

Thanachart Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
31 March 2011

Review Report of Independent Auditor

To the Shareholders of Thanachart Capital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thanachart Capital Public Company Limited and its subsidiaries as at 31 March 2011, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period ended 31 March 2011, and the separate financial statements of Thanachart Capital Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

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

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

The consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiaries and the separate financial statements of Thanachart Capital Public Company Limited for the year ended 31 December 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 21 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2010 of Thanachart Capital Public Company Limited and its subsidiaries and the separate financial statements of Thanachart Capital Public Company Limited for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 13 May 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

Phuphun Charoensuk
Certified Public Accountant (Thailand) No. 4950

Ernst & Young Office Limited
Bangkok: 11 May 2011

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Assets					
Cash		11,400,947	15,298,105	-	-
Interbank and money market items - net		64,908,608	85,105,455	95,379	88,998
Derivative assets	4	1,495,150	1,539,984	-	-
Investments - net	5	139,270,555	142,929,221	6,854,031	7,343,941
Investments in subsidiaries and associates - net	6	2,246,689	2,238,701	31,622,673	31,622,673
Loans to customers and accrued interest receivables	7				
Loans to customers		649,920,787	642,006,841	1,446,218	1,557,760
Accrued interest receivables		992,808	955,544	9,247	9,269
Total loans to customers and accrued interest receivables		650,913,595	642,962,385	1,455,465	1,567,029
Less: Deferred revenue		(34,118,684)	(32,360,381)	(10,963)	(12,891)
Less: Allowance for doubtful accounts	8	(28,011,442)	(27,494,509)	(460,586)	(505,432)
Less: Revaluation allowance for debt restructuring	9	(461,069)	(464,255)	-	(30)
Net loans to customers and accrued interest receivables		588,322,400	582,643,240	983,916	1,048,676
Customers' liability under acceptance		83,801	72,156	-	-
Properties foreclosed - net	11	11,763,293	11,969,515	2,022,523	2,056,336
Land, premises and equipment - net		8,906,752	9,111,001	120,479	123,520
Goodwill		16,619,947	16,619,947	-	-
Intangible assets - net		4,708,828	4,805,332	273	342
Leasehold right - net		451,814	466,905	57,371	64,263
Receivables from purchase and sale securities and derivatives		4,896,075	2,006,851	-	-
Accrued interest receivables		1,115,483	1,024,991	137,034	70,405
Other assets - net	12	6,538,771	6,083,117	127,795	42,587
Total assets		862,729,113	881,914,521	42,021,474	42,461,741

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 2011 and 31 December 2010

(Unit: Thousand Baht)

Note	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Deposits	481,390,509	532,382,410	-	-
Interbank and money market items	38,336,459	40,545,086	480	492
Liability payable on demand	3,073,515	3,126,945	-	-
Derivatives liabilities	4 657,760	596,661	-	-
Debts issued and borrowings	13 214,257,147	184,717,457	13,500,000	13,500,000
Bank's liability under acceptances	83,801	72,156	-	-
Provisions	14 3,212,227	781,453	25,196	11,143
Accrued interest payable	2,250,373	1,873,369	105,904	89,454
Payables from purchase and sale securities and derivatives	4,990,020	4,053,940	-	603,600
Life premium reserve	26,803,776	26,348,270	-	-
Other liabilities	15 16,221,935	15,698,794	156,413	152,606
Total liabilities	791,277,522	810,196,541	13,787,993	14,357,295

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Shareholders' equity					
Share capital	16				
Registered, issued and paid-up					
15,856 preferred shares of Baht 10 each		159	159	159	159
1,333,138,147 common shares of Baht 10 each		13,331,381	13,331,381	13,331,381	13,331,381
		13,331,540	13,331,540	13,331,540	13,331,540
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Premium of a subsidiary company's share		775,814	775,814	-	-
Amount by which the value of investment in subsidiary lower than attributable net book value		226,460	226,460	-	-
Other components of equity	17	629,586	694,216	303,332	289,997
Retained earnings					
Appropriated - statutory reserve		1,120,420	1,120,420	1,120,420	1,120,420
- treasury share reserve		387,501	387,501	387,501	387,501
Unappropriated		17,851,890	17,878,079	11,412,544	11,296,844
Less: Treasury share - common share	16	(387,501)	(387,501)	(387,501)	(387,501)
Equity attributable to owner of the Company		36,001,355	36,092,174	28,233,481	28,104,446
Non-controlling interests		35,450,236	35,625,806	-	-
Total shareholders' equity		71,451,591	71,717,980	28,233,481	28,104,446
Total liabilities and shareholders' equity		862,729,113	881,914,521	42,021,474	42,461,741

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 2011 and 2010**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
Interest income	19	10,168,104	5,661,073	92,693	159,012
Interest expenses	20	(3,894,307)	(1,837,007)	(153,435)	(208,755)
Net interest income		6,273,797	3,824,066	(60,742)	(49,743)
Fees and service income		1,027,756	504,875	3,706	21,462
Fees and service expenses		(142,683)	(191,088)	(157)	(606)
Net fees and service income	21	885,073	313,787	3,549	20,856
Gains on tradings and foreign exchange transactions	22	240,175	52,440	133	72
Gain on investments	23	35,234	124,618	9,479	58,937
Share of profit from investments in associated companies accounted for under equity method	6	92,727	55,964	-	-
Gain on properties foreclosed and other assets		72,009	260,564	9,875	144,495
Insurance premium/Life insurance premium income		2,900,126	2,696,100	-	-
Dividend income		255,553	50,320	168,539	250,422
Other operating income		606,273	516,849	63,965	109,528
Total operating income		11,360,967	7,894,708	194,798	534,567
Insurance/Life insurance expenses		(2,273,591)	(2,074,024)	-	-
Net operating income		9,087,376	5,820,684	194,798	534,567
Other operating expenses					
Personnel expenses		2,719,060	1,184,661	24,960	23,425
Directors' remuneration		10,666	7,487	2,385	2,045
Premises and equipment expenses		897,112	449,935	19,997	29,800
Taxes and duties		207,057	52,159	1,163	2,394
Impairment loss of properties foreclosed (reversal)		(26,051)	36,355	979	(60,715)
Other expenses		1,253,573	795,420	26,096	49,777
Total other operating expenses		5,061,417	2,526,017	75,580	46,726
Reversal of impairment loss of loans and debt securities (impairment loss of loans and debt securities)	24	(720,504)	(119,318)	9,623	32,507
Profit before corporate income tax		3,305,455	3,175,349	128,841	520,348
Corporate income tax	25	(1,070,539)	(942,144)	-	(73,438)
Profit for the period		2,234,916	2,233,205	128,841	446,910

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 2011 and 2010

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
Other comprehensive incomes	26				
Gains (losses) on remeasuring available-for-sale investments		(170,813)	326,638	13,335	235,467
Share of other comprehensive income of associates		9,121	100,587	-	-
Total other comprehensive income		<u>(161,692)</u>	<u>427,225</u>	<u>13,335</u>	<u>235,467</u>
Total comprehensive income		<u>2,073,224</u>	<u>2,660,430</u>	<u>142,176</u>	<u>682,377</u>
Profit attributable to					
The Company		1,144,268	1,343,383	128,841	446,910
Non-controlling interests		1,090,648	889,822	-	-
		<u>2,234,916</u>	<u>2,233,205</u>	<u>128,841</u>	<u>446,910</u>
Total comprehensive income attributable to					
The Company		1,079,638	1,700,261	142,176	682,377
Non-controlling interests		993,586	960,169	-	-
		<u>2,073,224</u>	<u>2,660,430</u>	<u>142,176</u>	<u>682,377</u>
Earnings per share of the Company	27				
Basic earnings per share					
Profit attributable to the Company (Baht per share)		<u>0.90</u>	<u>1.05</u>	<u>0.10</u>	<u>0.35</u>
Diluted earnings per share					
Profit attributable to the Company (Baht per share)		<u>0.90</u>	<u>1.05</u>	<u>0.10</u>	<u>0.35</u>

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before corporate income tax	3,305,455	3,175,349	128,841	520,348
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	(92,727)	(55,964)	-	-
Depreciation and amortisation	433,287	181,027	13,407	19,709
Impairment loss of loans and debt securities (reversal)	720,504	119,318	(9,623)	(32,507)
Increase (decrease) in provision for impairment of properties foreclosed	(26,051)	36,355	979	(60,715)
Increase (decrease) in provision for impairment of equipment/other assets	29,077	(45,941)	(439)	(609)
Increase (decrease) in provision for impairment/ revaluation of investments	(88,068)	3,984	(172)	48
Amortisation of deferred gain on disposal of properties foreclosed	(966)	(930)	-	-
Unrealised loss on foreign exchange and financial derivatives	113,365	239,622	-	-
Increase in unearned premium reserve/ life insurance premium reserve	681,459	875,239	-	-
Gain on transfers of assets for debt repayment	(2,829)	(2,180)	-	-
Loss (gain) on disposal of equipment	3,359	(882)	(4,305)	(1,731)
Decrease (increase) in accrued other income receivable	38,730	(9,748)	(8,358)	10,822
	5,114,595	4,515,249	120,330	455,365
Net interest income	(6,273,797)	(3,824,066)	60,742	49,743
Dividend income	(255,553)	(50,320)	(168,539)	(250,422)
Cash received from interest on operating activities	9,221,318	5,008,009	18,670	26,334
Cash paid for interest on operating activities	(2,945,474)	(945,335)	-	-
Cash paid for corporate income tax	(89,597)	(32,214)	(1,972)	(6,530)
Income from operating activities before changes in operating assets and liabilities	4,771,492	4,671,323	29,231	274,490

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 2011 and 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Interbank and money market items	20,223,954	33,128,816	(6,045)	(392,082)
Investments in trading securities	(2,335,921)	1,083,693	10,285	(1,971)
Loans	(7,115,896)	(8,931,987)	73,066	1,696,557
Properties foreclosed	1,027,329	1,382,755	33,512	233,300
Receivables from purchase and sale securities and derivatives	(2,889,224)	(4,356,302)	-	(3,580,026)
Other assets	2,171,428	(1,098,411)	(6,141)	(6,246)
Operating liabilities increase (decrease)				
Deposits	(50,991,901)	(9,394,217)	-	-
Interbank and money market items	(2,199,355)	6,296,970	(12)	810
Payable from purchase and sales securities and derivatives	(98,253)	1,303,853	(603,600)	-
Liability payable on demand	(53,430)	(483,354)	-	-
Other liabilities	845,803	(247,800)	6,733	(34,717)
Net cash provided from (used in) operating activities	(36,643,974)	23,355,339	(462,971)	(1,809,885)
Cash flows from investing activities				
Decrease (increase) in investments in securities	3,147,312	(5,464,875)	499,986	(251,583)
Cash received from interest	1,493,412	450,372	487	102,201
Cash received from dividend	210,828	7,513	95,455	144,543
Cash paid for purchase of land and equipment/ intangible assets	(120,284)	(74,323)	(1,325)	(289)
Cash received from disposal of equipment/ intangible assets	8,237	2,986	4,856	1,731
Net cash provided from (used in) investing activities	4,739,505	(5,078,327)	599,459	(3,397)

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 2011 and 2010

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cash flows from financing activities				
Cash received from debts issued and borrowings	268,162,403	79,742,720	-	5,989,260
Cash paid for debts issued and borrowings	(238,622,713)	(97,856,223)	-	(4,000,000)
Cash paid for interest expenses on borrowings	(1,480,908)	(618,410)	(136,488)	(175,978)
Dividend paid to non-controlling interests	(51,471)	(51,373)	-	-
Net cash provided from (used in)				
financing activities	28,007,311	(18,783,286)	(136,488)	1,813,282
Net decrease in cash	(3,897,158)	(506,274)	-	-
Cash at beginning of the period	15,298,105	3,665,410	-	40
Cash at ending of the period	11,400,947	3,159,136	-	40

Supplemental cash flows information

Non-cash transactions

Properties foreclosed transferred from loans,

other receivable and investments in

receivables purchased

746,565

988,627

679

4,646

Accounts payable for purchase of assets

138,543

57,411

28

4

Bad debt written off

295,657

77,643

1,250

399

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements												
	Equity attributable to the Company's shareholders												
	Issued and paid-up share capital		Premium on common share	Premium of a subsidiary company's share	Amount by which the value of investment in subsidiary lower than attributable net book value	Other components of equity		Retained earnings				Non-controlling interests	Total
						Revaluation surplus on investments	Share of other comprehensive income of associates	Appropriated		Unappropriated	Treasury share		
	Preferred shares	Common shares	of a subsidiary company's share	Revaluation surplus on investments	Share of other comprehensive income of associates			Statutory reserve	Treasury share			Treasury share	
Balance as at 1 January 2010	159	13,331,381	2,065,645	775,814	226,460	2,006,578	152,273	979,539	387,501	13,784,815	(387,501)	14,083,952	47,406,616
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(51,373)	(51,373)
Total comprehensive income for the period	-	-	-	-	-	280,860	76,018	-	-	1,343,383	-	960,169	2,660,430
Balance as at 31 March 2010	159	13,331,381	2,065,645	775,814	226,460	2,287,438	228,291	979,539	387,501	15,128,198	(387,501)	14,992,748	50,015,673
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	17,878,079	(387,501)	35,625,806	71,717,980
Cumulative effect of change in accounting policy for employee benefits (Note 2.4)	-	-	-	-	-	-	-	-	-	(1,170,457)	-	(1,117,685)	(2,288,142)
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
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(51,471)	(51,471)
Total comprehensive income for the period	-	-	-	-	-	(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)	35,450,236	71,451,591

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

(Unaudited but reviewed)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and paid-up share capital			Other components		Retained earnings			
				of equity	Appropriated			Unappropriated	Treasury share
	Preferred	Common	Premium on	Revaluation	Statutory	Treasury share			
shares	shares	common share	surplus	reserve	reserve				
Balance as at 1 January 2010	159	13,331,381	2,065,645	2,120,819	979,539	387,501	10,024,808	(387,501)	28,522,351
Total comprehensive income for the period	-	-	-	235,467	-	-	446,910	-	682,377
Balance as at 31 March 2010	159	13,331,381	2,065,645	2,356,286	979,539	387,501	10,471,718	(387,501)	29,204,728
Balance as at 1 January 2011	159	13,331,381	2,065,645	289,997	1,120,420	387,501	11,296,844	(387,501)	28,104,446
Cumulative effect of change in accounting policy for employee benefits (Note 2.4)	-	-	-	-	-	-	(13,141)	-	(13,141)
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	159	13,331,381	2,065,645	303,332	1,120,420	387,501	11,412,544	(387,501)	28,233,481

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 2011 and 2010

1. General information

1.1 The Company and its subsidiaries information

Thanachart Capital Public Company Limited (“the Company”) is a public company incorporated and operated its business in Thailand. The Company is mainly engaged in investment holding and is the parent company of the Thanachart Group. The registered office of the Company is at 444 MBK Tower, 10-11 and 15-20 Floors, Phayathai Road, Wangmai, Pathumwan, Bangkok.

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

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

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

On 11 March 2010, Thanachart Bank Plc. (“Thanachart Bank”) entered into a share purchase agreement with the Financial Institutions Development Fund (“FIDF”) to purchase 1,005,330,950 shares of Siam City Bank Plc. (“SCIB”) shares, or 47.58 percent of the total issued and paid-up share capital, at a price of Baht 32.50 per share, or for total of Baht 32,673 million. On 9 April 2010, Thanachart Bank paid FIDF for SCIB’s shares. Combined with 104,964,000 SCIB’s shares held by the Company, as at 9 April 2010, the Company and Thanachart Bank’s shareholding in SCIB is totaling 52.55 percent. The purchase of SCIB’s shares was approved by the 2010 Annual General Meeting of the Company and Thanachart Bank’s shareholders, and the Bank of Thailand (“BOT”) approved Thanachart Bank to hold the shares of SCIB in accordance with certain specified conditions, i.e. SCIB is to continue operating as commercial bank but has to return its license within 31 December 2011, the requirements on capital fund calculation, the structure of the financial business group, and holdings in companies in the financial business group.

1.2.2 Additional tender offer for common shares of SCIB in 2010

During June 2010, Thanachart Bank made an additional tender offer to the minority shareholders of SCIB, at the same price as it paid to purchase shares of SCIB at auction from FIDF. Other shareholders sold totaling 1,091,439,949 shares of common stock, amounting to Baht 35,472 million, or 51.66 percent of the issued and paid-up shares of SCIB. Combined with Thanachart Bank's existing holding, Thanachart Bank's shareholding in SCIB totaled 99.24 percent. Such additional purchase of SCIB's shares included 104,964,000 shares purchased from the Company, the Company therefore recorded a gain on sale of Baht 2,136 million and related income tax expenses of Baht 629 million in the separate income statement for the year 2010. The gain on sale of Baht 2,112 million in the consolidated financial statement has been deferred and presented netting of goodwill from business combination, and the related income tax has been presented as "suspense account - deferred tax from business combination".

During November 2010, Thanachart Bank acquired additional 14,907,658 shares of SCIB, amounting to Baht 484 million. As a result, Thanachart Bank holds 99.95 percent of the issued and paid-up shares of SCIB. Moreover, the Stock Exchange of Thailand ("SET") announced the delisting of SCIB's shares on 13 December 2010.

1.2.3 Allocating the cost of a business combination

Thanachart Bank acquired 47.58 percent of SCIB's shares in April 2010 and combined with the Company's existing holding at 4.97 percent, the Thanachart Group held 52.55 percent interest in SCIB's shares. In addition, at the same day, Thanachart's management were assigned to be the SCIB's directors at the portion that Thanachart has control over voting right of SCIB. Because Thanachart had control over SCIB through shareholding and management, the Company and Thanachart Bank have considered the investment in SCIB's shares as investment in a subsidiary company since then. As a result of purchase of additional ordinary shares to increase its shareholding in SCIB to be 99.24 percent in June 2010 and 99.95 percent in November 2010, the Company and Thanachart Bank have total cost of Baht 68,801 million in the consolidated financial statements (including expenses in business combination and after deducting intercompany transactions). The management of the Company and Thanachart Bank estimated the fair value of each asset and liability for the purpose of allocating the cost of business combination and recognised the difference between the cost of business combination and the fair value of assets, liabilities, contingent liabilities and intangible assets in proportion to its shareholding amounting to Baht 18,688 million as goodwill from business combination in the consolidated financial statements.

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

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

1.2.5 Transfer of subsidiary's business in the Group

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

The Annual General Meeting of the shareholders of SCIB Securities, held on 27 April 2011, approved the reduction of the registered and paid-up share capital of SCIB Securities from Baht 2,000 million to Baht 900 million. SCIB Securities is in the process of requesting regulatory approval and take the necessary legal steps.

In addition, on 27 January 2011, the Board of Directors of SCIB passed a resolution to approve the making of offers to purchase and/or to sell shares of Siam City Asset Management Company Limited to other parties, and these are currently being carried out.

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", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in accordance with the BOT's Notification relating to the preparation and format of financial statements of commercial banks and holding company of financial business groups, date 3 December 2010. Hence, the Company reclassified certain items of the comparative financial statements.

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

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

2.2 Basis of preparation of the interim consolidated financial statements

- a) These interim consolidation financial statements are prepared using the same basis as were used for the consolidated financial statements for the year ended 31 December 2010, and there were no changes in shareholding structure during the period except for newly investment in 100% of TS Asset Management Co., Ltd., which was established during the period, thru Thanachart Bank in March 2011.

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

	Percentage of shares held by the Company		Percentage of shares held by the subsidiaries	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
<u>Subsidiaries directly held by the Company</u>				
Thanachart Bank Plc.	50.96	50.96	-	-
NFS Asset Management Co., Ltd.	100.00	100.00	-	-
MAX Asset Management Co., Ltd.	83.44	83.44	-	-
NASSET Property Fund 6	99.80	99.80	0.06	0.06
Thiravanit Co., Ltd.	99.90	99.90	-	-
Thanachart SPV 01 Co., Ltd.	100.00	100.00	-	-
<u>Subsidiaries indirectly held</u>				
Thanachart Securities Plc.	-	-	100.00	100.00
Thanachart Insurance Co., Ltd.	-	-	100.00	100.00
Thanachart Life Assurance Co., Ltd.	-	-	100.00	100.00
Thanachart Fund Management Co., Ltd.	-	-	75.00	75.00
Thanachart Broker Co., Ltd.	-	-	100.00	100.00
Thanachart Group Leasing Co., Ltd.	-	-	100.00	100.00
Thanachart Management & Services Co., Ltd.	-	-	100.00	100.00
Thanachart Legal and Appraisal Co., Ltd.	-	-	100.00	100.00
National Leasing Co., Ltd.	-	-	100.00	100.00
Thanachart Training & Development Co., Ltd.	-	-	100.00	100.00
Siam City Bank Plc.	-	-	99.95	99.95
SCIB Services Co., Ltd.	-	-	100.00	100.00
Siam City Life Assurance Co., Ltd.	-	-	100.00	100.00
Siam City Securities Co., Ltd.	-	-	99.79	99.79
Siam City Asset Management Co., Ltd.	-	-	60.00	60.00
TS Asset Management Co., Ltd.	-	-	100.00	-

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

(Unit: Million Baht)

	Total assets as at		Total income for the three-month periods ended	
	31 March	31 December	31 March	
	2011	2010	2011	2010
Thanachart Bank Plc.	412,428	406,574	6,390	5,880
Siam City Bank Plc.	380,254	403,998	5,049	-
Thanachart Life Assurance Co., Ltd.	19,604	19,753	1,696	2,173
Siam City Life Assurance Co., Ltd.	10,060	11,008	597	-
Thanachart Securities Plc.	5,675	3,953	347	236
Thanachart Insurance Co., Ltd.	4,185	4,689	924	704
NFS Asset Management Co., Ltd.	3,369	3,542	59	103

The consolidated statements of comprehensive income for the three-month period ended 31 March 2010 did not include the operating results of SCIB and the subsidiaries held by SCIB because Thanachart Bank purchased the common shares of SCIB and assumed control over SCIB in April 2010.

- c) The consolidated statements of comprehensive income for the three-month period ended 31 March 2010 included the operating results of T Leasing Co., Ltd., which had as total income of Baht 74 million and net income of Baht 17 million. Thanachart Bank sold the common shares of this company in April 2010.
- d) The consolidated financial statements for the three-month period ended 31 March 2011 did not include the financial statements of Chada Thong Properties Co., Ltd., a subsidiary indirectly held by SCIB at 70 percent, because that subsidiary has ceased its operation and is in the process of being liquidated. SCIB has already made a full allowance for impairment in value of its investment in this subsidiary.

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

2.4 Application of new accounting standards during the period

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

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current period, except for the following accounting standard.

TAS 19 Employee Benefits

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

The Company and its subsidiaries have changed this accounting policy in the current period and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. This change has the effect of decreasing the beginning balance of retained earnings (1 January 2010) of the Company and its subsidiaries by Baht 1,170 million in the consolidated financial statements and Baht 13 million in the separate financial statements. The cumulative effect of the change in accounting policy has been presented in “Cumulative effect of change in accounting policy for employee benefits” in the statement of changes in shareholders’ equity.

In addition, the change has the effect of decreasing the profit of the Company and its subsidiaries for the three-months period ended 31 March 2011 by Baht 31 million, or 0.02 Baht per share (separate financial statements: decreasing profit by Baht 1 million, or 0.0007 Baht per share).

2.5 Significant accounting policies

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

Employee benefits

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

The Company and its subsidiaries determine obligation under the defined benefit plan based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

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

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

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

Accounting Standard Interpretations:

- SIC 10 Government Assistance - No Specific Relation to Operating Activities
- SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Derivative assets

4.1 Trading derivatives

As at 31 March 2011 and 31 December 2010, all trading derivatives are from subsidiaries which can be summarised as below.

(Unit: Million Baht)

Type of risk	Consolidated financial statements					
	31 March 2011			31 December 2010		
	Fair value		Notional Amount ⁽¹⁾	Fair value		Notional Amount ⁽¹⁾
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	501	385	101,928	509	296	53,139
Interest rate	59	54	11,090	72	66	11,315
Foreign exchange rate and interest rate	935	219	8,523	959	235	8,533
Total	1,495	658	121,541	1,540	597	72,987

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

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

Contract	Consolidated financial statements	
	31 March 2011	31 December 2010
	Percent	Percent
Financial institutions	85.84	75.34
Others	14.16	24.66
Total	100.00	100.00

4.2 Hedging derivatives (Banking book)

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

Type of risk	Consolidated financial statements	
	Notional amount ⁽¹⁾	
	31 March 2011	31 December 2010
Foreign exchange rate	1,400	3,488
Interest rate	14,303	14,532
Foreign exchange rate and interest rate	21,105	21,529

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

5. Investments

5.1 Classified by type of investments

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	31 March 2011		31 December 2010		31 March 2011		31 December 2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading securities								
Government and state enterprise securities	2,459	2,459	324	325	-	-	-	-
Private debt securities	492	492	31	31	-	-	10	10
Foreign debt securities	3,030	3,042	3,015	3,023	-	-	-	-
Domestic marketable equity securities	78	81	78	87	-	-	-	-
	6,059	6,074	3,448	3,466	-	-	10	10
Add: Allowance for change in value	15		18		-		-	
	6,074		3,466		-		10	
Available-for-sale securities								
Government and state enterprise securities	40,441	40,223	52,685	52,604	-	-	-	-
Private debt securities	13,450	13,537	9,853	10,017	-	-	-	-
Foreign debt securities	11,398	11,629	12,704	12,920	-	-	-	-
Domestic marketable equity securities	8,317	9,279	8,068	9,137	317	620	317	607
	73,606	74,668	83,310	84,678	317	620	317	607
Add: Allowance for change in value	1,066		1,372		303		290	
Less: Allowance for impairment	(4)		(4)		-		-	

(Unaudited but reviewed)

74,668

84,678

620

607

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	31 March 2011		31 December 2010		31 March 2011		31 December 2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Held-to-maturity debt securities								
Government and state enterprise securities	42,981	43,205	39,102	39,446	1,782	1,601	2,271	2,089
Private debt securities	5,810	5,971	5,884	6,080	3,646	3,646	3,646	3,646
Foreign debt securities	5,911	5,910	5,704	5,719	-	-	-	-
Investments in receivables purchased	1,766	1,432	1,802	1,447	980	858	1,002	861
	56,468	56,518	52,492	52,692	6,408	6,105	6,919	6,596
Less: Allowance for impairment	(717)		(738)		(305)		(324)	
	55,751		51,754		6,103		6,595	
Other investments								
Investments in property fund	644		845		-		-	
Domestic non-marketable equity securities	2,135		2,183		208		209	
Foreign non-marketable equity securities	86		84		-		-	
	2,865		3,112		208		209	
Less: Allowance for impairment	(87)		(81)		(77)		(77)	
	2,778		3,031		131		132	
Total investments - net	139,271		142,929		6,854		7,344	

5.2 As at 31 March 2011, a revaluation surplus and a revaluation deficit in the consolidated shareholders' equity amounting to Baht 17 million and Baht 109 million, respectively, are as a result of the recategorisation of debt securities (31 December 2010: outstanding revaluation surplus amounting to Baht 18 million and outstanding revaluation deficit amounting to Baht 125 million in the consolidated financial statements).

5.3 As at 31 March 2011, investment in debt securities include Baht 566 million of non-transferable, 10-year promissory notes received from Thai Asset Management Corporation ("TAMC") as a result of the transfer of non-performing loans to TAMC (separate financial statements: Baht 268 million) (31 December 2010: Baht 715 million in the consolidated financial statements and Baht 320 million in the separate financial statements). However, the agreed transfer price received in the form of promissory notes could be revised up or down after TAMC reviews the prices, or assesses the collateral or adjusts the prices.

As at 31 March 2011, the Company and its subsidiaries are still unable to assess the exact amount of such losses. However, the Company and its subsidiaries have estimated their share of losses which may arise from the management of non-performing assets at approximately Baht 383 million. Such losses have been shown as allowance for impairment under the caption of investments in held-to-maturity debt securities, classified by the type of promissory note (separate financial statements: Baht 183 million) (31 December 2010: Baht 383 million in the consolidated financial statements and Baht 183 million in the separate financial statements).

Moreover, the Company and its subsidiaries remain jointly liable with TAMC for their share of gains or losses arising from management of non-performing assets, as described in Note 31.2 to the financial statements.

- 5.4** As at 31 March 2011 and 31 December 2010, the Company has investments of Baht 3,636 million in perpetual non-cumulative subordinated hybrid bonds (Hybrid Tier I). These debentures are unsecured and non-convertible and will be redeemed only upon the dissolution of Thanachart Bank or when conditions specified are met. The debentures bear interest at a rate equal to the highest rate for a six-month fixed deposit plus 6 percent per annum, payable semi-annually.

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

As at 31 March 2011 and 31 December 2010, the subsidiary companies have investments in the following unit trusts in which those subsidiaries hold not less than 20 percent of the unit issued, but those subsidiaries do not treat these investments as investments in subsidiary or associated companies because the subsidiary companies do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund manager in accordance with the details of each fund project and are under the supervision of the Securities and Exchange Commission. The subsidiary companies therefore record these investments in unit trusts as long-term available-for-sale or other investments, based on their investment objectives.

Name	Consolidated financial statements			
	31 March 2011		31 December 2010	
	Net	Percentage	Net	Percentage
	book value	of holding	book value	of holding
	Million Baht	Percent	Million Baht	Percent
The Thai Business Fund 3	300	60.00	355	60.00
Business Strategic Fund	278	67.33	278	67.33
Sub Thawee Property Fund	66	56.00	76	56.00
Thanachart Fixed Long Term	61	27.79	60	27.79
Thanachart Fixed Income FIF51	50	22.63	50	22.63

5.6 Investments in receivables purchased

Investments in receivables purchased are loans receivable purchased through bidding from local financial institutions. The outstanding balances of loans receivable as at 31 March 2011 and 31 December 2010 can be summarised as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
Investments in receivables	1,766	1,802	980	1,002
Less: Allowance for impairment	(334)	(355)	(122)	(141)
Investments in receivables - net	1,432	1,447	858	861

	31 March 2011				31 December 2010			
	Number	Balance	Purchase	Yield	Number	Balance	Purchase	Yield
	of	per	price		of	per	price	
	debtors	agreement			debtors	agreement		
		Million	Million	Percent		Million	Million	Percent
		Baht	Baht			Baht	Baht	
<u>Consolidated financial statements</u>								
Total accumulated								
investments in receivables	2,938	33,611	7,845	1.75 - 18.97	2,938	33,611	7,845	1.75 - 18.97
Outstanding investments								
in receivables as at								
the end of the period	1,250	12,759	1,766		1,396	12,876	1,802	
<u>Separate financial statements</u>								
Total accumulated								
investments in receivables	691	8,190	1,937	11.94 - 18.97	691	8,190	1,937	11.94 - 18.97
Outstanding investments								
in receivables as at								
the end of the period	313	6,109	980		343	6,221	1,002	

During the three-month period ended 31 March 2011, the Company and its subsidiaries do not enter into debt restructuring agreements with its investments in receivable purchased. (2010: the subsidiaries had restructured investments in receivable purchased with a receivable, with book balances before restructuring totaling approximately Baht 2 million, by modification of terms. There were no losses on debt restructuring and had maturity in 2010).

Restructured receivables are transferred to the loans account on the debt restructuring agreement date, in accordance with the BOT's regulations. They are transferred at their book value, which is considered to be fair value. Therefore, as at 31 March 2011 and 31 December 2010, there were no outstanding restructured receivables in the investments in receivables purchased.

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

As at 31 March 2011 and 31 December 2010, investments in securities of the Company and its subsidiaries included investments in securities of companies with having problems relating to financial position and operating results, summarised below.

Consolidated financial statements							
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts	
31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<u>Equity securities - common shares</u>							
1. Companies which have loan settlement problems or have defaulted on the repayment	2	2	-	-	-	-	-
2. Companies which auditors' reports cited going concern issues	9	9	-	-	-	-	-
<u>Investments in receivables purchased</u>							
1. Closed financial institutions	7	7	-	-	-	-	-
2. Non-listed company with similar operating results and financial positions to listed company vulnerable to delisting from the SET	1	1	3	3	-	-	3
3. Companies which have loan settlement problems or have defaulted on the repayment	247	251	1,273	1,279	1,817	1,828	246

(Unaudited but reviewed)

Separate financial statements								
Number of transactions		Cost		Fair value/ collateral value		Allowance for possible loss/impairment provided in the accounts		
31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Equity securities - common shares								
1. Companies which have loans settlement problems or have defaulted on the repayment	1	1	-	-	-	-	-	-
2. Companies which auditors' reports cited going concern issues	2	2	-	-	-	-	-	-
Investments in receivables purchased								
1. Companies which have loan settlement problems or have defaulted on the repayment	105	109	751	752	1,106	1,105	83	85

6. Investments in subsidiaries and associates

6.1 Separate financial statements

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

		Separate financial statements							
		Paid-up share capital		Percentage of holding (%)		Value of investment under the cost method		Dividend income for the three-month periods ended	
Company's name		31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	2010
Nature of business									
Subsidiary companies									
Thanachart Bank Plc.	Commercial bank	55,137	55,137	50.96	50.96	29,056	29,056	-	-
NFS Asset Management Co., Ltd.	Non-performing assets management	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Max Asset Management Co., Ltd.	Non-performing assets management	572	572	83.44	83.44	469	469	95	99
NASSET Property Fund 6	Investment in non-performing assets and collection rights	420	420	99.80	99.80	420	420	20	145
Thiravanit Co., Ltd.	Liquidating	6	6	99.90	99.90	34	34	-	-
Thanachart SPV 01 Co., Ltd.	Not yet operation	2	2	100.00	100.00	2	2	-	-
Associated company									
MBK Plc.	Property rental, hotel and services	1,886	1,886	10.00	10.00	658	658	47	-
Total investment in subsidiary and associated companies						31,639	31,639	162	244
Less: Allowance for impairment						(16)	(16)		
Investments in subsidiary and associated companies - net						31,623	31,623		

(Unaudited but reviewed)

6.2 Consolidated financial statements

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

(Unit: Million Baht)

Company's name	Paid-up capital				Percentage of holding (%)				Investment value				Dividend income		Share of profit (loss)	
	31 March		31 December		2011		2010		Cost method		Equity method		for the three-month periods ended		for the three-month periods ended	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	March	December	March	December	March	December	March	December	March	December	31 March	31 March	31 March	31 March	31 March	31 March
MBK Plc.	1,886	1,886	19.90	19.90	948	948	1,577	1,591	94	-	71	56				
Siam Samsung Life Insurance Co., Ltd.	500	500	25.00	25.00	104	104	70	82	-	-	(12)	-				
Siam City Insurance Co., Ltd.	40	40	45.50	45.50	92	92	107	109	-	-	(2)	-				
Ratchthani Leasing Plc.	823	823	48.35	48.35	403	403	493	457	-	-	36	-				
Total investments in associated companies					1,547	1,547	2,247	2,239	94	-	93	56				

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

6.3 Summarised financial information of associated companies

- a) Summarised financial information of MBK Plc. as at 31 December 2010 and 30 September 2010 and for the three-month periods ended 31 December 2010 and 2009 is as follows:

(Unit: Million Baht)

Paid-up capital		Total assets		Total liabilities		Total income		Net income for	
31 December	30 September	31 December	30 September	31 December	30 September	for the three-month periods ended	for the three-month periods ended	for the three-month periods ended	for the three-month periods ended
2010	2010	2010	2010	2010	2010	31 December	31 December	31 December	31 December
2010	2010	2010	2010	2010	2010	2010	2009	2010	2009
1,886	1,886	27,717	28,752	13,636	14,006	2,260	1,587	364	278

The share of profit of MBK Plc. is determined based on financial statements as prepared for a different period, as a result of limitations on the availability of information. The financial information used was based on the balance sheet as at 31 December 2010 and 30 September 2010 and the income statements for the three-month periods ended 31 December 2010 and 2009 prepared by the Company's management, with reference to the financial statements as reviewed by its auditor and adjusted for the effect of the differences in accounting policies. The Company's management believes that the net income for the three-month period ended 31 December 2010 is not material different from that income for the three-month period ended 31 March 2011.

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

(Unit: Million Baht)

Company's name	Paid-up share capital		Total assets		Total liabilities		Total income for the		Net income (loss) for	
	31	31	31	31	31	31	three-month	three-month	three-month	three-month
	March	December	March	December	March	December	periods ended	periods ended	periods ended	periods ended
	2011	2010	2011	December 2010	2011	2010	31 March	2010	2011	2010
Siam Sumsung Life Insurance Co., Ltd. (engage in life insurance)	500	500	2,126	2,073	1,866	1,766	349	-	(44)	-
Siam City Insurance Co., Ltd. (engage in non-life insurance)	40	40	772	932	533	689	80	-	10	-
Ratchthani Leasing Plc. (engage in lease of car)	823	823	10,368	9,549	9,015	8,270	268	-	76	-

Investments in the above 3 associated companies are indirectly held through SCIB, therefore, the Company did not recognise the share of profit for three-month period ended 31 March 2010.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
MBK Plc.	3,632	3,791	1,824	1,904
Ratchthani Leasing Plc.	557	616	-	-

7. Loans to customers and accrued interest receivables

7.1 Classified by loan types

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<u>Loans to customers</u>				
Overdrafts	24,179	24,562	-	-
Loans	279,377	277,614	204	205
Notes receivable	53,725	62,156	1,008	1,008
Hire purchase receivables	286,707	272,196	235	345
Financial lease receivables	2,338	2,366	-	-
Others	222	429	-	-
Less: Deferred revenue	(34,119)	(32,360)	(11)	(13)
Total loans net of deferred revenue	612,429	606,963	1,436	1,545
Add: Accrued interest receivables	993	956	9	9
Total loans net of deferred revenue and accrued interest receivables	613,422	607,919	1,445	1,554
Less: Allowance for doubtful accounts				
- BOT's minimum requirements provision	(26,045)	(25,450)	(321)	(365)
- Excess provision	(638)	(707)	(140)	(140)
Less: Revaluation allowance for debt restructuring	(461)	(464)	-	-
Loans to customers and accrued interest receivables - net	586,278	581,298	984	1,049
<u>Securities business receivables</u>				
Credit balances receivables	3,065	1,341	-	-
Other receivables	307	1,342	-	-
Total securities business receivables	3,372	2,683	-	-
Less: Allowance for doubtful accounts	(1,328)	(1,338)	-	-
Securities business receivables - net	2,044	1,345	-	-
Loans to customers and accrued interest receivables - net	588,322	582,643	984	1,049

7.2 Non-performing loans

As at 31 March 2011 and 31 December 2010, the Company and its financial institution subsidiaries (banking, asset management and securities business) have non-performing loans, classified in accordance with the BOT's and SEC's regulations (debtors classified as substandard, doubtful, doubtful of loss and loss), as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Non-performing loans (excluding accrued interest receivables)				
The Company	392	436	392	436
Banking business	37,492	35,520	-	-
Asset management business	2,013	2,058	-	-
Securities business	1,329	1,339	-	-

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

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
The Company	286	330	286	330
Banking business	45,114	44,046	-	-
Securities business	1,329	1,339	-	-

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

7.3 Debt restructuring

During the three-month periods ended 31 March 2011 and 2010, the Company and its subsidiaries entered into debt restructuring agreements with debtors. The details are as follows:

For the three-month period ended 31 March 2011					
Type of restructuring	Number of receivables	Outstanding loan balance before restructuring ⁽¹⁾	Outstanding loan balance after restructuring ⁽¹⁾	Type of assets to be transferred	Value of assets to be transferred per agreements
		Million Baht	Million Baht		Million Baht
<u>Consolidated financial statements</u>					
Modification of terms	974	750	750		
Transfer of assets and/or equity securities and/or modification of terms	1	6	6	Land	6
Total	<u>975</u>	<u>756</u>	<u>756</u>		
<u>Separate financial statements</u>					
Modification of terms	<u>14</u>	<u>1</u>	<u>1</u>		
Total	<u>14</u>	<u>1</u>	<u>1</u>		

(1) Outstanding balance includes both principal and interest receivables

For the three-month period ended 31 March 2010					
Type of restructuring	Number of receivables	Outstanding loan balance before restructuring ⁽¹⁾	Outstanding loan balance after restructuring ⁽¹⁾	Type of assets to be transferred	Value of assets to be transferred per agreements
		Million Baht	Million Baht		Million Baht
<u>Consolidated financial statements</u>					
Modification of terms	1,029	420	358		
Transfer of assets and/or equity securities and/or modification of terms	1	3	3	Land	3
Total	<u>1,030</u>	<u>423</u>	<u>361</u>		
<u>Separate financial statements</u>					
Modification of terms	<u>2</u>	<u>-</u>	<u>-</u>		
Total	<u>2</u>	<u>-</u>	<u>-</u>		

(1) Outstanding balance includes both principal and interest receivables

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

For the three-month period ended 31 March 2011				
Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balance after restructuring	Number of receivables	Outstanding loan balance after restructuring
		Million Baht		Million Baht
Defaulted after debt restructuring	124	52	-	-
Due within 2011	160	38	14	1
Less than 5 years	343	102	-	-
5 - 10 years	309	391	-	-
10 - 15 years	10	109	-	-
More than 15 years	29	64	-	-
Total	975	756	14	1

For the three-month period ended 31 March 2010				
Periods	Consolidated financial statements		Separate financial statements	
	Number of receivables	Outstanding loan balance after restructuring	Number of receivables	Outstanding loan balance after restructuring
		Million Baht		Million Baht
Defaulted after debt restructuring	221	84	-	-
Due within 2010	150	57	2	-
Less than 5 years	319	71	-	-
5 - 10 years	337	144	-	-
10 - 15 years	2	3	-	-
More than 15 years	1	2	-	-
Total	1,030	361	2	-

Supplemental information for the three-month periods ended 31 March 2011 and 2010 relating to restructured receivables is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Interest income recognised in statements				
of comprehensive income	366	130	-	1
Gain on debt repayment/disposals	9	20	-	-
Gain on transfers of assets for debt				
repayment	3	2	-	-
Loss on debt restructuring	-	63	-	-
Cash proceeds from collection of debts	984	503	1	2
Assets transferred from debtors	21	71	-	-

As at 31 March 2011 and 31 December 2010, the Company and its subsidiaries have the following restructured receivables balances (principal and interest receivables), including restructured receivables who were transferred from investments in receivables. There are summary below.

	Restructured receivables							
	Total number of		Number of		Outstanding		Outstanding balance	
	outstanding receivables		receivables		balance		net of collateral	
	31	31	31	31	31	31	31	31
March	December	March	December	March	December	March	December	
2011	2010	2011	2010	2011	2010	2011	2010	
				Million	Million	Million	Million	
				Baht	Baht	Baht	Baht	
Thanachart Capital Plc.	5,943	7,605	58	57	122	122	26	26
Thanachart Bank Plc.	978,206	944,324	14,202	13,944	5,261	5,324	2,465	2,414
Siam City Bank Plc.	357,117	358,647	6,193	6,247	22,844	22,871	9,557	9,560
Thanachart Securities Plc.	474	395	3	3	35	35	35	35
Other subsidiary companies	6,044	6,068	273	283	1,383	1,404	422	424

7.4 Classified by loans classification

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

(Unit: Million Baht)

	Consolidated financial statements ⁽¹⁾							
	Loan and accrued interest receivables				Net balance used in made allowance for doubtful account ⁽²⁾	Percent used for calculating the allowance	Allowance for doubtful accounts	
	31	31	31	31	(Percent)	31	31	
	March	December	March	December		March	December	
2011	2010	2011	2010		2011	2010		
Normal	536,314	531,383	195,698	189,336	1	2,234	2,179	
Special mention	35,495	36,603	15,369	16,955	2	2,554	2,249	
Substandard	6,659	6,919	2,792	2,978	100	2,792	3,071	
Doubtful	12,786	13,072	8,016	8,206	100	8,051	8,283	
Doubtful of loss	20,679	18,253	10,142	9,371	100	10,207	9,455	
Total	611,933	606,230	232,017	226,846		25,838	25,237	
Excess provision for possible uncollectible debts	-	-	-	-		638	707	
	611,933	606,230	232,017	226,846		26,476	25,944	
Less: Revaluation allowance								
for debt restructuring	(461)	(464)						
Intercompany gain from loans transferred	(170)	(175)						
Total loans to customers and accrued interest receivables	611,302	605,591						

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

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

(Unit: Million Baht)

	Separate financial statements						
	Loan and accrued interest receivables		Net balance used in made allowance for doubtful account ⁽¹⁾		Percent used for calculating the allowance (Percent)	Allowance for doubtful accounts	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010		31 March 2011	31 December 2010
Normal	1,039	1,097	1,030	1,091	1	10	10
Special mention	4	12	4	8	2	-	-
Substandard	1	1	1	1	100	1	1
Doubtful	3	13	1	4	100	1	4
Doubtful of loss	398	431	309	350	100	309	350
Total loans and accrued interest receivables	<u>1,445</u>	<u>1,554</u>	<u>1,345</u>	<u>1,454</u>		321	365
Excess provision for possible uncollectible debts						140	140
						<u>461</u>	<u>505</u>

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

7.5 Loans to companies which have settlement problems

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

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
	2011	2010	2011	2010	2011	2010	2011	2010
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Closed financial institutions	4	4	-	-	-	-	-	-
2. Listed companies vulnerable to delisting from the SET	8	8	456	456	113	113	359	359
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	11	11	748	750	753	753	275	275
4. Companies which have loan settlement problems or have defaulted on the repayment	1,353	1,342	31,619	31,802	14,933	14,343	15,212	14,247
5. Companies whose auditors' reports cited going concern issues	2	2	51	51	-	-	51	51

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
	2011	2010	2011	2010	2011	2010	2011	2010
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Companies which have loan settlement problems or have defaulted on the repayment	83	109	108	113	107	107	35	39

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

As at 31 March 2011 and 31 December 2010, subsidiary companies operating in the securities business classify its securities business receivables and accrued interest receivables and provide related allowance for doubtful accounts in accordance with the Notification of the Securities and Exchange Commission ("SEC") as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	Receivable and accrued interest receivables		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts provided in the accounts	
	31	31	31	31	31	31
	March 2011	December 2010	March 2011	December 2010	March 2011	December 2010
Doubtful	1,326	1,335	1,326	1,335	1,326	1,335
Substandard	3	4	-	-	2	3
Total	1,329	1,339	1,326	1,335	1,328	1,338

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

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

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

(Unit: Million Baht)

	31 March 2011	31 December 2010
Current or overdue less than 90 days	1,358	1,568
Overdue 91 - 365 days	35	40
Overdue more than 1 year	40	48
Debtors under legal actions	116	107
Total	1,549	1,763
Allowance for doubtful accounts	207	212

7.8 As at 31 March 2011 and 31 December 2010, the Company has loans to NFS Asset Management Co., Ltd. (its subsidiary) in term of promissory note amounting to Baht 1,000 million. The loans are due at call and bear interest at minimum loan rate (MLR) of Thanachart Bank.

8. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements									
For the three-month period ended 31 March 2011									
The Company and its financial institution subsidiaries									
(Banking and asset management business)									
	Special	Sub -		Doubtful	General		Other		
	Normal	mention	standard	Doubtful	of loss	reserve	Total	s	Consolidated
Balance - beginning of the period	2,179	2,249	3,071	8,283	9,455	707	25,944	1,551	27,495
Increase (decrease) during the period	55	305	(279)	(170)	902	(69)	744	(6)	738
Bad debt recovery	-	-	-	82	27	-	109	2	111
Bad debt written-off	-	-	-	(144)	(140)	-	(284)	(12)	(296)
Reversal from the disposals	-	-	-	-	(37)	-	(37)	-	(37)
Balance - end of the period	2,234	2,554	2,792	8,051	10,207	638	26,476	1,535	28,011

(Unit: Million Baht)

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

(Unaudited but reviewed)

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements							
For the three-month period ended 31 March 2011							
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance - beginning of the period	10	-	1	4	350	140	505
Decrease during the period	-	-	-	(3)	(6)	-	(9)
Bad debt recovery	-	-	-	-	3	-	3
Bad debt written-off	-	-	-	-	(1)	-	(1)
Reversal from the disposals	-	-	-	-	(37)	-	(37)
Balance - end of the period	10	-	1	1	309	140	461

(Unit: Million Baht)

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

9. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	For the three-month	For the	year	For the three-month	For the
	period ended	ended	year	period ended	year ended
	31 March 2011	31 December 2010		31 March 2011	31 December 2010
Balance - beginning of the period	464	98		-	-
Balance brought forward of subsidiaries purchased during the period	-	472		-	-
Decrease during the period	-	(40)		-	-
Amortised during the period	(3)	(39)		-	-
Reversal on hair-cut loans	-	(27)		-	-
Balance - end of the period	461	464		-	-

10. Classification of assets

As at 31 March 2011 and 31 December 2010, the quality of assets of the Company and its financial business subsidiaries classified in accordance with the announcements of the BOT are as follows:

(Unit: Million Baht)

Consolidated financial statements												
	Loans to customers and accrued interest receivables		Interbank and money market items		Investments		Property foreclosed		Other assets		Total	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Normal	536,314	531,383	32,134	51,797	-	-	-	-	175	193	568,623	583,373
Special mention	35,495	36,603	-	-	-	-	-	-	82	86	35,577	36,689
Substandard	6,659	6,919	-	-	-	-	-	-	7	8	6,666	6,927
Doubtful	12,786	13,072	-	-	-	-	-	-	13	14	12,799	13,086
Doubtful of loss	20,679	18,253	-	-	723	724	3,756	3,782	623	608	25,781	23,367
Total	611,933	606,230	32,134	51,797	723	724	3,756	3,782	900	909	649,446	663,442
Intercompany gain from loans transferred	(170)	(175)										
	611,763	606,055										

(Unit: Million Baht)

Separate financial statements												
	Loans to customers and accrued interest receivables		Interbank and money market items		Investments		Property foreclosed		Other assets		Total	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Normal	1,039	1,097	20	20	-	-	-	-	-	-	1,059	1,117
Special mention	4	12	-	-	-	-	-	-	-	3	4	15
Substandard	1	1	-	-	-	-	-	-	-	-	1	1
Doubtful	3	13	-	-	-	-	-	-	-	-	3	13
Doubtful of loss	398	431	-	-	398	417	485	484	83	83	1,364	1,415
Total	1,445	1,554	20	20	398	417	485	484	83	86	2,431	2,561

11. Property foreclosed

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Cost	15,520	15,753	2,508	2,540
Less: Allowance for impairment	(3,757)	(3,783)	(485)	(484)
Net property foreclosed	<u>11,763</u>	<u>11,970</u>	<u>2,023</u>	<u>2,056</u>

12. Other assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Derivative assets for banking book	1,390	1,577	-	-
Other receivables	1,092	1,095	99	100
Receivables from clearing house	1,082	391	-	-
Value added tax refundable	753	676	-	-
Suspense amount - Deferred tax arrived from business combination	629	629	-	-
Accrued premium insurance income	369	444	-	-
Deposits	319	311	4	4
Suspense accounts between head office and branches	253	326	-	-
Accrued dividend receivables	141	3	73	-
Others	1,212	1,304	35	23
Total	<u>7,240</u>	<u>6,756</u>	<u>211</u>	<u>127</u>
Less: Allowance for impairment	(701)	(673)	(83)	(84)
Net other assets	<u>6,539</u>	<u>6,083</u>	<u>128</u>	<u>43</u>

13. Debts issued and borrowings

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

			(Unit: Million Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			31	31	31	31
			March	December	March	December
Type of borrowings	Interest rate per annum (as at 31 March 2011)	Maturity year	2011	2010	2011	2010
Bills of exchange	0.50 - 3.75 percent	2011 - 2016	168,571	139,523	-	-
Bills of exchange	0.00 - 2.37 percent	Call	517	11	-	-
Perpetual subordinated hybrid bonds (Tier I) (a)	7.40 percent	Dissolution	3,494	3,494	-	-
Subordinated hybrid bonds (Tier II) (b)	5.25 percent	2019 and 2024	5,000	5,000	-	-
Subordinated debentures (Tier II) (c - f)	5.00 - 5.50 percent	2015 - 2020	23,000	23,000	-	-
Unsubordinated and unsecured debentures (g)	5.25 percent	2011	1,455	1,455	1,500	1,500
Unsubordinated and unsecured debentures (h - i)	3.35 and 4.90 percent	2013 and 2014	11,999	12,000	12,000	12,000
Borrowing from the Department of Alternative Energy Development and Efficiency	0.00 - 0.50 percent	2011 - 2017	221	234	-	-
Total debts issued and borrowings			<u>214,257</u>	<u>184,717</u>	<u>13,500</u>	<u>13,500</u>

- (a) On 22 April 2010, Thanachart Bank issued 7,130,000 units of perpetual, non-cumulative, subordinated, hybrid bonds (Hybrid Tier I), with a face value of Baht 1,000 each, and sold them to the Company and BNS. The bonds will mature upon dissolution or liquidation or similar of Thanachart Bank. The bonds are unsecured and non-convertible and bear interest at a rate equal to the highest interest rate for a six-month fixed deposit plus 6.00 percent per annum, payable semi-annually. Thanachart Bank has a call option to early redeem these bonds at par if the conditions as specified are met. The Company has investments in subordinated debentures amounting to Baht 3,636 million.

- (b) On 24 July 2009, Thanachart Bank issued 5,000,000 units of name registered subordinated, unsecured, unconvertible, hybrid bonds with a debenture holders' representative, with a face value of Baht 1,000 each. The debentures amounting to 3.5 million units will mature in 2019 and bear interest at fixed rates of 5.25 percent per annum for the first five years and 5.50 percent per annum for the sixth to tenth years, and the debentures amounting to 1.5 million units will mature in 2024 and bear interest at fixed rates of 5.25 percent per annum for the first five years, 6.00 percent per annum for the sixth to tenth years, and 6.50 percent per annum for the eleventh to fifteenth years. All interest is payable quarterly. Thanachart Bank has a call option to early redeem these debentures at par and has option to postpone principal and/or interest payment if the conditions specified are met.
- (c) On 9 May 2008, Thanachart Bank issued 5,000,000 units of name registered subordinated, unsecured, unconvertible debentures with no debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2015 and bear interest at fixed rates of 5.10 percent per annum for the first three years and 6.00 percent per annum for the fourth to seventh years, payable quarterly.
- (d) On 3 April 2009, Thanachart Bank issued 2,000,000 units of name registered subordinated, unsecured, unconvertible debentures with a debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2019 and bear interest at fixed rates of 5.25 percent per annum for the first three years, 5.75 percent per annum for the fourth to seventh years, and 6.50 percent per annum for the eighth to tenth years, payable quarterly. Thanachart Bank has a call option to early redeem these debentures at par if the conditions specified are met.
- (e) On 2 April 2010, Thanachart Bank issued 6,000,000 units of name registered subordinated, unsecured, unconvertible debentures with debenture holders' representative, with a face value of Baht 1,000 each. The debentures will mature in 2020 and bear interest at fixed rates of 5.00 percent per annum for the first five years and 5.50 percent per annum for the sixth to tenth years, payable quarterly. Thanachart Bank has call option to early redeem these debentures if the conditions specified are met.

- (f) On 19 June 2009, SCIB issued 10,000,000 units of unsecured subordinated, with a face value of Baht 1,000 each. The debentures will mature in 2019 and bear interest at fixed rates of 5.50 percent per annum for the first three years, 6.00 percent per annum for the fourth to seventh years and 6.50 percent per annum for the eighth to tenth years, payable quarterly. SCIB has call option to early redeem these debentures if the conditions specified are met.
- (g) On 18 November 2008, the Company issued 1,500,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2011 and bear interest at fixed rate of 5.25 percent per annum, payable semi-annually.
- (h) On 12 November 2009, the Company issued 9,000,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2014 and bear interest at fixed rate of 4.90 percent per annum, payable quarterly.
- (i) On 22 January 2010, the Company issued 3,000,000 units of unsubordinated and unsecured debentures, with a face value of Baht 1,000 each. The debentures will mature in 2013 and bear interest at fixed rate of 3.35 percent per annum, payable quarterly.

14. Provisions

(Unit: Million Baht)

	Consolidated financial statements				
	Employee benefits	Obligations of off-balance	Loss from litigation	Others	Total
Balance as at 1 January 2011	4	285	99	393	781
The cumulative effect of the changes in the accounting policy for employee benefits	2,288	-	-	-	2,288
Increase during the period	230	-	1	1	232
Utilised	(11)	(7)	(1)	(58)	(77)
Reversal of provisions	(2)	-	(10)	-	(12)
Balance as at 31 March 2011	2,509	278	89	336	3,212

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements		
	Employee benefits	Loss from litigation	Total
Balance as at 1 January 2011	2	9	11
The cumulative effect of the changes in the accounting policy for employee benefits	13	-	13
Increase during the period	1	-	1
Balance as at 31 March 2011	16	9	25

15. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Corporate income tax payable	3,420	2,404	-	1
Accrued expenses	2,015	3,069	33	26
Reserves of insurance premium	2,013	1,881	-	-
Deposit from derivative contracts	1,375	1,762	-	-
Loss reserves and outstanding claims				
from insurance/life assurance	1,055	990	-	-
Suspense cash received from				
account receivable	1,019	799	22	24
Provision for income tax	587	568	-	-
Other payable	641	633	62	57
Insurance premium receives	510	445	-	-
Derivative liabilities for banking book	545	345	-	-
Others	3,042	2,803	39	45
Total	16,222	15,699	156	153

16. Share capital/treasury shares/dividends

During the three-month period ended 31 March 2011, there were no preferred shareholders converted to the Company's common shares. Therefore, as at 31 March 2011, 15,856 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 2011 and 31 December 2010, the Company has totaling 55,324,300 shares of treasury shares or an amount of Baht 387.50 million. Such treasury shares were not disposed of during the period and are to be disposed of within 3 years counting from end of the repurchasing period (within June 2012).

17. Other components of equity

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Revaluation surplus (deficit) on investments				
Revaluation surplus on investment				
Available-for-sale investments				
Debt instruments	57	139	-	-
Equity instruments	764	740	303	290
Held-to-maturity debt securities	17	18	-	-
Total	<u>838</u>	<u>897</u>	<u>303</u>	<u>290</u>
Revaluation deficit on investment				
Available-for-sale investments				
Debt instruments	(87)	(59)	-	-
Held-to-maturity debt securities	(109)	(125)	-	-
Total	<u>(196)</u>	<u>(184)</u>	<u>-</u>	<u>-</u>
Total revaluation surplus on investments	642	713	303	290
Share of other comprehensive income of associates	(12)	(19)	-	-
Total	<u><u>630</u></u>	<u><u>694</u></u>	<u><u>303</u></u>	<u><u>290</u></u>

18. Capital management

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

In compliance with the Notification of BOT Re: Consolidated Supervision, the Company has to disclose the qualitative and quantitative information about capital maintenance of the Company and its subsidiaries in the financial group (Full Consolidation). However, the BOT granted a waiver for Thanachart Bank and the Company, and allowing them to hold more shares of SCIB than permitted by law for the purposes of the business transfer. In its letter dated 1 April 2010, the BOT approved such waiver with respect to the calculation of capital funds and the ratio of capital to risk assets and contingent liabilities, whereby in determining the capital funds of the Company and Thanachart Bank, the value of investment in SCIB is not deducted, while the computation of the ratio of the capital to risk assets and contingent liabilities includes the assets and contingent liabilities of SCIB until the date of completion of the business combination. The Company and its subsidiaries had disclosed capital maintenance as at 31 December 2010 on its website at www.thanachart.co.th since April 2011.

19. Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Interbank and money market items	374	85	-	2
Investments and trading transactions	20	5	-	-
Investments in debt securities	937	673	74	128
Loans	4,837	1,068	17	12
Hire purchase and financial lease income	4,000	3,830	2	17
Total interest income	10,168	5,661	93	159

20. Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consists of the following:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Deposits	1,912	924	-	-
Interbank and money market items	188	51	-	-
Contribution fee to the Deposit Protection Agency	530	270	-	-
Issues debt instruments				
- Subordinated debentures	444	166	-	-
- Unsubordinated debentures	152	207	153	209
- Others	668	219	-	-
Total interest expenses	<u>3,894</u>	<u>1,837</u>	<u>153</u>	<u>209</u>

21. Net fees and service income

Net fees and service income in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consists of the following:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Fees and service incomes				
- Acceptance, aval and guarantees	66	12	-	-
- Hire purchase fees income	233	231	3	21
- ATM and electronic services				
banking services	215	22	-	-
- Credit card	135	10	-	-
- Management fees	131	117	-	-
- Others	248	113	1	1
Total fees and service income	<u>1,028</u>	<u>505</u>	<u>4</u>	<u>22</u>
Fees and service expenses	<u>(143)</u>	<u>(191)</u>	<u>-</u>	<u>(1)</u>
Net fees and service income	<u>885</u>	<u>314</u>	<u>4</u>	<u>21</u>

22. Gains on trading and foreign exchange transactions

Gains on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consists of the following:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Gains (losses) on trading and foreign exchange transactions				
Foreign exchange and derivatives				
from foreign exchange type	227	37	-	-
Debt securities	18	15	-	-
Equity securities	(6)	(1)	-	-
Others	1	1	-	-
Total	240	52	-	-

23. Gains on investments

Gains on investments in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consists of the following:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Gains (losses) on disposal				
Available-for-sale securities	26	28	-	(12)
Other investments	(4)	-	-	-
Total gains (losses) on disposal	22	28	-	(12)
Gain on debt settlement/disposal of debt/assets transferred from investments in receivables purchased	19	97	9	71
Losses on impairment from general investments	(6)	-	-	-
Total	35	125	9	59

24. Impairment loss of loans and debt securities

Impairment loss of loans and debt securities in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consists of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Bad debt and doubtful accounts				
Interbank and money market items (reversal)	(13)	-	-	-
Loans to customers (reversal)	738	242	(9)	(45)
Amortisation of revaluation allowance for debts				
restructured during the period	(2)	(3)	-	-
Loss from debt restructuring	-	36	-	-
Loss from impairment of held-to-maturity debt securities (reversal)	(2)	(156)	(1)	12
Total	721	119	(10)	(33)

25. Corporate income tax

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

26. Other components of other comprehensive income

Other components of other comprehensive income in the statements of comprehensive income for the three-month periods ended 31 March 2011 and 2010 consists of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Other comprehensive income				
Available-for-sale securities				
Unrealised gain (losses) during the period	(145)	355	13	223
Less: Reclassification for the realised gains that included in gains or losses	(26)	(28)	-	12
	(171)	327	13	235
Share of other comprehensive income of associated companies	9	100	-	-
Other comprehensive income for the period	(162)	427	13	235

27. Reconciliation of diluted earnings per share

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

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

Consolidated financial statements					
For the three-month periods ended 31 March					
Net income		Weighted average number of common shares		Earnings per share	
2011	2010	2011	2010	2011	2010
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the					
Company					
1,144,268	1,343,383	1,277,814	1,277,814	0.90	1.05
Effect of dilutive securities					
Preferred shares convertible to					
common shares					
-	-	16	16		
Diluted earnings per share					
Profit of common shareholders					
assuming conversion of dilutive					
securities					
1,144,268	1,343,383	1,277,830	1,277,830	0.90	1.05

Separate financial statements					
For the three-month periods ended 31 March					
Net income		Weighted average number of common shares		Earnings per share	
2011	2010	2011	2010	2011	2010
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Profit attributable to the					
Company					
128,841	446,910	1,277,814	1,277,814	0.10	0.35
Effect of dilutive securities					
Preferred shares convertible to					
common shares					
-	-	16	16		
Diluted earnings per share					
Profit of common shareholders					
assuming conversion of dilutive					
securities					
128,841	446,910	1,277,830	1,277,830	0.10	0.35

28. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Pricing Policies (For the period 2011)
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2011	2010	2011	2010	
Subsidiary companies					
Purchase of investments in debt securities	-	-	4,311	19,196	At market price
Sales of investments in debt securities	-	-	10	17,531	At market price
Sales of operating assets (2011: gain by Baht 4 million)	-	-	5	-	At the contracted price
Interest income from loans	-	-	17	11	At interest rate of Thanachart Bank's MLR
Interest income from cash at banks	-	-	-	2	
Interest income from investments in debt securities	-	-	66	63	At interest rate of 5.00 - 5.25 and 7.40 percent per annum
Dividend income	-	-	115	244	As declared
Rental and other service income	-	-	48	52	At the contracted price
Interest expenses	-	-	1	2	At interest rate of 3.35, 4.90 and 5.25 percent per annum
Rental and other service expenses	-	-	7	19	At the contracted price

(Unit: Million Baht)

	For the three-month periods ended 31 March				Pricing Policies (For the period 2011)
	Consolidated		Separate		
	financial statements		financial statements		
	2011	2010	2011	2010	
Associated companies					
Purchase of investments in debt securities	80	-	-	-	At market price
Sales of investment in debt securities	300	-	-	-	At market price
Interest income	62	-	-	-	At interest rate of 2.25 - 7.25 percent per annum
Dividend income	-	-	47	-	As declared
Other income	4	1	-	-	
Interest expenses	19	16	-	-	At interest rate of 0.25 - 2.55 and 5.25 percent per annum
Dividend payment	19	24	-	-	As declared
Other expenses	15	13	7	7	
Related companies					
Purchase of investments in debt securities	903	1,021	-	-	At market price
Sales of investments in debt securities	445	418	-	-	At market price
Purchase/Sales of forward exchange contracts (2011: loss by Baht 74 million 2010: gain by Baht 23 million)	172,762	64,839	-	-	At market price
Interest income	90	29	-	-	At interest rate of 0.05 - 7.25 percent per annum
Other income	6	6	-	-	
Dividend payment	33	-	-	-	As declared
Interest expenses	88	26	1	2	At interest rate of 0.26 - 5.50 and 7.40 percent per annum
Project management expenses	21	17	7	7	At the contract price calculated by reference to estimated usage time
Insurance/Life insurance expenses	8	81	-	-	At the contracted price
Fee and service expenses	1	164	-	-	At the contracted price
Other expenses	32	33	1	1	

The significant outstanding balances of the above transactions during the three-month periods ended 31 March 2011 and 2010 are below shown at the average month end balance are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
<u>Subsidiary companies</u>				
Interbank and money market items (Assets)	-	-	134	536
Loans to customers	-	-	1,000	1,699
Interbank and money market items (Liabilities)	-	-	1	1
Debts issued and borrowings	-	-	46	187
<u>Associated companies</u>				
Loans to customers	6,786	-	-	-
Deposits	423	95	-	-
Debts issued and borrowings	2,483	1,200	-	-
<u>Related companies</u>				
Interbank and money market items (Assets)	2,576	306	21	20
Loans to customers	10,322	3,218	-	-
Deposits	1,581	2,901	-	-
Interbank and money market items (Liabilities)	8,532	6,010	-	-
Debts issued and borrowings	6,103	900	150	113

(Unaudited but reviewed)

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

(Unit: Million Baht)

Consolidated financial statements										
31 March 2011										
Assets					Liabilities					
Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest receivables		Other assets	Deposits	Interbank and money market items	Debts issued and borrowings		Other liabilities	Commitments
Associated companies										
Ratchthani Leasing Plc.	-	-	7,124	-	38	-	-	-	-	-
MBK Plc.	-	-	-	10	515	-	3,600	21	-	-
Siam Samsung Life Insurance Co., Ltd.	-	-	-	-	34	-	-	-	-	-
Siam City Insurance Co., Ltd.	-	-	-	-	61	-	-	-	-	-
Related companies										
The Bank of Nova Scotia	237	-	-	2	-	6,351	4,403	134	-	1,856
Chaimongkol Refinery Co., Ltd.	-	-	2,819	-	52	-	-	-	-	3
Government Saving Bank	12	-	-	-	-	397	650	36	-	-
Wangkanai Sugar Co., Ltd.	-	-	1,655	-	67	-	-	-	-	47
Seacon Development Plc.	-	-	703	1	-	-	-	-	-	28
Synphaet Co., Ltd.	-	-	649	-	11	-	-	-	-	26
Dhipaya Insurance Plc.	-	-	-	-	7	-	993	1	-	-
Krung Thai IBJ Leasing Co., Ltd.	-	-	601	-	-	-	-	-	-	-
Thai Hua Rubber Plc.	-	-	2,049	-	190	-	150	1	-	6
Srithai Superware Plc.	-	-	526	-	31	-	-	-	-	6
Krung Thai Card Plc.	-	634	-	5	3	-	-	-	-	-
Others	467	175	1,152	70	625	242	1,222	54	-	242
Total	716	809	17,278	88	1,634	6,990	11,018	247	-	2,214

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements

31 December 2010

	Assets				Liabilities				
	Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest receivables	Other assets	Deposits	Interbank and money market items	Debts issued and borrowings	Other liabilities	Commitments
Associated companies									
Ratchthani Leasing Plc.	-	-	6,503	-	37	-	-	-	-
MBK Plc.	-	-	-	11	144	-	1,800	18	30
Siam Samsung Life Insurance Co., Ltd.	-	-	-	-	98	-	-	-	-
Siam City Insurance Co., Ltd.	-	-	-	-	98	-	-	-	-
Related companies									
The Bank of Nova Scotia	436	-	-	2	-	6,853	3,494	76	1,458
Chaimongkol Refinery Co., Ltd.	-	-	2,840	-	95	-	-	-	3
Advanced Info Service Plc.	-	244	24	6	2,041	-	200	39	19
Government Saving Bank	4,057	-	-	-	-	30	650	225	-
Wangkanai Sugar Co., Ltd.	-	-	1,658	-	15	-	-	-	48
Seacon Development Plc.	-	-	736	1	1	-	-	-	58
Synphaet Co., Ltd.	-	-	654	-	9	-	-	-	28
Dhipaya Insurance Plc.	-	-	-	-	7	-	270	1	-
Krung Thai IBJ Leasing Co., Ltd.	-	-	593	-	-	-	-	-	-
Thai Hua Rubber Plc.	-	-	1,777	-	191	-	150	1	6
Srithai Superware Plc.	-	-	446	-	50	-	-	-	6
Krung Thai Card Plc.	-	964	-	6	4	-	-	-	-
Others	410	175	1,277	38	799	99	460	19	221
Total	4,903	1,383	16,508	64	3,589	6,982	7,024	379	1,877

(Unaudited but reviewed)

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements								
31 March 2011								
Assets				Liabilities				
Interbank and money market items	Investments in debt securities	Loans to customers and accrued interest		Other assets	Interbank and money market items	Debts		Commitments
		receivables				issued and borrowings	Other liabilities	
Subsidiary companies								
Thanachart Bank Plc.	62	3,636	-	144	-	1	25	-
National Leasing Co., Ltd.	-	-	-	-	-	-	20	-
NFS Asset Management Co., Ltd.	-	-	1,000	1	-	-	-	-
Thanachart Life Assurance Co., Ltd.	-	-	-	-	-	45	1	-
NASSET Property Fund 6	-	-	-	20	-	-	-	-
Other subsidiary companies	2	-	-	5	-	-	5	-
Associated company								
MBK Plc.	-	-	-	49	-	-	10	-
Related companies								
Others	21	-	-	-	-	150	8	-
Total	85	3,636	1,000	219	-	196	69	-

(Unit: Million Baht)

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

As at 31 March 2011, the Company and its subsidiaries have investments amounting to approximately Baht 1,094 million (separate financial statements: Baht 466 million) in companies in which they are related by means of members of their management being shareholders and/or directors of those companies (31 December 2010: Baht 1,052 million in the consolidated financial statements and Baht 451 million in the separate financial statements).

The Company and its subsidiaries have related party transactions with executive employees of the Company and companies in Thanachart Group, including the related persons who together with these employees. The outstanding balances as at 31 March 2011 and 31 December 2010 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Loans	42	59	-	-
Deposits	470	487	-	-

Remunerations to key management personnel

During the three-month period ended 31 March 2011, the Company and its subsidiaries had salaries, meeting allowance and gratuities of their key management personnel, including directors recognised as expenses totaling Baht 150 million (separate financial statements: Baht 16 million) (2010: Baht 74 million in the consolidated financial statements and Baht 15 million in the separate financial statements).

29. Financial information by segment**29.1 Financial positions and operating results classified by domestic and foreign business transaction**

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

(Unit: Million Baht)

	Consolidated financial statements			
	31 March 2011			
	Domestic	Foreign	Eliminations	Total
Total assets	980,701	10,496	(128,468)	862,729
Interbank and money market items (Asset) - net	99,834	851	(35,776)	64,909
Investments - net	244,971	9,562	(113,016)	141,517
Loans to customers and accrued interest				
receivables - net	590,397	-	(2,075)	588,322
Deposits	484,289	-	(2,898)	481,391
Interbank and money market items (Liabilities) - net	61,288	10,323	(33,275)	38,336
Debts issued and borrowings	220,245	-	(5,988)	214,257

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2010			
	Domestic	Foreign	Eliminations	Total
Total assets	976,309	10,758	(105,152)	881,915
Interbank and money market items (Asset) - net	98,374	196	(13,465)	85,105
Investments - net	243,737	10,505	(109,074)	145,168
Loans to customers and accrued interest				
receivables - net	584,888	-	(2,245)	582,643
Deposits	532,973	-	(591)	532,382
Interbank and money market items (Liabilities) - net	43,894	10,291	(13,640)	40,545
Debts issued and borrowings	189,615	-	(4,898)	184,717

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month period ended 31 March 2011			
	Domestic	Foreign	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 fees and service income	1,205	(1)	(319)	885
Net 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)
Corporate income tax	(1,070)	-	-	(1,070)
Net income before equity attributable to non-controlling interests	2,522	92	(379)	2,235

The consolidated operating results for the three-month period ended 31 March 2010, are the result of domestic operation only. In addition, the financial positions as at 31 March 2011 and 31 December 2010 and the operating results for the three-month periods ended 31 March 2011 and 2010, presented in the separate financial statements, are the result of domestic operations only.

29.2 Financial positions and operating results classified by business type

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

(Unit: Million Baht)

	For the three-month period ended 31 March 2011								
	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest income	(61)	6,094	(5)	35	252	21	34	(96)	6,274
Net fees 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)
Corporate income tax	-	(799)	(18)	(44)	(116)	(71)	(22)	-	(1,070)
Net income before equity attributable to non-controlling interests	129	2,030	19	87	210	83	66	(389)	2,235

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2010

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Net interest income	(50)	3,594	1	21	140	16	120	(18)	3,824
Net fees and service income	21	479	2	124	(168)	(1)	108	(251)	314
Net insurance income	-	-	-	-	275	183	-	164	622
Other operating income	563	339	185	216	22	12	27	(304)	1,060
Other operating expenses	(47)	(2,039)	(122)	(251)	(73)	(100)	(101)	207	(2,526)
Impairment loss of loans and debt securities	33	(366)	201	-	-	-	3	10	(119)
Corporate income tax	(73)	(610)	(59)	(33)	(59)	(70)	(38)	-	(942)
Net income before equity attributable to non-controlling interests	447	1,397	208	77	137	40	119	(192)	2,233

(Unit: Million Baht)

As at 31 March 2011

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Interbank and money market items - net	95	83,867	2,065	1,500	916	844	225	(24,603)	64,909
Investments - net	38,477	179,533	914	1,536	29,759	3,717	597	(113,016)	141,517
Loans to customers and accrued interest receivables - net	984	584,657	1,163	2,044	67	-	1,482	(2,075)	588,322
Land, premises and equipment - net	120	8,536	1	76	123	23	28	-	8,907
Other assets	2,345	26,911	2,955	2,721	737	878	128	22,399	59,074
Total assets	42,021	883,504	7,098	7,877	31,602	5,462	2,460	(117,295)	862,729

(Unit: Million Baht)

As at 31 December 2010

	The Company	Banking business	Asset management business	Securities business	Life insurance business	Non-life insurance business	Other business	Eliminations	Total
Interbank and money market items - net	89	84,277	256	1,684	1,263	296	221	(2,981)	85,105
Investments - net	38,967	178,409	949	1,530	29,570	4,148	669	(109,074)	145,168
Loans to customers and accrued interest receivables - net	1,049	579,541	1,202	1,345	58	-	1,693	(2,245)	582,643
Land, premises and equipment - net	124	8,731	1	79	128	19	29	-	9,111
Other assets	2,233	31,498	2,999	2,034	703	668	122	19,631	59,888

(Unaudited but reviewed)

Total assets	<u>42,462</u>	<u>882,456</u>	<u>5,407</u>	<u>6,672</u>	<u>31,722</u>	<u>5,131</u>	<u>2,734</u>	<u>(94,669)</u>	<u>881,915</u>
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30. Encumbrance of assets

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Investment in securities				
Placed at insurance registrar	6,203	6,214	-	-
Placed at court	293	283	-	-
Placed for derivative agreements	362	190	-	-
Placed for electricity usage	13	13	-	-
Property foreclosed				
Immovable assets subject to buy back options or first refusal rights	515	449	-	-
Immovable assets subject to agreements with customers to sales and purchase but currently being settled in installments or transfer of ownership right	1,509	1,487	65	85
	<u>8,895</u>	<u>8,636</u>	<u>65</u>	<u>85</u>

31. Commitments and contingent liabilities

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

31.1 Commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Avals to bills	472	654	-	-
Guarantees of loans	3,838	422	-	-
Liabilities under unmatured import bills	688	571	-	-
Letters of credit	2,468	2,456	-	-
Other commitments				
Committed but not drawn down				
overdraft	44,416	45,740	-	-
Others	24,660	24,235	1	1
Total	<u>76,542</u>	<u>74,078</u>	<u>1</u>	<u>1</u>

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

31.2 During the years 2001 to 2003, the Company and its subsidiaries entered into agreements to sell loans with transfer prices totaling approximately Baht 3,409 million to the Thai Asset Management Corporation (“TAMC”) (separate financial statements: Baht 584 million). The Company and its subsidiaries are still jointly entitled to/liable for a share of the gains or losses arising from TAMC’s management of these non-performing assets, which is to be calculated at the end of fifth and tenth years, counting from 1 July 2001. In case of losses, the Company and its subsidiaries are liable for all initial losses up to 20 percent of the transfer price, with the next 20 percent of such losses are to be shared equally between the Company or its subsidiaries and TAMC. TAMC is liable for all remaining losses. Such gains or losses will be determined based on the cumulative value of the collections made on the assets as at the date of determination, minus transfer costs and all operating expenses of TAMC, including interest on the debt instruments issued to purchase the receivables. The gains or losses cannot be reliably estimated by the Company and its subsidiaries at this stage. However, as at 31 March 2011, the Company and its subsidiaries have estimated their share of the losses which may arise from the management of non-performing assets at approximately Baht 383 million (separate financial statements: Baht 183 million). This is presented as a part of the allowance for impairment of investment in promissory notes (31 December 2010: Baht 383 million and Baht 183 million, respectively).

31.3 The Company and a subsidiary company have entered into agreements to sell housing loans/transfer rights of claim in housing debts to the Secondary Mortgage Corporation, under which they are committed to compensate the Corporation for losses from uncollected debts up to a maximum of 20 percent of the selling price of the said receivables. As at 31 March 2011, the maximum commitment is approximately Baht 5 million in the consolidated financial statements and Baht 2 million in the separate financial statements.

31.4 As at 31 March 2011, the Company and its subsidiaries have obligations to pay service fees related to property foreclosed, information technology and other services including long-term rental and office services agreements, as follows:

(Unit: Million Baht)

Year	Consolidated	financial	
	statements	Separate financial statements	
	Other companies	Other companies	Subsidiaries
2011	1,456	24	5
2012	1,148	2	5
2013 onward	1,752	2	13

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

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

Effectively from 1 April 2002, SCIB entered into a business transfer agreement with Bangkok Metropolitan Bank Plc. (“BMB”) to receive the transfer of assets and liabilities of BMB, and due to the transferred of SCIB’s assets and of BMB’s assets to Petchburi Asset Management Co., Ltd. and then transferred to Sukhumvit Asset Management Co., Ltd. (“SAM”), as a result, as at 31 March 2011, SCIB has the outstanding obligations summarised below.

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

As at 31 March 2011, such differences consist of (i) Baht 11 million of transactions incurred directly by SCIB, of which SCIB has set aside full allowance for doubtful debts, and (ii) Baht 83 million of transactions incurred by BMB. If losses arise on the latter and collection cannot be made from SAM, FIDF will consider compensating SCIB for all such losses. SCIB's management believes that no significant future losses will arise since the transfers of those assets corresponded to the principles of the agreements made among SCIB, BMB and SAM and the agreement given by FIDF.

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

As at 31 March 2011, the transferred assets which SAM is re-examining totaling Baht 451 million consist of (i) Baht 38 million of transactions incurred directly by SCIB, of which SCIB has set aside full allowance for doubtful loss under the caption of "Provision for contingent liabilities" in the statements of financial position, and (ii) Baht 413 million of transactions incurred by BMB. SCIB's management believes that SCIB will receive compensation for losses from FIDF, and that any adjusting transactions will be within the limit of the funds set aside by FIDF to compensate losses in such cases, amounting to approximately Baht 480 million. In addition, SAM is now negotiating with SCIB to request interest payment on the assets transferred back, or a price adjustment, and SCIB is unable to determine the potential impact of any interest payment to be made to SAM. However, SCIB's management believes that no significant future losses will be incurred by SCIB.

- c) Lawsuits in which SCIB is involved as a result of the transfer of business from BMB, amounting to approximately Baht 11,331 million, as presented as part of contingent liabilities in Note 32 to the financial statements.
- d) Commitment in respect of guarantees

FIDF deposited amount which is equal to the loss compensation limit with SCIB in FIDF's account. Such deposit account is to fund the payment of compensation to SCIB in accordance with the agreement to compensate for losses incurred by SCIB as a result of the transfer of business from BMB, if such losses are actually incurred by SCIB due to the outstanding issues described in a), b), c) and d) above. As at 31 March 2011, the deposit account of FIDF to fund the payment of compensation for losses incurred by SCIB has an outstanding balance of approximately Baht 1,027 million. In addition, there is a memorandum of agreement concerning conditions for additional loss compensation if SCIB incurs losses in relation to the two lawsuits discussed in c) with claims totaling Baht 9,965 million.

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

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

32. Litigation

As at 31 March 2011, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 24,404 million in respect of litigation (separate financial statements: Baht 625 million). The cases are not yet finalised. However, the Company and its subsidiaries' management have already made provision for contingency losses and for the remaining portion, the management believes that no losses will result and therefore no liabilities are currently recorded.

Part of contingent liabilities in respect of the litigation mentioned above, amounting to Baht 23,147 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 11,816 million relates to the SCIB's own lawsuits, with Baht 8,594 million of this amount relating to a tort case in which the actual loss is only Baht 202 million. The Court of First Instance has already ordered the case be dismissed, and it is in the process of being reviewed by the Supreme Court. The total sum of claims in cases relating directly to SCIB's business, after deducting this tort case, is thus Baht 3,222 million; and (ii) the remaining portion of Baht 11,331 million represents cases in which SCIB is involved as a result of the transfer of business from BMB, and for which SCIB is entitled to compensation for actual losses incurred if such losses are in accordance with the conditions agreed with the FIDF (Baht 9,586 million of this amount relates a single case brought by a debtor that BMB had already transferred to SAM before SCIB received the transfer of business from BMB, and SCIB believes that the lawsuit has been brought against the wrong party, and not SCIB's responsibility, SCIB's management believes that SCIB has no liability in respect of such case). As at 31 March 2011, SCIB had already made provisions for contingent liabilities totaling Baht 59 million in the statements of financial position for lawsuits under (i) above where the Court of First Instance has already judged in favor of the plaintiff. SCIB's management believes that there will be no significant future losses as a result of the remaining cases.

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

33. Bank guarantee

As at 31 March 2011, there are outstanding bank guarantees of approximately Baht 6 million (separate financial statements: Baht 4 million) issued by banks on behalf of the Company and its subsidiaries as guarantees for the use of electricity and the rental of land.

34. Financial instruments

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

34.1 Credit risk

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

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

34.2 Market risk

a) Interest rate risk

As at 31 March 2011 and 31 December 2010, financial assets and liabilities classified by types of interest rate are as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Outstanding balances of financial instruments							
	31 March 2011				31 December 2010			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial assets								
Cash	-	-	11,401	11,401	-	-	15,298	15,298
Interbank and money market items	7,113	46,921	11,003	65,037	1,176	77,560	6,496	85,232
Derivative assets	-	-	1,495	1,495	-	-	1,540	1,540
Investments ⁽¹⁾	7,665	120,690	12,889	141,244	7,613	124,310	12,678	144,601
Loans to customers (include intercompany gain on loan transferred) ⁽²⁾	253,619	362,014	361	615,994	255,679	353,820	345	609,844
Receivables from purchase and sale securities and derivatives	-	-	4,896	4,896	-	-	2,007	2,007
Other assets - receivables from clearing house	-	-	1,082	1,082	-	-	391	391

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

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

(Unit: Million Baht)

Consolidated financial statements								
Outstanding balances of financial instruments								
31 March 2011				31 December 2010				
Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	
Financial liabilities								
Deposits	187,709	287,822	5,860	481,391	185,103	341,358	5,921	532,382
Interbank and money market items	6,935	29,743	1,658	38,336	7,149	31,424	1,972	40,545
Liability payable on demand	-	-	3,074	3,074	-	-	3,127	3,127
Derivatives liabilities	-	-	658	658	-	-	597	597
Debts issued and borrowings	3,996	210,241	20	214,257	3,996	180,699	22	184,717
Payables from purchase and sale securities and derivatives	-	-	4,990	4,990	-	-	4,054	4,054
Other liabilities - payables to clearing house	-	-	-	-	-	-	98	98

(Unit: Million Baht)

Separate financial statements								
Outstanding balances of financial instruments								
31 March 2011				31 December 2010				
Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	
Financial assets								
Interbank and money market items	49	-	46	95	46	-	43	89
Investments ⁽¹⁾	980	5,428	32,164	38,572	1,002	5,927	32,165	39,094
Loans to customers ⁽²⁾	1,112	307	16	1,435	1,113	395	37	1,545
Financial liabilities								
Debts issued and borrowings	-	13,500	-	13,500	-	13,500	-	13,500
Payables from purchase and sale securities and derivatives	-	-	-	-	-	-	604	604

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

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

(Unaudited but reviewed)

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

(Unit: Million Baht)

Consolidated financial statements							
31 March 2011							
Transactions	At call	Repricing or maturity date				Total	Weighted average interest rates Percentage
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	1,722	44,619	580	-	-	46,921	2.11 - 3.34
Investments	-	30,539	17,710	49,162	23,279	120,690	3.31 - 4.54
Loans to customers (include intercompany gain on loan transferred)	7,855	42,283	39,666	202,764	69,446	362,014	5.55 - 7.69
Financial liabilities							
		148,65					
Deposits	99	0	116,350	22,723	-	287,822	1.91 - 2.22
Interbank and money market items	8,567	17,464	3,597	115	-	29,743	1.54 - 1.83
		146,58					
Debts issued and borrowings	506	4	36,561	26,564	26	210,241	2.88 - 4.59

(Unit: Million Baht)

Consolidated financial statements							
31 December 2010							
Transactions	At call	Repricing or maturity date				Total	Weighted average interest rates Percentage
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	147	76,912	501	-	-	77,560	1.75 - 2.21
Investments	-	26,774	27,217	47,320	22,999	124,310	1.74 - 4.56
Loans to customers (include intercompany gain on loan transferred)	7,257	48,148	40,785	198,504	59,126	353,820	5.48 - 7.60
Financial liabilities							
		193,90					
Deposits	53	3	125,714	21,688	-	341,358	1.65 - 1.98
Interbank and money market items	7,232	19,710	3,076	1,406	-	31,424	1.52 - 1.55
		109,24					
Debts issued and borrowings	1	6	36,234	35,185	33	180,699	2.66 - 4.59

(Unaudited but reviewed)

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements							
31 March 2011							
Transactions	Repricing or maturity date					Total	Weighted average interest rates Percentage
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	5,428	-	-	-	5,428	5.61
Loans to customers	263	30	14	-	-	307	8.33
Financial liabilities							
Debts issued and borrowings	-	-	1,500	12,000	-	13,500	4.59

(Unit: Million Baht)

Separate financial statements							
31 December 2010							
Transactions	Repricing or maturity date					Total	Weighted average interest rates Percentage
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	1,973	3,944	10	-	5,927	5.21
Loans to customers	285	15	95	-	-	395	8.18
Financial liabilities							
Debts issued and borrowings	-	-	1,500	12,000	-	13,500	4.59

In addition, the Company and its subsidiaries have interest bearing financial assets and financial liabilities. The monthly average balance of performing financial assets and liabilities of the Company and its subsidiaries for the three-month periods ended 31 March 2011 and 2010, and the average rate of interest, can be summarised as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended			For the three-month period ended			31
31 March 2011			March 2010			
Average		Average	Average		Average	
balances	Interest	rate	balances	Interest	rate	
<u>Interest bearings financial assets</u>						
Interbank and money market						
items	68,498	374	2.18	31,470	85	1.08
Investments and trading						
operations	4,890	20	1.64	1,239	5	1.61
Investments in debt securities	123,840	937	3.03	92,970	673	2.90
Loans to customers/hire						
purchase and financial lease	573,490	8,837	6.16	281,702	4,898	6.96
<u>Interest bearings financial liabilities</u>						
Deposits	512,283	2,442	1.91	257,085	1,194	1.86
Interbank and money market						
items	41,124	188	1.82	22,456	51	0.91
Debts issued and borrowings	185,792	1,264	2.72	84,609	592	2.80

(Unit: Million Baht)

Separate financial statements						
For the three-month period ended			For the three-month period ended			31
March 2011			31 March 2010			
Average		Average	Average		Average	
balances	Interest	rate	balances	Interest	rate	
<u>Interest bearings financial assets</u>						
Interbank and money market						
items	122	-	1.10	522	2	1.40
Investments in debt securities	6,181	74	4.75	24,221	128	2.12
Loans to customers/hire						
purchase and financial lease	1,095	19	6.89	2,570	29	4.45
<u>Interest bearings financial liabilities</u>						
Interbank and money market						
items	-	-	-	2	-	-
Debts issued and borrowings	13,500	153	4.53	18,997	209	4.39

b) Foreign exchange risk

The status of the subsidiaries' foreign currency balances in the consolidated financial statements as at 31 March 2011 and 31 December 2010 are as follows:

(Unit: Million Baht)

	Consolidated financial statements										
	31 March 2011					31 December 2010					
	US dollar		Euro	Yen	Won	Others	US dollar		Euro	Yen	Won
Foreign currency in the statements of financial position											
Cash	308	197	41	1	125	234	213	119	1	191	
Interbank and money market items	1,690	250	163	-	477	3,312	119	151	33	427	
Investments	13,408	616	1,360	5,002	38	14,724	571	1,376	4,799	37	
Loans to customers	13,525	345	43	-	45	11,350	289	30	-	54	
Other assets	235	6	4	23	6	205	8	9	22	9	
Total assets	29,166	1,414	1,611	5,026	691	29,825	1,200	1,685	4,855	718	
Deposits	179	51	2	-	143	185	72	2	-	143	
Interbank and money market items	8,880	40	-	-	-	8,119	24	-	-	-	
Payables from purchase and sale											
securities and derivatives	156	-	-	-	-	-	-	-	-	-	
Liability payable on demand	-	2	-	-	-	-	-	1	-	-	
Other liabilities	1,145	-	3	-	-	1,455	-	9	-	-	
Total liabilities	10,360	93	5	-	143	9,759	96	12	-	143	
Net foreign currency in the statements of financial position	<u>18,806</u>	<u>1,321</u>	<u>1,606</u>	<u>5,026</u>	<u>548</u>	<u>20,066</u>	<u>1,104</u>	<u>1,673</u>	<u>4,855</u>	<u>575</u>	
Foreign currency of the statements of financial position											
Aval to bills and guarantee of loans	3,074	24	278	-	-	36	22	-	-	-	
Liabilities under unmaturing import											
bills	377	38	87	-	26	305	29	56	-	32	
Letters of credit	2,215	85	49	-	14	2,134	112	103	-	28	
Others commitments	4,712	28	-	-	15	4,506	25	-	-	19	

(Unaudited but reviewed)

Moreover, the subsidiaries have commitments from foreign exchange contracts, cross currency and interest rate swap contracts and interest rate swap contracts which pay or received repayment in foreign currency that the subsidiaries made for trading and hedging transactions (banking book) are as follows :

(Unit: Million Baht)

	Consolidated financial statements									
	31 March 2011					31 December 2010				
	US					US				
	dollar	Euro	Yen	Won	Others	dollar	Euro	Yen	Won	Others
Foreign exchange contracts										
- Bought contracts	47,156	1,677	185	-	3,085	23,624	145	194	-	404
- Sold contracts	54,046	2,373	596	-	3,598	30,779	754	721	-	1,090
Cross currency and interest rate swap contracts										
- Bought contracts	7,047	-	-	-	-	6,874	-	-	-	-
- Sold contracts	20,253	643	1,187	4,996	-	21,091	599	1,187	4,786	-
Interest rate swap contracts										
- Bought contracts	861	-	-	-	-	916	-	-	-	-
- Sold contracts	861	-	-	-	-	916	-	-	-	-

c) Equity position risk

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

34.3 Liquidity risk

Counting from the statements of financial position date, the periods to maturity of financial instruments held as at 31 March 2011 and 31 December 2010 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements									
	31 March 2011					31 December 2010				
	At call	Less than 1 year	Over 1 year	Unspecified	Total	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets										
Cash	11,401	-	-	-	11,401	15,298	-	-	-	15,298
Interbank and money market items	13,337	51,580	120	-	65,037	7,429	77,682	121	-	85,232
Derivative assets	-	1,495	-	-	1,495	-	1,540	-	-	1,540
Investments ⁽¹⁾	1,743	48,408	84,076	7,017	141,244	1,773	51,949	83,986	6,893	144,601
Loans to customers ⁽²⁾	66,436	174,591	374,967	-	615,994	65,207	183,423	361,214	-	609,844
Receivables from purchase and sale securities and derivatives	-	4,896	-	-	4,896	-	2,007	-	-	2,007
Other assets - receivables from clearing house	-	1,082	-	-	1,082	-	391	-	-	391
Financial liabilities										
Deposits	191,538	263,198	26,655	-	481,391	188,545	318,006	25,831	-	532,382
Interbank and money market items	18,210	19,961	165	-	38,336	16,162	22,917	1,466	-	40,545
Liability payable on demand	3,074	-	-	-	3,074	3,127	-	-	-	3,127
Derivative liabilities	-	658	-	-	658	-	597	-	-	597
Debts issued and borrowings	517	165,581	44,665	3,494	214,257	11	136,308	44,904	3,494	184,717
Payables from purchase and sale securities and derivatives	-	4,990	-	-	4,990	-	4,054	-	-	4,054
Other liabilities - payables to clearing house	-	-	-	-	-	-	98	-	-	98
Commitments										
Avals to bills	14	406	52	-	472	13	585	56	-	654
Guarantee of loans	380	3,451	7	-	3,838	354	57	11	-	422
Liability under unmatured import bills	158	530	-	-	688	156	415	-	-	571
Letters of credit	197	2,251	20	-	2,468	156	2,280	20	-	2,456
Other commitments	54,072	10,223	2,572	2,209	69,076	56,107	9,407	2,513	1,948	69,975

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

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

(Unaudited but reviewed)

(Unit: Million Baht)

Transactions	Separate financial statements									
	31 March 2011					31 December 2010				
	At call	Less than 1 year	Over 1 year	Unspecified	Total	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets										
Interbank and money										
market items	75	20	-	-	95	69	20	-	-	89
Investments ⁽¹⁾	980	1,792	-	35,800	38,572	1,002	2,291	-	35,801	39,094
Loans to customers ⁽²⁾	1,395	34	6	-	1,435	1,437	102	6	-	1,545
Financial liabilities										
Debts issued and										
borrowings	-	1,500	12,000	-	13,500	-	1,500	12,000	-	13,500
Payables from										
purchase and sale										
securities and										
derivatives	-	-	-	-	-	-	604	-	-	604
Commitments										
Other commitments	1	-	-	-	1	1	-	-	-	1

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

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

34.4 Fair value

As at 31 March 2011 and 31 December 2010, the fair value of financial instruments of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statement			
	31 March 2011		31 December 2010		31 March 2011		31 December 2010	
	Net book value	Fair value	Net book value	Fair value	Net book value	Fair value	Net book value	Fair value
Financial assets								
Cash	11,401	11,401	15,298	15,298	-	-	-	-
Interbank and money market								
items	64,909	64,909	85,106	85,106	95	96	89	89
Derivative assets	1,495	1,495	1,540	1,540	-	-	-	-
Investments	141,517	142,285	145,168	146,107	38,477	38,479	38,967	38,967
Loans to customers	588,322	588,322	582,643	582,643	984	984	1,049	1,049
Financial liabilities								
Deposits	481,391	481,391	532,382	532,382	-	-	-	-
Interbank and money market								
items	38,336	38,336	40,545	40,545	-	-	-	-
Liability payable on demand	3,074	3,074	3,127	3,127	-	-	-	-
Derivative liabilities	658	658	597	597	-	-	-	-
Debts issued and borrowings	214,257	214,257	184,717	184,717	13,500	13,500	13,500	13,500

34.5 Financial derivative

As at 31 March 2011 and 31 December 2010, the subsidiaries have commitment from financial derivative for trading and hedging transactions (banking book) classified by maturities as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	31 March 2011			31 December 2010		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Foreign exchange contracts						
- Bought contracts	52,103	-	52,103	24,367	-	24,367
- Sold contracts	60,613	-	60,613	33,344	-	33,344
Cross currency and interest rate swap contracts						
- Bought contracts	6,571	476	7,047	6,393	481	6,874
- Sold contracts	16,566	10,513	27,079	14,574	13,089	27,663
Interest rate swap contracts						
- Fixed interest rate payment	2,747	13,178	15,925	500	15,480	15,980
- Floating interest rate payment	95	2,977	3,072	-	3,359	3,359
- Fixed interest rate receipt	95	2,977	3,072	-	3,359	3,359
- Floating interest rate receipt	2,747	13,178	15,925	500	15,480	15,980

35. Reclassification

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

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	As	As previously	As	As previously
	reclassified	reported	reclassified	reported
<u>31 December 2010</u>				
Receivables from clearing house	-	391	-	-
Derivative assets	1,540	-	-	-
Financial derivative assets	-	3,117	-	-
Other assets - net	6,083	4,115	-	-
Derivatives liabilities	597	-	-	-
Financial derivatives liabilities	-	941	-	-
Payables to clearing house	-	98	-	-
Accrued expense	-	3,070	-	26
Accrued corporate income tax payable	-	2,404	-	1
Unearned premium reserve	-	1,881	-	-
Other liabilities	15,699	7,901	153	126
<u>For the three-month period ended</u>				
<u>31 March 2010</u>				
Interest income	5,661	-	159	-
Interest and dividend income	-	5,711	-	409
Interest expenses	1,837	1,567	209	208
Contribution fee to the Deposits				
Protection Agency	-	270	-	-
Gains on trading and foreign				
exchange transactions	52	-	-	-
Gain on investments	125	295	59	47
Brokerage fees income	-	195	-	-
Gain on foreign exchange and				
financial derivatives	-	37	-	-
Gain on property foreclosed and other				
assets	260	224	144	205
Dividend income	50	-	250	-
Other operating income	517	323	110	110
Impairment of property foreclosed				
(reversal)	36	-	(61)	-
Impairment loss of loans and debt				
securities (reversal)	119	-	(33)	-
Bad debt, doubtful accounts				
(reversal)	-	239	-	(45)
Loss on debt restructuring	-	36	-	-

36. Events after the reporting period - Dividend

On 21 February 2011, the Board of Directors of the Company passed a resolution to propose 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 2010, or a total of Baht 894 million. On 8 April 2011, the Annual General Meeting of the Shareholders of the Company approved such dividend payment.

37. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2011.