

CIMB THAI Bank Public Company Limited and
its subsidiaries
(Formerly known as “BankThai Public Company Limited”)
Report and interim financial statements
For the three-month periods ended
31 March 2009 and 2008

Review report of Independent Auditor

To the Shareholders of CIMB THAI Bank Public Company Limited
(Formerly known as “BankThai Public Company Limited”)

I have reviewed the accompanying consolidated balance sheet of CIMB THAI Bank Public Company Limited and its subsidiaries as at 31 March 2009, the related consolidated statements of income, changes in shareholders' equity, and cash flows for the three-month period then ended, and the separate financial statements of CIMB THAI Bank Public Company Limited for the same period. These financial statements are the responsibility of the Bank's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

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

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

Without qualifying my review report on the aforementioned financial statements, I draw attention to matter as discussed in Note 24 to the financial statements, the Bank has obligations in respect of the gain/loss sharing which may occur in the future as a result of the transfer of non-performing loans to TAMC and the outstanding issues with respect to the requisition of original ownership documents and others that may result in adjustments to the price and related interest, which are being examined and concluded by the Bank and TAMC.

I have previously audited the consolidated financial statements of CIMB THAI Bank Public Company Limited and its subsidiaries and the separate financial statements of CIMB THAI Bank Public Company Limited for the year ended 31 December 2008 in accordance with generally accepted auditing standards. Under my report dated 20 February 2009, I expressed a qualified audit opinion on those statements in respect of the possible effect to the financial statements of the non-compliance with capital funds maintenance provisions. In addition, I, draw attention to (1) the uncertainty of the outcome of the credit crisis in the United States which could effect to the financial statements (2) CDOs sale (3) the gain/loss sharing which may occur in the future as a result of the transfer of non-performing loans to TAMC and the outstanding issues with respect to the requisition of original ownership documents and others to which may effect to the transfer price and related interest. The consolidated and separate balance sheet as at 31 December 2008, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

The consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2008 of CIMB THAI Bank Public Company Limited and its subsidiaries, and the separate financial statements of CIMB THAI Bank Public Company Limited, for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial statements which I reviewed. My review report on those financial statements dated 15 May 2008 was unqualified, but drew attention to (1) uncertainty of the value of CDOs which may effect to capital funds maintenance provisions (2) the uncertainty of the outcome of the crisis in the United States which could affect the value of CDOs; and (3) the gain/loss sharing which may occur in the future as a result of the transfer of non-performing loans to TAMC.

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 12 May 2009

CIMB THAI BANK Public Company Limited and its subsidiaries

(Formerly known as "BankThai Public Company Limited")

Balance sheets

As at 31 March 2009 and 31 December 2008

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2009 (Unaudited but reviewed)	31 December 2008 (Audited)	31 March 2009 (Unaudited but reviewed)	31 December 2008 (Audited)
Assets					
Cash		3,207,588	4,631,711	3,205,906	4,630,352
Interbank and money market items	2				
Domestic items					
Interest bearing		46,604,155	33,653,567	46,132,114	33,327,564
Non-interest bearing		2,128,593	8,919,265	2,085,090	8,879,089
Foreign items					
Interest bearing		903,469	21,562	903,469	21,562
Non-interest bearing		67,435	772,752	67,435	772,752
Interbank and money market items - net		49,703,652	43,367,146	49,188,108	43,000,967
Investments	3				
Short-term investments - net		11,841,500	4,761,189	11,739,828	4,633,261
Long-term investments - net		19,344,839	40,660,167	19,194,025	40,251,593
Investments in subsidiaries and associates - net		205,454	98,833	1,343,638	1,343,638
Investments - net		31,391,793	45,520,189	32,277,491	46,228,492
Loans and accrued interest receivables	4				
Loans		85,373,285	92,260,539	80,877,466	87,553,427
Accrued interest receivables		387,636	388,790	325,846	325,979
Total loans and accrued interest receivables		85,760,921	92,649,329	81,203,312	87,879,406
Less: Allowance for doubtful debts	5	(8,526,637)	(8,972,756)	(4,821,990)	(5,249,481)
Revaluation allowance for debt restructuring	6	(19,682)	(19,682)	(19,682)	(19,682)
Loans and accrued interest receivables - net		77,214,602	83,656,891	76,361,640	82,610,243
Properties foreclosed - net	7	2,438,320	2,482,629	2,237,086	2,277,163
Customers' liability under acceptance		187,700	162,592	187,700	162,592
Premises and equipment - net		3,781,841	3,863,325	3,709,416	3,787,788
Accounts receivable from sale of investments		8,424,520	24,144,587	8,424,520	24,144,587
Intangible assets	8	577,864	550,713	558,302	531,837
Other assets		3,491,561	3,996,851	3,191,406	3,671,327
Total assets		180,419,441	212,376,634	179,341,575	211,045,348

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

CIMB THAI BANK Public Company Limited and its subsidiaries

(Formerly known as "BankThai Public Company Limited")

Balance sheets (continued)

As at 31 March 2009 and 31 December 2008

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Deposits				
Deposits in Baht	143,879,025	159,528,186	144,195,638	159,805,073
Deposits in foreign currencies	359,896	200,502	359,896	200,502
Total deposits	144,238,921	159,728,688	144,555,534	160,005,575
Interbank and money market items				
Domestic items				
Interest bearing	6,093,750	8,349,284	5,897,816	8,082,692
Non-interest bearing	92,573	73,171	95,051	75,696
Foreign items				
Interest bearing	1,725,633	1,819,758	1,725,633	1,819,758
Non-interest bearing	6,162	7,536	6,162	7,536
Total interbank and money market items	7,918,118	10,249,749	7,724,662	9,985,682
Liability payable on demand	241,688	188,352	241,688	188,352
Borrowings				
Short-term borrowings	895,169	3,924,194	870,169	3,453,202
Long-term borrowings	5,697,425	3,144,937	5,697,425	3,144,937
Total borrowings	6,592,594	7,069,131	6,567,594	6,598,139
Bank's liability under acceptance	187,700	162,592	187,700	162,592
Accrued interest expenses	576,079	679,008	575,550	666,990
Accounts payable for purchases of investments	8,537,719	24,191,832	8,537,719	24,191,832
Provisions - Pension benefits to employees	511,418	493,077	511,418	493,077
Other liabilities	4,009,907	4,478,970	3,203,033	3,718,236
Total liabilities	172,814,144	207,241,399	172,104,898	206,010,475

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

CIMB THAI BANK Public Company Limited and its subsidiaries

(Formerly known as "BankThai Public Company Limited")

Balance sheets (continued)

As at 31 March 2009 and 31 December 2008

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2009	31 December 2008	31 March 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered	10				
13,349,401,164 ordinary shares of Baht 0.50 each		<u>6,674,701</u>		<u>6,674,701</u>	
13,349,401,164 ordinary shares of Baht 3.75 each			<u>50,060,254</u>		<u>50,060,254</u>
Issued and paid-up share capital					
13,349,401,164 ordinary shares of Baht 0.50 each					
(31 December 2008 : 6,674,700,582 ordinary shares					
of Baht 3.75 each)		6,674,701	25,030,127	6,674,701	25,030,127
Share discount		-	(10,606,988)	-	(10,606,988)
Unrealised gain (loss)					
Revaluation surplus on assets	12	744,171	748,815	744,171	748,815
Revaluation surplus (deficit) on change in value of investments	13	(14,266)	54,638	(10,647)	55,778
Retained earnings (Deficit)					
Appropriated - statutory reserve	14	-	6,053	-	6,053
Retained earnings (deficit)		135,529	(9,704,736)	(171,548)	(10,198,912)
Treasury stocks	11				
124,589,637 shares held by subsidiaries		-	(460,381)	-	-
Equity attributable to the Bank's shareholders		7,540,135	5,067,528	7,236,677	5,034,873
Minority interest - equity attributable to					
minority shareholders of subsidiaries		<u>65,162</u>	<u>67,707</u>	-	-
Total shareholders' equity		<u>7,605,297</u>	<u>5,135,235</u>	<u>7,236,677</u>	<u>5,034,873</u>
Total liabilities and shareholders' equity		<u>180,419,441</u>	<u>212,376,634</u>	<u>179,341,575</u>	<u>211,045,348</u>
Off-balance sheet items - commitments					
Aval to bills and guarantees of loans		650,644	656,554	826,681	966,894
Liability under unmatured import bills		306,122	438,401	306,122	438,401
Letter of credits		1,256,526	1,335,784	1,256,526	1,335,784
Other commitments		158,716,945	216,412,133	158,717,009	216,412,197

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

(Unaudited but reviewed)

CIMB THAI BANK Public Company Limited and its subsidiaries**(Formerly known as "BankThai Public Company Limited")****Income statements****For the three-month periods ended 31 March 2009 and 2008**

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

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Interest and dividend income					
Loans		1,509,988	1,749,828	1,535,008	1,800,366
Interbank and money market items		212,089	124,137	206,911	118,574
Hire purchase and finance lease income		152,688	156,281	-	-
Investments		459,548	1,124,232	452,707	1,091,500
Total interest and dividend income		2,334,313	3,154,478	2,194,626	3,010,440
Interest expenses					
Deposits		1,129,651	1,199,301	1,129,697	1,199,430
Interbank and money market items		39,251	45,338	45,908	36,038
Short-term borrowings		17,918	24,513	5,122	17,725
Long-term borrowings		60,982	36,829	60,981	36,829
Total interest expenses		1,247,802	1,305,981	1,241,708	1,290,022
Net interest and dividend income		1,086,511	1,848,497	952,918	1,720,418
Bad debt and doubtful accounts		(291,612)	(573,654)	(288,000)	(571,000)
Net interest and dividend income after bad debt and doubtful accounts		794,899	1,274,843	664,918	1,149,418
Non-interest income					
Gains (losses) on investments	16	242,983	(2,052,876)	205,146	(2,198,008)
Fees and charges					
Acceptances, aval and guarantees		20,956	34,727	20,956	34,727
Others		148,536	205,678	111,153	198,008
Gains on exchange/derivatives		30,430	3,628	32,772	3,629
Gains on properties foreclosed		-	-	13,018	5,512
Other income		88,206	76,184	26,659	7,291
Total non-interest income (losses)		531,111	(1,732,659)	409,704	(1,948,841)

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

(Unaudited but reviewed)

CIMB THAI BANK Public Company Limited and its subsidiaries

(Formerly known as "BankThai Public Company Limited")

Income statements (continued)

For the three-month periods ended 31 March 2009 and 2008

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

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Non-interest expenses					
Personnel expenses		549,229	599,951	459,374	498,904
Contribution fee to the Deposit Protection Agency/ the Financial Institutions Development Fund		159,000	171,444	159,000	171,444
Premises and equipment expenses		313,787	352,171	307,892	328,056
Taxes and duties		61,338	99,473	58,972	92,437
Share of losses from investments in associated company		-	4,475	-	-
Fees and charges		119,257	116,654	93,842	92,105
Directors' remuneration		5,797	6,294	4,540	4,764
Impairment losses on intangible assets		-	130,000	-	130,000
Reserve for contingent liabilities		114,000	-	114,000	-
Reserve for off-balance sheet items		94,500	-	94,500	-
Other expenses		152,715	144,148	50,660	69,349
Total non-interest expenses		<u>1,569,623</u>	<u>1,624,610</u>	<u>1,342,780</u>	<u>1,387,059</u>
Losses before corporate income tax		<u>(243,613)</u>	<u>(2,082,426)</u>	<u>(268,158)</u>	<u>(2,186,482)</u>
Corporate income tax	17	<u>(15,433)</u>	<u>(3,104)</u>	<u>-</u>	<u>-</u>
Net losses for the period		<u><u>(259,046)</u></u>	<u><u>(2,085,530)</u></u>	<u><u>(268,158)</u></u>	<u><u>(2,186,482)</u></u>
Net losses attributable to:					
Equity holders of the Bank		(256,514)	(2,088,272)	<u>(268,158)</u>	<u>(2,186,482)</u>
Minority interests of the subsidiaries		<u>(2,532)</u>	<u>2,742</u>		
		<u><u>(259,046)</u></u>	<u><u>(2,085,530)</u></u>		
Loss per share					
Basic loss per share (Baht per share)	18				
Net loss attributable to equity holders of the Bank		<u>(0.03)</u>	<u>(0.36)</u>	<u>(0.04)</u>	<u>(0.37)</u>
Weighted average number of ordinary shares (shares)		<u>7,335,248,994</u>	<u>5,801,941,503</u>	<u>7,342,170,640</u>	<u>5,926,531,140</u>

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

Directors

(Unaudited but reviewed)

CIMB THAI BANK Public Company Limited and its subsidiaries
(Formerly known as "BankThai Public Company Limited")
Statements of changes in shareholders' equity
For the three-month periods ended 31 March 2009 and 2008

(Unit : Thousand Baht)

	Consolidated financial statements										
	Shareholders' equity of the Bank							Minority interest - equity attributable to minority shareholders of subsidiaries			
	Note	Issued and paid-up share capital	Share discounts	Revaluation surplus on assets	Revaluation deficit on investments	Legal reserve	Deficit	Treasury stocks held by the subsidiaries	Total equity attributable to the Bank's shareholders	Total	
Balance as at 31 December 2007		8,343,376	-	767,698	(273,497)	6,053	(7,726,983)	(467,211)	649,436	61,581	711,017
Income (expenses) recognised directly in equity:											
Amortise revaluation surplus on assets		-	-	(4,695)	-	-	4,695	-	-	-	-
Increase in fair value of investments		-	-	-	169,199	-	-	-	169,199	-	169,199
Net income (expenses) recognised directly in equity		-	-	(4,695)	169,199	-	4,695	-	169,199	-	169,199
Net losses for the period		-	-	-	-	-	(2,088,272)	-	(2,088,272)	2,742	(2,085,530)
Total income (expenses) for the period		-	-	(4,695)	169,199	-	(2,083,577)	-	(1,919,073)	2,742	(1,916,331)
Increase in ordinary shares		16,686,751	(10,606,988)	-	-	-	-	-	6,079,763	-	6,079,763
Decrease in treasury stocks held by subsidiaries		-	-	-	-	-	(6,840)	6,830	(10)	-	(10)
Minority interests - equity attributable to minority shareholders of subsidiaries		-	-	-	-	-	-	-	-	(47)	(47)
Balance as at 31 March 2008		<u>25,030,127</u>	<u>(10,606,988)</u>	<u>763,003</u>	<u>(104,298)</u>	<u>6,053</u>	<u>(9,817,400)</u>	<u>(460,381)</u>	<u>4,810,116</u>	<u>64,276</u>	<u>4,874,392</u>
Balance as at 31 December 2008		25,030,127	(10,606,988)	748,815	54,638	6,053	(9,704,736)	(460,381)	5,067,528	67,707	5,135,235
Income (expenses) recognised directly in equity:											
Amortise revaluation surplus on assets		-	-	(4,644)	-	-	4,644	-	-	-	-
Decrease in fair value of investments		-	-	-	(68,904)	-	-	-	(68,904)	-	(68,904)
Net income (expenses) recognised directly in equity		-	-	(4,644)	(68,904)	-	4,644	-	(68,904)	-	(68,904)
Net losses for the period		-	-	-	-	-	(256,514)	-	(256,514)	(2,532)	(259,046)
Total income (expenses) for the period		-	-	(4,644)	(68,904)	-	(251,870)	-	(325,418)	(2,532)	(327,950)
Increase in ordinary shares	10	25,030,127	(22,493,740)	-	-	-	-	-	2,536,387	-	2,536,387
Decrease in ordinary shares	10	(43,385,553)	33,100,728	-	-	(6,053)	10,290,878	-	-	-	-
Decrease in treasury stocks held by subsidiaries	11	-	-	-	-	-	(198,743)	460,381	261,638	-	261,638
Minority interests - equity attributable to minority shareholders of subsidiaries		-	-	-	-	-	-	-	-	(13)	(13)
Balance as at 31 March 2009		<u>6,674,701</u>	<u>-</u>	<u>744,171</u>	<u>(14,266)</u>	<u>-</u>	<u>135,529</u>	<u>-</u>	<u>7,540,135</u>	<u>65,162</u>	<u>7,605,297</u>

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

(Unaudited but reviewed)

CIMB THAI BANK Public Company Limited and its subsidiaries
(Formerly known as "BankThai Public Company Limited")
Statements of changes in shareholders' equity (continued)
For the three-month periods ended 31 March 2009 and 2008

(Unit: Thousand Baht)

		Separate financial statements					
Note	Issued and paid-up share capital	Share discounts	Revaluation surplus on assets	Revaluation deficit on investments	Legal reserve	Deficit	Total
	8,343,376	-	767,698	(272,436)	6,053	(7,430,654)	1,414,037
	Income (expenses) recognised directly in equity:						
	-	-	(4,695)	-	-	4,695	-
	-	-	-	155,189	-	-	155,189
	-	-	(4,695)	155,189	-	4,695	155,189
	-	-	-	-	-	(2,186,482)	(2,186,482)
	-	-	(4,695)	155,189	-	(2,181,787)	(2,031,293)
	16,686,751	(10,606,988)	-	-	-	-	6,079,763
	<u>25,030,127</u>	<u>(10,606,988)</u>	<u>763,003</u>	<u>(117,247)</u>	<u>6,053</u>	<u>(9,612,441)</u>	<u>5,462,507</u>
	25,030,127	(10,606,988)	748,815	55,778	6,053	(10,198,912)	5,034,873
	Income (expenses) recognised directly in equity:						
	-	-	(4,644)	-	-	4,644	-
	-	-	-	(66,425)	-	-	(66,425)
	-	-	(4,644)	(66,425)	-	4,644	(66,425)
	-	-	-	-	-	(268,158)	(268,158)
	-	-	(4,644)	(66,425)	-	(263,514)	(334,583)
	25,030,127	(22,493,740)	-	-	-	-	2,536,387
	(43,385,553)	33,100,728	-	-	(6,053)	10,290,878	-
	<u>6,674,701</u>	<u>-</u>	<u>744,171</u>	<u>(10,647)</u>	<u>-</u>	<u>(171,548)</u>	<u>7,236,677</u>

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

(Unaudited but reviewed)

CIMB THAI BANK Public Company Limited and its subsidiaries

(Formerly known as "BankThai Public Company Limited")

Cash flow statements

For the three-month periods ended 31 March 2009 and 2008

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net losses before tax	(243,613)	(2,082,426)	(268,158)	(2,186,482)
Adjustments to reconcile net losses for the periods to net cash flows from (used in) operating activities:				
Share of losses from investments in associated company	-	4,475	-	-
Depreciation and amortisation	123,032	126,098	114,325	117,360
Bad debts and doubtful accounts	291,612	573,654	288,000	571,000
Impairment losses on intangible assets	-	130,000	-	130,000
Reserve for off-balance sheet items	94,500	-	94,500	-
Accrual of provisions	18,341	34,830	18,341	34,830
Reserve for contingent liabilities	114,000	-	114,000	-
Impairment losses on investments	26,609	-	26,609	-
Unrealised losses on exchange and derivatives	305,306	1,156,899	305,306	1,156,899
Losses (gains) on property foreclosed	29,118	15,761	(13,018)	(5,512)
Unrealised (gains) losses on revaluation of investments	(6,707)	2,418,086	(3,087)	2,422,302
Gains on sale of investments	(213,489)	(215,703)	(212,944)	(215,932)
Reversal of impairment losses on investments in non-performing loans	(4,495)	-	-	-
Gains on investment in non-performing loans	(46,633)	(149,506)	(14,800)	(8,362)
Gains on disposal of equipment	(4,404)	(599)	(4,341)	(399)
Interest and dividend income	(2,334,313)	(3,154,478)	(2,194,626)	(3,010,440)
Interest expenses	1,247,802	1,305,981	1,241,708	1,290,022
Increase (decrease) in accrued expenses	<u>27,417</u>	<u>(67,611)</u>	<u>46,448</u>	<u>71,199</u>
Income (loss) from operations before changes in operating assets and liabilities	(575,917)	95,461	(461,737)	366,485
(Increase) decrease in operating assets				
Interbank and money market items	(6,346,359)	(16,346,667)	(6,196,703)	(16,369,618)
Securities purchased under resale agreements	-	2,250,000	-	2,250,000
Investments held for trading	(88,074)	959,185	(90,102)	933,236
Loans	6,039,373	430,302	5,966,130	687,428
Properties foreclosed	126,828	112,441	48,922	14,384
Other assets	(14,408)	80,262	(39,133)	146,492

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

(Unaudited but reviewed)

CIMB THAI BANK Public Company Limited and its subsidiaries

(Formerly known as "BankThai Public Company Limited")

Cash flow statements (continued)**For the three-month periods ended 31 March 2009 and 2008**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Increase (decrease) in operating liabilities				
Deposits	(15,489,766)	(5,171,566)	(15,450,041)	(5,191,432)
Interbank and money market items	(2,333,335)	(806,124)	(2,261,020)	(795,496)
Liability payable on demand	53,336	1,502	53,336	1,502
Other liabilities awaiting accounts transfer	(615,026)	110,157	(616,413)	111,519
Other liabilities	<u>(107,655)</u>	<u>456,271</u>	<u>(155,980)</u>	<u>377,818</u>
Cash flows used in operating activities	(19,351,003)	(17,828,776)	(19,202,741)	(17,467,682)
Cash received from interest income	1,885,764	2,039,737	1,751,615	1,951,778
Cash paid for interest expenses	<u>(1,021,161)</u>	<u>(1,315,520)</u>	<u>(1,021,891)</u>	<u>(1,309,993)</u>
Net cash flows used in operating activities	<u>(18,486,400)</u>	<u>(17,104,559)</u>	<u>(18,473,017)</u>	<u>(16,825,897)</u>
Cash flows from investing activities				
Decrease in securities held for investments	14,639,138	7,781,022	14,319,137	7,607,654
Cash paid for purchases of premises and equipment	(16,222)	(97,796)	(13,095)	(93,844)
Proceeds from disposals of equipment	7,981	1,468	8,156	844
Cash paid for purchases of intangible assets	(48,423)	(23,777)	(45,793)	(23,093)
Dividend received	43,985	131,950	43,652	131,474
Interest received	<u>413,849</u>	<u>1,096,267</u>	<u>406,961</u>	<u>1,066,722</u>
Net cash flows from investing activities	<u>15,040,308</u>	<u>8,889,134</u>	<u>14,719,018</u>	<u>8,689,757</u>
Cash flows from financing activities				
(Decrease) increase in short-term borrowings	(3,029,025)	4,841,389	(2,583,033)	4,754,209
Increase (decrease) in long-term borrowings	2,500,000	(2,759,660)	2,500,000	(2,759,660)
Cash received from capital increase	2,536,386	6,079,764	2,536,386	6,079,764
Proceeds from treasury stocks held by subsidiary	155,017	-	-	-
Interest expenses	<u>(140,409)</u>	<u>(154,198)</u>	<u>(123,800)</u>	<u>(146,023)</u>
Net cash flows from financing activities	<u>2,021,969</u>	<u>8,007,295</u>	<u>2,329,553</u>	<u>7,928,290</u>
Net decrease in cash and cash equivalents	(1,424,123)	(208,130)	(1,424,446)	(207,850)
Cash and cash equivalents at beginning of the period	<u>4,631,711</u>	<u>3,875,057</u>	<u>4,630,352</u>	<u>3,872,919</u>
Cash and cash equivalents at the end of the period	<u>3,207,588</u>	<u>3,666,927</u>	<u>3,205,906</u>	<u>3,665,069</u>

Supplemental disclosure of cash flows informations:

Non-cash transaction:

Properties foreclosed received in settlement of debts	115,810	93,428	-	-
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The accompanying notes are an integral part of the financial statements.

CIMB THAI Bank Public Company Limited and its subsidiaries
(Formerly known as “BankThai Public Company Limited”)
Notes to interim financial statements
For the three-month periods ended 31 March 2009 and 2008

1. General information

1.1 The Bank’s information

CIMB THAI Bank Public Company Limited (hereinafter referred to as “the Bank”) is a public company incorporated and domiciled in Thailand. The Bank operates in Thailand and has been licensed by the Ministry of Finance to operate banking businesses since 8 March 1949. The Bank’s head office is located at 44 North Sathorn Road, Bangrak, Bangkok, and it has branches all over Thailand.

All subsidiaries were incorporated as limited companies or a public limited company under Thai laws, and all operate in Thailand, engaging mainly in securities business, fund management, insurance business, consultancy service, asset management, hire purchase and leasing.

On 20 April 2009, the Bank obtained approval from the Ministry of Finance to change the Bank’s name from “BankThai Public Company Limited” to “CIMB THAI Bank Public Company Limited”. The name was registered with the Ministry of Commerce on 1 May 2009.

1.2 Capital Funds Maintenance Provisions

As at 31 December 2008, the Bank’s capital funds to risk-weighted assets ratio (BIS ratio) was less than the level required by law. The Bank has requested a waiver from the Bank of Thailand (BOT) and proposed a plan to increase its capital funds to resolve this issues. The BOT has ordered the Bank to report to it on progress towards resolution of the issues of maintenance of capital funds and the increases in capital at regular intervals until the capital increase is completed.

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009, has the resolution as follows:

- a) Amending agenda items 2 and 4 of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2008 to change the previous offering price of not lower than Baht 0.66 to an offering price of Baht 0.38, which will enable the Bank to increase its capital funds to Baht 2,536,386,221 as a result of the rights offering.

- b) The issue and offering for sale of hybrid instruments that would be regarded by the Bank of Thailand as Tier 2 Capital ("Hybrid Tier 2"), up to an amount of Baht 2,500 million. The issuance of Hybrid Tier 2 has been structured to be in line with the maximum Hybrid Tier 2 Capital that can be raised by the Bank pursuant to the Bank of Thailand's Notification Re: Elements of Capital of the Commercial Banks registered in Thailand, in order to ensure a more efficient capital structure of the Bank, subject to the recognition of the issued instruments as Hybrid Tier 2 by the Bank of Thailand.

On 23 March 2009, the Bank paid and registered the capital increase with the Ministry of Commerce, enabling the Bank to achieve a capital adequacy ratio, or BIS ratio, above the minimum level required by law.

On 27 March 2009, the Bank issued hybrid instruments amounting to Baht 2,500 million and sold them to CIMB Bank (L) Ltd., in which CIMB Bank Berhad (the Bank's parent company) is a major shareholder (as detailed in Note 9 (d) to the financial statements). The Bank had issued a letter dated 30 March 2009 to the BOT requesting recognition of the proceeds from the issue as Hybrid Tier 2 capital. The BOT issued a letter dated 28 April 2009 granting permission for the Bank to recognise the hybrid instruments as Tier 2 capital, although the Bank must comply with the following:

1. Amend the "Terms and Conditions Governing Rights and obligations of the issuer and the securities holders" by cancelling the conditions regarding the repurchase of the hybrid instruments, and submit an amended copy to the BOT prior to recognition of the increase in the Tier-2 Capital.
2. During the final five years, the Bank must reduce the amount of these instruments recognised as capital by 20% per year.
3. If the Bank wishes to redeem the instruments prior to maturity, the Bank must comply with the BOT announcement No. SorNorSor 88/2551 Re: Capital Fund Criteria for Commercial Banks Registered in Thailand, dated 3 August 2008.

Currently, the Bank is implementing the steps required by the BOT.

1.3 Financial crisis

The financial crisis experienced by the United States over the past year has had a far reaching effect on the global economy as evidenced by falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The governments of many countries made efforts to remedy the liquidity crisis and build confidence. However, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of facts known to the Bank, and on estimates and assumptions currently considered appropriate as of the financial statement reporting date. However, they could be affected by an array of future events.

1.4 Basis for presentation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 (revised 2007) "Interim financial statements", with the Bank and its subsidiaries choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, the statements of earnings, changes in shareholders' equity and cash flows as in the annual financial statements.

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.

1.5 Basis of consolidation

These consolidated financial statements include the financial statements of CIMB THAI Bank Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2008, with no structural changes related to subsidiaries occurring during the period.

1.6 Accounting standards which are effective for the current year

The Federation of Accounting Professions has issued Notifications No. 86/2551 mandating the use of the following new accounting standards:

TAS 36 (revised 2007)	Impairment of assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The Bank's management has assessed the effect of these standards and believes that they do not have any significant impact on the financial statements for the current period in which they are initially applied.

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

1.8 Significant accounting policies

These 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 2008.

2. Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	31 March 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	1,368	45,600	46,968	5,428	32,627	38,055
Commercial banks	226	422	648	206	262	468
Other banks	5	53	58	5	53	58
Finance, finance and securities, securities, and credit foncier companies	558	51	609	-	3,373	3,373
Other financial institutions	-	445	445	20	585	605
Total domestic items	2,157	46,571	48,728	5,659	36,900	42,559
Add: Accrued interest receivables	-	6	6	-	16	16
Less: Allowance for doubtful debts	-	(2)	(2)	-	(2)	(2)
Domestic items - net	2,157	46,575	48,732	5,659	36,914	42,573
Foreign:						
US dollar	843	-	843	729	-	729
Yen	33	-	33	22	-	22
EURO	32	-	32	19	-	19
Other currencies	63	-	63	24	-	24
Foreign items	971	-	971	794	-	794
Domestic and foreign items - net	3,128	46,575	49,703	6,453	36,914	43,367

(Unit: Million Baht)

	Separate financial statements					
	31 March 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	1,366	45,600	46,966	5,425	32,627	38,052
Commercial banks	161	-	161	150	-	150
Finance, finance and securities, securities, and credit foncier companies	588	55	643	30	3,359	3,389
Other financial institutions	-	445	445	20	585	605
Total domestic items	2,115	46,100	48,215	5,625	36,571	42,196
Add: Accrued interest receivables	-	4	4	-	13	13
Less: Allowance for doubtful debts	-	(2)	(2)	-	(2)	(2)
Domestic items - net	2,115	46,102	48,217	5,625	36,582	42,207
Foreign:						
US dollar	843	-	843	729	-	729
Yen	33	-	33	22	-	22
EURO	32	-	32	19	-	19
Other currencies	63	-	63	24	-	24
Foreign items	971	-	971	794	-	794
Domestic and foreign items - net	3,086	46,102	49,188	6,419	36,582	43,001

As at 31 March 2009, the Bank has promissory notes of Baht 558 million, that had been issued by finance companies ordered closed, and are avaled by the Financial Institution Development Fund ("the FIDF"). A promissory note amounting to Baht 544 million was recalled to cancel the aval since the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has yet to return the promissory note to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the balance sheet date such promissory note avaled by FIDF has been presented as assets and the related obligation has been presented as liabilities at the same amount due to this matter is yet to be finalised.

3. Investments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Value at cost method/equity method	32,777	46,825	35,063	48,930
Add (less): Allowance for revaluation	(47)	17	(21)	42
Allowance for impairment	(1,338)	(1,322)	(2,765)	(2,743)
Net book value	<u>31,392</u>	<u>45,520</u>	<u>32,277</u>	<u>46,229</u>

3.1 Classified by types of investment

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	31 March 2009		31 December 2008		31 March 2009		31 December 2008	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Short-term investments:								
Securities held for trading								
Government and state enterprises securities	1,113	1,113	1,018	1,015	1,072	1,072	983	979
Private sector debt securities	5	5	3	3	-	-	-	-
Domestic marketable equity securities	51	39	60	47	-	-	-	-
Total	1,169	1,157	1,081	1,065	1,072	1,072	983	979
Less: Allowance for revaluation	(11)	-	(16)	-	-	-	(4)	-
Securities held for trading - net	<u>1,158</u>	<u>1,157</u>	<u>1,065</u>	<u>1,065</u>	<u>1,072</u>	<u>1,072</u>	<u>979</u>	<u>979</u>
Available-for-sales securities								
Government and state enterprises securities	9,904	10,013	2,896	2,907	9,902	10,010	2,884	2,895
Private sector debt securities	671	669	768	769	659	657	758	759
Domestic marketable equity securities	27	2	30	5	-	-	-	-
Total	10,602	10,684	3,694	3,681	10,561	10,667	3,642	3,654
Add: Allowance for revaluation	108	-	13	-	107	-	13	-
Less: Allowance for impairment	(26)	-	(26)	-	(1)	-	(1)	-
Available-for-sales securities - net	<u>10,684</u>	<u>10,684</u>	<u>3,681</u>	<u>3,681</u>	<u>10,667</u>	<u>10,667</u>	<u>3,654</u>	<u>3,654</u>
Held-to-maturity debt securities								
Government and state enterprises securities	-	-	15	-	-	-	-	-
Total	-	-	15	-	-	-	-	-
General investments								
Private sector debt securities	11	-	11	-	11	-	11	-
Less: Allowance for impairment	(11)	-	(11)	-	(11)	-	(11)	-
General investments - net	-	-	-	-	-	-	-	-
Short-term investments – net	<u>11,842</u>	<u>11,842</u>	<u>4,761</u>	<u>4,761</u>	<u>11,739</u>	<u>11,739</u>	<u>4,633</u>	<u>4,633</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	31 March 2009		31 December 2008		31 March 2009		31 December 2008	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Long-term investments:								
Available-for-sales securities								
Government and state enterprises securities	133	135	18,681	18,887	100	101	18,669	18,874
Private sector debt securities	73	76	378	383	50	53	50	52
Domestic marketable equity securities	3,317	2,733	3,297	2,697	3,235	2,668	3,235	2,652
Total	3,523	2,944	22,356	21,967	3,385	2,822	21,954	21,578
Add (less): Allowance for revaluation	(144)	-	20	-	(128)	-	33	-
Less: Allowance for impairment	(435)	-	(409)	-	(435)	-	(409)	-
Available-for-sales securities - net	2,944	2,944	21,967	21,967	2,822	2,822	21,578	21,578
Held-to-maturity debt securities								
Promissory notes issued by TAMC	2,153		2,705		2,153		2,705	
Government and state enterprises securities	155		155		155		155	
Overseas debt securities	12,275		13,951		12,275		13,951	
Total	14,583		16,811		14,583		16,811	
Less: Allowance for impairment	(54)		(54)		(54)		(54)	
Held-to-maturity debt securities - net	14,529		16,757		14,529		16,757	
General investments								
Domestic non-marketable equity securities	1,304		1,349		1,303		1,348	
Overseas non-marketable equity securities	14		14		14		14	
Investments in receivables (Note 3.6)	1,356		1,385		1,225		1,260	
Total	2,674		2,748		2,542		2,622	
Less: Allowance for impairment	(802)		(812)		(699)		(705)	
General investments - net	1,872		1,936		1,843		1,917	
Long-term investments - net	19,345		40,660		19,194		40,252	

- (a) As of 31 March 2009 and 31 December 2008, the Bank had foreign currency denominated debt investments in structured notes totalling USD 310 million (Baht 11,013 million) and USD 360 million (Baht 12,580 million), respectively, which have been classified as the held-to-maturity investments and are recorded under the cost method. Such notes were issued by foreign financial institutions and banks whose ratings were A or better. The notes have remaining lives of 2-8 years and contain conditions related to interest to be received by the bank and/or early repayment rights of the note issuers. As at 31 March 2009 and 31 December 2008, the average price of the notes quoted by arrangers is approximately 101 percent and 99 percent of cost, respectively. The Bank has not set aside allowance for impairment on such investment because the Bank's management are confident that all notes will be recovered in full on the maturity date or when the issuer early redeems the notes. However, in view of the current financial turmoil and related uncertainties, the values of the notes may be affected by future impact of the economic and financial crisis.

The structured notes contain embedded derivatives that are considered as closely related to the host contract instruments, except for one structured note with a cost of USD 50 million. The Bank recorded the revaluation adjustment for the fair value of the embedded derivatives in such note, based on the value estimated by the arranger.

- (b) As at 31 March 2009, held-to-maturity debt securities classified as long-term investments included promissory notes of Baht 2,153 million (31 December 2008: Baht 2,705 million) which were received from TAMC in settlement for non-performing loans transferred to TAMC (as already discussed in Note 24 to the financial statements). Such promissory notes are non-transferable and avaled by the Financial Institutions Development Fund.
- (c) As at 31 March 2009, the Bank has an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million and it is presented at its fair value of Baht 2,313 million, with the loss from revaluation amounting to Baht 187 million presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 40 concerning Accounting for Investment in Debt and Equity Securities. The investee was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a 10-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.

- (d) As at 31 March 2009, the Bank has accounts receivable from sales of investments of Baht 8,425 million and accounts payable from purchases of investments of Baht 8,538 million, which arose for sales and purchases of investments made during the last one to three working days before the period date. Settlement of such transactions was completed after the period date.
- (e) As at 31 March 2009 and 31 December 2008, the Bank has investments which are pledged as collateral, as mentioned in Note 19.1 to the financial statements.

3.2 Classified by the remaining period to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements							
	31 March 2009				31 December 2008			
	Periods remaining				Periods remaining			
	1 year	1 – 5 years	Over 5 years	Total	1 year	1 – 5 years	Over 5 years	Total
Available-for-sales securities								
Government and state enterprises securities	9,904	119	14	10,037	2,896	18,672	9	21,577
Private sector debt securities	671	70	3	744	768	373	5	1,146
Total	10,575	189	17	10,781	3,664	19,045	14	22,723
Add: Allowance for revaluation	108	4	1	113	13	209	2	224
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	10,682	193	18	10,893	3,676	19,254	16	22,946
Held-to-maturity securities								
Promissory notes issued by TAMC	-	2,145	8	2,153	-	2,697	8	2,705
Government and state enterprises securities	-	-	155	155	15	-	155	170
Overseas debt securities	-	3,038	9,237	12,275	-	3,118	10,833	13,951
Total	-	5,183	9,400	14,583	15	5,815	10,996	16,826
Less: Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Total	-	5,129	9,400	14,529	15	5,761	10,996	16,772
General investments								
Private sector debt securities	11	-	-	11	11	-	-	11
Less: Allowance for impairment	(11)	-	-	(11)	(11)	-	-	(11)
Total	-	-	-	-	-	-	-	-
Total debt securities	<u>10,682</u>	<u>5,322</u>	<u>9,418</u>	<u>25,422</u>	<u>3,691</u>	<u>25,015</u>	<u>11,012</u>	<u>39,718</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements							
	31 March 2009				31 December 2008			
	Periods remaining				Periods remaining			
	1 year	1 – 5 years	Over 5 years	Total	1 year	1 – 5 years	Over 5 years	Total
Available-for-sales securities								
Government and state enterprises securities	9,902	100	-	10,002	2,884	18,669	-	21,553
Private sector debt securities	659	50	-	709	758	50	-	808
Total	10,561	150	-	10,711	3,642	18,719	-	22,361
Add: Allowance for revaluation	107	4	-	111	13	206	-	219
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	10,667	154	-	10,821	3,654	18,925	-	22,579
Held-to-maturity securities								
Promissory notes issued by TAMC	-	2,145	8	2,153	-	2,697	8	2,705
Government and state enterprises securities	-	-	155	155	-	-	155	155
Overseas debt securities	-	3,038	9,237	12,275	-	3,118	10,833	13,951
Total	-	5,183	9,400	14,583	-	5,815	10,996	16,811
Less: Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Total	-	5,129	9,400	14,529	-	5,761	10,996	16,757
General investments								
Private sector debt securities	11	-	-	11	11	-	-	11
Less: Allowance for impairment	(11)	-	-	(11)	(11)	-	-	(11)
Total	-	-	-	-	-	-	-	-
Total debt securities	10,667	5,283	9,400	25,350	3,654	24,686	10,996	39,336

3.3 Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10%

The following are equity securities, classified by types of industry, in which the Bank and its subsidiaries hold more than 10% of the paid-up share capital of the investee companies but those companies were not classified as subsidiaries and associated companies:

(Unit: Million Baht)

	Separate financial statements	
	31 March 2009	31 December 2008
Commercial business	2	2
Property development	167	167
Public utilities and services	17	17
Banking and finance businesses	4	10
Insurance businesses	234	234
Total	424	430
Less: Allowance for impairment	(339)	(344)
Net	85	86

3.4 Investments in investment units in which the Bank and its subsidiaries hold more than 10%

Investments in investment units in which the Bank and its subsidiaries hold more than 10% of the paid-up fund, which are not treated as their subsidiaries and associated companies, classified by type of fund, are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 March 2009		31 December 2008	
	Cost	Fair value	Cost	Fair value
General investments				
Investment in property funds	458	458	476	470
Investment in fixed income funds	-	-	20	22
Total	458	458	496	492
Less: Allowance for impairment	(3)		(3)	
Book value	455		493	

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

As at 31 March 2009 and 31 December 2008, the Bank and its subsidiaries have the following investments in companies, which have problems relating to financial positions and operating results:

(Unit: Million Baht)

	Consolidated and separate financial statements							
	31 March 2009				31 December 2008			
	Number of companies	Cost	Allowance for revaluation and impairment	Book value	Number of companies	Cost	Allowance for revaluation and impairment	Book value
Listed companies under delisting conditions	4	-	-	-	4	-	-	-
Companies with problems regarding to business continuity and/or weak financial status and operating performance	61	216	(206)	10	63	216	(206)	10
Defaulted debt securities	18	11	(11)	-	18	11	(11)	-

3.6 Investments in receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Investments in receivables	1,356	1,385	1,225	1,260
Less: Allowance for impairment	(257)	(261)	(154)	(154)
Investments in receivables - net	1,099	1,124	1,071	1,106

The outstanding balances of loan receivables as at 31 March 2009 and 31 December 2008, can be summarised as follows:

	31 March 2009				31 December 2008			
	Number of debtors	Principal	Purchase price	Estimated	Number of debtors	Principal	Purchase price	Estimated
				rate of return (Yield) *				rate of return (Yield) *
	Million Baht	Million Baht	Percent		Million Baht	Million Baht	Percent	
<u>Consolidated financial statements</u>								
Total accumulated investments								
in receivables	14,728	24,912	7,071	19	6,053	24,912	7,066	19
Outstanding investments in receivables as at the balance sheet date	12,514	10,442	1,356		3,874	10,683	1,385	
<u>Separate financial statements</u>								
Outstanding investments in receivables as at the balance sheet date	284	2,851	1,225		300	2,896	1,260	

* Excluded yield of investment in receivable of a subsidiary, the outstanding amount of which is Baht 49 million as at 31 March 2009 and 31 December 2008.

3.7 Investments in subsidiary and associated companies

Company name	Nature of business	Consolidated financial statements									
		Paid-up share capital		Percentage of holding		Investment value				Dividend received	
		31 March 2009	31 December 2008	31 March 2009	31 December 2008	Cost method		Equity method		for the three-month periods ended 31 March	
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary - not included in consolidated financial statements											
	In process of										
Krung Thai Thanakit Finance Plc.	liquidation	388	388	99	99	562	562	154	238	-	-
Associated company											
Worldclass Rent a Car Co., Ltd.	Car rental	380	380	20	20	61	61	61	61	-	-
Total						623	623	215	299	-	-
Less: Allowance for impairment						(314)	(314)	(10)	(10)		
Investments in subsidiary and associated companies						309	309	205	289		
Less: Ordinary shares of the Bank held by its subsidiary which are not included in consolidated financial statements (cost method)								-	(190)		
Investments in subsidiary and associated companies – net								205	99		

Company name	Nature of business	Separate financial statements									
		Paid-up share capital		Percentage of holding		Investment value				Dividend received	
		31 March 2009	31 December 2008	31 March 2009	31 December 2008	Cost method				for the three-month periods ended 31 March	
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries – included in consolidated financial statements											
BT Insurance Co., Ltd	Non-life insurance	300	300	100	100	236	236	-	-		
BT Securities Co., Ltd.	Securities	1,200	1,200	100	100	1,175	1,175	-	-		
BT Business Consulting Co., Ltd.	Consultancy services	33	33	100	100	32	32	-	-		
BT Leasing Co., Ltd.	Leasing/ hire purchase	200	200	100	100	378	378	-	-		
BT Asset Management Co., Ltd.	Fund manager	190	190	100	100	190	190	-	-		
Sathorn Asset Management Co., Ltd.	Asset management	25	25	100	100	25	25	-	-		
BT Worldlease Co., Ltd.	Hire purchase - motorcycles, motorcycle trading	240	240	75	75	248	248	-	-		
Subsidiary – not included in consolidated financial statements											
Krung Thai Thanakit Finance Plc.	In process of liquidation	388	388	99	99	562	562	-	-		
Associated companies											
Worldclass Rent a Car Co., Ltd.	Car rental	380	380	20	20	61	61	-	-		
Total						2,907	2,907	-	-		
Less: Allowance for impairment						(1,563)	(1,563)				
Investments in subsidiary and associated companies - net						1,344	1,344				

Share of losses from investment in an associated company for the three-month period ended 31 March 2008, amounting to Baht 4 million, were calculated based on the associated company's financial statements, which were prepared by its management and have not been audited or reviewed by its auditor.

BT World Lease Company Limited, which is a subsidiary of the Bank, has two subsidiary companies. These are Siam Wall N.E. Leasing Company Limited, which is principally engaged in the provision of hire purchase loans to motorcycle buyers, and Asset Liability Management Company Limited, which is principally engaged in the sale of used motorcycles. Siam Wall N.E. Leasing Company Limited and Asset Liability Management Company Limited passed resolutions to dissolve those companies, and registered their dissolutions with the Business Promotion Department, Ministry of Commerce on 22 September 2008 and 7 November 2008, respectively. Siam Wall N.E. Leasing Company Limited registered its liquidation on 26 December 2008 and BT Worldlease Co., Ltd. has received a refund of capital of Baht 29 million as a result of the liquidation. Asset Liability Management Company Limited is in the liquidation process.

4. Loans and accrued interest receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Loans	85,373	92,261	80,878	87,553
Accrued interest receivables	388	389	326	326
Total loans and accrued interest receivables	85,761	92,650	81,204	87,879
Less: Allowance for doubtful debts	(8,527)	(8,973)	(4,822)	(5,249)
Revaluation allowance for debt restructuring	(20)	(20)	(20)	(20)
Net book value	77,214	83,657	76,362	82,610

4.1 Classified by loan type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Bank overdrafts	5,890	5,995	5,811	5,927
Loans	59,120	61,117	56,459	58,449
Bills*	16,339	21,040	18,595	23,164
Hire purchase receivables*	3,561	3,645	-	-
Financial lease receivables*	260	261	-	-
Securities business receivables	189	189	-	-
Others	14	14	13	13
Total loans	85,373	92,261	80,878	87,553
Add: Accrued interest receivables	388	389	326	326
Total loans and accrued interest receivables	85,761	92,650	81,204	87,879
Less: Allowance for doubtful debts	(8,527)	(8,973)	(4,822)	(5,249)
Revaluation allowance for debt restructuring	(20)	(20)	(20)	(20)
Loans and accrued interest receivables – net	77,214	83,657	76,362	82,610

* As at 31 March 2009 and 31 December 2008, those amount have been presented net from unearned interest income with total of Baht 963 million and Baht 996 million, respectively (separate financial statements: Baht 9 million and Baht 14 million, respectively).

4.2 Classification of loans

The Bank and its subsidiaries classified loans by loan classification and/or based on the over due date as summarised below.

a) Loans of the Bank and its subsidiaries

	Consolidated financial statements							
	31 March 2009				31 December 2008			
	Loans and accrued interest receivables		Allowance provided in the accounts		Loans and accrued interest receivables		Allowance provided in the accounts	
	Balance after collateral ⁽¹⁾	Minimum percentage	Million Baht	Million Baht	Balance after collateral ⁽¹⁾	Minimum percentage	Million Baht	Million Baht
Pass	56,455	18,926	1	251	64,128	19,801	1	261
Special mention	12,138	2,875	2	124	11,037	2,177	2	112
Sub-standard	2,529	1,207	100	1,237	3,462	1,243	100	1,273
Doubtful	2,084	557	100	708	1,768	762	100	886
Doubtful of loss	8,452	5,541	100	5,632	8,089	5,698	100	5,803
Total	81,658	29,106		7,952	88,484	29,681		8,335
General provision for further losses				104				166
Total				8,056				8,501

⁽¹⁾ For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with new BOT guidelines, the debt balance after collateral is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

	Separate financial statements							
	31 March 2009				31 December 2008			
	Loans and accrued interest receivables		Allowance provided in the accounts		Loans and accrued interest receivables		Allowance provided in the accounts	
	Balance after collateral ⁽¹⁾	Minimum percentage	Million Baht	Million Baht	Balance after collateral ⁽¹⁾	Minimum percentage	Million Baht	Million Baht
Pass	59,339	21,811	1	239	66,881	22,553	1	249
Special mention	12,138	2,875	2	124	11,037	2,177	2	112
Sub-standard	2,529	1,207	100	1,207	3,462	1,243	100	1,243
Doubtful	2,084	557	100	624	1,768	762	100	802
Doubtful of loss	5,114	2,326	100	2,542	4,731	2,463	100	2,693
Total	81,204	28,776		4,736	87,879	29,198		5,099
General provision for further losses				86				150
Total				4,822				5,249

⁽¹⁾ For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with new BOT guidelines, the debt balance after collateral is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 31 March 2009, there were defaulted loans amounting to Baht 7,542 million, for which the Bank has ceased accrual of interest income (31 December 2008: Baht 7,615 million).

b) Securities business receivables of the subsidiary

(Unit: Million Baht)

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	Pass	156	129	-	-	-
Sub-standard debt	22	24	-	-	-	-
Doubtful debt	76	77	76	77	99	99
Total	254	230	76	77	99	99

c) Hire-purchase receivables and financial lease receivables of the subsidiaries

As at 31 March 2009 and 31 December 2008, hire-purchase receivables and financial lease receivables of the subsidiaries are classified based on the over due date as follows:

(Unit: Million Baht)

	Debt balance - net from unearned income		Allowance for doubtful accounts	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Current or overdue less than 1 installment	2,945	3,013	29	30
Overdue 2 - 3 installments	541	557	11	11
Overdue 4 - 6 installments	69	79	39	45
Overdue 7 - 12 installments	22	14	21	14
Overdue more than 12 installments	267	268	267	268
Debtors under litigation	5	5	5	5
Total	3,849	3,936	372	373

4.3 Non-performing loans

As at 31 March 2009 and 31 December 2008, the Bank and its subsidiaries had the following non-performing loans, according to the criteria set up by the BOT and the Office of the Securities and Exchange Commission:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	Non-performing loans (principal only)	12,966	13,242	9,634

As at 31 March 2009 and 31 December 2008, the above non-performing loans under the BOT's criteria were presented in accordance with the notification of the BOT, defining non-performing loans to be the debts classified as sub-standard, doubtful and doubtful of loss and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with the BOT's criteria have already been fulfilled.

4.4 Hire purchase and finance lease receivables

As at 31 March 2009 and 31 December 2008, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 3,477 million and Baht 3,563 million, respectively, and mostly comprise hire purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between 3 and 6 years and under most interest is charged at a fixed rate.

(Unit: Million Baht)

	Consolidated financial statements as at 31 March 2009				
	Amounts due under lease agreement				
	Less than 1 year	1-5 years	Over 5 years	Non - performing loans	Total
Gross investment in the lease	1,885	2,502	8	408	4,803
Unearned finance income	(530)	(376)	-	(48)	(954)
Present value of minimum lease payments receivable	1,355	2,126	8	360	3,849
Allowance for doubtful accounts					(372)
Net receivables under hire purchase agreements and financial leases					<u>3,477</u>

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2008				
	Amounts due under lease agreement				
	Less than 1 year	1-5 years	Over 5 years	Non - performing loans	Total
Gross investment in the lease	1,890	2,604	12	412	4,918
Unearned finance income	(527)	(407)	-	(48)	(982)
Present value of minimum lease payments receivable	1,363	2,197	12	364	3,936
Allowance for doubtful accounts					(373)
Net receivables under hire purchase agreements and financial leases					<u>3,563</u>

4.5 Troubled debt restructuring

During for the three-month period ended 31 March 2009 and for the year ended 31 December 2008, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Number of debtors	1,268	4,593	1,267	4,590
Debt balances	677	2,115	676	2,114

The restructured debtors referred to above can be classified by method of troubled debt restructuring as described below.

(Unit: Million Baht)

	Consolidated financial statements				
	For the three-month period ended 31 March 2009				
	Number of debtors	Debt balances		Type of assets transferred	Loss on troubled debt restructuring
Before restructuring		After restructuring	Fair value		
Transfer of assets	-	-	-	-	-
			- Land and land with premises	-	-
			- Ordinary shares	-	-
			- Others	-	-
Modification of terms of payments	1,268	677	677		-
Combination of methods	-	-	-	-	-
			- Land and land with premises	-	-
			- Ordinary shares	-	-
			- Others	-	-
Total	1,268	677	677	-	-
Loans and accrued interest receivables as at 31 March 2009	<u>246,151</u>	<u>85,761</u>			

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2008						
	Debt balances			Type of assets transferred	Loss on	
	Number of debtors	Before restructuring	After restructuring		Fair value	troubled debt restructuring
Transfer of assets	-	-	-	- Land and land with premises	-	-
				- Ordinary shares	-	
				- Others	-	
Modification of terms of payments	4,593	2,115	2,106			9
Combination of methods	-	-	-	- Land and land with premises	-	-
				- Ordinary shares	-	
				- Others	-	
Total	4,593	2,115	2,106		-	9
Loans and accrued interest receivables as at 31 December 2008	<u>264,847</u>		<u>92,650</u>			

(Unit: Million Baht)

Separate financial statements						
For the three-month period ended 31 March 2009						
	Debt balances			Type of assets transferred	Loss on	
	Number of debtors	Before restructuring	After restructuring		Fair value	troubled debt restructuring
Transfer of assets	-	-	-	- Land and land with premises	-	-
				- Ordinary shares	-	
				- Others	-	
Modification of terms of payments	1,267	676	676			-
Combination of methods	-	-	-	- Land and land with premises	-	-
				- Ordinary shares	-	
				- Others	-	
Total	1,267	676	676		-	-
Loans and accrued interest receivables as at 31 March 2009	<u>191,044</u>		<u>81,204</u>			

(Unit: Million Baht)

Separate financial statements						
For the year ended 31 December 2008						
	Debt balances			Type of assets transferred	Fair value	Loss on troubled debt restructuring
	Number of debtors	Before restructuring	After restructuring			
Transfer of assets	-	-	-	- Land and land with premises - Ordinary shares - Others	-	-
Modification of terms of payments	4,590	2,114	2,105			9
Combination of methods	-	-	-	- Land and land with premises - Ordinary shares - Others	-	-
Total	4,590	2,114	2,105		-	9
Loans and accrued interest receivables as at 31 December 2008	208,964		87,879			

The debts restructured by means of modification of the term of repayment and combination of methods referred to above can be classified by the term of repayment under the restructuring agreements as follows:

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended						
	31 March 2009			For the year ended 31 December 2008		
	Number of debtors	Debt balances Before restructuring	Debt balances After restructuring	Number of debtors	Debt balances Before restructuring	Debt balances After restructuring
Term of repayment according to the restructuring agreements						
Not more than 5 years	481	321	321	1,496	1,066	1,057
5 - 10 years	786	355	355	3,088	1,034	1,034
10 - 15 years	-	-	-	8	13	13
More than 15 years	1	1	1	1	2	2
Total	1,268	677	677	4,593	2,115	2,106

(Unit: Million Baht)

Separate financial statements						
For the three-month period ended						
	31 March 2009			For the year ended 31 December 2008		
	Number of debtors	Debt balances Before restructuring	Debt balances After restructuring	Number of debtors	Debt balances Before restructuring	Debt balances After restructuring
Term of repayment according to the restructuring agreements						
Not more than 5 years	481	321	321	1,493	1,065	1,056
5 - 10 years	786	355	355	3,088	1,034	1,034
10 - 15 years	-	-	-	8	13	13
More than 15 years	-	-	-	1	2	2
Total	1,267	676	676	4,590	2,114	2,105

(Unaudited but reviewed)

Supplemental information for the three-month period ended 31 March 2009 and for the year ended 31 December 2008 relating to the restructured debts is as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March 2009	For the year ended 31 December 2008	For the three-month period ended 31 March 2009	For the year ended 31 December 2008
Losses on debt restructuring due to debtors being able to comply with debt restructuring conditions during the periods (Hair cut loss)	-	306	-	248
Cash settlement by debtors				
Principal	137	1,153	136	1,133
Interest	57	332	56	329

As at 31 March 2009 and 31 December 2008, the troubled debtors for which the Bank and its subsidiaries completed their debt restructuring can be summarised as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Number of debtors	6,533	6,113	6,528	6,109
Debt balances after restructuring	3,171	3,251	3,141	3,221

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 31 March 2009 and 31 December 2008, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 20 million, for which the Bank had provided allowance for revaluation as a result of debt restructuring.

In addition, As at 31 March 2009 the Bank may have to realise additional losses from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements approximately Baht 40 million (31 December 2008: Baht 43 million). The Bank had already provided as a provision for such losses, which is presented as part of the allowance for doubtful debts in the balance sheet.

5. Allowance for doubtful debts

(Unit: Million Baht)

Consolidated financial statements									
31 March 2009									
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	General provision for further losses	Total	Security and hire purchase receivables	Grand total
Balance as at 31 December 2008	261	112	1,273	886	5,803	166	8,501	472	8,973
Add: Addition	-	-	-	-	-	288	288	8	296
Reversal of bad debts	-	-	-	-	-	17	17	-	17
Less: Bad debts written off	-	-	(3)	-	(741)	(1)	(745)	(9)	(754)
Reversal of allowance made for settled debts	-	-	-	-	(5)	-	(5)	-	(5)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(10)	12	(33)	(178)	575	(366)	-	-	-
Balance as at 31 March 2009	251	124	1,237	708	5,632	104	8,056	471	8,527

(Unit: Million Baht)

Consolidated financial statements									
31 December 2008									
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	General provision for further losses	Total	Securities and hire purchase receivables	Grand total
Balance as at 31 December 2007	476	16	1,509	309	7,772	428	10,510	551	11,061
Add: Addition	-	-	-	-	-	2,291	2,291	52	2,343
Reversal of bad debts	-	-	-	-	-	8	8	-	8
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Less: Bad debts written off	(10)	(7)	(6)	(3)	(1,817)	(9)	(1,852)	(113)	(1,965)
Reversal of allowance made for settled debts	-	-	-	-	(10)	-	(10)	(18)	(28)
Reversal of allowance made for sold NPLs	(55)	-	-	-	(2,398)	-	(2,453)	-	(2,453)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(150)	103	(230)	580	2,256	(2,559)	-	-	-
Balance as at 31 December 2008	261	112	1,273	886	5,803	166	8,501	472	8,973

(Unaudited but reviewed)

(Unit: Million Baht)

		Separate financial statements					
		31 March 2009					
		General provision for further					Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	losses	
Balance as at 31 December 2008	249	112	1,243	802	2,693	150	5,249
Add: Addition	-	-	-	-	-	288	288
Reversal of bad debts	-	-	-	-	-	17	17
Transferred from allowance made for sold NPLs to subsidiary	-	-	-	-	13	-	13
Less: Bad debts written off	-	-	(3)	-	(741)	(1)	(745)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(10)	12	(33)	(178)	577	(368)	-
Balance as at 31 March 2009	239	124	1,207	624	2,542	86	4,822

(Unit: Million Baht)

		Separate financial statements					
		31 December 2008					
		General provision for further					Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	losses	
Balance as at 31 December 2007	475	16	1,509	309	4,694	330	7,333
Add: Addition	-	-	-	-	-	2,196	2,196
Reversal of bad debts	-	-	-	-	-	8	8
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	7	7
Less: Bad debts written off	(10)	(7)	(6)	(3)	(1,817)	(9)	(1,852)
Transferred from revaluation allowance for subsidiary	(12)	-	(30)	(84)	(2,317)	-	(2,443)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(204)	103	(230)	580	2,133	(2,382)	-
Balance as at 31 December 2008	249	112	1,243	802	2,693	150	5,249

6. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Balance - beginning of the period	20	51	20	51
Less: Amounts written off during the periods	-	(24)	-	(24)
Revaluation allowance transferred to allowance for doubtful debts	-	(7)	-	(7)
Balance - end of the period	20	20	20	20

The write-off transactions and/or the adjustments of revaluation allowance for debt restructuring are transferred to allowance for doubtful debts.

7. Properties foreclosed

Properties foreclosed represent properties foreclosed from debtors as a result of debt restructuring, or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, or unused assets transferred as a result of merger and awaiting disposal.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Cost	3,180	3,245	2,959	3,017
Less: Allowance for impairment	(742)	(762)	(722)	(740)
Book value	2,438	2,483	2,237	2,277

Under the debt restructuring agreements, in cases where the debtors restructure their debts by means of a debt/asset swap, the Bank grants buyback options or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements. The buyback prices are normally agreed to be the transfer prices of the properties on the restructuring dates or plus interest.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
31 March 2009			31 December 2008	
	Balances	Obligations with regard to buyback options or first refusal rights	Balances	Obligations with regard to buyback options or first refusal rights
Immovable	3,147	-	3,204	-
Movable	33	-	41	-
Total	3,180	-	3,245	-
Less: Allowance for impairment	(742)		(762)	
Properties foreclosed - net	<u>2,438</u>		<u>2,483</u>	

(Unit: Million Baht)

Separate financial statements				
31 March 2009			31 December 2008	
	Balances	Obligations with regard to buyback options or first refusal rights	Balances	Obligations with regard to buyback options or first refusal rights
Immovable	2,959	-	3,017	-
Less: Allowance for impairment	(722)		(740)	
Properties foreclosed - net	<u>2,237</u>		<u>2,277</u>	

The Bank provides allowance for impairment of properties foreclosed by reference to appraisal value. The Bank appraise or review the fair value of properties foreclosed annually in accordance with the Notification of the Bank of Thailand. However, the actual selling price may differ from the appraisal value. In addition, the Bank is subject to restrictions on the allowable periods it may hold such properties, as stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowable periods, the Bank has to set aside additional provision in accordance with the Bank of Thailand guidelines. The Bank's management believes that the carrying value of such properties is suitable to the current situation and the current disposal plan of its properties foreclosed.

8. Intangible assets

(Unit: Million Baht)

Consolidated financial statements					
Amortising period	Balance as at 31 December 2008	Increase	Transfer in/(out)	Amortisation	Balance as at 31 March 2009
Expenditures in connection with development and improvement of computer systems – under development					
-	479	45	(5)	-	519
Computer software	314	17	5	(34)	302
License Fee	9	-	-	(1)	8
Total	802	62	-	(35)	829
Allowance for impairment	(251)	-	-	-	(251)
Net intangible assets	551	62	-	(35)	578

(Unit: Million Baht)

Separate financial statements					
Amortising period	Balance as at 31 December 2008	Increase	Transfer in/(out)	Amortisation	Balance as at 31 March 2009
Expenditures in connection with development and improvement of computer systems – under development					
-	479	45	(5)	-	519
Computer software	298	-	5	(19)	284
License Fee	6	-	-	-	6
Total	783	45	-	(19)	809
Allowance for impairment	(251)	-	-	-	(251)
Net intangible assets	532	45	-	(19)	558

As of 31 March 2009 and 31 December 2008, the Bank recorded development costs of a core banking business system amounting to Baht 374 million. The Bank is in the process of reviewing its system requirements and looking for an appropriate system. However, such development costs mainly comprise costs of conceptual design, which can be used in future implementations since they cover actual operational requirements, and management believe the Bank will derive benefit from this design in the future. As at the end of period, the Bank has recognised impairment loss on those assets about which there is uncertainty as to future utilisation, totaling Baht 251 million. However, on 21 January 2008, the Bank submitted a claim to the International Court of Arbitration, International Chamber of Commerce, claiming damages totaling Baht 128 million from an IT developer.

9. Borrowings

(Unit: Million Baht)

	Consolidated financial statements					
	31 March 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Hybrid instrument						
Hybrid securities of Baht 2,500 million maturing in 2019	2,500	-	2,500	-	-	-
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,776	1,776	-	1,747	1,747
Subordinated debentures of USD 40 million, maturing in 2017	-	1,421	1,421	-	1,398	1,398
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Non-interest bearing subordinated debentures of Baht 2,760 million, maturing in 2009	-	-	-	2,760	-	2,760
	<u>3,044</u>	<u>3,197</u>	<u>6,241</u>	<u>3,304</u>	<u>3,145</u>	<u>6,449</u>
Securities sold under repurchase agreement						
Securities sold under repurchase agreements maturing in 2009, coupon rate of 3.85% per annum	-	-	-	316	-	316
	<u>-</u>	<u>-</u>	<u>-</u>	<u>316</u>	<u>-</u>	<u>316</u>
Fixed rate notes						
Bills of exchange maturing in 2009, coupon rate of 3.00 - 4.00% per annum	-	-	-	149	-	149
Bills of exchange maturing in 2009, coupon rate of 1.20 – 3.25% per annum	326	-	326	-	-	-
Promissory note maturing in 2009, coupon rate of 3.80 - 6.15% per annum	25	-	25	155	-	155
	<u>351</u>	<u>-</u>	<u>351</u>	<u>304</u>	<u>-</u>	<u>304</u>
Total	3,395	3,197	6,592	3,924	3,145	7,069
Less: Current portion of long-term borrowings	(895)	-	(895)	(3,924)	-	(3,924)
Long-term borrowings - net	<u>2,500</u>	<u>3,197</u>	<u>5,697</u>	<u>-</u>	<u>3,145</u>	<u>3,145</u>

(Unit: Million Baht)

	Separate financial statements					
	31 March 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Hybrid instrument						
Hybrid securities of Baht 2,500 million						
maturing in 2019	2,500	-	2,500	-	-	-
Subordinated notes						
Subordinated debentures of USD 50 million,						
maturing in 2016	-	1,776	1,776	-	1,747	1,747
Subordinated debentures of USD 40 million,						
maturing in 2017	-	1,421	1,421	-	1,398	1,398
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Non-interest bearing subordinated						
debentures of Baht 2,760 million, maturing						
in 2009	-	-	-	2,760	-	2,760
	<u>3,044</u>	<u>3,197</u>	<u>6,241</u>	<u>3,304</u>	<u>3,145</u>	<u>6,449</u>
Fixed rate notes						
Bills of exchange maturing in 2009, coupon						
rate of 3.00 - 4.00% per annum	-	-	-	149	-	149
Bills of exchange maturing in 2009, coupon						
rate of 1.20 - 3.25% per annum	326	-	326	-	-	-
	<u>326</u>	<u>-</u>	<u>326</u>	<u>149</u>	<u>-</u>	<u>149</u>
Total	<u>3,370</u>	<u>3,197</u>	<u>6,567</u>	<u>3,453</u>	<u>3,145</u>	<u>6,598</u>
Less: Current portion of long-term borrowings	(870)	-	(870)	(3,453)	-	(3,453)
Long-term borrowings - net	<u>2,500</u>	<u>3,197</u>	<u>5,697</u>	<u>-</u>	<u>3,145</u>	<u>3,145</u>

- a) As at 31 March 2009 and 31 December 2008, the Bank has domestic subordinated debentures of Baht 544 Million and Baht 3,304 million which transferred to the Bank since merger date.
- b) On 16 February 2007, the Bank issued unsecured 400 units of a subordinated debenture with a face value of USD 100,000 each to overseas investors, at a price of USD 100,000 per unit, or for a total of USD 40 million. The notes have a tenor of 10 years, maturing on 20 February 2017, with an early redemption call option in the year 2012. They bear interest at the 6-month LIBOR US dollar deposit rate plus 350 basis points from years 1 – 5 and, at the 6-month LIBOR US dollar deposit rate plus 525 basis points from year 6 onwards. Interest is due on 20 February and 20 August every year (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the Bank of Thailand.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank, within 120 days after the issue date.

The related expenses of Baht 23 million were recorded as a deferred expense and are amortised to expenses over the term of the debenture.

- c) On 17 July 2006, the Bank issued 50 unsecured and subordinated debentures with a face value of USD 1 million each to overseas investors, at a price of USD 1 million per unit, or for a total of USD 50 million. The notes have a tenor of 10 years, maturing on 17 July 2016, with an early redemption call option in the year 2011. They bear interest at the 6-month LIBOR US dollar deposits rate plus 350 basis points for the first 5 years, and at the 6-month LIBOR US dollar deposits rate plus 525 basis points after the optional redemption date in 2011. Interest is due every 17 July and 17 January (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the Bank of Thailand.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank unless such obligations rank junior to or pari passu with the debentures.

The related expenses of Baht 38 million were recorded as a deferred expense and are amortised to expenses over the term of the debenture.

- d) On 27 March 2009, the Bank issued 2,500,000 Cumulative hybrid instruments with a face value of Baht 1,000 each, or a total of Baht 2,500 million. The debentures have a tenor of 10 years, maturing on 27 March 2019, with an early redemption call option 5 years after the issue date. They bear interest at 5.25% p.a. for the first 5 years, and 6.75% p.a. for years 6-10. Interest is due every 27 March and 27 September (under the specified conditions).

There is a call option in the following two cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the debentures cannot be counted as Hybrid Tier II Debt of the Bank.

In both cases, early redemption must be pre-approved by the Bank of Thailand.

10. Share capital

Capital Increase

On 3 September 2008, the Extraordinary General Meeting of Shareholders No.2/2008 approved an increase in the registered capital, from Baht 25,030,127,182.50 to Baht 50,060,254,365 by issuing 6,674,700,582 new ordinary shares with a par value of Baht 3.75 each.

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved amendments of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2008 to change the previously stipulated offering price of not lower than Baht 0.66 to an offering price of Baht 0.38. The tendered share accepted by the offeror at completion of the offer period totaled 6,674,700,582 shares of Million Baht 2,536.38. As the result, on 18 March 2009 CIMB holds 12,435,069,760 shares, or equivalent to 93.15 percent of total issued and outstanding shares of the Bank.

The Bank registered an increased capital on 23 March 2009, after the registration of the capital increase, the registered capital and paid up capital is Baht 50,060,254,365 and share discount is Baht 33,100,728,672.96 (13,349,401,164 ordinary shares at 3.75 per share).

Capital Reduction

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved the transfer of Baht 6,053,483.70 from the Bank's legal reserve to offset its deficit and a decrease of the registered capital by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share. The premium arising from the capital reduction exercise was to be used to credit the share discount account in order to offset the share discount, and then retained earnings account, in order to offset the deficit. After such capital reduction, the registered share capital of the Bank will be reduced from Baht 50,060,254,365 to Baht 6,674,700,582.

On 12 March 2009, the Bank obtained approval from the BOT for the reduction of its the capital from Baht 50,060,254,365 to Baht 6,674,700,582.

On 30 March 2009, the Bank transferred Baht 6,053,483.70 from the legal reserve to offset deficit and registered a capital reduction by means of reducing the par value of shares from of Baht 3.75 to Baht 0.50. The premium arising from the capital reduction exercise and the transfer of legal reserve being credited against the share discount of baht 33,100,728,672.96 and the deficit of Baht 10,290,878,593.74.

The registered, issued and paid up capital is as follows:

	<u>Baht</u>
Registered share capital	
13,349,401,164 ordinary shares at baht 0.50	6,674,700,582
Issued and paid up capital	
13,349,401,164 ordinary shares at baht 0.50	6,674,700,582

11. Treasury stock - The Bank's ordinary shares held by its subsidiaries

As at 31 December 2008, BT Securities Company Limited and Krung Thai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, hold 124,589,637 of the Bank's ordinary shares. Investment in the Bank's ordinary shares is presented as treasury stock in the consolidated financial statements, and amounts to approximately Baht 460 million. The investments are recorded under the cost method, as a deduction item in shareholders' equity.

In January 2009, BT Securities Company Limited and KrungThai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, sold ordinary shares of such treasury stock to CIMB Bank Berhad under the tender offer scheme at a price of Baht 2.10 per share, for a total of Baht 262 million. The loss on sale of such ordinary shares Baht 199 million are recorded directly against the Bank's deficit.

12. Revaluation surplus

This represents surplus arising from revaluation of land and premises. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 March 2009	31 December 2008
Balance - beginning of period	749	768
Less: Amortisation	(5)	(19)
Balance - end of period	<u>744</u>	<u>749</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

13. Revaluation surplus (deficit) on investments

	(Unit: Million Baht)	
	Separate financial statements	
	31 March 2009	31 December 2008
Revaluation surplus on investments:		
Debt securities	114	221
Equity securities	66	11
Total	<u>180</u>	<u>232</u>
Revaluation deficit on investments:		
Debt securities	(3)	(1)
Equity securities	(188)	(175)
Total	<u>(191)</u>	<u>(176)</u>
Revaluation surplus (deficit) on investments - net	<u>(11)</u>	<u>56</u>

14. Statutory reserve

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside statutory reserve of at least 5 percent of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital.

15. 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 were as follows:

	31 March 2009 <u>(Million Baht)</u>	Total capital to risk assets <u>(%)</u>	31 December 2008 <u>(Million Baht)</u>	Total capital to risk assets <u>(%)</u>
Tier I				
Issued and paid up share capital	6,675		25,030	
Share discount	-		(10,607)	
Statutory reserve	-		6	
Deficit unappropriated	<u>(14)</u>		<u>(10,310)</u>	
Total	<u>6,661</u>	6.23	<u>4,119</u>	5.80
Tier II				
Revaluation surplus on assets	466		468	
Reserve for loan classified as pass	219		226	
Long-term subordinated debentures	<u>3,329</u>		<u>2,060</u>	
Total	<u>4,014</u>		<u>2,754</u>	
Total Tier I and Tier II capital funds	10,675		6,873	
Less: Revaluation deficit on capital securities available-for-sale	<u>(174)</u>		<u>(174)</u>	
Total capital funds	<u><u>10,501</u></u>	9.82	<u><u>6,699</u></u>	3.57

16. Gains (losses) on investments

Gains (losses) on investments as presented in the income statements for three-month periods ended 31 March 2009 and 2008 consisted of the following:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2009	2008	2009	2008
Unrealised gains (losses) on revaluation of investments	7	(2,418)	3	(2,422)
Allowance for impairment of investments	(27)	-	(27)	-
Reverse allowance for impairment of investment in non-performing loans	4	-	-	-
Realised gains (losses) on securities trading				
Trading securities	(1)	29	1	28
Available-for-sale securities	145	79	145	81
General investments	68	107	68	107
Realised gains on investment in non-performing loans	<u>47</u>	<u>150</u>	<u>15</u>	<u>8</u>
Gains (losses) on investments	<u><u>243</u></u>	<u><u>(2,053)</u></u>	<u><u>205</u></u>	<u><u>(2,198)</u></u>

17. Corporate income tax

No corporate income tax was payable for the period, after adding back certain non-deductible expenses and provisions for tax computation purposes and deducting tax exempted income to the profit/loss for the period, since the tax losses brought forward by the Bank exceeded net income for the period.

The corporate income tax presented in the consolidated financial statements is the corporate income tax of the Bank's subsidiaries.

18. Earnings per share

Earnings per share as presented in the separate income statements is the basic earnings (losses) per share which is calculated by dividing the net income (losses) for the period by weighted average number of ordinary shares held by outside shareholders in issue during the period.

Earnings per share as presented in the consolidated income statements is basic earnings (losses) per share which is calculated by dividing net income (losses) for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period (net of treasury stocks held by subsidiaries in consolidated financial statements).

19. Encumbrance of assets**19.1 Assets used as collateral**

The Bank and its subsidiaries placed assets such as cash at banks, government and state enterprises bonds as collateral against the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
Securities sold under repurchase agreements	-	312	-	-
Utilities usage	9	9	9	9
Guarantees on loans	45	45	-	-
Others	14	14	-	-
Total	68	380	9	9

19.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities obtained as a result of debt restructuring, under the debt restructuring agreements. The Bank obligated to dispose off the investment after agreed periods, which range from 1 year to 20 years commencing from the date of the debt restructuring agreements. As at 31 March 2009 and 31 December 2008, the investments subject to such obligation are as follows:

(Unit: Million Baht)

Year of maturity	Consolidated and separate financial statements			
	31 March 2009		31 December 2008	
	Number of company	Cost	Number of company	Cost
2010	1	8	1	8
2011 onwards	2	-	2	-
Total	3	8	3	8

20. Commitments and contingent liabilities

20.1 Commitments

As at 31 March 2009 and 31 December 2008, significant commitments of the Bank consist of:

(Unit: Million Baht)

	Separate financial statements					
	31 March 2009			31 December 2008		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bills ⁽¹⁾	359	-	359	496	-	496
Guarantees on loans	455	13	468	455	16	471
Liability under unmatured import bills	-	306	306	-	438	438
Letters of credits	170	1,086	1,256	23	1,313	1,336
Other commitments:						
Other guarantees ⁽¹⁾	5,365	225	5,590	5,642	219	5,861
Forward and spot contracts						
- Bought	-	11,681	11,681	-	16,050	16,050
- Sold	-	16,345	16,345	-	22,019	22,019
Cross currency and interest rate						
- Bought	7,965	2,940	10,905	8,265	2,892	11,157
- Sold	1,205	9,371	10,576	1,205	9,353	10,558
Interest rate swap contracts						
- Fixed rate payer	13,163	9,178	22,341	23,351	11,022	34,373
- Floating rate payer	16,320	9,178	25,498	26,020	11,022	37,042
- Fixed rate payee	13,480	9,178	22,658	23,180	11,022	34,202
- Floating rate payee	16,003	9,178	25,181	26,191	11,022	37,213
Credit Default Swap						
- Sold	382	-	382	382	-	382
Undrawn bank overdrafts	7,560	-	7,560	7,555	-	7,555
Total	82,427	78,679	161,106	122,765	96,388	219,153

⁽¹⁾ As at 31 March 2009, the Bank has issued bank guarantees amounting to Baht 3 million (31 December 2008: Baht 4 million) for an affiliate and avaled notes payable of a subsidiary amounting to Baht 176 million (31 December 2008: Baht 310 million). The aval of the subsidiary has been eliminated from the consolidated financial statements.

As at 31 March 2009 and 31 December 2008, the Bank has an outstanding obligation in respect of the claim made under a Bank guarantee by the Public Warehouse Organization (PWO), which submitted a letter dated 4 September 2007 requesting the Bank to settle obligations amounting to Baht 111.5 million in respect of its guarantees of a rice purchase and sale contract, because President Agri Trading Group had defaulted on such contract. The debtor subsequently notified the Bank to stop any payment under the guarantees subject to court's final order, on the grounds that it had not defaulted on the agreement, because the quality of rice in the warehouse was not in accordance with that stipulated in the contract, and it had filed a lawsuit against PWO, which is being heard by the court. The Bank, as the guarantor, has reviewed the related documentation attached to the claim letter received from PWO covering the contract, the letter issued by PAT extending the goods delivery period and the approval letter from PWO to extend such period and waiving the penalty and related expenses incurred, and believes that PWO extended the period and waived the penalty and related expenses for the reason that the quality of rice in the warehouse was not in accordance with the contract. The Bank is therefore confident that the Bank will not incur loss as a result of this guarantee. However, for conservative reasons, the Bank has set aside provision for this guarantee at 50% of the total guarantee amount claimed by PWO, on Baht 55 million, and recorded this as other liabilities.

Besides the above guarantee liabilities, the Bank has guarantee liabilities in respect of the rice custody contract, amounting to Baht 237.5 million. This guarantee covered the years 2004 through 2005, a period some time ago, and both the debtor and PWO were jointly responsible for holding access keys to the custodian warehouse, of which duplication was prohibited. Moreover, no claim for settlement has been lodged in respect of this custody guarantee. The Bank therefore believes that it will not incur loss as a result of this guarantee.

20.2 Contingent liabilities

- (a) As at 31 March 2009 and 31 December 2008, the Bank and its subsidiaries had the following contingent liabilities in connection with court cases in which the Bank or its subsidiaries have been sued as defendants in the Court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Bank and its subsidiaries once they are finalised:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 March 2009	31 December 2008
Sum claimed in cases where the Bank and its subsidiaries are direct defendants	435	311
Sum claimed in cases where the Bank and its subsidiaries are co-defendants with others		
- Sum of claims that can be specifically attributed to the Bank and its subsidiaries	10	10
- Sum of claims that cannot be specifically attributed to the Bank and its subsidiaries and for which the total sum claimed is therefore presented.	24,621	24,620
Total	25,066	24,941

In the above court cases, a sum of Baht 24,500 million relates to claims against the Bank in cases where it is co-defendants with TAMC and other banks. The plaintiffs lodged the claims in respect of transfers of non-performing loans from various banks to TAMC. However, the Bank believes that the outcomes of the cases will not cause material loss because the transfers were made in accordance of Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC amounting to approximately Baht 959 million, occurred before the merger of the Bank.

As at 31 March 2009, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 5 million in cases where the Bank is the direct defendant and Baht 36 million in cases where the Bank is the co-defendant with others. However, the Bank is in the process of appealing the decisions.

Apart from the above discussed court cases, as mentioned in Note 8 to the financial statements, in the year 2008 the Bank submitted a claim to the International Court of Arbitration, International Chamber of Commerce on 21 January 2008, claiming damages totaling Baht 128 million from an IT developer who had been unable to deliver an IT system in accordance with the contract. The IT developer has counter claimed the Bank for payment of the remaining contract price for the IT system, amounting to USD 9 million. The Bank believes that the outcome of this case will not result in material loss.

- (b) The Bank has commitments in respect of the loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 24 to the financial statements.

20.3 Commitments under long-term leases

As at 31 March 2009 and 31 December 2008, the Bank and its subsidiaries had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

(Unit: Million Baht)

Lease periods	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2009	2008	2009	2008
1 - 3 years	427	469	355	393
4 - 5 years	25	27	25	27
6 - 10 years	24	26	24	26
11 - 30 years	14	14	14	14

20.4 Other commitments

As at 31 March 2009, the Bank has other commitments as follows:

- The Bank entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 31 March 2009, the Bank is obligated to pay a further Baht 307 million and USD 0.2 million, respectively under such agreements.
- The Bank has capital commitments of approximately Baht 15 million in respect of the purchase and installation of equipment.

21. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2009	2008	2009	2008
Subsidiary companies				
Revenue:				
Interest income	-	-	32	54
Premises and equipments income	-	-	3	3
Fees income	-	-	15	70
Other income	-	-	3	-
Expenses:				
Interest expenses	1	1	1	1
Premises and equipments expenses	-	-	22	5
Other expenses	-	-	4	-
Associated companies				
Revenue:				
Fees income	-	3	-	3
Related companies				
Revenue:				
Interest income	6	2	1	2
Dividend income	-	1	-	1
Fees income	9	-	9	-
Expenses:				
Interest expenses	-	21	-	21

During the year 2009, the Bank has charged asset management fees to Sathorn Asset Management Company Limited (a subsidiary) under the amendment of the Collection Agency Agreement dated 22 April 2009. The fee between 1 January 2009 to 31 December 2009 will be at a rate of 20% of the total debt collected and the amount received from the disposal of properties foreclosed, before any charges and related expenses (2008: 30 percentage). The fee for the three-month period ended 31 March 2009 of Baht 3 million (2008: Baht 62 million) are recorded as other fees and charges in the income statement and the outstanding amounts were presented under the caption of other assets in the balance sheet. This transaction was eliminated from the consolidated financial statements. As at 31 March 2009, the Bank has receivable fee from such subsidiary to Baht 7 million.

In addition, the Bank and a subsidiary conducted securities trading through another subsidiary engaged in the securities business. The volumes of such trades for the three-month period ended 31 March 2008 were Baht 10 million (2009: nil), while related commission fees for the same period amounted to Baht 0.02 million (2009: nil).

Directors' remuneration represents the benefits paid to the Bank's and its subsidiaries' directors in accordance with Section 90 of the Public Company Limited Act, excluding salary and related benefits payable to directors who hold executive positions.

(Unaudited but reviewed)

The outstanding balances of significant related party transactions as at 31 March 2009 and 31 December 2008 are as follows:

(Unit: Million Baht)

	Consolidated financial statements								Pricing policy for loans (Percent per annum)
	31 March 2009				31 December 2008				
	Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits	Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits	
<u>Subsidiary company</u>									
Krung Thai Tanakit Finance Plc.	-	-	-	253	-	-	-	147	
		-	-	253		-	-	147	
<u>Associated company</u>									
Worldclass Rent a Car Co., Ltd.	-	-	3	-	1	-	4	-	MLR, 2% of obligations
		-	3	-		-	4	-	
<u>Related companies</u>									
Millea Life Insurance Thailand Plc.	-	-	-	70	-	-	-	59	
Sunshine Plc.	-	-	-	-	610	-	-	-	15%, 15.5%, 18%, 19%
Suetrong Construction Co., Ltd.	445	442	9	4	461	-	-	-	MLR, MLR – 2.5%, 2.5% of obligations
Maxwin Builders Co., Ltd.	127	127	-	-	131	128	-	-	No interest, 6.25%
Thai Baroda Industry Co., Ltd.	-	-	-	-	237	-	-	-	No interest, 6.3%, 0.5% and 2% of obligations
Union Petro Chemical Plc.	17	20	2	27	36	10	2	3	3.7% and 1.5% of obligations
Cenmetal (Thailand) Co., Ltd.	-	-	-	-	-	-	-	12	
Sukhumvit Asset Management Co., Ltd.	-	-	2	1	-	-	-	-	1.25% of obligations
Wongpaitoon Group Plc.	89	89	-	-	89	89	-	-	0.1%
Energy Complex Co., Ltd.	-	-	-	-	-	-	-	6	
Global Leasing Co., Ltd.	25	25	-	-	24	25	-	-	15%
		703	13	102		252	2	80	
<u>Related persons</u>									
	-	-	-	103	1	1	-	120	
		-	-	103		1	-	120	

(Unit: Million Baht)

Separate financial statements									
31 March 2009					31 December 2008				
	Outstanding				Outstanding				Pricing policy for loans (Percent per annum)
	Average loans outstanding	Loans/ Investments in receivables	Obligations	Deposits	Average loans outstanding	Loans/ Investments in receivables	Obligations	Deposits	
Subsidiary companies									
BT Securities Co., Ltd.	85	86	-	49	86	86	-	51	3.75%, MLR -1.5%
BT Leasing Co., Ltd.	2,260	2,260	-	25	2,258	2,259	-	11	MOR-2%,2.55%
BT Asset Management Co., Ltd.	-	-	-	11	-	-	-	7	
BT Business Consulting Co., Ltd.	6	6	-	2	6	6	-	2	MOR - 2%
BT Insurance Co., Ltd.	-	-	-	47	-	-	-	51	
Sathorn Asset Management Co., Ltd.	-	-	-	185	1,224	-	-	153	3.5%, 3.53%, 3.55%
Krung Thai Tanakit Finance Plc.	-	-	-	253	-	-	-	147	
BT Worldlease Co., Ltd.	636	618	176	47	189	488	310	46	MLR, 2% of obligations
Subsidiary held by the Bank's subsidiary (BT Worldlease Co., Ltd.)									
Asset Liability Management Co., Ltd.	-	-	-	-	-	-	-	1	
		2,970	176	619		2,839	310	469	
Associated company									
Worldclass Rent a Car Co., Ltd.	-	-	3	-	1	-	4	-	MLR, 2% of obligations
		-	3	-		-	4	-	
Related companies									
Millea Life Insurance Thailand Plc.	-	-	-	70	-	-	-	59	
Maxwin Builders Co., Ltd.	127	127	-	-	131	128	-	-	No interest, 6.25%
Thai Baroda Industry Co., Ltd.	-	-	-	-	237	-	-	-	No interest, 6.3%, 0.5% and 2% of obligations
Union Petro Chemical Plc.	17	20	2	27	36	10	2	3	3.7% and 1.5% of obligations
Cenmetal (Thailand) Co., Ltd.	-	-	-	-	-	-	-	12	
Sukhumvit Asset Management Co., Ltd.	-	-	2	-	-	-	-	-	1.25% of obligations
Wongpaitoon Group Plc.	89	89	-	-	89	89	-	-	0.1%
Energy Complex Co., Ltd.	-	-	-	-	-	-	-	6	
		236	4	97		227	2	80	
Related persons									
	-	-	-	103	1	1	-	120	
		-	-	103		1	-	120	

The Bank pays interest on deposits made by related parties at the normal rates granted to general depositors.

As at 31 March 2009, the Bank has liabilities amounting to Baht 2,500 million as a result of the issue of hybrid instruments, which were offered to an affiliated company, as already discussed in Notes 1.2 and 9 d) to the financial statements.

22. Financial information by segment

The Bank operates financial and banking business, where as its subsidiaries' business involve securities business, fund manager business, non-life insurance business, consultancy service business, asset management business, hire purchase and leasing business which are not the same business segment as the Bank.

Financial information presented in the consolidated financial statements as at 31 March 2009 and 31 December 2008 and for the three-month periods ended 31 March 2009 and 2008 are as follows:

(Unit: Million Baht)

	For the three-month period ended 31 March 2009					Total
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	665	111	14	7	(3)	794
Non-interest income	410	22	48	104	(53)	531
Non-interest expenses	(1,343)	(132)	(21)	(129)	56	(1,569)
Corporate income tax	-	-	(12)	(3)	-	(15)
Net income (losses)	<u>(268)</u>	<u>1</u>	<u>29</u>	<u>(21)</u>	<u>-</u>	<u>(259)</u>

(Unit: Million Baht)

	For the three-month period ended 31 March 2008					Total
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,149	117	3	8	(2)	1,275
Share of income from investments under equity method	-	-	-	-	(4)	(4)
Non-interest income	(1,949)	4	142	136	(66)	(1,733)
Non-interest expenses	(1,387)	(92)	(77)	(136)	72	(1,620)
Corporate income tax	-	(3)	-	-	-	(3)
Net income (losses)	<u>(2,187)</u>	<u>26</u>	<u>68</u>	<u>8</u>	<u>-</u>	<u>(2,085)</u>

(Unit: Million Baht)

	Bank business		Hire purchase business		Asset management business		Other business		Eliminations		Total	
	As at											
	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Investments - Net	32,277	46,228	-	-	16	6	236	800	(1,138)	(1,514)	31,391	45,520
Loans and accrued interest receivable - Net (including interbank and money market items)	125,550	125,611	3,576	3,645	289	259	850	683	(3,347)	(3,174)	126,918	127,024
Land, premises and equipments - Net	3,709	3,788	27	26	-	-	46	49	-	-	3,782	3,863
Accounts receivable from sale of investments	8,425	24,145	-	-	-	-	-	-	-	-	8,425	24,145
Other assets	9,380	11,273	64	65	188	183	302	334	(31)	(30)	9,903	11,825
Total assets	179,341	211,045	3,667	3,736	493	448	1,434	1,866	(4,516)	(4,718)	180,419	212,377

23. Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, investments, loans, deposit, liability payable on demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

23.1 Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers, clients or counter parties failed to discharge their contractual obligations.

The Bank credit risk management processes are implemented under a credit risk management policy, and have been structured in order to maintain checks and balances and clear segregation of responsibilities between the marketing, credit approval, inspection and risk management functions. The Bank manages credit risk at the customer standalone risk level and the portfolio level, developing different and appropriate credit risk rating tools to measure the risk at each level. For corporate customers and small-medium enterprise customers, risk grading tools and an SME Filter, respectively, have been developed to grade customer credit risk levels. For individual retail customers, with multi-purpose credit, whether uncollateralised (personal cash) or collateralised (mortgage power), including for home loans, the Bank has developed a credit scoring system for use in risk evaluation.

In respect of the credit review and approval process, the Bank has appointed a Credit Committee to consider the granting of credit facilities at different levels, based on the credit limit, focusing on borrowers' ability to make repayment, the type of credit, the financial status of the borrower, the economic situation and the status of the borrowers' industry. Furthermore, the Bank has established a Credit Review Unit, which is an independent unit, to ensure that the credit approval process is transparent and effective.

The maximum credit risk exposure is the carrying value of the financial assets after deducting by allowance for losses as stated in the balance sheet, and the risk of off-balance sheet commitments incurred as a result of loan guarantees and other guarantees.

As at 31 March 2009 and 31 December 2008, the Bank had the following off-balance sheet commitments as summarised by the period to maturity, counting from the balance sheet dates, of the contracts:

(Unit: Million Baht)

	Separate financial statements					
	Counting from 31 March 2009			Counting from 31 December 2008		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Aval to bills	359	-	359	496	-	496
Guarantees of loans	468	-	468	471	-	471
Liabilities under unmatured import bills	283	23	306	438	-	438
Letters of credit	1,227	29	1,256	1,336	-	1,336
Other guarantees	5,462	128	5,590	5,780	81	5,861

23.2 Market risk

Market risk is the risk on changes in interest rates, foreign exchange rates and securities prices that may have an effect on the Bank's foreign currency position and investment status, and consequently causes the Bank to incur a financial loss. As such, market risk consists of interest rate risk, foreign exchange risk and equity position risk.

The Bank has a Market Risk Management Unit and Asset and Liability Management Unit, which are responsible for assessment of the risk resulting from fluctuations in foreign exchange rates and interest rates. The Bank has implemented a market risk management process which covers both the measurement and control of such risks. The Bank has adopted the Value at Risk (VaR) model together with other factors sensitivity, such as DVO1, for risk measurement, to determine and report on the acceptable and pre-warning levels of market risk for its trading portfolio, enabling the Bank to take action to adjust its market risk to an appropriate level in a timely manner.

a) Structured interest risk

Interest rate risk is the risk that changes in market interest rates may lead to changes in the value of financial instruments, and fluctuations in revenue and the value of financial assets and liabilities. Interest rate risk is incurred as a result of interest rate structure and the characteristics and structure of the Bank's assets, liabilities and capital. The Bank has set risk limits for interest rate risk under banking accounts (Net Interest Income Charge) under the consent of the Assets and Liabilities Committee (ALCO) to control under the appropriate level. Where the risk limits for structured interest rate risk for trading accounts (Interest rate VaR) are approved by the Risk Management Committee.

As at 31 March 2009 and 31 December 2008, financial assets and liabilities classified by types of interest rate are as follows:

(Unit: Million Baht)

Descriptions	Separate financial statements			
	31 March 2009			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial Assets				
Cash	-	-	3,206	3,206
Interbank and money market items	964	46,070	2,152	49,186
Investments ⁽¹⁾	15,542	10,461	9,060	35,063
Loans	56,225	24,459	194	80,878
Financial Liabilities				
Deposits	24,324	118,914	1,317	144,555
Interbank and money market items	1,377	6,246	101	7,724
Liabilities payable on demand	-	-	242	242
Borrowings	3,198	2,826	544	6,568

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,225 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

(Unit: Million Baht)

Descriptions	Separate financial statements			
	31 December 2008			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial Assets				
Cash	-	-	4,630	4,630
Interbank and money market items	86	33,252	9,652	42,990
Investments ⁽¹⁾	17,695 ⁽¹⁾	19,736	11,499	48,930
Loans	59,566	27,777	210	87,553
Financial Liabilities				
Deposits	21,115	137,532	1,359	160,006
Interbank and money market items	1,475	8,421	89	9,985
Liabilities payable on demand	-	-	188	188
Borrowings	3,145	149	3,304	6,598

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,260 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition is discontinued (presented before deducting allowance for doubtful account losses).

In addition, the average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the three-month period ended 31 March 2009 and for the year ended 31 December 2008, can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	31 March 2009			31 December 2008		
	Average balances	Interest and dividend	Average rate (%)	Average balances	Interest and dividend	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items	45,595	207	1.84	22,223	767	3.45
Securities purchased under resale agreements	-	-	-	1,847	7	3.32
Investments	37,383	453	4.91	62,429	3,210	5.14
Loans	82,190	1,535	7.57	91,468	6,991	7.64
<u>Performing financial liabilities</u>						
Deposits	147,473	1,130	3.11	156,829	4,888	3.12
Interbank and money market items	7,952	49	2.48	6,640	141	2.13
Borrowings	4,709	66	5.69	5,078	379	7.45

b) Structured FX 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 and the value of financial assets and liabilities.

The Bank's Treasury and Trading Division is responsible for managing foreign currency positions within risk limits set by Risk Management Committee. These are the FX VaR limit and FX exposure limit.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 31 March 2009 and 31 December 2008, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

	Separate financial statements							
	31 March 2009				31 December 2008			
	USD	KRW*	EURO*	Other Currencies*	USD	KRW*	EURO*	Other Currencies*
Spot	277.47	35.57	2.91	2.77	312.98	39.23	3.12	5.23
Forward								
- Forward contract	(274.09)	(35.18)	(2.38)	(3.96)	(310.80)	(38.81)	(2.60)	(6.14)
Total	3.38	0.39	0.53	(1.19)	2.18	0.42	0.52	(0.91)

* EURO, KRW and other currencies are stated in USD equivalents.

c) Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenues and the value of financial assets.

23.3 Liquidity risk

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

The Treasury and Trading Division of the Bank is responsible for liquidity management, including procurement of both short-term and long-term sources of funds, and debt security investment management. The overall liquidity risk management is monitored by the Asset and Liability Management Committee according to the liquidity risk limits set for the Liquid Asset Ratio, and Liquidity Cumulative Gap.

The period to maturity, counting from the balance sheet date, of financial instruments outstanding as at 31 March 2009 and 31 December 2008 are as follows:

(Unit: Million Baht)

Descriptions	Separate financial statements				Total
	Counting from 31 March 2009				
	At call	Less than 1 year	More than 1 year	No maturity	
Financial Assets					
Cash	3,206	-	-	-	3,206
Interbank and money market items	3,086	46,045	55	-	49,186
Investments ⁽¹⁾	11 ⁽¹⁾	11,634	17,233	6,185	35,063
Loans ⁽²⁾	10,429 ⁽²⁾	27,375	43,074	-	80,878
Financial Liabilities					
Deposits	25,641	111,175	7,739	-	144,555
Interbank and money market items	1,478	6,242	4	-	7,724
Liabilities payable on demand	242	-	-	-	242
Borrowings	544	326	5,697	-	6,567

⁽¹⁾ Investments classified as maturity at call of Baht 11 million are investment in defaulted debt securities.

⁽²⁾ A part of loans classified as maturity at call of Baht 9,634 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

(Unit: Million Baht)

Descriptions	Separate financial statements				Total
	Counting from 31 December 2008				
	At call	Less than 1 year	More than 1 year	No maturity	
Financial Assets					
Cash	4,630	-	-	-	4,630
Interbank and money market items	6,419	36,571	-	-	42,990
Investments ⁽¹⁾	11 ⁽¹⁾	4,625	38,030	6,264	48,930
Loans ⁽²⁾	10,650 ⁽²⁾	32,330	44,573	-	87,553
Financial Liabilities					
Deposits	22,474	132,353	5,179	-	160,006
Interbank and money market items	1,564	8,414	7	-	9,985
Liabilities payable on demand	188	-	-	-	188
Borrowings	544	2,909	3,145	-	6,598

⁽¹⁾ Investments classified as maturity at call of Baht 11 million are investment in defaulted debt securities.

⁽²⁾ A part of loans classified as maturity at call of Baht 9,888 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

23.4 Fair value

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

(a) Financial assets

Determination of the fair value is dependent upon the characteristics of the financial instrument. The fair value of most financial assets, including cash, interbank and money market items, and loans, are presented at the amount stated in the balance sheets. The fair value of these financial assets is approximated at their respective carrying values since the values of such financial instruments are predominantly subject to market interest rates. Financial instruments with standard terms and conditions which are traded on an active and liquid market, such as investments, have their fair value determined by the quoted market prices.

(b) Financial liabilities

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

As at 31 March 2009, differences between the book value and the fair value of financial instruments of the Bank are estimated to be immaterial.

23.5 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.

As at 31 March 2009 and 31 December 2008, financial derivatives as classified by their maturities are as follows:

(Unit: Million Baht)

	Separate financial statements					
	31 March 2009			31 December 2008		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward and spot contracts						
- Bought	11,681	-	11,681	15,695	355	16,050
- Sold	16,203	142	16,345	21,775	244	22,019
Foreign currency swap contracts						
- Bought	842	10,063	10,905	3,642	7,515	11,157
- Sold	888	9,688	10,576	3,358	7,200	10,558
Interest rate swap contracts						
- Fixed rate payer	2,374	19,967	22,341	13,561	20,812	34,373
- Floating rate payer	3,177	22,321	25,498	13,759	23,283	37,042
- Fixed rate payee	3,177	19,481	22,658	13,759	20,443	34,202
- Floating rate payee	2,374	22,807	25,181	13,561	23,652	37,213
Credit Default Swap						
- Sold	382	-	382	382	-	382

The Bank set up policies and relevant risk limits by which it requires risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank realises financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process 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. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

24. Agreement to transfer non-performing loans to TAMC

On 12 October 2001, the Bank entered into an agreement to transfer non-performing loans to Thai Asset Management Corporation (“TAMC”) in accordance with the Emergency Decree establishing TAMC.

As at 31 March 2009 and 31 December 2008, loans transferred to TAMC are as follows:

(Unit: Million Baht)

Loans transferred to TAMC	Consolidated and separate financial statements			
	31 March 2009		31 December 2008	
	Book value	Transfer price	Book value	Transfer price
CAP	82,344	21,933	82,345	21,934
NON CAP	15,774	3,465	15,774	3,465
Total	<u>98,118</u>	<u>25,398</u>	<u>98,119</u>	<u>25,399</u>
Less: TAMC notes which have been redeemed by TAMC		(23,245)		(22,694)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 3.1)		<u>2,153</u>		<u>2,705</u>

The Bank is to receive payment in the form of non-transferable, 10-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 31 March 2009 and 31 December 2008, the Bank recognised interest receivable under these promissory notes amounting to Baht 282 million.

Share of the unrealised gain and losses arising from management of the non-performing loans

Under the agreement to transfer non-performing loans to TAMC, the Bank also has joint together with TAMC share the gains and losses arising from TAMC’s management of the non-performing loans, which is to be allocated at the end of the agreement, starting from 1 July 2001. In the case of losses, the Bank is liable for all initial losses up to 20 percent of the transfer price. Further losses of up to another 20 percent of the transfer price are to be shared equally between the Bank and TAMC, whilst TAMC is liable for all remaining losses thereafter. According to the agreement, expenses of TAMC and the interest expenses of promissory notes issued by TAMC will be included in the calculation of the gain/loss sharing. In case of gains, initial profits of up to 20 percent of the transfer price are to be shared equally between the Bank and TAMC. Further gains which, when combined with the initial portion, do not exceed the difference between the book value of the transferred non-performing assets and their transfer price, belong to the Bank. All remaining gains will belong to TAMC. For loan debtors transferred at no cost, collections received after deducting debt management expenses will belong to the Bank.

However, on 17 November 2006, the Bank has transferred rights over future gain sharing under the agreement to transfer CAP loans to TAMC to FIDF, although the Bank is still obligated to share losses with TAMC.

As at 31 March 2009, the amount of such gains/losses cannot be reasonably estimated, and the Bank has therefore not recognised any gains/losses that may occur as a result of the above obligations in its accounts. However, the Bank's management believes that no significant future losses will be incurred.

Outstanding issues with TAMC

As of 31 March 2009, the Bank and TAMC have outstanding issues regarding the follow up of outstanding requisitions of original ownership documents and appraisal reports for collateral, and the valuation of leasehold rights collateral for 124 debtors with transfer prices totalling Baht 1,051 million. The Bank believes that these issues will not have a material impact on the transfer price of the loans and interest on TAMC note, since some of the original ownership documents and appraisal reports for the collateral have already been handed over to TAMC while, collateral for receivables that have a number of creditors, TAMC needs to contact the major creditors itself in order to move the issue forward. With respect to the outstanding issue of the valuation of leasehold rights, the Bank believes that the transferable leaseholds can be appraised or revalued.

The above issues are still being investigated and finalised between the Bank and TAMC. The Bank's management believes that there will not be a material impact to the transfer price and relevant interest. However, for conservative reasons, the Bank has already recorded allowance for impairment of the TAMC Promissory Notes amounting to Baht 54 million in the financial statements.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by Audit Committee on 12 May 2009.