

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 September 2011

Review Report of Independent Auditor

To the Shareholders of Thanachart Capital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thanachart Capital Public Company Limited and its subsidiaries as at 30 September 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011, the related consolidated statements of changes in equity and cash flows for the nine-month period 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 review.

I conducted my review in accordance with 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 provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, 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.

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 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 21 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on, and after restating the consolidated financial statements regarding the allocation cost of business combination from the purchase of investment in a subsidiary company within the period for measurement allowed by the related accounting standard (as described in Note 1.2.3 to the financial statements). I have audited the adjustment and believed that it is correctly and appropriately recorded.

The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2010, the related consolidated statements of changes in equity and cash flows for the nine-month period then ended of Thanachart Capital Public Company Limited and its subsidiaries, and the separate financial statements of Thanachart Capital Public Company Limited for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 11 November 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As described in Note 2.4 to the financial statements, during the current period, the Company and its subsidiaries adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in their preparation and presentation of the interim financial statements.

Phuphun Charoensuk
Certified Public Accountant (Thailand) No. 4950

Ernst & Young Office Limited
Bangkok: 10 November 2011

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2011 and 31 December 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
Note	2011	2010	2011	2010
	(Unaudited but reviewed)	(Restated and audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	15,194,945	15,298,105	10	-
Interbank and money market items - net	59,960,172	85,105,455	97,406	88,998
Derivative assets	4 1,169,937	1,539,984	-	-
Investments - net	5 149,935,869	144,992,984	7,940,537	7,343,941
Investments in subsidiaries and associates - net	6 2,183,026	2,238,701	31,598,219	31,622,673
Loans to customers and accrued interest receivables	7			
Loans to customers				
Accrued interest receivables				
Total loans to customers and accrued interest receivables				
Less: Deferred revenue				
Less: Allowance for doubtful accounts	8			
Less: Revaluation allowance for debt restructuring	9			
Net loans to customers and accrued interest receivables				
Customers' liability under acceptance				
Properties foreclosed - net	11			
Land, premises and equipment - net				
Goodwill	12			
Intangible assets - net				
Leasehold right - net				
Receivables from purchase and sale securities and derivatives				
Accrued interest receivables				
Other assets - net	13			
Total assets				

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2011 and 31 December 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
Note	2011	2010	2011	2010
	(Unaudited but reviewed)	(Restated and audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Deposits	458,603,146	532,382,410	-	-
Interbank and money market items	57,982,074	40,545,086	1,381	492
Liability payable on demand	2,831,317	3,126,945	-	-
Derivatives liabilities	4 1,333,364	596,661	-	-
Debts issued and borrowings	14 241,242,180	184,717,457	13,500,000	13,500,000
Bank's liability under acceptances	71,550	72,156	-	-
Provisions	15 3,300,698	821,833	28,283	11,143
Accrued interest payable	3,311,609	1,873,369	109,303	89,454
Payables from purchase and sale securities and derivatives	2,508,969	4,053,940	499,333	603,600
Life premium reserve	28,523,242	26,348,270	-	-
Accrued dividend payable	638,915	32,640	638,915	-
Other liabilities	16 14,854,054	15,625,774	141,530	152,606
Total liabilities	815,201,118	810,196,541	14,918,745	14,357,295

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2011 and 31 December 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
Note	2011	2010	2011	2010
	(Unaudited but reviewed)	(Restated and audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital	17			
Registered, issued and paid-up				
13,336 preferred shares of Baht 10 each (31 December 2010: 15,856 preferred shares of Baht 10 each)	133	159	133	159
1,333,140,667 common shares of Baht 10 each (31 December 2010: 1,333,138,147 common shares of Baht 10 each)	13,331,407	13,331,381	13,331,407	13,331,381
	13,331,540	13,331,540	13,331,540	13,331,540
Premium on common share	2,065,645	2,065,645	2,065,645	2,065,645
Premium of a subsidiary company's share	775,814	775,814	-	-
Amount by which the value of investment in subsidiary lower than attributable net book value	226,460	226,460	-	-
Other components of equity	18	223,720	276,921	289,997
Retained earnings				
Appropriated - statutory reserve	1,120,420	1,120,420	1,120,420	1,120,420
- treasury share reserve	387,501	387,501	387,501	387,501
Unappropriated	19,238,647	17,878,079	11,378,041	11,296,844
Less: Treasury share - common share	17	(387,501)	(387,501)	(387,501)
Equity attributable to owner				
of the Company	36,982,246	36,092,174	28,172,567	28,104,446
Non-controlling interests	35,926,633	35,627,386	-	-
Total shareholders' equity	72,908,879	71,719,560	28,172,567	28,104,446
Total liabilities and shareholders' equity	888,109,997	881,916,101	43,091,312	42,461,741

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

Directors

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month periods ended 30 September 2011 and 2010**

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

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2011	2010	2011	2010
Profit or loss:					
Interest income	20	11,707,262	9,717,677	116,727	86,365
Interest expenses	21	(5,571,304)	(3,227,581)	(156,860)	(156,858)
Net interest income		6,135,958	6,490,096	(40,133)	(70,493)
Fees and service income		981,806	987,404	2,081	8,032
Fees and service expenses		(149,385)	(150,473)	(91)	(230)
Net fees and service income	22	832,421	836,931	1,990	7,802
Gains on tradings and foreign exchange transactions (loss)	23	267,171	207,063	(2,003)	989
Gain on investments	24	284,648	46,907	37,277	3,324
Share of profit from investments in associated companies accounted for under equity method		76,373	69,201	-	-
Gain (loss) on properties foreclosed and other assets		(69,190)	56,752	36,094	28,913
Insurance premium/Life insurance premium income		3,414,135	3,078,275	-	-
Dividend income		295,762	330,978	231,185	117,645
Other operating income		809,192	793,992	55,247	78,901
Total operating income		12,046,470	11,910,195	319,657	167,081
Insurance/Life insurance expenses		(2,877,957)	(2,406,583)	-	-
Net operating income		9,168,513	9,503,612	319,657	167,081
Other operating expenses					
Personnel expenses		2,865,300	2,461,154	26,433	24,861
Directors' remuneration		8,127	9,712	2,330	2,305
Premises and equipment expenses		1,013,565	884,940	21,618	22,133
Taxes and duties		236,674	188,125	431	577
Other expenses		1,806,247	1,428,788	30,368	34,222
Total other operating expenses		5,929,913	4,972,719	81,180	84,098
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)					
	25	129,040	363,323	(9,183)	(20,400)
Profit before corporate income tax		3,109,560	4,167,570	247,660	103,383
Income tax	26	(827,323)	(1,289,153)	-	2,915
Profit for the period		2,282,237	2,878,417	247,660	106,298

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the three-month periods ended 30 September 2011 and 2010

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

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2011	2010	2011	2010
Other comprehensive incomes:	27				
Gains (losses) on remeasuring available-for-sale investments		(616,846)	469,934	(59,854)	35,253
Share of other comprehensive income of associates		1,670	85,631	-	-
Total other comprehensive income (loss)		<u>(615,176)</u>	<u>555,565</u>	<u>(59,854)</u>	<u>35,253</u>
Total comprehensive income		<u>1,667,061</u>	<u>3,433,982</u>	<u>187,806</u>	<u>141,551</u>
Profit attributable to					
The Company		1,337,150	1,537,990	247,660	106,298
Non-controlling interests		945,087	1,340,427	-	-
		<u>2,282,237</u>	<u>2,878,417</u>	<u>247,660</u>	<u>106,298</u>
Total comprehensive income attributable to					
The Company		995,998	1,859,887	187,806	141,551
Non-controlling interests		671,063	1,574,095	-	-
		<u>1,667,061</u>	<u>3,433,982</u>	<u>187,806</u>	<u>141,551</u>
Earnings per share of the Company	28				
Basic earnings per share					
Profit attributable to the Company (Baht per share)		<u>1.05</u>	<u>1.20</u>	<u>0.19</u>	<u>0.08</u>
Diluted earnings per share					
Profit attributable to the Company (Baht per share)		<u>1.05</u>	<u>1.20</u>	<u>0.19</u>	<u>0.08</u>

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Statements of comprehensive income****For the nine-month periods ended 30 September 2011 and 2010**

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

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2011	2010	2011	2010
Profit or loss:					
Interest income	20	32,637,271	25,059,900	316,144	329,913
Interest expenses	21	(13,909,159)	(8,332,262)	(465,434)	(547,279)
Net interest income		18,728,112	16,727,638	(149,290)	(217,366)
Fees and service income		2,979,228	2,382,120	9,598	45,512
Fees and service expenses		(419,643)	(381,124)	(595)	(1,440)
Net fees and service income	22	2,559,585	2,000,996	9,003	44,072
Gains on tradings and foreign exchange transactions (loss)	23	717,169	425,459	(1,870)	1,499
Gain on investments	24	523,270	415,136	63,923	2,330,049
Share of profit from investments in associated companies accounted for under equity method	6.2	231,868	317,871	-	-
Gain (loss) on properties foreclosed and other assets		(4,055)	462,026	64,320	325,907
Insurance premium/Life insurance premium income		9,668,686	7,952,908	-	-
Dividend income		746,673	471,825	1,538,141	975,865
Other operating income		2,086,601	2,066,032	180,958	323,626
Total operating income		35,257,909	30,839,891	1,705,185	3,783,652
Insurance/Life insurance expenses		(7,772,848)	(6,195,763)	-	-
Net operating income		27,485,061	24,644,128	1,705,185	3,783,652
Other operating expenses					
Personnel expenses		8,260,230	6,029,876	79,155	74,933
Directors' remuneration		61,033	56,703	22,254	18,659
Premises and equipment expenses		2,693,611	2,191,194	61,275	84,096
Taxes and duties		651,697	434,365	2,127	4,359
Other expenses		4,536,946	3,291,410	85,501	126,340
Total other operating expenses		16,203,517	12,003,548	250,312	308,387
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)					
	25	1,718,358	1,113,760	(173,998)	(61,572)
Profit before corporate income tax		9,563,186	11,526,820	1,628,871	3,536,837
Income tax	26	(2,312,781)	(3,642,158)	(1,319)	(756,357)
Profit for the period		7,250,405	7,884,662	1,627,552	2,780,480

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the nine-month periods ended 30 September 2011 and 2010

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
Other comprehensive incomes:	27				
Losses on remeasuring available-for-sale investments		(958,857)	(1,019,122)	(13,076)	(1,877,461)
Share of other comprehensive income of associates		13,576	68,585	-	-
Total other comprehensive income (loss)		<u>(945,281)</u>	<u>(950,537)</u>	<u>(13,076)</u>	<u>(1,877,461)</u>
Total comprehensive income		<u>6,305,124</u>	<u>6,934,125</u>	<u>1,614,476</u>	<u>903,019</u>
Profit attributable to					
The Company		4,064,240	4,249,902	1,627,552	2,780,480
Non-controlling interests		3,186,165	3,634,760	-	-
		<u>7,250,405</u>	<u>7,884,662</u>	<u>1,627,552</u>	<u>2,780,480</u>
Total comprehensive income attributable to					
The Company		3,593,744	2,848,005	1,614,476	903,019
Non-controlling interests		2,711,380	4,086,120	-	-
		<u>6,305,124</u>	<u>6,934,125</u>	<u>1,614,476</u>	<u>903,019</u>
Earnings per share of the Company	28				
Basic earnings per share					
Profit attributable to the Company (Baht per share)		<u>3.18</u>	<u>3.33</u>	<u>1.27</u>	<u>2.18</u>
Diluted earnings per share					
Profit attributable to the Company (Baht per share)		<u>3.18</u>	<u>3.33</u>	<u>1.27</u>	<u>2.18</u>

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Cash flows statements****For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before corporate income tax	9,563,186	11,526,820	1,628,871	3,536,837
Adjustments to reconcile net profit before corporate income tax to net cash provided by (paid from) operating activities				
Share of profit from investments accounted for under equity method	(231,868)	(317,871)	-	-
Depreciation and amortisation	1,344,574	942,110	40,406	59,730
Impairment loss of loans and debt securities (reversal)	1,718,358	1,113,760	(173,998)	(61,572)
Increase (decrease) in provision for impairment of properties foreclosed	84,288	(848)	(46,427)	(57,992)
Increase (decrease) in provision for impairment of equipment/other assets	(149,095)	159,670	(330)	(2,089)
Increase (decrease) in provision for impairment/ revaluation of investments	45,094	(100,855)	1,831	(1,399)
Amortisation of deferred gain on disposal of properties foreclosed	(30,544)	(6,787)	-	-
Unrealised loss on foreign exchange and financial derivatives	144,479	793,882	-	-
Increase in unearned premium reserve/ life insurance premium reserve	2,920,955	3,388,749	-	-
Gain on sales of/capital return from investments in subsidiary and associated companies	(337,697)	(27,351)	(6,516)	(2,135,730)
Gain on transfers of assets for debt repayment	(6,407)	(2,303)	-	-
Loss (gain) on disposal of equipment	(5,852)	27,417	(31,306)	(115,490)
Decrease (increase) in accrued other income receivable	113,455	(59,039)	(15,670)	5,635
	15,172,926	17,437,354	1,396,861	1,227,930
Net interest income	(18,728,112)	(16,727,638)	149,290	217,366
Dividend income	(746,673)	(471,825)	(1,538,141)	(975,865)
Cash received from interest on operating activities	29,797,866	22,417,681	58,728	62,649
Cash paid for interest on operating activities	(8,328,057)	(5,875,485)	(15)	(13)
Cash paid for corporate income tax	(3,922,669)	(5,243,782)	(10,563)	(759,819)
Income from operating activities before changes in operating assets and liabilities	13,245,281	11,536,305	56,160	(227,752)

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Cash flows statements (continued)****For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Interbank and money market items	25,548,806	48,729,708	(7,871)	(17,068)
Derivative assets	370,047	(362,667)	-	-
Investments in trading securities	(579,791)	1,356,777	(144,473)	(80,166)
Loans to customers	(32,247,166)	(21,700,005)	120,970	2,433,338
Properties foreclosed	3,692,580	4,818,261	143,920	199,079
Receivables from purchase and sale securities and derivatives	(227,396)	(4,507,645)	-	-
Other assets	(674,272)	2,754,422	(15,321)	(18,177)
Operating liabilities increase (decrease)				
Deposits	(73,779,264)	(76,810,267)	-	-
Interbank and money market items	17,243,686	(16,404,806)	889	643
Liability payable on demand	(295,627)	506,160	-	-
Derivatives liabilities	736,703	272,720	-	-
Payable from purchase and sales securities and derivatives	(1,544,971)	4,340,867	(104,267)	499,691
Other liabilities	(231,341)	1,503,992	(5,108)	(50,805)
Net cash provided from (used in)				
operating activities	(48,742,725)	(43,966,178)	44,899	2,738,783
Cash flows from investing activities				
Decrease (increase) in investments in securities	(4,786,664)	33,192,020	(429,088)	15,149,210
Cash received from disposal of investments in subsidiary and associated companies	480,055	212,766	-	3,402,205
Capital returned from subsidiary companies	-	-	-	404,486
Cash paid for purchase of investments in subsidiary	-	(55,396,316)	-	(18,245,491)
Cash received from interest	4,395,944	4,467,938	150,654	129,221
Cash received from dividend	830,484	593,321	1,477,123	916,973
Cash paid for purchase of land and equipment/ intangible assets	(1,115,491)	(626,383)	(2,126)	(3,876)
Cash received from disposal of equipment/ intangible assets	167,143	271,797	96,912	297,500
Net cash provided from (used in)				
investing activities	(28,529)	(17,284,857)	1,293,475	2,050,228

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
Cash flows from financing activities				
Cash received from debts issued and borrowings	948,889,177	366,791,920	-	5,989,260
Cash paid for debts issued and borrowings	(892,364,454)	(310,442,823)	-	(9,500,000)
Cash paid for interest expenses on debt issued and borrowings	(5,797,851)	(3,582,157)	(444,064)	(542,441)
Cash received from non-controlling interest for shares capital issuance of a subsidiary company	-	17,542,017	-	-
Cash paid to non-controlling interest for decrease shares capital of a subsidiary company	(41)	-	-	-
Cash paid for dividend	(894,300)	(735,830)	(894,300)	(735,830)
Cash paid for dividend to non-controlling interests	(1,164,437)	(603,001)	-	-
Net cash provided from (used in) financing activities	48,668,094	68,970,126	(1,338,364)	(4,789,011)
Net increase (decrease) in cash	(103,160)	7,719,091	10	-
Cash at beginning of the period	15,298,105	3,720,273	-	40
Cash at ending of the period	15,194,945	11,439,364	10	40

Supplemental cash flows information

Non-cash transactions

Properties foreclosed transferred from loans,

other receivable and investments in receivables purchased

2,599,786 3,093,292 1,852 8,339

Properties foreclosed from capital returned

from subsidiary company

- - 30,970 -

Accounts payable for purchase of assets

208,659 46,050 308 59

Bad debt written off

920,689 663,263 1,930 2,509

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to the Company's shareholders															
	Issued and paid-up share capital		Premium on common share	Premium of a subsidiary company's share	Amount by which the value of investment		Other components of equity		Retained earnings				Non-controlling interests	Total	
	Preferred shares	Common shares			in subsidiary lower than attributable net book value	Revaluation surplus on investments	Share of other comprehensive income (loss) of associates	Appropriated		Unappropriated	Treasury share	Treasury share			interests
								Statutory reserve	Treasury share reserve						
Balance as at 1 January 2010	159	13,331,381	2,065,645	775,814	226,460	2,006,578	152,273	979,539	387,501	13,784,815	(387,501)	14,083,952	47,406,616		
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	-	(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 non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	17,123,795	17,123,795		
Total comprehensive income for the period	-	-	-	-	-	(1,453,041)	51,144	-	-	4,249,902	-	4,086,120	6,934,125		
Balance as at 30 September 2010	159	13,331,381	2,065,645	775,814	226,460	553,537	203,417	979,539	387,501	16,629,192	(387,501)	35,293,867	70,059,011		
Balance as at 1 January 2011 - as previously reported	159	13,331,381	2,065,645	775,814	226,460	713,487	(19,271)	1,120,420	387,501	17,878,079	(387,501)	35,625,805	71,717,979		
Adjustment allocate cost of business combination (Note 1.2.3)	-	-	-	-	-	-	-	-	-	-	-	1,581	1,581		
Balance as at 1 January 2011 - as restated	159	13,331,381	2,065,645	775,814	226,460	713,487	(19,271)	1,120,420	387,501	17,878,079	(387,501)	35,627,386	71,719,560		
Cumulative effect of change in accounting policy for employee benefits (Note 2.4)	-	-	-	-	-	-	-	-	-	(1,170,458)	-	(1,117,685)	(2,288,143)		
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	-	(1,533,396)	-	-	(1,533,396)		
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	182	-	-	182		
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,294,448)	(1,294,448)		
Conversion of preference shares to ordinary shares (Note 17)	(26)	26	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	-	-	(481,327)	10,831	-	-	4,064,240	-	2,711,380	6,305,124		
Balance as at 30 September 2011	133	13,331,407	2,065,645	775,814	226,460	232,160	(8,440)	1,120,420	387,501	19,238,647	(387,501)	35,926,633	72,908,879		

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and paid-up share capital			Other components	Retained earnings			Treasury share	Total
	Preferred	Common	Premium on	of equity	Appropriated				
	shares	shares	common share	Revaluation	Statutory	Treasury share	Unappropriated		
			surplus	reserve	reserve				
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
Dividend paid (Note 17)	-	-	-	-	-	-	(1,405,613)	-	(1,405,613)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	88	-	88
Total comprehensive income for the period	-	-	-	(1,877,461)	-	-	2,780,480	-	903,019
Balance as at 30 September 2010	<u>159</u>	<u>13,331,381</u>	<u>2,065,645</u>	<u>243,358</u>	<u>979,539</u>	<u>387,501</u>	<u>11,399,763</u>	<u>(387,501)</u>	<u>28,019,845</u>
Balance as at 1 January 2011	159	13,331,381	2,065,645	289,997	1,120,420	387,501	11,296,844	(387,501)	28,104,446
Cumulative effect of change in accounting policy for employee benefits (Note 2.4)	-	-	-	-	-	-	(13,141)	-	(13,141)
Dividend paid (Note 17)	-	-	-	-	-	-	(1,533,396)	-	(1,533,396)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	182	-	182
Conversion of preference shares to ordinary shares (Note 17)	(26)	26	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(13,076)	-	-	1,627,552	-	1,614,476
Balance as at 30 September 2011	<u>133</u>	<u>13,331,407</u>	<u>2,065,645</u>	<u>276,921</u>	<u>1,120,420</u>	<u>387,501</u>	<u>11,378,041</u>	<u>(387,501)</u>	<u>28,172,567</u>

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 2011 and 2010

1. General information

1.1 The Company and its subsidiaries information

Thanachart Capital Public Company Limited (“the Company”) is a public company incorporated and operated its business in Thailand. The Company is mainly engaged in investment holding and is the parent company of the Thanachart Group. The registered office of the Company is at 444 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 Plc.’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 11 March 2010, Thanachart Bank Plc. (“Thanachart Bank”) entered into a share purchase agreement with the Financial Institutions Development Fund (“FIDF”) to purchase 1,005,330,950 shares of Siam City Bank Plc. (“SCIB”) shares, or 47.58 percent of the total issued and paid-up share capital, at a price of Baht 32.50 per share, or for total of Baht 32,673 million. On 9 April 2010, Thanachart Bank paid FIDF for SCIB’s shares. Combined with 104,964,000 SCIB’s shares held by the Company, as at 9 April 2010, the Company and Thanachart Bank’s shareholding in SCIB is totaling 52.55 percent. The purchase of SCIB’s shares was approved by the 2010 Annual General Meeting of the Company and Thanachart Bank’s shareholders, and 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 commercial bank but has to return its license within 31 December 2011, the requirements on capital fund calculation, the structure of the financial business group, and holdings in companies in the financial business group.

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 entire business transfer from SCIB to 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.

1.2.2 Additional tender offer for common shares of SCIB in 2010

During June 2010, Thanachart Bank made an additional tender offer to the minority shareholders of SCIB, at the same price as it paid to purchase shares of SCIB at auction from FIDF. Other shareholders sold totaling 1,091,439,949 shares of common stock, amounting to Baht 35,472 million, or 51.66 percent of the issued and paid-up shares of SCIB. Combined with Thanachart Bank’s existing holding, Thanachart Bank’s shareholding in SCIB totaled 99.24 percent. Such additional purchase of SCIB’s shares included 104,964,000 shares purchased from the Company, the Company therefore recognised a gain on sale of Baht 2,136 million and related income tax expenses of Baht 629 million in the separate financial statement for the year 2010. The gain on sale of Baht 2,113 million in the consolidated financial statement has been deferred and presented netting of goodwill from business combination, and the related income tax has been presented as “suspense account - deferred tax from business combination”.

In November 2010, Thanachart Bank acquired 14,907,658 additional shares of SCIB for a total of Baht 484 million, increasing its shareholding to 99.95 percent of the issued and paid-up shares of SCIB. Moreover, the Stock Exchange of Thailand announced the voluntary delisting of SCIB’s shares on 13 December 2010.

1.2.3 Allocating the cost of a business combination

Thanachart Bank acquired 47.58 percent of SCIB's shares in April 2010 and combined with the Company's existing holding at 4.97 percent, the Thanachart Group held 52.55 percent interest in SCIB's shares. In addition, at the same day, Thanachart Bank's management were assigned to be the SCIB's directors at the portion that Thanachart has control over voting right of SCIB through shareholding and management, therefore, the Company and Thanachart Bank have considered the investment in SCIB's shares as investment in a subsidiary company since then. As a result of purchase of additional ordinary shares to increase its shareholding in SCIB to be 99.24 percent in June 2010 and 99.95 percent in November 2010, the Company and Thanachart Bank have total cost of Baht 68,801 million in the consolidated financial statements (including expenses in business combination and after deducting intercompany transactions). On 9 April 2010, the management of Thanachart Bank preliminary estimated the fair value of each asset and liability of SCIB for the purpose of allocating the cost of business combination and recognised the differences between the cost of business combination and the fair value of assets, liabilities, contingent liabilities and intangible assets in proportion to its shareholding as goodwill from business combination in the consolidated financial statements.

However, after the purchase, the management of Thanachart Bank adjusted the estimated fair value of the assets and liabilities due to additional information that was received. This is in line with the related financial reporting standard that allows the purchaser to adjust the fair value for up to one year from the purchase date. The revised fair value of the assets and liabilities are 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 48,635 million, which was Baht 4,264 million higher than book value.
2. Intangible assets are assets that will generate future economic benefits. Thanachart Bank estimated the fair value of the intangible assets of SCIB at Baht 4,100 million, comprised of (a) Core Deposit Intangibles which are evaluated using the incremental cash-flows from low cost deposit, and considering the cost saving for current and savings deposits; (b) Customer Relationships, which are valued on the base of future revenues that will be earned from SCIB's existing customers.

3. For liabilities specify at acquisition date and contingent liabilities, Thanachart Bank estimated these and concluded that no additional contingent liabilities need to be recognised.

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 15,740 million, are recognised as goodwill from business combination in the consolidated financial statements. The Company has retrospectively adjusted the comparative financial information in the previous period's financial statements as if the accounting records for business combination had completed since the acquisition date.

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

	Book value	Fair value	
		Before adjustment	After new measurement
Intangible assets	293	4,393	4,393
Other assets	435,702	437,016	439,966
Total liabilities	391,495	391,495	391,495
Non-controlling interests	129	129	129
Net asset value	44,371	49,785	52,735
Cost of business combination		68,801	68,801
Goodwill from business combination		18,688	15,740

In allocating the cost of a business combination, the Company and Thanachart Bank did not recognise deferred tax liabilities of Baht 2,466 million, arising from adjustment of assets to fair value, and did not recognise the SCIB and its subsidiaries' employees benefits payable under the labour law amounting to Baht 1,804 million, since the two relevant accounting standards are not yet effective at the date of business combination.

Since the fair value adjustment of assets and liabilities mentioned above and the recalculation of goodwill, the Company has retrospectively adjusted the comparative financial information in the previous period's financial statements as if the accounting records for business combination had completed since the acquisition date, resulted in the following revisions to the consolidated comparative financial statements as of 31 December 2010:

(Unit: Million Baht)

	31 December 2010	
	Before adjustment	After adjustment
Investments - net	142,929	144,993
Properties foreclosed	11,970	12,856
Intangible assets	4,805	4,805
Goodwill	16,620	13,671
Non-controlling interests	35,626	35,627

1.2.4 Key operational plans after the tender offer of SCIB's common shares in 2011

On 10 March 2011, BOT approved Thanachart Bank's proposed plans for the entire business transfer of SCIB's business to Thanachart Bank. The significant conditions of such approval are that SCIB must complete the entire business transfer and return the banking licenses and banking authorisations to the Ministry of Finance within 31 December 2011, and promptly proceed with the liquidation process, and that obligations between Thanachart Bank and FIDF are to comply with the Share Purchase Agreement dated 11 March 2010.

On 7 April 2011, the 2011 Annual General Meeting of the Shareholders of Thanachart Bank and SCIB passed resolutions approving the transfer of SCIB's entire business to Thanachart Bank, as approved by BOT. The Meetings also delegated the related authorities to SCIB's Board of Directors and Thanachart Bank's Board of Directors for further arrangement. On 30 June 2011, a meeting of Thanachart Bank's Board of Directors passed a resolution to perform the entire business transfer from SCIB to Thanachart Bank on 1 October 2011 (entire business transfer date).

On 30 September 2011, Thanachart Bank entered into the Entire Business Transfer Agreement of SCIB's business, legally effective on 1 October 2011, which consist of the transfer of assets, liabilities and contingent liabilities of SCIB as of 1 October 2011 and/or contingent liabilities that may arise in the future to Thanachart Bank. Thanachart Bank and SCIB agreed a transfer price of Baht 50,134 million. The transfer price was mutually agreed among companies in Thanachart's group with reference to the opinion of an independent financial advisor as to fair value. Significant details of the transfer price of assets and liabilities are as follow:

	(Unit: Million Baht)
Interbank and money market items - net	67,649
Investments - net	47,852
Loans to customers and accrued interest receivables	236,689
Properties foreclosed	3,303
Land, premises and equipment	7,830
Other assets	17,754
Deposits	255,968
Debts issued and borrowings	58,366
Other liabilities	16,609
Entire business transfer price - net	<u>50,134</u>

Under the agreement, Thanachart Bank or SCIB have the right to adjust the entire business transfer price by providing written notice acknowledged by the parties within 30 October 2011 while the process and settlement of such price must be completed by 25 November 2011, unless there is a writing agreement to extend this period. However, the adjustment must be in accordance with certain conditions specified in the entire business transfer agreement.

SCIB will discontinue all business starting from 1 October 2011, and also plans to register its business dissolution and to return its license within 2011.

1.2.5 Transfer of subsidiary's business in the Group

Siam City Securities Co., Ltd.

On 28 October 2010, the Boards of Directors of Thanachart Bank and SCIB passed resolutions to approve a plan for a business combination between Thanachart Securities Plc. ("Thanachart Securities") and Siam City Securities Co., Ltd. ("SCIB Securities"), subsidiaries in the Group, by means of a partial business transfer of the assets of SCIB Securities to Thanachart Securities. The price of the transfer was to be not less than the book value, with reference to the latest adjusted book value before the transaction date. In November 2010, an extraordinary meeting of SCIB Securities' shareholders approved the partial business transfer. On 30 December 2010, SCIB Securities entered into agreements to transfer assets relating to the securities business and obligations from the investment banking business, amounting to Baht 11 million, were effective on 31 December 2010, while the transfers of claims under agreements appointing an agent and/or broker for securities trading, including securities business receivables and payables netting of Baht 206 million, and cash collateral for settlements amounting to Baht 216 million, were effective on 1 January 2011. SCIB Securities also transferred certain employees to Thanachart Securities on the same day.

SCIB Securities has temporary discontinued of its brokerage business since 1 January 2011. The Annual General Meeting of the shareholders of SCIB Securities, held on 27 April 2011, approved the reduction of the registered and paid-up share capital of SCIB Securities from Baht 2,000 million to Baht 900 million. SCIB Securities registered the shares reduction on 7 June 2011.

In August 2011, SCIB disposed investment in common shares of SCIB Securities at a price of Baht 168 million and recognised gains on the disposal of Baht 40 million in consolidated statement of the Company. This disposal is in accordance with the approval by the Board of Directors of SCIB on 23 June 2011.

Siam City Asset Management Co., Ltd.

On 27 January 2011, the Board of Directors of SCIB passed a resolution to approve an offer to purchase and/or to sell shares of Siam City Asset Management Co., Ltd. to Government Pension Fund, a former shareholder. During May 2011, SCIB sold all the shares to the purchaser at a price of Baht 198 million and recognised gain on disposal of Baht 26 million in the consolidated financial statement.

Siam City Bank Plc.

During the second quarter of 2011, SCIB and TS Asset Management Co., Ltd. (the new company set up for the transfer of SCIB's non-performing assets) have entered into an agreement to transfer the rights in loans and properties foreclosed. The transfer of assets during the second and third quarters are detailed below.

	Fair value
	(Million Baht)
- Non-performing loans	9,062
- Properties foreclosed	3,083

The transfer of such financial asset was treated as a true sale in both financial statements of the transferee and the transferor since the transferor surrendered their control over the assets. The selling prices mutually agreed among companies in the Thanachart Group with reference to what in the opinions of a financial advisor were fair values. Compensation for this transfer will be considered the fair value when recognised the selling price and the value of the transferred assets, which are summarised below.

- For non-performing loans, the fair values are referred to the outstanding balances net of related allowance for doubtful accounts.
- For properties foreclosed, the fair values are referred to the values appraised by independent appraisers in accordance with the BOT's guidelines after deduction by an amount determined based on the past experience.

Under the conditions of the agreement, the transferee is entitled to claim compensation if conditions specified in the agreement are breached within the specified period. However, gains (losses) from transfers of assets and the balance of such assets between SCIB and TS Asset Management are eliminated when preparing the consolidated financial statement because the transfers are intercompany transactions.

2. Basis of preparation of financial statements

2.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", whereby the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements, which are in accordance with the BOT's Notification relating to the preparation and format of financial statements of commercial banks and holding company of financial business groups, date 3 December 2010. Hence, the Company reclassified certain items in the previous periods financial statements for the comparative purpose.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

2.2 Basis of preparation of the interim consolidated financial statements

a) This interim consolidation financial statements are prepared using the same basis as were used for the consolidated financial statements for the year ended 31 December 2010, and there were no changes in shareholding structure directly held by the Company during the period. However, the change in shareholding structure indirectly held by subsidiaries are as follows.

- Thanachart Bank invested in 100 percents shareholding in TS Asset Management Co., Ltd., which was newly established in March 2011.
- SCIB disposed all investments in common shares of Siam City Asset Management Co., Ltd. in May 2011.
- SCIB disposed all investments in common shares of Siam City Securities Co., Ltd. in August 2011.

Therefore, the interim consolidated financial statement included the financial statements of the Company and the following subsidiaries:

	Percentage of shares held by the Company		Percentage of shares held by the subsidiaries	
	30	31	30	31
	September 2011	December 2010	September 2011	December 2010
<u>Subsidiaries directly held by the Company</u>				
Thanachart Bank Plc.	50.96	50.96	-	-
NFS Asset Management Co., Ltd.	100.00	100.00	-	-
Max Asset Management Co., Ltd.	83.44	83.44	-	-
NASSET Property Fund 6	99.80	99.80	0.06	0.06
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.	-	-	99.95	99.95
TS Asset Management Co., Ltd.	-	-	100.00	-
SCIB Services Co., Ltd.	-	-	100.00	100.00
Siam City Life Assurance Co., Ltd.	-	-	100.00	100.00
Siam City Securities Co., Ltd.	-	-	-	99.79
Siam City Asset Management Co., Ltd.	-	-	-	60.00

- b) Total assets and total net operating income of the subsidiaries that have a significant impact to and are included in the consolidated financial statements as at 30 September 2011 and 31 December 2010 and for the nine-month periods ended 30 September 2011 and 2010, after eliminating significant intercompany transactions, are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	Total assets		Total net operating income for the	
	30 September	31 December	periods ended 30 September	
	2011	2010	2011	2010
Thanachart Bank Plc.	455,445	406,574	12,625	12,585
Siam City Bank Plc.	351,890	406,974	8,645	6,653
Thanachart Life Assurance Co., Ltd.	20,311	19,753	1,524	1,096
TS Asset Management Co., Ltd.	11,825	-	127	-
Siam City Life Assurance Co., Ltd.	10,994	11,008	(47)	363
Thanachart Securities Plc.	4,900	3,953	1,094	975
Thanachart Insurance Co., Ltd.	4,368	4,689	1,457	1,138

- c) The consolidated statements of comprehensive income for the nine-month period ended 30 September 2011 included the operating results of Siam City Asset Management Co., Ltd. and Siam City Securities Co., Ltd. from 1 January 2011 until the date the Company has no control over those companies.
- d) The consolidated statements of financial position as at 31 December 2010 and the consolidated statements of comprehensive income for the period ended 30 September 2011 and 2010 did not include financial position and the operating results 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. During the third quarter of 2011, SCIB sold out all of its investment in this subsidiary company.
- e) The consolidated statements of comprehensive income for the nine-month period ended 30 September 2010 include the operating results of SCIB and the subsidiaries held by SCIB from 9 April 2010 to 30 September 2010 because the Company and Thanachart Bank purchased the ordinary shares of SCIB and assumed control over SCIB in April 2010.
- f) The consolidated statements of comprehensive income for the nine-month period ended 30 September 2010 included the operating results of T Leasing Co., Ltd. from 1 January 2010 till the disposal date.

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

2.4 Application of new accounting standards during the period

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

Accounting standards:

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 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
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

Financial reporting standards:

TFRS 2	Share-Based Payment
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

Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue - Barter Transactions Involving Advertising
Services

These accounting standards do not have any significant impact on the financial statements for the current period, except for TAS 19 Employee Benefits.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current period and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. This change has the effect of decreasing the beginning balance of retained earnings (1 January 2011) of the Company and its subsidiaries by Baht 1,170 million in the consolidated financial statements and Baht 13 million in the separate financial statements. The cumulative effect of the change in accounting policy has been presented in "Cumulative effect of change in accounting policy for employee benefits" in the statement of changes in equity.

In addition, the change has the effect of decreasing the profit of the Company and its subsidiaries (net of non-controlling interest portion) for the nine-month period ended 30 September 2011 by Baht 150 million, or Baht 0.12 per share (separate financial statements: decreasing profit by Baht 4 million, or Baht 0.003 per share).

2.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the following accounting policy regarding employee benefits due to the adoption of new accounting standard.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the Projected Unit Credit Method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal year beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company and its subsidiaries' management has assessed these accounting standard interpretations and believed that they are not relevant to the business of the Company and its subsidiaries.

4. Derivative assets

4.1 Trading derivatives

(Unit: Million Baht)

Type of risk	Consolidated financial statements					
	30 September 2011			31 December 2010		
	Fair value		Notional Amount ⁽¹⁾	Fair value		Notional Amount ⁽¹⁾
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	851	861	96,010	509	296	53,139
Interest rate	75	69	6,062	72	66	5,657
Foreign exchange rate and interest rate	244	403	2,406	959	235	8,533
Others	-	-	327	-	-	-
Total	1,170	1,333	104,805	1,540	597	67,329

(1) Disclosed only in case that the subsidiaries have an obligation to pay

The proportions of trading derivatives transactions classified by counterparty, determined based on the national amount, as at 30 September 2011 and 31 December 2010 are as follows:

Contract	Consolidated financial statements	
	30 September 2011	31 December 2010
	Percent	Percent
Financial institutions	86.52	73.91
Others	13.48	26.09
Total	100.00	100.00

4.2 Hedging derivatives (Banking book)

As at 30 September 2011 and 31 December 2010, the subsidiaries have the commitments under foreign exchange contracts, interest rate swap contracts and cross currency and interest rate swap contracts, which are not held for trading and measured on an accrual method. Gain (loss) on exchange rate at the end of the period and accrued interest receivables (payables) per the contracts are recorded as receivables and payables in other assets/liabilities.

Type of risk	Consolidated financial statements	
	Notional amount ⁽¹⁾	
	30 September 2011	31 December 2010
Foreign exchange rate	23,562	3,488
Interest rate	3,462	13,682
Foreign exchange rate and interest rate	15,540	21,529

(1) Disclose only in case that the subsidiaries have an obligation to pay.

5. Investments

5.1 Classified by type of investments

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2011		31 December 2010		30 September 2011		31 December 2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading securities								
Government and state enterprise securities	2,827	2,829	324	325	-	-	-	-
Private debt securities	520	520	31	31	155	153	10	10
Foreign debt securities	623	631	3,015	3,023	-	-	-	-
Domestic marketable equity securities	78	81	78	87	-	-	-	-
	4,048	4,061	3,448	3,466	155	153	10	10
Add(less): Allowance for change in value	13		18		(2)		-	
	4,061		3,466		153		10	
Available-for-sale securities								
Government and state enterprise securities	33,238	32,940	52,685	52,604	99	99	-	-
Private debt securities	16,496	16,449	9,853	10,017	-	-	-	-
Foreign debt securities	25,098	25,001	12,704	12,920	-	-	-	-
Domestic marketable equity securities	8,525	9,118	8,068	9,137	256	533	317	607
	83,357	83,508	83,310	84,678	355	632	317	607
Add: Allowance for change in value	155		1,372		277		290	
Less: Allowance for impairment	(4)		(4)		-		-	
	83,508		84,678		632		607	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	30 September 2011		31 December 2010		30 September 2011		31 December 2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Held-to-maturity debt securities								
Government and state enterprise securities	47,779	47,603	39,102	39,446	2,722	2,541	2,271	2,089
Private debt securities	7,469	7,543	5,884	6,080	3,636	3,636	3,646	3,646
Foreign debt securities	1,467	1,465	5,704	5,719	-	-	-	-
Investments in receivables purchased	1,694	1,381	1,802	1,447	959	849	1,002	861
	58,409	57,992	52,492	52,692	7,317	7,026	6,919	6,596
Less: Allowance for impairment	(696)		(738)		(292)		(324)	
	57,713		51,754		7,025		6,595	
Other investments								
Investments in property fund	517		845		-		-	
Domestic non-marketable equity securities	4,174		4,247		208		209	
Foreign non-marketable equity securities	84		84		-		-	
	4,775		5,176		208		209	
Less: Allowance for impairment	(121)		(81)		(77)		(77)	
	4,654		5,095		131		132	
Total investments - net	149,936		144,993		7,941		7,344	

5.2 As at 30 September 2011, a revaluation surplus and a revaluation deficit in the consolidated shareholders' equity amounting to Baht 15 million and Baht 82 million, respectively, are as a result of the recategorisation of debt securities (31 December 2010: outstanding revaluation surplus amounting to Baht 18 million and outstanding revaluation deficit amounting to Baht 125 million in the consolidated financial statements).

5.3 As at 30 September 2011, investment in held-to-maturity debt securities include Baht 537 million of non-transferable, promissory notes received from Thai Asset Management Corporation ("TAMC") as a result of the transfer of non-performing loans to TAMC and will mature during October 2011 to September 2012 (separate financial statements: Baht 240 million will mature in October 2011) (31 December 2010: promissory notes from transferring of non-performing loans amounting to Baht 715 million in the consolidated financial statements and Baht 320 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 2011, the Company and its subsidiaries are still unable to assess the exact amount of such losses since TAMC has been dissolved and is in process of liquidation. 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 2010: Baht 383 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 32.2 to the financial statements.

- 5.4** As at 30 September 2011 and 31 December 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 upon the dissolution of Thanachart Bank or when conditions specified are met. The debentures bear interest at a rate equal to the highest rate for a six-month fixed deposit plus 6 percent per annum, payable semi-annually.

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

As at 30 September 2011 and 31 December 2010, 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 they 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.

Securities' name	Consolidated financial statements			
	30 September 2011		31 December 2010	
	Net	Percentage	Net	Percentage
	book value	of holding	book value	of holding
	Million Baht	Percent	Million Baht	Percent
The Thai Business Fund 3	192	60.00	355	60.00
Business Strategic Fund	278	67.33	278	67.33
Sub Thawee Property Fund	46	56.00	76	56.00
Thanachart Fixed Long Term	59	27.79	60	27.79
Thanachart Fixed Income FIF51	50	22.63	50	22.63

5.6 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 2011 and 31 December 2010 can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2011	2010	2011	2010
Investments in receivables purchased	1,694	1,802	959	1,002
Less: Allowance for impairment	(313)	(355)	(110)	(141)
Investments in receivables purchased - net	<u>1,381</u>	<u>1,447</u>	<u>849</u>	<u>861</u>

(Unaudited but reviewed)

	30 September 2011				31 December 2010			
	Number	Balance	Purchase	Yield	Number	Balance	Purchase	Yield
	of	per	price		of	per	price	
	debtors	agreement			debtors	agreement		
		Million	Million	Percent		Million	Million	Percent
		Baht	Baht			Baht	Baht	
<u>Consolidated financial statements</u>								
Total accumulated investments in receivables purchased	2,938	33,611	7,845	1.75 - 18.97	2,938	33,611	7,845	1.75 - 18.97
Outstanding investments in receivables purchased as at the end of the period	1,005	12,567	1,694		1,396	12,876	1,802	
<u>Separate financial statements</u>								
Total accumulated investments in receivables purchased	691	8,190	1,937	11.94 - 18.97	691	8,190	1,937	11.94 - 18.97
Outstanding investments in receivables purchased as at the end of the period	311	6,052	959		343	6,221	1,002	

During the nine-month periods ended 30 September 2011 and 2010, the Company and its subsidiaries have entered into debt restructuring agreements with its receivables, by means of various types of restructuring, as summarised below.

(Unaudited but reviewed)

Type of restructuring	For the nine-month period ended 30 September 2011			For the nine-month period ended 30 September 2010		
	Number of debtors	Outstanding balance before restructuring	Outstanding balance after restructuring	Number of debtors	Outstanding balance before restructuring	Outstanding balance after restructuring
		Million Baht	Million Baht		Million Baht	Million Baht
<u>Consolidated financial statements</u>						
Modification of terms	6	35	35	10	50	50
Total	6	35	35	10	50	50
<u>Separate financial statements</u>						
Modification of terms	1	2	2	2	31	31
Total	1	2	2	2	31	31

The remaining periods to maturity of the restructured debts of the Company and its subsidiaries, counting from the end of the period are as follows:

Periods	For the nine-month period ended 30 September 2011			
	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding balances after restructuring	Number of receivables	Outstanding balances after restructuring
	Million Baht	Million Baht		Million Baht
Due within 2011	6	35	1	2
Total	6	35	1	2
Periods	For the nine-month period ended 30 September 2010			
	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding balances after restructuring	Number of receivables	Outstanding balances after restructuring
	Million Baht	Million Baht		Million Baht
Due within 2010	10	50	2	31
Total	10	50	2	31

Investments in receivables purchased 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 2011 and 31 December 2010, there were no outstanding restructured receivables in the investments in receivables purchased account.

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

As at 30 September 2011 and 31 December 2010, 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	31	
30	31	30	31	30	31	30	31	
September	December	September	December	September	December	September	December	
2011	2010	2011	2010	2011	2010	2011	2010	
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
<u>Investments in receivables purchased</u>								
1. Closed financial institutions	7	7	-	-	-	-	-	-
2. Non-listed company with similar operating results and financial positions to listed company 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	246	251	1,241	1,279	1,830	1,828	229	251

Separate financial statements								
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts		
						30	31	
30	31	30	31	30	31	30	31	
September	December	September	December	September	December	September	December	
2011	2010	2011	2010	2011	2010	2011	2010	
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
<u>Investments in receivables purchased</u>								
1. Companies which have loan settlement problems or have defaulted on the repayment	105	109	735	752	1,134	1,105	74	85

6. Investments in subsidiaries and associates

6.1 Separate financial statements

As at 30 September 2011 and 31 December 2010, investments in subsidiary and associated companies in the separate financial statements which are recorded under the cost method comprise of investments in ordinary shares of the following companies:

(Unit: Million Baht)

		Separate financial statements							
Company's name	Nature of business	Paid-up share capital		Percentage of holding (%)		Value of investment under the cost method		Dividend income for the nine-month periods ended	
		30	31	30	31	30	31	30 September	
		September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	2011	2010
<u>Subsidiary companies</u>									
Thanachart Bank Plc.	Commercial bank	55,137	55,137	50.96	50.96	29,056	29,056	1,124	552
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	469	262	157
NASSET Property Fund 6	Investment in non-performing assets and collection rights	395	420	99.80	99.80	395	420	20	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	-	-
<u>Associated company</u>									
MBK Plc.	Property rental, hotel and services	1,886	1,886	10.00	10.00	658	658	94	90
Total investment in subsidiary and associated companies						31,614	31,639	1,500	944
Less: Allowance for impairment						(16)	(16)		
Investments in subsidiary and associated companies - net						31,598	31,623		

During the period 2011, NASSET Property Fund 6 decreased the number of its registered units and returned Baht 25 million to the Company, based on the net assets value at the declaration date. The Company therefore recorded a gain on capital return of Baht 6 million in the separate statement of comprehensive income. This gain has been eliminated in the consolidated financial statements.

6.2 Consolidated financial statements

As at 30 September 2011 and 31 December 2010, the investments in associated companies in the consolidated financial statements, which are recorded under the equity method, comprise investments in common shares of the following companies which operate business in Thailand.

Company's name	Paid-up capital		Percentage of holding (%)		Investment value				Dividend income		Share of profit (loss)	
					Cost method		Equity method		for the		for the	
	30	31	30	31	30	31	30	31	periods ended		periods ended	
	September	December	September	December	September	December	September	December	30 September		30 September	
MBK Plc.	1,886	1,886	19.90	19.90	948	948	1,600	1,591	188	178	181	292
Siam Samsung Life Insurance Co., Ltd.	500	500	25.00	25.00	104	104	47	82	-	-	(32)	(10)
Siam City Insurance Co., Ltd.	-	40	-	45.50	-	92	-	109	10	-	(8)	6
Ratchthani Leasing Plc.	905	823	48.35	48.35	403	403	536	457	12	-	91	30
Total investments in associated companies					1,455	1,547	2,183	2,239	210	178	232	318

The Company and its subsidiaries classified investments in MBK Plc., as investments in an associated company because the Company and its subsidiaries have significant influence over that associated company.

On 27 July 2011, the Board of Directors of SCIB passed a resolution to approve the sale of SCIB's investment in shares of Siam City Insurance Co., Ltd. to third party. On 19 August 2011, SCIB sold all the shares to the purchaser at a price of Baht 114 million and recognised gain on sale of Baht 22 million in the consolidated financial statements.

6.3 Summarised financial information of associated companies

- a) Summarised financial information of MBK Plc. as at 30 June 2011 and 30 September 2010 and for the nine-month periods ended 30 June 2011 and 2010 is as follows:

Paid-up capital		Total assets		Total liabilities		Total income		Net income for	
30	30	30	30	30	30	for the nine-month		for the nine-month	
June	September	June	September	June	September	periods ended		periods ended	
2011	2010	2011	2010	2011	2010	30 June		30 June	
1,886	1,886	28,344	28,752	14,885	14,006	6,527	6,743	1,073	2,263

The share of profit of MBK Plc. is determined based on financial statements as prepared for a different period, as a result of limitations on the availability of information. The financial information used was based on the statements of financial position as at 30 June 2011 and 30 September 2010 and the income statements for the nine-month periods ended 30 June 2011 and 2010 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 nine-month period ended 30 June 2011 is not material different from that income for the nine-month period ended 30 September 2011.

- b) Summarised financial information of Siam Sumsung Life Insurance Co., Ltd., Siam City Insurance Co., Ltd. and Ratchthani Leasing Plc. as at 30 September 2011 and 31 December 2010 and for the period ended 30 September 2011 are as follows:

Company's name	(Unit: Million Baht)									
	Paid-up share capital		Total assets		Total liabilities		Total income for the		Net income (loss) for	
	30	31	30	31	30	31	periods ended		the periods ended	
	September	December	September	December	September	December	30 September		30 September	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Siam Sumsung Life Insurance Co., Ltd. (engage in life insurance)	500	500	2,016	2,073	1,848	1,766	885	620	(130)	(41)
Siam City Insurance Co., Ltd. (engage in non-life insurance)	-	40	-	932	-	689	414	539	(17)	14
Ratchthani Leasing Plc. (engage in lease of car)	905	823	11,810	9,549	10,367	8,270	816	451	188	63

Investments in the above 3 associated companies are indirectly held through SCIB, therefore, income, net profit (loss) for the period and the share of profit (loss) were determined based on the financial statements for the period as from Thanachart bank has investment in SCIB as prepared by the Company's management, and in the interest proportion of the Company until the date SCIB sold such investments.

- 6.4** As at 30 September 2011 and 31 December 2010, the fair value of investments in associated companies which are listed in the Stock Exchange of Thailand are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
MBK Plc.	3,416	3,791	1,716	1,904
Ratchthani Leasing Plc.	547	616	-	-

7. Loans to customers and accrued interest receivables

7.1 Classified by loan types

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
<u>Loans to customers</u>				
Overdrafts	23,208	24,562	-	-
Loans	280,643	277,614	201	205
Notes receivable	58,363	62,156	1,008	1,008
Hire purchase receivables	308,075	272,196	190	345
Financial lease receivables	1,960	2,366	-	-
Others	225	429	-	-
Less: Deferred revenue	(36,968)	(32,360)	(9)	(13)
Total loans to customer net of deferred revenue	635,506	606,963	1,390	1,545
Add: Accrued interest receivables	919	956	9	9
Total loans to customer net of deferred revenue and plus accrued interest receivables	636,425	607,919	1,399	1,554
Less: Allowance for doubtful accounts				
- BOT's minimum requirements provision	(27,118)	(25,450)	(310)	(365)
- Excess provision	(208)	(707)	-	(140)
Less: Revaluation allowance for debt restructuring	(389)	(464)	-	-
Loans to customers and accrued interest receivables - net	608,710	581,298	1,089	1,049

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Securities business receivables</u>				
Credit balances receivables	2,097	1,341	-	-
Other receivables	308	1,342	-	-
Total securities business receivables	2,405	2,683	-	-
Less: Allowance for doubtful accounts	(306)	(1,338)	-	-
Securities business receivables - net	2,099	1,345	-	-
Loans to customers and accrued interest receivables - net	610,809	582,643	1,089	1,049

7.2 Non-performing loans

As at 30 September 2011 and 31 December 2010, 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 2011	31 December 2010	30 September 2011	31 December 2010
Non-performing loans (excluding accrued interest receivables)				
The Company	381	436	381	436
Banking business	18,275	35,520	-	-
Asset management business	23,311	2,164	-	-
Securities business	307	1,339	-	-

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 2011	31 December 2010	30 September 2011	31 December 2010
The Company	279	330	279	330
Banking business	24,634	44,046	-	-
Securities business	307	1,339	-	-

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 periods ended 30 September 2011 and 2010, the Company and its subsidiaries entered into debt restructuring agreements with debtors. The details are as follows:

Type of restructuring	Consolidated financial statements				Value of assets to be transferred per agreements Million Baht
	Number of receivables	Outstanding balance before restructuring ⁽¹⁾	Outstanding balance after restructuring ⁽¹⁾	Type of assets to be transferred	
		Million Baht	Million Baht		
2011					
Modification of terms	3,370	3,345	3,345		
Transfer of assets and/or equity securities and/or modification of terms	11	983	983	Land and common shares	425
Total	<u>3,381</u>	<u>4,328</u>	<u>4,328</u>		
2010					
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	<u>3,379</u>	<u>3,963</u>	<u>3,883</u>		

(1) Outstanding balance includes both principal and interest receivables

Separate financial statements					
Type of restructuring	Number of receivables	Outstanding balance before restructuring ⁽¹⁾	Outstanding balance after restructuring ⁽¹⁾	Type of assets to be transferred	Value of assets to be transferred per agreements
		Million Baht	Million Baht		Million Baht
<u>2011</u>					
Modification of terms	31	5	5		
Total	<u>31</u>	<u>5</u>	<u>5</u>		
<u>2010</u>					
Modification of terms	22	4	4		
Total	<u>22</u>	<u>4</u>	<u>4</u>		

⁽¹⁾ Outstanding balance includes both principal and interest receivables

The remaining periods to maturity of the restructured receivable of the Company and its subsidiaries, counting from the end of the period are as follows:

Consolidated financial statements				
For the nine-month periods ended 30 September				
Periods	2011		2010	
	Number of receivables	Outstanding balance after restructuring	Number of receivables	Outstanding balance after restructuring
		Million Baht		Million Baht
Defaulted after debt restructuring	759	483	903	364
Due within the year	575	139	492	380
Less than 5 years	1,225	1,274	886	1,274
5 - 10 years	753	2,221	964	1,303
10 - 15 years	22	126	64	395
More than 15 years	47	85	70	167
Total	<u>3,381</u>	<u>4,328</u>	<u>3,379</u>	<u>3,883</u>

(Unaudited but reviewed)

Separate financial statements				
For the nine-month periods ended 30 September				
Periods	2011		2010	
	Number of receivables	Outstanding balance after restructuring Million Baht	Number of receivables	Outstanding balance after restructuring Million Baht
Defaulted after debt restructuring	1	-	2	-
Due within the year	26	2	17	-
Less than 5 years	4	3	2	-
5 - 10 years	-	-	1	4
Total	31	5	22	4

Supplemental information for the periods ended 30 September 2011 and 2010 relating to restructured receivables is as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Interest income recognised in statements				
of comprehensive income	1,198	920	2	3
Gain on debt repayment/disposals	30	65	4	28
Gain on transfers of assets for debt				
repayment	6	2	-	-
Loss on debt restructuring	43	150	-	-
Cash proceeds from collection of debts	4,153	2,719	10	64
Assets transferred from debtors	290	223	-	-

As at 30 September 2011 and 31 December 2010, 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 summarised below.

(Unaudited but reviewed)

	Total number of receivables		Number of receivables		Restructured receivables			
					Outstanding balance		Outstanding balance net of collateral	
	30	31	30	31	30	31	30	31
	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010
Thousand debtors	Thousand debtors			Million Baht	Million Baht	Million Baht	Million Baht	
Thanachart Capital Plc.	3.9	7.6	60	57	122	122	26	26
Thanachart Bank Plc.	1,075.8	944.3	13,977	13,944	5,428	5,324	2,630	2,414
Siam City Bank Plc.	346.2	358.7	4,251	6,247	9,923	22,871	1,938	9,560
Thanachart Securities Plc.	0.4	0.4	3	3	35	35	35	35
TS Asset Management Co., Ltd.	2.6	-	1,649	-	12,683	-	7,861	-
Other subsidiary companies	6.0	6.1	258	283	1,410	1,404	482	424

7.4 Classified by loans classification

As at 30 September 2011 and 31 December 2010, the Company and its financial institution subsidiaries (banking and asset management business) classified and made allowances against their loans in accordance with the BOT's guidelines as summarise below.

(Unit: Million Baht)

	Consolidated financial statements ⁽¹⁾						
	Loan and accrued interest receivables		Net balance used in made allowance for doubtful account ⁽²⁾		Percent used for calculating the allowance (Percent)	Allowance for doubtful accounts	
	30	31	30	31		30	31
	September 2011	December 2010	September 2011	December 2010		September 2011	December 2010
Normal	563,787	531,383	215,274	189,336	1	3,198	2,179
Special mention	29,383	36,603	11,688	16,955	2	629	2,249
Substandard	8,020	6,919	4,061	2,978	100	4,606	3,071
Doubtful	11,984	13,072	7,822	8,206	100	7,822	8,283
Doubtful of loss	22,081	18,253	10,601	9,371	100	10,666	9,455
Total	635,255	606,230	249,446	226,846		26,921	25,237
Excess provision for possible uncollectible debts						208	707
Total						27,129	25,944

(1) Only the Company and those subsidiaries subject to the BOT regulation; and after deducting intergroup transactions.

(2) Net balance used in setting allowance for doubtful accounts for loans classified as normal and special mention is principal balance net of deferred revenues, excluding accrued interest receivables, and after deducting collateral values. For substandard, doubtful and doubtful of loss, it is the principal balance net of deferred revenue plus accrued interest receivable, after deducting the present value of expected future cash flows from debt collection or from disposal of collaterals, as the case may be.

(Unit: Million Baht)

	Separate financial statements						
	Loan and accrued interest receivables		Net balance used in made allowance for doubtful account ⁽¹⁾		Percent used for calculating the allowance	Allowance for doubtful accounts	
	30	31	30	31	(Percent)	30	31
	September 2011	December 2010	September 2011	December 2010		September 2011	December 2010
Normal	1,005	1,097	1,000	1,091	1	10	10
Special mention	4	12	-	8	2	-	-
Substandard	-	1	-	1	100	-	1
Doubtful	1	13	-	4	100	-	4
Doubtful of loss	389	431	300	350	100	300	350
Total	1,399	1,554	1,300	1,454		310	365
Excess provision for possible uncollectible debts						-	140
Total						310	505

(1) Net balance used in setting allowance for doubtful accounts for loans classified as normal and special mention is principal balance net of deferred revenues, excluding accrued interest receivables, and after deducting collateral values. For substandard, doubtful and doubtful of loss, it is the principal balance net of deferred revenue plus accrued interest receivable, after deducting the present value of expected future cash flows from debt collection or from disposal of collaterals, as the case may be.

7.5 Loans to companies which have settlement problems

As at 30 September 2011 and 31 December 2010, loans of the Company and its subsidiaries in the consolidated and the separate financial statements included the following debtors with weak financial positions and operating results:

(Unaudited but reviewed)

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	December	September	December	September	December	September	December
	2011	2010	2011	2010	2011	2010	2011	2010
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Closed financial institutions	4	4	-	-	-	-	-	-
2. Listed companies vulnerable to delisting from the SET	9	8	976	456	66	113	909	359
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	11	11	738	750	459	753	275	275
4. Companies which have loan settlement problems or have defaulted on the repayment	1,366	1,344	26,237	31,853	13,087	14,343	14,198	14,298

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
	2011	2010	2011	2010	2011	2010	2011	2010
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Companies which have loan settlement problems or have defaulted on the repayment	84	109	108	113	107	107	34	39

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

As at 30 September 2011 and 31 December 2010, subsidiary companies operating in the securities business classified its securities business receivables and accrued interest receivables in accordance with the Notification of the Securities and Exchange Commission (“SEC”), governing accounting for the non-performing debts of securities companies as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	Receivable and accrued interest receivables		Allowance for doubtful accounts provided in the accounts		Net receivable after allowance for doubtful account	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Normal	2,098	1,344	-	-	2,098	1,344
Substandard	3	4	2	3	1	1
Doubtful	304	1,335	304	1,335	-	-
Total	2,405	2,683	306	1,338	2,099	1,345

The subsidiary companies has provided allowance for doubtful accounts of substandard debt in excess of the minimum amounts stipulated by SEC due to the uncertainty as to collateral value and the risk associated with collection of such debts.

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

As at 30 September 2011 and 31 December 2010, hire purchase and financial lease receivables of 2 subsidiaries engaged in hire purchase and financial lease business are classified by the due date of the contracts (after elimination intercompany transactions) as follows:

(Unit: Million Baht)

	30 September 2011	31 December 2010
Current or overdue less than 90 days	999	1,568
Overdue 91 - 365 days	31	40
Overdue more than 1 year	34	48
Debtors under legal actions	120	107
Total	1,184	1,763
Allowance for doubtful accounts	196	212

7.8 As at 30 September 2011 and 31 December 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 matured at call and bear interest at minimum loan rate (MLR) of Thanachart Bank.

8. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements									
For the nine-month period ended 30 September 2011									
The Company and its financial institution subsidiaries (Banking and asset management business)									
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total	Other subsidiaries	Consolidated
Balance - beginning of the period	2,179	2,249	3,071	8,283	9,455	707	25,944	1,551	27,495
Balance of subsidiary disposed during the period	-	-	-	-	-	-	-	(1,022)	(1,022)
Increase (decrease) during the period	1,019	(1,620)	1,535	(261)	1,671	(499)	1,845	(19)	1,826
Bad debt recovery	-	-	-	253	81	-	334	8	342
Bad debt written-off	-	-	-	(453)	(453)	-	(906)	(15)	(921)
Reversal from the disposals	-	-	-	-	(88)	-	(88)	-	(88)
Balance - end of the period	<u>3,198</u>	<u>629</u>	<u>4,606</u>	<u>7,822</u>	<u>10,666</u>	<u>208</u>	<u>27,129</u>	<u>503</u>	<u>27,632</u>

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2010									
The Company and its financial institution subsidiaries (Banking and asset management business)									
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total	Other subsidiaries	Consolidated
Balance - beginning of the year	909	190	1,237	1,345	5,709	387	9,777	659	10,436
Beginning balance of subsidiaries acquired during the year	971	2,854	1,346	4,745	6,244	-	16,160	1,074	17,234
Balance of subsidiary disposed during the year	-	-	-	-	-	-	-	(64)	(64)
Increase (decrease) during the year	299	(795)	488	2,437	(1,034)	320	1,715	(28)	1,687
Bad debt recovery	-	-	-	222	77	-	299	16	315
Bad debt written-off	-	-	-	(466)	(600)	-	(1,066)	(106)	(1,172)
Reversal from the disposals	-	-	-	-	(941)	-	(941)	-	(941)
Balance - end of the year	<u>2,179</u>	<u>2,249</u>	<u>3,071</u>	<u>8,283</u>	<u>9,455</u>	<u>707</u>	<u>25,944</u>	<u>1,551</u>	<u>27,495</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements							
For the nine-month period ended 30 September 2011							
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance - beginning of the period	10	-	1	4	350	140	505
Decrease during the period	-	-	(1)	(4)	(16)	(140)	(161)
Bad debt recovery	-	-	-	-	4	-	4
Bad debt written-off	-	-	-	-	(2)	-	(2)
Reversal from the disposals	-	-	-	-	(36)	-	(36)
Balance - end of the period	10	-	-	-	300	-	310

(Unit: Million Baht)

Separate financial statements							
For the year ended 31 December 2010							
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance - beginning of the year	29	2	17	22	378	140	588
Decrease during the year	(19)	(2)	(16)	(18)	(43)	-	(98)
Bad debt recovery	-	-	-	-	21	-	21
Bad debt written-off	-	-	-	-	(6)	-	(6)
Balance - end of the year	10	-	1	4	350	140	505

9. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month	For the year	For the nine-month	For the year
	period ended	ended	period ended	ended
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Balance - beginning of the period	464	98	-	-
Beginning balance of subsidiaries acquired during the period	-	472	-	-
Decrease during the period	(32)	(40)	-	-
Amortised during the period	(43)	(39)	-	-
Reversal on hair-cut loans	-	(27)	-	-
Balance - end of the period	389	464	-	-

10. Classification of assets

As at 30 September 2011 and 31 December 2010, 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 to customers and accrued interest receivables		Interbank and money market items		Investments		Property foreclosed		Other assets		Total	
	30	31	30	31	30	31	30	31	30	31	30	31
	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010
Normal	563,787	531,383	18,011	51,797	-	-	-	-	143	193	581,941	583,373
Special mention	29,383	36,603	-	-	-	-	-	-	80	86	29,463	36,689
Substandard	8,020	6,919	-	-	-	-	-	-	4	8	8,024	6,927
Doubtful	11,984	13,072	-	-	-	-	-	-	5	14	11,989	13,086
Doubtful of loss	22,081	18,253	-	-	811	724	909	824	340	608	24,141	20,409
Total	635,255	606,230	18,011	51,797	811	724	909	824	572	909	655,558	660,484

(Unit: Million Baht)

	Separate financial statements											
	Loans to customers and accrued interest receivables		Interbank and money market items		Investments		Property foreclosed		Other assets		Total	
	30	31	30	31	30	31	30	31	30	31	30	31
	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010
Normal	1,005	1,097	-	20	-	-	-	-	-	-	1,005	1,117
Special mention	4	12	-	-	-	-	-	-	2	3	6	15
Substandard	-	1	-	-	-	-	-	-	-	-	-	1
Doubtful	1	13	-	-	-	-	-	-	-	-	1	13
Doubtful of loss	389	431	-	-	394	417	437	484	83	83	1,303	1,415
Total	1,399	1,554	-	20	394	417	437	484	85	86	2,315	2,561

11. Property foreclosed

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	Cost	12,594	13,681	2,429
Less: Allowance for impairment	(909)	(825)	(437)	(484)
Net property foreclosed	11,685	12,856	1,992	2,056

12. Goodwill

As at 30 September 2011 and 31 December 2010, goodwill stated in the consolidated financial statements are as follows.

	(Unit: Million Baht)	
	30 September 2011	31 December 2010
Goodwill - beginning of the period	15,784	44
Increase during the period	-	15,740
Total	15,784	15,784
Deferred gain on disposal of investments	(1,862)	(2,113)
Goodwill - end of the period	13,922	13,671

13. Other assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Derivative assets for banking book	687	1,577	-	-
Other receivables	1,214	1,095	101	100
Receivables from clearing house	83	391	-	-
Prepaid corporate income tax	916	7	8	-
Value added tax refundable	465	676	-	-
Suspense amount - deferred tax				
from business combination	555	629	-	-
Accrued premium insurance income	369	444	-	-
Accrued dividend receivables	128	-	61	-
Deposits	269	311	4	4
Suspense accounts between head office				
and branches	35	326	-	-
Others	1,576	1,300	41	23
Total	6,297	6,756	215	127
Less: Allowance for impairment	(403)	(673)	(83)	(84)
Net other assets	5,894	6,083	132	43

14. Debts issued and borrowings

As at 30 September 2011 and 31 December 2010, the balance of domestic debts issued and borrowings, which are in Baht, are as follows:

			(Unit: Million Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			30	31	30	31
			September	December	September	December
Type of borrowings	Interest rate per annum (as at 30 September 2011)	Maturity year	2011	2010	2011	2010
Bills of exchange	1.00 - 4.60 percent	2011 - 2013	196,025	139,523	-	-
Bills of exchange	0.00 - 3.25 percent	At call	238	11	-	-
Perpetual subordinated hybrid bonds (Tier I) (a)	8.00 percent	Dissolution	3,494	3,494	-	-
Subordinated hybrid bonds (Tier II) (b)	5.25 percent	2019 and 2024	5,000	5,000	-	-
Subordinated debentures (Tier II) (c - f)	5.00 - 5.25 and 6.00 percent	2015 - 2020	12,845	23,000	-	-
Subordinated debentures (f)	5.50 percent	2019	10,000	-	-	-
Unsubordinated and unsecured debentures (g)	5.25 percent	2011	1,455	1,455	1,500	1,500
Unsubordinated and unsecured debentures (h - i)	3.35 and 4.90 percent	2013 - 2014	11,994	12,000	12,000	12,000
Borrowing from the Department of Alternative Energy Development and Efficiency	0.00 - 0.50 percent	2012 - 2021	191	234	-	-
Total debts issued and borrowings			<u>241,242</u>	<u>184,717</u>	<u>13,500</u>	<u>13,500</u>

- (a) On 22 April 2010, 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, and sold them to the Company and BNS. The bonds will mature upon dissolution or liquidation 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 subordinated debentures amounting to Baht 3,636 million.

- (b) On 24 July 2009, Thanachart Bank issued 5,000,000 units of name registered subordinated, unsecured, unconvertible, hybrid bonds 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 year, 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 year, and 6.50 percent per annum for the eleventh to fifteenth year. All interest is payable quarterly. Thanachart Bank has a call option to early redeem these debentures at par and has option to postpone principal and/or interest payment if the conditions specified are met.
- (c) 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 year, payable quarterly.
- (d) 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.
- (e) 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 a call option to early redeem these debentures if the conditions specified are met.

- (f) On 19 June 2009, SCIB issued 10,000,000 units of unsecured subordinated debentures, 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 a call option to early redeem these debentures at par if the conditions specified are met. However, on 20 June 2011, SCIB early redeemed all debentures at par value with no gain (loss) on the transaction. Thanachart Bank has issued debentures to replace these debentures with the same interest rates, term period and conditions. The BOT has given approval in principle to counting such subordinated debentures as Tier II of Thanachart Bank when the entire business transfer between Thanachart Bank and SCIB is finished. This is in accordance with the BOT's regulations for the project for transferring the entire business of SCIB.
- (g) 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.
- (h) 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.
- (i) 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.

15. Provisions

(Unit: Million Baht)

	Consolidated financial statement				
	For the nine-month period ended 30 September 2011				
	Employee	Obligations for	Loss from	Others	Total
	benefits	off-balance	litigation		
		items			
Balance - beginning of the period	45	285	99	393	822
The cumulative effect of the changes in the accounting policy for employee benefits	2,288	-	-	-	2,288
Decrease from disposal of subsidiary companies	(3)	-	(1)	-	(4)
Increase during the period	613	-	1	76	690
Decrease from actual utilised	(379)	-	-	(57)	(436)
Reversal of provisions	-	(55)	(4)	-	(59)
Balance - end of the period	2,564	230	95	412	3,301

(Unit: Million Baht)

	Separate financial statement		
	For the nine-month period ended 30 September 2011		
	Employee	Loss from	Total
	benefits	litigation	
Balance - beginning of the period	2	9	11
The cumulative effect of the changes in the accounting policy for employee benefits	13	-	13
Increase during the period	4	-	4
Balance - end of the period	19	9	28

During the period of 2011, SCIB established the employee transformation program. SCIB's management set aside provision for such program amounting totaling Baht 477 million, and SCIB has already made partial payment under this program.

(Unaudited but reviewed)

16. Other liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Corporate income tax payable	1,627	2,404	-	1
Accrued expenses	2,528	3,029	27	26
Reserves of insurance premium	2,627	1,881	-	-
Deposit from derivative contracts	178	1,762	-	-
Loss reserves and outstanding claims				
from insurance/life assurance	1,270	990	-	-
Suspense cash received from				
account receivable	525	799	25	24
Provision for income tax	489	568	-	-
Other payable	1,028	633	31	57
Insurance premium receives	651	445	-	-
Derivative liabilities for banking book	1,050	345	-	-
Others	2,881	2,769	59	45
Total	14,854	15,625	142	153

17. Share capital/treasury shares/dividends

During the nine-month period ended 30 September 2011, preference shareholders converted 2,520 preference shares to the Company's common shares. Therefore, as at 30 September 2011, 13,336 preferred shares remained unconverted. Each preferred share can convert to 1 common share and the conversion right is unconditional and does not expire.

As at 30 September 2011 and 31 December 2010, the Company has totaling 55,324,300 treasury shares or an amount of Baht 387.5 million (at cost). Such treasury shares 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 2011 and 2010, the Company has dividend payment as below.

Dividends	Approved by	Dividend payment	Dividend per share	Payment date
		Million Baht	Baht	
Interim dividend on income for the first half-year of 2011	The Company's Board of Directors on 26 September 2011	639	0.50	20 October 2011
Dividend on income for the second half-year of 2010	The Annual General Meeting of shareholders on 8 April 2011	894	0.70	3 May 2011
Total dividend paid during the nine-month period ended 30 September 2011		1,533	1.20	
Interim dividend on income 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 income 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 paid during the nine-month period ended 30 September 2010		1,406	1.10	

18. Other components of equity

Other components of equity as at 30 September 2011 and 31 December 2010 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Revaluation surplus (deficit) on investments				
Revaluation surplus on investment				
Available-for-sale investments				
Debt instruments	(6)	139	-	-
Equity instruments	494	740	284	290
Held-to-maturity debt securities	15	18	-	-
Total	503	897	284	290
Revaluation deficit on investment				
Available-for-sale investments				
Debt instruments	(152)	(59)	-	-
Equity instruments	(37)	-	(7)	-
Held-to-maturity debt securities	(82)	(125)	-	-
Total	(271)	(184)	(7)	-
Total revaluation surplus on investments	232	713	277	290
Share of other comprehensive income of associates (loss)	(8)	(19)	-	-
Total	224	694	277	290

19. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have an appropriate financial structure and preserve the ability to continue their businesses as going concerns. Moreover, the Company and its subsidiaries have legal requirements specific to their areas of each business regarding maintenance of capital funds, liquidity and other matters.

In compliance with the Notification of BOT Re: Consolidated Supervision, the Company has to disclose the qualitative and quantitative information about capital maintenance of the Company and its subsidiaries in the financial group (Full Consolidation). However, the BOT granted a waiver for Thanachart Bank and the Company, and allowing them to hold more shares of SCIB than permitted by law for the purposes of the business transfer. In its letter dated 1 April 2010, the BOT approved such waiver with respect to the calculation of capital funds and the ratio of capital to risk assets and contingent liabilities, whereby in determining the capital funds of the Company and Thanachart Bank, the value of investment in SCIB is not deducted, while the computation of the ratio of the capital to risk assets and contingent liabilities includes the assets and contingent liabilities of SCIB until the date of completion of the business combination. The Company has disclosed capital maintenance information as at 30 June 2011 on its website at www.thanachart.co.th, since October 2011.

20. Interest income

Interest income for the three-month and nine-month periods ended 30 September 2011 and 2010 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Interbank and money market items	678	246	-	-
Investments and trading transactions	19	23	2	1
Investments in debt securities	1,055	1,017	95	72
Loans	5,555	4,641	20	9
Hire purchase and financial lease income	4,400	3,791	-	4
Total interest income	11,707	9,718	117	86

(Unit: Million Baht)

(Unaudited but reviewed)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Interbank and money market items	1,474	633	1	5
Investments and trading transactions	72	62	2	1
Investments in debt securities	2,979	2,736	255	262
Loans	15,525	10,220	56	33
Hire purchase and financial lease income	12,587	11,409	2	29
Total interest income	<u>32,637</u>	<u>25,060</u>	<u>316</u>	<u>330</u>

21. Interest expenses

Interest expenses for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Deposits	2,486	1,560	-	-
Interbank and money market items	403	179	-	-
Contribution fee to the Deposit Protection Agency	479	528	-	-
Issues debt instruments				
- Subordinated debentures	473	450	-	-
- Unsubordinated debentures	156	163	156	156
- Others	1,574	347	-	-
Borrowings	-	1	-	-
Fees expense on borrowings	-	-	1	1
Total interest expenses	<u>5,571</u>	<u>3,228</u>	<u>157</u>	<u>157</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Deposits	6,316	4,167	-	-
Interbank and money market items	812	377	-	-
Contribution fee to the Deposit Protection Agency	1,483	1,376	-	-
Issues debt instruments				
- Subordinated debentures	1,373	1,047	-	-
- Unsubordinated debentures	462	548	464	545
- Others	3,460	808	-	-
Borrowings	1	2	-	-
Fees expense on borrowings	2	7	1	2
Total interest expenses	<u>13,909</u>	<u>8,332</u>	<u>465</u>	<u>547</u>

22. Fees and service income

Fees and service income for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Fees and service income				
- Acceptance, aval and guarantees	85	66	-	-
- Hire purchase fee income	224	230	2	8
- ATM and electronic banking services	195	187	-	-
- Others	478	504	-	-
Total fees and service income	<u>982</u>	<u>987</u>	<u>2</u>	<u>8</u>
Fees and service expenses	<u>(149)</u>	<u>(150)</u>	<u>-</u>	<u>-</u>
Net fees and service income	<u>833</u>	<u>837</u>	<u>2</u>	<u>8</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Fees and service income				
- Acceptance, aval and guarantees	210	151	-	-
- Hire purchase fee income	688	682	9	44
- ATM and electronic banking services	582	395	-	-
- Others	1,499	1,154	1	2
Total fees and service income	2,979	2,382	10	46
Fees and service expenses	(419)	(381)	(1)	(2)
Net fees and service income	2,560	2,001	9	44

23. Gains on trading and foreign exchange transactions

Gains on trading and foreign exchange transactions for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Foreign exchange and derivatives				
Foreign exchange	261	59	-	-
Debt securities	11	5	(2)	1
Equity securities	(2)	143	-	-
Others	(3)	-	-	-
Total	267	207	(2)	1

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Foreign exchange and derivatives				
Foreign exchange	684	226	-	-
Interest rate	1	-	-	-
Debt securities	42	6	(2)	1
Equity securities	(7)	190	-	-
Others	(3)	3	-	-
Total	717	425	(2)	1

24. Gains on investments

Gains on investments for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Gains (losses) on disposal				
Available-for-sale securities	114	108	36	-
Other investments	3	-	-	-
Investments in subsidiaries and associated companies	125	-	-	-
Gains on debt settlement/disposal of debt/assets transferred from investments in receivables purchased	3	6	1	3
Gains on conversion of convertible debenture	40	-	-	-
Impairment losses	-	(67)	-	-
Total	285	47	37	3

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Gains (losses) on disposal				
Available-for-sale securities	148	264	37	120
Other investments	1	-	-	-
Investments in subsidiaries and associated companies	338	27	7	2,136
Gains on debt settlement/disposal of debt/assets transferred from investments in receivables purchased	37	104	20	74
Gains on conversion of convertible debenture	40	-	-	-
Reversal allowance for impairment (impairment losses)	(40)	20	-	-
Losses on price adjustments on loans sold to TAMC	(1)	-	-	-
Total	<u>523</u>	<u>415</u>	<u>64</u>	<u>2,330</u>

As described in note 1.2.2 to the financial statements, the Company disposed 104,964,000 ordinary shares of SCIB to Thanachart Bank in June 2010. The Company therefore recognised gain on sale of Baht 2,136 million in the separate financial statements.

25. Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Bad debt and doubtful accounts				
Interbank and money market items (reversal)	(8)	81	-	-
Loans to customers (reversal)	156	197	(7)	(20)
Amortisation of revaluation allowance for debts				
restructured during the period (reversal)	(37)	2	-	-
Loss from debt restructuring	21	81	-	-
Loss from impairment of investments in receivables				
purchased (reversal)	(3)	2	(2)	-
Total	129	363	(9)	(20)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Bad debt and doubtful accounts				
Interbank and money market items (reversal)	(11)	90	-	-
Loans to customers (reversal)	1,826	1,046	(161)	(84)
Amortisation of revaluation allowance for debts				
restructured during the period (reversal)	(40)	6	-	-
Loss from debt restructuring (reversal)	(33)	123	-	-
Loss from impairment of investments in receivables				
purchased (reversal)	(24)	22	(13)	22
Reversal of loss from impairment of held-to-maturity				
debt securities	-	(173)	-	-
Total	1,718	1,114	(174)	(62)

26. Income tax expense

Corporate income tax expense was calculated on net income for the period multiplied by average tax rate for the year which was determined based on tax payable on the estimated profit before corporate income tax for the year, after adding back and deducting expenses and provision which are disallowable for tax computation purposes and deducting income which is exempted for tax computation purposes.

27. Components of other comprehensive income

Components of other comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Other comprehensive income				
Available-for-sale securities				
Unrealised gains (losses) during the period	(503)	578	(24)	35
Less: Realised gains that included in profit or loss	(114)	(108)	(36)	-
	(617)	470	(60)	35
Share of other comprehensive income in associated companies	2	85	-	-
Other comprehensive income for the period (losses)	(615)	555	(60)	35

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Other comprehensive income				
Available-for-sale securities				
Unrealised gains (losses) during the period	(811)	1,285	24	283
Transferred to investment in subsidiary	-	(2,040)	-	(2,040)
Less: Realised gains that included in profit or loss	(148)	(264)	(37)	(120)
	(959)	(1,019)	(13)	(1,877)
Share of other comprehensive income in associated companies	14	68	-	-
Other comprehensive income for the period (losses)	(945)	(951)	(13)	(1,877)

28. Reconciliation of diluted earnings per share

Basic earnings per share which is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common shares outstanding during the period, netting of treasury share held by the Company.

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

Consolidated financial statements					
For the three-month periods ended 30 September					
Net profit		Weighted average number of common shares		Earnings per share	
2011	2010	2011	2010	2011	2010
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the					
Company					
1,337,150	1,537,990	1,277,815	1,277,814	1.05	1.20
Effect of dilutive securities					
Preference shares convertible to					
common shares					
-	-	15	16		
Diluted earnings per share					
Profit of common shareholders					
assuming conversion of dilutive					
securities					
<u>1,337,150</u>	<u>1,537,990</u>	<u>1,277,830</u>	<u>1,277,830</u>	<u>1.05</u>	<u>1.20</u>

Consolidated financial statements					
For the nine-month periods ended 30 September					
Net profit		Weighted average number of common shares		Earnings per share	
2011	2010	2011	2010	2011	2010
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the Company					
4,064,240	4,249,902	1,277,814	1,277,814	3.18	3.33
Effect of dilutive securities					
Preference shares convertible to common shares					
-	-	16	16		
Diluted earnings per share					
Profit of common shareholders assuming conversion of dilutive securities					
4,064,240	4,249,902	1,277,830	1,277,830	3.18	3.33

Separate financial statements					
For the three-month periods ended 30 September					
Net profit		Weighted average number of common shares		Earnings per share	
2011	2010	2011	2010	2011	2010
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the Company					
247,660	106,298	1,277,815	1,277,814	0.19	0.08
Effect of dilutive securities					
Preference shares convertible to common shares					
-	-	15	16		
Diluted earnings per share					
Profit of common shareholders assuming conversion of dilutive securities					
247,660	106,298	1,277,830	1,277,830	0.19	0.08

Separate financial statements					
For the nine-month periods ended 30 September					
Net profit		Weighted average number of common shares		Earnings per share	
2011	2010	2011	2010	2011	2010
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the					
Company					
1,627,552	2,780,480	1,277,814	1,277,814	1.27	2.18
Effect of dilutive securities					
Preference shares convertible to					
common shares					
-	-	16	16		
Diluted earnings per share					
Profit of common shareholders					
assuming conversion of					
dilutive securities					
<u>1,627,552</u>	<u>2,780,480</u>	<u>1,277,830</u>	<u>1,277,830</u>	<u>1.27</u>	<u>2.18</u>

29. 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 in the ordinary course of businesses, are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policies (For the period 2011)
	Consolidated financial statements		Separate financial statements		
	2011	2010	2011	2010	
Subsidiary companies					
Purchase of investments in debt securities	-	-	3,750	4,548	At market price
Sales of investments in debt securities	-	-	49	-	At market price
Sales of operating assets	-	-	95	90	At the contracted price
(2011: gain by Baht 30 million 2010: gain by Baht 29 million)					
Interest income from loans	-	-	19	9	At interest rate of Thanachart Bank's MLR
Interest income from investments in debt securities	-	-	76	68	At interest rate of 2.90 - 3.00 and 5.00 - 8.00 percent per annum
Dividend income	-	-	167	59	As declared
Rental and other service income	-	-	38	46	At the contracted price
Interest expenses	-	-	1	-	At interest rate of 3.35, 4.90 and 5.25 percent per annum

(Unaudited but reviewed)

Other expenses	-	-	7	12	At the contracted price
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(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policies (For the period 2011)
	Consolidated		Separate		
	financial statements		financial statements		
	2011	2010	2011	2010	
Associated companies					
Sales of investments in debt securities	-	8,515	-	-	
Interest income	150	65	-	-	At interest rate of 2.25 - 7.25 percent per annum
Dividend income	-	-	47	48	As declared
Interest expenses	19	18	-	-	At interest rate of 0.25 - 3.75 and 5.25 percent per annum
Dividend payment	33	16	65	65	As declared
Other expenses	15	18	10	8	
Related companies					
Purchase of investments in debt securities	-	1,121	-	-	
Sales of investments in debt securities	5	1,261	-	-	At market price
Purchases/Sales of forward exchange contracts (2011: gain by Baht 33 million 2010: gain by Baht 3 million)	81,284	40,969	-	-	At market price
Interest income	216	48	-	-	At interest rate of 1.00 - 7.00 and 7.90 percent per annum
Dividend income	26	38	13	12	As declared
Other income	22	6	1	-	
Interest expenses	116	97	-	2	At interest rate of 0.20 - 5.50 and 7.40 - 8.00 percent per annum
Project management expenses	16	16	7	8	At the contract price calculated by reference to estimated usage time
Insurance/Life insurance expenses	-	18	-	-	
Fee and service expenses	-	32	-	-	
Other expenses	56	50	1	1	

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policies (For the period 2011)
	Consolidated		Separate		
	financial statements		financial statements		
	2011	2010	2011	2010	
Subsidiary companies					
Purchase of investments in debt securities	-	-	14,495	35,017	At market price
Investments in common shares of a subsidiary company	-	-	-	18,245	
Sales of investments in debt securities	-	-	158	18,334	At market price
Sales of investments in a subsidiary company	-	-	-	3,402	
Sales of operating assets (2011: gain by Baht 34 million 2010: gain by Baht 29 million)	-	-	100	90	At the contract price
Returned capital from a subsidiary company (2011: gain by Baht 6 million)	-	-	31	-	At the net assets value
Interest income from loans	-	-	53	29	At interest rate of Thanachart Bank's MLR
Interest income from cash deposit at banks	-	-	1	5	At interest rate of 0.625 - 1.50 percent per annum
Interest income from investments in debt securities	-	-	218	188	At interest rate of 2.45 - 3.00 and 5.00 - 8.00 percent per annum
Dividend income	-	-	1,406	854	As declared
Rental and other service income	-	-	126	159	At the contract price
Interest expenses	-	-	3	3	At interest rate of 3.35, 4.90 and 5.25 percent per annum
Other expenses	-	-	22	41	
Associated companies					
Purchase of investments in subsidiaries	-	161	-	-	
Purchase of investments in debt securities	80	350	-	-	At market price
Sales of investment in debt securities	324	13,319	-	-	At market price
Sales of investments in a subsidiary company (gain by Baht 22 million)	-	213	-	-	
Interest income	319	122	-	-	At interest rate of 0.75 - 7.25 percent per annum
Dividend income	-	-	94	90	As declared
Other income	7	14	-	-	
Interest expenses	61	51	-	-	At interest rate of 0.25 - 3.75 and 5.25 percent per annum
Dividend payment	52	40	156	143	As declared
Other expenses	44	44	24	23	

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policies (For the period 2011)
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2011	2010	2011	2010	
Related companies					
Purchase of investments in subsidiaries	-	6,228	-	-	
Purchase of investments in debt securities	903	2,890	-	-	At market price
Sales of investments in debt securities	450	2,096	-	-	At market price
Sales of land and leasehold rights (2010: with gain by Baht 78 million in the consolidated financial statements and gain by Baht 85 million in the separate financial statements)	-	266	-	208	
Sales of property foreclosed (2010: gain by Baht 29 million)	-	373	-	-	
Purchase/Sales of forward exchange contracts (2011: gain by Baht 10 million 2010: gain by Baht 6 million)	328,777	135,162	-	-	At market price
Interest income	549	120	-	-	At interest rate of 0.05 - 7.90 percent per annum
Dividend income	57	66	24	24	As declared
Other income	32	47	1	1	
Dividend payment	1,113	558	-	-	As declared
Interest expenses	327	215	1	6	At interest rate of 0.25 - 5.50, 7.40 and 8.00 percent per annum
Project management expenses	47	50	20	22	At the contract price calculated by reference to estimated usage time
Insurance/Life insurance expenses	4	50	-	-	As insurance policy
Fee and service expenses	1	109	-	-	At the contract price
Other expenses	122	136	3	9	

In addition to the transactions mentioned above, during the period ended 30 September 2011, SCIB transferred non-performing loans amounting to Baht 9,062 million and properties foreclosed amounting to Baht 3,083 million to TS Asset Management Co., Ltd., another subsidiary company in the group. The transfer prices were mutually agreed with reference to what in the opinions of financial advisors were fair values.

The significant outstanding balances of the above transactions during the nine-month periods ended 30 September 2011 and 2010 are below shown at the average month end balance as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
<u>Subsidiary companies</u>				
Interbank and money market items (Assets)	-	-	170	431
Loans to customers	-	-	1,000	1,411
Interbank and money market items (Liabilities)	-	-	1	1
Debts issued and borrowings	-	-	47	107
<u>Associated companies</u>				
Loans to customers	7,428	5,192	-	-
Deposits	342	413	-	-
Debts issued and borrowings	2,251	1,407	-	-
<u>Related companies</u>				
Interbank and money market items (Assets)	1,339	1,773	10	20
Loans to customers	19,286	9,570	-	-
Deposits	1,232	4,783	-	-
Interbank and money market items (Liabilities)	7,591	6,583	-	-
Debts issued and borrowings	7,746	3,401	60	150

The significant outstanding balances with subsidiaries, associated companies or related parties as at 30 September 2011 and 31 December 2010 are separately shown as follows:

(Unit: Million Baht)

Consolidated financial statements									
30 September 2011									
Assets					Liabilities				
Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest receivables	Other assets	Deposits	Interbank and money market items	Deposits	Debts issued and borrowings	Other liabilities	Commitments
Associated companies									
Ratchthani Leasing Plc.	-	-	8,151	-	39	-	-	-	-
MBK Plc.	-	-	-	104	83	-	2,000	83	-
Siam Samsung Life Insurance Co., Ltd.	-	-	-	-	67	-	-	-	-
Related companies									
The Bank of Nova Scotia	145	-	-	7	-	7,798	3,494	202	4,942
Seacon Development Plc.	-	-	644	1	-	-	-	-	-
Synphaet Co., Ltd.	-	-	684	-	4	-	-	-	-
Indorama Ventures Plc.	-	-	-	-	1	-	1,050	2	3,117
Thai Hua Rubber Plc.	-	-	2,533	-	196	-	150	1	1
Srithai Superware Plc.	-	-	607	-	5	-	-	-	48
Krung Thai Card Plc.	-	581	9,040	5	5	-	-	-	-
Chaimongkol Refinery Co., Ltd.	-	-	2,476	-	57	-	-	-	3
Wangkanai Sugar Co., Ltd.	-	-	1,497	-	84	-	-	-	47
Others	320	-	1,162	43	641	49	567	24	270
Total	465	581	26,794	160	1,182	7,847	7,261	312	8,428

Consolidated financial statements									
31 December 2010									
Assets					Liabilities				
Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest		Other assets	Deposits	Interbank and money market items	Debts		Other liabilities Commitments
		receivables					issued and borrowings		
Associated companies									
Ratchthani Leasing Plc.	-	-	6,503	-	37	-	-	-	-
MBK Plc.	-	-	-	11	144	-	1,800	18	30
Siam Samsung Life									
Insurance Co., Ltd.	-	-	-	-	98	-	-	-	-
Siam City Insurance									
Co., Ltd.	-	-	-	-	98	-	-	-	-
Related companies									
The Bank of Nova Scotia	436	-	-	2	-	6,853	3,494	76	1,458
Chaimongkol Refinery									
Co., Ltd.	-	-	2,840	-	95	-	-	-	3
Advanced Info Service Plc.	-	244	24	6	2,041	-	200	39	19
Government Saving Bank	4,057	-	-	-	-	30	650	225	-
Wangkanai Sugar									
Co., Ltd.	-	-	1,658	-	15	-	-	-	48
Seacon Development									
Plc.	-	-	736	1	1	-	-	-	58
Synphaet Co., Ltd.	-	-	654	-	9	-	-	-	28
Krung Thai IBJ Leasing Co.,									
Ltd.	-	-	593	-	-	-	-	-	-
Thai Hua Rubber Plc.	-	-	1,777	-	191	-	150	1	6
Srithai Superware Plc.	-	-	446	-	50	-	-	-	6
Krung Thai Card Plc.	-	964	9,344	6	4	-	-	-	-
Others	341	175	1,277	41	820	37	730	20	221
Total	4,834	1,383	25,852	67	3,603	6,920	7,024	379	1,877

(Unit: Million Baht)

Separate financial statements									
30 September 2011									
Assets					Liabilities				
Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest receivables		Other assets	Interbank and money market items	Debts issued and borrowings		Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	83	3,791	-	166	1	6	518	-	
National Leasing Co., Ltd.	-	-	-	-	-	-	18	-	
NFS Asset Management Co., Ltd.	-	-	1,000	1	-	-	-	-	
Thanachart Life Assurance Co., Ltd.	-	-	-	-	-	45	1	-	
Others	-	-	-	4	-	-	5	-	
Associated companies									
MBK Plc.	-	-	-	49	-	-	72	-	
Related companies									
Others	-	-	-	13	-	-	2	-	
Total	83	3,791	1,000	233	1	51	616	-	

(Unit: Million Baht)

Separate financial statements									
31 December 2010									
Assets					Liabilities				
Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest receivables		Other assets	Interbank and money market items	Debts issued and borrowings		Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	56	3,636	-	72	-	-	622	-	
National Leasing Co., Ltd.	-	-	-	-	-	-	22	-	
NFS Asset Management Co., Ltd.	-	-	1,000	-	-	-	-	-	
Thanachart Life Assurance Co., Ltd.	-	-	-	-	-	45	-	-	
Others	1	-	-	4	-	-	5	-	
Associated companies									
MBK Plc.	-	-	-	1	-	-	8	-	
Related companies									
Others	20	-	-	1	-	151	3	-	
Total	77	3,636	1,000	78	-	196	660	-	

(Unaudited but reviewed)

As at 30 September 2011, the Company and its subsidiaries have investments amounting to approximately Baht 1,076 million (separate financial statements: Baht 461 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 2010: Baht 1,052 million in the consolidated financial statements and Baht 451 million in the separate financial statements).

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 2011 and 31 December 2010 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Loans to customers	46	59	-	-
Deposits	503	487	-	-

Remunerations to key management personnel

During the nine-month periods ended 30 September 2011 and 2010, the Company and its subsidiaries recorded the following benefits to their key management personnel, including directors.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Short-term employee benefits	491	339	66	58
Post-employment benefits	43	-	1	-
	<u>534</u>	<u>339</u>	<u>67</u>	<u>58</u>

30. Financial information by segment**30.1 Financial positions and operating results classified by domestic and foreign business transaction**

The financial positions as at 30 September 2011 and 31 December 2010 and operating results for the three-month and nine-month periods ended 30 September 2011 and 2010, classified by domestic and foreign operations, are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	30 September 2011			
	Domestic	Foreign	Eliminations	Total
Total assets	1,024,160	7,195	(143,245)	888,110
Interbank and money market items (Asset)	95,753	60	(35,853)	59,960
Investments	146,094	7,059	(3,217)	149,936
Investments in subsidiaries and associates	108,154	-	(105,971)	2,183
Loans to customers and accrued interest receivables	619,129	-	(8,320)	610,809
Deposits	459,238	-	(635)	458,603
Interbank and money market items (Liabilities)	93,205	6,994	(42,217)	57,982
Debts issued and borrowings	248,839	-	(7,597)	241,242

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2010			
	Domestic	Foreign	Eliminations	Total
Total assets	976,309	10,758	(105,151)	881,916
Interbank and money market items (Asset)	98,374	196	(13,465)	85,105
Investments	134,894	10,505	(406)	144,993
Investments in subsidiaries and associates	108,843	-	(106,604)	2,239
Loans to customers and accrued interest receivables	584,888	-	(2,245)	582,643
Deposits	532,973	-	(591)	532,382
Interbank and money market items (Liabilities)	43,894	10,291	(13,640)	40,545
Debts issued and borrowings	189,615	-	(4,898)	184,717

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 30 September 2011				
	Domestic	Foreign	Eliminations	Total
Interest income	12,105	53	(451)	11,707
Interest expenses	(5,953)	(7)	389	(5,571)
Net interest income	6,152	46	(62)	6,136
Net fees and service income	1,205	(2)	(371)	832
Net insurance income	118	-	418	536
Other operating income	2,320	(6)	(650)	1,664
Other operating expenses	(6,676)	-	746	(5,930)
Impairment loss of loans and debt securities	(26)	-	(103)	(129)
Corporate income tax	(229)	-	(598)	(827)
Income before non-controlling interests	2,864	38	(620)	2,282

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 30 September 2010				
	Domestic	Foreign	Eliminations	Total
Interest income	9,878	90	(250)	9,718
Interest expenses	(3,330)	(17)	119	(3,228)
Net interest income	6,548	73	(131)	6,490
Net fees and service income	1,134	(1)	(296)	837
Net insurance income	421	-	250	671
Other operating income	1,879	25	(399)	1,505
Other operating expenses	(5,157)	-	184	(4,973)
Impairment loss of loans and debt securities	(353)	-	(10)	(363)
Corporate income tax	(1,289)	-	-	(1,289)
Income before non-controlling interests	3,183	97	(402)	2,878

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2011				
	Domestic	Foreign	Eliminations	Total
Interest income	33,547	178	(1,088)	32,637
Interest expenses	(14,754)	(26)	871	(13,909)
Net interest income	18,793	152	(217)	18,728
Net fees and service income	3,614	(4)	(1,051)	2,559
Net insurance income	915	-	981	1,896
Other operating income	10,554	40	(6,292)	4,302
Other operating expenses	(17,220)	-	1,016	(16,204)
Impairment loss of loans and debt securities	(1,669)	-	(49)	(1,718)
Corporate income tax	(1,657)	-	(656)	(2,313)
Income before non-controlling interests	13,330	188	(6,268)	7,250

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2010				
	Domestic	Foreign	Eliminations	Total
Interest income	25,517	200	(657)	25,060
Interest expenses	(8,661)	(35)	364	(8,332)
Net interest income	16,856	165	(293)	16,728
Net fees and service income	2,855	(2)	(852)	2,001
Net insurance income	1,118	-	639	1,757
Other operating income	8,557	8	(4,407)	4,158
Other operating expenses	(12,590)	-	587	(12,003)
Impairment loss of loans and debt securities	(1,112)	-	(2)	(1,114)
Corporate income tax	(4,271)	-	629	(3,642)
Income before non-controlling interests	11,413	171	(3,699)	7,885

The financial positions as at 30 September 2011 and 31 December 2010 and the operating results for the three-month and nine-month periods ended 30 September 2011 and 2010, presented in the separate financial statements, are only the result of domestic operations.

30.2 Financial positions and operating results classified by business type

Financial information presented in the consolidated financial statements as at 30 September 2011 and 31 December 2010 and for the three-month and nine-month periods ended 30 September 2011 and 2010 are as follows:

(Unit: Million Baht)

For the three-month period ended 30 September 2011									
	The	Banking	Asset	Securities	Life	Non-life	Other		
	Company	business	management	business	insurance	insurance	business	Eliminations	Total
Net interest income	(40)	5,677	160	47	295	33	26	(62)	6,136
Net fees and service									
income	2	1,019	1	114	(4)	(1)	72	(371)	832
Net insurance income	-	-	-	-	(209)	327	-	418	536
Other operating income	358	1,297	96	392	92	18	61	(650)	1,664
Other operating									
expenses	(81)	(5,798)	(60)	(351)	(118)	(170)	(98)	746	(5,930)
Impairment loss of									
loans and debt									
securities	9	(158)	110	-	-	-	13	(103)	(129)
Corporate income tax	-	105	(60)	(61)	(140)	(57)	(16)	(598)	(827)
Income before non-									
controlling interests	248	2,142	247	141	(84)	150	58	(620)	2,282

(Unit: Million Baht)

For the three-month period ended 30 September 2010									
	The	Banking	Asset	Securities	Life	Non-life	Other		
	Company	business	management	business	insurance	insurance	business	Eliminations	Total
Net interest income	(71)	6,221	147	34	232	14	44	(131)	6,490
Net fees and service									
income	8	957	2	130	(33)	(1)	70	(296)	837
Net insurance income	-	-	-	-	161	260	-	250	671
Other operating income	230	914	17	467	191	20	65	(399)	1,505
Other operating									
expenses	(84)	(4,318)	(29)	(397)	(103)	(122)	(104)	184	(4,973)
Impairment loss of									
loans and debt									
securities	20	(426)	23	-	-	-	30	(10)	(363)
Corporate income tax	3	(1,007)	(27)	(64)	(148)	(27)	(19)	-	(1,289)
Income before non-									
controlling interests	106	2,341	133	170	300	144	86	(402)	2,878

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2011

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest income	(149)	17,735	235	129	823	82	90	(217)	18,728
Net fees and service income	9	3,012	5	387	(12)	(4)	213	(1,051)	2,559
Net insurance income	-	-	-	-	40	875	-	981	1,896
Other operating income	1,845	7,028	209	1,113	151	39	209	(6,292)	4,302
Other operating expenses	(250)	(14,728)	(120)	(1,041)	(331)	(463)	(287)	1,016	(16,204)
Impairment loss of loans and debt securities	174	(2,025)	161	-	-	-	21	(49)	(1,718)
Corporate income tax	(1)	(798)	(110)	(150)	(341)	(200)	(57)	(656)	(2,313)
Income before non-controlling interests	1,628	10,224	380	438	330	329	189	(6,268)	7,250

(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 income	(217)	16,134	150	89	587	44	234	(293)	16,728
Net fees and service income	44	2,269	3	400	(114)	(3)	254	(852)	2,001
Net insurance income	-	-	-	-	459	659	-	639	1,757
Other operating income	3,957	2,838	162	1,092	287	51	178	(4,407)	4,158
Other operating expenses	(309)	(10,266)	(82)	(1,017)	(264)	(336)	(316)	587	(12,003)
Impairment loss of loans and debt securities	61	(1,429)	233	-	-	-	23	(2)	(1,114)
Corporate income tax	(756)	(2,716)	(105)	(164)	(292)	(152)	(86)	629	(3,642)
Income before non-controlling interests	2,780	6,830	361	400	663	263	287	(3,699)	7,885

(Unaudited but reviewed)

(Unit: Million Baht)

As at 30 September 2011

	The	Banking	Asset	Securities	Life	Non-life	Other		
	Company	business	managemen	business	insurance	insurance	business	Eliminations	Total
			t business		business	business			
Interbank and money									
market items - net	97	87,195	253	342	308	218	350	(28,803)	59,960
Investments - net	7,941	107,281	1,580	319	31,318	4,344	370	(3,217)	149,936
Investments in									
subsidiaries and									
associates	31,598	74,794	-	688	699	313	62	(105,971)	2,183
Loans to customers									
and accrued									
interest									
receivables - net	1,089	605,047	9,679	2,112	86	-	1,116	(8,320)	610,809
Land, premises and									
equipment - net	58	9,406	1	59	160	80	18	(931)	8,851
Other assets	2,308	33,203	6,150	1,796	750	1,028	89	11,047	56,371
Total assets	43,091	916,926	17,663	5,316	33,321	5,983	2,005	(136,195)	888,110

(Unit: Million Baht)

As at 31 December 2010

	The	Banking	Asset	Securities	Life	Non-life	Other		
	Company	business	managemen	business	insurance	insurance	business	Eliminations	Total
			t business		business	business			
Interbank and money									
market items - net	89	84,277	256	1,684	1,263	296	221	(2,981)	85,105
Investments - net	7,344	103,137	949	767	28,794	3,801	607	(406)	144,993
Investments in									
subsidiaries and									
associates	31,623	75,272	-	763	776	347	62	(106,604)	2,239
Loans to customers									
and accrued									
interest									
receivables - net	1,049	579,541	1,202	1,345	58	-	1,693	(2,245)	582,643
Land, premises and									
equipment - net	124	8,731	1	79	128	19	29	-	9,111
Other assets	2,233	31,498	2,999	2,034	703	668	122	17,568	57,825
Total assets	42,462	882,456	5,407	6,672	31,722	5,131	2,734	(94,668)	881,916

31. Encumbrance of assets

As at 30 September 2011 and 31 December 2010, the Company and its subsidiaries have the following assets, presented at book value, which are subject to restriction.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Investment in securities				
Placed at insurance registrar	7,260	6,214	-	-
Placed at court	295	283	-	-
Placed for derivative agreements	-	190	-	-
Placed for electricity usage	13	13	-	-
Property foreclosed				
Immovable assets subject to buy back options or first refusal rights	914	525	-	-
Immovable assets subject to agreements with customers to sales and purchase but currently being settled in installments or transfer of ownership right	1,429	1,707	79	85
	<u>9,911</u>	<u>8,932</u>	<u>79</u>	<u>85</u>

32. Commitments and contingent liabilities

As at 30 September 2011 and 31 December 2010, the significant commitments and contingent liabilities consisted of the following:

32.1 Commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Avals to bills	329	654	-	-
Guarantees of loans	4,403	422	-	-
Liabilities under unmatured				
import bills	1,585	571	-	-
Letters of credit	1,834	2,456	-	-
Other commitments				
Committed but not drawn down				
overdraft	42,522	45,740	-	-
Others	21,284	24,235	1	1
Total	71,957	74,078	1	1

Moreover, the subsidiaries have commitments from foreign exchange contracts, cross currency and interest rate swap contracts and interest rate swap contracts that mentioned in Note 4 to the financial statements.

32.2 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 2011, 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 2010: Baht 383 million and Baht 183 million, respectively).

32.3 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 2011, the maximum commitment is approximately Baht 5 million in the consolidated financial statements and Baht 2 million in the separate financial statements.

32.4 As at 30 September 2011, the Company and its subsidiaries have obligations to pay service fees related to property foreclosed, information technology and other services including long-term rental and office services agreements, as follows:

(Unit: Million Baht)

Year	Consolidated		Separate financial statements	
	financial statements			
	Other companies		Other companies	Subsidiaries
2011	772		9	2
2012	1,567		5	5
2013 onward	5,176		2	13

Moreover, 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.

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

Effectively from 1 April 2002, SCIB entered into a business transfer agreement with Bangkok Metropolitan Bank Plc. (“BMB”) to receive the transfer of assets and liabilities of BMB, and due to the transferred of SCIB’s assets and of BMB’s assets to Petchburi Asset Management Co., Ltd. and then transferred to Sukhumvit Asset Management Co., Ltd. (“SAM”), as a result, as at 30 September 2011, SCIB has the outstanding obligations summarised below.

- a) There was an outstanding difference of Baht 93 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 statements of financial position. 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 2011, such differences consist of (i) Baht 10 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 cannot 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, or to request price adjustments and 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 2011, the transferred assets which SAM is re-examining totaling Baht 370 million consist of (i) Baht 28 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 statements of financial position, and (ii) Baht 342 million of transactions incurred by 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 Baht 258 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.

- c) Lawsuits in which SCIB is involved as a result of the transfer of business from BMB, amounting to approximately Baht 11,280 million, as presented as part of contingent liabilities in Note 33 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 2011, the deposit account of FIDF to fund the payment of compensation for losses incurred by SCIB has an outstanding balance of approximately Baht 791 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 entire business transfer between SCIB to Thanachart Bank. The management of the Company and Thanachart Bank believe that no further losses will be incurred.

32.6 Commitments arising from sale of ordinary shares of Siam City Securities

As a result of the sale of all ordinary shares of Siam City Securities in August 2011, SCIB is obligated to pay compensation to indemnify the buyer from pending lawsuits including litigation in which Siam City Securities is pursuing collection of debt amounts and/or future litigation which made claims against its debtor that arose before the disposal date of such shares. Moreover, SCIB undertakes to compensate the buyer for any expenses incurred whenever the buyer or Siam City Securities provide SCIB with written notification of reasons for such compensation, together with evidence, for up to 3 years from the share transfer date.

33. Litigation

As at 30 September 2011, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 24,618 million in respect of litigation (separate financial statements: Baht 624 million). The cases are not yet finalised. 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 23,378 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 12,098 million relates to the SCIB's own lawsuits, with Baht 8,594 million of this amount relating to a tort case in which the actual 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 3,504 million; and (ii) the remaining portion of Baht 11,280 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 2011, SCIB had already made provisions for contingent liabilities totaling Baht 64 million in the statements of financial position 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.

34. Bank guarantee

As at 30 September 2011, there are outstanding bank guarantees of approximately Baht 3 million (separate financial statements: Baht 1 million) issued by banks on behalf of the Company and its subsidiaries as guarantees for the use of electricity and the rental of land.

35. Reclassification

The Company and its subsidiary companies reclassified certain amounts in the financial statements as at 31 December 2010 and for the three-month and nine-month periods ended 30 September 2010 to conform to the current period's classifications in accordance with the format stipulated by the BOT, with no effect on previously reported net income or equity. Reclassifications are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	As	As previously	As	As previously
	reclassified	reported	reclassified	reported
<u>31 December 2010</u>				
Derivative assets	1,540	-	-	-
Investments - net	144,993	142,929	7,344	7,344
Properties foreclosed - net	12,856	11,970	2,056	2,056
Goodwill	13,671	16,620	-	-
Receivables from clearing house	-	391	-	-
Financial derivative assets	-	3,117	-	-
Other assets - net	6,083	4,115	43	43
Derivatives liabilities	597	-	-	-
Provisions	822	781	11	11
Financial derivatives liabilities	-	941	-	-
Payables to clearing house	-	98	-	-
Accrued expense	-	3,070	-	26
Accrued corporate income tax payable	-	2,404	-	1
Unearned premium reserve	-	1,881	-	-
Accrued dividend payable	32	-	-	-
Other liabilities	15,626	7,901	153	126

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statement	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>For the three-month period ended</u>				
<u>30 September 2010</u>				
Interest income	9,718	-	86	-
Interest and dividend income	-	9,983	-	204
Interest expenses	3,228	2,700	157	156
Fees and service income	987	1,039	8	8
Fees and service expenses	150	60	-	-
Gains on trading and foreign exchange transactions	207	-	1	-
Gain on investments	47	193	3	4
Brokerage fees income	-	417	-	-
Gain on foreign exchange and financial derivatives	-	86	-	-
Gains on properties foreclosed and other assets	57	62	29	29
Dividend income	331	-	118	-
Other operating income	794	360	79	79
Contribution fee to the deposits protection agency	-	528	-	-
Premises and equipment expenses	885	963	22	22
Other expenses	1,429	1,441	34	35
Impairment loss of loans and debt securities (reversal)	363	-	(20)	-
Bad debt and doubtful accounts (reversal)	-	280	-	(21)
Loss on debt restructuring	-	82	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statement	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>For the nine-month period ended</u>				
<u>30 September 2010</u>				
Interest income	25,060	-	330	-
Interest and dividend income	-	25,380	-	1,306
Interest expenses	8,332	6,949	547	545
Fees and service income	2,382	2,497	46	46
Fees and service expenses	381	202	1	1
Gains on trading and foreign exchange transactions	425	-	1	-
Gain on investments	415	762	2,330	2,310
Brokerage fees income	-	947	-	-
Gain on foreign exchange and financial derivatives	-	243	-	-
Gains on properties foreclosed and other assets	462	474	326	326
Dividend income	472	-	976	-
Other operating income	2,066	1,131	324	324
Contribution fee to the deposits protection agency	-	1,376	-	-
Premises and equipment expenses	2,191	2,367	84	85
Other expenses	3,291	3,302	126	128
Impairment loss of loans and debt securities (reversal)	1,114	-	(62)	-
Bad debt and doubtful accounts (reversal)	-	1,142	-	(84)
Loss on debt restructuring	-	123	-	-

36. Events after the reporting period

In October 2011, there was widespread flooding in Thailand and it is uncertain when the situation will return to normal. The floods may impact on the business plan, operating performance and financial position, together with the asset value of entrepreneurs in Thailand. This may affect some debtors of the Company and its subsidiaries. In addition, the subsidiary company which operates non-life insurance may be also affected by the floods. Currently, the Company and its subsidiaries are in the process of assessing the impact of the floods.

37. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 November 2011.