

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its subsidiary  
(Formerly known as “ACL Bank Public Company Limited”)  
Report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2010

**Review report of independent auditor**

To the shareholders of

Industrial and Commercial Bank of China (Thai) Public Company Limited  
(Formerly known as “ACL Bank Public Company Limited”)

I have reviewed the accompanying consolidated balance sheet of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary as at 30 September 2010, the consolidated statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009, the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month periods ended 30 September 2010 and 2009, and the separate financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Bank and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

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

I have previously audited the consolidated financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary and the separate financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited for the year ended 31 December 2009 in accordance with generally accepted auditing standards and expressed an unqualified audit opinion on those financial statements under my report dated 26 February 2010. The consolidated and separate balance sheets as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on.

Rungnapa Lertsuwankul  
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited  
Bangkok: 11 November 2010

Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary  
(Formerly known as "ACL Bank Public Company Limited")

Balance sheets

As at 30 September 2010 and 31 December 2009

(Unit: Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>				
Cash	281,082	304,774	280,570	304,402
Interbank and money market items				
Domestic items				
Interest bearing	6,233,819	6,203,405	6,191,956	6,119,324
Non-interest bearing	368,090	277,365	347,625	266,959
Foreign items				
Interest bearing	361,778	-	361,778	-
Non-interest bearing	5,795	18,389	5,795	18,389
Interbank and money market items - net	6,969,482	6,499,159	6,907,154	6,404,672
Investments				
Current investments - net	5.1 4,841,400	3,282,122	4,841,400	3,282,122
Long-term investments - net	5.1 6,080,627	6,040,702	6,080,627	6,040,702
Investments in a subsidiary	5.3 -	-	2,500,000	1,000,000
Investments in an associated company	5.5 286,399	259,472	255,170	255,170
Investments - net	11,208,426	9,582,296	13,677,197	10,577,994
Loans and accrued interest receivables				
Loans	50,704,618	48,027,209	47,660,711	46,150,269
Accrued interest receivables	48,506	141,943	50,035	143,567
Total loans and accrued interest receivables	50,753,124	48,169,152	47,710,746	46,293,836
Less: Allowance for doubtful accounts	7.1 (1,694,036)	(1,419,467)	(1,470,658)	(1,276,578)
Allowance for revaluation on debt restructuring	7.2 (11,858)	(12,358)	(11,858)	(12,358)
Loans and accrued interest receivables - net	49,047,230	46,737,327	46,228,230	45,004,900
Properties foreclosed - net	8 1,278,918	1,286,545	1,256,601	1,284,862
Premises and equipments - net	9 206,002	206,749	179,729	194,693
Intangible assets - net	142,333	168,056	130,266	159,627
Leasehold rights - net	210,377	218,366	210,377	218,366
Accrued interest and dividend income receivables - net	65,066	78,791	65,066	78,791
Receivables on credit support for derivative contracts	700,934	60,462	700,934	60,462
Other receivables - net	424,149	305,521	315,174	259,717
Financial derivative assets	1,556,717	470,438	1,556,717	470,438
Other assets - net	31,683	38,838	26,223	35,459
<b>Total assets</b>	<b>72,122,399</b>	<b>65,957,322</b>	<b>71,534,238</b>	<b>65,054,383</b>

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

Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary  
(Formerly known as "ACL Bank Public Company Limited")

Balance sheets (continued)

As at 30 September 2010 and 31 December 2009

(Unit: Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Liabilities and shareholders' equity</b>				
Deposits				
	32,673,043	30,391,978	32,675,167	30,397,540
	11,605	13,663	11,605	13,663
	32,684,648	30,405,641	32,686,772	30,411,203
Interbank and money market items				
	589,246	1,886,689	589,246	1,367,822
	504,669	-	504,669	-
	1,093,915	1,886,689	1,093,915	1,367,822
	26,999	374,730	26,999	374,730
Borrowings				
	21,238,204	18,640,837	21,238,204	18,640,837
	103,813	132,851	103,813	132,851
	21,342,017	18,773,688	21,342,017	18,773,688
	196,612	183,424	196,629	183,292
	770,437	21,690	770,437	21,690
	1,360,744	500,761	1,360,744	500,761
17.4	98,550	94,150	98,550	94,150
	819,061	593,053	359,286	233,347
	58,392,983	52,833,826	57,935,349	51,960,683
<b>Shareholders' equity</b>				
Share capital				
Registered				
	2,733,641 non-cumulative dividend preference shares of Baht 10 each (31 December 2009: 502,529,413 non-cumulative dividend preference shares of Baht 10 each)		2,733,641 non-cumulative dividend preference shares of Baht 10 each (31 December 2009: 502,529,413 non-cumulative dividend preference shares of Baht 10 each)	
	1,587,719,304 ordinary shares of Baht 10 each (31 December 2009: 1,087,923,532 ordinary shares of Baht 10 each)		1,587,719,304 ordinary shares of Baht 10 each (31 December 2009: 1,087,923,532 ordinary shares of Baht 10 each)	
	27,336	5,025,294	27,336	5,025,294
Issued and fully paid				
	2,701,961 non-cumulative dividend preference shares of Baht 10 each (31 December 2009: 2,787,471 non-cumulative dividend preference shares of Baht 10 each)		2,701,961 non-cumulative dividend preference shares of Baht 10 each (31 December 2009: 2,787,471 non-cumulative dividend preference shares of Baht 10 each)	
	1,587,750,984 ordinary shares of Baht 10 each (31 December 2009: 1,587,665,474 ordinary shares of Baht 10 each)		1,587,750,984 ordinary shares of Baht 10 each (31 December 2009: 1,587,665,474 ordinary shares of Baht 10 each)	
	27,020	27,875	27,020	27,875
	15,877,510	15,876,655	15,877,510	15,876,655
Unrealised gains				
	227,536	73,666	227,536	73,666
	(2,402,650)	(2,854,700)	(2,533,177)	(2,884,496)
	13,729,416	13,123,496	13,598,889	13,093,700
	-	-	-	-
	13,729,416	13,123,496	13,598,889	13,093,700
<b>Total liabilities and shareholders' equity</b>				
	72,122,399	65,957,322	71,534,238	65,054,383
	-	-	-	-
<b>Off-balance sheet items - contingencies</b>				
17.1				
	2,996	48,775	2,996	48,775
	181,963	196,084	181,963	196,084
	49,528,813	51,663,607	49,528,813	51,663,607

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

Mr. Thongchai Ananthothai  
President

Mr. Guohui Song  
Senior Executive Vice President

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary**  
**(Formerly known as "ACL Bank Public Company Limited")**

**Statements of income**

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

(Unit: Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Interest and dividend income</b>				
Loans	395,165	455,790	523,141	517,070
Interbank and money market items	24,242	19,452	24,212	19,357
Hire purchase and financial lease income	283,757	154,933	66	8
Investments	85,628	76,568	85,628	76,567
<b>Total interest and dividend income</b>	<b>788,792</b>	<b>706,743</b>	<b>633,047</b>	<b>613,002</b>
<b>Interest expense</b>				
Deposits	108,794	114,890	108,744	114,872
Interbank and money market items	48,587	31,051	35,725	30,931
Borrowings	74,187	59,224	74,187	59,224
Fees and charges	89	574	-	-
<b>Total interest expense</b>	<b>231,657</b>	<b>205,739</b>	<b>218,656</b>	<b>205,027</b>
<b>Net interest and dividend income</b>	<b>557,135</b>	<b>501,004</b>	<b>414,391</b>	<b>407,975</b>
Bad debt and doubtful accounts	(56,662)	(137,179)	(8,102)	(103,253)
Loss on debt restructuring	(32,331)	(36,394)	(32,331)	(36,394)
<b>Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring</b>	<b>468,142</b>	<b>327,431</b>	<b>373,958</b>	<b>268,328</b>
<b>Non-interest income</b>				
Brokerage fees from securities business	-	25,081	-	-
Brokerage fees from derivatives business	-	3,186	-	-
Gains on investments	5.8	8,555	69,592	8,555
Gains on derivatives trading	-	1,112	-	-
Share of profit from investment in an associated company under equity method	5.5	18,427	4,347	-
Fees and services income	42,752	32,150	13,724	12,147
Gains (losses) on exchange	(2,765)	11,512	(2,765)	11,512
Gains on disposals of assets	4,793	5,323	3,738	4,754
Bad debts recovery	89,383	34,276	87,251	31,731
Other income	7,496	5,678	2,680	2,628
<b>Total non-interest income</b>	<b>168,641</b>	<b>192,257</b>	<b>113,183</b>	<b>99,310</b>
<b>Net revenue</b>	<b>636,783</b>	<b>519,688</b>	<b>487,141</b>	<b>367,638</b>

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

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary**  
**(Formerly known as "ACL Bank Public Company Limited")**

**Statements of income (continued)**

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

(Unit: Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Non-interest expense</b>				
Personnel expenses	188,805	167,159	128,304	112,704
Premises and equipment expenses	49,904	55,863	42,217	37,731
Taxes and duties	25,130	19,657	18,865	17,538
Fees and service expenses	10,369	17,924	5,334	8,564
Directors' remuneration	1,140	4,543	990	4,080
Contributions to the Deposit Protection Agency	31,836	37,811	31,836	37,811
Losses on impairment of properties foreclosed and other assets (reversal losses on impairment of properties foreclosed and other assets)	(1,003)	1,970	(22)	1,497
Provision for liabilities	900	-	900	-
Other expenses	28,856	24,645	20,127	20,122
<b>Total non-interest expense</b>	<b>335,937</b>	<b>329,572</b>	<b>248,551</b>	<b>240,047</b>
<b>Earnings before income tax</b>	<b>300,846</b>	<b>190,116</b>	<b>238,590</b>	<b>127,591</b>
Income tax	(97,944)	55,896	(84,134)	61,691
<b>Net income</b>	<b>202,902</b>	<b>246,012</b>	<b>154,456</b>	<b>189,282</b>
<b>Net income attributable to:</b>				
Equity holders of the Bank	202,902	245,772	154,456	189,282
Minority shareholders of the subsidiary	-	240	-	-
	<u>202,902</u>	<u>246,012</u>		

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Earnings per share</b>				
Basic earnings per share				
Net income attributable to equity holders of the Bank	0.13	0.23	0.10	0.17
Diluted earnings per share				
Net income attributable to equity holders of the Bank		0.15		0.12

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

Mr. Thongchai Ananthothai  
 President

Mr. Guohui Song  
 Senior Executive Vice President

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary**  
**(Formerly known as "ACL Bank Public Company Limited")**

**Statements of income**

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

(Unit: Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Interest and dividend income</b>				
Loans	1,254,346	1,541,001	1,574,158	1,727,751
Interbank and money market items	61,906	82,399	61,830	81,883
Hire purchase and financial lease income	699,039	442,310	66	17
Investments	269,623	300,636	271,203	300,335
<b>Total interest and dividend income</b>	<b>2,284,914</b>	<b>2,366,346</b>	<b>1,907,257</b>	<b>2,109,986</b>
<b>Interest expense</b>				
Deposits	305,043	537,316	304,891	537,257
Interbank and money market items	128,697	72,393	103,257	72,218
Borrowings	200,607	211,542	200,607	211,542
Fees and charges	288	1,313	-	-
<b>Total interest expense</b>	<b>634,635</b>	<b>822,564</b>	<b>608,755</b>	<b>821,017</b>
<b>Net interest and dividend income</b>	<b>1,650,279</b>	<b>1,543,782</b>	<b>1,298,502</b>	<b>1,288,969</b>
Bad debt and doubtful accounts	(358,377)	(701,481)	(252,844)	(608,067)
Loss on debt restructuring	(32,256)	(29,818)	(32,256)	(29,818)
<b>Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring</b>	<b>1,259,646</b>	<b>812,483</b>	<b>1,013,402</b>	<b>651,084</b>
<b>Non-interest income</b>				
Brokerage fees from securities business	-	66,906	-	-
Brokerage fees from derivatives business	-	9,166	-	-
Gains on investments	5.8 27,518	275,722	27,518	156,676
Gains on derivatives trading	-	5,551	-	-
Share of profit from investment in an associated company under equity method	5.5 28,507	4,347	-	-
Fees and services income	106,648	80,513	38,410	38,678
Gains on exchange	961	30,107	961	30,107
Gains on disposals of assets	18,188	71,096	15,019	72,084
Bad debts recovery	149,916	144,262	142,913	141,468
Other income	22,270	15,891	11,176	8,825
<b>Total non-interest income</b>	<b>354,008</b>	<b>703,561</b>	<b>235,997</b>	<b>447,838</b>
<b>Net revenue</b>	<b>1,613,654</b>	<b>1,516,044</b>	<b>1,249,399</b>	<b>1,098,922</b>

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



(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary**  
**(Formerly known as "ACL Bank Public Company Limited")**

**Statements of income (continued)**

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

(Unit: Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Non-interest expense</b>				
Personnel expenses	519,336	506,209	364,810	333,814
Premises and equipment expenses	142,696	168,268	121,941	109,174
Taxes and duties	70,789	70,891	56,038	65,961
Fees and service expenses	24,108	54,729	14,441	25,952
Directors' remuneration	6,582	14,345	6,132	12,180
Contributions to the Deposit Protection Agency	13 95,668	100,426	95,668	100,427
Losses on impairment of properties foreclosed and other assets (reversal losses on impairment of properties foreclosed and other assets)	485	22,394	(5,479)	15,267
Loss on unwinding of cross currency interest rate swap contracts	19.5 31,077	-	31,077	-
Provision for liabilities	4,400	-	4,400	-
Other expenses	80,763	78,586	59,242	64,381
<b>Total non-interest expense</b>	<b>975,904</b>	<b>1,015,848</b>	<b>748,270</b>	<b>727,156</b>
<b>Earnings before income tax</b>	<b>637,750</b>	<b>500,196</b>	<b>501,129</b>	<b>371,766</b>
Income tax	14 (185,700)	(51,803)	(149,810)	(26,073)
<b>Net income</b>	<b>452,050</b>	<b>448,393</b>	<b>351,319</b>	<b>345,693</b>
<b>Net income attributable to:</b>				
Equity holders of the Bank	452,050	450,859	351,319	345,693
Minority shareholders of the subsidiary	-	(2,466)		
	<b>452,050</b>	<b>448,393</b>		

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
<b>Earnings per share</b>				
Basic earnings per share				
Net income attributable to equity holders of the Bank	0.28	0.41	0.22	0.32
Diluted earnings per share				
Net income attributable to equity holders of the Bank		0.28		0.22

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

Mr. Thongchai Ananthothai  
 President

Mr. Guohui Song  
 Senior Executive Vice President

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary  
(Formerly known as "ACL Bank Public Company Limited")**

**Statements of cash flow**

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from operating activities</b>				
Earnings before income tax	637,750	500,196	501,129	371,766
Adjustments to reconcile earnings before income tax to net cash provided by (paid from) operating activities:				
Share of profit from investment in an associated company				
under equity method	(28,507)	(4,347)	-	-
Depreciation and amortisation	84,192	95,498	76,882	73,814
Gains on disposals of equipment	(390)	(2,637)	(237)	(2,627)
Gains on disposals of properties foreclosed	(17,797)	(70,918)	(14,782)	(69,457)
Gains on investments	(27,518)	(275,722)	(27,518)	(226,269)
Gains on derivatives trading	-	(5,551)	-	-
Bad debt and doubtful accounts	358,377	701,481	252,844	608,067
Losses on debt restructuring	32,256	29,818	32,256	29,818
Unrealised gain on exchange and derivatives	(251,841)	(63,187)	(251,841)	(63,187)
Losses on unwinding of derivative contracts	31,077	-	31,077	-
Decrease in expense as a result of transferring receivables				
under Legal Execution Department	(726)	(708)	(726)	(708)
Losses on impairment of investment in a subsidiary	-	-	-	69,593
Losses on impairment and write-off of equipment and intangible assets	-	2,460	-	-
Losses (reversal of provision for losses) on impairment of properties foreclosed and other assets	485	22,394	(5,479)	15,267
Other income from revaluation of other receivables	(4,521)	(5,351)	(4,521)	(5,351)
Provisions for liabilities	4,400	-	4,400	-
Increase in other accrued expenses	31,747	36,020	17,887	36,157
<b>Income from operating activities before changes in operating assets and liabilities</b>	<b>848,984</b>	<b>959,446</b>	<b>611,371</b>	<b>836,883</b>
(Increase) decrease in operating assets				
Interbank and money market items	(475,617)	2,971,973	(507,809)	3,243,215
Current investments	(1,112,802)	(382,448)	(1,112,802)	(445,710)
Receivables from Clearing House	-	(52,695)	-	-
Loans	(2,840,136)	(317,514)	(1,648,124)	50,612
Properties foreclosed	2,452	161,459	22,465	169,447
Receivables on credit support for derivative contracts	(640,472)	16,773	(640,472)	16,773
Other assets	(18,646)	168,334	50,043	210,089

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

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary  
(Formerly known as "ACL Bank Public Company Limited")**

**Statements of cash flows (continued)**

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

(Unit: Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Increase (decrease) in operating liabilities</b>					
Deposits		2,279,007	(8,414,797)	2,275,569	(8,425,464)
Interbank and money market items		(792,774)	(570,635)	(273,907)	(904,101)
Liabilities payable on demand		(347,731)	(197,798)	(347,731)	(197,798)
Payables to Clearing House		-	26,438	-	-
Securities and derivatives business payables		-	194,475	-	-
Payables on credit support for derivative contracts		748,748	-	748,748	-
Other liabilities		116,484	55,837	24,475	21,451
<b>Cash used in operating activities</b>		<b>(2,232,503)</b>	<b>(5,381,152)</b>	<b>(798,174)</b>	<b>(5,424,603)</b>
Interest and dividend income		(2,284,914)	(2,366,346)	(1,907,257)	(2,109,986)
Interest expenses		634,634	821,251	608,755	821,017
Cash received on interest income		2,086,879	2,146,241	1,709,820	1,887,413
Cash paid for interest expenses		(415,946)	(678,433)	(389,920)	(677,033)
Cash paid for income tax		(122,254)	(168,257)	(74,922)	(129,752)
<b>Net cash used in operating activities</b>		<b>(2,334,104)</b>	<b>(5,626,696)</b>	<b>(851,698)</b>	<b>(5,632,944)</b>
<b>Cash flows from investing activities</b>					
Cash paid for investment in a subsidiary		-	-	(1,500,000)	-
Cash received on disposal of investments in a subsidiary		-	396,852	-	396,852
Cash paid for investment in an associated company		-	(255,170)	-	(255,170)
(Increase) decrease in long-term investments		(290,790)	4,293,432	(292,370)	4,293,503
Cash received on interest income from investments		247,687	398,669	246,107	398,669
Cash received on dividend income		25,369	7,919	26,949	7,619
Cash received on disposals of equipment		1,435	3,515	340	3,420
Cash paid for purchases of equipments		(26,351)	(39,534)	(12,472)	(38,572)
Cash paid for acquisition of intangible assets		(7,879)	(19,348)	(2,575)	(13,769)
<b>Net cash provided by (used in) investing activities</b>		<b>(50,529)</b>	<b>4,786,335</b>	<b>(1,534,021)</b>	<b>4,792,552</b>
<b>Cash flows from financing activities</b>					
Increase in borrowings		2,568,328	1,099,832	2,568,328	1,099,832
Cash paid for interest expense on borrowings		(205,500)	(272,092)	(205,500)	(272,092)
Cash paid for liabilities under lease agreement		(1,887)	-	(941)	-
<b>Net cash provided by financing activities</b>		<b>2,360,941</b>	<b>827,740</b>	<b>2,361,887</b>	<b>827,740</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(23,692)</b>	<b>(12,621)</b>	<b>(23,832)</b>	<b>(12,652)</b>
Cash and cash equivalents at beginning of the periods		304,774	244,064	304,402	243,928
Less: Cash of the disposed subsidiary on the disposal date	5.4	-	(35)	-	-
<b>Cash and cash equivalents at end of the periods</b>		<b>281,082</b>	<b>231,408</b>	<b>280,570</b>	<b>231,276</b>
<b>Supplemental cash flows information</b>					
Non-cash transactions					
Assets received in settlement of loans and receivables		10,470	98,620	10,470	98,620
Account payable for acquisition of equipment		4,201	3,090	492	839

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

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary**  
(Formerly known as "ACL Bank Public Company Limited")

**Statements of changes in shareholders' equity**

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

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to the Bank's shareholders							
Issued and paid-up share capital		Revaluation surplus (deficit) on investments	Deficit	Total equity attributable to the Bank's shareholders	Equity attributable to minority shareholders of subsidiary	Total	
Preference shares	Ordinary shares						
<b>Balance as at 31 December 2008</b>	5,032,744	10,871,785	(15,849)	(3,383,774)	12,504,906	106,510	12,611,416
<b>Revenue (expenses) recognised directly in equity:</b>							
Revaluation surplus on investments	-	-	118,215	-	118,215	-	118,215
<b>Revenue (expenses) recognised directly in equity</b>	-	-	118,215	-	118,215	-	118,215
Recognised revaluation deficit on investments in statement of income	-	-	5,175	-	5,175	-	5,175
Net income (losses)	-	-	-	450,859	450,859	(2,466)	448,393
<b>Total revenue (expenses) for the period</b>	-	-	123,390	450,859	574,249	(2,466)	571,783
Conversion of preference shares to ordinary shares	(16,689)	16,689	-	-	-	-	-
Decrease in minority interest of a subsidiary from disposal of investment in a subsidiary (Note 5.4)	-	-	-	-	-	(104,044)	(104,044)
<b>Balance as at 30 September 2009</b>	<u>5,016,055</u>	<u>10,888,474</u>	<u>107,541</u>	<u>(2,932,915)</u>	<u>13,079,155</u>	<u>-</u>	<u>13,079,155</u>
<b>Balance as at 31 December 2009</b>	27,875	15,876,655	73,666	(2,854,700)	13,123,496	-	13,123,496
<b>Revenue (expenses) recognised directly in equity:</b>							
Revaluation surplus on investments	-	-	153,870	-	153,870	-	153,870
<b>Revenue (expenses) recognised directly in equity</b>	-	-	153,870	-	153,870	-	153,870
Net income	-	-	-	452,050	452,050	-	452,050
<b>Total revenue (expenses) for the period</b>	-	-	153,870	452,050	605,920	-	605,920
Conversion of preference shares to ordinary shares	(855)	855	-	-	-	-	-
<b>Balance as at 30 September 2010</b>	<u>27,020</u>	<u>15,877,510</u>	<u>227,536</u>	<u>(2,402,650)</u>	<u>13,729,416</u>	<u>-</u>	<u>13,729,416</u>

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

(Unaudited but reviewed)

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary**  
**(Formerly known as "ACL Bank Public Company Limited")**  
**Statements of changes in shareholders' equity (continued)**  
**For the nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital		Revaluation surplus (deficit) on investments	Deficit	Total
	Preference shares	Ordinary shares			
<b>Balance as at 31 December 2008</b>	5,032,744	10,871,785	(15,849)	(3,300,044)	12,588,636
<b>Revenue (expenses) recognised directly in equity:</b>					
Revaluation surplus on investments	-	-	118,215	-	118,215
<b>Revenue (expenses) recognised directly in equity</b>	-	-	118,215	-	118,215
Recognised revaluation deficit on investments in statements of income	-	-	5,175	-	5,175
Net income	-	-	-	345,693	345,693
<b>Total revenue (expenses) for the period</b>	-	-	123,390	345,693	469,083
Conversion of preference shares to ordinary shares	(16,689)	16,689	-	-	-
<b>Balance as at 30 September 2009</b>	<u>5,016,055</u>	<u>10,888,474</u>	<u>107,541</u>	<u>(2,954,351)</u>	<u>13,057,719</u>
<b>Balance as at 31 December 2009</b>	27,875	15,876,655	73,666	(2,884,496)	13,093,700
<b>Revenue (expenses) recognised directly in equity:</b>					
Revaluation surplus on investments	-	-	153,870	-	153,870
<b>Revenue (expenses) recognised directly in equity</b>	-	-	153,870	-	153,870
Net income	-	-	-	351,319	351,319
<b>Total revenue (expenses) for the period</b>	-	-	153,870	351,319	505,189
Conversion of preference shares to ordinary shares	(855)	855	-	-	-
<b>Balance as at 30 September 2010</b>	<u>27,020</u>	<u>15,877,510</u>	<u>227,536</u>	<u>(2,533,177)</u>	<u>13,598,889</u>

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

**Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary  
(Formerly known as “ACL Bank Public Company Limited”)**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2010**

**1. The Bank’s information**

Industrial and Commercial Bank of China (Thai) Public Company Limited (Formerly known as “ACL Bank Public Company Limited”) (“the Bank”) was converted the status to be a public company under Thai laws on 15 April 1993 and it has been licensed by the Ministry of Finance on 21 December 2005 to operate commercial banking business in Thailand. Its registered address is at No. 622, Sukhumvit Road, Klongton Sub-district, Klongtoey District, Bangkok. As at 30 September 2010 and 31 December 2009, the Bank has altogether 19 branches, including a head office.

On 30 September 2009, the Bank was informed by the Industrial and Commercial Bank of China Limited (“the Investor”), that its Board of Directors resolved to approve a tender offer to shareholders of the Bank that the Investor will buy all of the Bank’s shares from them voluntarily at Baht 11.50 per share. However, the offer will be made subject to the following conditions.

Conditions precedent to the tender offer

- (a) Receipt of the approvals, waivers, permissions or consents from the relevant agencies in Thailand and the Republic of China, necessary to enable the Investor to successfully make the offer and allow the Bank and its group to legally continue operating their businesses, after the offer is made; and
- (b) Approval by the Shareholders’ meeting of the Investor.

Condition after making the tender offer

- (a) The Investor is able to acquire not less than 51 percent of the issued capital of the Bank.

During the first quarter of 2010, all conditions precedent were satisfied.

(Unaudited but reviewed)

On 21 April 2010, Industrial and Commercial Bank of China Limited, who made the tender offer to buy all shares of the Bank, reported the result of its tender offer for securities of the Bank to the Secretary of the Office of the Securities and Exchange Commission and made full payment for its purchase of shares. It purchased all 1,546,568,601 shares being offered for sale in response to the tender offer or equivalent to 97.24 percent of the issued and paid-up share capital of the Bank, the condition after making the tender offer was then also completed. Hence, as of 30 September 2010, Industrial and Commercial Bank of China Limited is the parent company of the Bank, holding 97.24 percent of the issued and paid-up share capital of the Bank (31 December 2009, the Bank's two major shareholders were the Ministry of Finance and Bangkok Bank Public Company Limited, with shareholding percentage of 30.61 percent and 19.26 percent, respectively).

On 25 June 2010, the Extraordinary General Meeting of the Shareholders No. 1/2010 approved the change of the Bank's name from ACL Bank Public Company Limited to Industrial and Commercial Bank of China (Thai) Public Company Limited. Such change was registered with Department of Business Development, the Ministry of Commerce on 8 July 2010. In addition, the meeting approved the voluntary delisting of the Bank's shares from the Stock Exchange of Thailand since Industrial and Commercial Bank of China Limited had completed acquisition of 97.24% of the total issued shares of the Bank and so the Bank is not able to meet the listing requirement of the SET that a listed company must maintain not less than 150 minority ordinary shareholders with an aggregate shareholding not less than 15% of paid-up capital. The delisting application is in the approval process of the relevant authorities.

## **2. Basis for the preparation of the financial statements**

### **2.1 Basis for the preparation of the interim financial statements**

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2007) "Interim Financial Statements", with the Bank and its subsidiary choosing to present condensed interim financial statements. However, the Bank and its subsidiary have presented the balance sheets and the statements of income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

(Unaudited but reviewed)

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

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

## **2.2 Basis of consolidation interim financial statements**

These consolidated financial statements for the nine-month period ended 30 September 2010 include the financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009. There was no change in the shareholding structure in the subsidiary during the period.

## **2.3 Separate financial statements**

The separate financial statements, which present an investment in a subsidiary under the cost method, have been prepared solely for the benefit of the public.

## **3. Adoption of new accounting standards**

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

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

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

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts



(Unaudited but reviewed)

TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

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

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

The management of the Bank and its subsidiary have assessed the effect of TAS2 (revised 2009), TAS11 (revised 2009), TAS20 (revised 2009), TAS29, TAS31 (revised 2009) and TFRS6 are not relevant to the business of the Bank and its subsidiary while the other accounting standards and financial reporting standards will not have any significant impact on the financial statements for the year in which they are initially applied. This excludes TAS12 and TAS40 (revised 2009) for which management is still evaluating the first-year impact to the financial statements, and has yet to reach a conclusion.

#### 4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

## 5. Investments

### 5.1 Classified by types of investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2010		31 December 2009	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<b>Trading securities</b>				
Domestic marketable equity securities	25,643	25,180	67,168	64,970
Total	25,643	25,180	67,168	64,970
Less: Allowance for revaluation	(463)	-	(2,198)	-
Trading securities - net	25,180	25,180	64,970	64,970
<b>Available-for-sale securities</b>				
Government and state enterprises securities	4,445,877	4,442,705	2,871,047	2,875,153
Private sector debt securities	451,721	373,516	106,725	25,197
Foreign debt securities	-	-	166,712	166,802
Total	4,897,598	4,816,221	3,144,484	3,067,152
Add: Allowance for revaluation	315	-	4,361	-
Less: Allowance for impairment	(81,693)	-	(81,693)	-
Available-for-sale securities - net	4,816,220	4,816,221	3,067,152	3,067,152
<b>Held-to-maturity debt securities</b>				
Private sector debt securities	-	-	150,000	-
Total held-to-maturity debt securities	-	-	150,000	-
<b>Current investments - net</b>	<b>4,841,400</b>	<b>4,841,400</b>	<b>3,282,122</b>	<b>3,282,122</b>
<b>Long-term investments</b>				
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,124,554	2,117,258	1,558,223	1,556,897
Private sector debt securities	-	-	370,136	373,827
Foreign debt securities	2,376,871	2,593,568	2,619,869	2,681,601
Domestic marketable equity securities	38,625	56,445	45,319	43,521
Total	4,540,050	4,767,271	4,593,547	4,655,846
Add: Allowance for revaluation	227,221	-	67,474	-
Less: Allowance for impairment	-	-	(5,175)	-
Available-for-sale securities - net	4,767,271	4,767,271	4,655,846	4,655,846
<b>Held-to-maturity debt securities</b>				
Government and state enterprises securities	1,034,032	-	1,105,032	-
Private sector debt securities	400,000	-	400,000	-
Total	1,434,032	-	1,505,032	-
Less: Allowance for impairment	(222,000)	-	(222,000)	-
Held-to-maturity debt securities - net	1,212,032	-	1,283,032	-
<b>General investments</b>				
Domestic non-marketable equity securities	479,355	-	479,855	-
Less: Allowance for impairment	(378,031)	-	(378,031)	-
General investments - net	101,324	-	101,824	-
<b>Long-term investments - net</b>	<b>6,080,627</b>	<b>6,080,627</b>	<b>6,040,702</b>	<b>6,040,702</b>

(Unaudited but reviewed)

As at 30 September 2010 and 31 December 2009, investments of the Bank and its subsidiary were not subject to any restrictions on their holding and disposal, except that the Bank has placed government bonds amounting to Baht 1 million, which it classifies as long-term available-for-sale securities, with the courts as security. Moreover, on 28 October 2010 the Bank placed additional government bonds amounting to Baht 3 million as security.

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 September 2010			31 December 2009		
	Cost	Fair value	Allowance for impairment	Cost	Fair value	Allowance for impairment
Listed companies under delisting conditions	110	-	(110)	110	-	(110)
Companies with problems regarding to financial status and operating performance	388,440	10,519	(377,921)	395,065	11,869	(383,196)
Defaulted debt securities	81,693	-	(81,693)	81,693	-	(81,693)

## 5.3 Investment in a subsidiary

The Bank has an investment in the following subsidiary, which is accounted for under the cost method in the separate financial statements.

(Unit: Thousand Baht)

Company's name	Type of invested in securities	30 September 2010			
		Paid-up capital	Shareholding percentage	Cost method	Dividend received during the nine-month period ended 30 September 2010
Leasing Sinn Asia Company Limited	Ordinary shares	2,500,000	99.99%	2,500,000	-
Total investments in a subsidiary				2,500,000	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Type of invested in securities	31 December 2009			Dividend received during the nine-month period ended 30 September 2009
		Paid-up capital	Shareholding percentage %	Cost method	
Leasing Sinn Asia Company Limited	Ordinary shares	1,000,000	99.99	1,000,000	-
Total investments in subsidiary				1,000,000	-

During the period, the subsidiary called up partial payment of the additional shares and the Bank made payment of Baht 1.5 billion on 15 July 2010. On 20 July 2010, the subsidiary registered with the Ministry of Commerce the increase of its share capital as a result of the issue of 200 million new ordinary shares with a par value of Baht 10 each. Following the registration of the capital increase, the subsidiary's registered share capital stands at Baht 3 billion, comprising 300 million ordinary shares with a par value of Baht 10 each.

#### 5.4 Disposal of investment in a subsidiary

On 28 August 2009, the Bank entered into a share subscription and share sale and purchase agreement with Finansia Syrus Securities Public Company Limited, with both parties wishing to reorganize their securities businesses, as follows:

- (a) The Bank agreed to sell all of 86,648,900 ordinary shares it holds in ACL Securities Company Limited ("subsidiary"), representing 86.65% of the issued shares of the subsidiary, for Baht 4.58 per share, or a total of Baht 397 million, which was the net book value as at 31 March 2009 of the subsidiary.
- (b) Finansia Syrus Securities Public Company Limited agreed to sell 79,000,000 newly issued ordinary shares to the Bank for Baht 3.23 per share, or a total of Baht 255 million.

The parties completed execution of these agreements and settlement of the purchase prices were made on 15 September 2009.

(Unaudited but reviewed)

In respect of the above share sale and purchase, the Bank signed a related agreement, whereby it agreed to provide a guarantee to Finansia Syrus Securities Company Limited for losses that arise from (a) Margin loan agreements, up to a maximum of 20 percent of the total balance outstanding as at the date that the subsidiary's shares were sold, which is determined proportionately to the shareholding in the subsidiary that was sold to Finansia Syrus Securities Public Company Limited, for 12 months from the date of the sale of the subsidiary's shares. Finansia Syrus Securities Public Company Limited provides the same type of guarantee back to the Bank. The balance of margin loans on the date of the sale of the subsidiary's shares was Baht 312 million, and (b) The litigation cases brought against the subsidiary by the former executive of the subsidiary, with a claim of Baht 192 million. This amount included a labour lawsuit with a claim of Baht 75 million, which ruling of the chief juristic of the Central Labour Court finally concludes that this case does not fall under the jurisdiction of the Labour Court, as detailed in Note 17.4.4 to the financial statements. As at 30 September 2010 and 31 December 2009, the Bank's management believes that such guarantee will result in no losses.

The Bank received full payment for its sale of investment in the subsidiary on 15 September 2009 and recognised a gain of Baht 29 million on disposal of investment in a subsidiary in the consolidated financial statements for the year ended 31 December 2009.

(Unaudited but reviewed)

The net asset value of ACL Securities Company Limited on the date that the Bank sold its shares in such subsidiary (14 September 2009), was as follows:

	(Unit: Baht)
	<u>14 September 2009</u>
<b>Assets</b>	
Cash	35,000
Deposits at financial institutions - net	197,954,970
Investments in equity securities - net	5,710,000
Receivables from Clearing House	67,532,753
Securities and derivatives business receivables - net	534,622,823
Leasehold improvement and equipment - net	29,962,887
Intangible assets - net	7,758,318
Other assets	33,477,676
Total assets	<u>877,054,427</u>
<b>Liabilities</b>	
Borrowings	100,000,000
Payables to Clearing House	56,400,973
Securities and derivatives business payables	226,167,863
Accrued expenses	16,743,489
Other liabilities	5,959,902
Total liabilities	<u>405,272,227</u>
Net asset value	471,782,200
Less: Minority interest - equity attributable to minority shareholders of subsidiaries	<u>(104,044,150)</u>
Equity of the subsidiary attributable to the Bank in the consolidated financial statements	<u>367,738,050</u>
Selling price	396,851,972
Less: Equity of the subsidiary attributable to the Bank in the consolidated financial statements	<u>(367,738,050)</u>
Gains on disposal of investment in a subsidiary recognised in the consolidated financial statements	<u>29,113,922</u>
Selling price	396,851,972
Less: Investments in a subsidiary under cost method on the selling date	<u>(396,851,972)</u>
Gains on disposal of investments in a subsidiary recognised in the separate financial statements	<u>-</u>

(Unaudited but reviewed)

The consolidated statements of income and cash flows for the nine-month period ended 30 September 2009, categorised by continuing operations and discontinued operations as a result of disposal of investments in a subsidiary as mentioned above, are shown below.

(Unit: Thousand Baht)

	Consolidated financial statements			Total
	For the nine-month period ended 30 September 2009			
	Continuing operations	Discontinued operations <sup>(1)</sup>	Elimination entries	
<b>Interest and dividend income</b>				
Loans	1,516,249	24,752	-	1,541,001
Interbank and money market items	81,911	1,508	(1,020)	82,399
Hire purchase and financial lease income	442,310	-	-	442,310
Investments	300,336	300	-	300,636
<b>Total interest and dividend income</b>	<b>2,340,806</b>	<b>26,560</b>	<b>(1,020)</b>	<b>2,366,346</b>
<b>Interest expense</b>				
Deposits	537,316	-	-	537,316
Interbank and money market items	72,344	1,069	(1,020)	72,393
Borrowings	211,542	-	-	211,542
Fees and charges	299	1,014	-	1,313
<b>Total interest expense</b>	<b>821,501</b>	<b>2,083</b>	<b>(1,020)</b>	<b>822,564</b>
<b>Net interest and dividend income</b>	<b>1,519,305</b>	<b>24,477</b>	<b>-</b>	<b>1,543,782</b>
Bad debt and doubtful accounts	(701,734)	253	-	(701,481)
Loss on debt restructuring	(29,818)	-	-	(29,818)
<b>Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring</b>	<b>787,753</b>	<b>24,730</b>	<b>-</b>	<b>812,483</b>
<b>Non-interest income</b>				
Brokerage fees from securities business	-	69,204	(2,298)	66,906
Brokerage fees from derivatives business	-	9,166	-	9,166
Gains on investments	255,383	20,339	-	275,722
Gains on derivatives trading	-	5,551	-	5,551
Share of profit from investments in an associated company under equity method	4,347	-	-	4,347
Fees and services income	68,510	12,003	-	80,513
Gains on exchange	30,107	-	-	30,107
Gains (losses) on disposals of assets	73,539	(2,443)	-	71,096
Bad debts recovery	144,262	-	-	144,262
Other income	15,581	341	(31)	15,891
<b>Total non-interest income</b>	<b>591,729</b>	<b>114,161</b>	<b>(2,329)</b>	<b>703,561</b>
<b>Net revenue</b>	<b>1,379,482</b>	<b>138,891</b>	<b>(2,329)</b>	<b>1,516,044</b>

<sup>(1)</sup> The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2009				
	Continuing operations	Discontinued operations <sup>(1)</sup>	Elimination entries	Total
<b>Non-interest expense</b>				
Personnel expenses	423,077	83,132	-	506,209
Premises and equipments expenses	129,379	38,889	-	168,268
Taxes and duties	69,986	905	-	70,891
Fees and service expenses	31,954	25,104	(2,329)	54,729
Directors' remuneration	12,980	1,365	-	14,345
Contributions to the Financial Institutions Development Fund/Deposit Protection Agency	100,426	-	-	100,426
Provision for diminution in value of other assets	22,394	-	-	22,394
Other expenses	70,621	7,965	-	78,586
<b>Total non-interest expense</b>	<b>860,817</b>	<b>157,360</b>	<b>(2,329)</b>	<b>1,015,848</b>
<b>Earnings (losses) before income tax</b>	<b>518,665</b>	<b>(18,469)</b>	<b>-</b>	<b>500,196</b>
Income tax	(51,803)	-	-	(51,803)
<b>Net income</b>	<b>466,862</b>	<b>(18,469)</b>	<b>-</b>	<b>448,393</b>
<b>Net income (loss) attributable to:</b>				
Equity holders of the Bank	466,862	(16,003)	-	450,859
Minority shareholders of the subsidiaries	-	(2,466)	-	(2,466)
	<b>466,862</b>	<b>(18,469)</b>	<b>-</b>	<b>448,393</b>

<sup>(1)</sup> The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).



(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2009				
	Continuing operations	Discontinued operations <sup>(1)</sup>	Elimination entries	Total
<b>Cash flows from operating activities</b>				
Earnings (losses) before income tax	518,665	(18,469)	-	500,196
Adjustments to reconcile earnings (losses) before income tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in an associated company under equity method	(4,347)	-	-	(4,347)
Depreciation and amortisation	79,728	15,770	-	95,498
Gains on disposals of equipments	(2,620)	(17)	-	(2,637)
Gains on disposals of properties foreclosed	(70,918)	-	-	(70,918)
Gains on investments	(255,383)	(20,339)	-	(275,722)
Gains on derivatives trading	-	(5,551)	-	(5,551)
Bad debt and doubtful accounts (Reversal)	701,733	(252)	-	701,481
Loss on debt restructuring	29,818	-	-	29,818
Decrease in expense as a result of transferring receivables under Legal Execution Department	(708)	-	-	(708)
Losses on impairment and write-off of equipments and intangible assets	-	2,460	-	2,460
Losses on impairment of properties foreclosed and other assets	22,394	-	-	22,394
Other income from revaluation of other receivables	(5,351)	-	-	(5,351)
Increase in other accrued expenses	31,425	4,595	-	36,020
<b>Income (loss) from operating activities before changes in operating assets and liabilities</b>	1,044,436	(21,803)	-	1,022,633
(Increase) decrease in operating assets				
Interbank and money market items	3,222,657	(136,634)	(114,050)	2,971,973
Current investments	(445,710)	63,262	-	(382,448)
Receivables from Clearing House	-	(52,695)	-	(52,695)
Loans	(170,272)	(147,242)	-	(317,514)
Properties foreclosed	161,459	-	-	161,459
Other assets	94,729	(2,199)	(35,314)	57,216

<sup>(1)</sup> The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

## (Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2009				
	Continuing operations	Discontinued operations <sup>(1)</sup>	Elimination entries	Total
Increase (decrease) in operating liabilities				
Deposits	(8,425,195)	10,398	-	(8,414,797)
Interbank and money market items	(784,685)	100,000	114,050	(570,635)
Liabilities payable on demand	(197,798)	-	-	(197,798)
Payables to Clearing House	-	26,438	-	26,438
Securities and derivatives business payables	-	159,161	35,314	194,475
Other liabilities	119,105	1,436	-	120,541
<b>Cash provided by (used in) operating activities</b>	<b>(5,381,274)</b>	<b>122</b>	<b>-</b>	<b>(5,381,152)</b>
Interest and dividend income	(2,340,805)	(26,561)	1,020	(2,366,346)
Interest expenses	821,202	1,069	(1,020)	821,251
Cash received on interest income	2,119,783	26,307	151	2,146,241
Cash paid on interest expenses	(677,219)	(1,063)	(151)	(678,433)
Cash paid on income tax	(168,257)	-	-	(168,257)
<b>Net cash used in operating activities</b>	<b>(5,626,570)</b>	<b>(126)</b>	<b>-</b>	<b>(5,626,696)</b>
<b>Cash flows from investing activities</b>				
Cash received on disposal of investments in a subsidiary	396,852	-	-	396,852
Cash paid for investments in an associated company	(255,170)	-	-	(255,170)
(Increase) decrease in long-term investments	4,293,503	(71)	-	4,293,432
Cash received on interest income from investments	398,669	-	-	398,669
Cash received on dividend income	7,619	300	-	7,919
Cash received on disposals of equipments	3,420	95	-	3,515
Cash paid for purchases of equipments	(39,506)	(28)	-	(39,534)
Cash paid for acquisition of intangible assets	(19,168)	(180)	-	(19,348)
<b>Net cash provided by investing activities</b>	<b>4,786,219</b>	<b>116</b>	<b>-</b>	<b>4,786,335</b>
<b>Cash flows from financing activities</b>				
Increase in borrowings	1,099,832	-	-	1,099,832
Cash paid on interest expense on borrowings	(272,092)	-	-	(272,092)
<b>Net cash provided by financing activities</b>	<b>827,740</b>	<b>-</b>	<b>-</b>	<b>827,740</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,611)</b>	<b>(10)</b>	<b>-</b>	<b>(12,621)</b>
Cash and cash equivalents at beginning of the periods	244,019	45	-	244,064
Less: Cash of the disposed subsidiary on the disposal date	-	(35)	-	(35)
<b>Cash and cash equivalents at end of the periods</b>	<b>231,408</b>	<b>-</b>	<b>-</b>	<b>231,408</b>

<sup>(1)</sup> The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

(Unaudited but reviewed)

## 5.5 Investments in an associated company

As presented in Note 5.4 to the financial statements, the Bank purchased 79,000,000 newly issued ordinary shares of Finansia Syrus Securities Public Company Limited (“the associated company”) for Baht 3.23 per share or a total of Baht 255 million. The Bank made full payment for the purchase on 15 September 2009.

5.5.1 Details of the associated company can be summarised as follows:

(Unit: Million Baht)

Company's name	Type of business	Country of incorporation	Shareholding		Consolidated financial statements		Separate financial statements	
			percentage		Equity method		Cost method	
			30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
			%	%				
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	24.51	24.51	286	259	255	255
Total investment in an associated company					286	259	255	255

(Unit: Million Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Shares of profit from investment in an associated company		Dividends received	
	For the three-month periods ended		For the three-month periods ended	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Finansia Syrus Securities Public Company Limited	18	4	-	-

(Unit: Million Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Shares of profit from investment in an associated company		Dividends received	
	For the nine-month periods ended		For the nine-month periods ended	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Finansia Syrus Securities Public Company	29	4	2	-

(Unaudited but reviewed)

Limited

The profit sharing from investments in an associated company for the three-month and nine-month period ended 30 September 2010, amounting to Baht 18 million and Baht 29 million, respectively, was calculated from management accounts of the associated company as shown in Note 5.5.2 (For the three-month and nine-month periods ended 30 September 2009, amounting to Baht 4 million and Baht 4 million, respectively).

5.5.2 Financial information of the associated company as at 30 September 2010 and 31 December 2009 and for the nine-month periods ended 30 September 2010 and 2009, as summarised from its financial statements, which were prepared by the management of the associated company, is presented below.

(Unit: Million Baht)

Company's name	Paid-up share capital		Total assets		Total liabilities		Total revenue for the nine-month periods ended		Net income (loss) for the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September	30 September	30 September
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Finansia Syrus Securities Public Company Limited	516	516	3,061	1,950	1,812	806	884	321	112	15

5.5.3 As at 30 September 2010 and 31 December 2009, the fair values of the associated company, which were computed from the last bid price as at the last business day of Stock Exchange of Thailand only on the share portion held by the Bank, were Baht 213 million and 198 million, respectively.

## 5.6 Investments in a related company

The Bank has the following investments in a related company, where the Bank holds 10% or more of the paid-up share capital of the investee company, which is recorded as a part of general investments and classified as long-term investments, is presented below.

(Unit: Thousand Baht)

Consolidated and separate financial statements

Company's name	Type of business	Type of invested securities	Nature of relationship	30 September 2010		
				Paid-up capital	Shareholding percentage	Cost
<u>Related company</u>					%	
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's management	200,000	10.00	20,390

(Unaudited but reviewed)

Total investment in a related company

20,390

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate financial statements						
Company's name	Type of business	Type of invested in securities	Nature of relationship	31 December 2009		
				Paid-up capital	Shareholding percentage	Cost
					%	
<u>Related company</u>						
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's management	200,000	10	20,390
Total investment in a related company						20,390

## 5.7 Promissory notes from Thai Asset Management Corporation

During 2001 to 2003, the Bank transferred non-performing loans to the Thai Asset Management Corporation ("TAMC") whereby TAMC issued non-transferable promissory notes for the value of the assets transferred. On the face of the notes indicated the amounts accounting to the transfer prices, the issuance dates (being the same as the transfer dates), and the maturity dates being 10 years after the issuance dates. The promissory notes are avaled by the Financial Institutions Development Fund ("FIDF") and may be redeemed by TAMC prior to maturity.

The Bank is jointly responsible, together with TAMC, for future profit or loss sharing from TAMC's management of the non-performing loans.

- If there are profits, the first portion not exceeding 20 percent of the transfer price shall be equally shared between the Bank and TAMC. The second portion shall be fully given to the Bank; provided that, when added to the first portion, the sum shall not exceed the difference between the book value and the transfer price. Any remaining profits after the second portion shall be for TAMC.
- If there are losses, the first portion not exceeding 20 percent of the transfer price shall be borne solely by the Bank. The second portion remaining after the first portion that does not exceed 20 percent of transfer price shall be equally shared and borne between the Bank and TAMC. Any remaining losses after the second portion shall be borne by TAMC.

The Bank is still jointly liable for share of the profit or loss at the end of fifth and tenth years counting from 1 July 2001.

(Unaudited but reviewed)

The Bank received performance reports on non-performing loan management from TAMC. TAMC informed the Bank that there are profits or losses to share. However, such share of profits or losses was on only certain transferred non-performing loans. The Bank has therefore not recorded such share of profits or losses. Total shares of profits or losses will be known at the end of the tenth year. However, as at 30 September 2010 and 31 December 2009, the Bank estimated its share of losses of Baht 222 million and Baht 222 million, respectively, that may be arisen from the management of the non-performing loans. Such amount has been presented as an allowance for impairment against promissory notes received from TAMC, which are recorded as a part of held-to-maturity debt securities.

On the last working day of each year, TAMC shall calculate interest based on a quarterly average deposit rate and pay interest on an annual basis at the end of every year.

As a result of transferring non-performing loans to TAMC, the Bank received promissory notes from TAMC of Baht 2,599 million, maturing on 31 October 2011, 30 November 2011, 29 March 2012, 12 April 2012, 31 October 2012, 31 March 2013 and 30 September 2013 in settlement for transfer prices of non-performing loans transferred, and the Bank classified such promissory notes as held-to-maturity debt securities. Up to 30 September 2010 and 31 December 2009, TAMC made payment and redeemed promissory notes totalling Baht 1,565 million and Baht 1,494 million, respectively. Following such redemptions, the balances of promissory notes as at 30 September 2010 and 31 December 2009 were Baht 1,034 million and Baht 1,105 million, respectively.

During the nine-month periods ended 30 September 2010 and 2009, the Bank recognised interest income on promissory notes from TAMC totaling Baht 6 million and Baht 8 million, respectively.

(Unaudited but reviewed)

**5.8 Gains on investments**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2010	2009	2010	2009
Gains on revaluation of trading securities	1,011	1,279	1,011	349
Gains (losses) on sales of investments				
- Trading securities	2,814	5,238	2,814	2,228
- Available-for-sale securities	4,730	33,961	4,730	33,961
- Investments in a subsidiary (Note 5.4)	-	29,114	-	-
<b>Total gains on investments</b>	<b>8,555</b>	<b>69,592</b>	<b>8,555</b>	<b>36,538</b>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2010	2009	2010	2009
Gains on revaluation of trading securities	1,735	2,222	1,735	1,868
Gains on sales of investments				
- Trading securities	2,546	37,862	2,546	17,877
- Available-for-sale securities	22,215	209,860	22,215	209,860
- General investments	1,022	2,560	1,022	2,560
- Investments in a subsidiary (Note 5.4)	-	29,114	-	-
Losses on impairment of investments				
- Available-for-sale securities	-	(5,175)	-	(5,175)
- General investments	-	(721)	-	(721)
- Investments in a subsidiary	-	-	-	(69,593)
<b>Total gains on investments</b>	<b>27,518</b>	<b>275,722</b>	<b>27,518</b>	<b>156,676</b>



(Unaudited but reviewed)

## 5.9 Reconciliations of shareholders' equity between those stated in the consolidated financial statements and the separate financial statements

(Unit: Thousand Baht)

	30 September 2010	31 December 2009
Equity attributable to the Bank's shareholders in the separate financial statements	13,598,889	13,093,700
<u>Reconciled items</u>		
Accumulated share of gains (losses) from investments under equity method	331,892	(269,126)
Accumulated dividends received from a subsidiary and an associated company	(201,365)	(199,785)
Allowance for impairment on a subsidiary	-	469,593
Gains on disposal of investment in a subsidiary (Notes 5.4)	-	29,114
Total amounts of reconciled items	130,527	29,796
Equity attributable to the Bank's shareholders in the consolidated financial statements	13,729,416	13,123,496

## 6. Loans and accrued interest receivables

### 6.1 Classified by types of loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<b>Loans and receivables:</b>				
Overdrafts	1,144,291	1,185,348	1,144,291	1,185,348
Loans	21,019,995	24,150,716	20,756,703	23,872,636
Notes receivable	11,745,517	13,586,594	25,759,717	21,090,595
Hire purchase and financial lease receivables	16,794,815	9,104,551	-	1,690
Total loans and receivables	50,704,618	48,027,209	47,660,711	46,150,269
Add: Accrued interest receivables	48,506	141,943	50,035	143,567
Total loans, receivables and accrued interest receivables	50,753,124	48,169,152	47,710,746	46,293,836
Less: Allowance for doubtful accounts	(1,694,036)	(1,419,467)	(1,470,658)	(1,276,578)
Allowance for revaluation on debt restructuring	(11,858)	(12,358)	(11,858)	(12,358)
Loans, receivables and accrued interest receivables - net	49,047,230	46,737,327	46,228,230	45,004,900

(Unaudited but reviewed)

**6.2 Classified by types of business and loan classification**

(Unit: Thousand Baht)

Consolidated financial statements						
30 September 2010						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	430,346	-	-	894	56,935	488,175
Manufacturing and commerce	18,838,043	95,255	80,776	530,020	1,203,392	20,747,486
Real estate and construction	3,287,395	63,997	217,738	178,410	368,766	4,116,306
Public utilities and services	4,714,701	16,478	314,125	6,669	44,716	5,096,689
Housing loans	88,293	13,266	2,674	3,124	22,812	130,169
Others	18,730,326	1,114,296	118,959	94,416	116,302	20,174,299
Total loans and accrued interest receivables	<u>46,089,104</u>	<u>1,303,292</u>	<u>734,272</u>	<u>813,533</u>	<u>1,812,923</u>	<u>50,753,124</u>

(Unit: Thousand Baht)

Consolidated financial statements						
31 December 2009						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	543,584	-	2,682	53,852	2,636	602,754
Manufacturing and commerce	22,740,543	814,405	385,572	534,786	446,523	24,921,829
Real estate and construction	4,154,207	117,677	11,367	292,336	364,138	4,939,725
Public utilities and services	5,246,493	14,554	320,901	8,733	51,913	5,642,594
Housing loans	103,318	18,321	2,846	6,569	34,809	165,863
Others	10,745,312	942,445	74,579	55,997	78,054	11,896,387
Total loans and accrued interest receivables	<u>43,533,457</u>	<u>1,907,402</u>	<u>797,947</u>	<u>952,273</u>	<u>978,073</u>	<u>48,169,152</u>

(Unit: Thousand Baht)

Separate financial statements						
30 September 2010						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	430,346	-	-	894	56,935	488,175
Manufacturing and commerce	32,590,480	95,255	80,776	530,020	1,203,392	34,499,923
Real estate and construction	3,287,395	63,997	217,738	178,410	368,766	4,116,306
Public utilities and services	4,714,701	16,478	314,125	6,669	44,716	5,096,689
Housing loans	88,293	13,266	2,674	3,124	22,812	130,169
Others	3,357,160	616	-	-	21,708	3,379,484
Total loans and accrued interest receivables	<u>44,468,375</u>	<u>189,612</u>	<u>615,313</u>	<u>719,117</u>	<u>1,718,329</u>	<u>47,710,746</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements						
31 December 2009						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	543,584	-	2,682	53,852	2,636	602,754
Manufacturing and commerce	30,246,531	535,962	385,572	534,786	446,523	32,149,374
Real estate and construction	4,154,206	117,677	11,367	292,336	364,138	4,939,724
Public utilities and services	5,246,493	14,554	320,901	8,733	51,913	5,642,594
Housing loans	103,318	18,321	2,846	6,569	34,809	165,863
Others	2,770,665	719	-	-	22,143	2,793,527
Total loans and accrued interest receivables	43,064,797	687,233	723,368	896,276	922,162	46,293,836

**6.3 Classified by loan classification**

(Unit: Thousand Baht)

Consolidated financial statements								
30 September 2010				31 December 2009				
	Loans and accrued interest receivables	Debt balance after collateral <sup>(1)</sup>	Provision amounts provided in the accounts	Loans and accrued interest receivables	Debt balance after collateral <sup>(1)</sup>	Provision amounts provided in the accounts		
		Minimum percentage			Minimum percentage			
		%			%			
Pass	46,089,104	20,042,609	1	200,426	43,533,457	22,511,114	1	225,111
Special-mention	1,303,292	274,223	2	5,484	1,907,402	604,770	2	12,096
Sub-standard	734,272	70,906	100	70,906	797,947	271,026	100	271,026
Doubtful	813,533	436,080	100	436,080	952,273	352,153	100	352,153
Doubtful of loss	1,812,923	646,856	100	646,856	978,073	60,603	100	60,603
Total	50,753,124	21,470,674		1,359,752	48,169,152	23,799,666		920,989
Specific provision in accordance with qualitative criteria				334,284				498,478
Total				1,694,036				1,419,467

<sup>(1)</sup> Debt balance after collateral is debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements							
	30 September 2010				31 December 2009			
	Loans and accrued interest receivables	Debt balance after collateral <sup>(1)</sup>	Minimum percentage	Provision amounts provided in the accounts	Loans and accrued interest receivables	Debt balance after collateral <sup>(1)</sup>	Minimum percentage	Provision amounts provided in the accounts
			%				%	
Pass	44,468,375	32,558,295	1	325,583	43,064,797	29,234,784	1	292,348
Special-mention	189,612	66,735	2	1,335	687,233	363,464	2	7,269
Sub-standard	615,313	19,925	100	19,925	723,368	241,500	100	241,500
Doubtful	719,117	397,535	100	397,535	896,276	333,644	100	333,644
Doubtful of loss	1,718,329	553,078	100	553,078	922,162	4,692	100	4,692
Total	<u>47,710,746</u>	<u>33,595,568</u>		1,297,456	<u>46,293,836</u>	<u>30,178,084</u>		879,453
Specific provision in accordance with qualitative criteria				173,202				397,125
Total				<u>1,470,658</u>				<u>1,276,578</u>

<sup>(1)</sup> Debt balance after collateral is debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

## 6.4 Non-accrued loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Non-accrued loans (principal only)	3,351,305	2,720,069	3,043,335	2,533,581
Percentage of total loans <sup>(1)</sup>	5.9	5.0	5.6	4.8

<sup>(1)</sup> The denominator base included interbank and money market items (loans).

(Unaudited but reviewed)

## 6.5 Hire purchase receivables/financial lease receivables

As at 30 September 2010 and 31 December 2009, the Bank and its subsidiary have net hire purchase and financial lease receivables amounting to Baht 16,795 million and Baht 9,105 million, respectively, the majority of which is hire purchase or financial lease contracts for motor vehicles, machinery and equipment for their customers' operating businesses. The average contract periods are 1 to 6 years and the interest rates are fixed as specified in the contracts.

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2010					
Amounts due under agreements					
Not over 1 year	1-5 years	Over 5 years	Non- performing loans	Total	
Aggregate initial investments under the contracts	5,843	12,918	383	205	19,349
Unearned income <sup>(1)</sup>	(1,078)	(1,434)	(11)	(31)	(2,554)
Present value of minimum lease payments	4,765	11,484	372	174	16,795
Allowance for doubtful accounts					221

<sup>(1)</sup> Net of commissions and initial direct expenses incurred at the inception of hire purchase contracts.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2009					
Amounts due under agreements					
Not over 1 year	1-5 years	Over 5 years	Non- performing loans	Total	
Aggregate initial investments under the contracts	3,471	6,778	45	125	10,419
Unearned income <sup>(1)</sup>	(605)	(690)	(1)	(18)	(1,314)
Present value of minimum lease payments	2,866	6,088	44	107	9,105
Allowance for doubtful accounts					143

<sup>(1)</sup> Net of commissions and initial direct expenses incurred at the inception of hire purchase contracts.

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements as at 30 September 2010				
Amounts due under agreements				
Not over 1 year	1-5 years	Over 5 years	Non- performing loans	Total
Aggregate initial investments under the contracts	-	-	-	-
Present value of minimum lease payments	-	-	-	-
Allowance for doubtful accounts				-

(Unit: Million Baht)

Separate financial statements as at 31 December 2009				
Amounts due under agreements				
Not over 1 year	1-5 years	Over 5 years	Non- performing loans	Total
Aggregate initial investments under the contracts	-	-	2	2
Present value of minimum lease payments	-	-	2	2
Allowance for doubtful accounts				2

## 6.6 Unearned income

As at 30 September 2010 and 31 December 2009, unearned income is summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Unearned income <sup>(1)</sup>	2,554,220	1,313,818	-	-

<sup>(1)</sup> Unearned income from hire purchase contracts is stated net of commissions and initial direct expenses incurred at the inception of contracts.

(Unaudited but reviewed)

## 6.7 Troubled debt restructuring

The Bank entered into troubled debt restructuring contracts with its debtors during the nine-month period ended 30 September 2010 and the year ended 31 December 2009 as follows:

(Unit: Million Baht)

	Separate financial statements			
	For the nine-month period ended 30 September 2010		For the year ended 31 December 2009	
	Number of debtors	Outstanding balances before restructuring	Number of debtors	Outstanding balances before restructuring
Restructured debts	20	364	54	1,300

The restructured debtors discussed above can be classified by methods of debt restructuring as follows:

(Unit: Million Baht)

	Separate financial statements						
	For the nine-month period ended 30 September 2010						
	Number of debtors	Debt balances		Average period of the remaining term of debt restructuring	Type of assets transferred	Fair value	Losses on debt restructuring <sup>(1)</sup>
Before restructuring		After restructuring					
Modification of terms of payments	20	364	364		-	-	-
Total restructured debts	20	364	364		-	-	-
Loans and accrued interest receivables as at 30 September 2010	933	47,711					

<sup>(1)</sup> Losses on debt restructuring are the amounts before deducting allowance for doubtful accounts already provided for troubled debts in the accounts on the restructuring dates.

## (Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements								
For the year ended 31 December 2009								
	Number of debtors	Debt balances		Average period of the remaining term of debt restructuring	Type of assets transferred	Fair value	Losses on debt restructuring <sup>(1)</sup>	Present value losses from debt restructuring
		Before restructuring	After restructuring					
Modification of terms of payments	50	759	703	5 years	-	-	56	-
Transfer of assets and modification of terms of payments	4	541	541 <sup>(2)</sup>	-	Land, buildings and machinery	239 <sup>(3)</sup>	-	-
<b>Total restructured debts</b>	<b>54</b>	<b>1,300</b>	<b>1,244</b>			<b>239</b>	<b>56</b>	<b>-</b>
Loans and accrued interest receivables as at 31 December 2009		1,047	46,294					

<sup>(1)</sup> Losses on debt restructuring are the amounts before deducting allowance for doubtful accounts already provided for troubled debts in the accounts on the restructuring dates.

<sup>(2)</sup> As at the balance sheets date, the debtors already signed the debt restructuring agreements but the transfers of assets have yet been completed. Hence, outstanding balances still remained as at the balance sheet dates.

<sup>(3)</sup> For debt restructuring by transfer of assets in settlement of debts, the transfer price of mortgaged and pledged assets can be determined after the debtors have fulfilled the conditions stipulated in the debt restructuring agreements. Thus, fair value is stated at the latest appraisal value and the Bank already provided for relevant allowance for doubtful accounts.

For debt restructuring by modification of terms of payments, the Bank will calculate the net realisable value on the basis of the present value of the future cash flows to be received under the new conditions, using the Bank's minimum interest rate for loan to large customers in discounting.

Additional information for the nine-month period ended 30 September 2010 and 2009 relating to the restructured debts is as follows:

(Unit: Million Baht)		
Separate financial statements		
	For the nine-month period ended	For the nine-month period ended 30 September
	30 September 2010	2009
Part of debt forgiven to debtors during the periods in case that they full filled debt restructuring conditions during the periods	32	42
Interest income recognised in statements of income	79	102
Settlement by debtors		
Principal	204	284
Interest	70	114



(Unaudited but reviewed)

As at 30 September 2010 and 31 December 2009, troubled debtors, which the Bank has completed restructuring, can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements	
	Number of debtors	Debt balances after restructuring
Balance of restructured debts up to 30 September 2010	161	2,064
Balance of restructured debts up to 31 December 2009	179	2,006

During the nine-month periods ended 30 September 2010 and 2009, the Bank reversed allowance for revaluation on debt restructuring amounting to Baht 0.1 million and Baht 12 million, respectively, and amortised allowance for revaluation on debt restructuring as interest income totaling Baht 0.4 million and Baht 1 million, respectively.

As at 30 September 2010 and 31 December 2009, the Bank has no commitment to additionally lend to its debtors after debt restructuring.

The Bank was not able to estimate the amount of future losses on outstanding loans currently being restructured at this stage.

## 6.8 Loans to companies having problems with financial position and operating results

As at 30 September 2010 and 31 December 2009, the Bank had loans and accrued interest receivables due from companies having problems with their financial position and operating results, and set aside allowances for doubtful accounts as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements							
							Allowance for doubtful accounts and allowance for revaluation	
	Number of loans		Debt balances		Collateral		for revaluation	
30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	
Listed companies under rehabilitation and/or delisting conditions	2	1	21	12	21	12	-	-

(Unaudited but reviewed)

## 7. Allowance for doubtful accounts and allowance for revaluation on debt restructuring

### 7.1 Allowance for doubtful accounts

(Unit: Thousand Baht)

Consolidated financial statements							
For the nine-month period ended 30 September 2010							
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Specific provision in accordance with qualitative criteria	Total
Balance - beginning of the period	225,111	12,096	271,026	352,153	60,603	498,478	1,419,467
Allowance for doubtful accounts	(24,685)	(6,612)	(200,120)	90,794	638,262	(164,194)	333,445
Bad debt written-off	-	-	-	(6,867)	(52,009)	-	(58,876)
Balance - end of the period	<u>200,426</u>	<u>5,484</u>	<u>70,906</u>	<u>436,080</u>	<u>646,856</u>	<u>334,284</u>	<u>1,694,036</u>

(Unit: Thousand Baht)

Consolidated financial statements							
For the year ended period 31 December 2009							
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Specific provision in accordance with qualitative criteria	Total
Balance - beginning of the year	249,437	18,785	176,096	394,966	37,856	165,667	1,042,807
Allowance for doubtful accounts	(24,326)	(6,689)	102,104	(32,255)	758,624	332,811	1,130,269
Bad debt written-off	-	-	(7,174)	(10,558)	(722,769)	-	(740,501)
Decrease from disposal of investment in a subsidiary	-	-	-	-	(13,108)	-	(13,108)
Balance - end of the year	<u>225,111</u>	<u>12,096</u>	<u>271,026</u>	<u>352,153</u>	<u>60,603</u>	<u>498,478</u>	<u>1,419,467</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements							
For the nine-month period ended 30 September 2010							
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Specific provision in accordance with qualitative criteria	Total
Balance - beginning of the period	292,348	7,269	241,500	333,644	4,692	397,125	1,276,578
Allowance for doubtful accounts	33,235	(5,934)	(221,575)	63,891	600,140	(223,923)	245,834
Bad debt written-off	-	-	-	-	(51,754)	-	(51,754)
Balance - end of the period	<u>325,583</u>	<u>1,335</u>	<u>19,925</u>	<u>397,535</u>	<u>553,078</u>	<u>173,202</u>	<u>1,470,658</u>

(Unit: Thousand Baht)

Separate financial statements							
For the year ended period 31 December 2009							
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Specific provision in accordance with qualitative criteria	Total
Balance - beginning of the year	243,886	13,402	151,740	382,088	4,886	155,090	951,092
Allowance for doubtful accounts	48,462	(6,133)	89,760	(48,444)	722,575	242,035	1,048,255
Bad debt written-off	-	-	-	-	(722,769)	-	(722,769)
Balance - end of the year	<u>292,348</u>	<u>7,269</u>	<u>241,500</u>	<u>333,644</u>	<u>4,692</u>	<u>397,125</u>	<u>1,276,578</u>

## 7.2 Allowance for revaluation on debt restructuring

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	For the nine-month period ended 30 September 2010	For the year ended 31 December 2009
Balance - beginning of the period/year	12,358	25,541
Decrease during the period/year	(104)	(11,937)
Amortised during the period/year	(396)	(1,246)
Balance - end of the period/year	<u>11,858</u>	<u>12,358</u>

## 8. Properties foreclosed

The majority of properties foreclosed are from auction bidding and settlement of debts by the restructured debtors.

In cases where the debtors restructure their debts by means of a debt/asset swap, the Bank may grant buyback options or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements.

For the nine-month period ended 30 September 2010 and for the year ended 31 December 2009, movement of properties foreclosed can be summarised as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
For the nine- month period ended 30 September 2010					
Type of properties foreclosed	Balance as at 31 December 2009	Additions	Disposals	Balance as at 30 September 2010	Portion subject to disposal restrictions, buyback options or first refusal rights
<b>Assets transferred in settlement of debts</b>					
Immovable assets					
Internal appraiser	430,333	-	(18,038)	412,295	39,477
External appraiser	938,805	-	-	938,805	69,404
Movable assets	2,058	116,576	(93,548)	25,086	-
<b>Assets from auction bidding</b>					
Immovable assets					
Internal appraiser	269,451	10,470	(32,797)	247,124	-
Total	1,640,647	127,046	(144,383)	1,623,310	108,881
Less: Allowance for impairment	(354,102)	(12,883)	22,593	(344,392)	(42,632)
Properties foreclosed - net	<u>1,286,545</u>	<u>114,163</u>	<u>(121,790)</u>	<u>1,278,918</u>	<u>66,249</u>

## (Unaudited but reviewed)

(Unit: Thousand Baht)

## Consolidated financial statements

For the year ended 31 December 2009

Type of properties foreclosed	Balance as at			Portion subject to disposal restrictions, buyback options or first refusal rights	
	31 December 2008	Additions	Disposals	Balance as at 31 December 2009	
<b>Assets transferred in settlement of debts</b>					
Immovable assets					
Internal appraiser	442,915	91,707	(104,289)	430,333	39,477
External appraiser	522,343	416,463	-	938,805	69,404
Movable assets	3,875	114,770	(116,587)	2,058	-
<b>Assets from auction bidding</b>					
Immovable assets					
Internal appraiser	248,067	93,995	(72,612)	269,451	-
Total	1,217,200	716,935	(293,488)	1,640,647	108,881
Less: Allowance for impairment	(292,559)	(111,697)	50,154	(354,102)	(42,632)
Properties foreclosed - net	924,641	605,238	(243,334)	1,286,545	66,249

(Unit: Thousand Baht)

## Separate financial statements

For the nine-month period ended 30 September 2010

Type of properties foreclosed	Balance as at			Portion subject to disposal restrictions, buyback options or first refusal rights	
	31 December 2009	Additions	Disposals	Balance as at 30 September 2010	
<b>Assets transferred in settlement of debts</b>					
Immovable assets					
Internal appraiser	430,333	-	(18,038)	412,615	39,477
External appraiser	938,805	-	-	938,805	69,404
<b>Assets from auction bidding</b>					
Immovable assets					
Internal appraiser	269,451	10,470	(32,797)	246,804	-
Total	1,638,589	10,470	(50,835)	1,598,224	108,881
Less: Allowance for impairment	(353,727)	5,829	6,275	(341,623)	(42,632)
Properties foreclosed - net	1,284,862	16,299	(44,560)	1,256,601	66,249

## (Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements					
For the year ended 31 December 2009					
Type of properties foreclosed	Balance as at 31 December 2008	Additions	Disposals	Balance as at 31 December 2009	Portion subject to disposal restrictions, buyback options or first refusal rights
<b>Assets transferred in settlement of debts</b>					
Immovable assets					
Internal appraiser	442,915	91,707	(104,289)	430,333	39,477
External appraiser	522,343	416,463	-	938,805	69,404
<b>Assets from auction bidding</b>					
Immovable assets					
Internal appraiser	248,067	93,995	(72,612)	269,451	-
Total	1,213,325	602,165	(176,901)	1,638,589	108,881
Less: Allowance for impairment	(291,577)	(91,655)	29,505	(353,727)	(42,632)
Properties foreclosed - net	921,748	510,510	(147,396)	1,284,862	66,249

**9. Property, premises and equipment**

For the nine-month period ended 30 September 2010, movement of equipment is as follows:

	Consolidated financial statements	Separate financial statements
(Unit: Thousand Baht)		
<b>Cost</b>		
31 December 2009	488,969	453,040
Additions	42,898	22,094
Transfer out	(1,375)	(1,375)
Disposals/written-off	(16,767)	(14,518)
30 September 2010	513,725	459,241
<b>Accumulated depreciation</b>		
31 December 2009	(282,220)	(258,347)
Depreciation charged for the period	(41,225)	(35,580)
Accumulated depreciation on disposals/written-off	15,722	14,415
30 September 2010	(307,723)	(279,512)
<b>Net book value</b>		
31 December 2009	206,749	194,693
30 September 2010	206,002	179,729
<b>Depreciation included in statements of income for the nine-month periods ended</b>		
30 September 2009	52,052	34,132
30 September 2010	41,225	35,580

(Unaudited but reviewed)

## 10. Classification of assets in accordance with the Notification of the Bank of Thailand

As at 30 September 2010 and 31 December 2009, the quality of assets of the Bank and its subsidiary, operating leasing and hire purchase businesses, classified in accordance with the Notification of the Bank of Thailand are as follows:

(Unit: Million Baht)

Consolidated financial statements										
	Loans and accrued		Investments		Properties foreclosed		Other assets		Total	
	interest receivables <sup>(1)</sup>									
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Pass	52,025	49,654	-	-	-	-	-	-	52,025	49,654
Special-mention	1,303	1,908	-	-	-	-	-	-	1,303	1,908
Sub-standard	734	798	-	-	-	-	-	-	734	798
Doubtful	814	952	-	-	-	-	-	-	814	952
Doubtful of loss	1,813	978	682	687	344	354	30	26	2,869	2,045
Total	56,689	54,290	682	687	344	354	30	26	57,745	55,357

<sup>(1)</sup> The classified debts included loans to the financial institutions, which are presented as a part of interbank and money market items (assets) in the balance sheets.

(Unit: Million Baht)

Separate financial statements										
	Loans and accrued		Investments		Properties foreclosed		Other assets		Total	
	interest receivables <sup>(1)</sup>									
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Pass	50,404	49,185	-	-	-	-	-	-	50,404	49,185
Special-mention	190	687	-	-	-	-	-	-	190	687
Sub-standard	615	724	-	-	-	-	-	-	615	724
Doubtful	719	896	-	-	-	-	-	-	719	896
Doubtful of loss	1,718	922	682	687	342	354	3	3	2,745	1,966
Total	53,646	52,414	682	687	342	354	3	3	54,673	53,458

<sup>(1)</sup> The classified debts included loans to the financial institutions, which are presented as a part of interbank and money market items (assets) in the balance sheets.

## 11. Share capital

Preference shares of the Bank are divided into Class A and Class B shares, both of which are non-cumulative dividend-paying shares. Holders of Class B preference shares are entitled to preferential receipt of dividends and return of capital over holders of Class A preference shares and ordinary shares. If the Bank reduces its capital as a result of operating losses on assets held prior to the injection of capital funds by the Ministry of Finance, the Bank is to reduce the capital of the ordinary shares and the Class A preference shares first, to the extent that this does not exceed the accumulated loss as at the date that the Ministry of Finance injected funds plus any subsequent losses on the assets held prior to that date. If the Bank reduces capital as a result of operating losses on assets acquired after the Ministry of Finance injected funds, the Bank is to reduce the capital of the ordinary shares first and the Class A preference shares and Class B preference shares proportionately. All preferences have a period of 10 years, which expired in November 2009. Hence, rights of preference shareholders are now the same as those of the ordinary shareholders.

Holders of both classes of preference shares are entitled to convert the shares they hold to ordinary shares, with the conversion ratio being 1:1. All Class A preference shares were already converted into ordinary shares and the preference shareholders are still entitled to convert the remaining Class B preference shares to ordinary shares.

During the nine-month period ended 30 September 2010, 85,510 Class B preference shares were converted into ordinary shares. After conversion, as at 30 September 2010, there were 1,587,750,984 ordinary shares in issue, and 2,701,961 Class B preference shares outstanding and during the year ended 31 December 2009, 500,486,942 Class B preference shares were converted into ordinary shares. After conversion, as at 31 December 2009, there were 1,587,665,474 ordinary shares in issue, and 2,787,471 Class B preference shares outstanding.

The registered capital of the Bank as presented in the balance sheets as at 30 September 2010 and 31 December 2009 is the registered capital per the Bank's Memorandum of Association.



(Unaudited but reviewed)

Reconciliation of number of ordinary shares and preference shares

	(Unit: Shares)	
	30 September 2010	31 December 2009
<u>Registered share capital</u>		
<u>Ordinary shares</u>		
Number of ordinary shares at the beginning of the period/year	1,087,923,532	1,087,178,532
Registered conversion of preference shares into ordinary shares	499,795,772	745,000
Number of ordinary shares at the end of the period/year	<u>1,587,719,304</u>	<u>1,087,923,532</u>
<u>Preference shares</u>		
Number of preference shares at the beginning of the period/year	502,529,413	503,274,413
Registered conversion of preference shares into ordinary shares	(499,795,772)	(745,000)
Number of preference shares at the end of the period/year	<u>2,733,641</u>	<u>502,529,413</u>
<u>Issued and paid-up share capital</u>		
<u>Ordinary shares</u>		
Number of ordinary shares at the beginning of the period/year	1,587,665,474	1,087,178,532
Conversion of preference shares into ordinary shares	85,510	500,486,942
Number of ordinary shares at the end of the period/year	<u>1,587,750,984</u>	<u>1,587,665,474</u>
<u>Preference shares</u>		
Number of preference shares at the beginning of the period/year	2,787,471	503,274,413
Conversion of preference shares into ordinary shares	(85,510)	(500,486,942)
Number of preference shares at the end of the period/year	<u>2,701,961</u>	<u>2,787,471</u>

(Unaudited but reviewed)

## 12. Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551. As at 30 September 2010 and 31 December 2009, the capital funds are as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	30 September 2010	31 December 2009
<u>Tier 1 capital</u>		
Registered and fully paid share capital	15,904,529	15,904,529
Investments in instruments already counted as other financial institutions' capital funds	(283,756)	(384,632)
Deficit	(2,687,633)	(3,143,633)
Total	<u>12,933,140</u>	<u>12,376,264</u>
<u>Tier 2 capital</u>		
Reserve for assets classified as "Pass"	333,992	293,748
Revaluation surplus on investments in available-for-sale securities	4,820	2,344
Investments in instruments already counted as other financial institutions' capital funds	(283,756)	(296,092)
Total	<u>55,056</u>	<u>-</u>
Total capital funds	<u>12,988,196</u>	<u>12,376,264</u>

As at 30 September 2010 and 31 December 2009, the calculation of capital ratios, which are determined in accordance with the criteria regulating capital funds of commercial banks as announced in the Notification of the Bank of Thailand, are as follows:

(Unit: Percentage)

Capital ratios	Separate financial statements			
	30 September 2010		31 December 2009	
	The Bank	Requirement	The Bank	Requirement
Tier I capital to risk assets	21.97	4.25	22.64	4.25
Total capital to risk assets	22.07	8.50	22.64	8.50

(Unaudited but reviewed)

In compliance with Basel II's Pillar III about concerning disclosure of capital adequacy information, under BOT Notification the Bank disclosed capital adequacy and capital risk exposure information as of 30 June 2010 through the Bank's website at [www.icbcthai.com](http://www.icbcthai.com) on 24 September 2010.

### **13. Directors' remuneration**

Directors' remuneration represents the benefits (exclusive of salaries and related benefits payable to executive directors) paid to the Bank and subsidiaries' directors in accordance with Section 90 of the Public Limited Companies Act.

### **14. Income tax**

Income tax has been calculated based on earnings before income tax after adding back certain expenses and provision non-deductible for tax computation purposes and deducting tax-exempted revenue.

### **15. Earnings per share**

Basic earnings per share is calculated by dividing net income attributable to equity holders of the Bank, after deducting dividends for the preference shareholders (if any), by the weighted average number of ordinary shares in issue during the periods.

Diluted earnings per share is calculated by dividing net income attributable to equity holders of the Bank, after adjusting for the effect of transactions related to dilutive potential ordinary shares by the sum of the weighted average number of ordinary shares in issue during the periods and the weighted average number of ordinary shares, which would need to be issued for conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the periods or on the dates the potential ordinary shares were issued. Since the rights of the preference shareholders to convert into ordinary shares expired in November 2009 resulting in the preference shareholders having the same rights as the ordinary shareholders, there was no effect of dilutive potential ordinary shares for the three-month and nine-month periods ended 30 September 2010.

(Unaudited but reviewed)

The following tables set forth the computation of basic and diluted earnings per share:

For the three-month periods ended 30 September 2010						
Consolidated financial statements			Separate financial statements			
	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share		Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	
Net income	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the Bank	202,902	1,590,453	<u>0.13</u>	154,456	1,590,453	<u>0.10</u>
For the three-month periods ended 30 September 2009						
Consolidated financial statements			Separate financial statements			
	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share		Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	
Net income	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the Bank	245,772	1,088,325	<u>0.23</u>	189,282	1,088,325	<u>0.17</u>
<b>Effect of dilutive potential ordinary shares</b>						
Convertible preference shares	-	501,606		-	501,066	
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion into ordinary shares	<u>245,772</u>	<u>1,589,931</u>	<u>0.15</u>	<u>189,282</u>	<u>1,589,931</u>	<u>0.12</u>

## (Unaudited but reviewed)

For the nine-month periods ended 30 September 2010

	Consolidated financial statements			Separate financial statements		
	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	Net income	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	Net income
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the Bank	452,050	1,590,453	<u>0.28</u>	351,319	1,590,453	<u>0.22</u>

For the nine-month periods ended 30 September 2009

	Consolidated financial statements			Separate financial statements		
	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	Net income	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	Net income
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the Bank	450,859	1,087,917	<u>0.41</u>	345,693	1,087,917	<u>0.32</u>
<b>Effect of dilutive potential ordinary shares</b>						
Convertible preference shares	-	501,606		-	501,606	
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion into ordinary shares	<u>450,859</u>	<u>1,589,523</u>	<u>0.28</u>	<u>345,693</u>	<u>1,589,523</u>	<u>0.22</u>

## 16. Related party transactions

As at 30 September 2010 and 31 December 2009, the Bank had significant business transactions with its subsidiary and related companies, including transactions with directors or management employees from executive vice president level upward or equivalent position, persons related to the referred persons, entities in which the referred persons or the related persons have management authority, or entities in which the Bank or directors or such management employees from executive vice president level upward or equivalent position or persons related to the referred persons hold in the aggregate more than 10 percent of the issued share capital.

Relationship with related parties are summarised below.

1. The parent company of the Bank, holding 97.24 % of its paid-up share capital since 21 April 2010, is Industrial and Commercial Bank of China Limited.
2. The shareholder of the Bank with a stake more than 10 percent, was Bangkok Bank Public Company Limited, which has not been considered a related party of the Bank since 21 April 2010, when the current parent company of the Bank purchased the shares it held in the Bank.
3. Companies having transaction with the Bank in which Bangkok Bank Public Company Limited holds 20 or more percent of shares and over which it has management control consist of the following. These have not been related parties of the Bank since 21 April 2010, when the current parent company of the Bank purchased the shares it held in the Bank.
  - BBL Asset Management Company Limited
  - Bualuang Securities Company Limited
4. The subsidiary of the Bank is
  - Leasing Sinn Asia Company Limited
5. The accounting standard defines associated companies as those entities over which the investor has significant influence, but which is not a subsidiary. If the investor's direct and indirect voting rights total at least 20 percent of the issued share capital of such company, it is presumed that the investor has significant influence over the company. The associated company of the Bank is
  - Finansia Syrus Securities Public Company Limited (an associated company of the Bank since 15 September 2009)

(Unaudited but reviewed)

6. The subsidiary of the Bank's associated company, which has transaction with the Bank, is
  - ACL Securities Company Limited
7. The companies that are related through the Bank's directors and management and have transactions with the Bank, consist of
  - Bangkok BTMU Company Limited
  - M-Home SPV 3 Company Limited
  - Siam Piwat Company Limited
  - Siam Piwat Holding Company Limited

Transactions occurring during the three-month periods and the nine-month periods ended 30 September 2010 and 2009 can be summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2010	2009	2010	2009
Interest income	3,192	386	136,004	74,866
Fees income	86	-	86	-
Rental income	-	-	15	45
Other income	-	-	9	9
Interest expense	1,111	2,847	1,128	3,079
Fee and service expenses	404	116	404	530

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2010	2009	2010	2009
Interest income	6,020	3,239	341,021	226,521
Fees income	98	-	98	-
Dividend income	22,000	3,000	23,580	3,000
Brokerage fees from derivatives business	-	21	-	-
Rental income	-	-	105	135
Other income	-	-	27	58
Interest expense	2,565	15,203	2,586	16,222
Fee and service expenses	1,706	295	1,527	2,317

The Bank has established guidelines whereby interest rates, fees, service and rental charges are to be set for related companies as if the transactions were being executed with unrelated parties, with the key consideration being maximisation of benefit to the Bank.

The outstanding balances of transactions between the Bank and its subsidiary, or between the Bank or its subsidiary and their related parties can be summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<b>Interbank and money market items (assets)</b>				
Bangkok Bank Public Company Limited	- <sup>(1)</sup>	124,377	- <sup>(1)</sup>	45,504
Finansia Syrus Securities Public Company Limited	40,007	140,050	40,007	140,050
Industrial and Commercial Bank of China Limited	340,076	-	340,076	-
<b>Investments</b>				
Leasing Sinn Asia Company Limited	-	-	2,500,000	1,000,000
Finansia Syrus Securities Public Company Limited	286,399	259,472	255,170	255,170
Bangkok BTMU Company Limited	20,390	20,390	20,390	20,390
<b>Loans</b>				
Leasing Sinn Asia Company Limited	-	-	14,014,200	7,504,000
<b>Accrued interest receivables</b>				
Leasing Sinn Asia Company Limited	-	-	1,710	1,988
<b>Other assets</b>				
Bangkok Bank Public Company Limited	-	166	-	-
ACL Securities Company Limited	3,231	13,951	3,231	13,951
Leasing Sinn Asia Company Limited	-	-	3	25

<sup>(1)</sup> There are still outstanding balances with the Bank as at the balance sheet data but they were not the Bank's related parties as of such date.



## (Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<b>Interbank and money market items (liabilities)</b>				
Industrial and Commercial Bank of China Limited	504,669	-	504,669	-
ACL Securities Company Limited	125,450	241,450	125,450	241,450
Bualuang Securities Company Limited	- <sup>(1)</sup>	280,000	- <sup>(1)</sup>	280,000
Finansia Syrus Securities Public Company Limited	32	82	32	82
<b>Deposits and borrowings</b>				
Leasing Sinn Asia Company Limited	-	-	2,124	5,562
M-Home SPV 3 Company Limited	9,158	3,574	9,158	3,574
Siam Piwat Company Limited	130,000	95,000	130,000	95,000
Siam Piwat Holding Company Limited	-	50,000	-	50,000
Related persons	75,313	57,322	75,313	57,322
<b>Accrued interest payables</b>				
ACL Securities Company Limited	-	-	17	-
Bualuang Securities Company Limited	37	55	37	55
M-Home SPV 3 Company Limited	- <sup>(1)</sup>	316	- <sup>(1)</sup>	316
Siam Piwat Company Limited	29	3	29	3
Siam Piwat Holding Company Limited	243	80	243	80
Related persons	-	119	-	119
<b>Off-balance sheet items</b>				
Bangkok Bank Public Company Limited				
Forward contract - bought	- <sup>(1)</sup>	1,124,239	- <sup>(1)</sup>	1,124,239
Forward contract - sold	- <sup>(1)</sup>	728,905	- <sup>(1)</sup>	728,905
Industrial and Commercial Bank of China Limited				
Other commitments	147,445	-	147,445	-

<sup>(1)</sup> There are still outstanding balances with the Bank as at the balance sheet date but they were not the Bank's related parties as of such date.

For restructured debts, interest rates will be according to conditions as stipulated in debt restructuring agreements.

The Bank's policy in setting up allowance for doubtful accounts on loans to related parties is similar to other debtors. As at 30 September 2010 and 31 December 2009, the Bank set up allowance for doubtful accounts and allowance for revaluation on loans to related parties totaling Baht 144 million and Baht 76 million, respectively.

The deposits and borrowings mentioned above are promissory notes, deposit receipts or bills of exchange, carrying interest rates of 0.75 to 3.00 percent per annum.

As at 31 December 2009, Bangkok Bank Public Company Limited obliged to guarantee the Bank totaling Baht 0.37 million. As at 30 September 2010, it was not the Bank's related parties as of such date

(Unaudited but reviewed)

Movements of loans (included interbank and money market items - assets) to related parties during the nine-month period ended 30 September 2010 are as follows:

(Unit: Thousand Baht)

	31 December 2009	Addition during the period	Repayment during the period	30 September 2010	Period of contracts
Leasing Sinn Asia Company Limited	7,504,000	7,585,600	(1,075,400)	14,014,200	Revolving loans
Finansia Syrus Securities Public Company Limited	140,000	-	(100,000)	40,000	16 Sep 09 - 16 Mar 11
Industrial and Commercial Bank of China Limited	-	290,777	(13,079)	277,698	21 Jun 10 - 14 Jan 11
Industrial and Commercial Bank of China Limited	-	146,760	(101,094)	45,666	23 Jun 10 - 21 Oct 10
Industrial and Commercial Bank of China Limited	-	36,617	(21,705)	14,912	24 Jun 10 - 14 Oct 10

Movements of deposits and borrowings from related companies during the nine-month period ended 30 September 2010 are as follows:

(Unit: Thousand Baht)

	31 December 2009	Deposits/ borrowings during the period	Repayment during the period	30 September 2010	Period of contracts
Industrial and Commercial Bank of China Limited	-	504,669	-	504,669	At call
ACL Securities Company Limited	241,450	177,450	(293,450)	125,450	At call
ACL Securities Company Limited	-	2,349,450	(2,349,450)	-	Matured
Finansia Syrus Securities Public Company Limited	82	3,390	(3,440)	32	At call
Leasing Sinn Asia Company Limited	5,562	2,355,510	(2,358,948)	2,124	At call
M Home SPV 3 Company Limited	3,574	11,513	(5,929)	9,158	At call
Siam Piwat Company Limited	95,000	270,000	(235,000)	130,000	25 Jun 10 - 15 Dec 10
Siam Piwat Holding Company Limited	50,000	36,000	(86,000)	-	Matured
Related persons	30,882	52,575	(64,127)	19,330	At call
Related persons	26,440	210,336	(180,793)	55,983	1 Apr 10 - 11 May 11

For the nine-month periods ended 30 September 2010 and 2009, the Bank paid salaries, bonuses, meeting allowances and other remunerations to its key management personnel, including directors, totaling Baht 62 million and Baht 59 million, respectively.

(Unaudited but reviewed)

**17. Contingent liabilities and commitments****17.1 Commitments**

(Unit: Million Baht)

	Consolidated and separate financial statements					
	30 September 2010			31 December 2009		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bill	3	-	3	49	-	49
Letters of credit	28	154	182	46	150	196
Other contingencies						
Forward exchange contracts - bought	-	17,262	17,262	-	17,544	17,544
Forward exchange contracts - sold	-	18,463	18,463	-	19,826	19,826
Interest rate swap contracts	11,900	-	11,900	10,610	-	10,610
Cross currency swap contracts						
Bought contracts	-	-	-	-	1,001	1,001
Cross currency and interest rate swap contracts						
Sold contracts	-	894	894	-	1,643	1,643
Shipping guarantees	-	93	93	-	1	1
Others	750	167	917	992	46	1,038
Total	<u>12,681</u>	<u>37,033</u>	<u>49,714</u>	<u>11,697</u>	<u>40,211</u>	<u>51,908</u>

**17.2 Commitments under long-term leases and service agreement**

As at 30 September 2010 and 31 December 2009, the Bank and its subsidiary had the following commitments under long-term lease and service agreements for their office spaces and equipment, and other service agreements as follows:

(Unit: Million Baht)

Year	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
2010	19	75	15	62
2011	24	18	13	11
2012	14	10	8	7
2013	6	4	5	4
2014 onwards	40	27	40	26

### **17.3 Commitments under TAMC's management of the non-performing assets**

From 2001 to 2003, the Bank transferred its non-performing loans to TAMC as described in Note 5.7 to the financial statements, the Bank is still jointly liable for a share of profits or losses arising from TAMC's management of the non-performing assets, at the end of fifth and tenth years, counting from 1 July 2001. The gains or losses cannot be estimated with certainty at this stage. However, as at 30 September 2010 and 31 December 2009, the Bank estimated its share of losses of Baht 222 million and Baht 222 million, respectively, which may be arisen at the end of the tenth year from the management of the non-performing assets. This estimated loss amounts are presented as a part of allowance for impairment on long-term investments in held-to-maturity debt securities, which is presented as a deduction item against promissory notes received from TAMC in settlement for the transfer prices.

### **17.4 Contingent liabilities from litigation**

As at 30 September 2010 and 31 December 2009, the Bank and its subsidiary have contingent liabilities as a result of the following litigations for claims from the Bank and its subsidiary, which have been arisen in the ordinary course of business.

17.4.1 As at 30 September 2010, a litigation claim amounting to Baht 0.4 million has been filed against the Bank, which is currently being considered by the Appeals Court, and the Bank's management estimated losse of approximately Baht 0.4 million from such claim, which is recorded under "Provisions for liabilities" in the balance sheet. As at 30 September 2010, the Bank has litigation claim status and provision for liabilities, which are the same as those as at 31 December 2009.

17.4.2 As at 30 September 2010, a litigation claim amounting to Baht 243 million has been filed against the Bank. However, the Appeals Court ordered the Bank to pay the plaintiff a total of Baht 50 million plus interest at 7.5 percent per annum, calculated from 11 June 1998 onwards. Therefore, the Bank estimated its liabilities at Baht 96.4 million (31 December 2009: Baht 93.7 million), and recorded this amount under "Provisions for liabilities" in the balance sheet. The litigation claim status as at 30 September 2010 is the same as that as at 31 December 2009.

17.4.3 As at 30 September 2010, the Bank has three outstanding litigation claims totaling Baht 8.2 million. A litigation claim of Baht 5.9 million of which was ordered dismissed by the Court on 27 October 2009 but the case has yet to be finalised. The remaining claims are being considered by the Court. However as at 30 September 2010, the Bank's management expects that the Bank may incur losses from the outstanding cases, and therefore, the Bank estimated and recorded the amount of Baht 1.7 million under "Provision for liabilities" in the balance sheet (31 December 2009: The Bank recorded no provision for those claims).

17.4.4 As at 30 September 2010 and 31 December 2009, ACL Securities Company Limited (a former subsidiary of the Bank), which the Bank divested as described in Note 5.4 to the financial statements, had contingent liabilities of Baht 75 million and Baht 75 million, respectively, as a result of a litigation claim made in a Labour Law case brought by a former executive, arising in the ordinary course of business of the subsidiary. Ruling of the Chief Justice of the Central Labour Court concluded that this case did not fall under the jurisdiction of the Labor Court. Later, ACL Securities Company Limited's former executive appealed this ruling to the Chief Justice of the Central Labour Court, which dismissed the petition to appeal. The former executive against appealed the Central Labor Court's order not to accept his appeal and ACL Securities Company Limited submitted an objection to the submission of appeal made by its former executive. Later the former executive has filed a request to withdraw the appeal and withdraw the appeal petition previously submitted to the Central Labour Court. On 4 October 2010, the Central Labour Court summoned the parties to hear the order of the Supreme Court, that permitted the withdrawal of the appeal. Hence, the case is considered final and no loss was incurred.

Moreover, the former executive, being a plaintiff in the above-mentioned case, sued the Bank and ACL Securities Company Limited in a civil law case to claim for compensation of Baht 117 million on infringing the contract. This case is currently being considered by the Court. However, the lawyer of this case considers that there is less likely that the Bank and its subsidiary have to pay the claim amount, the Bank and its subsidiary therefore recorded no provision for the claim which was the same as that as at 31 December 2009.

17.4.5 The Bank has contingent liabilities as a result of entering into the guarantee agreement described in Note 5.4 to the financial statements. This agreement terminated on 14 September 2010 and up to the date of the authorisation of these financial statements the Bank has still to receive notice of any claims as a result of such guarantee. Hence, as at 30 September 2010 and 31 December 2009, the Bank's management assessed that no loss would be incurred as a result of providing this guarantee and the Bank therefore recorded no provision in the accounts.

## 17.5 Other commitments

The Bank is obliged to make contributions to the Institute of Deposit Protection within one month after the period ended 30 June and 31 December of every year, at a rate of 0.2 percent of the Bank's daily average deposit balance of each period.

## 18. Financial information by segment

The Bank and its subsidiaries' business operations involve 3 principal segments: (1) banking business (2) securities business and (3) hire purchase/finance leases business. These operations are mainly carried on in Thailand. However, during the third quarter of 2009, the Bank disposed of investment in the subsidiary that operates a securities business as described in Note 5.4 to the financial statements. Therefore the asset items by segment as at 31 December 2009 exclude that assets of such business. Below is financial information by segment of the Bank and its subsidiaries for the nine-month periods ended 30 September 2010 and 2009 and as of 30 September 2010 and 31 December 2009:

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Banking business		Securities business		Hire purchase/finance leases business		Total		Elimination entries		Total	
	2010	2009	2010	2009 <sup>(2)</sup>	2010	2009	2010	2009	2010	2009	2010	2009
Interest and dividend income	634	613	-	7	288	160	922	780	(133)	(74)	789	706
Interest expenses	(219)	(205)	-	-	(146)	(74)	(365)	(279)	133	74	(232)	(205)
Net interest income and dividend income	415	408	-	7	142	86	557	501	-	-	557	501
Bad debt and doubtful accounts <sup>(1)</sup>	(41)	(140)	-	-	(48)	(33)	(89)	(173)	-	-	(89)	(173)
Net interest income and dividend income after bad debt and doubtful accounts	374	268	-	7	94	53	468	328	-	-	468	328
Non-interest income	131	133	-	39	38	21	169	193	-	(1)	169	192
Non-interest expenses	(248)	(240)	-	(45)	(88)	(46)	(336)	(331)	-	1	(336)	(330)
Earnings before income tax	257	161	-	1	44	28	301	190	-	-	301	190
Income tax	(84)	62	-	-	(14)	(6)	(98)	56	-	-	(98)	56
Net income	173	223	-	1	30	22	203	246	-	-	203	246

<sup>(1)</sup> Included loss on debt structuring/reversal of loss on debt restructuring.

<sup>(2)</sup> Included operating results of securities business until 14 September 2009 due to the disposal of the investment in the subsidiary that operates a security business on that date.

## (Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September											
	Banking business		Securities business		Hire purchase/finance leases business		Total		Elimination entries		Total	
	2010	2009	2010	2009 <sup>(2)</sup>	2010	2009	2010	2009	2010	2009	2010	2009
Interest and dividend income	1,906	2,110	-	26	714	454	2,620	2,590	(335)	(224)	2,285	2,366
Interest expenses	(609)	(821)	-	(2)	(361)	(223)	(970)	(1,046)	335	224	(635)	(822)
Net interest income and dividend income	1,297	1,289	-	24	353	231	1,650	1,544	-	-	1,650	1,544
Bad debt and doubtful accounts <sup>(1)</sup>	(285)	(638)	-	-	(105)	(93)	(390)	(731)	-	-	(390)	(731)
Net interest income and dividend income after bad debt and doubtful accounts	1,012	651	-	24	248	138	1,260	813	-	-	1,260	813
Non-interest income	264	551	-	114	90	41	354	706	-	(3)	354	703
Non-interest expenses	(748)	(727)	-	(158)	(228)	(134)	(976)	(1,019)	-	3	(976)	(1,016)
Earnings (loss) before income tax	528	475	-	(20)	110	45	638	500	-	-	638	500
Income tax	(150)	(26)	-	-	(36)	(26)	(186)	(52)	-	-	(186)	(52)
Net income (loss)	378	449	-	(20)	74	19	452	448	-	-	452	448

<sup>(1)</sup> Included loss on debt structuring/reversal of loss on debt restructuring.

<sup>(2)</sup> Included operating results of securities business until 14 September 2009 due to the disposal of the investment in the subsidiary that operates a security business on that date.

(Unit: Million Baht)

	Hire purchase/finance leases business											
	Banking business		Hire purchase/finance leases business		Total		Elimination entries		Total			
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009		
Investments - net	13,708	10,582	-	-	13,708	10,582	(2,500)	(1,000)	11,208	9,582		
Loans and accrued interest receivables - net	46,228	45,005	16,835	9,238	63,063	54,243	(14,016)	(7,506)	49,047	46,737		
Other assets	11,629	9,471	240	172	11,869	9,643	(2)	(5)	11,867	9,638		
Total assets	71,565	65,058	17,075	9,410	88,640	74,468	(16,518)	(8,511)	72,122	65,957		

Transfer prices between business segments are as set out in Note 16 to the financial statements.

## 19. Financial instruments

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

### 19.1 Credit Risk

Credit risk is the risk that the party to a financial agreement fails to honour an obligation and consequently cause the Bank and its subsidiary to incur a financial loss. The Bank and its subsidiary have disclosed significant concentrations of credit risk in Note 6.2 to the financial statements. The maximum amount of credit risk exposure is the carrying amount of the financial assets less provision for losses as stated in the balance sheets. The risk from off-balance sheet items is presented in Note 17.1 to the financial statements.

(Unaudited but reviewed)

In addition, the Bank manages credit risk by the following means, including through careful consideration of credit approval process, analysis of risk factors and the ability to service debts of borrowers and performing credit review to examine process, which examines and reviews the quality of the Bank's loan portfolio so as to prevent and provide a remedy for problem loans in the future.

## 19.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Bank manages interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

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

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 30 September 2010			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
<b>Financial assets</b>				
Interbank and money market items - net	83	6,512	374	6,969
Investments - net	812	9,927	469	11,208
Loans	18,168	32,211	326	50,705
<b>Financial liabilities</b>				
Deposits	5,167	27,470	48	32,685
Interbank and money market items	94	495	505	1,094
Liabilities payable on demand	-	21,342	-	21,342
Borrowings	-	-	27	27



(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2009				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	No interest	Total
<b>Financial assets</b>				
Interbank and money market items - net	225	5,980	294	6,499
Investments – net	1,050	5,559	2,973	9,582
Loans	20,091	27,705	231	48,027
<b>Financial liabilities</b>				
Deposits	7,726	22,626	54	30,406
Interbank and money market items	528	1,356	3	1,887
Liabilities payable on demand	-	-	375	375
Borrowings	-	18,774	-	18,774

(Unit: Million Baht)

Separate financial statements as at 30 September 2010				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	No interest	Total
<b>Financial assets</b>				
Interbank and money market items - net	41	6,512	354	6,907
Investments - net	812	9,927	2,938	13,677
Loans	18,168	29,475	18	47,661
<b>Financial liabilities</b>				
Deposits	5,169	27,470	48	32,687
Interbank and money market items	94	495	505	1,094
Liabilities payable on demand	-	-	27	27
Borrowings	-	21,342	-	21,342

(Unit: Million Baht)

Separate financial statements as at 31 December 2009				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	No interest	Total
<b>Financial assets</b>				
Interbank and money market items - net	140	5,980	285	6,405
Investments - net	1,050	5,559	3,969	10,578
Loans	20,751	25,355	44	46,150
<b>Financial liabilities</b>				
Deposits	7,731	22,626	54	30,411
Interbank and money market items	9	1,356	3	1,368
Liabilities payable on demand	-	-	375	375
Borrowings	-	18,774	-	18,774

In addition, the Bank entered into interest rate swap contracts as described in Note 19.5 to the financial statements.

(Unaudited but reviewed)

The periods of time from the balance sheet date to the repricing or maturity dates (whichever dates are earlier) of financial instruments which have fixed interest rates are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2010

Transactions	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<b>Financial assets</b>							
Interbank and money market items - net	-	6,454	58	-	-	6,512	1.67%
Investments - net	-	1,593	3,223	3,923	1,188	9,927	3.11%
Loans	2,415	10,914	5,705	12,791	386	32,211	7.52%
<b>Financial liabilities</b>							
Deposits	4,193	12,999	4,616	5,662	-	27,470	1.83%
Interbank and money market items	350	95	50	-	-	495	1.35%
Borrowings	2,903	14,096	4,240	103	-	21,342	1.60%

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2009

Transactions	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<b>Financial assets</b>							
Interbank and money market items - net	-	5,980	-	-	-	5,980	1.20%
Investments - net	-	150	396	3,266	1,747	5,559	5.35%
Loans	2,121	12,979	4,518	7,642	445	27,705	5.31%
<b>Financial liabilities</b>							
Deposits	1,500	12,325	6,723	2,078	-	22,626	1.42%
Interbank and money market items	722	615	19	-	-	1,356	1.13%
Borrowings	1,073	13,128	4,440	133	-	18,774	1.57%

(Unit: Million Baht)

Separate financial statements as at 30 September 2010

Transactions	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<b>Financial assets</b>							
Interbank and money market items - net	-	6,454	58	-	-	6,512	1.67%
Investments - net	-	1,593	3,223	3,923	1,188	9,927	3.11%
Loans	4,257	10,143	4,049	11,012	14	29,475	5.47%
<b>Financial liabilities</b>							
Deposits	4,193	12,999	4,616	5,662	-	27,470	1.83%
Interbank and money market items	350	95	50	-	-	495	1.35%
Borrowings	2,903	14,096	4,240	103	-	21,342	1.60%

## (Unaudited but reviewed)

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2009						Average interest rates
	Repricing or maturity date					Total	
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<b>Financial assets</b>							
Interbank and money market items - net	-	5,980	-	-	-	5,980	1.20%
Investments - net	-	150	396	3,266	1,747	5,559	5.35%
Loans	2,121	12,210	3,081	7,542	401	25,355	5.09%
<b>Financial liabilities</b>							
Deposits	1,500	12,325	6,723	2,078	-	22,626	1.42%
Interbank and money market items	722	615	19	-	-	1,356	1.13%
Borrowings	1,073	13,128	4,440	133	-	18,774	1.57%

In addition, the average balances of the financial assets or liabilities of the Bank generating revenues or incurring expenses, calculated based on the average balances outstanding during the periods, and the average interest and dividend rates for the nine-month periods ended 30 September 2010 and 2009 can be summarised as follows:

(Unit: Million Baht)

Transactions	Separate financial statements					
	For the nine-month period ended 30 September 2010			For the nine-month period ended 30 September 2009		
	Average Balances	Interest and dividend	Average rate (% per annum)	Average balances	Interest and dividend	Average rate (% per annum)
<b>Financial assets</b>						
Interbank and money market items						
- interest bearing	5,746	62	1.43%	5,575	82	1.96%
Investments <sup>(1)</sup>	11,070	271	3.27%	11,054	300	3.62%
Loans	45,221	1,574	4.64%	43,909	1,728	5.25%
<b>Financial liabilities</b>						
Deposits	31,226	305	1.30%	35,452	537	2.02%
Interbank and money market items						
- interest bearing	1,255	103	10.97%	1,547	72	6.22%
Borrowings	17,610	201	1.52%	12,686	212	2.22%

<sup>(1)</sup> Excluded investments in a subsidiary, defaulted debt securities and non-performing general investments.

### 19.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Bank has established a liquidity management policy, to ensure that the Bank has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has the liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits. The liquidity management policy is approved by the Group Risk Management Committee, the Board of Executive Directors and the Board of Directors, respectively.

The periods to maturity, counting from the balance sheet dates, of financial instruments outstanding as at 30 September 2010 and 31 December 2009, are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2010

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non - performing loans	Total
<b><u>Financial assets</u></b>								
Interbank and money market items - net	417	6,454	98	-	-	-	-	6,969
Investments - net	25	1,593	3,223	4,735	1,188	444	-	11,208
Loans	439	11,165	10,725	23,025	2,000	-	3,351	50,705
<b><u>Financial liabilities</u></b>								
Deposits	9,409	12,999	4,615	5,662	-	-	-	32,685
Interbank and money market items	949	95	50	-	-	-	-	1,094
Liabilities payable on demand	27	-	-	-	-	-	-	27
Borrowings	2,903	14,096	4,240	103	-	-	-	21,342
<b><u>Off-balance sheet items</u></b>								
Avals to bill	-	3	-	-	-	-	-	3
Letters of credit	-	136	46	-	-	-	-	182
Other contingencies	400	11,351	19,849	17,625	304	-	-	49,529

## (Unaudited but reviewed)

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2009

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non -	Total
							performing loans	
<b>Financial assets</b>								
Interbank and money market items - net	379	5,980	140	-	-	-	-	6,499
Investments - net	65	1,163	2,054	4,149	1,747	404	-	9,582
Loans	45	15,138	7,405	20,782	1,939	-	2,718	48,027
<b>Financial liabilities</b>								
Deposits	9,280	12,325	6,723	2,078	-	-	-	30,406
Interbank and money market items	735	615	432	105	-	-	-	1,887
Liabilities payable on demand	375	-	-	-	-	-	-	375
Borrowings	1,073	13,128	4,440	133	-	-	-	18,774
<b>Off-balance sheet items</b>								
Avals to bill	-	48	1	-	-	-	-	49
Letters of credit	-	187	9	-	-	-	-	196
Other contingencies	546	9,281	27,975	12,966	896	-	-	51,664

(Unit: Million Baht)

## Separate financial statements as at 30 September 2010

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non -	Total
							performing loans	
<b>Financial assets</b>								
Interbank and money market items - net	355	6,454	98	-	-	-	-	6,907
Investments - net	25	1,593	3,223	4,735	1,188	2,913	-	13,677
Loans	2,281	10,394	9,069	21,246	1,628	-	3,043	47,661
<b>Financial liabilities</b>								
Deposits	9,411	12,999	4,615	5,662	-	-	-	32,687
Interbank and money market items	949	95	50	-	-	-	-	1,094
Liabilities payable on demand	27	-	-	-	-	-	-	27
Borrowings	2,903	14,096	4,240	103	-	-	-	21,342
<b>Off-balance sheet items</b>								
Avals to bill	-	3	-	-	-	-	-	3
Letters of credit	-	136	46	-	-	-	-	182
Other contingencies	400	11,351	19,849	17,625	304	-	-	49,529

(Unit: Million Baht)

## Separate financial statements as at 31 December 2009

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non -	Total
							performing loans	
<b>Financial assets</b>								
Interbank and money market items - net	285	5,980	140	-	-	-	-	6,405
Investments - net	65	1,163	2,054	4,149	1,747	1,400	-	10,578
Loans	705	14,369	5,968	20,681	1,895	-	2,532	46,150
<b>Financial liabilities</b>								
Deposits	9,285	12,325	6,723	2,078	-	-	-	30,411
Interbank and money market items	734	615	19	-	-	-	-	1,368
Liabilities payable on demand	375	-	-	-	-	-	-	375
Borrowings	1,073	13,128	4,440	133	-	-	-	18,774
<b>Off-balance sheet items</b>								
Avals to bill	-	48	1	-	-	-	-	49
Letters of credit	-	187	9	-	-	-	-	196
Other contingencies	546	9,281	27,975	12,966	896	-	-	51,664

## 19.4 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to hedge this foreign exchange exposure through management of its net foreign exchange position and operating in accordance with a risk management policy.

The Bank's and its subsidiary's significant foreign currency position as at 30 September 2010 and 31 December 2009 can be summarised as follows:

Consolidated and separate financial statements as at 30 September 2010								
Outstanding balances of financial instruments								
US dollar	Euro	Yen	Pound sterling	New				
				Zealand dollar	Australian dollar	Hong Kong Dollar	Singapore Dollar	
(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
<b><u>In-balance foreign currency position</u></b>								
Interbank and money market items (assets)	26.91	0.12	0.04	0.97	1	1.47	0.11	0.01
Investments - net	2,593.57	-	-	-	-	-	-	-
Loans and accrued interest receivables	357.73	40.99	-	-	-	-	-	-
Deposits and accrued interest payables	11.45	-	-	-	-	0.15	-	-
<b><u>Off-balance foreign currency position</u></b>								
Letters of credit	143.38	10.68	-	-	-	-	0.28	-
Bought forward contracts	17,252.66	2.15	7.36	-	-	0.15	-	-
Sold forward contracts	18,412.35	43.00	7.36	-	-	-	0.10	-
Cross currency interest rate swap contracts								
Sold contracts	893.93	-	-	-	-	-	-	-
Other contingencies	255.64	0.58	3.98	-	-	-	-	-
<b>Average exchange rate as at 30 September 2010</b>								
(Baht per 1 foreign currency unit)	30.4160	41.4084	0.3639	48.1552	22.4056	29.4690	3.9199	23.0934

(Unaudited but reviewed)

Consolidated and separate financial statements as at 31 December 2009

	Outstanding balances of financial instruments							
	US dollar	Euro	Yen	New				Singapore
				Pound sterling	Zealand dollar	Australian dollar	Hong Kong Dollar	
(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	
<b><u>In-balance foreign currency position</u></b>								
Interbank and money market items (assets)	13.72	0.55	0.11	1.06	1.35	1.49	0.10	0.01
Investments - net	2,848.40	-	-	-	-	-	-	-
Loans and accrued interest receivables	111.72	34.89	-	-	-	-	-	-
Deposits	11.58	-	-	-	-	2.09	-	-
<b><u>Off-balance foreign currency position</u></b>								
Letters of credit	150.51	-	-	-	-	-	-	-
Bought forward contracts	17,529.49	12.05	-	-	-	2.08	-	-
Sold forward contracts	19,783.96	42.34	-	-	-	-	-	-
Cross currency swap contracts								
Bought contracts	1,001.06	-	-	-	-	-	-	-
Cross currency interest rate swap contracts								
Sold contracts	1,643.08	-	-	-	-	-	-	-
Other contingencies	42.32	4.23	1.01	-	-	-	-	-
<b>Average exchange rate as at 31 December 2009</b>								
(Baht per 1 foreign currency unit)	33.3688	47.7934	0.3623	53.0306	23.8741	29.7663	4.3027	23.7287

## 19.5 Financial derivatives

The Bank engages in financial derivatives activities as required in the normal course of business of the Bank to meet its clients' needs and to manage the risks of the Bank arising from fluctuations in foreign exchange rates and interest rates.

The Bank has a policy to mitigate risk associated with financial derivatives by stipulating policies and limits that require risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank manages the credit risk associated with financial derivatives on the basis of the credit limits granted to customers in general. The same credit approval process that is used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels.

(Unaudited but reviewed)

The Bank has entered into interest rate swap contracts in order to manage risk associated with loans and investments, as follows:

	Consolidated and separate financial statements			
	30 September 2010		31 December 2009	
	Notional amount	Maturity	Notional amount	Maturity
Interest rate swap contracts				
- swap the fixed interest rates for the floating interest	10,300 Million Baht	2010 - 2013	9,010 Million Baht	2010 - 2012
- swap the floating interest rates for the fixed interest rates	1,600 Million Baht	2011 - 2012	1,600 Million Baht	2011 - 2012

The Bank has entered into cross currency interest rate swap contracts in order to manage the risk associated with investments in foreign debt securities, as follows:

	Consolidated and separate financial statements			
	30 September 2010		31 December 2009	
	Notional amount	Maturity	Notional amount	Maturity
Cross currency interest rate swap contracts				
- pay interest at a fixed rate on USD notional amounts and to receive interest at a floating rate in on Baht notional amounts	8 Million USD	2012	28 Million USD	2011 - 2017
- pay interest at a fixed rate on USD notional amount and to receive at a fixed rate on Baht notional amounts	21 Million USD	2010 - 2016	21 Million USD	2010 - 2016

During the nine-month period ended 30 September 2010, the Bank unwinded cross currency interest rate swap contracts with notional amounts totaling USD 20 million prior to the maturity date. Such contracts were recorded as assets having the book value on the unwinding date of Baht 27 million and the Bank paid Baht 4 million to unwind those contracts cancellation. As a result, the Bank incurred losses on the unwinding of these contracts amounting to Baht 31 million, which was already recognised by the Bank as loss in the statement of income for the nine-month period ended 30 September 2010.



(Unaudited but reviewed)

In addition, the Bank has also entered into cross currency swap contracts for trading purposes for arbitrage profits, as follow:

Consolidated and separate financial statements				
30 September 2010		31 December 2009		
Notional amount	Maturity	Notional amount	Maturity	
Cross currency swap contracts				
- pay interest at a fixed rate on Baht notional amounts and to receive interest at a fixed rate on USD notional amounts	-	-	30 Million USD	2010

As at 30 September 2010 and 31 December 2009, financial derivatives, classified by their maturities, are as follows:

(Unit: Million Baht)						
Consolidated and separate financial statements						
As at 30 September 2010			As at 31 December 2009			
Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total	
Forward exchange contracts						
- Bought	12,396	4,866	17,262	15,542	2,002	17,544
- Sold	14,813	3,650	18,463	17,557	2,269	19,826
Interest rate swap contracts	3,250	8,650	11,900	2,530	8,080	10,610
Cross currency swap contracts						
- Bought	-	-	-	1,001	-	1,001
Cross currency and interest rate swap contracts						
- Sold	194	700	894	213	1,430	1,643

## 19.6 Fair value

Fair value represents the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. The Bank has estimated the fair value of their financial instruments as follows:

### (a) Financial assets

The methodology used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets are presented as the amount stated in the balance sheets, including cash, interbank and money market items and loans, which are considered to approximate their respective carrying value since they are predominantly subject to market interest rates. Financial instruments that have standard terms and conditions and which are traded on an active and liquid market, such as investment in securities, fair values are determined from the quoted market price.

(Unaudited but reviewed)

(b) Financial liabilities

The fair values of financial liabilities, including deposits, borrowings and interbank and money market items, are considered to approximate their respective carrying values for the same reasons as described above.

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

**20. Reclassification**

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Balance sheet</b>				
Receivables on credit support				
for derivative contracts	60,462	-	60,462	-
Other receivables - net	305,521	317,167	259,717	271,363
Financial derivative assets	470,438	-	470,438	-
Other assets - net	38,838	558,092	35,459	554,713

**21. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Audit Committee of the Bank on 11 November 2010.