fund 6	Investment in non-performing assets and collection rights	540	900	99.80	99.80	539	898	145	-
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	-	-
						31,100	13,259	854	684
Less: Allowance for impairment						(16)	(16)		
Investments in subsidiaries - net						31,084	13,243		

5.2 During April 2010, Thanachart Bank issued 35,790,456,310 new ordinary shares for offering to the existing shareholders. The Company exercised its own entitlement and unexercised entitlements of minority shareholders, and as a result, the Company's shareholding increased to 50.96%.

5.3 In June 2010, NASSET Property Fund 6 decreased its registered units and returned to the unitholders at Baht 10 per unit, totaling Baht 360 million. Therefore, the remaining cost of investment in NASSET Property Fund 6 is Baht 539 million.

5.4 The consolidated balance sheet as at 30 September 2010 included Baht 19 million of assets and Baht 0.1 million of liabilities (before elimination) of Thiravanit Co., Ltd. which registered its dissolution and is currently in the liquidation process. The financial statements of this subsidiary was prepared by its management and was not audited by its auditor.

6. Investments in associated companies

6.1 As at 30 September 2010 and 31 December 2009, the Company and its subsidiaries have investments in ordinary shares of the associated companies, which operate business in Thailand, as follow:

(Unit: Million Baht)

Company's name	Paid-up capital		Percentage of holding (%)		Investment value				Dividend income for the nine-month periods ended		Share of income (loss) for the nine-month periods ended	
	30	31	30	31	Cost method		Equity method		for the nine-month periods ended		for the nine-month periods ended	
	September	December	September	December	September		September		30 September		30 September	
	r	December	r	December	r	December	r	December	2010	2009	2010	2009
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Consolidated financial statements												
MBK Plc.	1,886	1,886	19.90	19.90	948	948	1,854	1,701	178	163	292	207
Siam Samsung Life Insurance Co., Ltd.	500	500	25.00	-	104	-	97	-	-	-	(10)	-
Siam City Insurance Co., Ltd.	40	40	45.50	-	92	-	98	-	-	-	6	-
Ratchthani Leasing Plc.	823	823	48.35	-	403	-	433	-	-	-	30	-
Total investment in associated companies					1,547	948	2,482	1,701	178	163	318	207
Separate financial statements in which the cost method is applied												
MBK Plc.	1,886	1,886	10.00	10.00	658	658			90	80		

6.2 The Company and its subsidiaries classify investments in MBK Public Company Limited, which operates in property rental, hotel and services, as investments in an associated company because the Company and its subsidiaries have significant influence over that associated company.

6.3 Summarised financial information of associated companies

a) Summarised financial information of MBK Plc. as at 30 June 2010 and 30 September 2009 and for the nine-month periods ended 30 June 2010 and 2009 is as follow:

(Unit: Million Baht)

Paid-up capital		Total assets		Total liabilities		Total income for the nine-month periods ended		Net income for the nine-month periods ended	
30	30	30	30	30	30	for the nine-month periods ended		for the nine-month periods ended	
June	September	June	September	June	September	30 June		30 June	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
1,886	1,886	26,609	23,988	13,756	13,021	6,998	4,919	2,263	1,006

(Unaudited but reviewed)

The share of income of MBK Plc. is determined based on financial statements of MBK Plc. prepared for a different period, as a result of limitations on the availability of information. The financial information used was based on the balance sheets as at 30 June 2010 and 30 September 2009 and the income statements for the three-month and nine-month periods ended 30 June 2010 and 2009 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 the net income for the three-month and nine-month period ended 30 June 2010 is not material different from that income for the period ended 30 September 2010.

- b) Summarised financial information of Siam Sumsung Life Insurance Co., Ltd., Siam City Insurance Co., Ltd. and Ratchthani Leasing Plc. as at 30 September 2010 and for the period ended 30 September 2010 is as follows:

(Unit: Million Baht)

Company's name	Paid-up			Total income for	Net income (loss)
	share capital	Total assets	Total liabilities	the period ended	for the period ended
	30 September 2010				
Siam Samsung Life Insurance Co., Ltd. (operate in life insurance)	500	2,135	1,768	620	(41)
Siam City Insurance Co., Ltd. (operate in non-life insurance)	40	1,043	823	539	14
Ratchthani Leasing Plc. (operate in car leasing)	823	8,899	7,674	451	63

Investments in the above 3 associated companies are indirectly held through SCIB, therefore, the share of income (losses) were determined based on the management accounts as prepared by the Company's management for the period as from Thanachart Bank has investment in SCIB, and in the interest proportion of the Company and its subsidiaries.

- 6.4** As at 30 September 2010 and 31 December 2009, the fair value of investments in associated companies which are listed in the Stock Exchange of Thailand is as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
MBK Plc.	3,726	2,440	1,871	1,226
Ratchthani Leasing Plc.	493	-	-	-

7. Loans and accrued interest receivables

7.1 Classified by loan types

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Loans</u>				
Overdrafts	24,530	2,812	-	-
Loans	272,854	52,242	220	227
Notes receivable	53,698	18,919	1,008	2,407
Hire purchase receivables	228,268	211,564	426	1,423
Financial lease receivables	2,129	2,323	-	-
Others	258	-	-	-
Total loans	581,737	287,860	1,654	4,057
Add: Accrued interest receivables	954	311	9	-
Less: Allowance for doubtful accounts	(26,816)	(10,121)	(521)	(588)
Revaluation allowance for debt restructuring	(501)	(98)	-	-
Loans and accrued interest receivables - net	555,374	277,952	1,142	3,469
<u>Securities business receivables</u>				
Credit balances in receivables	1,267	870	-	-
Other receivables	1,392	382	-	-
Total securities business receivables	2,659	1,252	-	-
Add: Accrued interest receivables	2	-	-	-
Less: Allowance for doubtful accounts	(1,389)	(315)	-	-
Securities business receivables and accrued interest receivables - net	1,272	937	-	-
Loans and accrued interest receivables - net	556,646	278,889	1,142	3,469

As at 30 September 2010 and 31 December 2009, the Company and its subsidiaries have unearned income as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Unearned interest income	77	68	-	-
Unearned income from hire purchase/ financial lease	30,853	30,423	15	43

7.2 Non-performing loans

As at 30 September 2010 and 31 December 2009, 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, doubtful of loss and loss), as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Non-performing loans (excluding accrued interest receivables)				
The Company	460	517	460	517
Banking business	35,798	8,359	-	-
Asset management business	2,248	2,561	-	-
Securities business	1,392	316	-	-

The above non-performing loans do not include overdue loans which have been already restructured and are now qualified for classification as normal 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 2010	31 December 2009	30 September 2010	31 December 2009
The Company	353	424	353	424
Banking business	45,072	8,777	-	-
Securities business	1,392	316	-	-

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

7.3 Debt restructuring

During the nine-month periods ended 30 September 2010 and 2009, the Company and its subsidiaries entered into debt restructuring agreements with debtors. The details are as follow:

For the nine-month period ended 30 September 2010					
Type of restructuring	Number of receivables	Outstanding loan balance before restructuring ⁽¹⁾	Outstanding loan balance after restructuring ⁽¹⁾	Type of assets to be transferred	Value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
<u>Consolidated financial statements</u>					
Transfer of assets	1	6	6	Land and premises	6
Modification of terms	3,374	3,901	3,835		
Transfer of assets and/or equity securities and/or modification of terms	4	56	42	Land and premises	53
Total	3,379	3,963	3,883		
<u>Separate financial statements</u>					
Modification of terms	22	4	4	-	-
Total	22	4	4		

(1) Outstanding balance includes both principal and interest receivables

For the nine-month period ended 30 September 2009					
Type of restructuring	Number of receivables	Outstanding loan balance before restructuring ⁽¹⁾	Outstanding loan balance after restructuring ⁽¹⁾	Type of assets to be transferred	Value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
<u>Consolidated financial statements</u>					
Transfer of assets	3	5	5	Land and premises	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

Counting from the balance sheet date, the remaining periods to maturity of the Company and its subsidiaries' receivables which entered into debt restructuring agreement during the periods ended 30 September 2010 and 2009, are summarised below.

For the nine-month period ended 30 September 2010				
Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balance	Number of receivables	Outstanding loan balance
		after restructuring		after restructuring
		Million Baht		
Defaulted after restructuring	903	364	2	-
Due within 2010	492	380	17	-
Less than 5 years	886	1,274	2	-
5 - 10 years	964	1,303	1	4
10 - 15 years	64	395	-	-
More than 15 years	70	167	-	-
Total	<u>3,379</u>	<u>3,883</u>	<u>22</u>	<u>4</u>

For the nine-month period ended 30 September 2009				
Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balance	Number of receivables	Outstanding loan balance
		after restructuring		after restructuring
		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	<u>9,109</u>	<u>2,844</u>	<u>41</u>	<u>2</u>

Supplemental information for the nine-month periods ended 30 September 2010 and 2009 relating to restructured receivables is as follows:

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Interest income recognised in income statements	920	341	3	2
Gain on debt repayment/disposals	65	44	28	1
Gain on transfers of assets for debt repayment	2	9	-	2
Loss on debt restructuring	150	24	-	-
Cash proceeds from collection of debts	2,719	909	64	11
Assets transferred from debtors	223	86	-	10

As at 30 September 2010 and 31 December 2009, the Company and its subsidiaries have the following restructured receivables balances (principal and interest receivables), including restructured receivables who were transferred from investments in receivables. There are summary below.

	Total number of outstanding receivables		Restructured receivables					
			Number of receivables		Outstanding balance		Outstanding balance net of collateral	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
					Million Baht	Million Baht	Million Baht	Million Baht
The Company	8,565	31,232	66	67	135	137	30	32
Thanachart Bank Plc.	919,683	812,480	11,997	10,600	4,904	5,280	2,167	1,963
Siam City Bank Plc.	349,207	-	6,209	-	22,689	-	9,493	-
Thanachart Securities Plc.	421	388	3	6	35	101	35	101
Other subsidiary companies	6,405	6,528	308	335	1,569	1,617	450	483

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

As at 30 September 2010 and 31 December 2009, 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 ⁽²⁾		Debt balance after collateral ⁽³⁾		Minimum percentage	Allowance for doubtful accounts	
	30	31	30	31	(Percent)	30	31
	September 2010	December 2009	September 2010	December 2009		September 2010	December 2009
Loans and accrued interest receivables							
(including interbank and money market items)							
Normal	560,782	307,188	195,454	82,599	1	2,240	909
Special mention	40,520	17,970	17,994	7,484	2	2,085	190
Substandard	7,536	1,713	3,651	1,141	100	3,930	1,237
Doubtful	9,931	2,180	5,584	1,345	100	5,654	1,345
Doubtful of loss	21,278	7,737	12,145	5,624	100	12,229	5,709
Total	640,047	336,788	234,828	98,193		26,138	9,390
Additional allowance for possible uncollectible debts	-	-	-	-		661	387
	640,047	336,788	234,828	98,193		26,799	9,777
Less: Revaluation allowance							
for debt restructuring	(501)	(98)					
Intercompany gain	(194)	(200)					
Total loans and accrued interest receivables	639,352	336,490					

(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.

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements						
	Debt balance/ book value ⁽¹⁾		Debt balance after collateral ⁽²⁾		Minimum percentage	Allowance for doubtful accounts	
	30	31	30	31	(Percent)	30	31
	September 2010	December 2009	September 2010	December 2009		September 2010	December 2009
Loans and accrued interest receivables							
(including interbank and money market items)							
Normal	1,200	3,436	1,191	2,965	1	12	29
Special mention	14	124	14	86	2	-	2
Substandard	2	20	2	17	100	2	17
Doubtful	8	22	5	22	100	5	22
Doubtful of loss	459	475	362	378	100	362	378
Total loans and accrued interest receivables	<u>1,683</u>	<u>4,077</u>	<u>1,574</u>	<u>3,468</u>		381	448
Additional allowance for possible uncollectible debts						140	140
						<u>521</u>	<u>588</u>

(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 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.

7.5 Loans to companies which have settlement problems

As at 30 September 2010 and 31 December 2009, loans of the Company and its subsidiaries (including loans to financial institutions presented as part of interbank and money market items) 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 2010	December 2009	September 2010	December 2009	September 2010	December 2009	September 2010	December 2009
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Closed financial institutions	5	4	10	-	-	-	10	-
2. Listed companies vulnerable to delisting from the SET	8	5	457	343	113	116	359	267
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	11	14	755	835	754	815	275	281
4. Companies which have loan settlement problems or have defaulted on the repayment	1,488	946	31,517	2,340	14,871	1,776	14,687	1,112
5. Companies whose auditors'	2	2	51	51	-	-	51	51

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		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
		2010	2009	2010	2009	2010	2009	2010	2009
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1.	Companies which have loan settlement problems or have defaulted on the repayment	113	135	113	115	107	101	39	41

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

As at 30 September 2010 and 31 December 2009, subsidiary companies operating in the securities business classify securities business receivables and accrued interest receivables and provide related allowance for doubtful accounts in accordance with the Notification of the Securities and Exchange Commission ("SEC") as follows:

		(Unit: Million Baht)					
		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
		2010	2009	2010	2009	2010	2009
	Doubtful	1,385	313	1,385	313	1,385	313
	Substandard	7	3	-	-	4	2
	Total	1,392	316	1,385	313	1,389	315

The above substandard receivables were the outstanding balance which equal to the pledged securities.

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

As at 30 September 2010 and 31 December 2009, hire purchase and financial lease receivables balances of 2 subsidiaries (31 December 2009: 3 subsidiaries) engaged in hire purchase and financial lease businesses are classified by the due date of the contracts (after elimination) as follows:

	(Unit: Million Baht)	
	30 September 2010	31 December 2009
Current or overdue less than 90 days	1,815	3,563
Overdue 91 - 365 days	49	141
Overdue more than 1 year	51	58
Debtors under legal actions	110	93
Total	<u>2,025</u>	<u>3,855</u>
Allowance for doubtful accounts	<u>230</u>	<u>344</u>

7.8 As at 30 September 2010, the Company has loans to NFS Asset Management Co., Ltd. (its subsidiary) in term of promissory note amounting to Baht 1,000 million. The loans are due at call and bear interest at a fixed rate of 2.80 percent per annum (31 December 2009: Baht 2,400 million).

8. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements									
For the nine-month period ended 30 September 2010									
The Company and its financial institution subsidiaries (Banking and asset management business)									
	Special	Sub -	Doubtful		General	Other			
	Normal	mention	standard	Doubtful	of loss	reserve	Total	s	Consolidated
Balance - beginning of the period	909	190	1,237	1,345	5,709	387	9,777	659	10,436
Beginning balance of subsidiary acquired during the period	971	2,854	1,346	4,745	6,244	-	16,160	1,074	17,234
Balance of a subsidiary disposed during the period	-	-	-	-	-	-	-	(64)	(64)
Increase (decrease) during the period	146	(959)	1,347	(266)	526	274	1,068	(22)	1,046
Bad debt recovery	-	-	-	139	63	-	202	14	216
Bad debt written-off	-	-	-	(309)	(313)	-	(622)	(41)	(663)
Balance - end of the period	<u>2,026</u>	<u>2,085</u>	<u>3,930</u>	<u>5,654</u>	<u>12,229</u>	<u>661</u>	<u>26,585</u>	<u>1,620</u>	<u>28,205</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2009									
The Company and its financial institution subsidiaries									
(Banking and asset management business)									
	Special	Sub -		Doubtful	General		Other		
	Normal	mention	standard	Doubtful	of loss	reserve	Total	s	Consolidated
Balance - beginning of the year	912	185	1,466	1,230	5,127	270	9,190	731	9,921
Increase (decrease) during the year	(3)	5	(229)	115	2,558	117	2,563	278	2,841
Bad debt recovery	-	-	-	-	80	-	80	12	92
Bad debt written-off	-	-	-	-	(1,524)	-	(1,524)	(362)	(1,886)
Reversal from the disposals	-	-	-	-	(532)	-	(532)	-	(532)
Balance - end of the year	<u>909</u>	<u>190</u>	<u>1,237</u>	<u>1,345</u>	<u>5,709</u>	<u>387</u>	<u>9,777</u>	<u>659</u>	<u>10,436</u>

(Unit: Million Baht)

Separate financial statements							
For the nine-month period ended 30 September 2010							
	Special	Sub -		Doubtful	General		Total
	Normal	mention	standard	Doubtful	of loss	reserve	Total
Balance - beginning of the period	29	2	17	22	378	140	588
Decrease during the period	(17)	(2)	(15)	(17)	(33)	-	(84)
Bad debt recovery	-	-	-	-	19	-	19
Bad debt written-off	-	-	-	-	(2)	-	(2)
Balance - end of the period	<u>12</u>	<u>-</u>	<u>2</u>	<u>5</u>	<u>362</u>	<u>140</u>	<u>521</u>

(Unit: Million Baht)

Separate financial statements							
For the year ended 31 December 2009							
	Special	Sub -		Doubtful	General		Total
	Normal	mention	standard	Doubtful	of loss	reserve	Total
Balance - beginning of the year	17	7	100	73	965	140	1,302
Increase (decrease) during the year	12	(5)	(83)	(51)	(62)	-	(189)
Bad debt recovery	-	-	-	-	28	-	28
Bad debt written-off	-	-	-	-	(21)	-	(21)
Reversal from the disposals	-	-	-	-	(532)	-	(532)
Balance - end of the year	<u>29</u>	<u>2</u>	<u>17</u>	<u>22</u>	<u>378</u>	<u>140</u>	<u>588</u>

9. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month	For the	For the nine-month	For the
	period ended	year ended	period ended	year ended
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Balance - beginning of the period	98	87	-	-
Beginning balance of subsidiary acquired during the period	472	-	-	-
Increase (decrease) during the period	(45)	31	-	-
Amortised during the period	2	(20)	-	-
Reversal on hair-cut loans	(26)	-	-	-
Balance - end of the period	<u>501</u>	<u>98</u>	<u>-</u>	<u>-</u>

10. Classification of assets

As at 30 September 2010 and 31 December 2009, the quality of assets of the Company and its financial business subsidiaries classified in accordance with the announcements of the BOT are as follows:

(Unit: Million Baht)

	Consolidated financial statements									
	Loans and accrued interest receivables		Investments		Property foreclosed		Other assets		Total	
	30	31	30	31	30	31	30	31	30	31
	September r 2010	December 2009	September r 2010	December 2009	September r 2010	December 2009	September r 2010	December 2009	September r 2010	December 2009
Normal	560,782	307,188	-	-	-	-	151	131	560,933	307,319
Special mention	40,520	17,970	-	-	-	-	87	58	40,607	18,028
Substandard	7,536	1,713	-	-	-	-	9	3	7,545	1,716
Doubtful	9,931	2,180	-	-	-	-	14	3	9,945	2,183
Doubtful of loss	21,278	7,737	939	986	3,784	822	620	196	26,621	9,741
Total	<u>640,047</u>	<u>336,788</u>	<u>939</u>	<u>986</u>	<u>3,784</u>	<u>822</u>	<u>881</u>	<u>391</u>	<u>645,651</u>	<u>338,987</u>
Less: Revaluation allowance for debt restructuring	(501)	(98)								
Intercompany gain from loans transferred	(194)	(200)								
	<u>639,352</u>	<u>336,490</u>								

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements									
	Loans and accrued interest receivables				Property foreclosed					
			Investments				Other assets		Total	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Normal	1,200	3,436	-	-	-	-	-	3	1,200	3,439
Special mention	14	124	-	-	-	-	3	5	17	129
Substandard	2	20	-	-	-	-	-	-	2	20
Doubtful	8	22	-	-	-	-	1	1	9	23
Doubtful of loss	459	475	411	416	473	531	99	101	1,442	1,523
Total	1,683	4,077	411	416	473	531	103	110	2,670	5,134

11. Property foreclosed

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Cost	15,769	7,355	2,502	2,693
Less: Allowance for impairment	(3,788)	(831)	(473)	(531)
Property foreclosed - net	11,981	6,524	2,029	2,162

As at 30 September 2010 and 31 December 2009, property foreclosed acquired from settlement of debt that are subject to restrictions can be summarised follow:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Immovable assets subject to buy back options or first refusal rights	402	28	-	-

As at 30 September 2010, the Company and its subsidiaries have entered into sales agreements with customers to sell property foreclosed of approximately Baht 1,899 million (at cost) (separate financial statements: Baht 170 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 of the Company and its subsidiaries.

12. Borrowings

As at 30 September 2010 and 31 December 2009, domestic borrowings are as follow:

Type of borrowings	Interest rate per annum (as at 30 September 2010) Maturity year		(Unit: Million Baht)			
			Consolidated financial statements		Separate financial statements	
			30 September 2010	31 December 2009	30 September 2010	31 December 2009
Short-term borrowings						
Unsubordinated and unsecured debentures			-	6,328	-	6,500
Bills of exchange	1.10 - 6.00 percent	2010 - 2011	129,807	68,600	-	-
Bills of exchange	0.00 percent	Call	26	-	-	-
Total short-term borrowings			129,833	74,928	-	6,500
Long-term borrowings						
Bills of exchange	1.25 - 1.70 percent	2011 - 2013	3,419	-	-	-
Unsubordinated and unsecured debentures (a)	5.25 percent	2011	1,455	1,455	1,500	1,500
Unsubordinated and unsecured debentures (b)	4.90 percent	2014	9,000	9,000	9,000	9,000
Unsubordinated and unsecured debentures (c)	3.35 percent	2013	3,000	-	3,000	-
Subordinated debentures (Tier I) (d)	7.00 percent	Dissolution	3,494	-	-	-
Subordinated debentures (Tier II) (e)	5.10 percent	2015	5,000	5,000	-	-
Subordinated debentures (Tier II) (f)	5.25 percent	2019	2,000	2,000	-	-
Subordinated debentures (Tier II) (g)	5.25 percent	2019 and 2024	5,000	4,922	-	-
Subordinated debentures (Tier II) (h)	5.00 percent	2020	6,000	-	-	-
Subordinated debentures (Tier II) (i)	5.50 - 6.50 percent	2019	10,000	-	-	-
The Department of Alternative Energy Development and Efficiency	0.00 - 0.50 percent	2013 - 2017	255	-	-	-
Total long-term borrowings			48,623	22,377	13,500	10,500
Total borrowings			178,456	97,305	13,500	17,000

- (a) On 18 November 2008, the Company issued 1,500,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2011 and bear interest at fixed rate of 5.25 percent per annum, payable semi-annually.
- (b) On 12 November 2009, the Company issued 9,000,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2014 and bear interest at fixed rate of 4.90 percent per annum, payable quarterly.
- (c) On 22 January 2010, the Company issued 3,000,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2013 and bear interest at fixed rate of 3.35 percent per annum, payable quarterly.
- (d) On 22 April 2010, Thanachart Bank issued 7,130,000 units of perpetual, name registered, non-cumulative, subordinated, hybrid bonds (Hybrid Tier I), with a face value of Baht 1,000 each, and sold them to the Company and BNS. The bonds will mature at the dissolution date of Thanachart Bank. The bonds are unsecured and non-convertible and bear interest at a rate equal to the highest interest rate for a six-month fixed deposit plus 6.00 percent per annum, payable semi-annually. Thanachart Bank has a call option to early redeem these bonds at par if the conditions as specified are met. The Company has investments in this subordinated debentures amounting to Baht 3,636 million.
- (e) On 9 May 2008, Thanachart Bank issued 5,000,000 units of name registered 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 fixed rates of 5.10 percent per annum for the first three years and 6.00 percent per annum for the fourth to seventh years, payable quarterly.
- (f) On 3 April 2009, Thanachart Bank issued 2,000,000 units of name registered subordinated, unsecured, unconvertible debentures with a debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2019 and bear interest at fixed rates of 5.25 percent per annum for the first three years, 5.75 percent per annum for the fourth to seventh years, and 6.50 percent per annum for the eighth to tenth years, payable quarterly. Thanachart Bank has a call option to early redeem these debentures at par if the conditions specified are met.

- (g) On 24 July 2009, Thanachart Bank issued 5,000,000 units of name registered subordinated, unsecured, unconvertible debentures with a 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 fixed rates of 5.25 percent per annum for the first five years and 5.50 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 fixed rates of 5.25 percent per annum for the first five years, 6.00 percent per annum for the sixth to tenth years, and 6.50 percent per annum for the eleventh to fifteenth years. All interest is payable quarterly. Thanachart Bank has a call option to early redeem these debentures at par and has an option to postpone principal and/or interest payment date if the conditions specified are met.
- (h) On 2 April 2010, Thanachart Bank issued 6,000,000 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 2020 and bear interest at fixed rates of 5.00 percent per annum for the first five years and 5.50 percent per annum for the sixth to tenth years, payable quarterly. Thanachart Bank has call option to early redeem these debentures if the conditions specified are met.
- (i) On 19 June 2009, SCIB issued 10,000,000 units of unsecured subordinated, with a face value of Baht 1,000 each. The debentures will mature in 2019 and bear interest at fixed rates of 5.50 percent per annum for the first three years, 6.00 percent per annum for the fourth to seventh years and 6.50 percent per annum for the eighth to tenth years, payable quarterly. SCIB has call option to early redeem these debentures if the conditions specified are met.

13. Share capital/treasury stocks/dividends

During the nine-month period ended 30 September 2010, there were no preference shareholders converted to the Company's ordinary shares. Therefore, as at 30 September 2010, 15,856 preference shares remained unconverted. Each preference share can convert to 1 ordinary share and the conversion right is unconditional and does not expire.

As at 30 September 2010, the Company has totaling 55,324,300 shares of treasury stocks 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 end of the repurchasing period (within June 2012).

Moreover, during the nine-month periods ended 30 September 2010 and 2009, the Company has dividend payment as below.

Dividends	Approved by	Dividend payment	Dividend per share	Payment date
		Million Baht	Baht	
Dividend on earnings for the first half-year of 2010	The Company's Board of Directors on 27 September 2010	639	0.50	26 October 2010
Dividend on earnings for the second half-year of 2009	The Annual General Meeting of shareholders on 7 April 2010	767	0.60	6 May 2010
Total dividend during the nine-month period ended 30 September 2010		1,406	1.10	
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	

14. Revaluation surplus (deficit) on investments

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Revaluation surplus on investments				
Available-for-sale investments				
Debt instruments	344	257	-	9
Equity instruments	649	2,227	243	2,118
Held-to-maturity debt securities	19	22	-	-
Surplus recognised for associated companies - under equity method	203	152	-	-
Total	1,215	2,658	243	2,127
Revaluation deficit on investments				
Available-for-sale investments				
Debt instruments	(21)	(5)	-	(6)
Equity instruments	(297)	(301)	-	-
Held-to-maturity debt securities	(140)	(193)	-	-
Total	(458)	(499)	-	(6)
Total revaluation surplus on investments	757	2,159	243	2,121

15. Bad debt and doubtful accounts

Bad debt and doubtful accounts in the income statements for the nine-month periods ended 30 September 2010 and 2009 consists of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Bad debt and doubtful accounts (reversal of bad debt and doubtful accounts) of loans and interbank and money market items	1,136	2,808	(84)	(134)
Amortisation of revaluation allowance for debt restructuring during the period	6	(19)	-	-
Total bad debt and doubtful accounts (reversal)	1,142	2,789	(84)	(134)

16. Loss from debt restructuring

Loss from debt restructuring in the income statements for the nine-month periods ended 30 September 2010 and 2009 consists of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Loss from hair-cut	168	21	-	-
Increase (reversal) in revaluation allowance for debt restructuring	(45)	12	-	-
Total loss from debt restructuring	123	33	-	-

17. 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.

18. Reconciliation of diluted earnings per share

Earnings per share as presented in the income statement is basic earnings per share, which is calculated by dividing net income attributable to the Company for the period by the weighted average number of ordinary shares outstanding during the period, netting of treasury stock held by the Company.

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

Consolidated financial statements					
For the three-month periods ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010	2009
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Net income attributable to					
the Company					
1,537,990	1,001,547	1,277,814	1,277,814	1.20	0.78
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					
1,537,990	1,001,547	1,277,830	1,277,830	1.20	0.78

Consolidated financial statements					
For the nine-month periods ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010	2009
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Net income attributable to					
the Company					
4,249,902	3,935,784	1,277,814	1,280,604	3.33	3.07
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					
4,249,902	3,935,784	1,277,830	1,280,620	3.33	3.07

(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010	2009
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Net income	106,298	147,851	1,277,814	1,277,814	0.08 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	<u>106,298</u>	<u>147,851</u>	<u>1,277,830</u>	<u>1,277,830</u>	<u>0.08 0.12</u>

Separate financial statements					
For the nine-month periods ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010	2009
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Net income	2,780,480	3,274,053	1,277,814	1,280,604	2.18 2.56
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>2,780,480</u>	<u>3,274,053</u>	<u>1,277,830</u>	<u>1,280,620</u>	<u>2.18 2.56</u>

19. 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 summarized below.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policies (For the period 2010)
	Consolidated		Separate		
	financial statements		financial statements		
	2010	2009	2010	2009	
Subsidiary companies					
Purchase of investments in debt securities	-	-	4,548	331	At market price
Sales of land and premises (2010: gain by Baht 29 million)	-	-	90	-	At the contracted rate
Interest income from loans	-	-	9	17	At interest rate of 2.80 percent per annum
Interest income from cash at banks	-	-	4	18	At interest rate of 0.65 - 1.40 percent per annum
Interest income from investments in debt securities	-	-	64	47	At interest rate of 5.25 - 7.00 percent per annum
Dividend income	-	-	59	71	As declared
Rental and other service income	-	-	46	51	At the contracted rate
Interest expenses	-	-	-	2	
Rental and other service expenses	-	-	12	22	At the contracted rate
Insurance expenses	-	-	-	1	
Associated companies					
Sales of investment in debt securities	8,677	650	-	-	At market price
Interest and dividend income	65	1	48	42	At interest rate of 3.00 - 5.00 percent per annum and dividend as declared
Interest expenses	18	1	-	-	At interest rate of 0.25 - 1.75 and 5.25 percent per annum
Dividend payment	16	50	-	-	As declared
Other expenses	18	12	8	8	

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policies (For the period 2010)
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
Related companies					
Purchase of investments in debt securities	1,121	40	-	-	At the same price of FIDF
Sales of investments in debt securities	1,261	-	-	-	At market price
Purchases/Sales of forward exchange contracts (2010: gain by Baht 4 million 2009: gain by Baht 2 million)	40,969	32,768	-	-	At market price
Interest and dividend income	82	21	12	-	At interest rate of 0.05 - 8.50 percent per annum and dividend as declared
Other income	4	2	-	-	
Interest expenses	97	4	2	-	At interest rate of 0.25 - 5.25 and 7.00 percent per annum
Project management expenses	16	16	8	7	At the contract price, calculated by reference to estimated usage time
Insurance/Life insurance expenses	18	-	-	-	At insurance policy
Fee and service expenses	32	-	-	-	At the contracted rate
Other expenses	50	23	1	1	

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policies (For the period 2010)
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
Subsidiary companies					
Purchase of investments in debt securities	-	-	35,017	11,557	At market price
Investments in a subsidiary company	-	-	18,245	1,019	At par value
Sales of investments in debt securities	-	-	18,334	-	At market price
Sales of investments in a subsidiary company	-	-	3,402	-	At the same price of FIDF
Sales of land and premises (2010: gain by Baht 29 million)	-	-	90	-	At the contracted rate
Interest income from loans	-	-	29	52	At interest rate of 2.80 percent per annum
Interest income from cash at banks	-	-	34	43	At interest rate of 0.65 - 1.50 percent per annum
Interest income from investments in debt securities	-	-	159	139	At interest rate of 5.00 - 7.00 percent per annum
Dividend income	-	-	854	683	As declared
Rental and other service income	-	-	159	144	At the contracted rate
Interest expenses	-	-	3	23	At interest rate of 2.41 - 5.25 percent per annum
Rental and other service expenses	-	-	40	72	At the contracted rate
Insurance expenses	-	-	1	2	At insurance policy
Associated companies					
Purchase of investments in subsidiary companies	161	-	-	-	At the same price of FIDF
Purchase of investments in debt securities	350	44	-	-	At market price
Sales of investment in debt securities	13,481	734	-	-	At market price
Sales of investments in a subsidiary company	213	-	-	-	At the contracted rate
Interest and dividend income	122	1	90	80	At interest rate of 3.00 - 5.00 percent per annum and dividend as declared
Other income	14	1	-	-	
Interest expenses	51	1	-	-	At interest rate of 0.25 - 1.75 and 5.25 percent per annum
Dividend payment	40	50	-	-	As declared
Other expenses	44	41	23	23	

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policies (For the period 2010)
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
Related companies					
Purchase of investments in subsidiary companies	6,228	-	-	-	At the same price of FIDF
Purchase of investments in debt securities	2,890	50	-	-	At market price
Sales of investments in debt securities	2,096	545	-	-	At market price and par value
Sales of investments in a subsidiary company (2009: gain by Baht 2,805 million in the consolidated financial statements and gain by Baht 3,038 million in the separate financial statements)	-	7,656	-	7,656	
Sales of land and leasehold rights (2010: gain by Baht 78 million in the consolidated financial statements and gain by Baht 85 million in the separate financial statements)	266	-	208	-	At auction price
Sales of property foreclosed (2010: gain by Baht 29 million)	373	-	-	-	At auction price
Purchase/Sales of forward exchange contracts (2010: gain by Baht 6 million 2009: loss by Baht 7 million)	135,162	103,759	-	-	At market price
Interest and dividend income	170	109	24	12	At interest rate of 0.05 - 8.50 percent per annum and dividend as declared
Other income	44	4	1	1	
Dividend payment	558	476	-	-	As declared
Interest expenses	215	14	6	-	At interest rate of 0.125 - 5.25 and 7.00 percent per annum
Project management expenses	50	49	22	22	At the contract price, calculated by reference to estimated usage time
Insurance/Life insurance expenses	50	-	-	-	At insurance policy
Fee and service expenses	109	-	-	-	At the contracted rate
Other expenses	136	67	9	2	

(Unaudited but reviewed)

The significant outstanding balances of the above transactions during the nine-month periods ended 30 September 2010 and 2009 are below shown at the average month end balance.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<u>Subsidiary companies</u>				
Interbank and money market items (assets)	-	-	3,924	4,005
Loans	-	-	1,411	2,224
Interbank and money market items (liabilities)	-	-	1	808
Borrowings	-	-	107	245
<u>Associated companies</u>				
Loans	5,192	287	-	-
Deposits	413	232	-	-
Borrowings	1,407	1,200	-	-
<u>Related companies</u>				
Interbank and money market items (assets)	1,756	4,029	20	20
Loans	8,662	764	-	-
Deposits	5,442	1,120	-	-
Interbank and money market items (liabilities)	6,583	1,749	-	-
Borrowings	3,451	396	185	-

(Unaudited but reviewed)

The significant outstanding balances with subsidiaries, associated companies or related parties as at 30 September 2010 and 31 December 2009 are separately shown as follows:

(Unit: Million Baht)

Consolidated financial statements									
30 September 2010									
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	Other liabilities	Commitments	
Associated companies									
Ratchthani Leasing Plc.	-	-	5,666	-	38	-	-	-	-
MBK Plc.	-	-	-	9	1,159	-	1,700	19	67
Siam Samsung Life Insurance Co., Ltd.	-	-	-	-	49	-	10	-	-
Siam City Insurance Co., Ltd.	-	-	-	-	69	-	-	-	-
Related companies									
The Bank of Nova Scotia	289	-	-	4	-	5,526	3,494	116	2,552
Chaimongkol Refined Sugar Co., Ltd.	-	-	2,866	-	42	-	-	-	3
Advanced Info Service Plc.	-	245	26	3	2,023	-	200	5	18
Government Saving Bank Wangkanai Sugar Co., Ltd.	4,064	-	-	-	-	2,030	650	28	-
Seacon Development Plc.	-	-	1,662	-	82	-	-	-	48
The Stock Exchange of Thailand	-	-	590	1	-	-	-	-	58
Srithai Superware Plc.	-	-	-	2	774	-	50	2	-
Synphaet Co., Ltd.	-	-	577	-	8	-	-	-	14
Dhipaya Insurance Plc.	-	-	703	-	12	-	-	-	34
Others	-	-	-	-	7	-	170	-	-
	340	174	1,653	86	1,042	44	654	28	254
Total	4,693	419	13,743	105	5,305	7,600	6,928	198	3,048

(Unit: Million Baht)

Consolidated financial statements									
31 December 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	Other liabilities	Commitments	
Associated company									
MBK Plc.	-	-	-	10	19	-	1,200	12	67
Related companies									
The Bank of Nova Scotia	189	-	-	14	-	5,013	-	2	1,407
Advanced Info Service Plc.	-	319	44	7	2,123	-	300	5	17
Government Saving Bank Seacon Development Plc.	14	-	-	-	-	-	-	272	-
The Stock Exchange of Thailand	-	-	201	1	-	-	-	-	58
Dhipaya Insurance Plc.	-	-	-	-	568	-	50	2	-
Others	-	-	-	500	-	-	-	15	-
	78	-	363	16	448	55	400	34	29
Total	281	319	608	548	3,158	5,068	1,950	342	1,578

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements								
30 September 2010								
Assets					Liabilities			
Interbank and money market items	Investments in debt securities	Loans and accrued interest receivables	Other assets	Interbank and money market items	Borrowings	Other liabilities	Commitment	
Subsidiary companies								
Thanachart Bank Plc.	1,162	3,636	-	124	1	-	534	-
Thanachart Securities Plc.	-	-	-	3	-	-	5	-
National Leasing Co., Ltd.	-	-	-	-	-	-	22	-
NFS Asset Management Co., Ltd.	-	-	1,000	-	-	-	-	-
MAX Asset Management Co., Ltd.	-	-	-	-	-	-	2	-
Thanachart Insurance Co., Ltd.	-	-	-	1	-	-	-	-
Thanachart Life Assurance Co., Ltd.	-	-	-	-	-	45	1	-
Associated company								
MBK Plc.	-	-	-	49	-	-	7	-
Related companies								
Others	21	-	-	14	-	200	2	-
Total	1,183	3,636	1,000	191	1	245	573	-

(Unit: Million Baht)

Separate financial statements								
31 December 2009								
Assets					Liabilities			
Interbank and money market items	Investments in debt securities	Loans and accrued interest receivables	Other assets	Interbank and money market items	Borrowings	Other liabilities	Commitment	
Subsidiary companies								
Thanachart Bank Plc.	6,689	3,078	-	24	1	-	24	-
Thanachart Securities Plc.	-	-	-	5	-	-	3	-
National Leasing Co., Ltd.	-	-	-	-	-	-	22	-
NFS Asset Management Co., Ltd.	-	-	2,400	-	-	-	1	-
Thanachart Insurance Co., Ltd.	-	-	-	1	-	80	-	-
Thanachart Life Assurance Co., Ltd.	-	-	-	-	-	137	1	-
Associated company								
MBK Plc.	-	-	-	3	-	-	7	-
Related companies								
Others	21	-	-	-	-	50	6	10
Total	6,710	3,078	2,400	33	1	267	64	10

As at 30 September 2010, the Company and its subsidiaries have investments amounting to approximately Baht 1,085 million (separate financial statements: Baht 402 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 2009: Baht 728 million in the consolidated financial statements and Baht 363 million in the separate financial statements).

(Unaudited but reviewed)

The Company and its subsidiaries have related party transactions with executive employees of the Company and companies in Thanachart Group including the related persons who together with these employees. The outstanding balances as at 30 September 2010 and 31 December 2009 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Loans	56	30	-	-
Deposits	533	554	-	-

Remunerations to key management personnel

During the nine-month period ended 30 September 2010, the Company and its subsidiaries paid salaries, meeting allowance and gratuities to their key management personnel, including directors totaling Baht 339 million (separate financial statements: Baht 58 million) (2009: Baht 205 million in the consolidated financial statements and Baht 41 million in the separate financial statements).

20. Financial information by segment

20.1 Financial positions and operating results classified by business transaction

Financial positions as at 30 September 2010 and operating results for the three-month and nine-month periods ended 30 September 2010, classified by domestic and foreign operations, are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	30 September 2010			
	Domestic	Foreign	Eliminations	Total
Total assets	939,225	12,451	(106,558)	845,118
Interbank and money market items (Asset)	94,030	1,437	(16,443)	79,024
Investments - net	239,067	10,907	(109,866)	140,108
Loans and accrued interest receivables - net	559,247	-	(2,601)	556,646
Deposits	497,900	-	(536)	497,364
Interbank and money market items (Liabilities)	50,222	11,848	(15,976)	46,094
Borrowings	184,354	-	(5,898)	178,456
Commitments	204,587	3,346	-	207,933

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 30 September 2010				
	Domestic	Foreign	Eliminations	Total
Interest and dividend income	10,290	90	(397)	9,983
Interest expenses	(2,801)	(17)	118	(2,700)
Bad debt and doubtful accounts and loss on debt restructuring	(356)	-	(6)	(362)
Net interest income	7,133	73	(285)	6,921
Non-interest income	5,839	25	(560)	5,304
Non-interest expenses	(8,500)	(1)	443	(8,058)
Net income before corporate income tax and minority interest	4,472	97	(402)	4,167

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2010				
	Domestic	Foreign	Eliminations	Total
Interest and dividend income	27,565	200	(2,385)	25,380
Interest expenses	(7,276)	(35)	362	(6,949)
Bad debt and doubtful accounts and loss on debt restructuring	(1,263)	-	(2)	(1,265)
Net interest income	19,026	165	(2,025)	17,166
Non-interest income	17,895	8	(3,578)	14,325
Non-interest expenses	(21,237)	(2)	1,275	(19,964)
Net income before corporate income tax and minority interest	15,684	171	(4,328)	11,527

The financial position as at 31 December 2009 and the operating results for the three-month and nine-month periods ended 30 September 2009, presented in the consolidated financial statements, are the result of domestic operation only.

The financial position as at 30 September 2010 and 31 December 2009 and the operating results for the three-month and nine-month periods ended 30 September 2010 and 2009, presented in the separate financial statements, are the result of domestic operation only.

20.2 Financial positions and operating results classified by business type

Financial information presented in the consolidated financial statements as at 30 September 2010 and 31 December 2009 and for the three-month and nine-month periods ended 30 September 2010 and 2009, are presented below by segment.

(Unit: Million Baht)

	For the three-month period ended 30 September 2010								
	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	68	6,505	173	62	293	32	73	(285)	6,921
Share of income from investments accounted for under equity method	-	-	-	-	-	-	-	69	69
Non-interest income	120	1,792	16	585	2,422	792	137	(629)	5,235
Non-interest expenses	(85)	(4,949)	(29)	(413)	(2,267)	(653)	(105)	443	(8,058)
Corporate income tax	3	(1,007)	(27)	(64)	(148)	(27)	(19)	-	(1,289)
Net income before minority interest	106	2,341	133	170	300	144	86	(402)	2,878

(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 before minority interest	148	1,248	207	149	(82)	123	143	(194)	1,742

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2010

	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	844	16,941	212	147	704	79	264	(2,025)	17,166
Share of income from investments accounted for under equity method	-	-	-	-	-	-	-	318	318
Non-interest income	3,004	4,480	337	1,485	5,941	2,228	428	(3,896)	14,007
Non-interest expenses	(312)	(11,875)	(83)	(1,069)	(5,690)	(1,892)	(318)	1,275	(19,964)
Corporate income tax	(756)	(2,716)	(105)	(163)	(292)	(152)	(87)	629	(3,642)
Net income before minority interest	2,780	6,830	361	400	663	263	287	(3,699)	7,885

(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 before minority interest	3,274	2,261	390	290	103	187	194	(1,470)	5,229

(Unaudited but reviewed)

(Unit: Million Baht)

As at 30 September 2010

	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	1,198	78,277	127	1,372	441	407	170	(2,968)	79,024
Investments - net	38,305	176,532	474	1,757	28,685	3,678	543	(109,866)	140,108
Loans and accrued interest receivables - net	1,142	553,598	1,247	1,272	52	-	1,936	(2,601)	556,646
Land, premises and equipment - net	126	8,819	1	83	136	20	32	-	9,217
Other assets	2,343	27,876	3,054	3,113	641	481	263	22,352	60,123
Total assets	43,114	845,102	4,903	7,597	29,955	4,586	2,944	(93,083)	845,118

(Unit: Million Baht)

As at 31 December 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	6,740	64,028	345	768	1,602	410	415	(9,441)	64,867
Investments - net	33,131	64,643	1,256	835	14,827	2,730	856	(21,165)	97,113
Loans and accrued interest receivables - net	3,469	275,108	1,330	937	5	-	3,658	(5,618)	278,889
Land, premises and equipment - net	210	1,950	2	68	150	28	15	-	2,423
Other assets	2,461	8,149	3,327	1,255	956	492	281	(248)	16,673
Total assets	46,011	413,878	6,260	3,863	17,540	3,660	5,225	(36,472)	459,965

21. Commitments and contingent liabilities

As at 30 September 2010 and 31 December 2009, the significant commitments and contingent liabilities consisted of the following:

21.1 Commitments

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2010			31 December 2009		
	Foreign		Total	Foreign		Total
Baht	currencies	Baht		currencies		
Avals to bills and guarantees of loans	1,061	24	1,085	304	2	306
Liabilities under unmatured import bills	499	806	1,305	-	87	87
Letters of credit	83	2,928	3,011	9	1,001	1,010
Other commitments						
Forward foreign exchange contracts						
Bought contracts	-	25,044	25,044	-	9,086	9,086
Sold contracts	-	32,606	32,606	-	20,524	20,524
Cross currency and interest rate swap contracts						
Bought contracts	-	7,165	7,165	-	4,937	4,937
Sold contracts	-	28,069	28,069	-	7,785	7,785
Interest rate swap contracts						
Bought contracts	18,703	984	19,687	23,870	334	24,204
Sold contracts	18,703	984	19,687	23,870	334	24,204
Committed but not drawn down overdraft	46,668	-	46,668	4,861	-	4,861
Others	19,557	4,049	23,606	4,224	57	4,281
Total	105,274	102,659	207,933	57,138	44,147	101,285

(Unit: Million Baht)

	Separate financial statements					
	30 September 2010			31 December 2009		
	Foreign		Total	Foreign		Total
Baht	currencies	Baht		currencies		
Guarantees of loans	-	-	-	10	-	10
Other commitments						
Interest rate swap contracts						
Bough contracts	-	-	-	4,000	-	4,000
Sold contracts	-	-	-	4,000	-	4,000
Others	1	-	1	1	-	1
Total	1	-	1	8,011	-	8,011

21.2 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 gains or losses cannot be reliably estimated by the Company and its subsidiaries at this stage. However, as at 30 September 2010, 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 383 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 2009: Baht 557 million and Baht 183 million, respectively).

21.3 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 2010, the maximum commitment is approximately Baht 5 million in the consolidated financial statements and Baht 3 million in the separate financial statements.

- 21.4** As at 30 September 2010, the Company and its subsidiaries have obligations to pay service fees related to property foreclosed, computer system service and other services including long-term rental and office services agreements, as follows:

(Unit: Million Baht)

Year	Consolidated	financial	
	statements	Separate financial statements	
	Other companies	Other companies	Subsidiaries
	Million Baht	Million Baht	Million Baht
2010	567	8	9
2011	1,263	3	6
2012 onward	2,132	4	19

The Company also has commitments under support service agreement with a subsidiary company at actual cost plus margin based on the period in the agreement.

- 21.5** Under the agreements among the Company, Thanachart Bank and the Bank of Nova Scotia Asia Limited (“BNSAL”) (on 11 January 2008, BNSAL transferred rights and obligations under the agreements to the Bank of Nova Scotia (“BNS”)), the Company and Thanachart Bank have to disclose information relating to business, business performance, operations and legal compliance of Thanachart Bank and Thanachart Bank’s subsidiaries, and certify the correctness of the disclosed information, to assist in deciding whether to purchase shares in Thanachart Bank. In the event that Thanachart 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 Thanachart Bank failed to disclose to BNS before it purchases shares, the Company and Thanachart 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 damages claim.

In addition, under the Shareholders’ Agreement between the Company and BNS, there are mutual agreements whereby the Company, Thanachart Bank and the Bank’s 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 Thanachart Bank believe that the Company, Thanachart Bank and the Bank’s subsidiaries as at agreement date operate their businesses under adequate supervision and therefore no material losses will result which would significantly affect the Company, Thanachart Bank and its subsidiaries financial positions.

21.6 Commitments of SCIB from transfer of business from Bangkok Metropolitan Bank Plc. and transfer of non-performing assets to Sukhumvit Asset Management Co., Ltd.

SCIB entered into a business transfer agreement with Bangkok Metropolitan Bank Plc. (“BMB”), effective from 1 April 2002, and transferred of its assets and of BMB to Petchburi Asset Management Co., Ltd. and then transferred to Sukhumvit Asset Management Co., Ltd. (“SAM”). As a result, as at 30 September 2010, SCIB has the outstanding obligations summarised below.

- a) There was an outstanding difference of Baht 94 million, as a result of the transfer of assets to SAM, comprising receivables awaiting collection. These are presented under the caption of “Differences as a result of assets transferred to SAM” in the balance sheet. Such amounts mainly relate to transfers of guarantee claims, for which there are pending issues with regard to proof the rights of claim or the assets transferred being qualified in accordance with the conditions set out in the transfer agreements. Such differences are now being examined and/or negotiated among SCIB, SAM and FIDF for final resolution.

As at 30 September 2010, such differences consist of (i) Baht 11 million of transactions incurred directly by SCIB, of which SCIB has set aside full allowance for doubtful debts, and (ii) Baht 83 million of transactions incurred by BMB. If losses arise on the latter and collection can not be made from SAM, FIDF will consider compensating SCIB for all such losses. SCIB’s management believes that no significant future losses will arise since the transfers of those assets corresponded to the principles of the agreements made among SCIB, BMB and SAM and the agreement given by FIDF.

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

As at 30 September 2010, the transferred assets which SAM is re-examining totaling Baht 569 million consist of (i) Baht 129 million of transactions incurred directly by SCIB, of which SCIB has set aside full allowance for doubtful loss under the caption of "Provision for contingent liabilities" in the balance sheets, and (ii) Baht 440 million of transactions incurred by BMB. In relation to the transferred assets of BMB, SCIB's management believes that SCIB will receive compensation for losses from FIDF, and that any adjusting transactions will be within the limit of the funds set aside by FIDF to compensate losses in such cases, amounting to approximately Baht 503 million. In addition, SAM is now negotiating with SCIB to request interest payment on the assets transferred back, or a price adjustment, and SCIB is unable to determine the potential impact of any interest payment to be made to SAM. However, SCIB's management believes that no significant future losses will be incurred by SCIB.

- c) Lawsuits in which SCIB is involved as a result of the transfer of business from BMB, amounting to approximately Baht 11,330 million, as presented as part of contingent liabilities in Note 22 to the financial statements.
- d) Commitment in respect of guarantees

FIDF deposited amount which is equal to the loss compensation limit with SCIB in FIDF's account. Such deposit account is to fund the payment of compensation to SCIB in accordance with the agreement to compensate for losses incurred by SCIB as a result of the transfer of business from BMB, if such losses are actually incurred by SCIB due to the outstanding issues described in a), b), c) and d) above. As at 30 September 2010, the deposit account of FIDF to fund the payment of compensation for losses incurred by SCIB has an outstanding balance of approximately Baht 1,027 million. In addition, there is a memorandum of agreement concerning conditions for additional loss compensation if SCIB incurs losses in relation to the two lawsuits discussed in c) with claims totaling Baht 9,965 million.

However, SCIB and SAM had a meeting and mutually agreed a resolution to such pending issues. SCIB believes that no significant future losses, other than losses which SCIB has already set aside full allowance for doubtful debts.

However, because Thanachart Bank purchased SCIB shares from FIDF, the commitments and contingent liabilities of FIDF to SCIB mentioned above will be transferred to and/or be assumed by Thanachart Bank, effective from the completion date of the merger and/or consolidation between SCIB and Thanachart Bank. The management of the Company and Thanachart Bank believe that no further losses will be incurred.

22. Litigation

As at 30 September 2010, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 23,450 million in respect of litigation (separate financial statements: Baht 615 million). The cases are not yet finalized. However, the Company and its subsidiaries' management have already made provision for contingency losses, and for the remaining portion the management believes that no losses will result and therefore no liabilities are currently recorded.

Part of contingent liabilities in respect of the litigation mentioned above, amounting to Baht 22,144 million, represents claims filed against SCIB as defendant or co-defendant in lawsuits. These comprise both lawsuits directly involving SCIB and obligations arising as a result of the transfer of business from BMB; (i) Baht 10,814 million relates to the SCIB's own lawsuits, with Baht 8,594 million of this amount relating to a tort case in which the factual loss is only Baht 202 million. The Court of First Instance has already ordered the case be dismissed, and it is in the process of being reviewed by the Supreme Court. The total sum of claims in cases relating directly to SCIB's business, after deducting this tort case, is thus Baht 2,220 million; and (ii) the remaining portion of Baht 11,330 million represents cases in which SCIB is involved as a result of the transfer of business from BMB, and for which SCIB is entitled to compensation for actual losses incurred if such losses are in accordance with the conditions agreed with the FIDF (Baht 9,586 million of this amount relates a single case brought by a debtor that BMB had already transferred to SAM before SCIB received the transfer of business from BMB, and SCIB believes that the lawsuit has been brought against the wrong party, and not SCIB's responsibility, SCIB's management believes that SCIB has no liability in respect of such case). As at 30 September 2010, SCIB had already made provisions for contingent liabilities totaling Baht 50 million in the balance sheets for lawsuits under (i) above where the Court of First Instance has already judged in favor of the plaintiff. SCIB's management believes that there will be no significant future losses as a result of the remaining cases.

In addition, SCIB was requested to make restitution as a result of a person forging SCIB's documents and using such counterfeit documents. However, SCIB has already filed a complaint against the person who produced and used counterfeit documents so as to proceed with a legal action. SCIB believes that no liability will arise from such restitution claim.

23. Bank guarantees

As at 30 September 2010, there are outstanding bank guarantees of approximately Baht 8 million (separate financial statements: Baht 5 million) issued by banks on behalf of the Company and its subsidiaries as guarantees for the use of electricity and the rental of land.

24. 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.

24.1 Credit risk

Credit risk is 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 the amount of the off-balance sheet transactions i.e. avals, guarantees of loans, other guarantees and derivative contracts.

The Company and its subsidiaries manage credit risk by means of careful consideration during the credit approval process, analysis of risk factors and the customers' ability to service debt, and a credit review process which examines and reviews the quality of loans so as to prevent and provide a remedy for problem loans in the future.

24.2 Market risk

a) Interest rate risk

As at 30 September 2010 and 31 December 2009, financial assets and liabilities classified by types of interest rate are as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Outstanding balances of financial instruments							
	30 September 2010				31 December 2009			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial assets								
Cash	-	-	11,439	11,439	-	-	3,720	3,720
Interbank and money								
market items	943	69,988	8,298	79,229	239	60,494	4,097	64,830
Investments ⁽¹⁾	1,883	123,394	13,793	139,070	2,062	87,636	5,861	95,559
Loans (include								
intercompany gain on								
loan transferred) ⁽²⁾	255,234	328,137	1,243	584,614	45,975	242,159	1,212	289,346
Receivables from								
clearing house	-	-	925	925	-	-	429	429
Receivables from								
purchase and sale								
securities and								
derivatives	-	-	5,539	5,539	-	-	1,032	1,032
Financial liabilities								
Deposits	187,439	303,820	6,105	497,364	86,110	179,170	591	265,871
Interbank and money								
market items	9,858	34,635	1,601	46,094	7,188	13,311	440	20,939
Liabilities payable on								
demand	-	-	3,513	3,513	-	-	2,112	2,112
Borrowings	-	178,414	42	178,456	-	97,305	-	97,305
Payables to clearing								
house	-	-	616	616	-	-	96	96
Payables from purchase								
and sale securities and								
derivatives	-	-	5,687	5,687	-	-	1,346	1,346

(1) The outstanding balance of investments which have floating interest rate included investment in receivables purchased on which default on repayment and recognise income on a cash basis.

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

(Unit: Million Baht)

Separate financial statements								
Outstanding balances of financial instruments								
30 September 2010				31 December 2009				
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	146	1,000	48	1,194	109	6,550	68	6,727
Investments ⁽¹⁾	1,011	5,367	32,094	38,472	1,118	14,679	15,623	31,420
Loans ⁽²⁾	126	1,491	37	1,654	128	3,890	39	4,057
Financial liabilities								
Interbank and money								
market items	1	-	-	1	1	-	-	1
Borrowings	-	13,500	-	13,500	-	17,000	-	17,000
Payables from purchase and sale securities and derivatives								
	-	-	500	500	-	-	-	-

(1) The outstanding balance of investments which have floating interest rate included investment in receivables purchased on which default on repayment and recognise income on a cash basis.

(2) The outstanding balances of loans which have floating interest rates or fixed interest rate included 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 2010							
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		
Financial assets							
Interbank and money market							
items	470	68,968	50	500	-	69,988	1.65 - 2.16
Investments	-	26,256	21,079	53,282	22,777	123,394	3.35 - 4.86
Loans (include intercompany gain on loan transferred)							
	7,561	32,719	43,513	196,655	47,689	328,137	5.71 - 7.81
Financial liabilities							
Deposits							
	70	2	127,533	41,575	-	303,820	1.46 - 1.78
Interbank and money market							
items	4,426	25,342	3,275	1,592	-	34,635	0.98 - 1.36

(Unaudited but reviewed)

		104,33					
Borrowings	-	0	33,971	40,078	35	178,414	2.30 - 4.59

(Unit: Million Baht)

Consolidated financial statements							
31 December 2009							
Transactions	At call	Repricing or maturity date				Total	Weighted average interest rates Percentage
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	457	58,562	1,475	-	-	60,494	1.19 - 1.70
Investments	-	9,702	30,878	37,766	9,290	87,636	1.57 - 2.81
Loans (include intercompany gain on loan transferred)	1,828	6,629	15,420	183,668	34,614	242,159	7.27 - 9.44
Financial liabilities							
Deposits	-	60,744	73,994	44,432	-	179,170	1.76
Interbank and money market items	1,485	10,054	1,467	305	-	13,311	0.86
Borrowings	-	58,109	16,819	22,377	-	97,305	2.36 - 4.53

(Unit: Million Baht)

Separate financial statements							
30 September 2010							
Transactions	At call	Repricing or maturity date				Total	Weighted average interest rates Percentage
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	-	1,000	-	-	-	1,000	1.40
Investments	-	5,277	10	60	20	5,367	5.25
Loans	1,295	7	188	1	-	1,491	4.51
Financial liabilities							
Borrowings	-	-	-	13,500	-	13,500	4.59

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements							
31 December 2009							
Transactions	At call	Repricing or maturity date				Total	Weighted average interest rates Percentage
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items							
	-	4,050	2,500	-	-	6,550	1.36
Investments	-	994	10,097	3,588	-	14,679	2.53
Loans	2,700	22	657	511	-	3,890	4.51
Financial liabilities							
Borrowings	-	4,000	2,500	10,500	-	17,000	4.52

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 2010 and 2009, and the average rate of interest and dividend, can be summarised as follows:

(Unit: Million Baht)

Consolidated financial statements						
	For the nine-month period ended 30 September 2010			For the nine-month period ended 30 September 2009		
	Average balances	Interest and dividend	Average rate	Average balances	Interest and dividend	Average rate
Interest bearings financial assets						
Interbank and money market items	74,764	632	1.49	63,020	879	1.86
Investments	165,849	3,270	3.14	42,302	1,171	3.69
Loans/hire purchase and finance lease	560,520	21,478	5.90	265,914	14,554	7.30
Interest bearings financial liabilities						
Deposits	541,122	4,167	1.22	265,763	3,921	1.97
Interbank and money market items	52,357	378	1.25	12,878	82	0.85
Borrowings	128,234	2,404	2.70	55,222	1,436	3.47

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements						
	For the nine-month period ended			For the nine-month period ended		
	30 September 2010			30 September 2009		
	Average	Interest	Average	Average	Interest	Average
	balances	and	rate	balances	and	rate
		dividend			dividend	
<u>Interest bearings financial assets</u>						
Interbank and money market items	3,903	34	1.17	5,165	55	1.42
Investments	36,020	1,210	4.48	22,798	1,014	5.93
Loans/hire purchase and finance lease	1,954	62	4.23	6,453	284	5.86
<u>Interest bearings financial liabilities</u>						
Interbank and money market items	2	-	1.09	809	15	2.55
Borrowings	16,548	545	4.39	9,410	280	3.97

b) Foreign exchange risk

The status of the subsidiaries' foreign currency balances in the consolidated financial statements as at 30 September 2010 and 31 December 2009 are as follows:

(Unit: Million Baht)

Consolidated financial statements										
	30 September 2010					31 December 2009				
	US dollar	Euro	Yen	Won	Others	US dollar	Euro	Yen	Won	Others
<u>In balance foreign currency</u>										
Cash	180	111	23	1	110	109	41	4	-	48
Interbank and money market items	1,506	95	189	-	525	7,772	55	15	-	61
Investments	15,133	588	1,351	4,870	36	5,740	-	170	4,283	-
Loans	9,700	268	36	-	35	2,317	4	-	-	-
Other assets	249	3	3	23	3	53	-	-	13	-
Total assets	26,768	1,065	1,602	4,894	709	15,991	100	189	4,296	109
Deposits	356	57	5	-	148	50	2	-	-	38
Interbank and money market items	6,305	-	-	-	-	6,071	-	-	-	-
Liabilities payable on demand	-	-	1	-	-	-	-	-	-	-
Total liabilities	6,661	57	6	-	148	6,121	2	-	-	38
Net in balance foreign currency	20,107	1,008	1,596	4,894	561	9,870	98	189	4,296	71

(Unit: Million Baht)

Consolidated financial statements										
	30 September 2010					31 December 2009				
	US					US				
	dollar	Euro	Yen	Won	Others	dollar	Euro	Yen	Won	Others
Off balance foreign currency										
Aval to bills and guarantee of loans	1	23	-	-	-	-	2	-	-	-
Liabilities under unmatured import										
bills	678	15	102	-	11	9	-	78	-	-
Letters of credit	2,652	139	93	-	45	807	188	-	-	6
Foreign exchange contracts										
- Bought contracts	21,963	849	114	-	2,118	8,356	604	-	-	126
- Sold contracts	28,109	1,265	554	-	2,679	19,185	732	252	-	355
Cross currency and interest rate										
swap contracts										
- Bought contracts	7,164	-	-	-	-	4,937	-	-	-	-
- Sold contracts	21,411	621	1,186	4,850	-	3,503	-	-	4,282	-
Interest rate swap contracts										
- Bought contracts	984	-	-	-	-	334	-	-	-	-
- Sold contracts	984	-	-	-	-	334	-	-	-	-
Others	4,006	26	1	-	16	57	-	-	-	-

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.

24.3 Liquidity risk

Counting from the balance sheet date, the periods to maturity of financial instruments held as at 30 September 2010 and 31 December 2009 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements									
	30 September 2010					31 December 2009				
	At call	Less than 1 year	Over 1 year	Unspecified	Total	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets										
Cash	11,439	-	-	-	11,439	3,720	-	-	-	3,720
Interbank and money										
market items	9,261	69,468	500	-	79,229	4,773	60,037	20	-	64,830
Investments ⁽¹⁾	1,849	41,615	87,489	8,117	139,070	2,062	34,885	52,907	5,705	95,559
Loans ⁽²⁾	66,571	159,851	358,192	-	584,614	15,032	90,984	183,330	-	289,346
Receivables from										
clearing house	-	925	-	-	925	-	429	-	-	429
Receivables from										
purchase and sale										
securities and										
derivatives	-	5,539	-	-	5,539	-	1,032	-	-	1,032
Financial liabilities										
Deposits	190,380	262,319	44,665	-	497,364	82,110	138,469	45,292	-	265,871
Interbank and money										
market items	15,885	28,617	1,592	-	46,094	9,113	11,521	305	-	20,939
Liabilities payable										
on demand	3,513	-	-	-	3,513	2,112	-	-	-	2,112
Borrowings	26	129,807	45,129	3,494	178,456	-	74,928	22,377	-	97,305
Payables to clearing										
house	-	616	-	-	616	-	96	-	-	96
Payables from										
purchase and sale										
securities and										
derivatives	-	5,687	-	-	5,687	-	1,346	-	-	1,346
Off-balance sheet items										
Avals to bills and										
guarantee of loans	321	680	84	-	1,085	18	133	155	-	306
Liability under										
unmatured import										
bills	505	800	-	-	1,305	-	87	-	-	87
Letters of credit	126	2,865	20	-	3,011	54	887	69	-	1,010
Other commitments	57,182	88,205	55,250	1,895	202,532	5,013	62,885	29,898	2,086	99,882

(1) The outstanding balance of investments at call included investments in receivables purchased on which default on repayment.

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

(Unaudited but reviewed)

(Unit: Million Baht)

Transactions	Separate financial statements									
	30 September 2010					31 December 2009				
	At call	Less than 1 year	Over 1 year	Unspecified	Total	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets										
Interbank and money										
market items	174	1,020	-	-	1,194	157	6,550	20	-	6,727
Investments ⁽¹⁾	1,011	1,410	321	35,730	38,472	1,118	10,760	3,919	15,623	31,420
Loans ⁽²⁾	1,461	187	6	-	1,654	2,931	996	130	-	4,057
Financial liabilities										
Interbank and money										
market items	1	-	-	-	1	1	-	-	-	1
Borrowings	-	-	13,500	-	13,500	-	6,500	10,500	-	17,000
Payables from										
purchase and sale										
securities and										
derivatives	-	500	-	-	500	-	-	-	-	-
Off-balance sheet items										
Avals to bills and										
guarantee of loans	-	-	-	-	-	10	-	-	-	10
Other commitments	1	-	-	-	1	1	8,000	-	-	8,001

(1) The outstanding balance of investments at call included investments in receivables purchased on which default on repayment.

(2) Call loans included loans on which interest recognition under accrual basis has been discontinued.

24.4 Fair value

As at 30 September 2010 and 31 December 2009, there are no material differences between the book values of financial instruments and their fair values.

24.5 Financial derivatives

As at 30 September 2010 and 31 December 2009, the Company and its subsidiary companies have financial derivatives classified by their maturities as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 September 2010			31 December 2009		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Foreign exchange contracts						
- Bought contracts	25,044	-	25,044	9,086	-	9,086
- Sold contracts	32,606	-	32,606	20,524	-	20,524
Cross currency and interest rate swap contracts						
- Bought contracts	6,590	575	7,165	4,937	-	4,937
- Sold contracts	14,834	13,235	28,069	4,449	3,336	7,785
Interest rate swap contracts						
- Fixed interest rate payment	225	16,043	16,268	11,070	12,334	23,404
- Floating interest rate payment	-	3,419	3,419	-	800	800
- Fixed interest rate receipt	-	3,419	3,419	-	800	800
- Floating interest rate receipt	225	16,043	16,268	11,070	12,334	23,404

(Unit: Million Baht)

	Separate financial statements					
	30 September 2010			31 December 2009		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Interest rate swap contracts						
- Fixed interest rate payment	-	-	-	4,000	-	4,000
- Floating interest rate receipt	-	-	-	4,000	-	4,000

25. Reclassification

Subsidiary companies reclassified certain amounts in the financial statements as at 31 December 2009 to conform to the current period's classification, with no effect on previously reported net income and shareholders' equity. Reclassifications are as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	As reclassified	As previously reported
Loans and accrued interest receivables - net	278,889	279,581
Receivables from purchase and sale securities and derivatives	1,032	-
Other assets	2,471	3,409
Payables from purchase and sale securities and derivatives	1,346	1,036
Accrued expenses	1,472	-
Other liabilities	4,224	6,101

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2010.