

Thanachart Capital Public Company Limited

Company Rating: A

Issue Ratings:

TCAP11NA: Bt1,500 million senior debentures due 2011 A

TCAP131A: Bt3,000 million senior debentures due 2013 A

TCAP14NA: Bt9,000 million senior debentures due 2014 A

Rating Outlook: Positive

Rating History:

Company Rating

Issue Rating

		Secured	Unsecured
12 Mar 2010	A/Positive	-	A
14 Jul 2005	A/Stable	-	A

Rating Rationale

TRIS Rating affirms the company rating of Thanachart Capital PLC (TCAP) and the ratings of TCAP's senior debentures at "A". The ratings reflect TCAP's position as an investment holding company of Thanachart Group, its management control of Thanachart Bank PLC (TBANK) through a 50.96% ownership stake, and a stable stream of dividends from TBANK. The ratings take into consideration the capable management team, the improvement in its standard risk management system, a strong capital base, and strong business and financial support from its strategic partner – Bank of Nova Scotia (BNS). The acquisition of Siam City Bank PLC (SCIB) by TBANK has enhanced Thanachart Group's market position, extent of diversification, and prospective future financial performance. These have been strengthened by growth in the loan portfolio, the deposit base and number of branches. These strengths, however, are constrained by weakening asset quality and transition risk from the business integration processes of SCIB and TBANK. The ratings are also pressured by intense competition in the banking, hire purchase, and securities industries as well as the uncertain domestic political situation and global financial arenas. These factors might limit the group's profitability and expansion opportunities.

BNS has become a strategic partner of TCAP, with 24.98% stake in TBANK in 2007 and up to 49% in February 2009. TCAP and BNS injected Bt2,000 million in additional capital into TBANK in May 2009. As a part of the TBANK's growth strategy, TCAP and BNS contributed new capital of Bt35,790 million to TBANK in April 2010. TBANK subsequently used the new capital to purchase all shares of SCIB from the Financial Institutions Development Fund (FIDF) and the minority shareholders. As a result, SCIB became a 99.24% owned subsidiary of TBANK. The acquisition of SCIB has strengthened TBANK's competitive position in the banking industry, and has also diversified TBANK's loan portfolio, yielding a better mix between corporate and retail loans.

Based on consolidated asset size as of September 2010, TCAP was ranked fifth (up from eighth in 2008) among all 11 Thai universal banks, with 9.3% market share in loans and 7.9% share in deposits. At the end of September 2010, TCAP's total consolidated assets were Bt845,118 million, up by 83.74% from Bt459,965 million at the end of December 2009. For the first nine-month period of 2010, TBANK and its subsidiaries contributed approximately 94% of total revenue to TCAP. The remaining 6% was from TCAP's other businesses, including Max Asset Management Co., Ltd. (MAX-AMC) and NFS Asset Management Co., Ltd. (NFS-AMC).

TCAP's financial profile has continuously improved as shown by net profit of Bt5,109 million in 2009, up 85%, compared with Bt2,768 million in 2008. Net profit for the first nine-month period of 2010 was Bt4,250 million, up by 8%, compared with Bt3,936 million for the same period last year. Return on average assets (ROAA) of TCAP grew to 1.20% in 2009, up from 0.77% in 2008. However, TCAP's ROAA dropped to 0.65% (non-annualized) for the first nine-month period of 2010, as the result of the double increase of

its asset size after consolidating SCIB's assets, while small net profit of SCIB was combined to TCAP. Return on average equity (ROAE) sharply increased to 12.81% in 2009, up from 8.57% in 2008, but dropped to 7.24% (non-annualized) for the first nine-month period of 2010. The drop resulted from an increase in minority interest (BNS) following the increase of TBANK's equity.

TCAP has developed a proficient management team that has enabled the company to support the competitive positions of its subsidiaries and allowed TCAP to remain flexible to respond to changes in the economic and business environments. The company's consolidated risk management framework has improved continuously to comply with international standards. However, the highly competitive banking industry is expected to limit the growth and profitability of TBANK in the future.

Rating Outlook

The "positive" outlook reflects the expectation that TBANK, as the major source of revenue for TCAP, will be able to smoothly run through the entire business transfer process, and will be able to leverage the synergies among TBANK, SCIB and BNS to strengthen its market positions in the core businesses. In addition, strong financial support and business know-how from both strategic partners -- BNS and TCAP -- will enhance TBANK's overall business performance. The deterioration in asset quality after acquiring SCIB is expected to be under control shortly. The solid capital base and adequate liquidity is also crucial to mitigate future downside risks during an economic slump.

Key Rating Considerations

Strengths/Opportunities

- Capable and experienced management with a proven track record
- Good risk management system and efficient information management
- Strong market position in auto hire purchase lending
- Strong capital base supported by BNS -- a strategic partner

Weaknesses/Threats

- Large amount of non-performing loans (NPL)
- Intensifying competition in the banking industry
- Uncertain domestic political and global financial situations

Corporate Overview

TCAP, formerly named National Finance PLC, was established in 1959, and later changed its name to Capital Trust Finance and Securities Co., Ltd. after joining the Stock Exchange of Thailand (SET) in 1974. In 1980, Siam Commercial Bank PLC (SCB) acquired a majority stake of TCAP and gained management control. The company was renamed National Finance and Securities PLC. Two years later, the company was listed on the SET. Since 2003, TCAP's shareholders have been a diversified mix of local and foreign institutional investors, with foreign shareholders owning a total stake of 49%. As of 13 October 2010, the company's 10 largest shareholders held 46.59% in total.

In 1989, TCAP acquired a majority stake in Ekachart Finance and Securities PLC (EFS). In 1997, TCAP separated the finance and security businesses, running the finance business under the name National Finance PLC (NFS). The name of the securities business was changed to National Securities Co., Ltd. (NATSEC). The company is one of the few finance companies that survived the 1997 financial crisis. Its proven track record reflects its ability to withstand liquidity runs and to raise capital at appropriate times.

In 2002, TCAP's 99%-owned subsidiary, EFS, was awarded a restricted banking license and was granted a full banking license in 2004, then renamed National Bank PLC (NBANK). The bank's name was changed to Thanachart Bank PLC (TBANK) in April 2005. Under the Financial Sector Master Plan, Thanachart Group was permitted to have one deposit-taking institution under the one presence policy. Subject to regulatory approval, the company consolidated its banking and finance businesses into TBANK at the end of 2004. TCAP became a financial holding company on 22 April 2005, when the proposed reorganization plan was approved by the Ministry of Finance (MOF). On 30 January 2006, the shareholders approved the change of the name from NFS to Thanachart Capital PLC (TCAP). TCAP returned the finance company license to the MOF on 3 April 2006.

In order to comply with the restructuring plan for Thanachart Group's financial business, in accordance with the Bank of Thailand's

(BOT) principle of consolidated supervision, on 12 July 2007, TBANK bought eight subsidiaries from TCAP at the book value as of 30 June 2007 for Bt4,158 million. These subsidiaries are Thanachart Securities PLC (TNS), Thanachart Insurance Co., Ltd. (TINSURE), Thanachart Life Assurance Co., Ltd. (TLIFE), Thanachart Fund Management Co., Ltd. (TFUND), Thanachart Broker Co., Ltd., Thanachart Group Leasing Co., Ltd. (TGL), Thanachart Management & Services Co., Ltd. and Thanachart Legal and Appraisal Co., Ltd. On 28 September 2007, TBANK purchased an additional 6,000,000 shares of TINSURE from an unrelated person, at Bt13.02 per share, the book value as of 31 July 2007, for a total of Bt78.12 million. Following this purchase, TBANK held a 100% stake in TINSURE.

The group business restructuring was also smoothly implemented. TCAP's key financial subsidiaries became TBANK's subsidiaries, while TCAP was transformed into a financial holding company comprising TBANK and two asset management companies, NFS-AMC and MAX-AMC. In 2007, 547 employees were transferred from TCAP to TBANK with identical compensation and benefits. TBANK became the core operating network for five main financial business units of the group: insurance, fund management, securities brokerage and securities-related services, leasing & hire purchase lending, and supporting businesses.

In July 2007, TCAP signed a joint venture agreement with a new strategic partner, BNS, to invest in TBANK. As a result, TBANK had two major shareholders, TCAP and BNS, holding 74.48% and 24.98% of TBANK's paid up capital, respectively. On 15 January 2008, TBANK delisted from the SET. TCAP bought TBANK's shares from the minority share-holders. As a result, TCAP held a 74.92% stake in TBANK. On 3 February 2009, TCAP's stake in TBANK fell to 50.92% as TCAP sold an additional 416.5 million ordinary shares of TBANK to BNS. TBANK's share capital rose by Bt2,000 million in May 2009 and Bt35,790 million in April 2010. As of September 2010, TBANK's stakeholders consisted of TCAP (50.96%) and BNS (49%).

In addition, TBANK purchased SCIB's shares from the FIDF and made a tender offer for all shares of SCIB during April to June 2010. At the end of September 2010, TBANK held a 99.24% stake in SCIB.

Table 1: Thanachart Group's Structure

TCAP's Group Structure	TCAP's Ownership (%)
Thanachart Bank PLC (TBANK) - Thanachart Securities PLC - Thanachart Fund Management Co., Ltd. - Thanachart Insurance Co., Ltd. - Thanachart Life Assurance Co., Ltd. - Thanachart Group Leasing Co., Ltd. - Thanachart Broker Co., Ltd. - Thanachart Management and Services Co., Ltd. - Thanachart Legal and Appraisal Co., Ltd. - Thanachart Training and Development Co., Ltd. - Siam City Bank PLC - Siam City Securities Co., Ltd. - Siam City Asset Management Co., Ltd. - Siam City Life Assurance Co., Ltd. - SCIB Service Co., Ltd.	50.96
NFS Asset Management Co., Ltd. (NFS-AMC)	100
MAX Asset Management Co., Ltd. (MAX-AMC)	83.44

Source: TCAP's notes to financial statement

Recent Developments

■ *TCAP injects additional capital*

On 29 May 2009, TBANK offered 200 million new ordinary shares, worth Bt2,000 million, to the existing shareholders. TCAP exercised its entitlement plus the unexercised entitlements of minority shareholders, purchasing shares worth Bt1,018.9 million at Bt10 per share (par value). After purchasing the additional shares, TCAP's shareholding in TBANK remained at 50.92%.

In addition, during 8-19 April 2010, TBANK asked existing shareholders to purchase new shares. TBANK offered 3,579,045,631 shares at a par value of Bt10, worth Bt35,790 million in total as additional share capital on 30 April 2010. As a result, TBANK now has issued and paid-up share capital equal to Bt55,137 million. TCAP exercised its entitlement plus the unexercised entitlement of the minority shareholders, increasing its shareholding from 50.92% to 50.96%. BNS purchased its entitlement and continued to hold a 49% stake in TBANK.

■ *TBANK acquires SCIB shares*

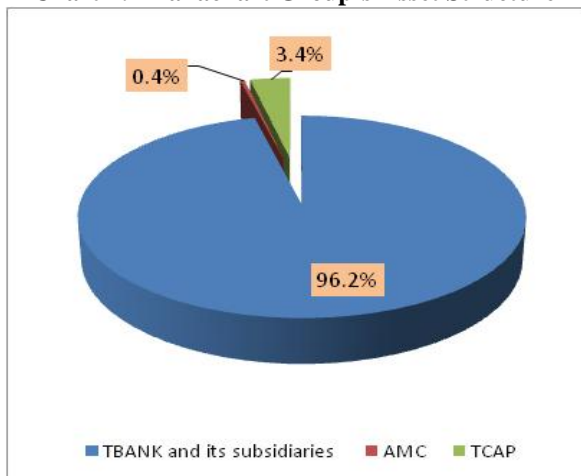
On 11 March 2010, TBANK entered a share purchase agreement with the FIDF to purchase 1,005,330,950 shares of SCIB at a price of Bt32.50 per share, paying the FIDF a total of Bt32,673 million on 9 April 2010. In addition, TBANK made a tender offer for all remaining shares of SCIB of Bt32.50 per share, worth Bt35,472 million in total, during 29 April 2010 to 9 June 2010. As of September 2010, TBANK

held a 99.24% stake in SCIB at a total cost of Bt68,317 million.

BUSINESS ANALYSIS

TCAP renders a variety of services through its core operating subsidiaries, TBANK (including TBANK's subsidiary, SCIB) and two distressed-asset management companies, NFS-AMC and MAX-AMC. TCAP's services offered through TBANK include banking, leasing, securities brokerage, fund management, life and non-life insurance, and other supporting businesses. Based on consolidated asset size as of September 2010, TCAP is ranked 5th among all 11 Thai universal banks. TCAP's consolidated assets were Bt845,118 million, with 9.3% market share in loans and 7.9% share in deposits.

Chart 1: Thanachart Group's Asset Structure



Source: TCAP's notes to financial statement

TBANK and its subsidiaries make up 96.2% of Thanachart Group's assets, followed by TCAP (3.4%) and NFS-AMC and MAX-AMC (0.4%). The group's market share had improved significantly, rising from 10th in 2004 to 5th at the end of September 2010. The rise in market share was a result of a two-fold growth strategy: an expansion of the banking network nationwide by opening new branches during 2005-2009, and the acquisition of SCIB in April 2010. At the end of September 2010, the group provided services through 679 branches, and 2,190 ATMs of TBANK and SCIB, 21 securities branches of TNS, and offices of other subsidiaries.

■ Strong alliance with a strategic partner

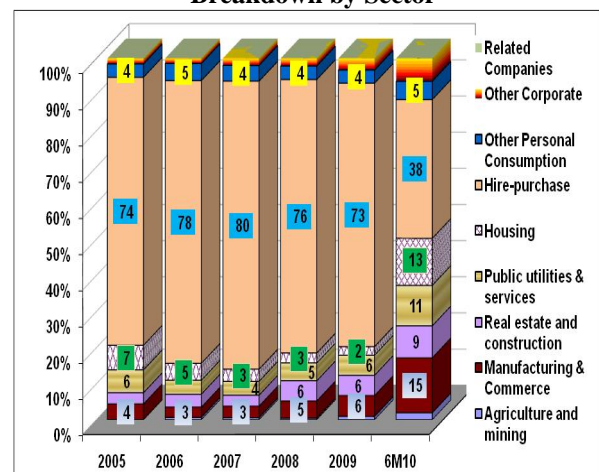
BNS, a leading Canadian bank, increased its shareholding in TBANK to 49% on 3 February 2009, reaffirming the vision of and confidence in TBANK. Since BNS became a strategic partner

in 2007, TBANK has been integrating the corporate cultures of BNS and Thanachart Group. BNS has designated four nominees to be directors and delegated some second-level managers in the key business units of Thanachart Group. The second-level managers play a key role in improving the working procedures, enhancing innovation, plus leveraging experience and knowledge. This strategic partnership is expected to enhance the financial stability, capability and sustainability of TBANK's business operation in the long term.

■ Diversifying into corporate loans

To reduce the emphasis on automobile hire purchase lending, TCAP has diversified and now makes more corporate loans. At the end of June 2010, TCAP's consolidated loan portfolio was Bt577,023 million, up by 99.4% from December 2009, as a result of the acquisition of SCIB's loan portfolio. Of the total, corporate loans accounted for 44% of the total loan portfolio, while the remainder (56%) was personal consumption loans. Corporate loans grew 310% from Bt61,360 million in 2009 to Bt251,353 million at the end of June 2010. Personal consumption loans as of June 2010 mainly comprised hire purchase and housing loans, accounting for 38% and 13% of total loans, respectively. On the corporate side, the manufacturing and commerce segment accounted for 15% of total loans, followed by the public utilities and services segment (11%) and the real estate and construction segment (9%).

Chart 2: TCAP Consolidated Loan Portfolio Breakdown by Sector



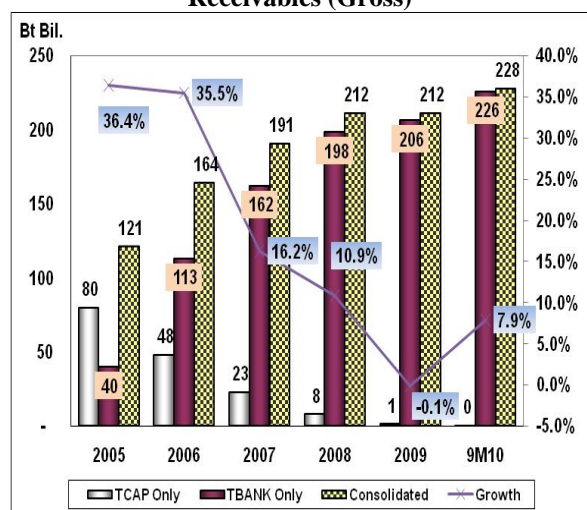
Sources: TCAP's notes to financial statement

■ Market leader in hire purchase lending

The decision to enter the hire purchase lending business in 1999 came at the early stage of an upturn in this industry. This demonstrates

the ability of TCAP's management to seek business opportunities at the right time in potential markets. The move has provided TCAP with a large retail customer base and favourable financial performance. The auto hire-purchase lending business was transferred from TCAP to TBANK in May 2005. TBANK is well-equipped to succeed in making new hire-purchase loans.

Chart 3: TCAP's Consolidated Hire Purchase Receivables (Gross)



Source: TCAP

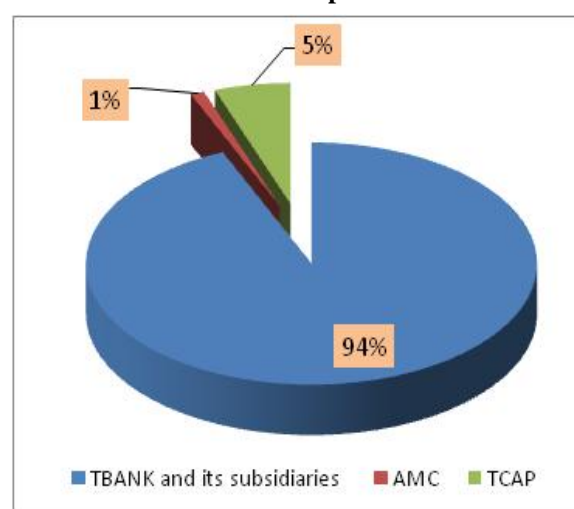
One benefit from building an extensive branch network is reflected in TBANK's ability to acquire new hire purchase loans. The monthly average of new hire purchase loans rose from Bt4,449 million per month in 2009 to Bt6,037 million per month for the first nine months of 2010, or market share of 27%. The consolidated value of hire-purchase loans outstanding (gross) increased by 7.9%, from Bt211,564 million in 2009 to Bt228,268 million at the end of September 2010.

■ **TBANK, the core contributor to TCAP**

TBANK and its subsidiaries are the core subsidiaries of TCAP in terms of asset size and revenue contribution. For the first nine months of 2010, the revenue contribution from TBANK and its subsidiaries (consolidated) accounted for 94% of Thanachart Group's consolidated revenue, up from 79% in 2007, 87% in 2008 and 86% in 2009. The contribution from TCAP was 5%, down from 12% in 2009. At the same time, the contributions from two distressed asset management companies, NFS-AMC and MAX-AMC, have also been diminishing, falling from 7% in 2006 to 1% for the first nine months of 2010.

TBANK's credit profile has strengthened. During 2006-2008, the bank succeeded in building the branch network, developing the IT systems required to run its core banking business, as well as establishing a standard risk management framework. In addition, the 49% stake in TBANK that BNS owned in February 2009 reflects solid medium- to long-term support. The bank has yet to utilize its physical network and achieve all the possible synergies among BNS, TCAP, TBANK and SCIB.

Chart 4: Thanachart Group's Revenue Structure



Source: TCAP's notes to financial statement

■ **Improved group-wide risk management framework**

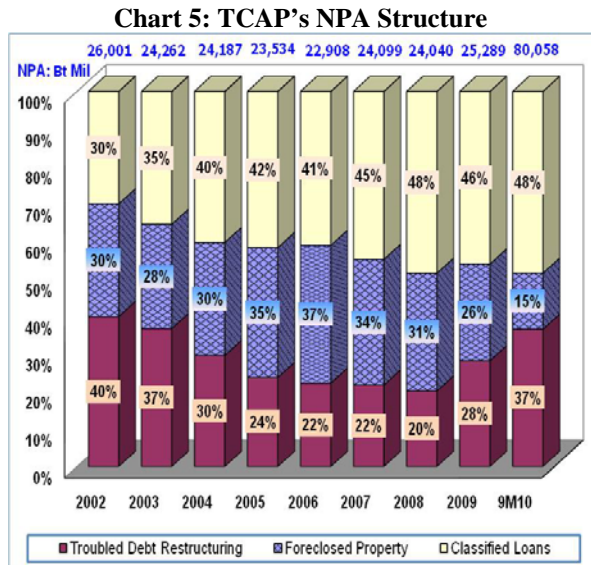
TCAP has continuously developed and implemented a risk management system that measures risk on a consolidated basis. The company established an international standard risk management framework to comply with BASEL II. With a large retail customer base, TCAP has developed its in-house information management capabilities to support the management of credit risk across all affiliated companies. A deposit-taking institution provides the group with greater access to stable and flexible sources of fund, both from public borrowings (deposits) and the money market. An improved risk management system, an experienced management team, and business diversification are crucial factors that will protect the company from downside risk in the medium term.

ASSET QUALITY

■ **Challenged to maintain good asset quality**

TCAP's asset quality improved during 2005-2009, as shown by the consolidated non-performing loans (NPL) to total loans ratio.

This ratio continuously declined, falling from 5.97% in 2005 to 4.06% in 2009. However, TCAP's NPL ratio rebounded to 6.82% at the end of September 2010, above the average of 5.63% for the 11 Thai universal banks.



Source: TRIS Rating

This rise resulted from TBANK's acquisition of SCIB's loan portfolio, which contained a large amount of NPLs. In addition, the NPLs in TCAP's consolidated hire purchase loan portfolio also increased, rising from 1.2% of total hire purchase loans in 2005 to 2.5% at the end of June 2010. Since 2003, TCAP has focused on used car hire purchase loans, which constituted about 26% of total hire purchase receivables as of June 2010. This segment exposes the company to higher credit risk along with higher yields. The higher credit risk exposure is a cause for concern. Asset quality may deteriorate in the future. In addition, TCAP will face a challenge to maintain good asset quality.

▪ *NPA ratio is sharply higher*

At the end of September 2010, TCAP's consolidated non-performing assets (NPA) (classified loans with more than three months past due, plus the outstanding balance of restructured debts, and foreclosed property) totalled Bt80,058 million, a sharp increase from Bt24,040 million in 2008 and Bt25,289 million in 2009. The rise resulted from the acquisition of large NPAs of SCIB. The largest portion of SCIB's NPAs was the classified loans with more than three months past due, which accounted for 48% of total NPAs. Restructured debts and property foreclosures comprised 37% and 15% of NPAs, respectively. The ratio of

NPAs to total assets was 9.47%, close to the average of 9.63% for the 11 Thai universal banks. TCAP's ratio rose from 6.1% in 2008 and 5.5% in 2009, indicating that TCAP's assets are now weaker. In addition, the ratio of NPAs to capital funds plus allowance for doubtful accounts was 0.74 times at the end of June 2010, up from 0.55 times in 2008 and 0.44 times in 2009. This ratio is also above the industry average of 0.66 times.

PROFITABILITY

▪ *Profits are stabilized by dividend income from TBANK*

As a financial holding company of the Thanachart Group, TCAP's financial performance has improved significantly in recent years. TCAP's consolidated interest spread continuously improved, rising from 3.03% in 2008 to 3.39% in 2009. The spread was 2.78% (non-annualized) for the first nine months of 2010, higher than 2.63% recorded in the same period last year. The spread rose because the company restructured its funding sources to use more lower-cost funds (deposits). The drop in funding costs was greater than the decrease in interest yields. At the end of September 2010, the ratio of net interest and dividend income to total income was 55%, up from 43.3% in 2008 and 47.7% in 2009, while the proportion of fees and commission income to total income was 7.45%, down from 8.15% in 2008. This indicates the company is more sensitive to changes in interest spread. On a stand-alone basis, TBANK's net profit, the core contribution to TCAP, is expected to grow continuously after the merger with SCIB. However, the net profit contribution from the distressed asset management business is expected to further decline as NFS-AMC may not acquire any new sizable distressed assets in time to offset the portion being resolved under the current operating environment. MAX-AMC will wind down in the near future and the core entity running the distressed asset management will be NFS-AMC.

▪ *High operating expenses*

After the reorganization of the Thanachart Group in 2007, the ratio of operating expenses (net of insurance expense) to total income continuously rose from 33.4% in 2007 to 36.6% in 2008, 37.6% in 2009, and 41.1% for the first nine months of 2010 as the business expanded. Operating expenses increased

because TBANK opened new branches during 2008-2009, installed a new core banking system, and integrated its management and control systems. Moreover, the operating expenses related to the entire transfer of businesses from SCIB to TBANK, such as staff training, IT systems, premises and equipments, are expected to increase.

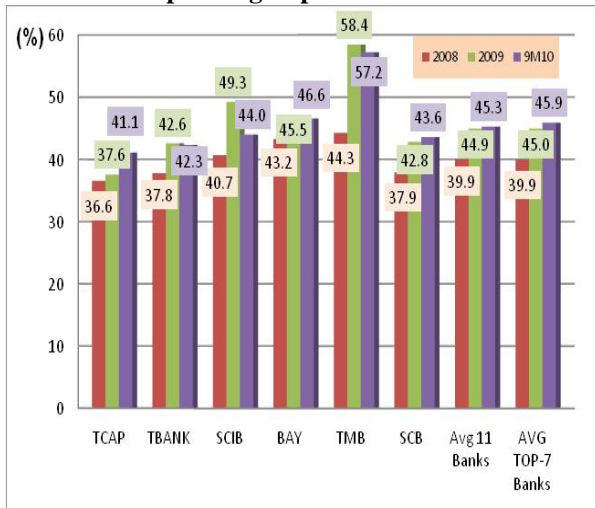
For 2009, TCAP's net income (excluding minority interest of the subsidiaries) was Bt5,109 million, including the gain on the sale of TBANK's shares to BNS worth Bt2,805 million. Net income in 2009 grew by 84% year-on-year. TCAP's ROAA rose from 0.77% in 2008 to 1.2% in 2009, but fell to 0.65% (non-annualized) for the first nine months of 2010. The drop was due to the doubling of the asset size after TBANK acquired SCIB.

The ROAE also rose from 8.57% in 2008 to 12.81% in 2009, but was 7.24% for the first nine months of 2010. This ratio fell because of the increase of minority interest following the increase in TBANK's shareholders' equity. TRIS Rating expects to see further improvement in the Thanachart Group's business and financial profile, due to its enhanced franchise value and long-term opportunities in commercial banking.

long-term borrowings. At the same time, TBANK turned into the group's sole deposit-taking institution. Cash flows from dividends received from TBANK will be sufficient to repay all borrowing obligations. As of September 2010, TCAP's stand-alone funding mainly comprised Bt13,500 million in long-term debentures.

On a consolidated basis, TCAP will continue to rely mostly on public borrowings. As of June 2010, the deposit structure was 62% time deposits and 37% savings and call deposits. Due to high liquidity, TCAP continued to be a net lender in the money market, lending Bt43,928 million in 2009 and Bt32,930 million at the end of September 2010. As of September 2010, TBANK's asset-liability structure was mismatched in terms of duration and interest rate structure. The maturity mismatch was alleviated by a rollover rate of more than 90% money on deposit at TBANK. As of 2009, TCAP's consolidated ratio of loans to adjusted public borrowings was 86.53%, down from 88.57% in 2008 and 98.4% in 2007. The drop indicates improvement in its liquidity position. This ratio, however, increased to 93.33% at the end of September 2010, close to the industry average of 93.72% for the 11 Thai universal banks. The rise reflects the merger between TBANK and SCIB.

Chart 6: Operating Expenses to Total Income



Source: TRIS Rating

FUNDING/LIQUIDITY

■ *One Presence policy changes TCAP's funding structure*

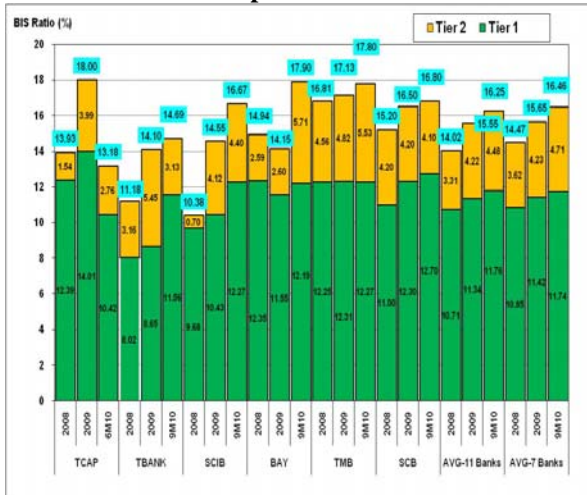
Under the One Presence policy, a group of financial services companies is permitted to have one deposit-taking institution. This policy changed TCAP's funding structure after 1 July 2005. As a result, TCAP's stand-alone funding structure changed from public borrowings as a major funding source to a greater reliance on

CAPITALIZATION

■ *Adequate capitalization*

On a consolidated basis, TCAP's equity to total assets ratio was 10.31% in 2009, up from 8.21% in 2008, while equity to total loans was 16.38% in 2009, up from 11.57% in 2008. The improvements were the result of a gain on the sale of TBANK's shares to BNS, better operating results, and an injection of new capital into TBANK in 2009. However, the equity to total assets ratio fell to 8.29% and the equity to total loans ratio was 11.96% at the end of September 2010, once TBANK acquired SCIB in April 2010.

As of June 2010, the company's consolidated capital adequacy ratio was 13.18%, down from 18% in 2009. The drop came as TCAP's risk assets doubled through the acquisition of SCIB by TBANK. Capitalization is expected to weaken during the next few years as the company continues to expand its loan portfolio. However, capitalization is adequate to absorb the risks arising from adverse changes in the business environment.

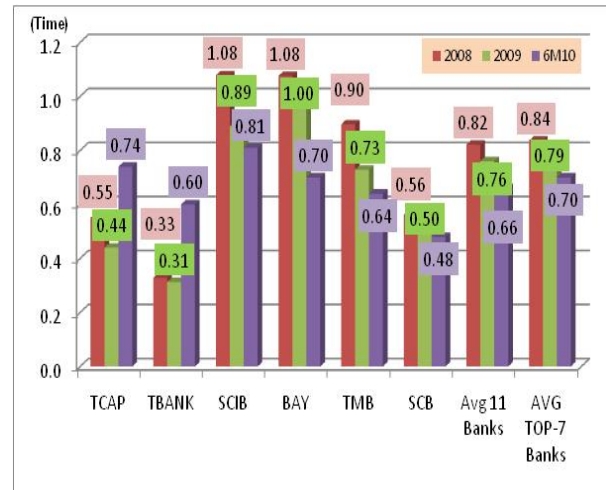
Chart 7: Capital Fund Structure


Source: TRIS Rating

■ **Weaker cushion of capital funds and allowances**

At the end of June 2010, TCAP's ratio of NPAs (NPLs, plus the outstanding balances of restructured debts, and net foreclosed property) to total capital funds plus allowance for doubtful accounts and revaluation allowances for debt restructuring was 0.74 times, up from 0.55 times in 2008 and 0.44 times in 2009. The ratio was also above the

average ratio of 0.66 times for the 11 Thai universal banks. The figure indicates TCAP's weaker cushion against NPAs of capital funds and allowances for doubtful accounts, which may limit the capability of the Thanachart Group to expand its business in the future.

Chart 8: Ratio of NPA to Capital Fund Plus Allowance for Doubtful Accounts


Source: TRIS Rating

Financial Statistics*
Unit: Bt million

	----- Jan-Sep** -----		----- Year Ended 31 December -----			
	2010	2009	2009	2008	2007	2006
Total assets	845,118	402,098	459,965	394,090	321,256	286,229
Investment in securities	140,108	48,846	97,112	39,385	28,874	34,766
Loans and receivables	585,352	282,882	289,424	279,774	239,490	209,565
Allowance for doubtful accounts	28,706	11,571	10,534	10,008	8,456	8,246
Deposits	497,364	250,403	265,871	269,730	188,166	198,527
Borrowings (Including interbank)	224,551	79,111	118,245	72,756	83,674	49,542
Shareholders' equity	70,037	44,292	47,407	32,361	32,262	23,431
Net interest and dividend income	18,431	11,165	15,220	11,907	9,092	6,909
Bad debts and doubtful accounts	1,265	2,821	2,849	3,593	2,052	924
Non-interest income	8,130	7,918	9,777	6,089	6,185	5,298
Operating expenses	13,769	8,674	11,984	10,060	8,352	8,698
Net income***	4,250	3,936	5,109	2,768	2,818	1,468
Net income ****	7,885	5,229	7,175	3,342	3,169	1,620

* Consolidated financial statements

** Financial performance for the first nine months

*** Net income (excluding minority interests of subsidiaries)

**** Net income (including minority interests of subsidiaries)

Key Financial Ratios*

Unit: %

	---- Jan-Sep ** ----		----- Year Ended 31 December -----			
	2010	2009	2009	2008	2007	2006
Profitability***						
Net interest and dividend income/average assets	2.82	2.80	3.56	3.33	2.99	2.69
Non-interest income/average assets	1.25	1.99	2.29	1.70	2.04	2.06
Fees and services income****/total income	15.52	15.09	15.70	16.43	15.19	13.16
Operating expenses/total income	41.09	35.37	37.58	36.58	33.43	39.09
Operating profit/average assets	1.77	1.91	2.38	1.21	1.60	1.01
Return on average assets	0.65	0.99	1.20	0.77	0.93	0.57
Return on average equity	7.24	10.27	12.81	8.57	10.12	6.27
Asset Quality						
Non-performing loans/total loans	6.82	4.49	4.06	4.24	4.61	5.11
Non-performing assets/total assets	9.47	4.87	5.50	6.10	7.50	8.00
Bad debts and doubtful accounts/average loans	0.29	1.00	1.00	1.38	0.91	0.50
Allowance for doubtful accounts/total loans	4.90	4.09	3.64	3.58	3.53	3.93
Capitalization						
Shareholders' equity/total assets	8.29	11.02	10.31	8.21	10.04	8.19
Shareholders' equity/total loans	11.96	15.66	16.38	11.57	13.47	11.18
BIS ratio	13.18*****	18.26	18.00	13.93	13.32	12.43
Liquidity						
Total loans/deposits*****	93.33	99.14	86.53	88.57	98.40	100.32
Deposits*****/total liabilities	80.92	79.75	81.07	87.33	84.22	79.49
Total loans/total assets	69.26	70.35	62.92	70.99	74.55	73.22
Liquid assets/total assets	27.28	28.56	36.02	27.71	23.38	24.66

* Consolidated financial statements

** Financial performance for the first nine months

*** Profitability ratios are calculated from net income (excluding minority interests of subsidiaries)

**** Including brokerage fees and net insurance premium/life insurance premium income

***** Including deposits and short-term bills of exchanges

***** BIS Ratio as of June 2010

Rating Symbols and Definitions

TRIS Rating uses eight letter rating symbols for announcing medium- and long-term credit ratings. The ratings range from AAA, the highest rating, to D, the lowest rating. The medium- and long-term debt instrument covers the period of time from one year up. The definitions are:

AAA	The highest rating, indicating a company or a debt instrument with smallest degree of credit risk. The company has extremely strong capacity to pay interest and repay principal on time, and is unlikely to be affected by adverse changes in business, economic or other external conditions.
AA	The rating indicates a company or a debt instrument with a very low degree of credit risk. The company has very strong capacity to pay interest and repay principal on time, but is somewhat more susceptible to the adverse changes in business, economic, or other external conditions than AAA rating.
A	The rating indicates a company or a debt instrument with a low credit risk. The company has strong capacity to pay interest and repay principal on time, but is more susceptible to adverse changes in business, economic or other external conditions than debt in higher-rated categories.
BBB	The rating indicates a company or a debt instrument with moderate credit risk. The company has adequate capacity to pay interest and repay principal on time, but is more vulnerable to adverse changes in business, economic or other external conditions and is more likely to have a weakened capacity to pay interest and repay principal than debt in higher-rated categories.
BB	The rating indicates a company or a debt instrument with a high credit risk. The company has less than moderate capacity to pay interest and repay principal on time, and can be significantly affected by adverse changes in business, economic or other external conditions, leading to inadequate capacity to pay interest and repay principal.
B	The rating indicates a company or a debt instrument with a very high credit risk. The company has low capacity to pay interest and repay principal on time. Adverse changes in business, economic or other external conditions could lead to inability or unwillingness to pay interest and repay principal.
C	The rating indicates a company or a debt instrument with the highest risk of default. The company has a significant inability to pay interest and repay principal on time, and is dependent upon favourable business, economic or other external conditions to meet its obligations.
D	The rating for a company or a debt instrument for which payment is in default.

The ratings from AA to C may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within a rating category. TRIS Rating's short-term ratings focus entirely on the likelihood of default and do not focus on recovery in the event of default. Each of TRIS Rating's short-term debt instrument covers the period of not more than one year. The symbols and definitions for short-term ratings are as follows:

T1	Issuer has strong market position, wide margin of financial protection, appropriate liquidity and other measures of superior investor protection. Issuer designated with a "+" has a higher degree of these protections.
T2	Issuer has secure market position, sound financial fundamentals and satisfactory ability to repay short-term obligations.
T3	Issuer has acceptable capacity for meeting its short-term obligations.
T4	Issuer has weak capacity for meeting its short-term obligations.
D	The rating for an issuer for which payment is in default.

All ratings assigned by TRIS Rating are local currency ratings; they reflect the Thai issuers' ability to service their debt obligations, excluding the risk of convertibility of the Thai baht payments into foreign currencies.

TRIS Rating also assigns a "**Rating Outlook**" that reflects the potential direction of a credit rating over the medium to long term. In formulating the outlook, TRIS Rating will consider the prospects for the rated company's industry, as well as business conditions that might have an impact on the fundamental creditworthiness of the company. The rating outlook will be announced in conjunction with the credit rating. In most cases, the outlook of each debt obligation is equal to the outlook assigned to the issuer or the obligor. The categories for "**Rating Outlook**" are as follows:

<i>Positive</i>	The rating may be raised.
<i>Stable</i>	The rating is not likely to change.
<i>Negative</i>	The rating may be lowered.
<i>Developing</i>	The rating may be raised, lowered or remain unchanged.

TRIS Rating may announce a "**CreditAlert**" as a part of its monitoring process of a publicly announced credit rating when there is a significant event that TRIS Rating considers to potentially exerting a substantial impact on business or financial profiles of the rated entity. Due to an insufficient data or incomplete developments of the event, such as merger, new investment, capital restructuring, and etc., current credit rating remains unchanged. The announcement aims to forewarn investors to take a more cautious stance in investment decision against debt instruments of the rated entity. CreditAlert report consists of a "Rational" indicating warning reasons, a "CreditAlert Designation", and a current credit rating. Rating Outlook is withheld in the announcement.

CreditAlert Designation illustrates a short-term rating outlook indicative of the characteristics of impacts on the credit rating in one of the three directions (1) *Positive* (2) *Negative* and (3) *Developing*.

For subscription information, contact

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