

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
31 March 2012

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thanachart Capital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thanachart Capital Public Company Limited and its subsidiaries as at 31 March 2012, the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three-month periods ended 31 March 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Thanachart Capital Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 Interim Financial Reporting.

Statements of financial position as at 31 December 2011 for comparative purposes

I have previously audited the consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiaries and the separate financial statements of Thanachart Capital Public Company Limited for the year ended 31 December 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 20 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Phuphun Charoensuk
Certified Public Accountant (Thailand) No. 4950

Ernst & Young Office Limited
Bangkok: 10 May 2012

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

Note	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	10,518,453	16,005,678	10	-
Interbank and money market items - net	57,551,794	63,232,094	51,963	75,753
Derivative assets	4 1,443,638	1,536,490	-	-
Investments - net	5 158,665,816	152,511,228	5,831,981	5,657,335
Investments in subsidiaries and associates - net	6 1,616,824	1,672,981	31,598,119	31,598,119
Loans to customers and accrued interest receivables	7			
Loans to customers	690,365,821	676,790,337	1,240,241	1,344,436
Accrued interest receivables	1,038,643	979,725	9,256	9,245
Total loans to customers and accrued interest receivables	691,404,464	677,770,062	1,249,497	1,353,681
Less: Deferred revenue	(42,704,411)	(39,686,523)	(7,709)	(7,847)
Less: Allowance for doubtful accounts	8 (24,828,876)	(26,900,029)	(252,714)	(258,777)
Less: Revaluation allowance for debt restructuring	9 (353,857)	(385,980)	-	-
Net loans to customers and accrued interest receivables	623,517,320	610,797,530	989,074	1,087,057
Customers' liability under acceptance	59,967	90,531	-	-
Properties foreclosed - net	11 11,104,014	11,560,136	1,934,705	2,006,953
Land, premises and equipment - net	8,756,276	8,814,746	55,463	55,150
Intangible assets - net	4,600,536	4,709,482	384	400
Goodwill	12 14,050,751	13,981,349	-	-
Receivables from purchase and sale of securities and derivatives	2,059,970	858,326	-	664
Accrued interest and dividend receivables	1,382,290	1,050,831	267,917	78,922
Reinsurance assets	2,060,566	2,573,393	-	-
Other assets - net	13 6,258,443	5,761,842	78,903	82,595
Total assets	903,646,658	895,156,637	40,808,519	40,642,948

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 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity				
Deposits	485,042,243	435,864,954	-	-
Interbank and money market items	69,340,471	60,151,091	125	246
Liability payable on demand	3,010,328	2,130,716	-	-
Derivatives liabilities	4 1,066,920	2,885,848	-	-
Debts issued and borrowings	14 207,834,586	262,653,021	12,000,000	12,000,000
Bank's liability under acceptances	59,967	90,531	-	-
Provisions	15 3,258,873	3,143,979	210,993	210,118
Accrued interest payable	3,186,535	3,267,864	78,477	79,960
Payables from purchase and sale of securities and derivatives	4,492,625	850,724	-	-
Insurance contract liabilities	16 35,860,510	36,154,060	-	-
Other liabilities	17 12,994,278	12,282,710	174,572	147,750
Total liabilities	826,147,336	819,475,498	12,464,167	12,438,074

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 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Equity					
Share capital	18				
Registered, issued and paid-up					
13,336 preferred shares of Baht 10 each		133	133	133	133
1,333,140,667 common shares of Baht 10 each		13,331,407	13,331,407	13,331,407	13,331,407
		<u>13,331,540</u>	<u>13,331,540</u>	<u>13,331,540</u>	<u>13,331,540</u>
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Other components of equity	19	1,422,508	1,563,281	287,892	300,712
Retained earnings					
Appropriated - statutory reserve	20	1,202,176	1,202,176	1,202,176	1,202,176
- treasury share reserve		387,501	387,501	387,501	387,501
Unappropriated		21,289,399	20,096,019	11,457,099	11,304,801
Less: Treasury share - common share	18	(387,501)	(387,501)	(387,501)	(387,501)
		<u>39,311,268</u>	<u>38,258,661</u>	<u>28,344,352</u>	<u>28,204,874</u>
Equity attributable to owners					
of the Company					
Non-controlling interests		38,188,054	37,422,478	-	-
		<u>77,499,322</u>	<u>75,681,139</u>	<u>28,344,352</u>	<u>28,204,874</u>
Total equity					
Total liabilities and equity		<u>903,646,658</u>	<u>895,156,637</u>	<u>40,808,519</u>	<u>40,642,948</u>

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

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Directors
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(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month periods ended 31 March 2012 and 2011**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Profit or loss:					
Interest income	21	11,836,781	10,168,104	102,385	92,693
Interest expenses	22	(6,230,274)	(3,894,307)	(135,544)	(153,435)
Net interest income		5,606,507	6,273,797	(33,159)	(60,742)
Fees and service income		1,057,892	1,027,756	1,167	3,706
Fees and service expenses		(91,593)	(142,683)	(47)	(157)
Net fees and service income	23	966,299	885,073	1,120	3,549
Gains on trading and foreign exchange transactions (losses)	24	(90,120)	240,175	(90)	133
Gains on investments	25	228,213	35,234	3,598	9,479
Share of profit from investments accounted for under equity method	6.2	37,991	92,727	-	-
Insurance premium/Life insurance premium income		3,087,773	2,900,126	-	-
Dividend income		129,111	255,553	189,751	168,539
Brokerage fees from securities/derivatives		294,433	294,827	-	-
Other operating income		578,713	383,455	58,574	73,840
Total operating income		10,838,920	11,360,967	219,794	194,798
Insurance expenses		(1,791,782)	(2,273,591)	-	-
Net operating income		9,047,138	9,087,376	219,794	194,798
Other operating expenses					
Personnel expenses		2,899,721	2,719,060	26,713	24,960
Directors' remuneration		6,759	10,666	2,335	2,385
Premises and equipment expenses		744,562	897,112	19,276	19,997
Taxes and duties		232,828	207,057	448	1,163
Other expenses		1,924,441	1,227,522	25,120	27,075
Total other operating expenses		5,808,311	5,061,417	73,892	75,580
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)	26	415,379	720,504	(6,396)	(9,623)
Profit before income tax		2,823,448	3,305,455	152,298	128,841
Income tax	27	(712,037)	(1,070,539)	-	-
Profit for the period		2,111,411	2,234,916	152,298	128,841

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 31 March 2012 and 2011

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Other comprehensive incomes:	28				
Gains (losses) on remeasuring available-for-sale investments		(280,430)	(170,813)	(12,820)	13,335
Share of other comprehensive income of associates		8,501	9,121	-	-
Total other comprehensive income (losses)		(271,929)	(161,692)	(12,820)	13,335
Total comprehensive income		1,839,482	2,073,224	139,478	142,176
Profit attributable to					
The Company		1,193,380	1,144,268	152,298	128,841
Non-controlling interests		918,031	1,090,648	-	-
		2,111,411	2,234,916	152,298	128,841
Total comprehensive income attributable to					
The Company		1,052,607	1,079,638	139,478	142,176
Non-controlling interests		786,875	993,586	-	-
		1,839,482	2,073,224	139,478	142,176
Earnings per share of the Company	29				
Basic earnings per share					
Profit attributable to the Company (Baht per share)		0.93	0.90	0.12	0.10
Diluted earnings per share					
Profit attributable to the Company (Baht per share)		0.93	0.90	0.12	0.10

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 three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before income tax	2,823,448	3,305,455	152,298	128,841
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	(37,991)	(92,727)	-	-
Depreciation and amortisation	409,991	433,287	11,244	13,407
Impairment loss of loans and debt securities (reversal)	415,379	720,504	(6,396)	(9,623)
Increase in provisions	173,791	2,007,253	875	912
Increase (decrease) in provision for impairment of properties foreclosed	(49,425)	(26,051)	32,293	979
Increase (decrease) in provision for impairment of equipment/other assets	3,901	29,077	218	(439)
Increase (decrease) in provision for impairment/ revaluation of investments	264,011	(88,068)	91	(172)
Amortisation of deferred gain on disposal of properties foreclosed	-	(966)	-	-
Unrealised loss on foreign exchange and financial derivatives	49,752	113,365	-	-
Increase in unearned premium reserve/ life insurance premium reserve	3,370,364	681,459	-	-
Gain on transfers of assets for debt repayment	(2,184)	(2,829)	-	-
Loss (gain) on disposal of equipment	(7,952)	3,359	(550)	(4,305)
Amortisation of discounts on long-term borrowings	7,626	-	-	-
Decrease (increase) in accrued other income receivable	541,398	38,730	539	(8,358)
	7,962,109	7,121,848	190,612	121,242
Net interest income	(5,606,507)	(6,273,797)	33,159	60,742
Dividend income	(129,111)	(255,553)	(189,751)	(168,539)
Cash received from interest on operating activities	10,861,600	9,221,318	19,395	18,670
Cash paid for interest on operating activities	(3,806,749)	(2,945,474)	(39)	-
Cash paid for corporate income tax	(242,646)	(89,597)	(2,569)	(1,972)
Income from operating activities before changes in operating assets and liabilities	9,038,696	6,778,745	50,807	30,143

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 three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Interbank and money market items	5,590,581	20,223,954	24,008	(6,045)
Investments in trading securities	(1,646,651)	(2,335,921)	7,199	10,285
Derivative assets	759,323	1,622,221	-	-
Loans to customers	(14,212,065)	(7,115,896)	104,077	73,066
Properties foreclosed	1,427,304	1,027,329	40,280	33,512
Receivables from purchase and sale securities and derivatives	(1,201,644)	(2,889,224)	664	-
Reinsurance assets	512,826	251,794	-	-
Other assets	(1,360,266)	297,413	(5,375)	(6,141)
Operating liabilities increase (decrease)				
Deposits	49,177,289	(50,991,901)	-	-
Interbank and money market items	9,133,008	(2,199,355)	(121)	(12)
Liability payable on demand	879,611	(53,430)	-	-
Derivatives liabilities	(1,540,482)	(283,313)	-	-
Payable from purchase and sales securities and derivatives	3,641,901	(98,253)	-	(603,600)
Insurance contract liabilities	(293,550)	343,630	-	-
Other liabilities	(3,048,458)	(1,221,767)	26,951	5,821
Net cash provided from (used in) operating activities	56,857,423	(36,643,974)	248,490	(462,971)
Cash flows from investing activities				
Decrease (increase) in investments in securities	(5,732,648)	3,147,312	(192,729)	499,986
Cash received from interest	1,011,376	1,493,412	-	487
Cash received from dividend	56,161	210,828	83,523	95,455
Cash paid for purchase of land and equipment/ intangible assets	(262,294)	(120,284)	(3,336)	(1,325)
Cash received from disposal of equipment/ intangible assets	9,204	8,237	550	4,856
Net cash provided from (used in) investing activities	(4,918,201)	4,739,505	(111,992)	599,459

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 three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from financing activities				
Cash received from debts issued and borrowings	303,297,854	268,162,403	-	-
Cash paid for debts issued and borrowings	(358,123,914)	(238,622,713)	-	-
Cash paid for interest expenses on borrowings	(2,583,753)	(1,480,908)	(136,488)	(136,488)
Cash paid for dividend to non-controlling interests	(16,634)	(51,471)	-	-
Net cash provided from (used in)				
financing activities	(57,426,447)	28,007,311	(136,488)	(136,488)
Net increase (decrease) in cash	(5,487,225)	(3,897,158)	10	-
Cash at beginning of the period	16,005,678	15,298,105	-	-
Cash at ending of the period	<u>10,518,453</u>	<u>11,400,947</u>	<u>10</u>	<u>-</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Properties foreclosed transferred from loans, other receivable and investments in receivables purchased	919,574	746,565	325	679
Bad debt written off	101,748	295,657	135	1,250

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 equity

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to the Company's shareholders													
Other components of equity													
Issued and paid-up share capital		Premium on common share	Amount by which				Share of other comprehensive income (losses) of associates	Retained earnings			Non-controlling interests	Total	
Preferred shares	Common shares		Premium of a subsidiary company's share	the value of investment in subsidiary lower than attributable net book value	Revaluation surplus on investments	Appropriated		Statutory reserve	Treasury shares reserve	Unappropriated			
Balance as at 1 January 2011	159	13,331,381	2,065,645	775,814	226,460	713,487	(19,271)	1,120,420	387,501	16,707,622	(387,501)	34,508,121	69,429,838
- as previously reported													
The allocation of cost of business combination adjustment (Note 1.2)	-	-	-	-	-	-	-	-	-	-	-	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	16,707,622	(387,501)	34,509,702	69,431,419
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(51,471)	(51,471)
Total comprehensive income for the period (losses)	-	-	-	-	-	(71,547)	6,917	-	-	1,144,268	-	993,586	2,073,224
Balance as at 31 March 2011	159	13,331,381	2,065,645	775,814	226,460	641,940	(12,354)	1,120,420	387,501	17,851,890	(387,501)	35,451,817	71,453,172
Balance as at 1 January 2012	133	13,331,407	2,065,645	775,814	226,460	579,661	(18,654)	1,202,176	387,501	20,096,019	(387,501)	37,422,478	75,681,139
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(21,299)	(21,299)
Total comprehensive income for the period (losses)	-	-	-	-	-	(147,206)	6,433	-	-	1,193,380	-	786,875	1,839,482
Balance as at 31 March 2012	133	13,331,407	2,065,645	775,814	226,460	432,455	(12,221)	1,202,176	387,501	21,289,399	(387,501)	38,188,054	77,499,322

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 equity

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and paid-up share capital			Other components	Retained earnings				
	Preferred shares	Common shares	Premium on common share	of equity	Appropriated				Total
				Revaluation surplus on investments	Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	
Balance as at 1 January 2011	159	13,331,381	2,065,645	289,997	1,120,420	387,501	11,283,703	(387,501)	28,091,305
Total comprehensive income for the period	-	-	-	13,335	-	-	128,841	-	142,176
Balance as at 31 March 2011	<u>159</u>	<u>13,331,381</u>	<u>2,065,645</u>	<u>303,332</u>	<u>1,120,420</u>	<u>387,501</u>	<u>11,412,544</u>	<u>(387,501)</u>	<u>28,233,481</u>
Balance as at 1 January 2012	133	13,331,407	2,065,645	300,712	1,202,176	387,501	11,304,801	(387,501)	28,204,874
Total comprehensive income for the period (losses)	-	-	-	(12,820)	-	-	152,298	-	139,478
Balance as at 31 March 2012	<u>133</u>	<u>13,331,407</u>	<u>2,065,645</u>	<u>287,892</u>	<u>1,202,176</u>	<u>387,501</u>	<u>11,457,099</u>	<u>(387,501)</u>	<u>28,344,352</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 three-month periods ended 31 March 2012 and 2011

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

1.2 Entire Business Transfer from Siam City Bank Plc.

In April 2010, Thanachart Bank Plc. (“Thanachart Bank”) acquired shares of Siam City Bank Plc. (“SCIB”) and Thanachart Bank’s management were appointed as directors of SCIB, which was then treated SCIB as subsidiary company. Thanachart Bank has allocated the cost of business combination as at the date it assumed control and subsequently, in April 2011, Thanachart Bank remeasured the fair value of the SCIB’s assets and liabilities, which is in line with the related financial reporting standard. The remeasured fair values of assets and liabilities differs from the value at the date of the original measurement and the Company therefore retrospectively adjusted the comparative financial information of the prior period as if the accounting records of the business combination were completed as at the acquisition date.

On 30 September 2011, Thanachart Bank entered into the Entire Business Transfer Agreement, legally effective on 1 October 2011, to transfer SCIB's business to Thanachart Bank. The transferred business consisted of the assets, liabilities and commitments of SCIB as of 1 October 2011 and/or contingent liabilities that may arise in the future, with the parties agreeing a transfer price of Baht 50,134 million (total assets of Baht 381,077 million and total liabilities of Baht 330,943 million). The transfer price was set in accordance with the guidelines for setting transfer prices of financial assets among companies in the Thanachart group, and an independent financial advisor opined that was fair value.

Since 1 October 2011, SCIB discontinued its operations and on 8 October 2011, SCIB returned its banking license and banking authorisations to the Ministry of Finance, and registered the changes in the company name to be "SCIB Plc.". SCIB registered its dissolution on 9 December 2011.

On 2 March 2012, SCIB returned its capital to the shareholders for Baht 14.50 per share, or a total of Baht 30,636 million.

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 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.

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 2011, and there were no changes in shareholding structure during the period. Therefore, the interim consolidated financial statements included the financial statements of the Company and the following subsidiaries.

	Percentage of holding by the Company		Percentage of holding by the subsidiaries	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<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 by the Company</u>				
SCIB Plc.	-	-	99.98	99.98
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 and Services Co., Ltd.	-	-	100.00	100.00
Thanachart Legal and Appraisal Co., Ltd.	-	-	100.00	100.00
Thanachart Training and Development Co., Ltd.	-	-	100.00	100.00
TS Asset Management Co., Ltd.	-	-	100.00	100.00
Ratchthani Leasing Plc.	-	-	65.18	65.18
National Leasing Co., Ltd.	-	-	100.00	100.00
Siam City Life Assurance Co., Ltd.	-	-	100.00	100.00
SCIB Service Co., Ltd.	-	-	100.00	100.00

- b) Total assets and net operating income of the subsidiaries that have significant impact to and are included in the consolidated financial statements as at 31 March 2012 and 31 December 2011 and for the three-month periods ended 31 March 2012 and 2011, after eliminating significant intercompany transactions, are as follows:

(Unit: Million Baht)

	Total assets		Net operating income for the three-month periods ended 31 March	
	31 March	31 December	2012	2011
	2012	2011	2012	2011
Thanachart Bank Plc.	822,878	818,978	6,389	4,260
SCIB Plc.	-	-	-	3,304
Thanachart Life Assurance Co., Ltd.	22,770	20,285	654	427
Siam City Life Assurance Co., Ltd.	11,937	11,195	266	95
Thanachart Insurance Co., Ltd.	6,867	7,142	544	418
Thanachart Securities Plc.	4,743	3,873	356	345
TS Asset Management Co., Ltd.	10,743	11,361	119	-
Ratchthani Leasing Plc.	13,304	12,033	296	-
NFS Asset Management Co., Ltd.	4,003	3,915	205	59

- c) The consolidated statements of comprehensive income for the three-month period ended 31 March 2011 did not include operating result of Ratchthani Leasing Plc., because Thanachart Bank's shareholding was 48.35 percent and purchased additional issued shares, resulting in Thanachart Banks' shareholding increased to 65.18 percent of total share in issue and began treating it as investment in subsidiary in November 2011. Therefore, the consolidated statements of comprehensive income included only share of profit from investments accounted under equity method, amounting to Baht 36 million.
- d) The consolidated statements of comprehensive income for the three-month period ended 31 March 2011 did not include operating result of TS Asset Management Co., Ltd. because such company established in March 2011 and did not operate its business during such period.
- e) The consolidated statements of comprehensive income for the three-month period ended 31 March 2011 included operating result of Siam City Asset Management Co., Ltd. and Siam City Securities Co., Ltd., which had total income of Baht 20 million and Baht 3 million, and net income of Baht 0.4 million and net loss of Baht 22 million, respectively. SCIB disposed investments in ordinary shares of both subsidiaries in May 2011 and August 2011, respectively.

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

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011, except for the changes in accounting estimation of allowance for doubtful account of hire purchase receivables - personal consuming.

Allowance for doubtful account of hire purchase receivable - personal consuming

2012

A subsidiary engaged in commercial bank set provision for hire purchase receivables - personal consuming by using collective approach method, which classifies groups of receivable having similar credit risk characteristics and considers historical loss experience of loans which is calculated by the probability of default and the percentage of loss given default. Furthermore, the subsidiary has set aside an additional provision by taking into consideration the potential additional loss arising from changes in economic circumstances that may impact the ability to pay of certain borrowers. This methodology, its parameters and assumptions have been reviewed in detailed and will be monitored on an ongoing basis for continued applicability.

2011

The subsidiary sets its provision for hire purchase receivables - personal consuming that were classified as normal loans (including restructured receivables) and special mention loans at minimum rates of 1% and 2%, respectively, of the loan balances after net of collateral value. For non-performing loans, provision was set at a rate of 100% of the debt balance remaining.

Such aforementioned policies are in accordance with the BOT's guidelines.

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

During the period, the Federation of Accounting Professions issued Thai Financial Reporting Standard 8 "Operating segment" that are effective for fiscal year beginning on or after 1 January 2013.

The management of the Company has yet to complete its evaluation of the impact of such accounting standard in the year when it is adopted.

(Unaudited but reviewed)

4. Derivatives

As at 31 March 2012 and 31 December 2011, notional amount, fair value of trading derivatives and the adjustment made on an accrual basis for banking book derivatives were classified by type of risk as follows:

(Unit: Million Baht)

Type of risk	Consolidated financial statements					
	31 March 2012			31 December 2011		
	Fair value/Adjustment of accrual basis		Notional amount*	Fair value/Adjustment of accrual basis		Notional amount*
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate						
Derivatives for trading	328	313	63,394	858	820	63,491
Derivatives for banking book	-	419	35,271	-	1,706	31,788
Interest rate						
Derivatives for trading	224	217	34,474	64	60	5,957
Derivatives for banking book	-	-	16,904	-	-	3,967
Foreign exchange rate and interest rate						
Derivatives for trading	31	13	2,182	29	9	2,212
Derivatives for banking book	861	105	12,393	585	291	15,445
Others						
Derivatives for trading	-	-	778	-	-	641
Total	1,444	1,067	165,396	1,536	2,886	123,501

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

Derivatives for banking book are obligations under contracts which are not held for trading, and are measured on an accrual basis. Gain (loss) on exchange rate at the end of the period is presented under derivative assets/derivative liabilities. Accrued interest receivables (payables) per the contracts are recorded as receivables and payables in other assets/liabilities.

5. Investments

5.1 Classified by type of investments

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	31 March 2012		31 December 2011		31 March 2012		31 December 2011	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading securities								
Government and state								
enterprises securities	11,904	11,692	10,883	10,855	-	-	-	-
Private debt securities	6,203	6,101	4,771	4,758	-	-	7	7
Foreign debt securities	625	631	642	637	-	-	-	-
Domestic marketable equity								
securities	31	32	38	45	-	-	-	-
	18,763	18,456	16,334	16,295	-	-	7	7
Less: Allowance for								
change in value	(307)		(39)		-		-	
Net	18,456		16,295		-		7	
Available-for-sale securities								
Government and state								
enterprises securities	42,085	42,049	40,977	41,103	100	100	100	100
Private debt securities	24,790	24,656	18,409	18,553	547	542	20	20
Foreign debt securities	22,285	22,413	25,515	25,425	-	-	-	-
Domestic marketable equity								
securities	8,755	9,481	7,752	8,553	256	549	264	565
	97,915	98,599	92,653	93,634	903	1,191	384	685
Add: Allowance for change								
in value	688		985		288		301	
Less: Allowance for								
impairment	(4)		(4)		-		-	
Net	98,599		93,634		1,191		685	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	31 March 2012		31 December 2011		31 March 2012		31 December 2011	
	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 enterprises securities	27,671	27,853	28,575	29,434	100	100	419	419
Private debt securities	6,642	6,280	6,592	7,189	3,636	3,625	3,636	3,625
Foreign debt securities	1,467	1,465	1,500	1,488	-	-	-	-
Investment in receivables purchased	1,613	1,328	1,658	1,352	924	819	929	824
	37,393	36,926	38,325	39,463	4,660	4,544	4,984	4,868
Less: Allowance for impairment	(285)		(306)		(105)		(105)	
Net	37,108		38,019		4,555		4,879	
Other Investments								
Investment in property fund	600		671		-		-	
Domestic non-marketable equity securities	3,935		3,926		163		163	
Foreign non-marketable equity securities	84		84		-		-	
	4,619		4,681		163		163	
Less: Allowance for impairment	(116)		(118)		(77)		(77)	
Net	4,503		4,563		86		86	
Total investments - net	158,666		152,511		5,832		5,657	

5.2 As at 31 March 2012, a revaluation surplus and a revaluation deficit in the consolidated equity amounting to Baht 14 million and Baht 61 million, respectively, are as a result of the recategorisation of debt securities (31 December 2011: outstanding revaluation surplus amounting to Baht 15 million and outstanding revaluation deficit amounting to Baht 71 million in the consolidated financial statements).

5.3 As at 31 March 2012 and 31 December 2011, 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.

5.4 Investments in securities in which the Company and its subsidiaries hold not less than 20 percent of the equity of the investee

As at 31 March 2012 and 31 December 2011, 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 available-for-sale or other investments, based on their investment objectives

Securities	Consolidated financial statements			
	31 March 2012		31 December 2011	
	Net book value	Percentage of holding	Net book value	Percentage of holding
	Million Baht	Percent	Million Baht	Percent
The Thai Business Fund 3	95	60.00	144	60.00
Sub Thawee Property Fund	26	56.00	36	56.00
Business Strategic Fund	278	67.33	278	67.33
Thanachart Long Term Fixed Income Fund	59	27.79	62	27.79
Thanachart Fixed Income FIF 51	50	22.63	50	22.63
SCB Foreign Fixed Income Fund 1Y22	804	23.53	-	-

5.5 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 31 March 2012 and 31 December 2011 can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Investments in receivables purchased	1,613	1,658	924	929
Less: Allowance for impairment	(285)	(306)	(105)	(105)
Investments in receivables purchased - net	<u>1,328</u>	<u>1,352</u>	<u>819</u>	<u>824</u>

(Unaudited but reviewed)

31 March 2012				31 December 2011				
Number	Balance			Number	Balance			
of	per	Purchase		of	per	Purchase		
debtors	agreement	price	Yield	debtors	agreement	price	Yield	
	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								
	853	11,351	1,613		911	11,806	1,658	
<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								
	263	5,546	924		263	5,546	929	

During the three-month periods ended 31 March 2012 and 2011, the Company and its subsidiaries do not enter into debt restructuring agreements with its investments in receivable purchased.

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

As at 31 March 2012 and 31 December 2011, 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	
31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		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 companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	1	1	3	3	-	-	3
3. Companies which have loan settlement problems or have defaulted on the repayment	211	215	1,187	1,218	1,779	1,780	205

Separate financial statements							
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		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	86	86	714	714	1,081	1,085	71

6. Investments in subsidiary and associated companies

6.1 Separate financial statements

As at 31 March 2012 and 31 December 2011, investments in subsidiary companies and an associated company in the separate financial statements stated under the cost method, consist of investment in ordinary shares of the following companies:

(Unit: Million Baht)

Company's name	Nature of business	Separate financial statements							
		Paid-up share capital		Percentage of holding (Percent)		Value of investment under the cost method		Dividend income for the three-month periods ended	
		31	31	31	31	31	31	31	31
		March	December	March	December	March	December	March	December
		2012	2011	2012	2011	2012	2011	2012	2011
<u>Subsidiary companies</u>									
Thanachart Bank Plc.	Commercial bank	55,137	55,137	50.96	50.96	29,056	29,056	-	-
NFS Asset Management Co., Ltd.	Asset management	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Max Asset Management Co., Ltd.	Asset management	572	572	83.44	83.44	469	469	84	95
NASSET Property Fund 6	Investment in non-performing assets and collection rights	395	395	99.80	99.80	395	395	42	20
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	47	47
Total investments in subsidiary and associated companies - net						31,614	31,614	173	162
Less: Allowance for impairment						(16)	(16)		
Total investments in subsidiary and associated companies - net						31,598	31,598		

6.2 Consolidated financial statements

As at 31 March 2012 and 31 December 2011, investments in associated companies in the consolidated financial statements, which are recorded under the equity method, consist of investments in ordinary shares of the following companies which operate in Thailand:

(Unit: Million Baht)

Company's name	Paid-up share capital		Percentage of holding		Value of investment				Dividend income		Share of profit (loss)	
					Cost method		Equity method		for the three-month periods ended		for the three-month periods ended	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March		31 March	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
MBK Plc. (operating in property rental, hotel and services business)	1,886	1,886	19.90	19.90	948	948	1,617	1,639	94	94	63	71
Siam Samsung Life Insurance Co., Ltd. (operating in life insurance business)	-	500	-	25.00	-	104	-	34	-	-	(25)	(12)
Siam City Insurance Co., Ltd. (operating in non-life insurance business)	-	-	-	-	-	-	-	-	-	-	-	(2)
Ratchthani Leasing Plc. (operating in hire purchase and leasing business)	-	-	-	-	-	-	-	-	-	-	-	36
Total investments in associated companies					948	1,052	1,617	1,673	94	94	38	93

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

In March 2012, Siam Samsung Life Insurance Co., Ltd. issued additional shares capital but Thanachart Bank did not exercise its right to purchase such additional shares. As a result, Thanachart Bank's shareholding decreased from 25 percent to 19.23 percent and the status of Siam Samsung Life Insurance Co., Ltd. changed from an associated company to a general investment. The value of the investment on the date of the change is treated as a new cost of investment.

In October 2011, Thanachart Bank received the transfer of 437,250,500 shares in Ratchthani Leasing Plc. from SCIB for Baht 536 million. In November 2011, Thanachart Bank also purchased 437,486,500 additional shares, at the price of Baht 1.52 per share, or for a total of Baht 665 million, resulting in Thanachart Bank's shareholding increased from 48.35 percent to 65.18 percent and the status of Ratchthani Leasing Plc. changed from an associated company to a subsidiary company.

6.3 Summarised financial information of associated companies

- a) Summarised financial information of MBK Plc. as at 31 December 2011 and 30 September 2011 and for the three-month periods ended 31 December 2011 and 2010 are as follows:

						(Unit: Million Baht)			
Paid-up capital		Total assets		Total liabilities		Total income		Net income for	
31	30	31	30	31	30	for the three-month		for the three-month	
December	September	December	September	December	September	periods ended		periods ended	
2011	2011	2011	2011	2011	2011	31 December		31 December	
1,886	1,886	26,992	27,409	13,618	13,916	2,237	2,260	319	364

The share of income of MBK Plc. is determined based on financial statements of MBK Plc. prepared for a different period, as a result of limitations on the availability of information. The financial information used was based on the statements of financial position as at 31 December 2011 and 30 September 2011 and the statements of profit or loss for the three-month periods ended 31 December 2011 and 2010 as prepared by the Company's management, with reference to the financial statements as reviewed by its auditor and adjusted for the effect of the differences in accounting policies. The Company's management believes that the net income for the three-month period ended 31 December 2011 is not material different from that income for the three-month period ended 31 March 2012.

- b) Summarised financial information of Siam Samsung Life Insurance Co., Ltd., Siam City Insurance Co., Ltd. and Ratchthani Leasing Plc. as at 31 March 2012 and 31 December 2011 and for the three-month periods ended 31 March 2012 and 2011 are as follows:

							(Unit: Million Baht)			
Company's name	Paid-up share		Total assets		Total liabilities		Total income		Net income (loss)	
	capital						for the		for the	
	31	31	31	31	31	31	three-month		three-month	
	March	December	March	December	March	December	periods ended		periods ended	
	2012	2011	2012	2011	2012	2011	31 March		31 March	
Siam Samsung Life Insurance Co., Ltd.	-	500	-	1,989	-	1,854	270	349	(100)	(44)
Siam City Insurance Co., Ltd.	-	-	-	-	-	-	-	80	-	10
Ratchthani Leasing Plc.	-	-	-	-	-	-	-	268	-	76

Income, profit or loss and share of profit (loss) of investments in associated companies were determined based on the financial statements for the period as from the date that have controlled, and in the interest proportion, until the date of disposal or the date that the status changed.

(Unaudited but reviewed)

6.4 As at 31 March 2012 and 31 December 2011, the fair value of investments in associated companies which are listed in the Stock Exchange of Thailand is as follows

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
MBK Plc.	3,557	3,313	1,787	1,664

7. Loans to customers and accrued interest receivables

7.1 Classified by loan type

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<u>Loans to customers</u>				
Overdrafts	22,072	23,358	-	-
Loans	268,795	272,788	196	198
Notes receivable	48,087	49,975	908	1,008
Hire purchases receivables	346,294	326,115	137	139
Financial leases receivables	2,054	2,084	-	-
Others	429	234	-	-
Less: Deferred revenues	(42,705)	(39,686)	(8)	(8)
Total loans to customers net of deferred revenues	645,026	634,868	1,233	1,337
Add: Accrued interest receivables	1,039	980	9	9
Total loans to customers net of deferred revenues and accrued interest receivables	646,065	635,848	1,242	1,346
Less: Allowance for doubtful accounts				
1) BOT's minimum requirement provision				
- Individual approach	(18,939)	(26,166)	(253)	(259)
- Collective approach	(5,190)	-	-	-
2) Excess provision	(395)	(429)	-	-
Less: Revaluation allowance for debt restructuring	(354)	(386)	-	-
Loans to customer and accrued interest receivables - net	621,187	608,867	989	1,087

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
<u>Securities business receivables</u>				
Credit balances receivables	2,326	1,926	-	-
Receivables under securities borrowing and lending business	3	-	-	-
Other receivables	306	310	-	-
Total securities business receivables	2,635	2,236	-	-
Less: Allowance for doubtful accounts	(305)	(305)	-	-
Securities business receivables - net	2,330	1,931	-	-
Loans to customer and accrued interest receivables - net	623,517	610,798	989	1,087

7.2 Non-performing loans

As at 31 March 2012 and 31 December 2011, the Company and its subsidiaries (banking, securities and asset management) had non-performing loans classified in accordance with the Notification of the BOT and SEC (debtors classified as substandard, doubtful and doubtful of loss) as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Non-performing loans (excluding accrued interest receivables)				
The Company	327	332	327	332
Banking business	20,931	17,989	-	-
Securities business	306	306	-	-
Asset management	16,378	20,918	-	-

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

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
The Company	224	229	224	229
Banking business	18,771	16,579	-	-
Securities business	306	306	-	-

The Company recognises income from loans that were transferred from investment in receivables on a cash basis. Subsidiary companies engaged in the asset management business recognise income from loans on a cash basis.

7.3 Debt restructuring

During the three-month periods ended 31 March 2012 and 2011, the Company and its subsidiaries have entered into debt restructuring agreements as follows:

Type of restructuring	Consolidated financial statements				
	For the three-month periods ended 31 March				
	Number of debtors	Outstanding loans balance before restructuring ⁽¹⁾	Outstanding loans balance after restructuring ⁽¹⁾	Type of assets to be transferred	Fair value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
2012					
Modification of repayment conditions	13,304	9,775	9,775		
Total	<u>13,304</u>	<u>9,775</u>	<u>9,775</u>		

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

Consolidated financial statements					
For the three-month periods ended 31 March					
Type of restructuring	Number of debtors	Outstanding loans balance before restructuring ⁽¹⁾	Outstanding loans balance after restructuring ⁽¹⁾	Type of assets to be transferred	Fair value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
2011					
Modification of repayment conditions	974	750	750		
Transfer of assets and/or ordinary shares and/or modification of repayment conditions	1	6	6	Land	6
Total	975	756	756		

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

Separate financial statements					
For the three-month periods ended 31 March					
Type of restructuring	Number of debtors	Outstanding loans balance before restructuring ⁽¹⁾	Outstanding loans balance after restructuring ⁽¹⁾	Type of assets to be transferred	Fair value of assets to be transferred under agreement
		Million Baht	Million Baht		Million Baht
2012					
Modification of repayment conditions	9	2	2		
Total	9	2	2		
2011					
Modification of repayment conditions	14	1	1		
Total	14	1	1		

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

Counting from the end of the periods, the remaining periods to maturity of receivables which entered into debt restructuring agreements during the three-month periods ended 31 March 2012 and 2011, are summarised below.

Periods	Consolidated financial statements			
	For the three-month periods ended 31 March			
	2012		2011	
	Number of debtors	Outstanding balances after restructuring Million Baht	Number of debtors	Outstanding balances after restructuring Million Baht
Past due after restructuring	2,211	921	124	52
Due within the year	691	4,044	160	38
Less than 5 years	8,502	3,433	343	102
5 - 10 years	1,876	1,312	309	391
10 - 15 years	10	35	10	109
Over 15 years	14	30	29	64
Total	13,304	9,775	975	756

Periods	Separate financial statements			
	For the three-month periods ended 31 March			
	2012		2011	
	Number of debtors	Outstanding balances after restructuring Million Baht	Number of debtors	Outstanding balances after restructuring Million Baht
Due within the year	8	1	14	1
5 - 10 years	1	1	-	-
Total	9	2	14	1

Supplemental information for the periods 2012 and 2011 relating to restructured loans is as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Interest incomes recognised in the statements of comprehensive income	461	366	1	-
Gain on debt settlement	31	9	-	-
Gain on assets transferred from debt settlement	-	3	-	-
Cash repayment from receivables	3,633	984	2	1
Asset transferred from debtors	29	21	-	-
Loss on debt restructuring	3	-	-	-

As at 31 March 2012 and 31 December 2011, the Company and its subsidiaries have the following restructured receivables balances (principal and accrued interest receivable). There are summary below.

	Total number of outstanding receivables		Restructured receivables					
			Number of receivables		Outstanding balances		Outstanding balances, net of collateral	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	Thousand	Thousand			Million Baht	Million Baht	Million Baht	Million Baht
	Thanachart Capital Plc.	3.5	3.6	61	60	120	120	25
Thanachart Bank Plc.	1,388.9	1,378.9	62,512	52,289	28,584	25,803	11,143	9,350
Thanachart Securities Plc.	0.4	0.9	3	3	35	35	35	35
TS Asset Management Co., Ltd.	2.4	2.5	1,607	1,630	8,901	12,978	4,769	5,173
Other subsidiaries	5.9	5.9	238	243	1,115	1,119	243	245

7.4 Classified by classification

As at 31 March 2012 and 31 December 2011, 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 summarised below.

	(Unit: Million Baht)					
	Consolidated financial statements ⁽¹⁾					
			Net balance used in		Allowance for doubtful	
	Loans and accrued		made allowance for		accounts	
	interest receivables		doubtful accounts		accounts	
31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	
Normal	557,020	542,595	373,084	201,388	3,362	4,049
Special mention	36,724	40,463	26,799	18,290	2,047	721
Substandard	7,591	7,151	4,191	3,897	4,019	3,897
Doubtful	5,898	11,775	3,002	7,509	2,931	7,509
Doubtful of loss	24,242	20,405	11,159	9,005	11,025	9,209
Total	<u>631,475</u>	<u>622,389</u>	<u>418,235</u>	<u>240,089</u>	23,384	25,385
Additional allowance for possible uncollectability debts					383	417
Total					<u>23,767</u>	<u>25,802</u>

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

(Unit: Million Baht)

	Separate financial statements					
	Loans and accrued interest receivables		Net balance used in made allowance for doubtful accounts		Allowance for doubtful accounts	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2012	2011	2012	2011	2012	2011
Normal	904	1,005	900	1,000	9	10
Special mention	1	-	-	-	-	-
Substandard	-	4	-	-	-	-
Doubtful	5	-	-	-	-	-
Doubtful of loss	332	337	244	249	244	249
Total	1,242	1,346	1,144	1,249	253	259

	Percentage of allowance for doubtful account set up ⁽¹⁾			
	Hire purchase receivables - personal consuming for			
	Thanachart Bank		Other loans	
	31 March	31 December	31 March	31 December
	2012 ⁽²⁾	2011	2012	2011
Normal	0.20	1	1	1
Special mention	3.50	2	2	2
Substandard	88	100	100	100
Doubtful	88	100	100	100
Doubtful of loss	86	100	100	100

(1) Only the Company and subsidiary companies subject to BOT's regulations.

(2) These percentages are average percentages used in setting up allowance for doubtful accounts.

Thanachart Bank changed its method of estimating allowance for doubtful debts for hire purchase receivable - personal consuming, as mentioned in Note 2.4 to the financial statement. The change in the accounting estimation was applied prospectively from 1 January 2012 resulting in a decrease of doubtful accounts in the consolidated statement of comprehensive income for the three-month period ended 31 March 2012 in the amount of Baht 507 million.

In addition, there was widespread flooding in Thailand during July to December 2011. The floods may affect the business of certain debtors. Thanachart Bank has provided support to its customers in accordance with the policy of the BOT by relaxing principal and/or interest payments, extending the repayment schedule, maintaining the status of each debtor as it was before such floods occurred, and not treating the related receivables as non-performing loans. However, the Company and Thanachart Banks' management believe that no further significant damage will be incurred as from such receivables.

7.5 Loan to companies which have settlement problems

As at 31 March 2012 and 31 December 2011, loans of the Company and its subsidiaries in the consolidated financial statements and the separate financial statements included debts due from companies with weak financial positions and poor operating results, as follows:

	Consolidated financial statements								
	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts		
	31	31	31	31	31	31	31	31	
	March	December	March	December	March	December	March	December	
		2012	2011	2012	2011	2012	2011	2012	2011
				Million	Million	Million	Million	Million	Million
				Baht	Baht	Baht	Baht	Baht	Baht
1. Closed financial institutions	4	4	-	-	-	-	-	-	-
2. Listed companies possible to delisting from the SET	7	7	848	888	109	110	754	790	
3. Non - listed companies with similar operating results and financial positions to listed companies possible to delisting from the SET	9	9	585	585	334	334	236	236	
4. Companies which have loan settlement problems or have defaulted on the repayment	1,427	1,326	21,495	24,966	12,578	12,324	10,106	13,574	
5. Companies whose auditors' reports cited going concern issues	1	-	3	-	-	-	3	-	

	Separate financial statements								
	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts		
	31	31	31	31	31	31	31	31	
	March	December	March	December	March	December	March	December	
		2012	2011	2012	2011	2012	2011	2012	2011
				Million	Million	Million	Million	Million	Million
				Baht	Baht	Baht	Baht	Baht	Baht
1. Companies which have loan settlement problems or have defaulted on the repayment	70	72	102	102	87	85	28	30	

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

As at 31 March 2012 and 31 December 2011, subsidiary companies operating in the securities business classified securities business receivables and accrued interest receivables, in accordance with the Notification of the Securities and Exchange Commission (“SEC”) governing accounting for the non-performing debts of securities companies as follows:

(Unit: Million Baht)

	Receivable balances		Allowance for doubtful accounts		Debt balance net of allowance for doubtful accounts	
	31 March	31 December	31 March	31 December	31 March	31 December
	2012	2011	2012	2011	2012	2011
Normal	2,329	1,930	-	-	2,329	1,930
Substandard	3	3	2	2	1	1
Doubtful	303	303	303	303	-	-
Total	2,635	2,236	305	305	2,330	1,931

Allowance for doubtful accounts for substandard loans set aside by its subsidiary is higher than the minimum amount required by the SEC, and takes into account uncertainties as to collateral value and the risk from collection of such receivables.

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

As at 31 March 2012 and 31 December 2011, hire purchase and financial lease receivables balances of subsidiary companies engaged in hire purchase and financial lease businesses are classified by the due date of the contracts (after elimination) as follows:

(Unit: Million Baht)

	31 March 2012	31 December 2011
Current or overdue not over 90 days	14,007	12,846
Overdue 91 - 365 days	319	363
Overdue more than 1 year	69	66
Debtors under legal actions	201	205
Total	14,596	13,480
Allowance for doubtful accounts provided in the accounts	755	792

7.8 As at 31 March 2012 and 31 December 2011, the Company has loans to a subsidiary company as follows:

Company's name	Type of credit	Contract period as at 31 March 2012	Interest rate as at 31 March 2012	Outstanding balances	
				31 March 2012	31 December 2011
				Million Baht	Million Baht
<u>Subsidiary company</u>					
NFS Asset Management Co., Ltd.	Promissory note	At call	MLR of Thanachart Bank	900	1,000
Total				900	1,000

8. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements									
For the three-month period ended 31 March 2012									
The Company and subsidiary companies which are financial institutions									
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	General provision	Total	Subsidiary companies	Consolidated
Balance - beginning									
of the period	4,049	721	3,897	7,509	9,209	417	25,802	1,098	26,900
Increase (decrease) during									
the period	(687)	1,326	124	(2,133)	1,857	(34)	453	(27)	426
Bad debts recovery	-	-	-	-	100	-	100	2	102
Bad debts written-off	-	-	(2)	(2,445)	(145)	-	(2,592)	(11)	(2,603)
Cancellation of disposal									
of loans	-	-	-	-	4	-	4	-	4
Balance - end of the period	3,362	2,047	4,019	2,931	11,025	383	23,767	1,062	24,829

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2011									
The Company and subsidiary companies which are financial institutions									
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	General provision	Total	Subsidiary companies	Consolidated
Balance - beginning									
of the year	2,179	2,249	3,071	8,283	9,455	707	25,944	1,551	27,495
Allowance for doubtful accounts of subsidiary purchased during the year	-	-	-	-	-	-	-	542	542
Allowance for doubtful accounts of subsidiary disposed during the year	-	-	-	-	-	-	-	(1,022)	(1,022)
Increase (decrease) during the year	1,870	(1,528)	988	(575)	1,586	(290)	2,051	92	2,143
Bad debts recovery	-	-	-	253	161	-	414	10	424
Bad debts written-off	-	-	(20)	(452)	(936)	-	(1,408)	(75)	(1,483)
Reversal from disposal of loans	-	-	(142)	-	(1,057)	-	(1,199)	-	(1,199)
Balance - end of the year	4,049	721	3,897	7,509	9,209	417	25,802	1,098	26,900

(Unit: Million Baht)

Separate financial statements							
For the three-month period ended 31 March 2012							
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	General provision	Total
Balance - beginning							
of the period	10	-	-	-	249	-	259
Decrease during the period	(1)	-	-	-	(5)	-	(6)
Balance - end of the period	9	-	-	-	244	-	253

(Unit: Million Baht)

Separate financial statements							
For the year ended 31 December 2011							
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	General provision	Total
Balance - beginning							
of the year	10	-	1	4	350	140	505
Decrease during the year	-	-	(1)	(4)	(21)	(140)	(166)
Bad debts recovery	-	-	-	-	5	-	5
Bad debts written-off	-	-	-	-	(3)	-	(3)
Reversal from disposal of loan	-	-	-	-	(82)	-	(82)
Balance - end of the year	10	-	-	-	249	-	259

9. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the three- month period ended 31 March 2012	For the year ended 31 December 2011	For the three- month period ended 31 March 2012	For the year ended 31 December 2011
Balance - beginning of the period	386	464	-	-
Decrease during the period	-	(35)	-	-
Amortised during the period	(32)	(43)	-	-
Balance - end of the period	354	386	-	-

10. Classification of assets

As at 31 March 2012 and 31 December 2011, the quality of assets of the Company and its subsidiaries classified in accordance with the announcements of the Bank of Thailand are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	31 March 2012					
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	30,942	557,020	-	-	149	588,111
Special mention	-	36,724	-	-	86	36,810
Substandard	-	7,591	-	-	9	7,600
Doubtful	-	5,898	-	-	4	5,902
Doubtful of loss	-	24,242	482	711	344	25,779
Total	30,942	631,475	482	711	592	664,202

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2011					
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	39,364	542,595	-	-	162	582,121
Special mention	-	40,463	-	-	109	40,572
Substandard	-	7,151	-	-	5	7,156
Doubtful	-	11,775	-	-	4	11,779
Doubtful of loss	-	20,405	523	761	341	22,030
Total	39,364	622,389	523	761	621	663,658

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements						
31 March 2012						
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	904	-	-	-	904
Special mention	-	1	-	-	1	2
Substandard	-	-	-	-	-	-
Doubtful	-	5	-	-	1	6
Doubtful of loss	-	332	203	444	83	1,062
Total	-	1,242	203	444	85	1,974

(Unit: Million Baht)

Separate financial statements						
31 December 2011						
	Interbank and money market items	Loans to customer and accrued interest receivables	Investments	Property foreclosed	Other assets	Total
Normal	-	1,005	-	-	-	1,005
Special mention	-	-	-	-	1	1
Substandard	-	4	-	-	1	5
Doubtful	-	-	-	-	-	-
Doubtful of loss	-	337	198	412	83	1,030
Total	-	1,346	198	412	85	2,041

11. Properties foreclosed

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Cost	11,819	12,325	2,379	2,419
Less: Allowance for impairment	(715)	(765)	(444)	(412)
Net property foreclosed	11,104	11,560	1,935	2,007

12. Goodwill

As at 31 March 2012 and 31 December 2011, goodwill stated in the consolidated financial statements are as follows.

	(Unit: Million Baht)	
	31 March 2012	31 December 2011
Goodwill - beginning of the period	15,784	15,784
Deferred gain on disposal of investment	(1,733)	(1,803)
Goodwill - ending of the period	14,051	13,981

13. Other assets

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Accrued premium insurance income	357	439	-	-
Other receivables	1,520	1,709	96	97
VAT refundable	805	57	-	-
Other receivables - VAT paid in advance for customers	184	198	1	1
Deposit	263	257	4	4
Estimated insurance claims recoveries	295	264	-	-
Receivable from clearing house	119	25	-	-
Leasehold right	392	413	23	29
Prepaid corporate income tax	1,070	1,032	18	13
Deposit from derivative contracts	17	357	-	-
Suspense amount - Deferred tax arrived from business combination	516	537	-	-
Others	1,129	878	21	23
Total	6,667	6,166	163	167
Less: Allowance for impairment	(409)	(404)	(84)	(84)
Other assets - net	6,258	5,762	79	83

14. Debt issued and borrowings

As at 31 March 2012 and 31 December 2011, the balance of domestic debt issued and borrowings, which stated in Baht, are as follows:

Type of borrowings	Interest rate per annum (as at 31 March 2012)	Maturity year	Consolidated		(Unit: Million Baht)	
			financial statements		Separate	
			31 March 2012	31 December 2011	31 March 2012	31 December 2011
Unsubordinated and unsecured debentures	3.35, 3.45 and 4.90 percent	2013 and 2014	14,071	12,000	12,000	12,000
Perpetual subordinated hybrid bonds issued under Tier I	8.60 percent	Dissolution	3,494	3,494	-	-
Subordinated hybrid bonds issued under Tier II	5.25 percent	2019 and 2024	5,000	4,996	-	-
Subordinated debentures issued under Tier II	5.00 - 6.00 percent	2015 - 2020	23,000	22,997	-	-
Bills of exchange	0.00 - 3.25 percent	Call	116	56	-	-
Bills of exchange	0.00 - 7.20 percent	2012 - 2013	160,745	217,999	-	-
Promissory notes	4.75 percent	Call	1,259	942	-	-
Borrowings - Department of Alternative Energy Development and Efficiency	0.50 percent	2012 - 2017	150	169	-	-
Total debt issued and borrowings			207,835	262,653	12,000	12,000

During the period 2012, Thanachart Bank issued 2,072,100 units of name-registered unsubordinated, unsecured, unconvertible debentures with a debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2013 and bear interest at fixed rate of 3.45 percent per annum, payable quarterly.

15. Provisions

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Loss from litigation	176	95	9	9
Employee benefits payable	2,046	1,970	19	18
Obligations of off-balance	225	269	-	-
Provision for loss sharing arise from loans transferred to TAMC	383	383	183	183
Others	429	427	-	-
Total	3,259	3,144	211	210

During the period 2012, a subsidiary company established its employee transformation program, in which certain of employees were applied, and that subsidiary has already made payment of Baht 136 million under this program.

16. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Life policy reserve	30,129	29,831	-	-
Loss reserves and outstanding claims	2,685	3,441	-	-
Unearned premium reserve	2,838	2,659	-	-
Other liabilities under insurance policies	209	223	-	-
Total insurance contract liabilities	35,861	36,154	-	-

From July to December 2011, there was widespread flooding in Thailand. The floods affected parties insured by the subsidiary companies, and the subsidiaries have assessed and recorded the impact of the flood in their financial statements. However, the uncertainty caused by the use of management's assumptions in estimating losses reserves may affect the claims and loss reserves recoverable from reinsurers. The management believes that the losses incurred will not significantly exceed the provisions set aside.

17. Other liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Other payables	1,272	1,325	26	26
Suspense cash received from accounts receivable	690	477	26	15
Reinsurance payable	373	319	-	-
Unearned income from hire purchases	286	300	-	-
Deposits from derivative contracts	227	-	-	-
Provision for income tax	422	330	-	-
Corporate income tax payable	3,139	2,480	-	-
Accrued expenses	2,842	3,571	49	37
Suspense payables	1,689	1,362	-	-
Payables to clearing house	278	306	-	-
Insurance premium received in advance	763	686	-	-
Proceeds from the sales of property foreclosed under contracts	361	428	25	24
Others	652	699	49	46
Total other liabilities	12,994	12,283	175	148

18. Share capital/Treasury stocks

During the three-month period ended 31 March 2012, there were no preferred shares converted to the Company's common shares. Therefore, as at 31 March 2012, 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 31 March 2012 and 31 December 2011, the Company has totaling 55,324,300 shares of treasury stocks or an amount of Baht 387.5 million (at cost). Such treasury stocks were not disposed of during the period and are to be disposed of within 3 years counting from end of the repurchasing period (within June 2012).

19. Other components of equity

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Share premium of a subsidiary	776	776	-	-
Amount by which the value of investment in subsidiary lower than attributable net book value	226	226	-	-
Revaluation surplus (deficit) on investments				
Revaluation surplus on investments				
Available-for-sale investments				
Debt instruments	109	195	-	-
Equity instruments	531	576	293	301
Held-to-maturity investments	14	15	-	-
Total	654	786	293	301
Revaluation deficit on investments				
Available-for-sale investments				
Debt instruments	(156)	(128)	(5)	-
Equity instruments	(5)	(7)	-	-
Held-to-maturity investments (reclassified from available-for-sale investment)	(61)	(71)	-	-
Total	(222)	(206)	(5)	-
Total revaluation surplus on investments	432	580	288	301
Share of other comprehensive income of associates (loss)	(12)	(19)	-	-
Total	1,422	1,563	288	301

20. Capital funds

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

In compliance with the Notification of BOT Re: Consolidated Supervision, the Company has to disclose qualitative and quantitative information about the capital requirements of the Company and its subsidiaries in the financial group (Full Consolidation). The BOT granted a waiver for the Company to indirectly hold more shares of SCIB than permitted by law through Thanachart Bank, for the purposes of the business transfer. The BOT also permitted the Company not to include SCIB into the financial group until the date of completion of liquidation. The Company and its subsidiaries had disclosed capital maintenance as at 31 December 2011 on its website at www.thanachart.co.th since April 2012.

21. Interest income

Interest income for the three-month periods ended 31 March 2012 and 2011 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Interbank and money market items	736	374	-	-
Investments and trading transactions	125	20	-	-
Investments in debt securities	1,074	937	83	74
Loans	5,258	4,837	19	17
Hire purchase and financial lease	4,644	4,000	-	2
Total interest income	<u>11,837</u>	<u>10,168</u>	<u>102</u>	<u>93</u>

22. Interest expenses

Interest expenses for the three-month periods ended 31 March 2012 and 2011 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Deposits	2,646	1,912	-	-
Interbank and money market items	488	188	-	-
Contribution fee to FIDF and the Deposit Protection Agency	607	530	-	-
Issues debt instruments				
- Subordinated debentures	473	444	-	-
- Unsubordinated debentures	136	152	135	153
- Others	1,878	668	-	-
Fee expenses of borrowing	2	-	1	-
Total interest expenses	<u>6,230</u>	<u>3,894</u>	<u>136</u>	<u>153</u>

23. Fees and service income

Fees and service income for the three-month periods ended 31 March 2012 and 2011 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Fees and service incomes				
Acceptance, aval and guarantees	90	66	-	-
Hire purchase fees income	272	233	1	3
ATM and electronic services banking services	104	215	-	-
Management fees	114	131	-	-
Credit card	280	135	-	-
Others	198	248	-	1
Total fees and service income	1,058	1,028	1	4
Fees and service expenses	(92)	(143)	-	-
Net fees and service income	966	885	1	4

24. Gains on trading and foreign exchange transactions (loss)

Gains on trading and foreign exchange transactions for the three-month periods ended 31 March 2012 and 2011 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Foreign exchange and derivatives relating to foreign exchange	163	227	-	-
Debt securities	(257)	18	-	-
Equity securities	(3)	(6)	-	-
Others	7	1	-	-
Total	(90)	240	-	-

25. Gains on investments

Gains on investments for the three-month periods ended 31 March 2012 and 2011 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Gains (losses) on disposal				
Available-for-sale securities	146	26	-	-
Other investments	-	(4)	-	-
Investments in subsidiary	69	-	-	-
Gains on debt settlement/disposal of debt/assets transferred from investments in receivables purchased	11	19	4	9
Reversal of impairment on general investments (losses)	2	(6)	-	-
Total	228	35	4	9

26. Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month periods ended 31 March 2012 and 2011 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Bad debts and doubtful accounts				
Loans to customers (reversal)	426	738	(6)	(9)
Interbank and money market items (reversal)	19	(13)	-	-
Amortisation of revaluation allowance for debt restructured during the period	(32)	(2)	-	-
Loss from debt restructuring	3	-	-	-
Reversal of impairment of investments in receivables purchased	(1)	(2)	-	(1)
Total (reversal)	415	721	(6)	(10)

27. Income tax

Corporate income tax was calculated on net income for the period, after adding back and deducting with expenses and provisions which are disallowable for tax computation purposes and deducting income which is exempted for tax computation purposes, multiplied by the weighted average tax rate for the year as estimated.

The Company has no corporate income tax for the three-month periods ended 31 March 2012 and 2011 since after adding back and deducting income and/or expenses which are disallowed for tax computation purposes, there is a net loss.

28. Components of other comprehensive income

Components of other comprehensive income for the three-month periods ended 31 March 2012 and 2011 of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Other comprehensive income				
Available-for-sale investments:				
Unrealised gains (losses) during the period	(135)	(145)	(13)	13
Less: Reclassification of adjustment for the realised (gains) losses that included in profit or loss	(146)	(26)	-	-
	(281)	(171)	(13)	13
Share of other comprehensive income in associated companies	9	9	-	-
Other comprehensive income for the period (loss)	(272)	(162)	(13)	13

29. Earnings per share

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

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

Consolidated financial statements						
For the three-month periods ended 31 March						
Net income		Weighted average number of common shares		Earnings per share		
2012	2011	2012	2011	2012	2011	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit attributable to the Company	1,193,380	1,144,268	1,277,817	1,277,814	0.93	0.90
Effect of dilutive securities						
Preference shares convertible to common shares	-	-	13	16		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	<u>1,193,380</u>	<u>1,144,268</u>	<u>1,277,830</u>	<u>1,277,830</u>	<u>0.93</u>	<u>0.90</u>

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 31 March						
Net income		Weighted average number of common shares		Earnings per share		
2012	2011	2012	2011	2012	2011	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit attributable to the Company	152,298	128,841	1,277,817	1,277,814	0.12	0.10
Effect of dilutive securities						
Preference shares convertible to common shares	-	-	13	16		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	<u>152,298</u>	<u>128,841</u>	<u>1,277,830</u>	<u>1,277,830</u>	<u>0.12</u>	<u>0.10</u>

30. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy (For the period 2012)
	Consolidated		Separate		
	financial statements		financial statements		
	2012	2011	2012	2011	
Transactions occurred during the period					
Subsidiaries					
Purchase of debt securities	-	-	1,567	4,311	At market prices
Sales of debt securities	-	-	50	10	At market prices
Sales of operating assets (2011: gain Baht 4 million)	-	-	-	5	
Interest income from loans	-	-	18	17	At interest rate of Thanachart Bank's MLR
Interest income from investments in debt securities	-	-	78	66	At interest rate of 5.00 - 5.25 and 8.60 percent per annum
Dividend income	-	-	126	115	As declared
Rental and other service income	-	-	42	48	At the rate agreed under the service contract
Interest expenses	-	-	1	1	At interest rate 3.35 percent per annum
Other expenses	-	-	7	7	
Associated companies					
Purchase of debt securities	-	80	-	-	
Sales of debt securities	270	300	-	-	At market prices
Interest income	-	62	-	-	
Dividend income	-	-	47	47	As declared
Other income	-	4	-	-	
Interest expenses	20	19	-	-	At interest rate of 0.75 - 4.25 and 5.25 percent per annum
Other expenses	14	15	8	7	
Dividend paid	17	19	-	-	As declared

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy (For the period 2012)
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2012	2011	2012	2011	
Related companies					
Purchase of debt securities	-	903	-	-	
Sales of debt securities	292	445	-	-	At market prices
Purchase/sales of forward exchange contracts (2012: gain Baht 35 million 2011: loss Baht 74 million)	139,873	172,762	-	-	At market prices
Interest income	102	90	-	-	At interest rate of 2.45 - 7.90 percent per annum
Dividend income	22	-	13	-	As declared
Insurance premium/life insurance premium income	135	-	-	-	At the rate agreed under the related contracts
Other income	4	6	-	-	
Interest expenses	101	88	-	1	At interest rate of 0.285 - 6.00 and 8.60 percent per annum
Fee and service expenses	-	1	-	-	
Project management expenses	18	21	6	7	At the contract price calculated by reference to estimated usage time
Insurance premium/life insurance premium expenses	-	8	-	-	
Other expenses	40	32	1	1	
Dividend payment	-	33	-	-	

(Unaudited but reviewed)

The outstanding balances of the above transactions during the three-month periods ended 31 March 2012 and 2011 have been shown at the average balance at the end of each month as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<u>Subsidiary companies</u>				
Interbank and money market items (assets)	-	-	89	134
Loans to customers	-	-	975	1,000
Interbank and money market items (liabilities)	-	-	-	1
Debt issued and borrowings	-	-	-	46
<u>Associated companies</u>				
Loans to customers	-	6,786	-	-
Deposits	91	423	-	-
Debt issued and borrowings	1,680	2,483	-	-
<u>Related companies</u>				
Interbank and money market items (assets)	639	2,576	-	21
Loans to customers	10,889	10,322	-	-
Deposits	1,050	1,581	-	-
Interbank and money market items (liabilities)	8,464	8,532	-	-
Debt issued and borrowings	4,483	6,103	-	150

As at 31 March 2012 and 31 December 2011, the significant outstanding balances with the subsidiary, associated and related companies are as follows:

	(Unit: Million Baht)								
	Consolidated financial statements								
	31 March 2012								
	Assets				Liabilities				
Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debt issued and borrowings	Other liabilities	Commitments	
Associated companies									
MBK Plc.	-	-	-	11	55	-	1,720	21	-
Related companies									
Seacon Development Plc.	-	-	558	1	-	-	-	-	-
Thai Hua Rubber Plc.	-	-	2,094	-	345	-	-	1	-
Synphaet Co., Ltd.	-	-	783	-	8	-	-	-	-
The Bank of Nova Scotia	356	-	-	26	-	11,574	3,494	158	1,543
Srithai Superware Plc.	-	-	667	-	6	-	-	-	-
Krungthai Card Plc.	-	-	4,008	-	7	-	-	-	-
Other related companies	-	-	1,235	175	818	45	692	136	-
	356	-	9,345	213	1,239	11,619	5,906	316	1,543

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements

31 December 2011

	Assets				Liabilities				
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debt issued and borrowings	Other liabilities	Commitments
Associated companies									
MBK Plc.	-	-	-	10	93	-	1,500	20	-
Siam Samsung Life Insurance Co., Ltd.	-	-	-	-	26	-	100	-	-
Related companies									
Seacon Development Plc.	-	-	591	1	-	-	-	-	-
Thai Hua Rubber Plc.	-	-	1,993	-	195	-	150	1	10
Synphaet Co., Ltd.	-	-	796	-	9	-	-	-	-
The Bank of Nova Scotia	1,123	-	-	25	-	7,933	3,494	102	2,580
Srithai Superware Plc.	-	-	577	-	15	-	-	-	76
Krunghai Card Plc.	-	582	3,533	-	7	-	-	-	-
Chaimongkol Refinery Co., Ltd.	-	-	2,471	-	-	-	-	-	3
Other related companies	-	-	1,325	194	744	35	932	318	306
	<u>1,123</u>	<u>582</u>	<u>11,286</u>	<u>230</u>	<u>1,089</u>	<u>7,968</u>	<u>6,176</u>	<u>441</u>	<u>2,975</u>

(Unit: Million Baht)

Separate financial statements

31 March 2012

	Assets				Liabilities				
	Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debt issued and borrowings	Other liabilities	Commitments
Subsidiary companies									
Thanachart Bank Plc.	43	3,636	-	162	-	-	1	26	-
NFS Asset Management Co., Ltd.	-	-	900	3	-	-	-	-	-
Thanachart Securities Plc.	-	-	-	1	-	-	-	5	-
Thanachart Insurance Co., Ltd.	-	-	-	2	-	-	-	1	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	19	-
NASSET Property Fund 6	-	-	-	42	-	-	-	-	-
Associated company									
MBK Plc.	-	-	-	1	-	-	-	11	-
Related companies									
Other related companies	-	-	-	-	-	-	-	9	-
	<u>43</u>	<u>3,636</u>	<u>900</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>71</u>	<u>-</u>

(Unit: Million Baht)

Separate financial statements									
31 December 2011									
Assets					Liabilities				
Interbank and money market items	Investments - debt securities	Loans to customers and interest receivables	Other assets	Deposits	Interbank and money market items	Debt issued and borrowings	Other liabilities	Commitments	
Subsidiary companies									
Thanachart Bank Plc.	68	3,643	-	86	-	-	-	19	-
NFS Asset Management Co., Ltd.	-	-	1,000	1	-	-	-	-	-
Thanachart Securities Plc.	-	-	-	3	-	-	-	5	-
Thanachart Insurance Co., Ltd.	-	-	-	1	-	-	-	-	-
National Leasing Co., Ltd.	-	-	-	-	-	-	-	17	-
Associated company									
MBK Plc.	-	-	-	1	-	-	-	9	-
	68	3,643	1,000	92	-	-	-	50	-

As at 31 March 2012 and 31 December 2011, the Company has loan to subsidiary as described in note 7.8 to the financial statements.

As at 31 March 2012, the Company and its subsidiaries have investments amounting to Baht 1,128 million (Baht 461 million in the separate financial statements) in related companies in which they are related by means of members of their management being shareholders and/or directors of those companies (31 December 2011: Baht 1,172 million in the consolidated financial statements and Baht 469 million in the separate financial statements).

As at 31 March 2012 and 31 December 2011, the Company and its subsidiaries have the following related parties transactions with executive employees of the Company and companies within Thanachart Group, including related persons who together with these employees:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Loans	42	49	-	-
Deposits	760	535	-	-

Directors and management's remuneration

During the three-month periods ended 31 March 2012 and 2011, 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	
	2012	2011	2012	2011
Short-term employee benefits	124	150	17	16
Post-employment benefits	4	-	1	-
	128	150	18	16

31. Financial information by segment**31.1 Financial position and results of operations classified by business transaction**

The financial position as at 31 March 2012 and 31 December 2011, and the results of operations for the three-month periods ended 31 March 2012 and 2011, classified by domestic and foreign operations, are as follow:

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 March 2012			
	Domestic	Foreign	Eliminations	Total
	operations	operations		
Total assets	979,041	16,294	(91,688)	903,647
Interbank and money market items (assets)	68,737	11,726	(22,911)	57,552
Investments	159,814	4,504	(5,652)	158,666
Investments in subsidiary and associated companies	43,596	-	(41,979)	1,617
Loans to customers and accrued interest receivables	641,719	-	(18,202)	623,517
Deposits	491,146	-	(6,104)	485,042
Interbank and money market items (liabilities)	86,889	16,033	(33,582)	69,340
Debt issued and borrowings	214,506	-	(6,671)	207,835

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
31 December 2011				
	Domestic	Foreign		
	operations	operations	Eliminations	Total
Total assets	1,032,972	15,245	(153,060)	895,157
Interbank and money market items (assets)	106,848	8,066	(51,682)	63,232
Investments	153,026	7,132	(7,647)	152,511
Investments in subsidiary and associated companies	74,150	-	(72,477)	1,673
Loans to customers and accrued interest receivables	630,228	-	(19,430)	610,798
Deposits	471,618	-	(35,753)	435,865
Interbank and money market items (liabilities)	78,910	15,010	(33,769)	60,151
Debt issued and borrowings	271,446	-	(8,793)	262,653

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 31 March 2012				
	Domestic	Foreign		
	operations	operations	Eliminations	Total
Interest income	12,291	44	(498)	11,837
Interest expenses	(6,697)	(18)	485	(6,230)
Net interest income	5,594	26	(13)	5,607
Net fee and service income	1,359	-	(393)	966
Net insurance/Life insurance income	974	-	322	1,296
Other operating income	1,439	8	(269)	1,178
Other operating expenses	(6,041)	-	232	(5,809)
Impairment loss of loans and debt securities	(427)	-	12	(415)
Income tax	(691)	-	(21)	(712)
Income before non-controlling interests	2,207	34	(130)	2,111

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 31 March 2011				
	Domestic	Foreign		
	operations	operations	Eliminations	Total
Interest income	10,373	67	(272)	10,168
Interest expenses	(4,070)	(10)	186	(3,894)
Net interest income	6,303	57	(86)	6,274
Net fee and service income	1,205	(1)	(319)	885
Net insurance/Life insurance income	362	-	264	626
Other operating income	1,709	36	(443)	1,302
Other operating expenses	(5,169)	-	108	(5,061)
Impairment loss of loans and debt securities	(818)	-	97	(721)
Income tax	(1,070)	-	-	(1,070)
Income before non-controlling interests	2,522	92	(379)	2,235

The financial position as at 31 March 2012 and 31 December 2011 and the results of operations for the three-month periods ended 31 March 2012 and 2011 of the Company are the result of domestic operations only.

31.2 Financial positions and results of operations classified by business type

The Company and its subsidiaries' business operations involve 6 principal segments: (1) Company; (2) Banking business; (3) Asset management; (4) Securities business; (5) Life insurance business; and (6) Non-life insurance business. Below is the consolidated financial information of the Company and its subsidiaries by segment.

(Unit: Million Baht)

For the three-month period ended 31 March 2012									
	The	Banking	Asset	Securities	Life	Non-life	Other		
	Company	business	management	business	insurance	insurance	business	Eliminations	Consolidated
Interest income	102	11,174	172	58	327	42	442	(480)	11,837
Interest expenses	(135)	(6,304)	(99)	(7)	-	-	(152)	467	(6,230)
Net interest income	(33)	4,870	73	51	327	42	290	(13)	5,607
Net fee and service income	1	1,127	3	114	(3)	(1)	118	(393)	966
Net insurance income	-	-	-	-	699	275	-	322	1,296
Other operating income	252	770	193	318	(192)	21	85	(269)	1,178
Other operating expenses	(74)	(5,166)	(70)	(334)	(112)	(150)	(135)	232	(5,809)
Impairment loss of loans and debt securities	6	(1,551)	1,114	-	-	-	4	12	(415)
Income tax	-	(9)	(326)	(33)	(185)	(67)	(71)	(21)	(712)
Income before non-controlling interest	152	41	987	116	534	120	291	(130)	2,111

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2011

	The Company	Banking business ⁽¹⁾	Asset		Life insurance business	Non-life insurance business	Other business	Eliminations	Consolidated
			management business	Securities business					
Interest income	93	9,988	11	36	252	21	39	(272)	10,168
Interest expenses	(154)	(3,894)	(16)	(1)	-	-	(5)	176	(3,894)
Net interest income	(61)	6,094	(5)	35	252	21	34	(96)	6,274
Net fee and service income	4	998	1	132	(4)	(1)	74	(319)	885
Net insurance income	-	-	-	-	137	225	-	264	626
Other operating income	252	997	59	321	34	15	67	(443)	1,302
Other operating expenses	(75)	(4,419)	(24)	(357)	(93)	(106)	(95)	108	(5,061)
Impairment loss of loans and debt securities	9	(841)	6	-	-	-	8	97	(721)
Income tax	-	(799)	(18)	(44)	(116)	(71)	(22)	-	(1,070)
Income before non-controlling interest	129	2,030	19	87	210	83	66	(389)	2,235

(1) In 2011, banking business included operating results of Thanachart Bank and SCIB.

(Unit: Million Baht)

As at 31 March 2012

	The Company	Banking business	Asset		Life insurance business	Non-life insurance business	Other business	Eliminations	Consolidated
			management business	Securities business					
Interbank and money market items	52	57,335	1,641	449	258	236	4,301	(6,720)	57,552
Investments	5,832	116,904	1,907	205	33,968	4,961	541	(5,652)	158,666
Investments in subsidiary and associated companies	31,598	10,166	-	716	728	326	62	(41,979)	1,617
Loans to customers and accrued interest receivable - net	989	615,352	8,693	2,353	114	-	14,218	(18,202)	623,517
Land, premises and equipment - net	56	8,314	1	53	153	103	60	16	8,756
Other assets	2,282	42,895	5,670	1,410	901	3,083	258	(2,960)	53,539
Total assets	40,809	850,966	17,912	5,186	36,122	8,709	19,440	(75,497)	903,647

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2011									
	The	Banking	Asset	Securities	Life	Non-life	Other		
	Company	business ⁽¹⁾	management	business	insurance	insurance	business	Eliminations	Consolidated
			business	business	business	business	business		
Interbank and money									
market items	76	97,346	962	376	359	233	411	(36,531)	63,232
Investments	5,657	114,541	1,655	223	32,814	4,776	492	(7,647)	152,511
Investments in									
subsidiary and									
associated									
companies	31,598	40,842	-	667	678	303	62	(72,477)	1,673
Loans to customers									
and accrued interest									
receivable - net	1,087	604,770	9,226	1,953	99	-	13,093	(19,430)	610,798
Land, premises and									
equipment - net	55	8,365	1	54	155	106	62	17	8,815
Other assets	2,170	46,572	5,992	966	798	3,290	181	(1,841)	58,128
Total assets	40,643	912,436	17,836	4,239	34,903	8,708	14,301	(137,909)	895,157

(1) In 2011, banking business included operating results of Thanachart Bank and SCIB.

32. Encumbrance of assets

As at 31 March 2012 and 31 December 2011, the Company and its subsidiaries have the following encumbrance assets, presented at book value as follow:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Investment in securities				
Placed at insurance registrar	7,771	7,448	-	-
Placed at court	22	20	-	-
Property foreclosed				
Immovable assets subject to buyback				
options or first refusal rights	965	969	-	-
Immovable assets subject to purchase or sell				
agreements with clients but currently being				
settled in installments or through transfer				
of ownership	1,523	1,483	103	102
	10,281	9,920	103	102

33. Commitments and contingent liabilities

As at 31 March 2012 and 31 December 2011, significant commitments and contingent liabilities consisted of:

33.1 Commitments

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Aval to bills	473	386	-	-
Liability under unmatured import bills	845	1,105	-	-
Letter of credits	3,313	3,856	-	-
Other obligations				
Committed (but not draw) overdraft	29,305	28,549	-	-
Others	22,580	21,405	1	1
Total	56,516	55,301	1	1

In addition, the Company and its subsidiaries have commitments in respect of foreign exchange contracts, interest rate swap contracts, cross currency and interest rate swap contracts and gold futures, as mentioned in Note 4 to the financial statements.

33.2 During the years 2001 to 2003, the Company and its subsidiaries entered into agreements to transfer non-performing loans and receivables of approximately Baht 3,409 million to TAMC. The Company and its subsidiaries are still jointly liable for a share of the gains and losses arising from TAMC's management of these non-performing assets to be calculated at the end of the fifth year and tenth year, counting from 1 July 2001. If there are losses, the Company and its subsidiaries are liable for all initial losses up to 20 percent of the transfer price, while further losses of up to another 20 percent of the transfer price are to be shared equally between the Company and its subsidiaries and TAMC, and TAMC is liable for all remaining losses. Such gains and losses will be determined based on the accumulated value of collections made on the assets at the date of determination, minus transfer costs and all operating expenses of TAMC, including interest on the debt instruments issued to purchase the loans and receivables. The gain or loss cannot be estimated at this stage, but as at 31 March 2012, the Company and its subsidiaries have estimated their share of the losses which may arise from the management of the non-performing assets at approximately Baht 383 million (separate financial statements: Baht 183 million). This amount has been presented as a part of provisions for liabilities in the statements of financial position.

33.3 As at 31 March 2012, the Company and its subsidiaries have commitments to pay the service fees in relation to property foreclosed, computer system services and other services, including commitments in respect of office rental and related service fees under long-term rental contracts, as follow:

(Unit: Million Baht)

Year	Consolidated		Separate	
	financial statements		financial statements	
	Other companies		Other companies	Subsidiaries
2012	1,357		22	4
2013	1,397		2	6
2014 onward	4,196		3	11

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

33.4 Commitments of SCIB from transfer of business from Bangkok Metropolitan Bank Public Company Limited and transfer of non-performing assets to Sukhumvit Asset Management Company Limited

SCIB entered into a business transfer agreement with Bangkok Metropolitan Bank Plc. (“BMB”), effective from 1 April 2002, and transferred its assets and those of BMB to Petchburi Asset Management Co., Ltd. (“PAM”), before they were transferred to Sukhumvit Asset Management Co., Ltd. (“SAM”). Subsequently, SCIB transferred its entire business, including commitments and agreements with PAM and SAM, to Thanachart Bank, effective from 1 October 2011. Thanachart Bank thus has commitments as a result of such transfer. However, the commitments of FIDF to SCIB have been transferred to/assumed by Thanachart Bank as the purchaser of SCIB’s shares from FIDF. As at 31 March 2012, outstanding obligations are summarised below.

- a) There was an outstanding difference of Baht 93 million, as a result of the transfer of assets to SAM. These comprised receivables awaiting collection and the difference is presented under the caption of “Differences as a result of assets transferred to SAM” in the statements of financial position. 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 of the conditions set out in the transfer agreements. Such differences are now being examined and/or negotiated among Thanachart Bank, SAM and the FIDF for final resolution.

As at 31 March 2012, such differences consist of (i) Baht 10 million of transactions incurred directly by SCIB, for which full allowance for doubtful debts has been set aside, and (ii) Baht 83 million of transactions incurred by BMB. If losses arise on the latter and collection cannot be made from SAM, the FIDF will consider compensating for all losses. Thanachart Bank's management believes that no significant further losses will arise.

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

As at 31 March 2012, the transferred assets which SAM is re-examining totaling Baht 349 million consist of (i) Baht 7 million of transactions incurred directly by SCIB, for which full allowance for doubtful loss has been set aside under the caption of "Provision for liabilities" in the statements of financial position, and (ii) Baht 342 million of transactions incurred by BMB. If losses arise, Thanachart Bank will receive compensation for loss from FIDF and any adjusting transactions will be within the limit of the funds set aside by FIDF to compensate losses in such cases, amounting to approximately Baht 258 million. In addition, SAM is now negotiating with Thanachart Bank to request interest payment on the assets transferred back, or a price adjustment.

- 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 disclosed under contingent liabilities in Note 34 to the financial statements.
- d) Outstanding letters of guarantee.

The FIDF deposited an amount equal to the loss compensation limit with Thanachart Bank in the FIDF's account. Such deposit account is to compensate for losses incurred as a result of the transfer of business from BMB, if such losses are actually incurred due to the outstanding issues described in a), b), c) and d) above. As at 31 March 2012, the deposit account of the FIDF with Thanachart Bank to fund the payment of compensation for losses has an outstanding balance of approximately Baht 784 million. In addition, there is a memorandum of agreement concerning conditions for additional loss compensation if Thanachart Bank incurs losses in relation to the two lawsuits discussed in c), with claims totaling Baht 9,965 million.

However, Thanachart Bank and SAM had a meeting and mutually agreed a resolution to such pending issues. Thanachart Bank believes that no significant further losses will be incurred, other than losses for which it has already set aside full allowance for doubtful debts and/or amount that will compensate by FIDF.

33.5 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 or in 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. Such commitment of SCIB has transferred to Thanachart Bank at the date of the entire business transfer. However, Thanachart Bank's management believes that no further losses will be incurred.

34. Litigation

As at 31 March 2012, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 24,509 million (separate financial statements: Baht 624 million) in respect of litigation. However, the Company and its subsidiaries' management have already made certain 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 the contingent liabilities of the litigation mentioned above in the consolidated financial statements amounting to Baht 22,467 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 11,187 million relates to 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 2,593 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 believed that SCIB has no liability in respect of such case.).

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.

35. Letter of guarantees

As at 31 March 2012, the Company and its subsidiaries had letter of guarantees issued by the Company and its subsidiaries, amounting approximately Baht 40 million, placed for electricity usage of the branches (separate financial statements: Baht 1 million).

36. Events after the reporting period - Dividend

On 5 April 2012, the Annual General Meeting of the Shareholders of the Company approved the payment of a dividend of Baht 0.70 per share to the common shareholders and preferred shareholders in respect of the operating results for the second half-year of 2011, or a total of Baht 894 million.

37. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2012.