



ธนาคารนครหลวงไทย
Siam City Bank



SCIB

Right Business Partner For Life

heart

ANNUAL REPORT
2009



An aerial photograph of a city park featuring a large, calm lake. Several small boats are scattered across the water's surface. The lake is surrounded by dense, lush green trees. In the background, a city skyline with various high-rise buildings is visible under a soft, hazy sky with warm, golden light from the setting or rising sun. The overall atmosphere is peaceful and scenic.

Moving with You... with Our Heart

Because Customer Care is the Heart of
Our Commitment, We Have Been Striving to Prepare,
Improve, and Build up Confidence and Trust for the Past 3 Years
Under the Vision of
Right Business Partner for Life

2007

Year of Preparation

Realizing the necessity of competitiveness enhancement, the Bank focused on infrastructure preparation to facilitate future expansion. The infrastructure improvement programs included Human Resources Management, Business Process Improvement, and Marketing Strategies Improvement. All these efforts were geared towards upgrading standard of the Bank's operations to that of a leading bank in the future.

2008

Year of Improvement

The Bank strengthened its business foundation by building synergy with affiliated companies under the SCIB Family, while at the same time accelerated integrated efforts to improve and develop its overall operations through various improvement programs. Tangible results were achieved in the implementation of major projects such as Corporate Re-branding, Partnership and Collaboration, Human Resources Management, Corporate Governance Improvement, Credit Management Redesign, NPL and Pre-NPL Management, and Branch Rationalization etc.



2009

Year of Confidence and Trust

Feeling the impact of a weakening economy, caused by the US financial crisis in 2008 which spread throughout the global financial system, the Bank determined to sail through the tough economic times by designating the year 2009 as “Year of Confidence and Trust”. The main objectives were to grow with quality by placing focus on asset quality and risk management, maintaining a strong capital base, boosting the image of a modern organization, and pursuing ongoing development programs on human resources, business process, products and services, and distribution channels; in order to generate appropriate return for stakeholders.

Financial
Highlights

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Message from the
Board of Directors



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Board of Directors

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Organization
Chart

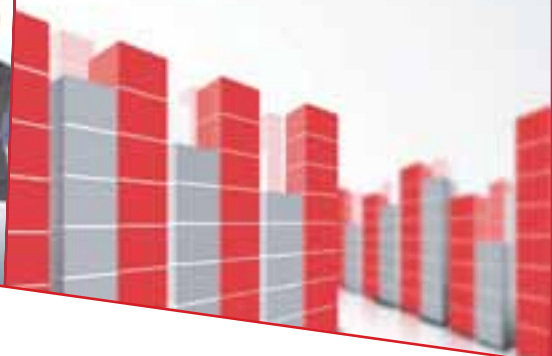
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Executive Officers



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Financial Position and
Operating Results



SCIB

Annual Report 2009

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Financial Highlights

Financial Highlights

As of December 31

Unit: Million Baht

	2009	2008	2007
Operating results			
Total Assets	424,110	420,092	411,269
Total Liabilities	380,836	378,812	374,907
Shareholder's Equity	43,274	41,280	36,362
Interest and Dividend Income	18,243	21,724	23,264
Net Interest and Dividend Income	12,841	12,957	12,202
Non-Interest Income	7,687	6,259	5,006
Total Income ⁽¹⁾	20,528	19,216	17,208
Net Profit	4,147	4,114	(2,027)
Retained Earning	16,904	14,193	10,037
Financial Ratio			
Net Profit (%)	15.99	14.70	(7.18)
Return on Equity (%)	9.81	10.60	(5.55)
Return on Assets (%)	0.98	0.99	(0.49)
Earning Per Share (Baht)	1.96	1.95	(0.96)
Book Value Per Share (Baht)	20.48	19.54	17.21
Capital Adequacy ⁽²⁾ (%)	14.55	10.38	12.89
Quality of assets			
Non-Performing Loans (NPLs)	25,915	24,494	18,349
NPLs/Total Loans ⁽³⁾ (%)	8.11	7.86	6.81

(1) Total Income = Net interest and Dividend Income + Non Interest Income

(2) Calculated from the ratio of capital fund to risk asset in the separate financial statement. The 2007 ratio was calculated by Basel I framework. For 2008 and 2009 , ratios were calculated by BOT's banking capital requirement supervision announced on 27 November 2008 (Basel II)

(3) Loans, including interbank and money market items.



Message from the Board of Directors

Dear Shareholders,

The Thai economy which had been severely affected by global financial crisis since 2008 began to get back on track in the latter half of 2009, driven mainly by the positive signs of economic recovery in major countries together with the expansionary monetary policy and the Government's economic stimulus measures under the Thai Khem Kaeng (Strong Thailand) scheme. Supported by a strong economic foundation, the structure of exports and imports improved significantly and expansion of output was seen in almost all industrial sectors. After registering a negative growth rate of 7.1% in the first quarter of 2009, the country's GDP managed to grow at the rate of 5.8% in the final quarter, bringing down the negative growth rate for the whole year of 2009 to 2.3% from 3.0% forecasted earlier.

Although Thai commercial banks were challenged by a number of adverse factors in 2009, they did not feel significant impact from the prevailing crisis. On the other hand, they remained financially strong and continued to attain favorable operating results. This was the outcome of the lessons they learned in the 1997 financial institutions crisis which had caused them to place top priority on risk management and prepare themselves to cope with any unexpected circumstances including provision of sufficient reserves and strengthening of capital base.

The Siam City Bank achieved another year of successful operations in 2009 despite unfavorable business environment, contributed by its strong commitments to attain operational targets in accordance with the 3-year strategic plans. Over the past three years, the Bank has continuously reviewed and adjusted its strategies to correspond with the prevailing economic conditions. The year 2007 was designated as "Year of Preparation" to improve the Bank's infrastructure in three main areas, namely, human resources, business process, and marketing strategy. This was followed by the year 2008 which was the "Year of Improvement", aimed to continually pursue the infrastructure improvement projects initiated in the prior year to enhance the competitive potential and generate higher income for the Bank. Many achievements included human resources development, credit management redesign, corporate image building and asset quality management through NPL management and Pre-NPL management approaches. Envisaging a worsening global business environment and a further slowdown of domestic economy, the Bank designated 2009 as "Year of Confidence and Trust", placing importance on growing cautiously in line with the economic conditions and strengthening of capital structure, as well as generating appropriate returns on investment to related parties.

The successful implementation of the above-mentioned strategies has contributed to the Bank's satisfactory operational results. Although loans decreased marginally by 0.3% to Baht 278,959 million at the end of 2009, the loan portfolio structure improved favorably. The decrease of loans was due mainly to those in the Government and state enterprise sectors, which dropped by Baht 7,839 million

over the previous year. Taking into consideration only loans extended to the private sector, the Bank still had a 2.65% growth. Retail loans grew much higher than expected, especially housing loans, which enjoyed a high growth rate of 64%. As a result, the proportion of retail loan surged to 28% of total loans compared with 20% in 2008. Meanwhile, NPLs accounted for 8.11% of total loans. The Bank's deposit structure also improved, with the ratio of current and savings account deposits rising from 28.3% of total deposits in 2008 to 33.4%.

The Bank earned a stable net interest income of Baht 12,841 million in 2009 whereas its non interest income rose impressively by 23% from the prior year to Baht 7,687 million. Major items enjoying high growth are gains on investment and net premiums written on life insurance, which were 101.70% and 60.64% higher than the amounts of 2008, respectively. This was a result of successful cooperation with companies in the SCIB Family. Fee income of the Bank amounted to Baht 2,617 million, declining by 4.24% from 2008, due mainly to lower fee income from transactions related to lending. Meanwhile, operational expenses totaled Baht 12,775 million in 2009, 12.27% higher than the corresponding amount of last year. The higher operational expenses were mostly consistent with increase in business volume such as insurance underwriting expenses and service fees and charges. In 2009, the Bank pursued its business prudently and was well prepared by providing sufficient reserves to cushion the risks that might arise from deteriorating asset quality during the economic slowdown. In this respect, Baht 2,254 million of reserves was set aside. After deduction of tax and net profit of minority shareholders, The Bank posted a net profit of Baht 4,147 million, yielding a rate of return on equity (ROE) of 9.81% and a rate of return on assets (ROA) of 0.98%. Book value of the Bank stood at Baht 20.48 per share and capital to risk assets ratio increased from 10.38% in 2008 to 14.55% in 2009.

The Thai economy is expected to rebound and grow consistently in 2010 thanks to healthier domestic demand and the bullish export sector. As a consequence, financial institutions are induced to extend more loans to facilitate business expansion, especially small and medium enterprises and retail customers. To maximize this promising opportunity, the Bank has designated 2010 as "Year of Penetration", aiming to enlarge the base of its target customers, in particular retail customers and the young generation. In the mean time, major efforts are put to accelerate the sustainable growth of quality loans in line with the economic conditions, as well as to maintain the continuing growth of fee income generated from retail customers.

The successful performances of the Bank during the last year were attributed not only to the dedication, cooperation, and perseverance of its management and employees, but also the confidence and supports of all shareholders, customers, investors, business partners and alliances, the press, and the general public. The Board of Directors would like to take this occasion to offer our sincere appreciation to each and every one of you and look forward to your continued support in the future.



(Wisudhi Srisuphan)
Chairman



(Chaiwat Utaiwan)
President and Chief Executive Officer



Report of the Audit Committee

Report of the Audit Committee

The Board of Directors appointed an Audit Committee, consisting of:

1. Prof. (Special) Suchart	Traiprasit	Chairman
2. Assoc. Prof. Niputh	Jitprasonk	Member
3. Mr. Surapon	Vongvadhanaroj	Member
4. Mr. Sujin	Suwannagate	Secretary

During 2009, the Board of Directors meeting No. 3/2551 (special) on November 8, 2008, resolved to appoint Mr. Siripol Yodmuangcharoen as member of the Audit Committee to replace Mr. Surapon Vongvadhanaroj whose term expired. At its 781th meeting on April 22, 2009, the Board resolved to appoint Mr. Piyabhan Nimmanhaemin as a new Audit Committee to replace Associate Professor Niputh Jitprasonk due to his appointment as the Director of Siam City Securities Co., Ltd. The 791st Board of Directors meeting on October 28, 2009 resolved to appoint Mr. Surapon Vongvadhanaroj as member of the Audit Committee in place of Mr. Piyabhan Nimmanhaemin due to his resignation of a Committee's member. The new Audit Committee consists of:

1. Prof. (Special) Suchart	Traiprasit	Chairman
2. Mr. Siripol	Yodmuangcharoen	Member
3. Mr. Surapon	Vongvadhanaroj	Member
4. Mr. Sujin	Suwannagate	Secretary

During 2009, the Audit Committee convened 12 monthly meetings to consider and review the following important issues:

1. Reviewed the Bank's and its subsidiaries' financial statements, their procedures for the preparation of statements and disclosure of important information;
2. Met with the Bank's external auditor to discuss audit procedures and problems encountered, and consider issues and observations submitted by the external auditor for implementation by the Bank's management;
3. Considered observations and recommendations contained in audit reports by the Bank of Thailand, and assigned to the Bank's audit departments the tasks of following up on the implementation of recommendations, as well as compliance with the rules and regulations issued by the Bank of Thailand, and the Securities & Exchange Commission;
4. Reviewed management of risks, such as strategy risk, market risk, liquidity risk, credit risk and operational risk;
5. Considered related transactions, such as loans extended to businesses related to the Bank's directors and/or executives, to prevent conflicts of interests and to assure treatment in compliance with the Bank's and government regulations;
6. Considered credit review reports as specified by the Bank of Thailand;
7. Reviewed internal control and internal audit systems, as well as annual audit plans proposed by internal audit departments;
8. Considered the observations contained in audit reports on the Bank's departments and branches that covered operation management and compliance with the Bank's regulations, and recommended measures to rectify operational deficiencies and prevent their recurrence;
9. Invited individual first vice presidents of the departments concerned to clarify their operations that involved risks, and recommended measures to improve their operations and prevent possible damages;

10. Reviewed the adequacy and efficiency of the internal control of information technology systems;
11. Considered and recommended the candidates for the bank's external auditor and proposed the remuneration package;
12. Reviewed the minutes of meeting to be submitted to the Board of Directors.

Having considered and reviewed the aforementioned issues, the Audit Committee is of the opinion that the Bank's financial statements do not contain any unusual transactions that have material impact on the Bank's operations; it has appropriate risk management and internal control systems; its operations are in accordance with related laws and regulations and the treatment of related transactions have been in compliance with the Bank's and government regulations.

However, during the year there has been an amendment in the Charter of the Audit Committee in accordance with the announcements by the Bank of Thailand, the Stock Exchange of Thailand, and the Capital Market Supervisory Board, the details of which are as follows:

“ Note : The above duties of the Audit Committee are in accordance with the Bank of Thailand's announcement, Sor.Nor.Sor. 13/2552 on Corporate Governance of Financial Institutions, and the Stock Exchange of Thailand's announcement on qualifications and operations of the Audit Committee B.E. 2551, and the Capital Market Supervisory Board Tor.Jor. 28/2551 on request and permission to offer new shares.



Prof. (Special) Suchart Traiprasit
Chairman of Audit Committee



Board of Directors

Sitting

1. Mr. Wisudhi Srisuphan
Chairman of The Board

2. Pol. Gen. Dr. Chidchai Vanasatidya
Vice Chairman of the Board

3. Dr. Chokchai Aksaranan
Chairman of the Executive Board of Directors

4. Prof. (Special) Suchart Traiprasit
Chairman of Audit Committee





Standing

- | | |
|---|---|
| <p>5. Dr. Suvit Maesincee
Chairman of Nomination and
Remuneration Committee</p> <hr/> <p>6. Mr. Prasert Bunsumpun
Chairman of Corporate Governance Committee</p> <hr/> <p>7. Mr. Samart Buranawatanachoke
Chairman of Risk Management Committee</p> <hr/> <p>8. Assoc. Prof. Niputh Jitprasonk
Director</p> <hr/> <p>9. Mr. Surapon Vongvadhanaroj
Director</p> <hr/> <p>10. Mr. Achporn Charuchinda
Director</p> | <p>11. Mr. Siripol Yodmuangcharoen
Director</p> <hr/> <p>12. Mr. Chaiwat Utaiwan
Director</p> |
|---|---|





Board of Directors

Board of Directors



Mr. Wisudhi Srisuphan

Chairman of The Board

Independent Director

Age 60 Years

Education / Training

- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- LL.B. (Second Class Honour), Ramkhamhaeng University
- Master of Engineering (Civil Engineering), Lamar University, U.S.A.
- M.A.A. Business Economics, Thammasat University
- Diploma (Class 38), National Defence College of Thailand
- Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 6), King Prajadhipok's Institute
- Capital Market Academy Leadership Program (Class 6), Capital Market Academy, The Stock Exchange of Thailand
- Certificate Class 3/2000 Director Certification Program (DCP) Class 12/2005 Role of the Chairman Program (RCP) Thai Institute of Directors (IOD)

Experience

- Comptroller - General, The Comptroller's Department
- Director - General, Fiscal Policy Office
- Director - General, The Treasury Department
- Director - General, The Excise Department
- Deputy Permanent Secretary, Ministry of Finance
- Director - General, The Customs Department
- Chairman of the Board, The Small Industry Finance Corporation
- Chairman of the Board of Directors, The Government Housing Bank
- Chairman of the Board of Directors, Government Saving Bank
- Chairman of the Board of Director, Thailand Tobacco Monopoly
- Chairman of the Board, CAT Telecom Public Company Limited
- Deputy Chairman, Dhipaya Insurance Public Company Limited
- Director, Thai Airways International Public Company Limited
- Director of the Board, PTT Public Company Limited
- Director of the Board, PTT Exploration and Production Public Company Limited
- Director, The Electricity Generating Authority of Thailand
- Director, The Electricity Generating Authority of Thailand

Other Positions at Present

- Chairman of the Board, Real Estate Information Center
- Director, Electricity Generating Public Company Limited
- Director, Office of the Council of State



Pol. Gen. Dr. Chidchai Vanasatidya

Vice Chairman of the Board

Executive Director

Age 63 Years

Education / Training

- Bachelor of Public Administration (Police)
Royal Police Academy,
Thailand
- M.A. (Police Management),
Eastern Kentucky University,
U.S.A.
- Ph.D. (Justice Administration),
University of Louisville,
U.S.A.
- Diploma, National Defence College,
The Joint State-Private Sectors Course (Class 1),
National Defence College of Thailand
- Certificate
Class 75/2008 Director Accreditation Program (DAP),
Thai Institute of Directors (IOD)

Experience

- Deputy Prime Minister and Minister of Justice
- Deputy Prime Minister and Minister of Interior
- Director, National Command Center
for Combating Drugs
- Director, National Command Center
for Combating Poverty
- Deputy Commissioner General,
Royal Thai Police
- Chairman, Committee on Police
Reform for the People
- Secretary General, Narcotics Control Board
- Committee Member, Committee to Study
and Give Recommendation to Increase
Efficiency of the Management of National
Monetary System to Prevent Repeating
National Economics Crisis
- Assistant Commissioner General,
Royal Thai Police
- Commissioner, Immigration Bureau,
Royal Thai Police
- Commissioner,
Royal Police Academy

Other Positions at Present

- President of the Ubon Ratchathani
People Association



Dr. Chokchai Aksaranan

Director

Chairman of the Executive
Board of Directors

Age 67 Years

Education / Training

- B.Sc. (Hons), Chemical Engineering,
Chulalongkorn University
- M.Sc.E. (Chemical Engineering),
University of New Brunswick,
Canada
- Ph.D. Chemical Engineering,
University of New Brunswick,
Canada
- Honorary Doctor of Science,
University of New Brunswick,
Canada
- Diploma, National Defence Course for the Joint
State-Private Sector (Class 311),
National Defence College of Thailand

- Certificate
Class 1/2008 DCP Refresher Course,
Class 22/2008 Audit Committee Program (ACP),
Class 3/2006 Understanding the Fundamental of
Financial Statements (UFS),
Class 50/2006 Director Accreditation
Program (DAP)
Class 11/2005 The Role of the Chairman
Program (RCP),
Thai Institute of Directors (IOD)

Experience

- Member of Constitution Drafting Assembly
- Chairman, Bangkok Commercial Asset
Management Company Limited
- Senator

Other Positions at Present

- Chairman, Saha Pathana Inter-Holding
Public Company Limited
- Chairman of the Executive Board of Directors,
Vinythai Public Company Limited
- Independent Director and Chairman of the Audit
Committee, The PTT Aromatics and Refining
Public Company Limited
- Independent Director and Chairman of the Audit
Committee and Director of the Corporate
Governance Committee, PTT Exploration and
Production Public Company Limited
- Senior Executive Advisor,
Charoen Pokphand Group Company Limited
- Chairman, Thai Ethoxylate Company Limited



Prof. (Special) Suchart Traiprasit

Independent Director
Chairman of Audit Committee

Age 68 Years

Education / Training

- LL.B.,
Thammasat University
- Barrister at Law,
Institute of Education of the Thai
Bar Association
- LL.M.,
University of Miami,
U.S.A.
- Diploma,
National Defence College of Thailand
(Class 33)
- Certificate
Class 71/2008
Director Accreditation Program (DAP)
Thai Institute of Directors (IOD)

Experience

- Attorney General
- Senator
- Councilor, Ubon Ratchathani University
- Vice President,
The Thai Bar Association
- Executive Directors,
The International Association of Prosecutors

Other Positions at Present

- Councilor of state
- Professor of Laws,
Chulalongkorn University



Dr. Suvit Maesincee

Independent Director,
Chairman of Nomination and
Remuneration Committee,
Member of Corporate Governance
Committee

Age 48 years

Education / Training

- B.Sc., (Pharm),
Mahidol University
- M.B.A. ,
National Institute of Development Administration
- Ph.D. (Marketing),
Kellogg School of Management
Northwestern University,
U.S.A.
- Certificate
Class 18/2002 Director Certification Program (DCP)
Class 60/2006 Director Accreditation Program (DAP)
Thai Institute of Directors (IOD)

Experience

- Director,
TOT Corporation Public Company Limited
- Senior Consultant,
LEK Consulting Company Limited
- Senior Consultant, Booz Allen & Hamilton
International Company Limited

Other Positions at Present

- Director, Thai Vegetable Oil
Public Company Limited
- Independent Director, Berli Jucker
Public Company Limited
- Director of Sasin Institute for Global
Affairs Sasin Graduate Institute of Business
Administration of Chulalongkorn University



Mr. Prasert Bunsumpun

Independent Director,
Chairman of Corporate
Governance Committee,
Member of Nomination and
Remuneration Committee

Age 57 Years

Education / Training

- B.E. (Civil Engineering),
Chulalongkorn University
- M.B.A.,
Utah State University,
U.S.A.
- Honorary Doctoral in Engineering,
Chulalongkorn University
- Honorary Doctoral in Management,
National Institute of Development
Administration (NIDA)
- Honorary Doctoral in Management Science,
Petchaburi Rajabhat University
- Diploma, National Defence Course for the Joint
State-Private Sector (Class 10),
National Defence College of Thailand
- Certificate in Advanced Management Program
(AMP 155), Harvard Business School,
U.S.A.

- Certificate in Politics and Governance
in Democratic Systems for Executives
Course (Class 6),
King Prajadhipok's Institute
- Capital Market Academy Leadership Program
(Class3), Capital Market Academy,
The Stock Exchange of Thailand
- Certificate
Class 26/2004
Director Accreditation Program (DAP),
Thai Institute of Directors (IOD)

Experience

- Deputy President, Marketing,
Downstream Oil Business,
Petroleum Authority of Thailand
- President, PTT Oil,
Petroleum Authority of Thailand
(Deputy Governor Level)
- President, PTT Gas,
Petroleum Authority of Thailand
(Deputy Governor Level)
- Senior Executive Vice President,
Gas Business Group,
PTT Public Company Limited

Other Positions at Present (Important)

- President and Chief Executive Officer,
PTT Public Company Limited
- Chairman, PTT Exploration and Production
Public Company Limited
- Vice Chairman,
PTT Chemical Public Company Limited
- Director, Thai Oil Public Company Limited
- Director, PTT Aromatics and Refinery
Public Company Limited
- Director, IRPC Public Company Limited
- Advisor, Thai Investor Association
- Advisor, The Stock Exchange of Thailand



Mr. Samart Buranawatanachoke

Independent Director,
Chairman of Risk Management
Committee,
Member of Corporate
Governance Committee

Age 62 years

Education / Training

- B.A. (Accounting)
Chulalongkorn University
- M.A. (Accounting)
Chulalongkorn University
- M.B.A. (Executive),
Sasin Graduate Institute of Business
Administration of Chulalongkorn University
- Advanced Management Program,
Harvard Business School,
U.S.A.
- Diploma,
Financial Executive Development Program (FINEX),
The Thai Institute of Banking and Finance Association
- Certificate
Class 45/2004 Director Accreditation Program (DCP)
Thai Institute of Directors (IOD)

Experience

- Assistant Governor,
Financial Institution Supervision Group,
Bank of Thailand
- Senior Director Risk Policy & Analysis Department
Bank of Thailand
- Acting Managing Director,
Secondary Mortgage Corporation
- Bankthai Board of Directors Adviser
- Chairman of Ethic Committee,
Federation of Accounting Professions
- Director and Chairman of Audit Committee,
Secondary Mortgage Corporation
- Director, Accountant and Auditor Association

Other Positions at Present

- Director, Bank-Note Management Committee
Bank of Thailand
- Director and Chairman of Audit Committee,
Bangkok Commercial Asset Management
Company Limited
- SEC Adviser
- Audit Committee Adviser,
Energy Regulatory Committee
- Chairman of Rung Roj Witya School Foundation



Assoc. Prof. Niputh Jitprasonk

Director

Age 66 Years

Education / Training

- B.B.A. (Hons),
Thammasat University
- M.B.A. (International Trade & Finance),
Gothenburg School of Economics and
Business Administration,
Sweden (Swedish Government Scholarship)
- Diploma,
National Defence Course for the Joint
State-Private Sector (Class 377),
National Defence College of Thailand
- Certificate in Real Estate Management
- Certificate
Class 85/2007 Director Certification Program (DCP)
Class 25/2009 Audit Committee Program (ACP),
Thai Institute of Directors (IOD)

Experience

- Director and Chairman of Audit Committee,
The Stock Exchange of Thailand
- Director and Chairman of Audit Committee,
Bangkok Commercial Asset Management
Company Limited
- Director, Thammasat University Council
- Dean, Faculty of Commerce and Accountancy
Thammasat University

Other Positions at Present

- Director and Audit Committee,
Lalin Property Public Company Limited
- Chairman, Siam City Securities Company Limited
- Advisor, Real Estate Business Program,
Faculty of Commerce and Accountancy,
Thammasat University
- Committee, The Valuers Association of Thailand
- Committee, The Asian Valuers Association
- Sub-Steering Committee to the National
Land Reform Foundation
- Director, The Executive Master of Business
Administration Program,
Sripatum University
- Director and Executive Director
D and T Advisory Company Limited
- Director and Member of Audit Committee
G.J. Steel Public Company Limited
- Director and Audit Committee,
The Stock Exchange of Thailand



Mr. Surapon Vongvadhanaroj

Independent Director,
Member of Nomination and
Remuneration Committee,
Member of Audit Committee

Age 63 Years

Education / Training

- B.A. (Political Science)
Ramkamhaeng University
- M.A. (Political Economics)
Chulalongkorn University
- Certificate
Class 7/2002 The Role of the Chairman
Program (RCP),
Class 5/2003 Director Accreditation Program (DAP)
Class 41/2004 Director Certification Program (DCP)
Thai Institute of Directors (IOD)

Experience

- Chairman of the Thai National Shippers' Council

Other Positions at Present

- Chairman of Executive Board & Chief
Executive Officer,
Surapon Foods Public Company Limited
- Chairman,
Sompo Japan Insurance (Thailand)
Company Limited
- Chairman,
Surapon Nichirei Foods Company Limited
- Chief Executive Officer,
Surat Seafoods Company Limited
- Member, the National Economic and Social
Advisory Council (2 consecutive terms)
- Advisor, National Food Committee,
Ministry of Public Health
- Director, National Food Institute
- Director, Thai Listed Company Association
- Director, Board of Trade of Thailand
- Director, The Federation of Thai Industries
- Honorary Advisor,
Thai Frozen Foods Association
- Advisor and Director,
Thai National Shippers' Council
- Director, Sichon Resort Company Limited
- Director,
Surapon Aquaculture Company Limited
- Director,
Chantaburi Marine Farm Company Limited



Mr. Achporn Charuchinda

Director

Executive Director

Age 56 years

Education / Training

- LL.B.,
Thammasat University
- Barrister at Law,
Institute of Education of the Thai Bar Association
- Diploma,
National Defence College of Thailand (Class 46)

Experience

- Member of the Constitutional Drafting Committee
- Member of the Constitutional Drafting of the Kingdom of Thailand (Interim) B.E. 2006 Drafting Working Group

Other Positions at Present

- Councilor of State,
Office of the Council of State
- Member of the Administrative Procedure Committee
- Member of the Subcommittee on Official System Development Concerning Interpretation and Decision on Legal Issues in Governing Operations
- Member of Financial Institutions Development Fund Committee
- Member of Committee on Decentralization of Powers to Local Administrative Organizations
- Member of the Law Subcommittee of The Government Pension Fund (GPF)
- Member of the Special Extraordinary Civil Service Subcommission on Certification of State Sector Lawyers
- Member of the Special Extraordinary Civil Service Subcommission on Laws and Regulation Governing Officials
- Deputy Secretary - General Office of the Council of State
- Director, Bank for Agriculture and Agricultural Cooperatives
- Director, Sukhumvit Asset Management Company Limited



Mr. Siripol Yodmuangcharoen

Independent Director

Member of Audit Committee

Age 61 years

Education / Training

- B.A., (Economics),
Thammasat University
- M.B.A.,
Thammasat University
- D.B.A.,
University of South Australia,
Australia
- Diploma,
National Defence College of Thailand (Class 43)
- Certificate, Top Executive Program
in Commerce and Trade (TEPCoT 1)
- Certificate, Capital Market Academy (CMAY),
The Stock Exchange of Thailand
- Certificate
Class 81/2009 Director Accreditation Program (DAP)
Thai Institute of Directors (IOD)

Experience

- Member, The Securities and Exchange Commission (SEC)
- Chairman, Agricultural Future Trading Commission
- Director, Office of Insurance Commission
- Director, The Government Saving Bank
- Permanent, Secretary of the Ministry of Commerce
- Director, General of the Department of Internal Trade
- Deputy, Permanent Secretary of the Ministry of Commerce
- Inspector General of the Ministry of Commerce
- Deputy Director General of the Department of Internal Trade
- Deputy Director General of the Department of Business Economics
- Trade Measurement Specialist
- Director of Technical and Planning Division
- Director of Rice Control Division

Other Positions at Present

- President of the Thammasat Economic Association
- President of the Buriram People Association
- Director, Thammasat Association
- First Vice Chairman of the Gem and Jewel Promotion Foundation
- Chairman of The Gem and Jewelry Institute of Thailand (Public Organization)
- Vice Chairman of the Board,
Punthion Company Limited
- President of Tongfa for Porverty Association



Mr. Chaiwat Utaiwan

Director

Executive Director

President and Chief Executive Officer (CEO)

Vice Chairman Risk Management Committee

Age 56 years

Education / Training

- B.S. (Statistics),
Chulalongkorn University
- M.S.C.S.
University of Louisville,
U.S.A.
- M.B.A. (Management),
Sasin Graduate Institute of Business Administration
of Chulalongkorn University
- Certificate
Class 22/2002 Director Certification Program (DCP)
Thai Institute of Directors (IOD)
- Capital Market Academy Leader Program (Class 3),
Capital Market Academy,
The Stock Exchange of Thailand
- Diploma, National Defence Course for the Joint
State-Private Sector (Class 20),
National Defence College Of Thailand

Experience

- Chairman of the Executive Board and Chief
Executive Officer,
AIG Retail Bank Public Company Limited
- Country Manager,
AIG Consumer Finance Group
- Director, AIG Card (Thailand) Company Limited
- President, Thai Hire Purchase Association
- Working Committee on the assessment
of Financial Free Trade, Fiscal Policy Office,
Ministry of Finance
- President and Chief Executive Officer
AIG Finance (Thailand) Public Company Limited

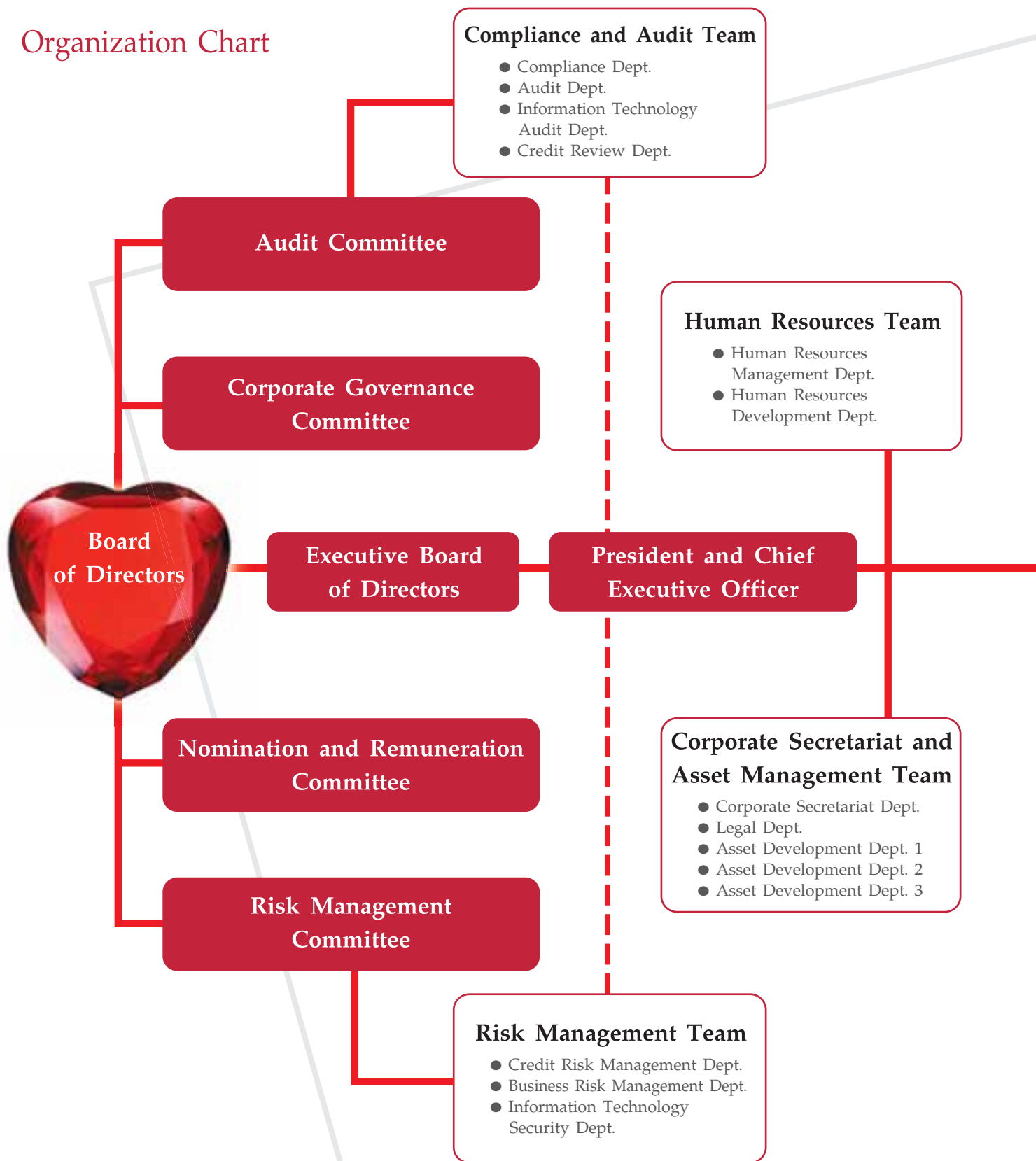
Other Positions at Present

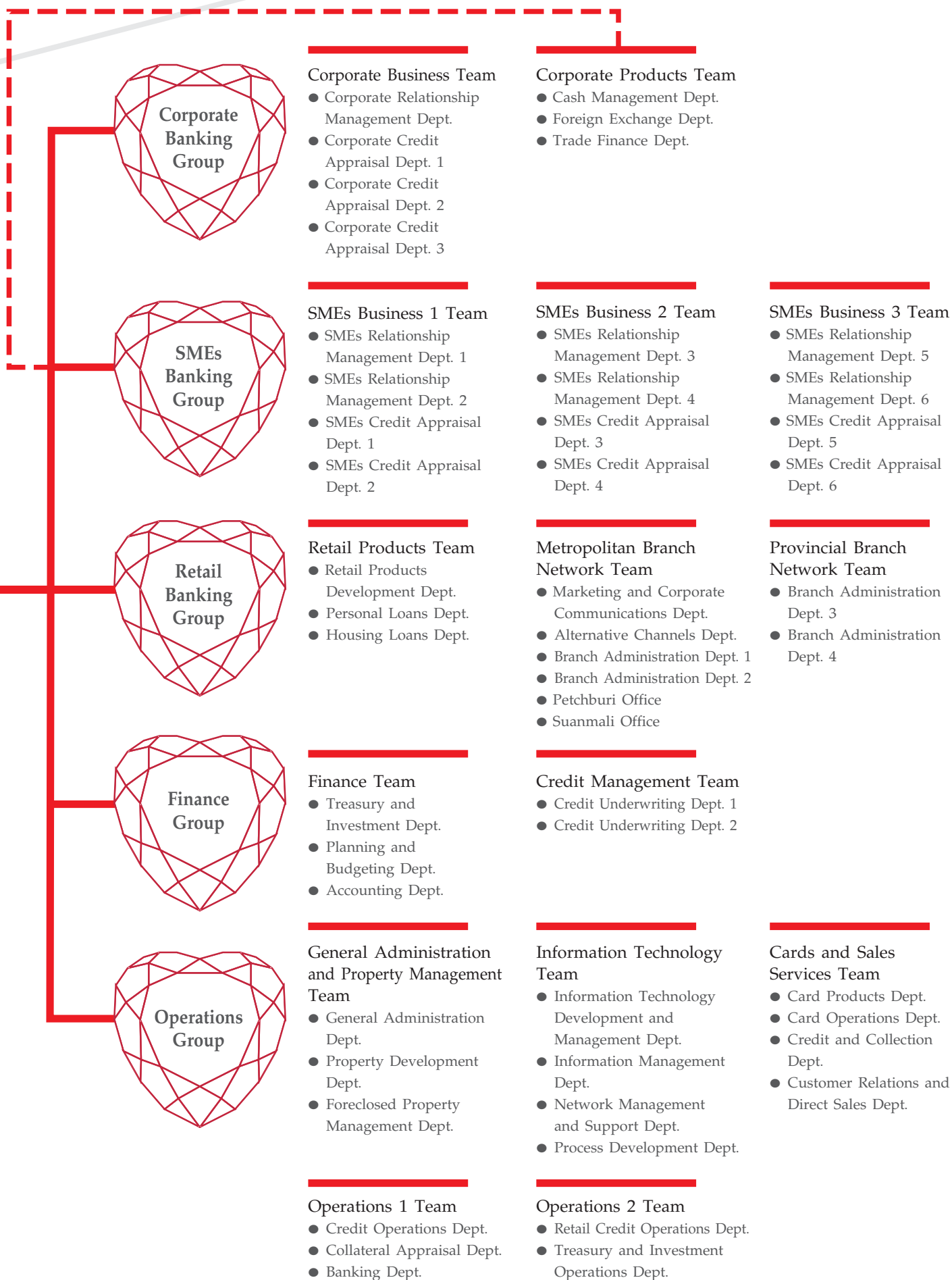
- Chairman,
Siam City Life Assurance Company Limited
- Director, United Pharma Antibiotics
Industries Company Limited
- Honorary Director on Information Management
System, Faculty of Commerce and Accountancy,
Thammasat University
- Guest Lecturer and Speaker for Master Degree
Programs and Executive Studies,
Chulalongkorn University, Thammasat University,
Thai Chamber of Commerce University,
Ramkamhaeng University, etc.
- Member, Thai Institute of Directors Association
- Chairman, Chulalongkorn University
Preparatory School Alumni Association under
The Royal Patronage (CUPSAA.)
- Academic Director, Faculty of Commerce and
Accountancy's Alumni, Chulalongkorn University



Organization Chart

Organization Chart







Executive Officers



1. Mr. Chaiwat Utaiwan
President and Chief Executive Officer (CEO)
2. Mrs. Jaree Wuthisanti
Senior Executive Vice President
Corporate Banking Group
3. Mr. Enghug Nontikarn
Senior Executive Vice President Finance Group
4. Mr. Rathian Srimongkol
Senior Executive Vice President
Operations Group



1. Mr. Virat Thanasongpol
First Executive Vice President
SMEs Business 3 Team

2. Mr. Utane Kongsoontornkitkul
First Executive Vice President
Corporate Business Team

3. Mr. Parinya Patanaphakdee
First Executive Vice President
Corporate Secretariat and
Asset Management Team

4. Mr. Wuttichai Suraratchai
First Executive Vice President
Credit Management Team

5. Ms. Kanoksri Rojmeta
First Executive Vice President
Provincial Branch Network Team

6. Ms. Angkana Swasdipoon
First Executive Vice President
Metropolitan Branch Network Team





Executive Officers

1. Mr. Sujin Suwannagate
Executive Vice President
Compliance & Audit Team

2. Mrs. Sudarat Kongtreekaew
Executive Vice President
Risk Management Team

3. Ms. Abhiradee Sukhajoti
Executive Vice President
Human Resources Team

4. Mr. Sirirote Buacharoon
Executive Vice President
Corporate Products Team

5. Mrs. Amornrat Leevarapakul
Executive Vice President
SMEs Business 1 Team

6. Mr. Bunlue Punpongjareorn
Executive Vice President
SMEs Business 2 Team





1. Mr. Sanur Yodpinit
Executive Vice President
Information Technology Team
2. Mr. Kirkchai Chaiyatham
Executive Vice President
General Administration and
Property Management Team
3. Mr. Chaiyanandh Lapitananuvat
Executive Vice President
Retail Products Team
4. Mr. Prachak Udomsilp
Executive Vice President
Operations 2 Team
5. Mr. Pravit Ongwatana
Executive Vice President
Operations 1 Team

6. Mr. Cherd Suppana
Executive Vice President
Cards and Sales Services Team





Executive Officers

Executive Officers



Mr. Chaiwat Utaiwan

President and Chief Executive Officer (CEO)

Education / Training

- B.S. (Statistics),
Chulalongkorn University
- M.S.C.S.
University of Louisville,
U.S.A.
- M.B.A. (Management), Sasin Graduate Institute of
Business Administration of Chulalongkorn University
- Class 22/2002 Director Certification Program (DCP),
Thai Institute of Directors (IOD)
- Capital Market Academy Leader Program
Capital Market Academy,
The Stock Exchange of Thailand
- Diploma, National Defence Course for the Joint
State-Private Sector (Class 20),
National Defence College of Thailand

Experience

2002 - 2007

- Chairman of the Executive Board of Directors and
Chief Executive Officer,
AIG Retail Bank Public Company Limited
- Country Manager, AIG Consumer Finance Group
- Director, AIG Card (Thailand) Company Limited
- President, Thai Hire Purchase Association
- Working Committee on the assessment of Financial
Free Trade, Fiscal Policy Office, Ministry of Finance
- President and Chief Executive Officer
AIG Finance (Thailand) Public Company Limited

Other Positions at Present

- Chairman, Siam City Life Assurance
Company Limited
- Director, United Pharma Antibiotics
Industries Company Limited
- Honorary Director on Information Management
System, Faculty of Commerce and Accountancy,
Thammasat University
- Guest Lecturer and Speaker for Master Degree
Programs and Executive Studies,
Chulalongkorn University, Thammasat University,
Thai Chamber of Commerce University,
Ramkhamhaeng University, etc.
- Member, Thai Institute of Directors
- Chairman, Chulalongkorn University
Preparatory School Alumni Association under
The Royal Patronage (CUPSAA.)
- Academic Director, Faculty of Commerce and
Accountancy's Alumni, Chulalongkorn University



Mr. Enghug Nontikarn

Senior Executive Vice President
Finance Group

Education / Training

- B.A. (Economics),
Thammasat University
- M.B.A.,
Thammasat University

Experience

- 2001 - 2005 First Executive Vice President,
Siam City Bank Public Company Limited
- 1998 - 2000 Executive Vice President,
Siam City Bank Public Company Limited
- 1995 - 1998 Senior Vice President,
Treasury Department
Siam City Bank Public Company Limited

Other Positions at Present

- Independent Director, Member of Audit Committee,
Chairman of Nomination Committee
Srithai Superware Public Company Limited



Mrs. Jaree Wuthisanti

Senior Executive Vice President
Corporate Banking Group

Education / Training

- B. A. (First Class Hons), (Accounting) Chiangmai University
- M.B.A., National Institute of Development Administration
- Diploma in Advanced International Bank Management
Program, The Swedish International Development
Cooperation Agency, SIDA
- Directors Certification Program,
Thai Institute of Directors (IOD)
- Diploma, National Defence Course for the Joint
State-Private Sectors Course Class 19 (2006),
National Defence College of Thailand

Experience

- 2004 - 2009 Director, Siam City Assets Management
Company Limited
- 2005 - 2009 Director, Thai Identity Sugar Factory
Company Limited
- 2005 - 2009 Director, Kaset Thai Sugar Company Limited
- 2005 - 2009 Director, Ruampol Enterprise Company Limited
- 2006 - 2008 First Executive Vice President,
Siam City Bank Public Company Limited
- 2003 - 2006 Executive Vice President,
Siam City Bank Public Company Limited
- 1999 - 2003 Senior Vice President, Project Financing
Department 3, The Industrial Finance
Corporation of Thailand
- 1997-1999 Senior Vice President, Project Financing
Department 4, The Industrial Finance
Corporation of Thailand

Other Positions at Present

- Chairman of the Executive Board of Directors,
Siam City Insurance Company Limited



Mr. Rathian Srimongkol

Senior Executive Vice President
Operations Group

Education / Training

- B.Sc. (Medical Science), Mahidol University
- M.D., Mahidol University
- M.B.A., Thammasat University
- M.P.A. (General Administration),
Suan Sunandha Rajabhat University
- Certificate in Politics and Governance in Democratic
Systems for Executives Course (Class 9),
King Prajadhipok's Institute
- Diploma, National Defence College,
the Joint State-Private Sectors Course Class 21
National Defence of Thailand

Experience

- 2008 Chairman,
Industrial Estate Authority of Thailand
- 2005 - 2008 First Executive Vice President
Siam City Bank Public Company Limited
- 2004 - 2008 Chairman, The Zoological Park Organization
- 2003 - 2007 Chairman,
Siam City Securities Company Limited
- 2001 - 2004 Executive Vice President,
Siam City Bank Public Company Limited
- 1999 - 2006 Chairman Audit Committee and Director
Matichon Public Company Limited

Other Positions at Present

- Director, TOT Public Company Limited
- Vice Chairman and Chairman Audit Committee,
Indorama Ventures Public Company Limited

Mr. Utane Kongsoontornkitkul

First Executive Vice President
Corporate Business Team

Education / Training

- B. Eng.,
Chulalongkorn University
- M.B.A.,
Thammasat University

Experience

- 2003 - 2009 Executive Vice President,
Siam City Bank Public Company Limited
- 2001 - 2003 Senior Vice President,
Branch Credit Department 1,
Siam City Bank Public Company Limited
- 1997 - 2001 First Vice President,
Asset Management Department 3,
Siam City Bank Public Company Limited

Other Positions at Present

- Chairman of Audit Committee,
Goldfine Manufacturers Public Company Limited
- Director, Wangkanai Sugar Company Limited
- Chairman of Audit Committee,
Siam City Securities Company Limited



Mr. Parinya Patanaphakdee

First Executive Vice President

Corporate Secretariat and Asset Management Team

Education / Training

- LL.B. (Hons), Ramkhamhaeng University
- Barrister at Law, Thai Bar Association
- M.B.A., National Institute of Development Administration
- M.Pol Sc. (Politics and Government)
Sukhothai Thammathirat Open University
- Financial Executive Development Program FINEX 11 (2002),
The Thai Institute of Banking and Finance Association
- The Programme for Senior Executives in Criminal
Justice Administration (2003), National Academy
of Criminal Justice Office of The Judiciary
- Politics and Governance in Democratic Systems
for Executive Course, King Prajadhipok's Institute,
The College of Politics and Governance (2004)
- Diploma, National Defence College, The Joint
State-Private Sectors Course Class 18,
National Defence College of Thailand (2005)

Experience

- 2003 - 2009 Director and Executive Director,
Siam City Securities Company Limited
- 2002 - 2009 Executive Vice President
Siam City Bank Public Company Limited
- 2001 Senior Vice President, Legal Department,
Siam City Bank Public Company Limited
- 1999 - 2001 Vice President, Legal Department,
Bangkok Commercial Asset Management
Company Limited
- 1997 - 1998 First Vice President, Legal Department,
Siam City Bank Public Company Limited

Other Positions at Present

- Director, Island Resort Hotel Company Limited
- Director, Siam Tire Cord Company Limited



Mr. Virat Thanasongpol

First Executive Vice President
SMEs Business 3 Team

Education / Training

- LL.B.,
Ramkhamhaeng University
- Barrister at Law,
Thai Bar Association
- M.B.A.,
Thammasat University

Experience

- 2002 - 2009 Executive Vice President,
Siam City Bank Public Company Limited
- 2000 - 2002 Executive Vice President,
Bangkok Metropolitan Bank Public
Company Limited
- 1996 - 1999 Senior Vice President,
Industrial Credit Department,
Bangkok Metropolitan Bank Public
Company Limited

Other Positions at Present

- Director, Siam Samsung Life Insurance Company Limited

Ms. Angkana Swasdipoon

First Executive Vice President
Metropolitan Branch Network Team

Education / Training

- B.Econ. (First Class Hons),
Chulalongkorn University
- Post-Graduate Degree in Economics,
University of York, U.K.

Experience

- 2009 Chairman of the Executive Board of Director,
Siam City Securities Company Limited
- 2004 - 2007 Executive Vice President,
Siam City Bank Public Company Limited
- 2001 - 2003 Senior Vice President,
Planning and Budgeting Department,
Siam City Bank Public Company Limited
- 1998 - 2001 Vice President,
Asset Management Department,
Bangkok Commercial Asset
Management Company Limited

Other Positions at Present

- Director, Siam City Life Assurance Company Limited



Ms. Kanoksri Rojmeta

First Executive Vice President
Provincial Branch Network Team

Education / Training

- B.B.A, Ramkhamhaeng University
- M.B.A., Tarleton State University, U.S.A.
- Royal Thai Army War College Diploma,
The Royal Thai Army War College
Institute of Advanced Military Studies
- Asian Institute of Management (AIM), Executive Education
and Lifelong Learning Center, Advanced Bank Management
Program (2007) in Makati City, Philippines

Experience

- 2004 - 2009 Executive Vice President,
Siam City Bank Public Company Limited
- 2002 - 2003 Senior Vice President,
Branch Administration Department 1,
Siam City Bank Public Company Limited
- 1999 - 2001 First Vice President,
Branch Administration Department 1,
Siam City Bank Public Company Limited

Other Positions at Present

- Director and Executive Director,
Siam City Life Assurance Company Limited
- Director, Ratchthanee Leasing Company Limited
- Director, Siam City Assets Management Company Limited

Mr. Wuttichai Suraratchai

First Executive Vice President
Credit Management Team

Education / Training

- B.B.A. (First Class Hons), (Accounting),
Thammasat University
- B.A. (Economics),
Ramkhamhaeng University
- M.B.A.,
Thammasat University

Experience

- 2004 - 2009 Executive Vice President
Siam City Bank Public Company Limited
- 2000 - 2003 Senior Vice President,
Corporate Finance Department 1,
The Industrial Finance Corporation of Thailand
- 1999 - 2000 Vice President,
Special Projects Department,
The Industrial Finance Corporation of Thailand
- 1997 - 1999 Executive Vice President,
First City Investment Public Company Limited

Other Positions at Present

- Director and Executive Director,
Ratchthanee Leasing Public Company Limited



Mr. Sujin Suwannagate

Executive Vice President
Compliance and Audit Team

Education / Training

- B.A. (Statistics),
Thammasat University
- M.B.A., Long Island University,
U.S.A.

Experience

- 2003 - 2004 Senior Vice President,
Credit Risk Management Department 1,
Siam City Bank Public Company Limited
- 2001 - 2003 Senior Vice President,
Credit Risk Management Department,
Siam City Bank Public Company Limited

Other Positions at Present

- Director and Audit Director,
National Credit Bureau Company Limited
- Director and Audit Director,
Siam City Securities Company Limited
- Director,
Siam City Leasing Factoring Public Company Limited

Mrs. Sudarat Kongtreekaew

Executive Vice President
Risk Management Team

Education / Training

- B.A.Pol. Sci.,
Chulalongkorn University
- Professional Designation in Application Programming,
University of California,
Los Angeles, U.S.A.

Experience

- 2006 - 2007 Senior Vice President, Risk Management
AIG Retail Bank Public Company Limited
- 2005 - 2006 Senior Vice President, Operations Group,
AIG Finance (Thailand) Public
Company Limited
- 2004 - 2005 Vice President, IT Audit Department Head,
TMB Bank Public Company Limited
- 1997 - 2004 Vice President, Audit Group,
DBS Thai Danu Bank Public
Company Limited

Other Positions at Present

- None



Ms. Abhiradee Sukhajoti

Executive Vice President
Human Resources Team

Education / Training

- B.A. (Accounting),
Chulalongkorn University
- M.B.A., Abilene Christian University,
Texas, U.S.A

Experience

- 2007 - 2009 Senior Vice President,
Human Resources Development Dept.,
Siam City Bank Public Company Limited
- 2006 Senior Vice President,
Human Resources Management Dept.,
Siam City Bank Public Company Limited
- 2005 - 2006 Senior Vice President,
Electronic Banking & ATM Dept.,
Siam City Bank Public Company Limited
- 2004 - 2005 Senior Vice President,
Personnel Development Dept.,
Siam City Bank Public Company Limited
- 2004 Senior Vice President,
Process Development Dept.,
Siam City Bank Public Company Limited

Other Positions at Present

- None

Mr. Sirirote Buacharoon

Executive Vice President
Corporate Product Team

Education / Training

- Diploma in Business Studies,
City of Bath College,
England
- B.A. (Banking Institution I & II),
England

Experience

- 1996 - 2009 Senior Vice President,
Foreign Exchange Department,
Siam City Bank Public Company Limited

Other Positions at Present

- None



Mrs. Amornrat Leevarapakul

Executive Vice President
SMEs Business 1 Team

Education / Training

- B. Econ. (Hons),
Chulalongkorn University
- Mini M.B.A. Faculty of Commerce and Accountancy
Chulalongkorn University
- Certificate, The Senior Executive Program,
Sasin Graduate Institute of Business Administration of
Chulalongkorn University

Experience

- 2009 Director and Executive Director,
Siam City Assurance Company Limited
- 2004 Executive Vice President,
The Industrial Finance Corporation of Thailand
- 2002 - 2003 Senior Vice President,
Corporate Finance Department 2,
The Industrial Finance Corporation of Thailand
- 2000 - 2002 Vice President,
Corporate Finance Department 2,
The Industrial Finance Corporation of Thailand

Other Positions at Present

- None

Mr. Bunlue Punpongjareorn

Executive Vice President
SMEs Business 2 Team

Education / Training

- B. Eng.,
Chulalongkorn University
- M.B.A.,
Thammasat University

Experience

- 2004 - 2007 Senior Vice President,
Small Corporate Department 3,
Siam City Bank Public Company Limited
- 2002 - 2003 Senior Vice President,
Branch Credit Department 2,
Siam City Bank Public Company Limited

Other Positions at Present

- None



Mr. Chaiyanandh Lapitananuvat

Executive Vice President
Retail Products Team

Education / Training

- B.B.A. (Accounting and Finance),
Thammasat University
- M.B.A.,
University of south Alabama
U.S.A.

Experience

- 2003 - 2006 Senior Vice President ,
Large Corporate Department 2,
Siam City Bank Public Company Limited
- 2002 First Vice President,
Business Department 3,
Siam City Bank Public Company Limited
- 2001 First Vice President ,
Business Department 1,
Siam City Bank Public Company Limited

Other Positions at Present

- Director, Thai Nam Plastic Public Company Limited
- Director, Chaimongkol Refinery Company Limited

Mr. Kirkchai Chaiyatham

Executive Vice President
General Administration and
Property Management Team

Education / Training

- LL.B.,
Ramkhamheang University
- M.B.A.,
Ramkhamheang University
- M.P.A.,
Ramkhamheang University

Experience

- 1993 - 2007 General Manager, Legal and Loan Recovery
Scandinavian Leasing Public
Company Limited
- 1984 - 1993 Chief, Legal Department,
Thai ORIX Leasing Company Limited

Other Positions at Present

- Chairman, SCIB Services Company Limited
- Director, Ratchthanee Leasing Public Company Limited



Mr. Sanur Yodpinit

Executive Vice President
Information Technology Team

Education / Training

- B. Eng. (First Class Hons), Chulalongkorn University
- M.C.S., University of Illinois (at Urbana-Champaigns), U.S.A.

Experience

- 1998 - 2001 Vice President, Computer Department, Bangkok Commercial Asset Management Company Limited
- 1998 - 2001 Project Manager, Bangkok Bank of Commerce Public Company Limited

Other Positions at Present

- None

Mr. Cherd Suppana

Executive Vice President
Cards and Sales Services Team

Education / Training

- B.S., Rajabhat Institute Nakornpathom
- M.B.A., National Institute of Development Administration (NIDA)
- Leadership Program for Manager, CC Knowledge Base Co.,Ltd. (2008)
- Asian Institute of Management (AIM), Executive Education and Lifelong Learning Center, Advanced Bank Management Program (2007) in Makati City, Philippines
- Advanced Bank Management Program (2007)
- Financial Executive Development Program FINEX 12 (2004), The Thai Institute of Banking and Finance Association
- The Central Bankruptcy Court

Experience

- 1999 - 2003 Senior Vice President, Asset Management Department. 2, Siam City Bank Public Company Limited
- 1998 First Vice President, Petchburi Office, Siam City Bank Public Company Limited

Other Positions at Present

- Director, Magic Enterprise Company Limited
- Director, C & J Apartment Company Limited



Mr. Pravitt Ongwatana

Executive Vice President
Operations 1 Team

Education / Training

- B. Eng,
Chulalongkorn University
- M.B.M.,
Asian Institute of Management,
Philippines
(Under Ford Foundation Scholarships)

Experience

- 1997 - 2001 Senior Vice President,
Retail Banking Department,
Siam City Bank Public
Company Limited

Other Positions at Present

- Director,
Siam City Life Assurance Company Limited

Mr. Prachak Udomsilp

Executive Vice President
Operations 2 Team

Education / Training

- B. Econ.,
Chulalongkorn University
- M.S. (Development Economics),
National Institute of Development Administration
- M.B.A.,
Thammasat University
- E.M.B.A.,
Sasin Graduate Institute of Business Administration of
Chulalongkorn University

Experience

- 2001 - 2002 Executive Vice President,
Bangkok Metropolitan Bank Public Company Limited
- 2000 - 2002 Secretary of the Board of Directors and
Executive Board of Directors,
Bangkok Metropolitan Bank Public Company Limited
- 1995 - 2001 Senior Vice President,
Corporate Planning and Research Department,
Bangkok Metropolitan Bank Public Company Limited

Other Positions at Present

- None

Board and Executive Officers

Board of Directors

● Chairman

Mr. Wisudhi Srisuphan

● Vice Chairman

Pol. Gen. Dr. Chidchai Vanasatidya

● Directors

Dr. Chokchai Aksaranan

Prof. (Special) Suchart Traiprasit

Dr. Suvit Maesincee

Mr. Prasert Bunsumpan

Mr. Samart Buranawatanachoke

Assoc.Prof. Niputh Jitprasonk

Mr. Surapon Vongvadhanaroj

Mr. Achporn Charuchinda

Mr. Siripol Yodmuangcharoen

Mr. Chaiwat Utaiwan

Executive Board of Directors

● Chairman

Dr. Chokchai Aksaranan

● Executive Directors

Pol. Gen. Dr. Chidchai Vanasatidya

Mr. Achporn Charuchinda

Mr. Chaiwat Utaiwan

Nomination and Remuneration Committee

● Chairman

Dr. Suvit Maesincee

● Committee Members

Mr. Prasert Bunsumpan

Mr. Surapon Vongvadhanaroj

Audit Committee

● Chairman

Prof. (Special) Suchart Traiprasit

● Committee Members

Mr. Surapon Vongvadhanaroj

Mr. Siripol Yodmuangcharoen

Corporate Governance Committee

● Chairman

Mr. Prasert Bunsumpan

● Committee Members

Dr. Suvit Maesincee

Mr. Samart Buranawatanachoke

● Independent Director

Mr. Wisudhi Srisuphan

Prof. (Special) Suchart Traiprasit

Dr. Suvit Maesincee

Mr. Prasert Bunsumpan

Mr. Samart Buranawatanachoke

Mr. Surapon Vongvadhanaroj

Mr. Siripol Yodmuangcharoen

Risk Management Committee

● Chairman

Mr. Samart Buranawatanachoke

● Vice Chairman

Mr. Chaiwat Utaiwan

● Committee Members

Mr. Enghug Nontikarn

Mrs. Jaree Wuthisanti

Mr. Rathian Srimongkol

Management Committee

● Chairman

Mr. Chaiwat Utaiwan

● Committee Members

Mr. Enghug Nontikarn

Mrs. Jaree Wuthisanti

Mr. Rathian Srimongkol

Ms. Angkana Swasdipoon

Ms. Kanoksri Rojmeta

Mr. Parinya Patanaphakdee

Mr. Virat Thanasongpol

Mr. Utane Kongsoontornkitkul

Mr. Wuttichai Suraratchai

Ms. Abhiradee Sukhajoti

Mr. Sanur Yodpinit

Mrs. Sudarat Kongtreekaew

Executive Officers

President and Chief Executive Officer (CEO)

Mr. Chaiwat Utaiwan

Corporate Banking Group

● Senior Executive Vice President

Mrs. Jaree Wuthisanti

Finance Group

● Senior Executive Vice President

Mr. Enghug Nontikarn

Operations Group

● Senior Executive Vice President

Mr. Rathian Srimongkol

Compliance and Audit Team

● Executive Vice President

Mr. Sujin Suwannagate

Risk Management Team

● Executive Vice President

Mrs. Sudarat Kongtreekaew

Human Resources Team

● Executive Vice President

Ms. Abhiradee Sukhajoti

Corporate Secretariat and Asset Management Team

● First Executive Vice President

Mr. Parinya Patanaphakdee

Corporate Business Team

● First Executive Vice President

Mr. Utane Kongsoontornkitkul

Corporate Products Team

● Executive Vice President

Mr. Sirirote Buacharoon

SMEs Business 1 Team

● Executive Vice President

Mrs. Amornrat Leevarapakul

SMEs Business 2 Team

● Executive Vice President

Mr. Bunlue Punpongjareorn

SMEs Business 3 Team

● First Executive Vice President

Mr. Virat Thanasongpol

Retail Products Team

● Executive Vice President

Mr. Chaiyanandh Lapitananuvat

Metropolitan Branch Network Team

● First Executive Vice President

Ms. Angkana Swasdipoon

Provincial Branch Network Team

● First Executive Vice President

Ms. Kanoksri Rojmeta

Finance Team

● Senior Executive Vice President

Mr. Enghug Nontikarn (Acting)

Credit Management Team

● First Executive Vice President

Mr. Wuttichai Suraratchai

General Administration and Property Management Team

● Executive Vice President

Mr. Kirkchai Chaiyatham

Information Technology Team

● Executive Vice President

Mr. Sanur Yodpinit

Cards and Sales Services Team

- Executive Vice President
Mr. Cherd Suppana

Operations 1 Team

- Executive Vice President
Mr. Pravit Ongwatana

Operations 2 Team

- Executive Vice President
Mr. Prachak Udomsilp

Head of the Departments**Compliance Dept.**

- Senior Vice President
Ms. Chutima Boonmee

Audit Dept.

- First Vice President
Mr. Surapong Churangsarit

Information Technology Audit Dept.

- First Vice President
Mr. Paiboon Chuwithaya

Credit Review Dept.

- Senior Vice President
Mr. Kiatchai Rojlertchanya

Research

- First Vice President
Mr. Suphachai Sophasienphong

Credit Risk Management Dept.

- First Vice President
Mr. Charoenrat Akpichitmarn

Business Risk Management Dept.

- First Vice President
Mr. Wichit Sangtongstit

Information Technology Security Dept.

- First Vice President
Mr. Viroj Saengvongrusmee

Basel II and Credit Scoring Models Improvement Project

- First Vice President
Dr. Prisadarng Sakolpadungkett

Human Resources Management Dept.

- Senior Vice President
Mr. Somsak Sinprasertat

Human Resources Development Dept.

- First Vice President
Ms. Punnee Kriengkripetch (Training)

Corporate Secretariat Dept.

- Senior Vice President
Mrs. Yaovalak Kunakornporamat

Legal Dept.

- First Vice President
Mr. Sombat Wongkhamhaeng
Mr. Korawut Kaewsatit
(In charge for Special Legal Cases)

Asset Development Dept.1

- Senior Vice President
Mr. Paiboon Srisawad

Asset Development Dept.2

- First Vice President
Mr. Kiatkong Hsitantivech

Asset Development Dept.3

- First Vice President
Mr. Somphong Singhasuttakorn

Corporate Relationship Management Dept.

- Senior Vice President
Mr. Ekachai Techawiriyakul

Corporate Credit Appraisal Dept.1

- First Vice President
Mrs. Sukunya Vichitcholchai

Corporate Credit Appraisal Dept.2

- Senior Vice President
Mrs. Wanida Tananate

Corporate Credit Appraisal Dept.3

- First Vice President
Mr. Sitta Hanbuntrong

Cash Management Dept.

- First Vice President
Mr. Kittisak Luethai

Foreign Exchange Dept.

- First Vice President
Mr. Pornpibul Mandhatuphalin

Trade Finance Dept.

- Senior Vice President
Mr. Sailom Nopkachain

SMEs Relationship Management Dept.1

- First Vice President
Mrs. Suvimon Skulsriprasert

SMEs Relationship Management Dept.2

- Senior Vice President
Mr. Yuthyong Sudharatna

SMEs Credit Appraisal Dept.1

- First Vice President
Ms. Thantip Mathuramon

SMEs Credit Appraisal Dept.2

- First Vice President
Mr. Rawee Ounpat

Establishment of Business Center and Trade Finance Center

- Senior Vice President
Mr. Phanuwat Yothaphand

SMEs Relationship Management Dept.3

- First Vice President
Mr. Sagunn Panpiemras

SMEs Relationship Management Dept.4

- Senior Vice President
Mr. Chaikiat Hansumrit

SMEs Credit Appraisal Dept.3

- First Vice President
Mr. Tititat Norravee

SMEs Credit Appraisal Dept.4

- First Vice President
Mr. Veerachai Amorntakolsuwech

SMEs Relationship Management Dept.5

- Senior Vice President
Mr. Wongskorn Pitupan

SMEs Relationship Management Dept.6

- First Vice President
Mr. Paderm Na Ranong

SMEs Credit Appraisal Dept.5

- Senior Vice President
Mr. Vichien Siriveshvaravudh

SMEs Credit Appraisal Dept.6

- Senior Vice President
Mr. Weerasak Wacharakosit

Retail Products Development Dept.

- Senior Vice President
Mr. Sakchai Pinyovitayawong

Personal Loans Dept.

- **First Vice President**
Mr. Krerkkiat Kukiattinun

Housing Loans Dept.

- **Senior Vice President**
Mr. Arpichad Akdhakura
- **First Vice President**
Mrs. Chunyaruck Wongwanich
(Housing Loan Marketing)

Marketing and Corporate Communications Dept.

- **Senior Vice President**
Mrs. Onanong Pranootnaraparn
- **First Vice President**
Mr. Paisal Tiavongsuvan
(Retail Marketing and Sales Promotion)
Mrs. Namthip Putthapipat
(Branch Quality Assurance)

Alternative Channels Dept.

- **Senior Vice President**
Mr. Yongyuth Pisiviloth

Branch Administration Dept.1

- **First Vice President**
Mr. Somchai Wannasiripipat

Branch Administration Dept.2

- **First Vice President**
Mr. Sombat Sanguansakpakdee

Petchburi Office

- **First Vice President**
Mrs. Salaitip Pethanom

Suanmali Office

- **First Vice President**
Ms. Sudarat Chalermvutanon

Branch Administration Dept.3

- **Senior Vice President**
Mr. Visuit Boreriboon
- **First Vice President**
Mr. Pairat Trangarnrueng
(In charge for District 15-17)
Mr. Sermsitt Khanchai
(In charge for District 18-21)
Mr. Pornsak Pothia
(In charge for District 22-24)

Branch Administration Dept.4

- **Senior Vice President**
Mr. Surapon Tantasukitvanich
- **First Vice President**
Mr. Sakda Silakong
(In charge for District 30-34)

Treasury and Investment Dept.

- **Senior Vice President**
Ms. Anchalee Besuwan

Planning and Budgeting Dept.

- **Senior Vice President**
Ms. Veena Tachachainirun

Accounting Dept.

- **First Vice President**
Mrs. Phenchana Weerawuth

Credit Underwriting Dept.1

- **First Vice President**
Mr. Nakarin Anantachina

Credit Underwriting Dept.2

- **First Vice President**
Mr. Paiboon Vinantamarakoon

General Administration Dept.

- **Senior Vice President**
Mr. Theprach Winotai

Special Assignment Project

- Senior Vice President
Mr. Thanom Pongpowthai

Property Development Dept.

- Senior Vice President
Mr. Sirichai Thanasiritrakul

Foreclosed Property Management Dept.

- First Vice President
(.....)

Information Technology Development and Management Dept.

- First Vice President
Mrs. Khanitta Yuvahong
Mr. Tanee Phalawong
(In charge for Core Banking System)
Mrs. Vibulsiri Na Ranong
(Information Management)

Information Management Dept.

- Senior Vice President
Mrs. Nattaya Palawatvichai

Network Management and Support Dept.

- First Vice President
Mr. Rungsimont Pongsamart

Process Development Dept.

- First Vice President
Ms. Danucha Jiranuntarat

Co-ordinator of IT Development Projects

- First Vice President
Ms. Pensri Wuttisittikulkij

Card Products Dept.

- First Vice President
Mr. Parderm Vasuntharaporn

Card Operations Dept.

- Senior Vice President
Mr. Virach Paisitsavet

Credit and Collection Dept.

- First Vice President
Mr. Wichai Chaumvarasart

Customer Relations and Direct Sales Dept.

- Senior Vice President
Mrs. Nisanart Thongpakde

Credit Operations Dept.

- Senior Vice President
Mr. Veraphol Muangjuey

Collateral Appraisal Dept.

- First Vice President
Mrs. Kanittha Yungcharoen

Banking Dept.

- Senior Vice President
Mr. Thanes Kuruchitkosol

Retail Credit Operations Dept.

- Senior Vice President
Mr. Wilas Jarangkul
(In charge of Special Case Assignment)

Treasury and Investment Operations Dept.

- First Vice President
Mr. Thanakorn Vijakkhana



Financial Status and Operating Results

Financial Status and Operating Results

Operating Results

Despite economic slowdown, the Bank and its subsidiaries reported a net profit of Baht 4,147 million (not including the net profit of minority shareholders of subsidiaries) in 2009, up by Baht 33 million from the prior year. This was contributable to the Bank's effective strategy implementation. Net interest and dividend income of the Bank amounted to Baht 12,841 million; declining by 0.89%, whereas non-interest income and expenses stood at Baht 7,687 million and Baht 12,775 million; up by 22.81% and 12.27%, respectively. Adhering to the principles of prudent management, the Bank set aside a reserve of Baht 2,254 million for bad debts and doubtful accounts (not including reversal of revaluation allowance for debt restructuring), close to the amount of Baht 2,150 million set aside in 2008.

Net Profit (Million Baht)

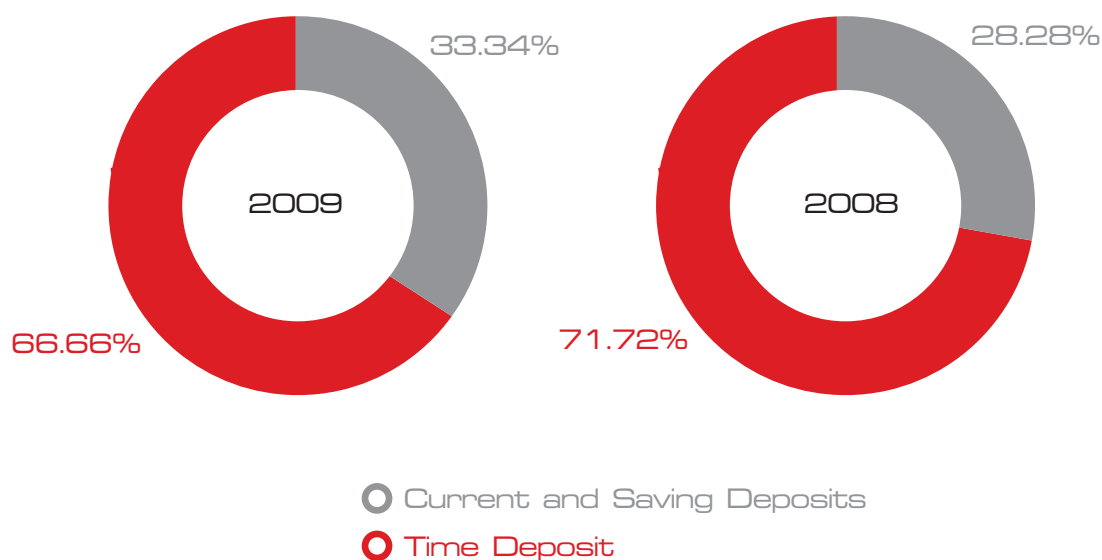


(Unit : Million Baht)	Consolidated Financial Statements		Change	
	2009	2008	Amount	(%)
Interest and dividend income	18,242	21,724	(3,482)	-16.03
Interest expenses	5,401	8,768	(3,367)	-38.39
Net interest and dividend income	12,841	12,956	(115)	-0.89
Bad debts and doubtful accounts	(2,254)	(2,150)	104	4.84
Reversal of revaluation allowance for debt restructuring	45	42	3	7.14
Net interest and dividend income after provision	10,632	10,848	(216)	-1.99
Non-interest income	7,687	6,259	1,428	22.81
Non-interest expenses	12,775	11,379	1,396	12.27
Earnings (Losses) before income tax	5,544	5,728	(184)	-3.22
Income Tax	(1,393)	(1,611)	(218)	-13.56
Net income	4,151	4,117	34	0.83
Net income attributable to equity holders of the Bank	4,147	4,114	33	0.83

• Net Interest and Dividend Incomes

In 2009, the Bank and its subsidiaries earned net interest and dividend income of Baht 12,841 million, slightly down from the corresponding figure of last year, due mainly to deteriorating economic conditions which had an adverse impact on credit expansion. The softening trend of interest rates also brought down the Bank's interest and dividend income by 16.03% to Baht 18,242 million. Nevertheless, due to effective spread management combined with significant efforts to increase the proportion of low-cost deposits, i.e., current and saving deposits, interest expenses in 2009 was sharply lower by 38.39% from those of 2008.

Deposit Structure

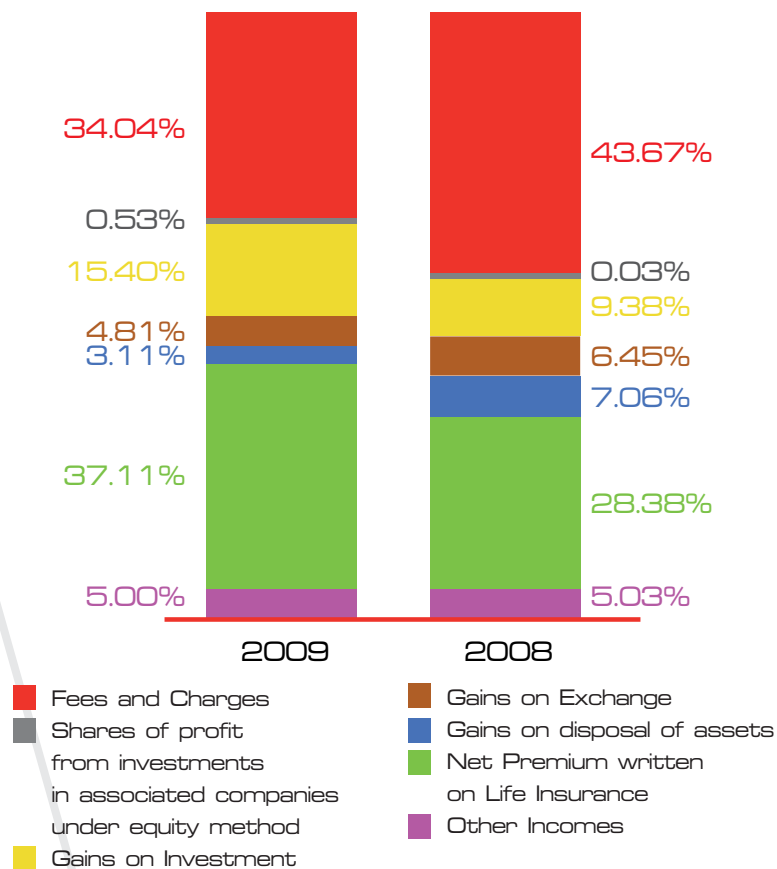


(Unit : Million Baht)	Consolidated Financial Statements		Change	
	2009	2008	Amount	(%)
Interest and dividend income	18,242	21,724	(3,482)	-16.03
Loans	14,177	15,885	(1,708)	-10.75
Interbank and money market items	927	1,035	(107)	-10.35
Investments	3,138	4,804	(1,666)	-34.68
Interest expenses	5,401	8,767	(3,366)	-38.39
Deposits	4,750	8,332	(3,582)	-42.99
Interbank and money market items	210	359	(150)	-41.67
Borrowings	441	76	365	478.56
Net interest and dividend income	12,841	12,957	(115)	-0.89

• Non-interest Income

The Bank's non-interest income in 2009 amounted to Baht 7,687 million, an increase of Baht 1,428 million or 22.82% from Baht 6,259 million in 2008. This was due mainly to increase in gains on investments, which rose by Baht 587 million to Baht 1,184 million. Meanwhile, fee incomes dropped by 4.24% from the previous year to Baht 2,617 million, due mainly to the decline of loan-related fees which was depressed by slowing down economic conditions. Nevertheless, implementation of marketing strategies emphasizing financial products for retail customers enabled the Bank to earn higher fees in this market segment. For instance, net insurance premium receipt and ATM fees surged by 60.64% and 23.34%, respectively.

Proportions of Non-interest Income:

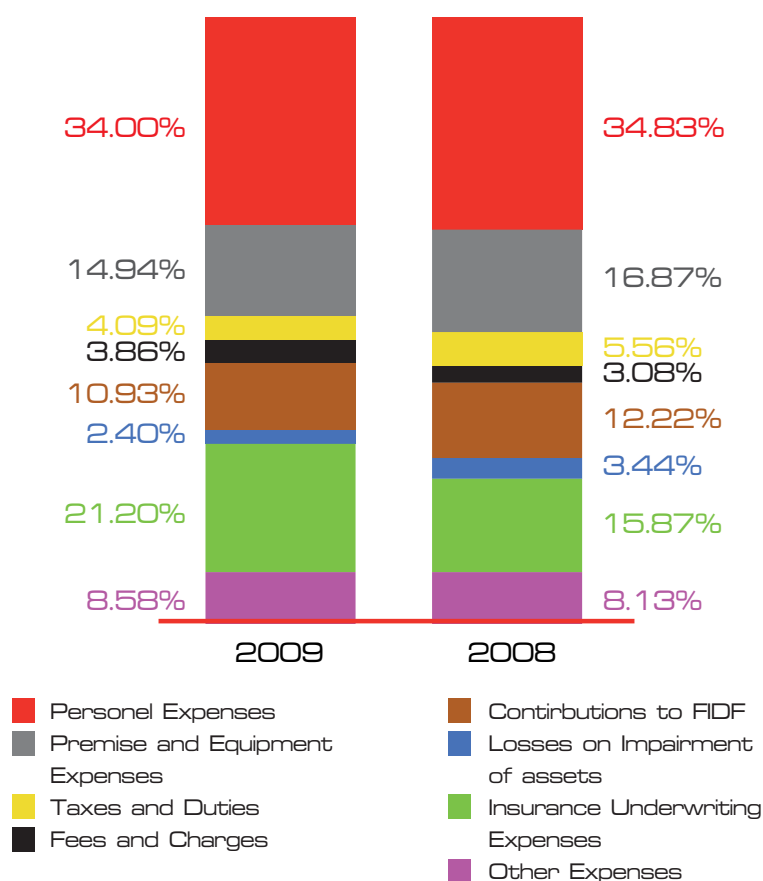


(Unit : Million Baht)	Consolidated Financial Statements		Change	
	2009	2008	Amount	(%)
Non-interest income	7,687	6,259	1,428	22.82
Fees and charges	2,617	2,733	(116)	-4.24
Shares of profits from investments in associated companies under equity method	41	2	39	1,950
Gains on investments	1,184	587	597	101.70
Gains on exchange	369	404	(35)	-8.66
Gains on disposal of assets	239	442	(203)	-45.93
Net premiums written on life insurance	2,853	1,776	1,077	60.64
Other income	384	315	69	21.90

• Non-interest Expenses

In 2009, the Bank incurred non-interest expenses of Baht 12,775 million, 12.27% higher than the 2008 non-interest expenses of Baht 11,379 million. Most of the increasing items were resulted mainly from expansion of business volume such as insurance underwriting expenses, fees and charges, and other expenses, which increased by 49.94%, 40.86%, and 18.49%, respectively

Proportion of Non-interest Expenses



(Unit : Million Baht)	Consolidated Financial Statements		Change	
	2009	2008	Amount	(%)
Non-interest expenses	12,775	11,379	1,396	12.27
Personnel expenses	4,345	3,963	382	9.64
Premises and equipment expenses	1,909	1,920	(11)	-0.57
Taxes and duties	522	633	(111)	-17.54
Fees and charges	493	350	143	40.86
Contribution to FIDF	1,396	1,391	5	0.36
Losses on impairment of assets	306	391	(85)	-21.74
Insurance underwriting expenses	2,708	1,806	902	49.94
Other expenses*	1,096	925	171	18.49

* Including directors' remuneration of Baht 31 million in 2008 and 2009.

• Bad Debts and Doubtful Debts

In 2009, the Bank set aside a reserve for bad debts and doubtful accounts of Baht 2,254 million, up by Baht 104 million or 4.84% from the 2008 reserve of Baht 2,150 million. There was also a reversal of revaluation allowances for debt restructuring of Baht 45 million. As at the end of 2009, reserve for bad debts and doubtful accounts including allowances for adjustment on debt restructuring were Baht 17,329 million, accounting for 67% of non-performing loans.

(Unit : Million Baht)	Consolidated Financial Statements		Change	
	2009	2008	Amount	(%)
Total	(2,209)	(2,108)	101	4.79
Bad debts and doubtful accounts	(2,254)	(2,150)	104	4.84
Reversal of revaluation allowances for debt restructuring	45	42	3	7.1

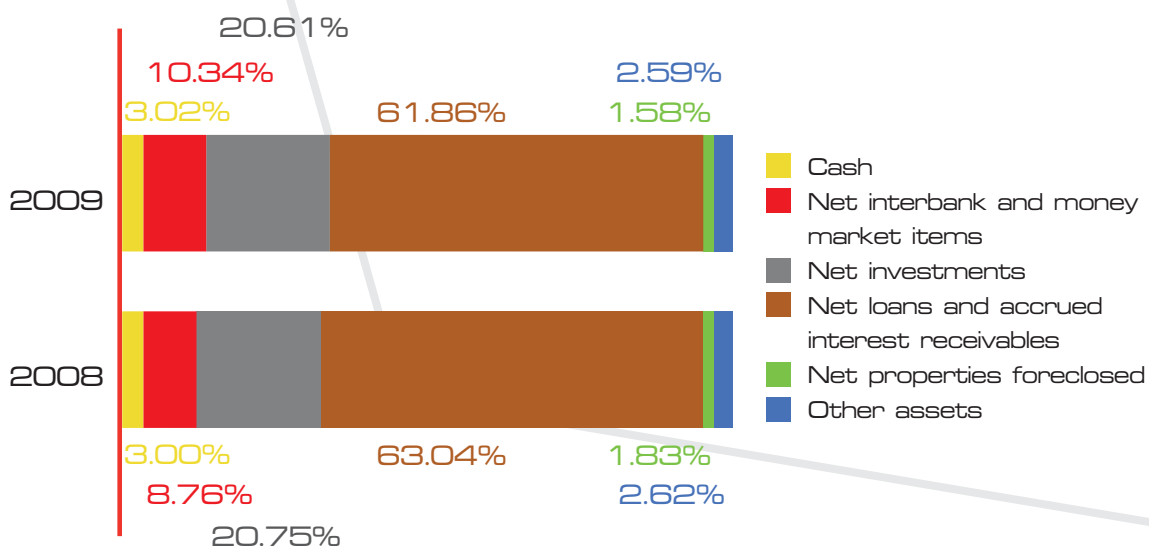
Financial Status

Assets

At the end of 2009, the Bank's total assets were Baht 424,110 million, an increase of Baht 4,018 million or 0.96%. Important components were:

(Unit : Million Baht)	2009	2008	Change	
			Change	(%)
Assets	424,110	420,092	4,018	0.96
Cash	12,798	12,580	218	1.73
Net interbank and money market items	43,833	36,800	7,033	19.11
Net investments in securities	87,396	87,177	219	0.25
Net loans and accrued interest receivables	262,350	264,835	(2,485)	-0.94
Net properties foreclosed	6,721	7,702	(981)	-12.74
Other assets	11,012	10,998	14	0.13

Asset Structure (%)



• **Lending** in 2009 amounted to Baht 278,959 million, a decrease of Baht 836 million from 2008. Net loan increase and accrued interest receivables totaled Baht 262,350 million, decreased by Baht 2,485 million over 2008. It was mainly due to an increase in reserve for bad debts and doubtful account by Baht 2,254 million. Therefore, loans and accrued interest receivable accounted for 61.86% of total assets, lower than the 2008 level of 63.04%.

• **Net Interbank and Money Market Items** amounted to Baht 43,833 million, or 10.34% of total assets, an increase of Baht 7,033 million or 19.11% from 2008. This was due mainly to the increase in interest bearing domestic interbank and money market items of Baht 8,640 million, and the increase in overseas interbank and money market items of Baht 1,000 million. Meanwhile, non-interest bearing domestic interbank and money market items decreased by Baht 2,607 million.

• **Net Investment in Securities** amounted to Baht 87,396 million or 20.61% of total assets, an increase of Baht 219 million or 0.25% over 2008. The investment comprised net short-term investment at 49.62%, net long-term investment at 49.66%, and investment in affiliated companies at 0.72%.

• **Net Properties Foreclosed** amounted to Baht 6,721 million, or 1.58% of total assets, down by Baht 981 million or 12.74% from 2008.

Asset Quality

• Lending

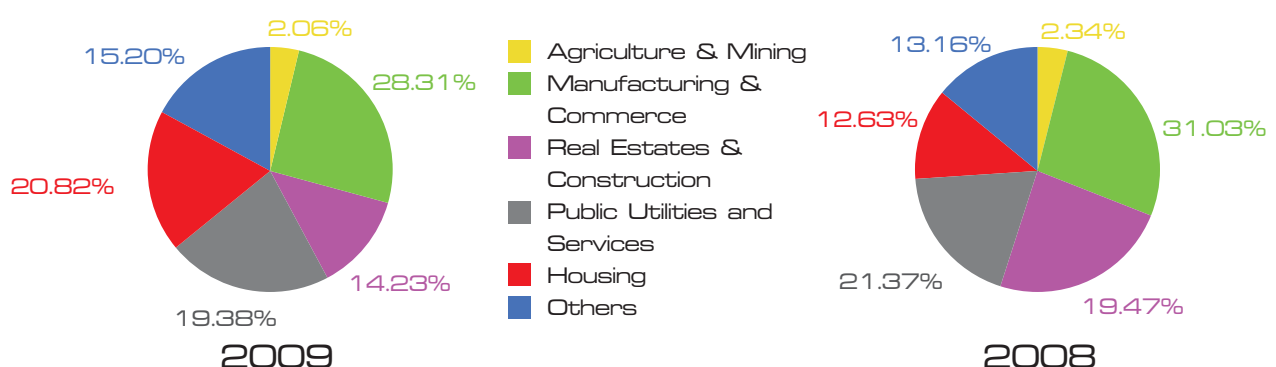
- Distribution of Loans

The Bank's successful implementation of retail lending strategy resulted in a surge of the proportion of retail loans from 20.10% of total loans at the end of 2008 to 27.96% at the end of 2009.



- Classification of Loans by Business Sector

It has been the Bank's policy to diversify its loan portfolio among various sectors relative to their importance to the economic development of the country. At the end of 2009 and 2008, its lending was distributed among the following business sectors:



- Loan Classification and Provision of Reserve for Doubtful Debts

At year end of 2009, lending and interest receivables of the Bank and its subsidiaries totaled Baht 279,679 million, comprising Baht 229,710 million of pass loans, Baht 23,979 million of special mention loans, and Baht 25,990 million of non-performing loans (NPLs) according to the definition of the Bank of Thailand (including sub-standard, doubtful and loss loans). NPLs in 2009 were Baht 1,423 million higher than the 2008 amount.

Unit: Million Baht

Item	2009			2008		
Classified Debtors	Amount ^{1/}	(%)	Reserve	Amount ^{1/}	(%)	Reserve
Pass	229,710	82.13	922	236,362	84.17	950
Special Mention	23,979	8.57	186	19,900	7.09	156
Sub-standard	4,579	1.64	1,221	5,940	2.11	1,265
Doubtful	7,072	2.53	5,156	12,326	4.39	7,561
Loss	14,339	5.13	6,775	6,301	2.24	3,541
Total	279,679	100.00	14,260	280,829	100.00	13,473
Additional Reserve by Quality Criteria	2,593			1,852		
Total	16,853			15,325		

^{1/} Principal and accrued interest receivable, excluding interbank and money market items

Reserve for bad debts and doubtful accounts as required by the Bank of Thailand was Baht 14,260 million. However, to implement a prudent policy to absorb any loss that may occur due to fluctuating economic conditions, the Bank made additional reserve by qualitative criteria of Baht 2,593 million. At the end of December 2009, the Bank had a reserve for doubtful debts of Baht 16,853 million, 18.18% higher than the BOT's minimum requirement.

• Investment in Securities

The Bank has the following policies on investment in securities:

Equities: The Bank has formulated clear objectives for investments in equities, specified guidelines for securities selection to diversify its investments, and required cut loss limits to reduce risks of price fluctuations in its proprietary trading.

Government Bonds: The Bank invests only in government bonds or bond guaranteed by the Ministry of Finance.

Debt Instruments: The Bank invests only in debentures or other debt instruments with credit rating of BBB and above, and specifies clear guidelines as to holding periods and cut loss limits in case of proprietary trading.

Investments in securities as of December 31, 2009 compared to 2008 were as follows:

Unit: Million Baht	2009		2008	
Types of Securities	Costs/Amortized Value	(%)	Cost/Amortized Value	(%)
1. Short-term Investment	43,160	49.99	21,112	24.68
1.1 Investment for proprietary trading	5,305	6.14	14,486	16.93
1.2 Debt instruments held to maturity	1,938	2.25	1,434	1.68
1.3 Investment for sale	35,884	41.56	5,090	5.95
1.4 General investment	33	0.04	102	0.12
2. Long-term Investment	42,549	49.28	63,989	74.79
2.1 Investment for sale	31,843	36.88	58,514	68.39
- Government & State Enterprise securities	14,420	16.70	47,929	56.02
- Foreign debt instrument	6,503	7.53	350	0.41
- Private sector debt instruments	3,647	4.22	3,005	3.51
- Other equity instrument	7,273	8.42	7,230	8.45
2.2 Debt Instruments held to maturity	9,199	10.65	3,882	4.54
2.3 General investments	1,507	1.75	1,593	1.86
3. Investment in Subsidiaries and Associated Companies	632	0.73	458	0.53
Total investment in securities	86,341	100.00	85,559	100.00
Plus (Minus) Allowance for revaluation of investment	1,055		1,618	
Net investment in securities	87,396		87,177	

The Bank earned Baht 3,138 million in interest and dividend income in 2009 and earned baht 1,184 million of gains on sale of investments. The Bank has fully set aside an allowance for loss of impairment of investments in compliance with the Bank of Thailand's regulation and the Thai Accounting Standard (TAS) No. 40.

Liquidity

In 2009 Cash Flow Statement showed a net cash increase of Baht 218 million. The amount represented net cash used in operating activities of Baht 6,703 million, consisting of a decrease in deposit of Baht 19,539 million and increase by Baht 7,033 million in interbank and money market items on asset side. Meanwhile, the cash receipt from operating activities income totaled Baht 9,278 million. The interbank and money market item on liability side increased by Baht 5,898 million. The bank's net cash used in investing activities amounted to Baht 1,181 million. The proceeds from issuance of subordinated debentures totaled Baht 10,000 million and the dividends paid amounted to Baht 1,479 million.

At the end of 2009, the Bank and its subsidiaries maintained adequate liquidity ratio as required by the Bank of Thailand.

Sources of Fund

Proper Capital Structure

The Bank's important source of funds is deposits, accounting for 88.35% of total funding.

• Shareholders' Equities

Shareholders' equities at end of 2009 were Baht 43,274 million, an increase of Baht 1,994 million from Baht 41,280 million at the end of 2008.

• Liabilities

As at 31 December 2009, the Bank had total liabilities of Baht 380,836 million, an increase of Baht 2,024 million or 0.53%, due mainly to an increase of Baht 14,064 million in borrowings following the issuance of Baht 10,000 million worth of subordinated debentures during the year. Interbank and money market items also increased by Baht 5,898 million while deposits was down by Baht 19,547 million as a result of effective management of liquidity level and loans to deposits ratio. Total liabilities in Thai and foreign currencies at the end of 2009 were as follows:

Baht Currency amounted to Baht 380,374 million, or 99.88% of total liabilities, consisted of:

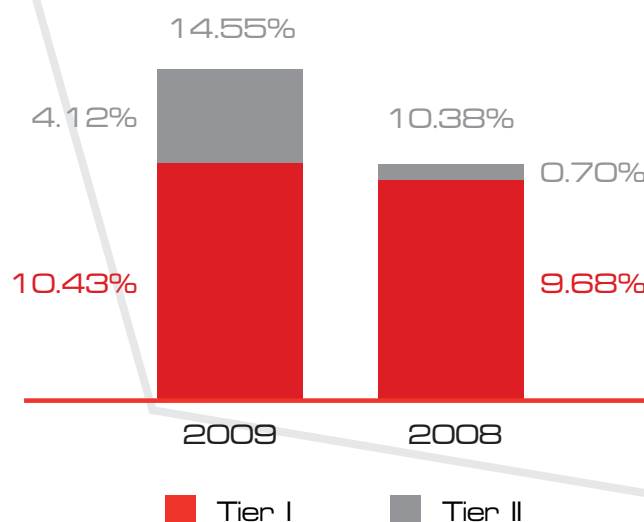
- Deposits	323,751	Million Baht
- Interbank and money market items	22,628	Million Baht
- Borrowing	19,272	Million Baht
- Liability payable on demand	836	Million Baht
- Bank's liability under acceptances	113	Million Baht
- Other liabilities	11,805	Million Baht
- Interests payable	934	Million Baht
- Provisions for liabilities	1,035	Million Baht

Foreign Currencies consisted of deposits of Baht 462 million, 0.12% of total liabilities. Thus, fluctuation of the currency exchange rates would have negligible impact on the Bank's financial position. Deposits in US dollars accounted for 92.86% of total foreign currency deposits while deposits in other currencies accounted for only 7.14%.

Capital to Risk Asset Ratio

As at December 31, 2009, the Bank maintained a capital to risk asset ratio of 14.55%, composed of 10.43% Tier 1 capital and 4.12% Tier 2 capital, higher than the minimum requirements of the Bank of Thailand which are prescribed at no less than 8.50% and 4.25%, respectively.

Capital to Risk Asset Ratio



Relationship between Sources and Uses of Funds (Consolidated Financial Statements)

Unit: Million Baht

	Consolidated Financial Statements			
	2009	%	2008	%
Uses of Funds				
Interbank and money market items	43,833	10.69	36,800	9.11
Investments in securities	87,395	21.30	87,177	21.59
Lending	278,959	68.01	279,795	69.30
Total Uses of Funds	410,187	100.00	403,772	100.00
Sources of Funds				
Deposits	324,213	79.19	343,760	84.74
Interbank and money market items	22,628	5.53	16,730	4.11
Borrowing	19,272	4.71	5,209	1.28
Shareholders' Equities	43,274	10.53	41,279	10.14
Total Sources of Funds	409,387	100.00	406,978	100.00

In 2009, Lending accounted for the majority proportion of uses of funds, or 68.01%, followed by investments in securities, which accounted for 21.30%. On the other hand, 79.19% of the total sources of funds were derived from deposits, whereas Shareholders' Equities interbank and money market items and borrowing accounted for 10.53% 5.53% and 4.71%, respectively. Meanwhile, loan to deposit ratio increased from 81.39% at the end of 2008 to 86.04% at the end of 2009.

Maturity Structure of Sources and Uses of Funds (Separate Financial Statement)

Unit: Million Baht

	Separate Financial Statements					
	2009			2008		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Uses of Funds						
Interbank and money market items	43,101	500	43,601	35,215	1,250	36,465
Investments in securities	37,273	43,103	80,376	11,033	71,580	82,613
Lending	112,536	164,926	277,462	134,697	143,430	278,127
Total Uses of Funds	192,910	208,529	401,439	180,945	216,260	397,205
%	48.05	51.95	100.00	45.55	54.45	100.00
Source of Funds						
Deposits	297,642	26,737	324,379	332,698	11,148	343,846
Interbank and money market items	22,828	95	22,923	17,070	1	17,071
Liability payable on demand	836	-	836	554	-	554
Borrowing	7,984	11,288	19,273	3,502	1,707	5,209
Total Sources of Funds	329,290	38,120	367,411	353,824	12,856	366,680
%	89.62	10.38	100.00	96.49	3.51	100.00

Maturity structure of the Bank's sources and uses of funds in 2008 disclosed that more than 1 year uses of funds amounted to Baht 208,529 million or 51.95%, while more than 1 year sources of funds amounted to Baht 38,120 million or 10.38% of total sources of funds. Such mismatch in sources and uses of funds arises from discrepancy between maturity structures of loans and deposits, prevalent among Thai commercial banks where short-term funds are raised for long-term lending or investments. However, since most deposits are renewed upon maturity the Bank has an uninterrupted source of funding for its lending activities.

Relationship between Financial Costs and Returns (Separate Financial Statements)

Unit: Million Baht

	Separate Financial Statements			
	2009		2008	
	Amount	Percentage	Amount	Percentage
Loans classified by interest types				
Loans with fixed interest rates	71,949	25.93	64,358	23.14
Loans with floating interest rates	205,513	74.07	213,769	76.86
Total Loans	277,462	100.00	278,127	100.00
Deposits Classified by Maturity				
Short-term deposits (Less than 1 year)	297,642	91.76	332,698	96.76
Long-term deposits (More than 1 year)	26,737	8.24	11,148	3.24
Total Deposits	324,379	100.00	343,846	100.00

At the end of December 2009, short-term deposits of the Bank were much larger than long-term deposits, accounting for 91.76% against 8.24%, respectively. This structure is normally found among Thai commercial banks. As short-term deposits carry lower interest rates and depositors usually redeposit upon maturity, they provide the Bank with flexibility in managing funding costs. In addition, the Bank was able to manage its return in response to any changes in costs since most of the loans, or 74.04%, were loans carrying floating interest rates.

Capital Expenditure

In 2009, the Bank invested a total of Baht 351 million in the development and improvement of its information technology systems to meet increased business volume and to enhance service and operational efficiency. Major developments included upgrading of credit card system and improvement of ATM and internet banking facilities. During the year, 169 ATM, 7 passbook updating machines, and 8 automatic case deposit machines were installed to expand service coverage.

As for investment in land and premises, the Bank redesigned and/or relocated some of its branch offices in addition to the launch of 13 new offices in major business areas in 2009. For the year 2010, it plans to make further investments in the development and upgrading of information technology to facilitate new activities as well as to increase service quality and efficiency. Major projects in the pipelines include development of ATM/credit card systems, accounting system to support IAS 39, customer relationship management (CRM) system, call center system, and cash management system. Moreover, the Bank also has the project to improve the premises of its headquarters and branch offices to create a better work environment, and another project to strengthen the Bank's corporate image.

Key Financial Ratio

Financial Ratios as at December 31 (Consolidated Financial Statements)

Unit: %

	2009	2008	2007
Profitability Ratios			
Gross profit ⁽¹⁾	69.24	60.13	52.35
Net profit	15.99	14.70	(7.18)
Return on equities	9.81	10.60	(5.55)
Yield ⁽²⁾	4.78	5.82	6.65
Cost of fund	1.48	2.43	3.08
Spread ⁽²⁾	3.30	3.39	3.57
Return on investment	4.95	5.40	5.65
Efficiency Ratios			
Net interest income to assets ⁽³⁾	3.04	3.12	2.96
Return on assets	0.98	0.99	(0.49)
Assets turnover (times)	0.06	0.07	0.07
Financial Ratios			
Debt to equity (times)	8.80	9.18	10.31
Loans to borrowing	81.02	80.05	74.19
Loans to deposit	86.04	81.39	75.58
Deposits to total liabilities	85.13	90.75	88.95
Dividend payout ⁽⁴⁾	n.a.	38.85	-
Capital to risk assets ⁽⁵⁾	14.55	10.38	12.89
Asset Quality Ratios			
Allowance for doubtful accounts to total loans ⁽⁶⁾	6.20	5.70	6.19
Loan loss to total loans ⁽⁶⁾	0.79	0.75	2.79
Non-performing loans to total loans ⁽⁷⁾	8.11	7.86	6.81
Accrued interest receivables to total loans ⁽⁶⁾	0.26	0.37	0.40

(1) Gross Profit = [(Interest and Discount Received (including gain on investment) + Fees and Charges) – (Deposit Interest Rate + Interest and Discount Paid + Fees and Charges + Tax and Duties)] / (Interest and Discount Received + Fees and Charges)

(2) Calculated without interest and dividend income from investments

(3) Net Interest Income to Asset = (Interest and Discount Received (including gain on investment) - Deposit Interest rate and Discount Paid) / Total Asset (Average)

(4) Calculated from Separate Financial Statement. The dividend payment for 2009 performance will be considered and approved by Board of Director

(5) Calculated from the capital to risk asset ratio derived from Separate financial statements. The figure for 2007 was calculated in accordance with Basel I rules whereas those for 2008 and 2009 were calculated in accordance with the Bank of Thailand' regulations as prescribed in the BOT Notification dated November 27, 2008 (Basel II).

(6) Calculated without interbank and money market items

(7) Non-performing loans to total loans = Non accrued Loans / [Total Loans (not included accrued interest) + Interbank and Money Market Loan]

Nature of Business

Established on May 8, 1941, the Siam City Bank Public Company Limited (SCIB) offers a full range of financial services through its nation-wide branch network and companies in the SCIB Family Group.

The Bank envisions being a “Right Business Partner of Life” - a relationship-based business partner beyond financial solution provider.

In order to realize this vision, the Bank is committed to three key missions: collaboration with strategic partners in building strength; infrastructure improvement to enhance competitiveness; and branch network rationalization.

Operations during the Past Year

The Bank managed to achieve significant developments and improvements in many aspects of operations during 2009, in spite of unfavorable economic and political environments, which were reflected in satisfactory operating results. This was a result of continued preparedness and implementation of important strategies, including maximization of synergy within the SCIB Family group companies. The Bank's strategies implemented over the past three years can be summarized as follows:

2007 - Year of Preparation: The Bank focused on three major infrastructure improvement Programs.

1. Human Resources Management The Bank commissioned Watson Wyatt (Thailand) as its human resources system improvement consultant. The tasks included review and improvement of human resources management system, development of job value and job description of critical business functions to be in line with international standards, and realignment of the Bank's organization structure in order to reflect the status of a leading commercial bank as well as to support the Bank's future business expansion.

2. Business Process Improvement The Bank appointed Pivotal Resources Ltd. to be its consultant in business process improvement. The objectives were to improve business and service delivery processes by eliminating operation duplication, enhance service efficiency and capability by reducing service delivery time, and consequently increase the Bank's competitiveness. The program proved to be a success particularly in the area of improving service delivery to retail customers.

3. Marketing Strategies Improvement The Bank collaborated with Sasin Graduate Institute and Chulalongkorn University to carry out the marketing strategies improvement program which aimed at increasing the ability to offer right products and services to right customers as well as to enhance the efficiency of service channels and branch network.

2008 - Year of Improvement: The Bank actively appended the infrastructure improvement efforts initiated in 2007 by implementing the following major programs.

Human Resources Program In addition to general training programs that were regularly organized for employees stationed in the headquarters and branch offices to increase their skills, knowledge, and experiences, the Bank also continuously develop their potentials by providing them with specific training programs. These specific programs included “**Modern Strategic Framework for Executives**” - a program on management and finance organized to build good relationship among the executives of the Bank, its subsidiaries, and the Bank's SME customers; “**Leadership**” - a program on leadership and team building organized to improve the essential management skills of the Bank's executives; “**Professional Branch Executives**” - comprising two training programs for branch executives. One was aimed at training regional managers to develop business plans together with a nation-wide regional business plan writing competition, “SCIB's Regional Business Plan Contest”. Another program, “Modern Management Strategy Program for SCIB's Branch Executives”, was designed for developing the management skills of managers and assistant managers of branch offices.

Credit Management Re-design The Bank also redesigned its credit management system under the project of Credit Management Re-design. Phase 1 of this project started in mid-2008 by separating the role of relationship managers from that of credit managers. For Phase 2, which started in June 2009, the role of credit analysts was separated from that of relationship managers, which further enhanced the quality of credit consideration through a proper check and balance. In addition, the Credit Quality Consideration Committee was set up to provide comments and consider the

classification of loans in order to better reflect the loan portfolio and ensure that the reserve set aside is appropriate.

Distribution Channel Improvement The Bank improved its distribution channels by dividing the branch administration system into 7 clusters in order that operations and business strategies were adjusted in correspondence with the conditions of each cluster. The Bank also opened business centers and trade finance centers to expand its marketing activities as well as to provide convenience to its customers.

Cooperation among SCIB Family Group Companies The Bank put emphasis on building synergy with its affiliated companies under the SCIB Family Group. The objectives were to expand customer base, use the Bank's branch network as channels for distributing services to target customers, jointly develop financial products and services, enhance the capacity of exploring opportunities for business cooperation, and effectively publicize the fully integrated financial services of the Bank and its affiliates. Numerous successful co-operations had been witnessed following the official launch of the "SCIB Family" campaign. Siam City Securities Company Limited (SCIS), in cooperation with the Stock Exchange of Thailand, became the first company to offer one-stop securities trading services in bank branches, which helped develop Thai capital market by expanding the investor base of the Thai stock market to cover the Bank's depositors. Currently, SCIS has opened outlets in 17 branches. This was followed by the acquisition of 40% ownership in the Siam City Assets Management Company by the Government Pension Fund (GPF), offering the Bank an opportunity to expand its customer base among government officials who are GPF members. The Bank also joined with Ratchthani Leasing Public Company Limited to offer second-hand car financing "Smart Car Smart Cash" and car pledge through its branch network nationwide. To further strengthen the business synergy, the Bank raised its holding in Ratchthani Leasing from 39.76% to 48.32% in 2009. Moreover, the Bank also changed the name of Max Life Assurance Company Limited to Siam City Life Insurance Company Limited to emphasize the identity of the Bank as a group company offering complete line of financial services.

2009 - Year of Confidence and Trust : As a result of weakening domestic economy, caused by the US financial crisis in 2008 which spread to global financial system and other business sectors throughout the world, combined with political uncertainties, the Bank designated the year 2009 as Year of Confidence and Trust. The main objectives were to grow with quality and in tandem with economic conditions, maintain a strong capital base, and generate an appropriate return to stakeholders. Major achievements of the Bank can be summarized as follow:

Human Resources

In addition to various training programs organized continuously to increase its employees' knowledge and skills, the Bank added new training programs such as "Omega Performance Corporation", Strategic Sale Management, Professional Selling Skills, Negotiation Skills, Personality Development for Executives and Branch Personnel for excellent service, and "High Personal Touch" to enhance service quality of branch network. The ongoing knowledge and skills development programs resulted in significant increase in the number of the Bank's credentialed personnel. Currently, there are 2,292 licensed life insurance brokers, 1,910 licensed insurance brokers, and 879 investor contacts (single license), allowing the Bank for wider business expansion.

Marketing

The Bank's distribution channels have been increased and improved continuously to enhance service efficiency. Currently, it delivers banking and financial services through 420 branches, 5 business centers, 8 trade finance centers, 59 foreign exchanges booths, and 1,744 ATMs. It also developed new products and services to satisfy customer needs such as "SCIB Home Loan for 7-Eleven Franchisees", "Machine Fund" loan extended to SME operators for machinery improvement and rehabilitation in cooperation with Office of Small and Medium Enterprises Promotion and the Thai-German Institute, "Good Home Good Health" home loan with free physical examination package, "SCIB Balance Your Life" credit card loan with special discounts for hospital services, "SCIB Buffet Savings" a savings account with lucky draw for special prize, "Fixed Deposit with Special Interest", "SCIB Normal Cheque Collection", and "Smart Click", mutual fund units buying/selling/switching service via internet in cooperation with Siam City Asset Management Company Limited, etc. The Bank also joined with business alliances such as American International Assurance (AIA) in promoting Bancassurance products which was another source of fee-based income.

Work Process

Apart from undertaking credit management redesign and organizational restructure, the Bank is under the process of implementing Back-Office Centralization by centralizing the back office functions such as credit administration, credit operation, and branch accounting at the Bank's Head Offices and regional offices so as to increase branch efficiency by eliminating the responsibilities of branch officers in routine back office functions and allowing them to concentrate on business development efforts.

Corporate Re-Branding

Following the revamp of staff uniforms at end-2008 to emphasize the image of a modern and dynamic organization, the Bank further strengthened its corporate image by launching new products, organizing sales promotion activities, and opening 2 prototype modern branches which are the integration of modernization and adoption of innovative technology: one full branch office at Charn Issara Building on Rama IV Road, and another sub-branch office at the Government Complex on Chaeng Wattana Road. During the year, the Bank also launched "SCIB Heart" advertising campaign, illustrating its strong commitment to render services to its customers with "heart", which has been well received by the public. One of the achievements which reflected the Bank's positive image and accentuated the slogan of the year 2009: the Year of Confidence and Trust, was the successful offering of Baht 10,000 million worth of the Bank's subordinated debentures during June 15-18, 2009, which were overwhelmingly subscribed and sold out in a short time. The offering of subordinated debentures not only strengthened the capital structure of the Bank, pushing up the year-end 2008 capital adequacy ratio from 10.38% to 14.55% at the end of 2009, but also reflected the Bank's financial stability and potential, particularly the high liquidity level of the Bank.

Corporate Social Responsibilities (CSR)

The Bank puts emphasis on Corporate Social Responsibilities (CSR) and has always maintained a policy of supporting charitable, social and cultural activities. Important activities included:

Thai Cultural Promotion Activities

"Siam City Conserves Thai Identity"

The Bank has continuously conducted this project for 38 years. Educational institutions and students of all levels in the country are invited to help conserve Thai culture by participating in the "Pronunciation Competition" program to promote correct pronunciation of Thai words, and the "Thai Manners Competition" program to conserve Thai manners. Every year, winners of the competitions are awarded winning trophies by Her Royal Highness the Crown Princess Maha Chakri Sirindhorn. The events are held annually in 4 different parts of the country including the northern, north-Eastern, southern and central regions, as well as Bangkok Metropolis, to enlarge the coverage of participation. The Bank is proud to take a part in encouraging the younger generation to value and cherish their cultural heritage.

In 2007, the Bank was granted honorary plaque and pin by the Office of the National Culture Commission, the Ministry of Culture, as recognition awards for its significant contribution to the conservation of national culture.

"SCIB Family Conserves Thai Identity"

Realizing the important role of family institution in indoctrinating the value of cultural inheriting among the younger generation, the Bank launched the project of "SCIB Family Conserves Thai Identity" in 2009 to provide an opportunity for children of the Bank's employees to attend training courses in desirable Thai manners and Thai language reading proficiency. The courses were conducted by cultural experts from the Office of the National Culture Commission, the Public Relations Department, the Royal Institute, and the National Identity Office. Apart from the cultural skills and Thai language reading proficiency, it also strengthens the family bond. The result was overachieved with proud for the future of the next generation.

"Thai Marks" Television Documentary

It has been 15 consecutive years for the Bank to produce a 2-minute documentary entitled "Thai Marks," featuring Thai heritage, rituals, arts, culture, and local wisdom, including documentary in honor of His Majesty the King on important occasions. This program, aired every Monday, Tuesday and Wednesday at 17.58 hours on Modern 9 TV, has provided a useful reference source for the academics, particularly archaeologists and historians, as well as the general public.

Sponsor of “Sam Chuk Community and Old Market Area in Suphan Buri Conservation Project”

In celebrating the occasion that the Sam Chuk Community and Old Market Area in Suphan Buri was named the winner of the 2009 Unesco Asia-Pacific Heritage Awards for Culture Heritage Conservation, the Bank sponsored the production of 2,000 copies of VCDs for distribution as promotional medias. The objective was to promote greater collaborations in restoring other communities of heritage value which will bring about more international recognitions to the country.

Supporting Young Professional Artists

Giving special attention to the new generations, the Bank participated as a co-sponsor of the “KPN Award Thailand Singing Contest 2010”. The contest, competing for the Royal Trophy given by His Majesty the King and one million Baht in cash prize, aimed to upgrade the singing and performance skills of Thai youth to international standards. In this occasion, the Bank awarded one hundred thousand Baht in cash prize to the contestant who had outstanding achievement in using Thai language in the song.

Charitable Activities

The Bank is the only Thai commercial bank that has a booth at the annual Red Cross Fair organized by the Thai Red Cross Society. The year 2009 marked the 34th year in a row that the Bank donated the proceeds to the Red Cross Society in accordance with its policy to support important charitable activities.

Employee Blood Donation

It has been more than 2 decades that the Bank, in cooperation with the National Blood Centre, Thai Red Cross Society, organizes blood donation programs among its employees on important occasions such as the Royal Birthdays of Their Majesties the King and the Queen, and the inauguration date of the Bank. This is a good opportunity for the Bank's employees to make merit together and upgrade the welfare of the society. The donated blood is used to help injured people, soldiers, and policemen in need.

Bank Anniversary Activities

On May 24 of every year, the Bank celebrates its anniversary by offering foods to Buddhist monks, making various kinds of donations, and giving out lunch and snacks to Children with Multiple Handicaps of the Christian Foundation for the Blind in Thailand, by his Royal Highness.

Cooperation with Other Organizations

In addition to the aforementioned corporate social responsibility projects, the Bank also joined with many foundations and charitable organizations in organizing social activities as well as allocated budgets for supporting such activities. These organizations included:

- The Community Health Care Promotion Foundation
- The Mural Painting Project at Watthai Kusinara Temple in India.
- The Krom Luang Ratchaburi Direkrit Foundation
- The Thai Red Cross Association, Jog for Cancer Project to Acquire Donation for Cancer Research by Sirikit Institution

Religious Activities

In order to inherit the national cultural heritage, the Bank regularly organizes traditional religious ceremony of presenting robes to the Buddhist monks. These activities aim to make donations for restoring and preserving religious places throughout the country.

Conservation of Environment

Reforestation Project to Honor His Majesty the King

Forest is the center of all living things, being the origin of water, trees and wild life. It provides habitat for human beings and preserves the balance of the nature and environments, controls the climate, prevents the erosion of soil and acts as a natural reservoir that prevents the narrowing of rivers and canals. In keeping environment healthy, it reduces carbon dioxide and generates oxygen in the air. Moreover, it produces food and medicinal herbs and provides all people with a source of research and recreation. Realizing the importance of forest, the Bank in collaboration with the Rajapruet Institute Foundation conducted the “Reforestation Project in Honor of the King's 50th Anniversary of Royal Coronation”

during 2005-2009. The Bank was responsible for the reforestation, rehabilitation and improvement of 6,136 rai of forest land in the protected area covering the right side of the Nan River, Baan Nam-ta, Baan Nam-lee, Tambon Nam-man, Ta-pla District, Uttaradit Province, and Tambon Chor-hae, Muang District, Phrae Province.

“Welu Wetland” Mangrove Forest Botanical Garden Project

It is well aware that Mangrove forest provides a nursery ground for various aquatic and land animals, ranging from invertebrate animals such as sponges, flat worms, segmented worms, mollusks, squids, shrimps, scampi, and crabs, to vertebrate animals such as fish and reptiles. All living organisms in the mangrove forest areas are not only vital to the ecosystem but also contribute economical benefits and are regarded as a great treasure of the coast. Notwithstanding, inadequate preservation and protection of mangrove forest has led to deterioration of mangrove forest areas across the country. In 2009, the Bank initiated the “Welu Wetland” Mangrove Forest Botanical Garden Project in Chanta Buri Province under the campaign of “SCIB Focus on You & Focus on Earth”. The project aimed to turn the 19-rai mangrove forest area in Welu Wetland to a mangrove forest botanical garden by planting about 50 kinds of mangrove tree species, making it one of the major mangrove seed source areas in the country. Besides, a wooden bridge was built as the walkway of natural study. The botanical garden is a destination for mangrove learning and ecotourism for local people as well as those from all regions of the country.

Banking Operations

The Bank aims to provide a full range of banking and financial services, offering various products and accommodations to meet the changing need of customers. It is keen to offer existing customers with various services of companies in the group as well as strategic alliances through cross-selling and enlarge the base of potential customers by adopting proactive marketing approach. The details of services offered to each customer group are as follows:

Corporate Customers

The Bank offers corporate customers deposit, and short-term and long-term lending services. These products include investment loan, commercial loan for working capital, overdraft, check discounting, loan guarantee, performance guarantee, aval, bill of acceptance, payment guarantee on letter of credit and commercial documents, international business service, cash management, collection and payment, payroll management, domestic and international remittances, foreign exchange trading, foreign exchange bill collection, traveler's check, investment banking services such as financial advisory for fund mobilization, merger and acquisition, business restructuring and underwriting of debt instruments, etc.

Retail Customers

The Bank services its retail customers through its nation-wide branch network. The services include personal loan, housing loan, consumer loan, home improvement loan, credit card, debit card, ATM card, deposit, safe deposit box, gift check, cashier's check, and other products offered by SCIB Group members and strategic alliances, such as unit trusts of mutual fund, life insurance, non-life insurance, car hire-purchase and securities trading, etc.

The Bank divided its operation units into 5 groups: Corporate Banking, SMEs Banking, Retail Banking, Finance, and Operations Groups.

1. Corporate Banking Group consists of Corporate Business Team and Corporate Products Team, and is responsible for servicing and taking care of large business customers whose annual incomes exceed Baht 1,000 million. This group of customers is important to the Bank in their use of various financial services such as business loans, commercial loans, corporate finance services, and in their ability to generate retail customers for the Bank.

2. SMEs Banking Group consists of SMEs Business 1, 2, and 3 Teams, and is responsible for servicing and taking care of medium and small enterprises who are introduced by branches and provincial business centers, and whose annual incomes do not exceed Baht 1,000 million. This group of customers, who are the main driver the economy, has potential for growth and is found all over the country.

3. Retail Banking Group consists of Retail Products Team, Metropolitan Branch Network Team, and Provincial Branch Network Team, and is responsible for developing various financial services that satisfy retail customers, as well as building and developing service channels at the branches, through electronic devices, and IT network such as e-banking, mobile banking, etc.

4. Finance Group consists of Finance Team, and Credit Management Team, and is responsible for monitoring the implementation of strategic plans, management of cash and liquidity, accurate and transparent information disclosure, and

independent credit analysis and review for the Loan Committee, Board of Executive Directors, and the Board of Directors.

5. Operations Group consists of 5 Teams, such as Operation 1 & 2 Teams responsible for corporate and retail credit operations, Cards and Sales Services Team responsible for credit card business and retail sale network, Information Technology Team responsible for work procedure development, report and information preparation, information technology and network systems, and General Administration & Property Management Team responsible for an efficient and effective management of facilities administration, and property care.

The Bank recognizes the importance of human resources management and assets management and has placed these two teams under direct supervision of the President and Chief Executive Officer, to allow timely and efficient decisions on changes, and allocation of human resources.

To ensure that the Bank's supervision and monitoring procedure and risk management system are efficient, transparent, and accountable in agreement with good corporate governance principles, the Bank places the Compliance and Audit Team under the supervision of the Audit Committee, and Risk Management Team under the Risk Management Committee.

Businesses of the Group

The Bank has a clear policy to conduct businesses as a group, to offer a full range of products and services to its customers, and to effectively and fully share and utilize common customer base, customer data base, customer relationship, distribution channels, and other resources. The Bank was granted approval by the Bank of Thailand to establish the Siam City Bank Group of financial companies which consists of 6 companies as follows:

Siam City Life Insurance Company Limited

Originally known as Max Life Assurance Company Limited, the company was set up in 1997 and was granted a life insurance license in 2002. Wholly owned by the Bank, the company is capitalized at Baht 700 million, Baht 700 paid up. The company stopped selling life insurance through agents, and began selling bancassurance in 2003 through the Bank's branches.

Siam City Securities Company Limited

The Bank invested in 99.79% of shares in this company in 2003, and increased its capital from Baht 500 million to Baht 2,000 in 2004. The company, Member No. 12 in the Stock Exchange of Thailand, is licensed to operate securities businesses including brokerage, underwriting, trading, investment consulting, and futures contract brokerage. The Bank and the company have cooperated in the underwriting of debt and equity instruments issued by the company's customers, the Bank's customers retaining the company as financial adviser in fund mobilization, referring the Bank's retail customers to trade securities at the company, and transacting company customers' payments through the Bank's accounts. Moreover, the company also opens securities service outlets at the Bank's branches.

Siam City Asset Management Company Limited

Established in 2004 with registered capital of Baht 100 million, the company engages in mutual fund and private fund management. It offers a variety of mutual fund products to retail customers, including LTF, RMF, equity funds, and fixed income funds of different investment horizons. The Bank reduced its shareholding from 100% to 60% after the Government Pension Fund purchased 40% of the shares in October 2007. The company's current registered capital is Baht 300 million.

Siam City Insurance Company Limited

The company was established in 1948 and originally known as Klang Maenam Insurance. In 1994, the Bank became its largest shareholder, increased its capital to Baht 40 million and changed its name to Siam City Insurance. In 2004, the company changed its Thai name to reflect its non-life insurance operations. Presently, the Bank holds 45.50% of the company's shares. The company offers various non-life insurance products, such as fire insurance, marine and transport insurance, car insurance, public liability insurance, and bailbond insurance, etc.

Ratchthani Leasing Public Company Limited

The company was established in 1988 to engage in second-hand car hire purchase. It also offers after-sale services, such as renewal of car registration, mandatory insurance according to the Accident Victims Protection Act, automobile tax service, and second-hand car refinance; in order to provide convenience to the customers, increase the company's

income and provide risk protection to the assets that are loan collaterals. In 2002, the company was registered as a public company and listed on the Stock Exchange of Thailand. The Bank bought a 39.76% stake in the company in September 2006. Following the exercise of ordinary share warrants in November 2009, The Bank currently holds 48.32% of the company's Baht 822.59 million registered capital.

SCIB Services Co. Ltd.

Established in 1991, the company provides general services to the Bank and companies in the Group, such as janitor, security, delivery, car rent, car drivers and personnel outsourcing. The company's registered capital is Baht 10 million, with the Bank holding 100% of its shares.

Structure of Incomes (Consolidated Financial Statements)

	As at 31 December 2009		As at 31 December 2008	
	Amount (Million Baht)	Percent	Amount (Million Baht)	Percent
Interest and Dividend Incomes				
Loans	14,177	59.77	15,885	61.39
Interbank and money market transactions	927	3.91	1,035	4.00
Investments	3,138	13.23	4,804	18.57
Total interest and dividend incomes	18,242	76.91	21,724	83.96
Loan Loss and doubtful loans	(2,254)	(9.50)	(2,150)	(8.31)
Reversal of loss from debt restructuring	45	0.19	42	0.16
Total interest and dividend incomes after loan loss, bad debts and loss from loan restructuring	16,033	67.59	19,616	75.81
Non-interest Incomes				
Profit (loss) on investments	1,184	4.99	587	2.27
Profit (loss) on investment, equity method	41	0.17	2	-
Service fees				
Acceptance, aval and guarantee	292	1.23	283	1.10
Other services	2,325	9.80	2,450	9.47
Profit (loss) on exchange	369	1.56	404	1.56
Profit on sale of assets	239	1.01	442	1.71
Net premium receipt	2,853	12.03	1,776	6.87
Other incomes	384	1.62	314	1.21
Total non-interest incomes	7,687	32.41	6,259	24.19
Total Income	23,720	100.00	25,875	100.00

Total incomes for 2009 amounted to Baht 23,720 million, a decrease of Baht 2,155 million from 2008, due to slowing down economy which consequently subdued loan expansion and softening interest rates. In 2009, interest and dividend incomes after loan loss, bad debts and loss from loan restructuring amounted to 67.59% while non-interest income amounted to 32.41% of total income against the proportions of 75.81% and 24.19% in 2008, respectively.

Marketing and Competitive Situation

Overview of Commercial Banking Business Environment in 2009

The collapse of large financial institutions in the United States and other countries which took place at the end of 2008 and early 2009 provided an adverse impact to the world economy, both the real and financial sectors. Rising employment rate coupled with lower consumption in major countries especially the US significantly affected export-oriented countries including Thailand. Moreover, internal political uncertainties and the 2009 Flu pandemic further weakened investors' confidence and depressed the tourism industry which constitutes a major source of national income. As a result, The Thai economy grew at a negative rate of 6% during the first half of 2009, leading to the contraction of commercial bank loans. In addition, the relaxation of monetary policy by the Bank of Thailand aimed at boosting the slowing down economy, translated into three consecutive cuts of the central bank's policy rate during January to April 2009, from 3.25% p.a., to 1.25% p.a., contributed to the softening trend of interest rates in the market. This situation provided large corporations with an opportunity to alternatively mobilize funds via issuance of debt instruments or short-term commercial papers instead of borrowing from banks as depositors opted for investment with higher rate of return. In addition, the launch of the Bank of Thailand Savings Bonds and the Thai Khemkhaeng (Strong Thailand) Saving Bonds also resulted in the decline of bank deposits during the first half of 2009 and inevitably affected the operating results of commercial banks as a whole.

Nevertheless, the Government's economic stimulus measures and the initiation of the Thai Khemkhaeng (Strong Thailand) scheme which was aimed at promoting public utilities and infrastructures, employment, as well as boosting domestic demand, combined with easing political tension and the successful implementation of economic stimulus measures by many countries brought liquidity back to the market. Economic recovery and loan expansion had been witnessed during the last quarter of the year as the Thai stock market regained its momentum and many economic indicators exhibited positive signs, for instance, higher production capacity rate, lower unemployment rate, and higher export growth.

Operating Results of Commercial Banks in 2009

Although Thai commercial banks encountered a number of unfavorable factors during the beginning of the year, the overall operating results remained satisfactory due to well preparedness and the lessons learned during the financial crisis in 1997 which enabled the banking system to become healthier and more prudential and cope with any obstacles more effectively. Financial positions and operating results (pre-audited) of 17 commercial banks as per Thor Por 1.1 report may be summarized below:

Assets

At year-end 2009, total assets of commercial banks in the system amounted to Baht 8,997,539 million, an increase of Baht 223,438 million or 2.54% as compared to year-end 2008.

Loans

Due to global economic downturn that had adversely impacted the Thai economy since year-end 2008 and early 2009 together with local political uncertainties, commercial banks became more cautious about extending loans. This resulted in a stable amount of net loans of the banking system. At the end of 2009, the figure stood at Baht 5,838,187 million, decreasing by Baht 42,517 million, or 0.72%, from the amount of Baht 5,880,704 million at the end of 2008.

Deposits

Swift adjustments of interest rates by the Bank of Thailand aimed at stimulating the economy led to declining interest rates for deposits and resulted in migration of funds from banks to other investment alternatives that offered higher rate of return such as mutual funds, debentures, or commercial papers issued by private corporations. Moreover, the issuance of the Bank of Thailand Savings Bonds and the Savings Bonds under the Strong Thailand (Thai Khemkhaeng) Scheme also hindered the growth of bank deposits. Deposits at banks rose by only 0.1%, or Baht 6,549 million, from Baht 6,544,955 million at the end of 2008 to Baht 6,551,504 million at the end of 2009.

Branches

The 17 commercial banks had a total number of 5,791 branches at year-end 2009, increasing by 351 branches or 5.75% from 5,476 branches at year-end 2008.

At the end of 2009, Siam City Bank Public Company Limited (Bank's financial statements only) ranked 7th in the banking system in terms of assets. Total assets of the Bank amounted to Baht 415,870 million, an increase of Baht 1,571 million or 0.38% over the amount at the end of 2008. Net loans (after provisions for doubtful accounts) totaled Baht 261,200 million, declining by Baht 2,134 or 0.81% from the previous year. Meanwhile, deposits decreased by Baht 19,467 million, or 5.66%, from the amount of 2008. The Bank had a total of 420 branches at the end of 2009, compared with 407 branches at the end of last year.

Taking into account only the Bank's financial statements, SCIB posted a net profit of Baht 3,956 million at year-end 2009, an increase of 149 million, or 3.91%, over the previous year. Gross non-performing loans (NPLs) stood at 7.82%. The Bank's capital strengthened significantly following the launch of Baht 10,000 million worth of 10-year subordinated debentures in June 2009. The Bank's capital fund to risk assets ratio jumped from 10.38% at the end of 2008 to 14.55% at end-2009 with Tier 1 and Tier 2 capital standing at 10.43% and 4.12% respectively.

Competitive Situation

The economic slowdown had a direct impact on credit growth as well as asset quality and consequently induced banks to pursue more prudent operations. Emphases are placed on business activities and customers with low risk exposure and cross-selling approach is adopted to offer financial products of group companies and business alliances. The competitive situation may be summarized below.

Price

To mitigate risks, banks are now giving more focus on lending to quality customers with creditworthiness, sound financial position, and low risk, rather than price cutting. Extension of housing loans is especially competitive as they are adequately covered by collateral, involve low risks, and can be managed systematically. Competition strategies include price cutting, maximum credit line offering, and flexible payment term in response to customer's need. On the other hands, there was marginal competition on deposits and fewer campaigns for attracting special deposits throughout 2009 due to high liquidity in the banking system particularly during the second half of the year.

Product

In addition to deposits and loans, commercial banks developed financial services and products to satisfy customers' needs such as Bancassurance, various types of mutual funds, investment advisory, and wealth management.

Distribution Channels

Besides the efforts to expand service coverage through traditional branch networks, most commercial banks were keen to penetrate their target customers via other channels, including off-hour service outlets in shopping complexes and ATM machines in office buildings, convenience stores, and residential buildings. They also joined with business alliances in offering payment services and utilized electronic devices in offering banking services such as cash deposit machines, passbook update machines, and cheque deposit machines. Internet and mobile banking services were introduced to facilitate customers' around-the-clock transactions. In addition, security systems such as anti-skimming device and close circuit television (CCTV) system were installed in order to prevent loss arising from bank-related crimes.

Sales Promotion

In order to reach the target customers, the commercial banks have emphasized on utilizing variety of sales promotional tools. Traditional means include advertising through media such as television, radio and print ads, while an up-to-date means include product placement in TV soaps, ads in cinemas, trains, websites and social network sites. In addition, promotional activities including sales support activities, lucky draws, rewards and sponsorships of popular events or shows such as concerts, reality shows and singing contests have also been utilized. Furthermore, public relations for the society and the environment have been employed to promote the bank's image as well.

Commercial Banking Trends in 2010

Although many economic indicators domestically and globally have shown positive signs since the latter half of

2009, there remain a number of risk factors challenging commercial banks. Among these factors is the exit strategy of many countries which had earlier adopted fiscal policy to drive their economies following the financial crisis. If such exit strategy is not undertaken at the right time, the world economy including that of Thailand might come to a halt and return to recession again. Besides, price volatility of major commodities such as oil and gold might have upward pressure on inflation. All these factors combined with internal political uncertainty and suspension of investment projects in Mab Ta Pud Industrial Estate which still pending clear-cut resolutions, cause commercial banks to take precaution in business operations. Moreover, the Bank of Thailand is to launch the second phase of the Financial Sector Master Plan (FSMP) in 2010. The FSMP aims to strengthen domestic financial system through merger, business expansion, effective cost reduction by financial institutions, relaxation of rules and regulations supervising operations of foreign financial institutions, promotion of new type of financial institutions such as microfinance, and increase of financial business licenses granted to local and foreign new entries. All the measures under the FSMP implementation framework, force commercial banks to adjust and enhance the capability to compete under the intensifying competitive environment from the current and potential financial institutions.

Business Objectives and Strategies of the Bank

Envisaging that the economy is back on track, the Bank designates the year 2010 as “Year of Penetration”. The main objective is to apply proactive business strategies in expanding new target customer base, reducing financial costs, and generating higher fee-based income. The Bank’s major strategies for the year 2010 are as follows:

1. Customers

1.1 Business Customers Subdued economic conditions since early 2009 have had an adverse impact on business expansion and investment decision of the Bank’s business customers. Moreover, due to softening trend of interest rates, some big corporations with growth potential are able to raise funds through the issuance of debentures or short-term papers instead of borrowing from banks. These factors combined to retard the growth of the Bank’s loan extension. However, as a result of the Bank’s strategies to keep close relationship with customers, to continually satisfy the need of customers, and to cooperate with other lenders, the Bank has been able to maintain the growth of its corporate loans at a satisfactory level.

As for the year 2010 which foresees a better economic situation due to business expansion, investment of new projects in the private sector, and direct and indirect investment initiated by the Government’s economic stimulus schemes, the Bank has formulated the following strategies for its corporate and SME customers:

Corporate Customers The Bank puts emphasis on corporate customers with good investment return and aims to act as a financial adviser, and/ or loan arranger, offering financial package to customers a group. It will also enhance the role of a corporate bond arranger as well as satisfy customers’ need with an integrated range of services through products of the Bank and companies within the SCIB Family.

SME Customers In addition to the strategy focusing on target customers with high potential, the Bank uses its branch networks and business centers to build up good relationship with SME customers and induce business counterparts of customers to use the Bank’s services. Besides, the Bank plans to extend more loans under the “Program Lending” scheme in order to increase the efficiency and speed of loan consideration procedure.

1.2 Retail Customers The retail customer base of the Bank has grown satisfactorily as a result of the firm adherence to proactive marketing strategies in this segment. The number of the Bank’s retail customers increased by 40% in 2009 following a 42% growth in the previous year, leading to a much improved loan structure. The proportion of retail loans rose impressively from 15% of total loans in 2007 to 19% and 28% in 2008 and 2009, respectively. In particular, housing loans which enjoyed a higher-than-expected growth also contributed greatly to the efforts in offering other products of the SCIB Family Group to customers, such as credit card, personal loan, life insurance and non-life insurance, etc.

In 2010, the Bank will continue to stress the growth of retail loans, including housing loans, personal loans, and credit card loans, by offering efficient and speedy services. In this connection, top-up services will be offered to real estate projects with high potential in Bangkok and nearby provinces which are currently financed by the Bank. Moreover, cross-selling of products within the SCIB Family Group is encouraged in order to raise fee-based income.

As for depositors, the Bank has an objective to increase the number of retail depositors, especially younger generations such as the newly graduates and young entrepreneurs. The “Household Strategy” will be used to enlarge

the number of depositors via family members of employees of the Bank and the SCIB Family Group, Bank customers, and business counterparts, etc. New products are continuously developed to satisfy customers' need at their different stage of life (Life Stage Product VS. Customer Life Cycle), including deposit products of the Bank as well as deposit products attached with the products and services of companies in the SCIB Family. Meanwhile, other strategies include expansion of alliance network to build up business opportunities, organization of marketing and sales promotion events for focus group, and expansion and development of distribution channels to provide customers with convenience and speedy services.

2. Asset Quality Management and Control

Notwithstanding that the economy is expected to recover in 2010, the Bank will continue to pursue the business with caution by putting emphasis on asset quality management and control. Under the Pre-NPL Management Program, the Bank's loan portfolio is closely monitored in accordance with risk profiles, namely, normal loans, special mention loans, and those with risk exposure. The Bank has been well prepared to undertake prompt action in improving loan quality before deteriorating. Meanwhile, proper policy and measures are implemented to improve the quality of existing non-performing loans and to consistently reduce the portion of NPLs.

3. Distribution Channels Development

The Bank maintains its policy to emphasize improvement of branch administration and increase of distribution channels to provide customers with convenience and speedy services. It plans to add more branches on potential locations such as shopping complexes and office buildings along with expanding distribution channels in major tourism spots and communities via electronic banking machines. The Branch Transformation Program is underway to review the structure, framework, business planning, risk management, and internal control of branches in order to enhance efficiency and effectiveness of branch operations. At the same time, the Back-Office Centralization Program which was initiated in 2009, aiming at centralizing all support functions at the Headquarters and regional offices, is expected to be accomplished in 2010.

4. Human Resources Management

To ensure an on-going human resources management system which has been developed up to international standards, the Bank's human resources management policy in 2010 continue to place importance on the upgrading of knowledge and skills of its employees to enhance operational efficiency, develop a pool of multi-skilled employees, and build up professionals in various fields of specialization. Other projects in the pipeline include carrying out of individual development plan and training program for high-caliber employees, development of successor plan for critical job functions, improvement of a compensation and benefit structure that is competitive with the banking industry and reflects performance of employees, introduction of a practical performance management system in accordance with international standards, as well as improvement of work environments.

Shareholding Structure and Management

Shareholders

The Bank's top ten major shareholders as at March 16, 2009 (closing date of share register to determine shareholders' eligibility to attend the 108th Annual General Meeting), were:

Shareholders	No. of shares	Percentage
1. Financial Institutions Development Fund	1,005,330,950	47.58
2. Thai NVDR Co., Ltd.	253,423,766	11.99
3. Barclays Bank PLC - Re Equities	105,000,000	4.97
4. Thanachart Public Co., Ltd.	104,964,000	4.97
5. MBK Hotel and Resort Co., Ltd.	80,657,700	3.82
6. Chase Nominee Limited 32	77,783,500	3.68
7. Goldman Sachs & Co.	31,568,000	1.49
8. State Street Bank & Trust Co.	30,831,536	1.46
9. Gerlach & Co.-AGF Funds Inc. as Manager/Trustee	28,118,100	1.33
10. Littledown Nominees Ltd.	21,431,300	1.01

The shareholders may access the Bank's website (www.scib.co.th) to examine current list of shareholders prior to the Annual General Meeting.

Dividend Policy

Dividend Policy of the Bank

The Bank has the policy to pay dividend by taking into consideration the Bank's operating results, adequacy of capital fund for operations, and the appropriateness in that situation. The dividend payment must be in compliance with the conditions stipulated in the Bank's articles of association: dividend cannot be paid out of other types of funds other than profits; dividend cannot be paid during the period that retained losses occur; and dividend payment must be approved by shareholders at the Annual General Meeting.

The Board of Directors may occasionally decide to pay interim dividend in the event that the Bank has an appropriate amount of profit. Such payment must be reported to shareholders at the following Annual General Meeting.

Any shareholder holding more than 10% of the Bank's total shares, and has not been granted an exemption by relevant authorities, is not entitled to the dividend or other type of return paid by the Bank pertaining to the shares exceeding 10% of holding.

Dividend Policy of Subsidiary Companies

Dividend of subsidiary companies shall be determined by operating results of the preceding year as well as the cash flow management policy.

Structure of the Board of Directors

The Board of Directors consists of 12 members, as approved by the 107th Annual General Meeting of the shareholders, April 24, 2008, matching the current Bank's business volume. The Board members are individuals with diverse knowledge, skills, and experiences, necessary to and supportive of the Bank's businesses, who have been carefully

examined and selected by the Nomination and Remuneration Committee. The qualifications of the Board of Directors are in line with the Public Company Act B.E. 2535, the Securities & Exchanges Act (No. 4) B.E. 2551, the Financial Institutions Act B.E. 2551, and the Notification of the Bank of Thailand No. Sor.Nor.Sor 13/2552 Re: Corporate Governance of Financial Institutions dated July 9, 2009. The Bank has strictly complied with related laws concerning the director's qualifications and has stipulated their qualifications in its articles of association and corporate governance policy. The Bank's corporate governance policy, which has been reviewed carefully by the Corporate Governance Committee to ensure that it is in compliance with relevant laws and regulations and in agreement with international standards, was endorsed by the Board of Directors at its 784th Meeting held on June 1, 2009. Acknowledgement of this policy has been signed by all parties concerned including the Board of Directors, management, and all employees, indicating their joint commitments to strictly comply with the principles and operational guidelines stipulated in the policy.

The Board of Directors comprises 12 directors as follows:

* 1. Mr. Wisudhi	Srisuphan	Chairman (replacing Mr.Piyabhan Nimmanhaemin who resigned on October 3, 2009)
2. Pol. Gen. Dr. Chidchai	Vanasatidya	Vice Chairman
3. Dr. Chokchai	Aksaranan	Director
4. Prof. (Special) Suchart	Traiprasit	Director
5. Mr. Prasert	Bunsumpan	Director
6. Dr. Suvit	Maesincee	Director
7. Mr. Surapon	Vongvadhanaroj	Director
8. Assoc. Prof. Niputh	Jitprasonk	Director
9. Mr. Achporn	Charuchinda	Director
10. Mr. Siripol	Yodmuangcharoen	Director
* 11. Mr. Samart	Buranawatanachoke	Director (replacing Mr. Somphol Kiatphaibool who resigned on December 1, 2009)
12. Mr. Chaiwat	Utaiwan	Director

Mrs. Yaovalak Kunakornporamat serves as the secretary to the Board.

The directors with authorized signature are Mr. Wisudhi Srisuphan, Pol. Gen. Dr. Chidchai Vanasatidya, Dr. Chokchai Aksaranan, Mr. Achporn Charuchinda, and Mr. Chaiwat Utaiwan; two authorized directors may sign on behalf of the Bank's and affirm their signatures with the Bank's official seal.

Note: * Directors No. 1 and 11 were appointed to replace those resigned during 2009. Their qualifications were carefully examined by the Nomination and Remuneration Committee using the Bank's criteria, guidelines and procedures to ensure that their qualifications were in compliance with related laws enforced by the Bank of Thailand and the Securities and Exchanges Commission, particularly the Notification of the Bank of Thailand No. Sor.Nor.Sor 13/2552 Re: Corporate Governance of Financial Institutions, that stipulates that the appointment shall be approved by the Bank of Thailand and become effective after its approval. After granted approval by the Bank of Thailand, the Bank strictly complied with relevant laws in registering the new directors and notifying the Stock Exchange of Thailand and the Securities and Exchanges Commission within the required time line.

Independent Directors

Qualifications of Independent Directors

The Bank's definition of "independent directors" is in line with the requirements specified in the notifications of the Capital Market Supervisory Committee and the Stock Exchange of Thailand as well as the Notification of the Bank of Thailand No. Sor.Nor.Sor 13/2552 Re: Corporate Governance of Financial Institutions. However, the Bank specifies more stringent qualifications for its independent directors than the minimum requirements of the authorities in order to build investors' confidence, comply with the corporate governance principles that put emphasis on interests of the Bank and investors, and ensure fairness to all stakeholders by preventing any one person or group from influencing the Board's decision.

In addition to barring the independent directors from managing the Bank's and the affiliated and related companies' businesses, the Bank has clearly defined the qualifications and composition of the independent directors in its corporate governance policy as follows:

- 1) Not holding shares in excess of 0.5% of registered and paid-up capital of the Bank, its subsidiaries or affiliated companies;
- 2) Not being Executive Directors or members of the Executive Board of Directors of the Bank, its subsidiaries or affiliated companies;
- 3) Not having any business relationship with or any direct and indirect benefits or interests in the financial and management matters involving the Bank, its subsidiaries and affiliated companies, or its major shareholders (who hold shares in excess of 5%);
- 4) Not being close relatives of the executives, major shareholders of the Bank, its subsidiaries, affiliated companies, or being representatives who protect the interests of directors or major shareholders of the Bank;
- 5) Not processing any qualifications in contravention to the qualifications of independent directors defined by the Capital Market Supervisory Board;
- 6) Composed of no less than one third of the total number of the directors on the Board and no less than 3 directors.

There are currently seven independent directors, more than half of the total twelve directors. The Bank's independent directors are:

- | | |
|---------------------------|-------------------|
| 1. Mr. Wisudhi | Srisuphan |
| 2. Prof (Special) Suchart | Traiprasit |
| 3. Dr. Suvit | Maesincee |
| 4. Mr. Prasert | Bunsumpan |
| 5. Mr. Surapon | Vongvadhanaroj |
| 6. Mr. Siripol | Yodmuangcharoen |
| 7. Mr. Samart | Buranawatanachoke |

Note: In order to comply with good corporate governance principles, the Chairman of the Board of Directors is an independent director who does not represent any shareholders. However, being the Chairman of the Board, he is also designated as one of the authorized directors in accordance with the Board's resolution. Given the conditions stipulated in the Company Affidavit registered with the Ministry of Commerce that two authorized directors can cosign on behalf of the Bank, and the fact that the Chairman in practice does not take part in the Bank's management, the Chairman is deemed a non-executive director. His status of an independent director has been confirmed by relevant regulatory agencies.

The Directors' Tenure

The Board of Directors has clearly specified the tenure of the directors in the Bank's articles of association and corporate governance policy in compliance with related laws. At each Annual General Meeting of the shareholders, one third of the directors, or the nearest number if the number of directors is not a multiple of three, must retire from office by rotation. Any director retiring by rotation is eligible for reappointment.

The 107th Annual General Meeting of the shareholders on April 24, 2008 resolved to appoint two additional directors, thereby increasing the total number of directors from ten to twelve. Accordingly, the term of four directors (one third of twelve) is due to expire at the 108th Annual General Meeting of the shareholders in 2010. Because the term of only two directors, namely Dr. Chokchai Aksaranan and Assoc. Prof. Niputh Jitprasonk is due to expire in 2010, there is a need for the term of two more directors to expire. The Board of Directors at its 796th meeting on January 27, 2010 asked the directors with longest tenure, i.e. Mr. Samart Buranawatanachoke (replacing Mr. Somphol Kiatphaibool who resigned on December 1, 2009), Mr. Achporn Charuchinda (replacing Mr. Somkiet Sukdheva who resigned in 2008), Mr. Siripol Yodmuangcharoen (replacing Dr. Suchart Thada-Thamrongvech who resigned in 2008), Dr. Suvit Maesincee, Pol. Gen. Dr. Chidchai Vanasatidya and Mr. Prasert Bunsumpan, to draw lots. Such practice is in line with the provisions specified in the Bank's articles of association and the Public Company Act. The two directors whose term is slated to expire are Pol. Gen. Dr. Chidchai Vanasatidya and Mr. Prasert Bunsumpan. In this respect, the Board of Directors resolved to assign the Nomination and Remuneration Committee to consider qualified candidates to replace the directors whose term expires at the 2010 Annual General Meeting of the shareholders. The names are to be

submitted to the Board for consideration before obtaining the Bank of Thailand's approval and the shareholders' approval at the Annual General Meeting.

Appointment of Directors

The Nomination and Remuneration Committee selects qualified individuals to replace the directors whose term expires, or who resign, for the Board of Directors' consideration and/or the shareholders' approval, using the following criteria:

1. Qualifications in compliance with related laws and regulations;
2. Possibility of conflicts of interest;
3. Structure of the Board Consideration. This is to ensure that the new directors' qualifications complement the Board's existing expertise and the Board consists of individuals who possess a broad range of qualifications for the Bank's best interests.

The appointments are made in two instances:

1) Replacement of the directors whose term expires

The Bank honors the rights of the directors and shareholders to nominate qualified individuals to be appointed as directors. In compliance with corporate governance policy, it requests the shareholders to exercise their rights to propose an agenda and the name of qualified individuals, who consent to the proposals, to be appointed as directors at the Annual General Meeting. For the year 2010, the Bank has announced the details of proposal procedure, documents required, and proposal period on its website during October 5, 2009 – January 4, 2010. Although its articles of association requires that the appointment of directors to replace those whose term expires shall be made individually or as a group, to comply with corporate governance procedure, it has chosen individual nomination over group nomination and determined equal right for all shareholders using one share one vote method. The individuals who receive the highest votes will be appointed directors successively until all vacant positions are filled.

2) Replacement of the directors who vacated the position or resigned

The Bank honors the rights of the directors to propose individuals to be appointed as directors to replace those who vacated the position or resigned. The appointment shall be made by a vote of no less than three fourths of the remaining directors and the replacement directors shall serve the remaining term of those who vacated the position.

The appointment of directors in both instances shall be approved by the Bank of Thailand according to the Financial Institution Act B.E. 2551 and related notifications of the Bank of Thailand.

Holding of Directorship in Other Companies by Directors and High-ranking Executives

The Bank has announced a policy concerning the directorship in other companies held by its directors and high-ranking executives using the criteria announced by the Bank of Thailand and the Stock Exchange of Thailand:

1. The Bank's directors and high-ranking executives should serve as directors in no more than three groups of business or in compliance with regulations specified by related regulators.
2. Such companies shall not conduct business in conflict with the Bank's interest, nor shall it conduct the same business as, or the business in competition with the Bank and its subsidiaries.
3. The directors and high-ranking executives shall not use their positions to influence such business, except in the case of businesses conducted by the Bank's subsidiaries.
4. In the case of high-ranking executives, their directorship in other companies shall not adversely affect their work in the Bank. The compensation from such directorship shall be approved by the President.

The Bank has disclosed the directorship in other companies by its directors and high-ranking executives in the Annual Report sent to the shareholders. To prevent the directorship in other companies of directors and high-ranking executives from becoming an obstacle to their efficiency, the Board of Directors has assigned Pol. Gen. Chidchai Vanasatidya, Vice Chairman, Dr. Chokchai Aksaranan, Executive Board Chairman, and the Audit Department to monitor, review, and ensure that such directorships are in compliance with the rules and guidelines stipulated by relevant regulatory agencies.

Separation of Positions and Responsibilities of the Chairman and the President

The Bank has clearly prescribed the roles and responsibilities of the Chairman and the President in its corporate

governance policy. The Chairman shall not be the same person as the President; must be appointed by the Board of Directors; must be an independent director; and shall not chair or serve in other committees.

The roles and responsibilities of the Chairman are as follows:

- 1) Does not take part in day to day management of the Bank;
- 2) Exercises leadership to ensure the Board's efficient performance of its responsibilities for the Bank's best interest and independence of the management;
- 3) Consults with the President in fixing the agendas of the meetings within the Board's duties and responsibilities;
- 4) Chairs the meetings of the Board and the shareholders to ensure a smooth and efficient conduct of the meetings;
- 5) Encourages and ensures that the directors adhere to the Bank's corporate governance principles, and code of business ethics.

The President shall not be a representative of the major shareholders or any group of shareholders but an individual who has been selected by the Nomination and Remuneration Committee, and approved by the Board of Directors. The President has roles, duties, and responsibilities in managing the Bank's business and operations within the duties and power vested by the Board of Directors.

The Separations of Tasks and Responsibilities between the Board of Directors and the Management

The Bank has clearly formulated the roles and responsibilities of the Board of Directors and the Management separately as each side will perform their duties without any interference between the two sides.

Both the Board of Directors and the Management committee have the responsibility to formulate the directions and targets of the Bank's operations as well as guiding and supervising the Management in delivering and achieving their policies and desired targets. The Board of Directors have bestowed power and authority to the CEO to manage and operate the business as well as establishing sub-committees in order to direct and examine many issues including control and risk management system, audit system, internal control system, and corporate governance system. As for the roles and responsibilities of the Directors and the sub-committees as appeared the details "Duties and Responsibilities of the Board of Directors and Committees"

The Bank has clearly separated the tasks and responsibilities of the Directors and the Management by specifying the Management's role as being responsible for the management of the business operation in accordance with the strategy, the plan and the budget that have been approved by the Board of Directors. The operations of the Management are conducted through the consideration and decision of the sub-committees that have been appointed to oversee each specific sector.

An example of Directors in the management level includes:

- The Management Committee is responsible for the consideration and approval of the targets and strategy of the business operations before presenting them to the Board of Directors and the Executive Board of Directors. They also conduct a follow up procedure in order to manage and maintain each department's business direction in accordance with the specified plan and targets.
- The Employee Committee is responsible for the consideration of policies and operations related to the employees in which they must conform and support the business direction.

The Credit Committee is responsible for the approval and/or the screening of the loan projects in line with the credit policy and credit risk management policy before presenting them for approval to the Executive Board of Directors and/or Board of Directors depending on the circumstances.

Secretary to the Board of Directors/Corporate Secretary

The Board of Directors at its 775th meeting on December 24, 2008, resolved to appoint Mr. Parinya Patanaphakdee as corporate secretary.

The Board of Directors at its 776th meeting on January 28, 2009, resolved to appoint Mrs. Yaovalak Kunakornporamat as secretary to the Board of Directors.

To facilitate the coordination between the Board of Directors and the management, the Board of Directors resolved to appoint a secretary to the Board of Directors and a corporate secretary, and defined their roles, duties, and responsibilities in accordance with the Securities and Exchanges Act (No. 4) B.E. 2551 as follows:

1. Responsible for the Board of Directors' activities;
2. Recommend criteria, regulations, corporate governance principles, and code of business ethics that the directors should adhere to;
3. Conduct orientation, and prepare documents and important information for new directors;
4. Responsible for and provide facilities for the Board's meetings;
5. Responsible for the preparation and conduct of the shareholders' meeting;
6. Follow up on the implementation of the Board's and shareholders' resolutions;
7. Maintain, protect and retrieve the Bank's important documents particularly:
 - (1) Register of directors;
 - (2) Letters of invitation and minutes of the Board's meetings;
 - (3) Letters of invitation and minutes of the shareholders' meetings;
 - (4) Letters stating the interests of the directors and the shareholders;
 - (5) The Bank's annual reports;
8. Identify training courses and seminars for directors to improve their skills and experience in their functions as the Bank's directors.

Committees

To effectively perform its duties, the Board of Directors has appointed a number of committee as follows:

1. Board of Executive Directors;
2. Audit Committee;
3. Nomination and Remuneration Committee;
4. Corporate Governance Committee; and
5. Risk Management Committee.

The Board of Directors has announced the charters of the committees for the directors and related personnel to comply with.

Board of Executive Directors

The Board of Executive Directors consists of:

- | | | |
|---------------------------|-------------|----------|
| 1. Dr. Chokchai | Aksaranan | Chairman |
| 2. Pol. Gen. Dr. Chidchai | Vanasatidya | Director |
| 3. Mr. Achporn | Charuchinda | Director |
| 4. Mr. Chaiwat | Utaiwan | Director |
- Miss Veena Techachainirand serves as the secretary to the Board.

Charter of the Board of Executive Directors

1. Composition and Structure

The Board of Executive Directors shall consist of at least four directors, and this includes the chairman and at least three other members. Their appointment shall be made by the Board of Directors' resolution.

The Board of Executive Director may appoint the corporate secretary or a Bank employee to serve as secretary.

2. Qualifications

- An executive director is a Bank director.
- The President is an executive director ex officio.
- The executive director must possess knowledge, ability, experience, and an understanding of the duties and responsibilities of an executive director.

3. Terms of Service

- The executive directors perform their duties during their tenure as the Bank's directors. The executive director who vacates his position may be considered for reappointment as long as the required qualifications in Charter No. 2 are met.
- In addition to expiration of the tenure, the executive director vacates his position by:

- (1) Lack of the qualifications stated in No. 2 of the Charter;
- (2) Resignation;
- (3) Death; and
- (4) The Board of Directors' resolution to terminate of the appointment.

• In the case of a vacancy in the Executive Board of Directors, the Nomination and Remuneration Committee proposes to the Board of Directors the appointment of a replacement director who has the appropriate qualifications to be an executive director within 3 months from the date the vacancy occurs.

4. Power, Duties, and Responsibilities

The Board of Executive Directors has the following power, duties, and responsibilities:

- Approve investments in securities under securities law, e.g. equities, semi-equity instruments, debt instruments, derivatives, mutual funds, and securities not under securities laws, e.g. acceptance, promissory notes, certificates of deposit, and other instruments for the Bank's portfolio within the amount and criteria specified by the Board of Directors.
- Approve loans, loan restructuring of the Bank's customers, and/or the customers managed by the Bank, or under the Bank's responsibility per customer or group of customers within conditions and approval limits set forth by the Board of Directors.
- Approve sales or rentals of assets, such as foreclosed properties or other assets, at value or assessed value specified by the Board of Directors, including sales that may result in loss, in accordance with the Bank's regulations.
- Approve purchases, or rentals of land/building/equipment for the Bank's business, including the engagement of consultants, or other procurements under the policy, criteria, and approval authority specified by the Board of Directors.
- Approve write-off as expenses assets and loan loss within the policy, criteria, and approval authority specified by the Board of Directors, and report such write-off to the Board of Directors at least once a quarter.
- Advise the President and the management on the Bank's business upon request.
- Perform other duties assigned by the Board of Directors.

5. Meeting

- The Board of Executive Directors should meet once a month, and call additional meetings as the situations warrant.
- The Board may engage outside consultants or experts to provide advice or opinion at the Bank's expense.
- The quorum of the meeting of the Board shall not be less than half of the number of the directors on the Board.
- If the Chairman of the Board is not present at the meeting or is indisposed the executive directors present at the meeting shall elect a director to act as the Chairman.
- During the period when there is a vacancy on the Board the remaining executive directors numbering no less than half of the board members may call meetings and perform the duties of the Board.
- The Board shall decide by majority votes. In case of a tie the Chairman shall make final decision. The executive director who has interest in the matter shall have no right to vote.

6. Reporting

The Board of Executive Directors has the duties to:

- Report to the Board of Directors its meetings and/or performance at least once a quarter, covering the important duties and responsibilities as specified in the Charter and assigned by the Board of Directors.
- Evaluate and report its performance to the Board of Directors once a year.

Audit Committee

The Audit Committee (as of January 2010) consists of:

- | | | |
|----------------------------|-----------------|----------|
| 1. Prof. (Special) Suchart | Traiprasit | Chairman |
| 2. Mr. Siripol | Yodmuangcharoen | Director |
| 3. Mr. Surapon | Vongvadhanaroj | Director |

Mr. Sujin Suwannagate serves as the secretary to the Committee.

Notes: The Board of Directors at its Special Meeting No. 3/2008 on November 8, 2008 resolved to appoint Mr. Siripol Yodmuangcharoen as Audit Committee member replacing Mr. Surapon Vongvadhanaroj

The Board of Directors at its 791st meeting on October 28, 2009 resolved to appoint Mr. Surapon Vongvadhanaroj

as Audit Committee member replacing Mr. Piyabhan Nimmanhaemin who resigned as a director.

The Board of Directors at its 791st meeting on October 28, 2009 also approved the following power, duties and responsibilities of the Audit Committee.

Charter of the Audit Committee

1. Composition and Structure

- The Audit Committee shall consist of at least 3 members, appointed by the Board of Directors. The Board of Directors also appoints the Chairman from among the members.
- The Committee may appoint an advisor, who may be a Bank's employee or an outsider.
- The Committee may appoint the corporate secretary or any Bank's employee as the secretary to the Committee.

2. Qualifications

- Members of the Audit Committee shall be the Bank's directors and independent directors as defined by the Bank of Thailand, and the Capital Market Supervisory Board.
- The Committee members shall not be the directors who are assigned by the Board of Directors to make decisions on the management of the Bank, the principal company, related company, affiliated company, or any juristic person that may have conflict of interest, and shall not be the directors of the principal company, related company, and affiliated company.
- The Committee member shall meet all qualifications required by the related laws, including the announcements, rules and regulations, or directives of the Bank of Thailand, the Capital Market Supervisory Board, and other government agencies empowered to supervise financial institutions.
- At least one member of the Committee shall have sufficient knowledge and experience to review the credibility of the financial statements.

3. Terms of Service

- Audit Committee members perform their duties during their tenure as the Bank's directors.
- The Committee members whose term expires shall be eligible for re-appointment.
- The Committee members vacate their positions by:
 - (1) Leaving the Bank's directorship;
 - (2) Lack of the qualifications prescribed by laws;
 - (3) Resignation;
 - (4) Death;
 - (5) The Board of Directors' resolution to terminate the appointment.
- In the case of a vacancy in the Committee due to reasons other than expiration of the term, the Nomination and Remuneration Committee shall propose to the Board of Directors the appointment of a director whose qualifications satisfy eligibility requirements to become a replacement member within 3 months after the vacancy occurs. The replacement member of the Audit Committee shall serve the remaining term of the member who vacated the position.

4. Duties and Responsibilities

4.1 Power, duties, and responsibilities according to the laws, regulations/announcements of the government agencies supervising the Bank.

- Review the Bank's financial statements for accuracy and reliability.
- Review and assess the appropriateness and efficiency of the Bank's internal control and internal audit, assess the independence of the internal audit departments, and approve the appointment, transfer, dismissal of the audit department managers, or other departments responsible for internal audit.
- Review the Bank's compliance with the laws concerning securities, and securities exchange, securities exchange regulations, or laws relating to financial institutions.
- Consider, select, and propose independent persons to be the Bank's auditors and propose such persons' remuneration, including holding at least one meeting a year with the auditor without the management's presence.
- Consider the disclosure of the Bank's information on related transactions or transactions with conflict of interest in compliance with the laws and securities exchange's regulations, to make sure that the transactions are reasonable and in the Bank's best interest.
- Prepare an audit report by the Audit Committee that includes information required by the Stock Exchange

of Thailand for disclosure in the Bank's Annual Report, and signed by the Chairman of the Audit Committee.

- Determine the duties of the Audit Committee as well as changes in the components and any material changes in the operations of the Audit Committee as approved by the Board of Directors, and disclose those changes to the shareholders in the Bank's Annual Report.
- Report to the Bank's Board of Directors, for rectification within the time the Audit Committee considers appropriate, the finding or the suspicion of transactions or actions that may have material impact on the Bank's financial position and operations as follows:
 - (1) Transaction involved with conflicts of interests;
 - (2) Fraud, irregularity, or material defect in the internal control system
 - (3) Infringement of the laws pertaining to financial institutions, securities and exchange laws, regulations of the Stock Exchange of Thailand, regulations of the Bank of Thailand, or other laws and regulations related to banking business and securities and any other laws.

In the event that the Board of Directors or the management fails to make a rectification within the period specified by the Audit Committee, the Committee shall disclose such transaction or act in the Annual Report and report to the Bank of Thailand accordingly.

- Perform other tasks and duties as delegated by the Board of Directors upon consent of the Audit Committee

Note: The above-mentioned duties of the Audit Committee are in line with the Notification of the Bank of Thailand No. Sor.Nor.Sor 13/2552 Re: Corporate Governance of Financial Institutions; Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee, 2008; and Notification of the Capital Market Supervisory Board No. Tor.Jor 28/2551 Re: Granting of Approval for Offering of Newly Issued Securities.

4.2 Power, duties, responsibilities as prescribed by the Bank.

- Invite the management, heads of departments, or the Bank's employees to attend its meetings to clarify issues involved, or to submit documents involved.
- Ensure that the works of compliance officers, internal auditors, and auditors are up to professional standards through coordination of relationship, confidence building, and confirmation of their independence.
- Consider the appointment, removal, transfer, dismissal, performance evaluation, and merit award of the top executives, and managers of the audit departments in accordance with the Bank's regulations and criteria.
- Review the accuracy and efficiency of information technology systems related to financial statements, risk management, and internal audit, and recommend timely upgrading of IT systems.
- Call a formal meeting with the management at least once a year.
- Make comments on the Annual Compliance Report.
- Review the Audit Committee Charter at least once a year.
- Review its own performance as a group and report to the Board of Directors once a year.

5. Meeting

- The Audit Committee must meet at least once a quarter and call additional meetings as the situations warrant.
- The Committee may invite department managers, internal auditors, compliance officers, auditors, or other Bank's employees involved to attend its meeting.
- The Committee may engage outside consultant or professional expert to advise, consult, and comment at the Bank's expenses at a fee the Committee deems appropriate.
- The meeting of the Committee must be attended by no less than half of the full members of the Committee.
- If the Chairman of the Committee is not in the meeting or is indisposed, the Committee members present at the meeting may elect a member to act as Chairman of the meeting.
- During the search for a Committee member to replace the vacated position, two of the remaining members of the Committee may convene the meetings and perform the duties of the Committee.
- The Committee shall decide by majority votes. In case of a tie the Chairman shall make the final decision.

6. Reporting

The Audit Committee is required to report its meetings and/or operations to the Bank's Board of Directors at least once a quarter, covering the duties and responsibilities assigned by the Board of Directors.

The secretary to the Committee is responsible for ensuring that the Committee's operations comply with the Charter.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (in January 2010) consists of:

- | | | |
|----------------|----------------|----------|
| 1. Dr. Suvit | Maesincee | Chairman |
| 2. Mr. Prasert | Bunsumpan | Member |
| 3. Mr. Surapon | Vongvadhanaroj | Member |

Miss Abhiradee Sukhajoti serves as the secretary to the Committee.

Charter of the Nomination and Remuneration Committee

1. Composition and Structure

- The Nomination and Remuneration Committee consists of at least 3 members, the Chairman and two members. The Committee must be appointed by the Board of Directors' resolution.
- The Committee may appoint the corporate secretary, a Bank employee, or a suitable other person to serve as the secretary to the Committee.

2. Qualifications

- Members of the Committee must be Bank's directors but not members of the management.
- The Chairman should be an independent director.
- The member of the Committee must possess knowledge, ability, and experience as well as an understanding of the qualifications, duties, and responsibilities of the Committee.

3. Terms of Service

- Members of the Nomination and Remuneration Committee perform their duties during their tenure as the Bank's directors. The member who vacates his position may be reappointed if the qualifications in No. 2 of the Charter are met.
- In addition to expiration of the tenure, members of the Committee vacate their positions by:
 - (1) Lack of the qualifications stated in No. 2 of the Charter;
 - (2) Resignation;
 - (3) Death;
 - (4) The Board of Directors' resolution to terminate the appointment.
- In the case of a vacancy in the Committee, the Board of Directors shall appoint a director with sufficient qualifications to be a member of the Committee within 3 months after the vacancy occurs.

4. Power, Duties, and Responsibilities

The Nomination and Remuneration Committee has the following power, duties, and responsibilities:

General Power, Duties, and Responsibilities

- Perform its duties in accordance with the announcement, rules and regulations, or directives of the Bank of Thailand, the Stock Exchange of Thailand, Securities & Exchanges Commission, Capital Market Supervisory Board, and other government agencies empowered to supervise financial institutions.
- Perform other tasks assigned by the Board of Directors, with its concurrence.

Power, Duties, and Responsibilities on Nomination

- Determine policy, criteria, and methods for the selection of the Bank's directors and management personnel for the Board of Directors' approval, and deliver such policy to the Bank of Thailand upon request.

Note: Management personnel or high-ranking executives shall mean the Bank's executives holding the position of Executive Vice President and above. The consultant shall mean one who receives monthly salary.

- Select and propose for the Board of Directors' approval individuals who possess suitable qualifications to hold the following positions:
 - (1) The Bank directors;
 - (2) Members of various committees that are directly assigned power, duties, and responsibilities by the Board of Directors;
 - (3) Management personnel and consultants.

Note: The appointments of directors, management personnel, and consultants, after the Board's approval, must be submitted to the Bank of Thailand for approval.

- Ensure that the Board of Directors and various committees adapt their size and structure according to the

organization and The Board of Directors and various committees consist of individuals with knowledge, ability, and experience in various fields.

- Ensure that the directors and management personnel do not hold too many director positions in other companies, and disclose their directorship in the Annual Report.
- Disclose the policy and details of the nomination procedure in the Annual Report.

Power, Duties, and Responsibilities on Remuneration

- Propose policy on compensation and other benefits including the amounts and other benefits for the directors, consultants, and management personnel, using clear and transparent criteria to the Board of Directors for approval, and deliver such policy to the Bank of Thailand upon request.
- Ensure that the directors and management personnel receive compensation commensurate with their duties and responsibilities, such that the directors who have additional duties and responsibilities receive an appropriate amount of compensation.
- Determine guidelines for the evaluation of the President and the management personnel for annual compensation adjustment, giving due regards to the duties, responsibilities, related risks as well as the long-term added value for the shareholders.
- Disclose the policy on compensation, and the amounts of various forms of compensation received by the directors and the management personnel. Also prepare a report on the compensation, giving details on the objectives, the implementation, and the opinion of the Nomination and Remuneration Committee in the Annual Report.

5. Meeting

- The Nomination and Remuneration Committee should meet at least twice a year and call additional meetings when the situations warrant.
- The Committee may engage outside consultant or professional expert to advise, consult, or give opinion, at the Bank's expense.
- The meeting of the Committee shall be attended by no less than half of the members of the Committee.
- In the case the Chairman is not in the meeting or is indisposed, the members attending the meeting may elect a member to act as Chairman.
- During the search for a member to fill the vacant position in the Committee, the remaining members of the Committee but not less than half of the total number of the members may convene the meeting and perform the duties of the Committee.
- The decision of the Committee shall be by majority votes. In case of a tie, the Chairman of the meeting makes final decision. The member with conflict of interest shall have no right to vote.

6. Reporting

The Nomination and Remuneration Committee is required to:

- Report to the Board of Directors its meetings and/or activities each time the meeting is held, or at least twice a year, covering its duties and responsibilities stated in this Charter and assigned by the Board of Directors.
- Evaluate and report the performance of individual and Nomination and Remuneration Committee to the Board of Directors once a year.

Corporate Governance Committee

The Corporate Governance Committee (as of January 2010) consists of:

- | | | |
|----------------|-----------------|----------|
| 1. Mr. Prasert | Bunsumpan | Chairman |
| 2. Mr. Samart | Buranawanachoke | Member |
| 3. Dr. Suvit | Maesincee | Member |

Mrs. Yaovalak Kunakornporamat serves as the secretary to the Committee.

Charter of the Corporate Governance Committee

1. Structure

- The Corporate Governance Committee marginally consists of three members, the Chairman and at least two members, appointed by the Board of Directors.

- The Committee may appoint corporate secretary, a Bank employee, or other person to serve as the secretary to the Committee.

2. Qualifications

- Members of the Corporate Governance Committee must be Bank's directors.
- The Chairman of the Corporate Governance Committee should be an independent director.
- The members of the Committee should possess knowledge, ability, and experience as well as an understanding of the qualifications, duties, and responsibilities of a member of the Corporate Governance Committee.

3. Term of Service

- Members of the Corporate Governance Committee perform their duties during their tenure as the Bank's directors. The member who vacates his position may be reappointed if the qualifications in No. 2 of the Charter are met.

- In addition to expiration of the tenure, members of the Committee vacate their positions by:

- (1) Lack of the qualifications stated in No. 2 of the Charter;
- (2) Resignation;
- (3) Death;
- (4) The Board of Directors' resolution to terminate the appointment.

- In the case of a vacancy in the Committee, The nomination and Remuneration committee will search and present the candidate to the Board of Directors, in order to appoint a qualified director to be a member of the Committee within 3 months after the vacancy occurs.

4. Power, Duties, and Responsibilities

Corporate Governance Committee has power, duties and responsibilities as follow:

- Propose corporate governance policy and code of business ethics in the Bank's operations to the Board of Directors for implementation, in compliance with the guidelines and recommendations of the Bank of Thailand, Securities Exchange of Thailand, Securities and Exchanges Commission, and National Corporate Governance Committee.

- Audit and guide the Bank's operations to comply with the Bank's corporate governance policy and code of business ethics, and promote and encourage the Bank's employees at all levels to perform their duties within the framework of corporate governance policy and code of business ethics.

- Continuously assess, review and elevate the Bank's corporate governance policy, to comply with international guidelines, and recommendations by related institutions.

- Appoint a working group to support corporate governance activities as appropriate.

- Ensure the implementation of the announcements, rules and regulations, or directives by the Bank of Thailand, Securities Exchange of Thailand, Securities and Exchanges Commission, Capital Market Supervisory Board, and other government agencies supervising financial institutions.

- Perform other tasks assigned by the Board of Directors, with its concurrence.

5. Meeting

- The Corporate Governance Committee should meet at least once a quarter and call for additional meetings as necessary.

- The Committee may engage outside consultant or professional expert to advise, consult, or give opinion, at the Bank's expense.

- The meeting of the Committee shall be attended by no less than half of the members of the Committee.

- If the Chairman is not in the meeting or is indisposed, the members attending the meeting may elect a member to act as Chairman.

- During the search for a member to fill the vacant position in the Committee, the remaining members of the Committee but no less than half of the total number of the members may convene the meeting and perform the duties of the Committee.

- The decision of the Committee shall be by majority votes. In case of a tie, the Chairman of the meeting makes final decision. The member with conflict of interest shall have no right to vote.

6. Reporting

The Corporate Governance Committee is required to:

- Report to the Board of Directors its meeting and/or activities at least once a quarter, covering its duties and responsibilities stated in this Charter and as assigned by the Board of Directors.

- Evaluate and report the performance of individual and Corporate Governance committee to the Board of Directors once a year.

Risk Management Committee

The Risk Management Committee consists of:

1. Mr. Samart	Buranawanachoke	Chairman
2. Mr. Chaiwat	Utaiwan	Vice Chairman
3. Mr. Enghug	Nontikarn	Member
4. Mrs. Jaree	Wuthisanti	Member
5. Mr. Rathian	Srimongkol	Member

Mrs. Sudarat Kongtreekaew serves as the secretary to the Committee.

Charter of the Risk Management Committee

1. Composition and Structure

- The Risk Management Committee consists of at least 5 members, the Chairman, Vice Chairman and at least three members, appointed by the Board of Directors.
- The Bank's executive supervising the risk management functions serves as the secretary to the Committee.

2. Qualifications

- Members of the Risk Management Committee must be Bank's directors, and/or Bank's executives in charge of risk management.
- A Bank's director or the President serves as the Chairman of the Committee.
- The majority of the Committee members should possess knowledge, ability, and experience as well as the understanding of risk management, the knowledge and expertise in rules and regulations and new knowledge on various risk managements.

3. Term of Service

- Members of the Risk Management Committee perform their duties during their tenure as the Bank's directors. The member who vacates his position may be reappointed if the qualifications in No. 2 of the Charter are met.
- Members who are Bank's executives perform their duties during their tenure as the executives in charge of various functions.
- In addition to expiration of the tenure, members of the Committee vacate their positions by:
 - (1) Lack of the qualifications stated in No. 2 of the Charter;
 - (2) Resignation;
 - (3) Death;
 - (4) The Board of Directors' resolution to terminate the appointment.

In the case of a vacancy in the Committee (director position), the Nomination and Remuneration Committee proposes the candidate to the Board of Directors a director with sufficient qualifications to be a member of the Committee within 3 months after the vacancy occurs.

4. Power, Duties, and Responsibilities

Risk management committee has power, duties and responsibilities as follow:

- Propose for the Board of Directors' consideration a risk management policy benefiting the Bank' and its subsidiaries' continuity of business and covering important risks such as strategic, credit, market, liquidity, operations, and business reputation.
- Plan a strategy in line with risk management and analyze, assess, follow up and ensure the Bank's appropriate level of risk.
- Review the sufficiency of risk management policy and system and the efficiency and the compliance of policy implementation.
- Report regularly to the Audit Committee information on the Bank's risk condition, and adjustments to be made in line with risk management policy and strategy.
- Recommend the Board of Directors measures of operational adjustments in line with risk management policy and strategy.

5. Meeting

• The Risk Management Committee should meet at least once a quarter and call for additional meetings as necessary.

• The Committee may invite the Bank's employees involved to attend the meeting to provide additional information.

• The Committee may engage outside consultant or professional expert to advise, consult, or give opinion, at the Bank's expense.

• The meeting of the Committee shall be attended by no less than half of the members of the Committee.

• If the Chairman is not in the meeting or is indisposed the Vice Chairman shall chair the meeting. If the Vice Chairman is also absent or is indisposed the meeting shall be adjourned.

• The decision of the Committee shall be by majority votes. In case of a tie, the Chairman of the meeting makes the final decision. The member with conflict of interest shall have no right to vote.

6. Reporting

The Risk Management Committee is required to:

• Report to the Board of Directors its meetings and/or activities at least once a quarter, covering its duties and responsibilities stated in this Charter and as assigned by the Board of Directors.

• Evaluate and report the performance of individual and Risk Management committee to the Board of Directors once a year.

Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible to the Bank's shareholders, and is bound by the Public Company Act, Securities and Exchanges Act, Financial Institutions Act B.E. 2551, and other notifications of the regulatory agencies, to perform its duties to benefit the Bank, its shareholders, and other stakeholders. The Board's duties and responsibilities are prescribed in the corporate governance policy, and articles of association, a summary of which follows:

1. Determine with the management the vision, mission, important policies, and direction of the Bank;
2. Audit, supervise, and follow up on the honest and careful implementation of the Bank's objectives, targets, regulations, shareholders' resolutions, and corporate governance principles;
3. Ensure that there are clear operational procedures, audit regime, internal control, risk management, and corporate governance suitable to business conditions;
4. Ensure fair treatment to all stakeholder groups, and be responsible for the accurate, transparent, and timely disclosure of financial statements and information;
5. Approve the appointments of the Committees as appointed by the Board, or as recommended by the Nomination and Remuneration Committee;
6. Determine the duties, responsibilities and power of the President;
7. Evaluate the performance of, and determine the compensation and the employment conditions of the President, as recommended by the Nomination and Remuneration Committee;
8. Consider and prepare succession plans for the President and other high-ranking executives;
9. Evaluate the Board's performance individually and as a group;
10. Acknowledge the Bank's operations on and make approval concerning:
 - 10.1 The Bank's business policy and direction;
 - 10.2 Significant changes in the Bank;
 - 10.3 Actions required by laws and regulatory agencies' orders;
 - 10.4 Actions required by the Bank's regulations;
 - 10.5 Appropriate matters requiring the Board's approval such as loan approval, budget, investment, debt or liabilities obligations, and important asset purchases;
11. Continuously develop knowledge and skills.

In addition, the Board of Directors has an important role in the following matters:

1) Approve the Bank's corporate governance policy and assign the Corporate Governance Committee to prescribe the corporate governance policy and code of business ethics, so that the directors, executives, and employees understand and are aware of the ethical standards adopted by the Bank in its business operation. Also audit, supervise, and promote business conducts in accordance with corporate governance policy and principles, and regularly assess and review them.

2) Ensure the compliance with regulations on conflict of interest by assigning the Audit Committee to work with the audit departments to audit and follow up on the implementation.

Meeting of the Board of Directors

The Board of Directors recognizes importance of the directors' participation in the meetings, to allow the directors to be informed, consider, and participate in the decisions on business policy, and the audit and review of the management's implementation to produce high quality result within the corporate governance framework. During 2009 the Board of Directors met for an average of 3.48 hours each meeting, carefully considered the agenda of the meetings.

The Bank schedules the Board's meeting once every month and may convene more meetings as necessary. The Chairman of the Board informs the directors in advance the agenda of the meeting, provides complete documentation for the meeting, and delivers the agenda and documents well in advance of the meeting. Directors are required to attend every Board meeting and may not assign any representative to attend the meeting. The Chairman ensures that all Directors have the opportunity to express their opinions freely. The Board keeps secret matters that may have adverse material impact on the Bank's operations. Directors who are involved in related interest items leave the meeting room to allow a free discussion of the issue. Minutes of the meeting record dissenting opinions expressed by the directors who do not agree with the Board's resolutions. Quorum for the meeting is not less than one half of the number of directors. The Chief Executive Officer chairs the meeting. If the Chairman is indisposed, the Vice Chairman chairs the meeting. The Bank has prescribed the procedures concerning the Board of Directors' meeting in accordance with corporate governance policy as follows:

1. The meetings are scheduled in advance for the whole year to allow the Directors to plan their meetings.
2. The meeting is convened at least once a month and more meetings are called by the Board.
3. The Chairman and the President jointly fix the agenda of the meeting, with the Directors being able to suggest an approval-required agenda.
4. The Directors are required to attend all meetings and high-ranking executives may be invited to attend the meetings to offer opinion and information necessary to the Board's deliberation.
5. The Chairman provides sufficient time for the Directors to consider and discuss the issues at hand, and encourages constructive and independent comments.
6. A meeting is held once a year without the management's presence.
7. There is a meeting once a year for independent directors only.
8. The Directors keep secret matters that may have adverse material impact on the Bank's operations.
9. The Directors who are involved in related interest items leave the meeting room to allow a free discussion and resolution of the issue.
10. The important issues in the agenda include:
 - 10.1 Vision/mission/targets/strategies/policies/action plans and budgets.
 - 10.2 Follow-up on the Bank's operations, and progress on various targets.
 - 10.3 Comparison of the Bank's operations with those of other banks.
 - 10.4 Management's proposals in operation adjustment in case of failure to reach targets.
11. Documents and information management include:
 - 11.1 Documents are prepared accurately, completely and in appropriate form.
 - 11.2 Information is accurate and sufficient for decision making.
 - 11.3 The purpose of each agenda is clear.
 - 11.4 Documents are delivered to the Directors 7 days in advance of the meeting.
 - 11.5 The Directors' questions and dissenting opinions are recorded in the minutes concerning the issues that may adversely and significantly affect the Bank's position, or reputation.
 - 11.6 Documents are systematically maintained, protected and retrieved.

During 2009, the Board of Directors convened 20 regular meetings. The details of attendance of the Board of Directors and other committees are as follow :

Name	Board of Directors (20)	Board of Executive Directors (46)	Audit Committee (12)	Nomination and Remuneration Committee (9)	Corporate Governance Committee (4)	Risk Management Committee (15)
Mr. Somphol Kiatphaibool ⁽¹⁾	18/18	-	-	-	-	-
Pol. Gen. Dr. Chidchai Vanasatidya	20/20	46/46	-	-	-	-
Dr. Chokchai Aksaranan	19/20	45/46	-	-	-	-
Prof. (Special) Suchart Traiprasit	19/20	-	12/12	-	-	-
Dr. Suvit Maesincee	17/20	-	-	8/9	2/4	-
Mr. Prasert Bunsumpan	15/20	-	-	7/7	4/4	-
Mr. Piyabhan Nimmanhaemin ⁽²⁾	10/13	-	5/5	-	-	7/9
Assoc. Prof. Niputh Jitprasonk	17/20	-	2/2	-	-	-
Mr. Surapon Vongvadhanaroj	19/20	-	2/2	7/9	4/4	-
Mr. Siripol Yodmuangcharoen	13/20	-	9/12	-	-	-
Mr. Achporn Charuchinda	16/20	37/43	-	2/2	-	-
Mr. Chaiwat Utaiwan	20/20	44/46	-	-	-	12/15
Mr. Wisudhi Srisuphan ⁽³⁾	3/3	-	-	-	-	-
Mr. Samart Buranawatanachoke ⁽⁴⁾	1/1	-	-	-	-	-

- Notes :
- (1) Mr. Somphol Kiatphaibool resigned on December 1, 2009.
 - (2) Mr. Piyabhan Nimmanhaemin resigned on October 3, 2009.
 - (3) Mr. Wisudhi Srisuphan was appointed with the approval of the Bank of Thailand on November 13, 2009.
 - (4) Mr. Samart Buranawatanachoke was appointed with the approval of the Bank of Thailand on December 17, 2009.

The Bank prepared documents introducing the Bank's characteristics and nature of business, and orientation to the 5 new directors, e.g. Acts and announcements of the Bank of Thailand, Securities and Exchange Commission, Stock Exchange of Thailand, the Bank's articles of association, corporate governance for registered companies, directors of registered companies handbook, financial institution directors handbook, and handbook for the Bank's directors.

The secretary to the Board and the secretary to the Nomination and Remuneration Committee are assigned to prepare the documents and information for the new directors.

Meeting of the Committees

Board of Executive Directors

During 2009, the Board of Executive directors met 46 times, with the attendance records as follow:

- Dr. Chokchai	Aksaranan,	Chairman, attended 45/46 meetings;
- Pol. Gen. Dr. Chidchai	Vanasatidya,	member, attended 46/46 meetings.
- Mr. Achporn	Charuchinda,	member, attended 37/43 meetings;
- Mr. Chaiwat	Utaiwan,	member, attended 44/46 meetings;

Note: Mr. Achporn Charuchinda was appointed executive director by the Board of Directors' resolution at its 776th meeting, on January 2, 2009. His appointment was considered by the Nomination and Remuneration Committee in line with corporate governance policy.

Board of Executive Directors' Opinion The Board believes that all directors spent sufficient time to carefully examine the matters presented to the Board with accountability and carefulness, before and during the meeting, focusing on the risk exposure of the Bank. The decision of the Board was made honestly and reasonably for the best interests of the Bank, and on the information believed to be sufficient, without any direct or indirect conflicts of interest. The secretary to the Board prepared complete documents for the meeting in advance, clearly recorded the minutes of the meetings, prepared the Board's resolutions, and monitored the responsible departments' implementation.

Audit Committee

During 2009, the Audit Committee met 12 times, with the attendance records as follow:

- Mr. Suchart	Traiprasit,	Chairman, attended 12/12 meetings;
- *Assoc. Prof. Niputh	Jitprasonk,	member, attended 2/2 meetings;
- Mr. Siripol	Yodmuangcharoen,	member, attended 9/12 meetings;
- **Mr. Piyabhan	Nimmanhaemin,	member, attended 5/5 meetings;
- Mr. Surapon	Vongvadhanaroj,	member, attended 2/2 meetings.

Notes: * Assoc. Prof. Niputh was assigned to take the directorship in Siam City Securities Co., Ltd. Since April 24, 2009 and the Board of Directors appointed Mr. Piyabhan Nimmanhaemin to replace him accordingly.

** Mr. Piyabhan Nimmanhaemin resigned as director of the Bank on October 3, 2009, and the Board of Directors at its 791st meeting on October 28, 2009 resolved to appoint Mr. Surapon Vongvadhanaroj as Audit Committee member replacing him.

Audit Committee's Opinion The Committee believes that all directors carefully examined the matters presented to the Committee, and spent sufficient time in considering each issue for the Bank's benefits. The secretary to the Committee prepared complete documents for the meeting in advance, clearly recorded the minutes of the meetings, prepared the Board's resolutions, and monitored the implementation of responsible departments.

Nomination and Remuneration Committee

During 2009, the Nomination and Remuneration Committee met 9 times, with the attendance records as follow:

- Dr. Suvit	Maesincee,	Chairman, attended 8/9 meetings;
- Mr. Prasert	Bunsumpan,	member, attended 7/7 meetings.
- Mr. Surapon	Vongvadhanaroj,	member, attended 7/9 meetings;
- Mr. Achporn	Charuchinda,	member, attended 2/2 meetings;

Note: Mr. Achporn Charuchinda had been member of the Nomination and Remuneration Committee until January 28, 2009.

Nomination and Remuneration Committee's Opinion The Committee believes that all directors carefully examined the matters presented to the Committee, and spent sufficient time to consider each issue with due regards to government regulations and corporate governance principles as they involve related financial institutions. The secretary to the Committee prepared complete documents for the meeting in advance, clearly recorded the minutes of the meetings, prepared the Board's resolutions, and monitored the implementation of responsible departments.

Corporate Governance Committee

During 2009, the Corporate Governance Committee met 4 times, with the attendance records as follow:

- Mr. Prasert	Bunsumpan,	Chairman, attended 4/4 meetings;
- Mr. Surapon	Vongvadhanaroj,	member, attended 4/4 meetings;
- Dr. Suvit	Maesincee,	member, attended 2/4 meetings.

Corporate Governance Committee's Opinion The Committee believes that all directors carefully examined the matters presented to the Committee, and spent sufficient time to consider each issue with due regards to government regulations, and corporate governance principles as they involve related financial institutions. The secretary to the Committee prepared complete documents for the meeting in advance, clearly recorded the minutes of the meetings, prepared the Board's resolutions, and monitored the implementation of responsible departments.

In 2009, apart from conducting business in accordance with related corporate governance regulations, the committee has considered and reviewed policy and business ethics in line with international standards by distributing handbooks to directors, executives and employees to be informed and implemented.

Risk Management Committee

During 2009, the Risk Management Committee met 15 times, with the attendance records as follow:

- Mr. Piyabhan	Nimmanhaemin,	Chairman, attended 7/9 meetings ¹ ;
- Mr. Chaiwat	Utaiwan,	Vice Chairman, attended 12/15 meetings;
- Mr. Suthipong	Ittipong,	member, attended 13/15 meetings;
- Mr. Enghug	Nontikarn,	member, attended 15/15 meetings;
- Mrs. Jaree	Wuthisanti,	member, attended 11/12 meetings ² ;
- Mr. Rathian	Srimongkol,	member, attended 12/15 meetings;
- Mr. Pravit	Ongwatana,	secretary, attended 8/8 meetings ³ ;
- Mrs. Sudarat	Kongtreekaew,	secretary, attended 7/7 meetings ⁴ .

Notes:

1. Mr. Piyabhan Nimmanhaemin chaired the committee during its meetings No. 3/2009-11/2009 in accordance with the Bank's Order No. 039/2009 effective February 25, 2009. He replaced Mr. Areepong Bhoocha-oom who resigned as director and chairman of the Risk Management Committee on December 30, 2008. Mr. Piyabhan attended 7/9 meetings before resigning as director and chairman of the Risk Management Committee on October 3, 2009. The Board of Directors at its 794th meeting on December 14, 2009 resolved to appoint Mr. Samart Buranawatanachoke as chairman of the Risk Management Committee effective December 17, 2009.

2. Mrs. Jaree Wuthisanti, Senior Executive Vice President, was appointed member of the Risk Management Committee according to the Bank's Order No. 039/2552 effective February 27, 2009.

3. Mr. Pravit Ongwatana, Executive Vice President, tenured as Risk Management Committee's secretary during its meeting 1/2009 – 8/2009. He was appointed EVP, Operations 2 Team, in accordance with the resolution of the 787th Board of Directors' meeting, and accordingly vacated the position of secretary.

4. Mrs. Sudarat Kongtreekaew, Executive Vice President, was appointed EVP, Risk Management Team, in accordance with the resolution of the 787th Board of Directors' meeting, and was accordingly appointed as secretary to the committee.

Risk Management Committee's Opinion

The Committee consists of one director, the Chief Executive Officer and president, the senior executive vice presidents of the Corporate Banking Group, SME Banking Group, Finance Group, and Operations Group; the executive vice president of Risk Management Team serves as the secretary. The Committee members attended the meetings, considered the issues, and offered opinions and suggestions to reduce operation problems, and increase efficiency. The opinions and suggestions were recorded in the minutes of the meeting, and communicated to the departments involved for implementation.

Directors' Compensation

The Nomination and Remuneration Committee proposes the compensation and benefits policy, as well as the amounts and other benefits paid to the directors, consultants, and management personnel, using clear and transparent criteria, to the Board of Directors for approval and for submission to the Bank of Thailand upon request, in line with the Notification of the Bank of Thailand No. Sor Nor Sor 13/2009 on Corporate Governance of Financial Institutions. The Committee also ensures that the directors and management personnel receive compensation commensurate with

their duties and responsibilities, and discloses the amounts and forms of compensation received by the directors and management personnel in the Annual Report.

After determining the forms of compensation for the directors, the Committee proposes to the Board of Directors before seeking the approval of the shareholders. The amount of compensation is fixed to inform the new investors of the directors' compensation, in accordance with the corporate governance on shareholders' rights.

Note: The compensation to directors includes director fee, meeting fee, reward, bonus, or other forms of compensation approved by the shareholders.

Board of Directors' Evaluation

The Bank began evaluation of the Board of Directors in 2002 and has developed an evaluation method that reflects the efficiency and effectiveness of the Board's performance in accordance with corporate governance principles, and the guidelines of the Stock Exchange of Thailand. The evaluation is divided into two parts: the Board performance and the Director's self-assessment.

For 2009, the Board of Directors' evaluation is as follows:

Board Performance Evaluation consists of six items, namely:

- 1) Structure and qualifications;
- 2) Roles, duties and responsibilities;
- 3) Meetings;
- 4) Performance of duties;
- 5) Relationship with the management; and
- 6) Self development and executive development.

The average of overall evaluation was 91.46% and the details of each item are:

- 1) Structure and qualifications (Average score 95.45%)
- 2) Roles, duties and responsibilities (Average score 89.27%)
- 3) Meetings (Average score 90.06%)
- 4) Performance of duties (Average score 94.16%)
- 5) Relationship with the management (Average score 93.64%)
- 6) Self-development and executive development (Average score 88.26%)

Director's Self Assessment consists of six items, namely:

- 1) Knowledge and ability;
- 2) Independence;
- 3) Readiness to perform duties;
- 4) Conscientiousness and responsibility;
- 5) Performance of duties; and
- 6) Determination to develop the Bank.

The average of overall evaluations was 90.27% and the details of each item are:

- 1) Knowledge and Ability (Average score 93.75%)
- 2) Independence (Average score 89.39%)
- 3) Readiness to perform duties (Average score 90.91%)
- 4) Conscientiousness and responsibility (Average score 87.95%)
- 5) Performance of duties (Average score 96.21%)
- 6) Determination to develop the Bank (Average score 86.36%)

The President

The corporate governance policy requires the president to be responsible for the management and operations of the Bank in accordance with the duties and power delineated by the Board of Directors.

Executives

As at December 31, 2009, Bank's executives were:

1. Mr. Chaiwat	Utaiwan	Chief Executive Officer and President
2. Mr. Enghug	Nontikarn	Senior Executive Vice President, Finance Group, and Acting Executive Vice President, Finance Team
3. Mrs. Jaree	Wuthisanti	Senior Executive Vice President , Corporate Banking Group
4. Mr. Rathian	Srimongkol	Senior Executive Vice President, Operations Group
5. Mr. Sujin	Suwannagate	Executive Vice President, Compliance and Audit Team
6. Mrs. Sudarat	Kongtreekaew	Executive Vice President, Risk Management Team
7. Ms. Abhiradee	Sukhajoti	Executive Vice President, Human Resources Team
8. Mr. Parinya	Patanaphakdee	Executive President, Corporate Secretariat & Asset Management Team
9. Mr. Utane	Kongsoontornkitkul	First Executive Vice President, Corporate Business Team
10. Mr. Sirirote	Buacharoon	Executive Vice President, Corporate Products Team
11. Mrs. Amornrat	Leevarapakul	Executive Vice President, SME Business 1 Team
12. Mr. Bunlue	Punpongjareon	Executive Vice President, SME Business 2 Team
13. Mr. Virat	Thanatrongpol	Executive Vice President, SME Business 3 Team
14. Mr. Chaiyanandh	Lapitananuvat	Executive President, Retail Products Team
15. Ms. Angkana	Swasdipoon	Executive Vice President, Metropolitan Branch Network Team
16. Ms. Kanoksri	Rojmeta	First Executive Vice President, Provincial Branch Network Team
17. Mr. Wuttichai	Suraratchai	First Executive Vice President, Credit Management Team
18. Mr. Krerkchai	Chaitham	Executive Vice President, General Administration and Assets Management Team
19. Mr. Sanur	Yodpinit	Executive Vice President, Information Technology Team
20. Mr. Cherd	Suppana	Executive Vice President, Cards and Sales Team
21. Mr. Pravit	Ongwatana	Executive Vice President, Operations 1 Team
22. Mr. Prachak	Udomsilp	Executive Vice President, Operations 2 Team
23. Ms. Anchalee	Baesuwan	Senior Vice President , Treasury and Investment Department
24. Mrs. Phenchan	Weerawuth	First Vice President , Accounting Department

Note: According to Securities Exchange Commission's definition, executives and controllers are executives Nos. 1-4 and 23-24.

Recruitment of Directors and Executives

The Nomination and Remuneration Committee selects qualified individuals to replace the directors whose terms expire or who resign from their positions, for the Board of Directors' approval and shareholders' appointment at the shareholders' meeting. The Committee shall select individuals whose qualifications conform to the stipulation of the Corporate Governance policy, and do not possess any qualifications prohibited by Public Company Act, Securities and Exchanges Act (No. 4) B.E. 2551, and Financial Institutions Act B.E. 2551, as well as the announcement and directives of the government agencies involved such as the Bank of Thailand, Securities and Exchanges Commission and the Stock Exchange of Thailand.

Recruitment of the President

The search process for the top executive of the Bank specifies criteria of ability and virtue, experience and capability in money and banking, ethics, fairness in management, transparency in business operations, leadership, and integrity. The Board of Directors shall select an individual whose potential and qualifications fit the criteria, after the Nomination and Remuneration Committee's screening.

Criteria and the President's Performance Evaluation

The Bank schedules the President's performance evaluation every six months coinciding with its accounting periods. The Nominations and Remuneration evaluates the President's performance against the Bank's annual strategies and targets that have been determined by the Board of Directors at the beginning of the year. The Nomination and Remuneration Committee uses the President's performance evaluation to monitor the Bank's operations and determine adjustment of the President's annual compensation. The Chairman of the Board of Directors informs the President of the performance evaluation, and other directors' comments.

Recruitment of Bank's Personnel

The Bank recruits and places right personnel for various positions by putting emphasis on their skills in specialized banking areas such as lending, risk management, and branch operations.

Recruitment Process

1. Individuals inside the Bank who are capable, skilled and qualified to become executives or officers in required positions through:

- 1.1 Promotion of those whose knowledge and experience fit the positions' requirements;
- 1.2 Rotation of those who possess strong potential, are quick to learn and adapt, in order to build multi-skill employees;

2. Individuals outside the Bank. The Bank favors individuals whose experiences in financial institutions fit the positions' requirements. They are offered either permanent or temporary consulting employment. Consultants have been hired by the Bank on contract to provide staffs with training in various areas.

Following the recruitment process, the Bank would invite the candidates for psychological tests, specific skill tests, and interviews with the Bank's executives to ensure that the successful candidates are fit with the required positions and can work with the Bank effectively under the Bank's corporate culture.

Compensation for Directors and Executives

1) Cash Compensation

The 108th Annual General Meeting of the Shareholders on April 24, 2009 granted approval to the payment of gratuities to its directors at the rate of 0.5% of the dividends paid to shareholders for the operations of 2008, equivalent to an amount not exceeding Baht 7.4 million; and approved the structure of compensation for the Board of Directors and directors serving as members of each committee as follows:

Board of Directors: Chairman and Vice Chairman are entitled to receive a monthly fee of Baht 100,000 whereas Directors are entitled to receive Baht 60,000 per person.

Executive Board of Directors: Chairman is entitled to receive a monthly fee of Baht 100,000 whereas Directors are entitled to receive Baht 60,000 per person.

Audit Committee: Chairman is entitled to receive a monthly fee of Baht 55,000 whereas members are entitled to receive Baht 45,000 per person.

Nomination and Remuneration Committee: Chairman is entitled to receive a meeting allowance of Baht 25,000 per meeting whereas each member is entitled to receive Baht 15,000 per meeting.

Corporate Governance Committee: Chairman is entitled to receive a meeting allowance of Baht 25,000 per meeting whereas each member is entitled to receive Baht 15,000 per meeting.

Risk Management Committee: Chairman is entitled to receive a meeting allowance of Baht 25,000 per meeting, Vice Chairman and members who are executives of the Bank are not entitled to receive meeting allowances.

Ad Hoc Committee: Chairman of an ad hoc committee is entitled to receive a meeting allowance of Baht 7,500 per meeting whereas each member is entitled to receive Baht 5,000 per meeting.

1.1 In 2009, compensation in the form of director fees for directors on the Board of Directors, Board of Executive Directors, and Audit Committee, and meeting allowances for members of the Nomination and Remuneration Committee, Corporate Governance Committee, and Chairman of the Risk Management Committee amounted to Baht 15,140,032.26 for a total of 17 persons and payments of gratuities from 2008 operational result amounted Baht 7,394,800.00. Details of individual compensation are as follows:

(Unit : Baht)

No.	Name	Directors	Executive Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Chairman, Risk Management Committee	Director Gratuities	Total
*1	Mr. Somphol Kiatphaibool	1,100,000.00	-	-	-	-	-	1,128,000.00	2,228,000.00
2	Mr. Wisudhi Srisuphan	136,000.00	-	-	-	-	-	-	136,000.00
3	Dr. Chokchai Aksaranan	720,000.00	1,200,000.00	-	-	-	-	1,128,000.00	3,048,000.00
4	Pol. Gen. Dr. Chidchai Vanasatidya	1,200,000.00	720,000.00	-	-	-	-	451,200.00	2,371,200.00
5	Mr. Chaiwat Utaiwan	720,000.00	720,000.00	-	-	-	-	783,400.00	2,223,400.00
6	Prof. (Special) Suchart Traiprasit	720,000.00	-	660,000.00	-	-	-	488,800.00	1,868,800.00
7	Assoc. Prof. Niputh Jitprasonk	720,000.00	-	180,000.00	-	-	-	564,000.00	1,464,000.00
8	Dr. Suvit Maesincee	720,000.00	-	-	200,000.00	45,000.00	-	526,400.00	1,491,400.00
9	Mr. Surapon Vongvadhanaroj	720,000.00	-	90,000.00	105,000.00	45,000.00	-	526,400.00	1,486,400.00
10	Mr. Prasert Bunsumpan	720,000.00	-	-	105,000.00	100,000.00	-	338,400.00	1,263,400.00
11	Mr. Achporn Charuchinda	720,000.00	660,000.00	-	30,000.00	-	-	225,600.00	1,635,600.00
12	Mr. Siripol Yodmuangcharoen	720,000.00	-	540,000.00	-	-	-	-	1,260,000.00
13	Mr. Samart Buranawatanachoke ⁽⁴⁾	29,032.26	-	-	-	-	-	-	29,032.26
*14	Mr. Piyabhan Nimmanhaemin	420,000.00	-	225,000.00	-	-	150,000.00	-	795,000.00
*15	Mr. Somkiet Sukdheva	-	-	-	-	-	-	269,500.00	269,500.00
*16	Assoc. Prof. Dr. Suchart Thada-Thamrongvech	-	-	-	-	-	-	376,000.00	376,000.00
*17	Dr. Areepong Bhoocha-oom	-	-	-	-	-	-	589,100.00	589,100.00

* Note: Nos.1, 14-17 are no longer directors of the Bank.

1.2 In 2009, compensation for 23 executives in the form of salary, meal allowance, bonus and life insurance amounted to Baht 95,628,204.73, including compensation for the first five executives at Baht 37,329,776.39.

2) Other Compensation

In 2009, the Bank's contribution to provident fund on behalf of 23 executives amounted to Baht 4,640,434.86, including contribution for the first five executives at Baht 1,789,304.40. The contribution was based on the Provident Fund criteria based on the following years of service: within the first 5 years 3%, 5-10 years 5%, 10-15 years 7%, more than 15 years 10%.

Note: - Executives in this provision mean the first four highest ranking executives after the President and those with similar title as the fourth-ranking executive.

- Among the first five executives, one retired, leaving four executives.

Auditor's Compensation

1) Audit Fee

For 2009, the auditor's fee was Baht 12.04 million for the audits of the Bank and the subsidiaries. The fee covered quarterly audits (31 March and 30 September), half yearly audit, and a special audit required by the Bank of Thailand

2) Non-Audit Fee

The past accounting year's Special Audit fee paid to auditor, individuals or auditor-related business amounted to Baht 8.00 million.

Shareholding by Directors and Executives

The bank's internal information control has implemented security policy over the internal use of information for the benefits of the securities transaction by the Board of Directors and the Management effective since 1 March 2005. This is a precautionary procedure to prevent any acts of violations against the Securities and Exchange Act B.E. 2535 and to promote ethical banking practices.

The bank has informed the Board of Directors and the Management regarding the announcement by the Securities and Exchange Commission on its decision for the Directors and the Management to report on their holding of securities as well as the holdings of their spouses and siblings under the age of 18 within 30 days after their appointment. Furthermore, if there is a change to the holding of securities, it must be reported within 3 working days after the transaction and a copy of the 59-1 and 59-2 forms must be lodged to the Compliance Department within 2 working days since the first day a document was lodged to the SEC.

The securities holding by the Board of Directors and the Executive Officers as of 31 December 2009 are as stated.

Name	Position	No. of shares held as at 31 December 2009
1. Mr. Wisudhi Srisuphan	Chairman, Board of Directors	-
2. Pol. Gen. Dr. Chidchai Vanasatidya	Vice Chairman, Board of Directors; Executive Director	-
3. Dr. Chokchai Aksaranan	Director; Chairman, Board of Executive Directors	-
4. Prof. (Special) Suchart Traiprasit	Independent Director; Chairman, Audit Committee	-
5. Dr. Suvit Maesincee	Independent Director, Chairman, Nomination and Remuneration Committee, Member, Corporate Governance Committee	-
6. Mr. Prasert Bunsumpan	Independent Director; Chairman, Corporate Governance Committee, Member, Nomination and Remuneration Committee	-
7. Mr. Samart Buranawatanachoke	Independent Director; Chairman, Risk Management Committee; Member, Corporate Governance Committee	-
8. Assoc. Prof. Niputh Jitprasonk	Director	-
9. Mr. Surapon Vongvadhanaroj	Independent Director; Member, Audit Committee; Member, Nomination and Remuneration Committee	-
10. Mr. Achporn Charuchinda	Director; Executive Director	-
11. Mr. Siripol Yodmuangcharoen	Independent Director; Member, Audit Committee	-
12. Mr. Chaiwat Utaiwan	Executive Director; Chief Executive Officer and President; Vice-Chairman, Risk Management Committee	-
13. Mrs. Jaree Wuthisanti	Senior Executive Vice President, Corporate Banking Group	-
14. Mr. Enghug Nontikarn	Senior Executive Vice President, Finance Group; and Acting Executive Vice President, Finance Team	-
15. Mr. Rathian Srimongkol	Senior Executive Vice President, Operations Group	-

Corporate Governance

Throughout the Bank's years of operations, the directors, executives and employees have been aware of their responsibility to perform their duties according to corporate governance principles to achieve balanced and sustainable growth.

The Board of Directors at its 784th meeting on June 1, 2009 resolved to revise the Bank's corporate governance policy and code of ethics in an attempt to attain a corporate governance framework that is in line with international standards and practices.

Corporate governance for a bank means a sound structure of management and operations, including a good relationship among the shareholders, directors, management, employees, and all stakeholders, to attain business growth, and add value to the shareholders on an efficient and sustainable basis. The Bank is determined to run its business with fair and full accountability to all stakeholders, and follow ethical standards to attain its objective of business growth.

Principles of Corporate Governance

The Bank has formulated a corporate governance policy for the directors, management, and employees to follow:

- 1) Accountability Accountable for the decisions, actions, and their results to achieve the Bank's objectives;
- 2) Responsibility Responsible to perform efficiently the tasks assigned with interest, determination, and dedication;
- 3) Integrity and Fairness Honesty and Fairness to all stakeholders;
- 4) Transparency means open, clear, explainable, and accountable operations;
- 5) Creation of Long-term Value to All Stakeholders depends on clear vision, targets, strategies, and action plans, covering short, medium, and long term, and the building of capability to achieve targets;
- 6) Promotion of Best Practices Operation excellence depends on efficient management that meets customers' and all stakeholders' needs;
- 7) Social and Environmental Responsibility Business operations need to consider its impacts on the community, and to cooperate in conserving the environment and natural resources.

Corporate Governance Structure

The structure may be divided into two parts: components and responsibilities of the Board of Directors.

1. Components of the Board

1.1 Number of Directors

The Board of Directors should consist of five members, or any number required by laws, or the agencies supervising banks;

1.2 Qualifications of Directors

1.2.1 Are individuals of legal age, and do not possess characteristics prohibited by related laws and regulations;

1.2.2 Have varied knowledge, skills, and experiences, necessary and supportive of the Bank's businesses;

1.2.3 Are selected through the recruitment process of the Nomination and Remuneration Committee;

1.2.4 Should not serve as directors in more than 5 registered companies, or more than 3 types of business, and those companies must not operate business in conflict with the Bank, or run the same business, or compete with the Bank or its subsidiaries;

1.2.5 Have the following additional qualifications:

1.2.5.1 Executive director

- Participate full-time in the management of the Bank;
- Number not more than one third of the total number of directors.

1.2.5.2 Independent director

- Do not hold shares in excess of 0.5% of registered and paid-up capital of the Bank, its subsidiaries or affiliated companies;
- Are not members of the management, executives or executive directors of the Bank, its subsidiaries or affiliated companies;
- Do not have any business relationship with, or any direct, indirect benefits or interests in the financial and management matters involving the Bank, its subsidiaries and affiliated companies, or its major shareholders (who hold shares in excess of 5%).

- Are not close relatives of the executives, major shareholders of the Bank, its subsidiaries, affiliated companies, or representatives who protect the interests of directors or major shareholders;
- Do not possess any qualifications in contravention to the qualifications of independent directors defined by the Capital Market Supervisory Board;
- Number not less than half of the total number of the directors on the Board.

1.3 Tenure of Directors

1.3.1 One third or nearest to one third of the directors with the longest tenure should vacate their positions during the Annual General Meeting of the shareholders, or at other time specified by law;

1.3.2 The directors who vacate their positions may be re-elected.

1.4 Appointment of Directors

1.4.1 Appointment to replace the director whose term expires.

The Bank honors the directors', and the shareholders' right to propose qualified individuals to be appointed as directors according to the procedures announced on the Bank's website in advance of the Annual General Meeting of the shareholders.

1.4.2 Appointment to replace the director who vacated the position or resigned.

The Bank honors the directors' right to propose individuals to be appointed as director to replace one who vacated the position or resigned. The replacement director shall serve the remaining term of the director who vacated the position.

1.4.3 The Nomination and Remuneration Committee proposes the individuals who are nominated for appointment to the Board of Directors using the following criteria:

1.4.3.1 Qualifications in compliance with laws and the Bank's criteria;

1.4.3.2 The Board's existing structure, so that the new directors' qualifications complement the Board's existing expertise and the Board comprises individuals who together possess a broad range of qualifications for the Bank's best interests.

1.4.4 All director appointments must be approved by the Bank of Thailand, as per Financial Institutions Act.

1.5 Directorship in Other Businesses

The Bank has prescribed the following guideline:

1.5.1 The Bank's directors and high-ranking executives should serve as directors in no more than 5 registered companies, or in any number of companies prescribed by the Securities Exchange of Thailand, and in no more than 3 groups of business as per the Bank of Thailand's directive.

1.5.2 Such companies shall not conduct business in conflict with the Bank's interest, nor shall it operate in similar business or compete with the Bank and its subsidiaries.

1.5.3 The directors and high-ranking executives shall not use their positions to influence such business, except in the case of businesses conducted by the Bank's subsidiaries.

1.5.4 In the case of high-ranking executives, their directorship in other companies shall not adversely affect their work in the Bank. The compensation from such directorship shall be approved by the President.

1.6 Committees

The Committees include:

1.6.1 The Board of Executive Directors, consisting of at least four directors who may sign on behalf of the Bank, and one who is management personnel;

1.6.2 The Audit Committee, consisting of at least three directors, one of whom should have sufficient knowledge and experience to review the financial statements' credibility;

1.6.3 The Risk Management Committee, consisting of at least five directors and high-ranking executives;

1.6.4 The Nomination and Remuneration Committee, consisting of at least three directors, of which the Chairman is an independent director;

1.6.5 The Corporate Governance Committee, consisting of at least three directors, of which the Chairman is an independent director.

Each Committee is vested with the power and responsibilities in its Charter, or in its appointment order.

1.7 Roles and Responsibilities of the Chairman and the President

The Chairman of the Board, and the President, must be appointed by the Board of Directors. Their roles and responsibilities are as follows:

1.7.1 The Chairman of the Board:

- 1.7.1.1 Does not take part in day to day management of the Bank;
- 1.7.1.2 Exercises leadership to ensure the Board's efficient performance of their responsibilities for the Bank's best interest and independent of the management;
- 1.7.1.3 Consults with the President in fixing the agenda of the meetings within the Board's duties and responsibilities;
- 1.7.1.4 Chairs the Board's meetings and the shareholders' meetings to ensure a smooth and efficient conduct of the meetings;
- 1.7.1.5 Encourages and ensures that the directors adhere to the Bank's principles of corporate governance and code of business ethics.
- 1.7.2 The President has roles, duties, and responsibilities in managing the Bank's business and operations within the power and authority assigned by the Board of Directors.
- 1.8 Roles and Responsibilities of Corporate Secretary
 - The corporate secretary is appointed by the Bank to:
 - 1.8.1 Be responsible for the Board of Directors' activities;
 - 1.8.2 Recommend criteria, regulations, corporate governance principles, and code of business ethics that the directors should adhere to;
 - 1.8.3 Conduct orientation, and prepare documents and important information for new directors;
 - 1.8.4 Be responsible for and provide facilities for the Board's meetings;
 - 1.8.5 Be responsible for the preparation and conduct of the shareholders' meeting;
 - 1.8.6 Follow up on the implementation of the Board's and shareholders' resolutions;
 - 1.8.7 Maintain, protect, and retrieve the Bank's important information and documents particularly:
 - (1) Register of directors;
 - (2) Letters of invitation and minutes of the Board's meetings;
 - (3) Letters of invitation and minutes of the shareholders' meetings;
 - (4) Letters stating the interests of the directors and the shareholders;
 - (5) The Bank's annual reports
 - 1.8.8 Identify training courses and seminars for directors to improve their skills and experience in their roles as the Bank's directors.

2. Duties and Responsibilities of the Directors

- 2.1 Duties and Responsibilities of the Directors are as follows:
 - 2.1.1 Determine with the management the Bank's vision, mission, policies, and direction;
 - 2.1.2 Ensure that the Bank's operations are conducted honestly in the Bank's interest, and in accordance with the objectives, targets, regulations, shareholders' resolutions, and principles of corporate governance;
 - 2.1.3 Ensure that there are clear, sufficient, and appropriate operating procedures, including audit procedure, internal control, risk management, and corporate governance;
 - 2.1.4 Ensure that all stakeholders are treated fairly, including responsibility in accurately, transparently, and timely disclosure of financial information;
 - 2.1.5 Approve the appointment of the Committees deemed appropriate by the Board, or proposed by the Nomination and Remuneration Committee;
 - 2.1.6 Determine the duties and responsibilities of the President;
 - 2.1.7 Assess the performance of; consider the compensation for and employment conditions of the President, as proposed by the Nomination and Remuneration Committee;
 - 2.1.8 Prepare succession plans for the President, and high-ranking executives;
 - 2.1.9 Assess its own performance, individually and as a group;
 - 2.1.10 Acknowledge the management's reports, and approve:
 - 2.1.10.1 Bank's policies and business direction;
 - 2.1.10.2 Significant changes;
 - 2.1.10.3 Compliance with the laws and government orders;
 - 2.1.10.4 Compliance with the Bank's regulations;
 - 2.1.10.5 Matters brought by the management for the Board to approve such as loan approval, investment budget, liabilities or obligations, and important asset purchases.

2.1.11 Continuously improve knowledge and abilities.

2.2 Respect for the rights of shareholders and other stakeholders.

Shareholders' Rights

Respecting equal rights of all shareholders, whether they be institutional or individual, large or small, or domestic or overseas, the Board of Directors has the duties and responsibilities to ensure that:

1. The ownership rights of the shareholders are respected and given fair and equal treatment;
2. The shareholders are encouraged to express their opinions and vote in the shareholders' meetings;
3. The shareholders have the right to regularly receive the Bank's accurate, complete, and timely information through various media, and the shareholders are given opportunities to question, and express their opinions through convenient channels such as the Bank's website, and e-mail;
4. The directors, management personnel, and employees must not use significant and confidential stock price-sensitive information on their trading of the Bank's shares;
5. The shareholders must receive complete and sufficient information one month in advance of the meeting through the Bank's website, are provided convenience on the day of the meeting, and receive information after the meeting within the time period specified by the SET, and SEC.
6. The shareholders receive appropriate and fair return on their investment.

The Bank invites the shareholders to participate in the Annual General Meeting by proposing an agenda and nominating qualified individuals to be appointed as directors. The Bank announces the details on proposals of the agenda and the candidates for directorship on the Bank's website six months in advance of the meeting.

Other Stakeholders' Rights

The Bank recognizes the importance of the various group of stakeholders: the shareholders as the owners, the directors as policy makers, employees as implementers of policies, business partners as friends in business, customers as benefactors, and the society and community as the parties who are directly and indirectly affected by the Bank's operations, and attempts to protect their rights fairly and appropriately. It has determined a code of business ethics for fair treatment of all stakeholders. The corporate governance policy contains guidelines for its directors, management and employees to follow in the course of their work.

Customers

The Bank is determined to provide quality and suitable financial service to satisfy its customers, by caring and recognizing their importance. It welcomes customers' opinions, and assigns a person to take care of customers' complaints. Its employees shall not demand or receive any reward from the customers.

The employees shall procure goods and services for the full benefit of its business, under a clear, transparent, and accountable procedure, without regard to their own interests.

Employees

Training for Bank Personnel and Customers

The Bank places first priority on its human resources, and has continuously equipped its employees with knowledge, skills and profession in their work areas, especially the selling skill, which has been fully collaborated from the Bank, subsidiaries and business partners. The increase in licensed employees and product knowledge was ample. These licenses include life assurance license, non-life insurance license, and single license, totaled 5,081 licenses. There is also professional sell improvement and personality adjustment of the branch to comply with the Bank's image. Training programs are organized for all employees at the head office and branches, and for the customers. The important courses included:

Modern Strategic Framework for Executive (2nd generation). A program organized in cooperation with Chulalongkorn University providing aimed to improve knowledge and skills of different areas of management, build good relationship and exchange experiences among the executives of the Bank, its subsidiaries, and the Bank's SME as well as deposits customers.

- Modern Management Strategy Program SCIB's Branch Executive (6th-9th generation). A program to improve the knowledge of branch managers and assistant managers on strategic planning and modern management.

- Strategic Selling Management Program. A program to provide executives at the head office, clusters, regional

offices, and branches with knowledge and techniques on planning and management of strategic selling targeting specific group of customers. Special focus was also put on effective implementation of the plan.

- **Modern Banking Management Program.** A program to upgrade management skills of executives, from the level of vice president and higher. The main objective was to build up the vision, conceptualization and attitude of leaders under the ever changing and intensifying competitive environment. The training topics covered the management of work, people, marketing, credit, and risk. A field trip to study the operating systems of overseas banks, which was useful for the future improvement and development of the Bank's operations, were included as part of this program.

- **"Omega" Credit Analysis Training Program.** A program on advanced credit analysis was conducted, based on a train the trainer approach, by the Bank's experienced executives who used to attend the original course organized by Omega Training Institute. A total of 250 credit officers were trained in this program.

In addition to various training programs, the Bank also prepares individual development plans for high-potential executives and employees in order to enhance their knowledge and skills as well as to facilitate replacement of critical job functions. Besides, staff town hall meetings have been organized regularly throughout the year to communicate the Bank's policy and directions to executives and employees and to update them with current economic situation.

Program on Safety, Health, and Environment of the Workplace

The Bank has pursued a program on safety, health, and environment of the workplace, by forming a committee for safety at its headquarters and branch offices, responsible for the planning, implementation, and control of a proper occupational health and safety management system in compliance with related laws and regulations. The committee is established by the Bank's order with clearly defined composition, authority, duties and responsibilities.

The Bank's policy on safety, health, and environment focuses not only on safety toward life and properties but also on improvement of the environment and well-being of the employees. The programs included:

1. Training of the safety committee;
2. Training of all levels of security officers;
3. Training of new employees on basic fire drill procedure;
4. Training on the preparation of fire evacuation plan;
5. Fire evacuation and fire fighting drill (once a year);
6. Training on emergency plan for the employees' own safety, and the safe guarding of the Bank's properties, during normal and emergency situations;
7. Monthly meeting of the safety committee;
8. Cleaning the air ducts of the central air conditioning system;
9. Changing water fountains to R.O. system for clean and safe potable water;
10. Modernizing the office areas;
11. Repairing the utility, light, sound, air systems and clean the offices;
12. Installing closed circuit television cameras in the high risk areas, such as lift lobby, car park, and entry and egress points.

Employee Benefits

To improve the employees' quality of life, the Bank provides various benefits such as an in-house clinic, annual medical check-up, education allowance for children, housing allowance, extra pay for employees stationed at remote locality, extra pay for employees working at branch office located on the islands, death benefits, accident insurance, medical benefits, employee uniforms, various loans, fire and flood victim assistance, funeral rite allowance, social security fund, and compensation fund.

Quality Activities

The Bank implemented the quality improvement policy by organizing the Big Clean-up Campaign or the so-called "5Ss" activities to keep the workplace clean and organized. Clear cut operational guidelines and annual plan for this campaign were formulated to promote awareness among employees and encourage on-going implementations of related activities.

The Bank also initiated a suggestion program aiming to encourage employees at every level to submit their suggestions for the improvement of operational efficiency and customer service quality.

SCIB Healthy Activity

This was a pilot project to promote health conscious among employees by arranging training programs on health knowledge by health expert, and included a field trip to Luang Por Puen Hospital in Nakhon Pathom province, on September 5-6, and October 3 and 10, 2009.

Development of Corporate Governance

1. The Bank reviewed and revised its manuals on corporate governance policy and code of business ethics for dissemination to directors, executives and employees of the Bank and companies within the financial business group. All parties concerned were required to sign the acknowledgment of the Bank's corporate governance policy and code of business ethics as well as to strictly adhere to them.

2. In an attempt to promote positive attitude and thinking, the Bank organized a dharma talk session by inviting Phra Ajarn Prasong Paripunno, a well-respected monk, to deliver a speech on "The Balance of Life" to the Bank's employees on August 14, 2009.

3. The Bank published a pocket book under the title of "Life with Happiness" written by Phra Paisal Visalo and Rin Jai. This is the fourth in a series of books published by the Bank to promote morality and ethics since 2005. 17,726 copies of this book were given to the directors, executives and employees of the Bank and companies within the financial business group, as well as to business patrons as a new year present.

4. The Bank participated in the charitable campaign initiated by Mae Tha Kua Karun Hospital in Lampang Province by donating money and providing necessity to the aging people and patients with chronic and terminal illnesses.

5. Recognizing the importance of youth in shaping the future of the nation, the Bank gave 2,010 copies of "Life with Happiness" to the libraries of schools under the supervision of Bangkok Metropolitan Administration. The objective was to promote morality and ethics among youth and develop a positive attitude for living a happy and enjoyable life. The granting ceremony was held on January 19, 2010, with M.R. Sukhumbhand Boripat, the Bangkok Governor, presiding over ceremony.

Social Responsibility

Environmental Social Responsibility

In 2009 the bank conducted its environmental social responsibility by campaigning for the directors, the managers and the employees to realize their responsibility in saving energy and preserving the environment. The policy, which has been conducted for 7 years, include the Reforestation Project to Honor His Majesty the King at the right side of the Nan River in Baan Nam-ta, Baan Nam-lee, Tambol Nam-man, Ta-Pla District, Uttaradit province as well as the 6,136 rai area in Tambol Cho-hae, Muang District, Prae Province. The bank has been operating the project continuously for 5 years from 2005 to 2009 with an estimated budget of baht 18 million. The bank also helped to conduct the Botanical Garden in Welu Wet Land and constructed the nature walk bridge to serve as a nature educational centre for the public and enthusiast youths.

As for the internal environmental preservation policy, the bank has given the responsibility to the General Administration & Property Management Team and Marketing & Corporate Communication Department to educate the employees on the importance of environmental and energy preservation. The team has deployed a variety of methods as a reminder such as putting up billboard posters around the bank's headquarters and branches along with intranet and public microphone announcements to remind the employees to turn off the lights and the computer screen when not in used.

Religious Activities

The Bank performed a merit-making activity by holding the "Thot Kathin" ceremony on November 1, 2009 at Wat Sangkaram in Sukhothai Province, in an attempt to preserve Buddhism and the traditional culture. On this occasion, the Bank, joined by its executives, employees, subsidiary companies, and customers; also contributed funds to the construction of a Buddha Image in honor of His Majesty the King.

Corporate Social Responsibility

Over years, the bank has stressed the importance of corporate social responsibility and this is why the bank has, with the cooperation of Charitable Organizations, supported over 78 projects and events. Some of these projects include:

- Thailand Lecture: A gathering event of experts from many different fields to offer their opinions and solutions on all the social problems.
- The 2nd SEGA NV Program: A project aimed at improving school buildings condition and constructing a standard sporting facility for school children at Barnkoketongtone school in Chaiphum province. Furthermore, the project seeks to offer scholarship program for poor but gifted students.
- Thai Junior Encyclopedia Project by royal command of H.M. the king.
- Donation to the construction of Her Royal Highness Princess Maha Chakri Sirindhorn Building by Ramathibodi Foundation for medical research purposes.
- Donation for the poor by Maetakuerkarun Hospital in Lampang province.
- Charity Golf Event by Sirindhorn Heart Institute and Phramongkutklao Hospital.
- Support the Scholarship Ceremony and Auction for educational funding by the General Prem Tinsulanonda Statesman Foundation
- Donation to the construction of Ariyaphum Building at Na Luang Temple
- Make and off-season offering of robes and other needs to monks at the monastery by Chalermprakit Pra Nung Kao Foundation.
- Donation for the victims of the natural disaster in the southern region.

Channels for the Shareholders/Stakeholders to communicate/file complaints with the Board of Directors

The Bank realized the importance of every customer's problems and has set up channels where they may express their opinion and file complaints. They may contact the Bank by telephone at 0-2256-0930-33, by letter, or by filling the brochure available from every branch office. In the case of a general complaint or information request, they may inquire by telephone to a bank officer who will provide immediate solution. In the case where the details are required, a memorandum will be made and forwarded to the department involved for solution. The customers will be kept up to date of the progress of their cases and informed in writing when a solution is made.

The Bank also set up a SCIB Contact Center to provide by telephone information concerning its products and services. The customers may inquire of the details and conditions of the products before making their decisions. The center is also a channel where the customers may complain about products such as ATM, credit card and other suitable and fair solutions. SCIB Contact Center may be reached at 0-2828-8000.

In case of employees, the Bank sets up a procedure for informing and filing complaints in its code of business ethics. It also maintains a website for the investors and other stakeholders to request information or file recommendation/complaint at e-mail: cs@scib.co.th

Shareholders' Meetings

Recognizing the importance of shareholders' meeting, the Board of Directors carefully considers the agenda and offers its opinion on each item on the agenda. Documents used in the meeting, such as, letter of invitation and proxy, are delivered to shareholders within the time specified by laws. Minutes of the meeting are prepared accurately and completely, and are open to examination. Venue of the shareholders' meeting is convenient and large enough to accommodate the attending shareholders. Registration of attending shareholders opens two hours prior to the meeting.

Before considering the items on the agenda, the Chairman will explain in details the meeting procedures, and clear and simple steps in voting. Computer system will be used to provide convenience during the meeting and to tally the votes. The purpose is to ensure a smooth conduct of the meeting, prevent the shareholders' confusion, and facilitate the shareholders' expression of opinions and voting. The Bank also requests a neutral party to witness the counting of the votes for transparency.

During the meeting, the Board of Directors provides opportunities for shareholders to ask questions and express their opinions and members of the Board participate in responding to shareholders' questions. Questions and answers are recorded in the minutes of the meeting.

The Bank has adopted the 'AGM Checklist' to convene the Annual General Meeting for 2009, as prescribed by the Securities and Exchanges Commission under 4 headings:

1. Part A, before the meeting, consisting of:
 - A1 Delivery of documents accompanying items on the agenda.

A2 Disclosure of documents accompanying items on the agenda.

A3 Posting of documents accompanying items on the agenda on the Bank's website.

A4 Invitation to the shareholders to propose agenda and persons to be nominated as directors (October 5, 2009-January 4, 2010).

2. Part 2, day of the AGM, consisting of:

B1 Provision of convenience to the shareholders.

B2 Attendance by the Directors and executives.

B3 Notification of important matters to the shareholders before the meeting.

B4 Conduct of the meeting.

B5 Opportunities for the shareholders to question and express opinions.

B6 Transparency in voting.

B7 Vote counting and reporting to the shareholders.

3. Part C, after the meeting, consisting of:

C1 Preparation and dissemination of the minutes of the meeting;

- Vote tally.

- Summary of discussions on important issues and conclusion.

- Submission of the minutes to the Stock Exchange of Thailand within 14 days.

- Names of the directors/executives attending the meeting.

- Posting of the minutes of the meeting on the Bank's website within 14 days.

- Reporting of the meeting's resolutions and vote tally to the Stock Exchange of Thailand.

4. Part D, Corporate Governance, which the Securities and Exchange Commission requested for cooperation from Thai listed companies. For the Bank, Part D consists of:

D1 VCD recording of the meeting.

D2 Use of barcode or other systems in shareholders' registration and/or vote counting.

D3 Use of inspector in vote counting.

D4 Distribution and collection of voting cards from shareholders on appointment of directors.

D5 The cumulative voting on appointment of directors. Currently, the Bank uses "one share one vote" method in voting on appointment of directors according to its Articles of Association registered with the Ministry of Commerce.

2.3 Internal Control

The Board of Directors has the duties to ensure that:

2.3.1 There is a sufficient and efficient internal control system, suitable to the situation and under acceptable risk level;

2.3.2 There is a compliance with the rules, regulations, and order of the government agencies;

2.3.3 There is a monitoring of the implementation of the systems;

2.3.4 An Audit Committee is set up to audit internal control along with the audit departments that assess the efficiency and sufficiency of internal control, and directly report to the Audit Committee, and the Board of Directors on a regular basis;

2.3.5 There are changes and improvements in internal control measures to suit to the changing situation, environment and risks;

2.3.6 There is an awareness of internal control as a part of work culture, and there is a code of business ethics for the directors, executives, and employees to follow.

2.4 Risk Management

The Board of Directors has the duties to ensure that:

2.4.1 Risk factors and risk management measures are identified;

2.4.2 There are policy and risk management systems that are up to standards and cover all risks such as:

- 1. Strategic risk

- 2. Credit risk

- 3. Market risk

- 4. Liquidity risk

5. Operations risk

- 2.4.3 A Risk Management Committee is set up to supervise the strategies and policies on risk management, and to report periodically to the Board of Directors;
- 2.4.4 There is a monitoring of the implementation of the risk management policies and measures;
- 2.4.5 There is a work culture that recognizes the importance and impact of risks;
- 2.4.6 There are improvements of work procedures to suit the changing situation;
- 2.4.7 There are training programs on rules, regulations, orders, and related laws for employees to cooperate in the prevention and reduction of loss that may occur.

2.5 Disclosure of Information

The Board of Directors has the duties to ensure that:

- 2.5.1 There is a disclosure of accurate, complete, and timely information to all stakeholders;
- 2.5.2 Disclosure of inaccurate information and information in conflict of interest is avoided;
- 2.5.3 The press release and information does not jeopardize the Bank's relationship with the customers, and does not violate any stakeholders' confidentiality;
- 2.5.4 The important and confidential information is handled by the employees concerned in accordance with the Bank's regulations or procedures;
- 2.5.5 There are convenient and suitable channels for all types of information, and the department involved disseminates the information to all stakeholders.

2.6 Code of Conducts

The Bank expects its directors to be a model of ethical conducts and to:

- 2.6.1 Be honest, fair, and ethical;
- 2.6.2 Perform their duties according to the laws, objectives, articles of association, shareholders' resolutions, as well as corporate governance principles, and code of conducts;
- 2.6.3 Be impartial, politically neutral, not be under political influence, or not engage in any activities that may lead to the impression that the Bank has any interest in or support any political party;
- 2.6.4 Perform their duties carefully and avoid any conflict of their own interest, or interest of their friends, including:
 - 2.6.4.1 Not seeking to gain from the Bank's clients using the Bank's directorship.
 - 2.6.4.2 Not disclosing the Bank's and the customers' confidential information during or after the tenure as director;
 - 2.6.4.3 Having no interest with the individuals or companies doing business with the Bank, or with the Bank's competitors;
 - 2.6.4.4 Not receiving any gifts, presents, or benefits except those specified in the Bank's regulations. If the receipt of gift is not avoidable, disclose such gift in the Bank's form giving details of the gifts or benefits received and report to the Board of Directors;
 - 2.6.4.5 Not committing any act that may damage their and the Bank's reputation.

2.7 Implementation, Monitoring, and Assessment

The Bank attaches importance to the implementation, monitoring, and assessment of corporate governance and code of business ethics, and expects that:

- 2.7.1 The directors and management personnel become a role model and lead all levels of employees and the executives and employees of the subsidiaries in the implementation of corporate governance and code of business ethics;
- 2.7.2 The Corporate Governance Committee communicates the knowledge and understanding on corporate governance and code of business ethics to the implementation;
- 2.7.3 The Audit Group is responsible for the monitoring of the implementation, assess and recommend revision and changes in the corporate governance policy at least once a year;
- 2.7.4 The Corporate Governance Committee review the corporate governance policy and code of business ethics once a year, taking into consideration the assessment and recommendations;
- 2.7.5 The Investors Relations Division and Public Relations Division publicize the implementation to all stakeholders and the public.

2.8 Board of Directors' Performance Evaluation and Compensation

2.8.1 The Board of Directors evaluates its performance at least once a year by:

2.8.1.1 Evaluating the director's individual performance;

2.8.1.2 Evaluating the directors as a group;

2.8.1.3 Evaluating the committees.

2.8.2 The Nomination and Remuneration Committee summarizes the evaluation in 2.8.1 and report to the Board of Directors with recommendations to improve the Board's efficiency, and disclose its report in the Annual Report.

2.8.3 The Board and the Committees receive compensation as proposed by the Nomination and Remuneration Committee and approved by the Annual General Meeting of the shareholders, taking into consideration:

2.8.3.1 The Bank's performance;

2.8.3.2 The Board's and the Committees' performance against the defined duties and responsibilities

2.8.3.3 Other banks' practices.

In performing their duties, the directors are entitled to the same travel and other expenses as the President.

Code of Business Ethics

The 784th Board of Directors Meeting had resolved the Bank to review the code of business ethics on 1 June 2009.

The Bank has redefined its code of business ethics as ethical standards for the directors, executives, and employees to adhere to, so that the exercise of their duties is fair to all stakeholders and complies with the corporate governance policy.

The directors, executives, and employees need to acknowledge, understand, and closely follow the code of business ethics, so that the exercise of their duties is efficient, open, transparent, honest, and fair to all concerned parties, and in the Bank's interest.

The Bank's code of business ethics is as follows:

1. Respect for the law

The directors, executives, and employees are required to:

1.1 Study, understand, and comply with the laws and regulations concerning the Bank's business, and the Bank's regulations;

1.2 Not violate any laws or regulations;

1.3 Study, understand, and respect the difference in rules, regulations, and local customs, and not show any acts of disrespect or cause any conflict;

1.4 Inquire the responsible department in case of doubts.

2. Political Neutrality

The directors, executives, and employees are required to:

2.1 Be politically neutral, and not appear to side with, or favor any politician or political party;

2.2 Not use the Bank's resources in political campaigns, or in supporting any politician or political party;

2.3 Respect each individual's political right, but not directly or indirectly use the Bank's position in political activities.

3. Treatment of Stakeholders

The Bank's directors, executives, and employees are required to treat various groups of stakeholders as follows:

3.1 Customers

3.1.1 Treat all customers fairly, and provide quality products and services in a professional manner at suitable and fair prices;

3.1.2 Provide excellent, quality, and efficient services to satisfy customers;

3.1.3 Provide honest advice, without overstatement to cause any misunderstanding;

3.1.4 Determine service conditions fairly, transparently, and binding for each transaction only, and with the binding of future obligations at customer's consent only;

3.1.5 Provide honest, full, and useful information on a regular basis;

3.1.6 Protect the customer's interests suitably and fairly.

3.2 Shareholders

- 3.2.1 Treat all shareholders fairly in the complete, sufficient, fair, and transparent disclosure of the Bank's information, as well as in the determination of shareholders' voting right, and in the exercise of shareholders' right.
- 3.2.2 Manage the Bank's business using an able and knowledgeable team, create transparency in the operations, and institute appropriate risk control and management for the Bank's good performance, sustainable growth, and suitable return to the shareholders;
- 3.2.3 Make every effort to protect the shareholders' assets, and investment;
- 3.2.4 Maintain the Bank's good reputation and image.
- 3.3 Employees
 - 3.3.1 Recognize the employees' importance as the Bank's most valuable assets;
 - 3.3.2 Recruit, select, and develop the employees regularly;
 - 3.3.3 Evaluate employees' performance fairly, and promote their growth to their full potential;
 - 3.3.4 Provide a healthy and conducive work environment;
 - 3.3.5 Provide suitable compensation and benefits;
 - 3.3.6 Recognize the importance of and implement the employees' suggestion.
- 3.4 Competitors
 - 3.4.1 Compete fairly;
 - 3.4.2 Cooperate in disclosing non-confidential information to prevent any damages that may occur to the banking system.
 - 3.4.3 Encourage and promote activities that create better mutual understanding among financial institutions;
 - 3.4.4 Cooperate in the cost and expenses reduction in the banking sector and the economy.
- 3.5 Business Partners and Creditors
 - 3.5.1 Procure goods and services using equitable, transparent, and fair principles under the Bank's regulations for its full benefits;
 - 3.5.2 Avoid procurement transactions in conflict with the Bank's interest;
 - 3.5.3 Receive no direct or indirect benefits from business partners, and maintain neutral position without any favoritism to affect procurement decisions;
 - 3.5.4 Respect and implement the agreed terms and conditions of contracts as approved by the Bank's authorized officer;
 - 3.5.5 Report immediately to the supervisor upon discovering the causes for inability to implement the contract;
 - 3.5.6 Provide honest and full information to business partners or creditors, without creating any misunderstanding, and without disclosing any Bank's important information before approval from the Bank's authorized officer;
 - 3.5.7 Avoid receiving gifts, presents, or invitation to parties, or reception organized by the customers.
- 3.6 The Community
 - 3.6.1 Be a good citizen;
 - 3.6.2 Neither cooperate in nor support illegal businesses, or businesses that may harm the society or national security;
 - 3.6.3 Cooperate in and support government's policies, and social activities;
 - 3.6.4 Be responsible to the local communities where the Bank operates by lending locally according to the government's policy, or educating the public and providing financial services to help develop the communities;
 - 3.6.5 Respect local culture;
 - 3.6.6 Conserve the environment and promote arts and culture.

4. Treatment of Coworkers

The Bank's directors, executives, and employees are required to treat their coworkers as follows:

- 4.1 Fellow workers
 - 4.1.1 Create and promote cooperation among coworkers, respect their opinions, and help each other;
 - 4.1.2 Treat all fellow workers with courtesy and respect;
 - 4.1.3 Be patient, and sacrifice for the greater good;

- 4.1.4 Maintain a good work culture and environment;
- 4.1.5 Counsel, and train coworkers;
- 4.1.6 Not commit sexual harassment;
- 4.1.7 Not discuss coworkers' personal matter in manner that may tarnish their reputation.
- 4.1.8 Encourage the teamwork in the organization
- 4.2 Superiors
 - 4.2.1 Respect, obey, and follow the superiors' legitimate orders;
 - 4.2.2 Attend to the duties assigned, give honest opinions and recommendations, and respect the supervisors' opinions and criticism;
 - 4.2.3 Be disciplined, honor the supervisors, not display disrespectful manners or insubordination, and not bypass chain of command, except in cases of emergency or at higher supervisor's order;
 - 4.2.4 Refrain from giving gifts or presents to supervisors.
- 4.3 Subordinates
 - 4.3.1 Be a leader, and a role model in behavior, discipline, and fairness;
 - 4.3.2 Encourage the subordinates to work honestly and creatively;
 - 4.3.3 Exercise leadership/discretion in solving problems and making decisions;
 - 4.3.4 Advise, recommend, and teach subordinates in their work, and supervise their work;

5. Internal Control

The directors, executives, and employees are required to:

- 5.1 Perform their duties according to regulations, procedures, under authorized power, report to the supervisors any practices in violation of regulations, and not co-operate or support those practices;
- 5.2 Give priority to risk and risk management by following closely the Bank's regulations, and report to the supervisors and related departments any practices in violation of regulations;
- 5.3 Communicate with, and understand necessary information from units inside and outside the Bank for mutual understanding;
- 5.4 Monitor, evaluate, and report work performance periodically;
- 5.5 Co-operate with the audit departments inside and outside the Bank by providing complete, accurate information and not obstructing audit procedures;
- 5.6 Give opinions that are useful for the improvement of internal control procedures and system.

6. Other Outside Work

The directors, executives, and employees are required to:

- 6.1 Not to work for other individuals, or organizations during office hours for compensation, unless approved by the President in writing;
- 6.2 Have the right to teach, write, or publicize their written works in public media, except that the President's approval is required if such work is made during office hours, or is based on the Bank's materials.

7. Confidentiality

The directors, executives, and employees are required to:

- 7.1 Keep the Bank's confidential information secret;
- 7.2 Keep customers' confidential information secret;
- 7.3 Not use the Bank's or customers' confidential information for personal or other's gain;
- 7.4 Follow the procedure on confidential information in the Bank's information and document management policy;
- 7.5 Maintain and use personnel information with care;
- 7.6 Not disclose confidential information after leaving their positions at the Bank;
- 7.7 Use the Bank's information and documents as they are related to the performance of their duties only.

8. Disclosure of Information

The directors, executives, and employees are required to:

- 8.1 Disclose information that has been certified accurate by responsible personnel, and approved by authorized officers;
- 8.2 Not disclose the Bank's, customers', and business partners' confidential information to non-authorized

- person, except after approval or when required by laws;
- 8.3 Not disclose false information to create misunderstanding, or to commit fraud;
- 8.4 Set up a department responsible for the disclosure of the Bank's important information, especially investor's relation and public relation;
- 8.5 Follow control procedure in copying, faxing, and maintaining records, and refrain from discussing confidential information in public area.

9. Gains from Inside Information

The directors, executives, and employees are required to:

- 9.1 Not use information that has not been made public for personal or others' gain;
- 9.2 Heed the warning on use of confidential information for personal gain, communicated to all employees on the Bank's internal communication systems;
- 9.3 Follow the procedure on the prohibition on the use of inside information;
- 9.4 Follow the procedure on report of change of securities holding, and send a copy of the report to the Corporate Secretariat Department;
- 9.5 Refrain from the use of the Bank's inside information for personal gain, even after leaving the Bank's position.

10. Conflicts of Interest

The directors, executives, and employees are required to:

- 10.1 Consider, and decide on business matters in the Bank's interests, without personal gain, or under any individual's or group's influence;
- 10.2 Refrain from having financial or other relationship with individuals, or businesses that are the Bank's business partners, or customers, that may give rise to bias on decision making, and report to the supervisor if the decision leads to conflict of interest and refrain from making decision on the issue involved;
- 10.3 Obtain approval from the Bank before assuming any position in the Bank's business partner company, and report such position before accepting a position in the Bank;
- 10.4 Refrain from using the name, position, place, logo, or relationships in the Bank for personal gains;
- 10.5 Review and evaluate individual's own performance on conflict of interest according to the Bank's form;
- 10.6 Report immediately to the supervisors on the Bank's form with a copy to the Corporate Secretariat Department any incidents that may be classified as conflicts of interest.

11. Giving and Receiving in various forms

The directors, executives, and employees are required to:

- 11.1 Not receive or not assign anyone to receive any gifts, benefits, incentives, that may affect their decisions;
- 11.2 Be able to receive during holiday seasons no gift of higher value than Baht 3,000, that may give impression of patronage, or obligation;
- 11.3 Use fair strategies in business conduct and competition, and not receive gifts or money from customers, or business partners, that may cause conflict of interest;
- 11.4 Refuse the gifts if the supervisor consider it inappropriate, return them to the giver, or deliver them to the Corporate Secretariat Department for donation to the charitable organizations;
- 11.5 Deliver to the Corporate Secretariat Department for safekeeping gifts given by customers, or business partners on important occasions;
- 11.6 Not give direct or indirect bribe to government officials, or politicians for the Bank's business gains, except for seasonal gifts as given to customers.

12. Information and Reports

The directors, executives, and employees are required to:

- 12.1 Prepare the Bank's business reports using accurate and reliability data;
- 12.2 Prepare the Bank's reports accurately and completely in form and content, using professional principles or standards;
- 12.3 Not perform financial reports or transactions using alias, or through a third party's account, and report suspicious or fraudulent transactions to the supervisors or related departments immediately;
- 12.4 Prepare data honestly, and correctly, and maintain data and related documents in safe place for future examination.

13. Information Technology and Communication

The directors, executives, and employees are required to:

- 13.1 Not violate any software copyrights, and not install any unauthorized software on the Bank's computers without approval;
- 13.1 Not access the Bank's data to copy, change, destroy, or send without approval;
- 13.3 Be able to use some information technology and communication for personal purpose, but not for personal business or without disruption to the Bank's business, or without affecting customer service, or creating nuisance;
- 13.4 Not use any website for illegal or immoral purpose that may cause infamously;
- 13.5 Not use information technology for fraud or illegal purpose;
- 13.6 Cooperate and follow the security procedures of the Bank's information technology systems;
- 13.7 Make sure that the employees and outsiders access only the data and programs necessary for their work or service, and closely follow information technology security policy.

14. Policy Revision

The Corporate Governance Committee annually reviews and revises the policy on corporate governance to keep the policy and code of business ethics up to date with the laws, government rules and regulations, and the changing business environment.

15. Commitment

The directors, executives, and employees at all levels are required to understand, and closely follow the policy on corporate governance, and code of business ethics, and sign their confirmation of adherence.

16. Inquiry and Complaint

If the directors, executives, and employees have any doubt whether or not they are complying with the corporate governance policy or code of business ethics, they should ask themselves the following 3 questions before making any decisions:

- 1. Is the action legal, or in accordance with government regulations and the Bank's regulations?
- 2. Would the public accept such act, or may the act be disclosed to the public?
- 3. Would the act bring about damage to the actor's, other's or the Bank's reputation?

If they cannot make decision, they are required to report the information or facts to the Corporate Governance Committee, the President, or the Corporate Secretariat Department, for consideration and appropriate action.

In addition, any directors, executives, or employees who encounter any incident in violation of the corporate governance policy or code of business ethics have the duty to report such incident to the Corporate Governance Committee, the President, or the Corporate Secretariat Department immediately. The Bank has set up a procedure for reporting such incident that protects the identity of the informer.

For the code of business ethics to bear results, the Corporate Governance Committee assigned the Corporate Secretariat Committee on Corporate Governance to implement the code by creating among all employees an understanding of their roles, duties, and responsibilities, and monitoring and assessing the implementation. The Corporate Governance Committee is adding greater details to the corporate governance policy to bring the policy up to international standards in line with the Bank's commitment in its slogan:

Excellence in Service.

Fairness in Administration.

Transparency in Management.

Good Corporate Governance, Siam City Bank.

In 2009, the Bank undertook various tasks on corporate governance such as holding the Annual General Meeting of the shareholders under corporate governance framework. The 2009 AGM of the shareholders was rated "excellent," obtaining a score of 100 and 4 stars bonus, in the assessment of the quality of AGM program organized by the Securities and Exchanges Commission in cooperation with the Thai Investors Association and the Listed Companies Association. Accordingly, the Office of the SEC posted the Bank's name on its website as a good example of listed companies in organizing quality AGM.

In addition, under the "Corporate Governance Report of Thai Listed Companies" (CGR) survey conducted in 2009

by the Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET) and the Securities & Exchanges Commission (SEC), the Bank's corporate government practices obtained an "Excellent" scoring (92), compared with the "Very Good" scoring (85) attained in 2008.

With the help of the SEC, SET, and the IOD to upgrade the listed companies' corporate governance to international standards, the Bank was able to enhance the quality of corporate governance which is the key to the Bank's long-term success. The directors, management, and employees of the Bank are proud of the significant achievements in developing corporate governance with the useful and valuable suggestions from the related agencies.

In 2009, the Bank adhered to the corporate governance principles of listed companies in 2006 as specified by the SET which can be summarized as follows:

1. Rights of Shareholders

The Bank, by its Board of Directors, has fully implemented all 6 principles specified by the SET and designates a responsible department to monitor and improve such practices.

2. Equitable Treatment of Shareholders

The Board of Directors has fully implemented all 8 principles under this category and designates a responsible department to monitor and improve such practices.

3. Roles of Stakeholders

The Bank has clearly identified all stakeholders, and requires related departments to treat all stakeholders in strict compliance with laws and regulations. A complaint unit is set up to receive and monitor complaints of customers and other stakeholders. The Bank also realizes the importance on social and environmental responsibility and integrates the social and environmental issues into its loan approval procedures. In particular, loan applications of large investment projects are required to pass the environmental impact assessment.

4. Disclosure and Transparency

The Bank follows all 5 principles under this category.

5. Responsibilities of the Board

The Bank follows all the 7 principles under this category.

For self-assessment of the Board and communications between the Board and the President on performance evaluation of the President, the Bank undertakes the following procedures:

- Self-assessment of the Board: The Board meets regularly to conduct assessment on the directors' performance in an attempt to further improve the effectiveness of the Board. An annual self-assessment is conducted by individual director and by the Board as a group.
- Performance Evaluation of the President: The performance evaluation results are conveyed to the President by the Board.

The Bank also stipulates in its corporate governance policy that non-executive directors, as well as independent directors, shall hold meeting among themselves at least once a year.

Leadership and Vision

The Board of Directors consists of individuals from various professions who are knowledgeable, capable, skilled and experienced in their fields of endeavor, and contribute to the efficient operations of the Bank. The directors play an important role in formulating the Bank's vision, and cooperate with the Bank's executives in formulating the Bank's short, medium, and long term policies, strategies, directions, objectives as well as annual budgets. There are mechanisms to audit the executives' performance in accordance with the formulated plans, Key Performance Indicators (KPI) to measure efficiency and effectiveness, systems to control and audit internal operations, and measures to manage risks.

Conflict of Interests

The Board of Directors exercises due care on issues involving conflict of interests by specifying in writing the policy and procedure for the approval of items of related interests. The Board of Directors also specifies policy and procedure against executives' use of internal data for personal gains as follows:

- The Board of Directors is informed of items of conflict of interest or items of related interests, and carefully considers the issue. The treatment of these items on pricing and conditions complies with the Stock Exchange of Thailand's regulations and is on an arm's length basis. Items of related interests are reported in the Annual Report and Form 56-1.

- When an agenda of the Board of Directors' meeting calls for a discussion of an item of related interest, the director who is involved in related interest item leaves the meeting room to allow a free discussion of the issue.

The Bank monitors use of internal data by requiring its executives to report changes in their securities holding to the Compliance Unit, Securities and Exchange Commission as required by Securities and Exchange Act, B.E. 2535, and by prohibiting its executives or departments in possession of internal data to disclose such data to outsiders or unauthorized persons.

Internal Control and Audit Systems

Internal Control

The Board of Directors and the executives recognize the importance of internal control and risk management. All departments and the subsidiaries are required to adhere to the principles of internal control. The Bank arranges to review the sufficiency and effectiveness of internal control system and monitors that the operations comply with the rules, regulations, orders, and related laws. The Audit Committee supervises the operations of the audit, computer audit, and compliance departments, and takes into consideration the suggestions, and comments by the auditor, and the Bank of Thailand and the Securities & Exchanges Commission auditors. The Bank's internal audit is patterned after the Committee of Sponsoring Organization of the Treadway Commission (COSO), the principles of which may be summarized below.

Control Environment

The Bank and its subsidiary companies have a well established and efficient structure of internal audit and control. Priorities have been given to setting up of a proper organizational structure that is in correspondence with the Bank's business nature; delegation of authority; effective risk management and monitoring; and balance of power. Policy guidelines and operational procedures of the Bank, including personnel management policy, code of conduct for employees, policy on prevention of conflicts of interest, as well as provisions on punishment for law and regulation violations, are clearly written; and all employees are informed and required to strictly adhere to them. Training programs on development of staff's capabilities and skills are organized continuously to ensure efficiency, transparency, and fairness for overall operations. There are also measures to prevent the executives from using the Bank's or the subsidiaries' assets without authority or approval.

Risk Assessment

The Bank has clearly written policy and guidelines on risk management. All departments and subsidiaries are required to comply and assess their own risk, by identifying, measuring, and managing risk, informing the employees of the risks, and reporting their risks to the risk management department every quarter. The audit department inspects the self-assessment of risks from all departments and subsidiaries.

Control Activities

All departments and subsidiaries have their operating procedures and operating manuals, with control activities being an important part of the operating procedures. The scope of duty, responsibility and authority of executives at all levels are determined explicitly and reviewed from time to time. Segregation of duties for check and balance is in place in order to prevent fraudulence.

Information and Communication

The Bank's financial and operational data bases have been modernized, with emphasis on their security, safe keeping and being up to date. The Bank has an intranet available to all employees, resulting in effective communication within the organization and the timely dissemination of complete information that are essential for decision making of the Board of Directors and management.

Monitoring

The Bank reviews and monitors the implementation according to policy, target, and internal control of the Bank and its subsidiaries. The Audit Department, Information Technology Audit Department, and the Credit Review

Department report directly to the Audit Committee. The Audit Committee reports immediately to the Board of Directors any significant weakness or mistakes.

Internal Audit

The Internal Audit and the Computer Audit Departments perform the duties of audit and internal control on general operations and information technology, respectively. They are directly supervised by the Audit Committee and report the monthly audit results to the Committee. The efficiency of the Bank's internal audit and control systems have been enhanced by cooperation and support from management and related work units. The Bank has a policy to audit every department at the head office, branch offices, and subsidiaries using risk-based audit approach which is in line with financial institutions' internal audit the framework established by the Bank of Thailand. Through this approach, audit of major risk areas of the Bank's operations are fully covered and the Bank is able to prevent any conflicts of interest arising from the approval of transactions. Operational and IT audits are conducted at least once a year and the findings are reported to the Audit Committee.

The Audit Committee reports its supervision on the operations of the Bank and subsidiary companies to the Board of Directors on a monthly basis. In case that there are material weaknesses or mistakes, the management is required to inform the Board of the progress on subsequent improvements and remedies. According to the report of the Audit Committee, there has been no fraudulent or unauthorized use of assets of the Bank and its subsidiary companies by the management.

Investors Relations

The Bank places a priority on disclosing accurate, complete, transparent information to shareholders, investors, and other parties concerned to support their decision making on investment. The information was distributed through the channels available at the Securities Exchange of Thailand, the Securities & Exchanges Commission, and the Bank's own website. The Investor Relations Department has been set up to distribute information to the shareholders, investors, analysts, and the public. Investors may request information by calling 0-2208-6711, or accessing website: www.scib.co.th or e-mail address: scibir@scib.co.th.

During 2009, the Bank organized 2 performance presentations and 63 company visits for fund managers and securities analysts.

Related Transactions

Details of related transactions may be found in the Notes to the Bank's Financial Statements.

Risk Factors and Risk Management

The commercial banking industry is exposed to various risk factors from within and outside the country. Major risks that may affect operations of the Bank include changes in economic and financial conditions, interest rate fluctuations, and competition. Realizing the importance of risk management, the Bank has established a risk management structure to ensure that a proper risk management policy is in place to effectively control and supervise risk management functions.

- **Board of Directors** formulates the Bank's overall risk policies and principles, and sets forth appropriate and effective risk management framework consistent with the Bank's operations.

- **Audit Committee** reviews the Bank's internal control system to ensure compliance with rules, regulations and risk management orders.

- **Risk Management Committee** formulates risk management strategies and supervises the implementation of risk management functions to ensure that they correspond with the policies prescribed by the Board of Directors.

- **Assets and Liabilities Management Committee** formulates strategies and guidelines on management of the Bank's assets and liabilities, provides recommendations and determines policies and operational guidelines pertaining to liquidity risk and market risk management.

- **Risk Management Group** supervises and controls to ensure efficient management of credit and operational risks, and determines security measures for IT systems and important data to prevent damages to the Bank's operations. The Group consists of:

- **Credit Risk Management Department** provides comments and recommendations on improvement of credit policies and regulations, authority structure, and risk management measures that are suitable for the situation; develops risk assessment systems and tools including the procedures for auditing, reporting and monitoring; monitors and analyzes industrial conditions for use in credit origination consideration.

- **Business Risk Management Department** supervises marketing, liquidity and operational risk management functions to ensure that they are in line with the strategies/guidelines laid down by the Risk Management Committee and the Assets and Liabilities Management Committee; develops risk assessment tools and procedures for auditing, reporting and monitoring to ensure an efficient risk control and management system.

- **Information Technology Security Department** supervises the security protection of computer and IT systems, and internal and external communication networks, to ensure that an efficient system is in place and up to international security standards.

- **Credit Management Team** scrutinizes, and provides comments on credit risks for the consideration of the Credit Committee, and has co-signing authority with the Business Group in granting approval to loan applications. The Credit Management functions are independent from marketing and relationship management and consist of:

- **Credit Underwriting Departments 1 - 2** reviews and provides comments on credit risks of loan applications prepared by loan officers before their submission to the authorized officers, assesses the risk profile of Program Lending/Formula Lending loans, and is designated co-signing authority with the Business Group in granting approval to loan applications.

The Bank's Risk Management and Risk Factors are as follows:

1. Credit Risk Management

Credit risk involves the debtor's inability to repay or to abide by the loan conditions and agreements. This might be caused by the debtor's own financial problems because of adverse impacts of the vulnerable economic and business conditions, management mistakes, or the debtor's refusal to honor loan conditions. To guard against such credit risks, the Bank has established the policy of extending loans to business and industrial sectors with growth potential and significant contribution to the country's economic development. New loan origination shall be carefully considered, with growth potential and debtor's repayment ability being important criteria.

Recognizing the importance of controlling and mitigating credit risks, the Bank underwent reorganization of business units relating to loan approval procedures and restructuring of loan approval authority. More loan extensions are approved under the co-signing authority structure. In addition, The developments of risk assessment and management tools, have taken the Bank's loan application consideration process up to international standards. Despite many developments undertaken to reduce and/or control credit risks, the Bank is still exposed to credit risks that stem from business environment such as:

1.1 Loan Concentration Risk

In credit expansion, the Bank has put emphasis on properly diversifying its loan portfolio. It also has a policy of limiting concentration of loans in any single business sector by imposing ceiling/sector limits to minimize adverse effect on its operations. Furthermore, it manages its overall portfolio risk by closely monitoring and analyzing business conditions to reduce any risk from adverse changes in external environment beyond its control. An analysis of simulated condition is made to test the Bank's capital adequacy and consistently reported to the Risk Management Committee. As a result of the Bank's policy to reduce concentration in one specific sector combined with its focus on SME and retail lending, the total loan portfolio of the Bank and its subsidiaries became less concentrated in large corporate customers and was better diversified among business sectors as demonstrated in the table below.

	Year-end 2009 (%)	Year-end 2008 (%)
Manufacturing and commerce	28.31	31.03
Public utilities and services	19.38	21.37
Real estates and construction	14.23	19.47
Housing	20.82	12.63
Agriculture and mining	2.06	2.34
Others	15.20	13.16
Total	100.00	100.00

1.2 Risk from Failure to Meet Loan Target

Loan expansion is directly affected by economic conditions. In 2009, the Thai economy was depressed by the financial crisis that erupted in the United States and spilled over to almost every business sector, resulting in declining purchasing orders and subdued investment. These factors pushed down demand for capital funds and hindered loan expansion of the financial and banking sectors. In this respect, the Bank is inevitably exposed to the risk of failure to attain loan target which consequently has significant implications on its financial position and operating performance.

The Bank's total loans expanded at a negative growth rate of 0.30% in 2009, outperforming the banking industry which posted a negative growth rate of 0.72% (Source: Tor.Por.1.1 Bank of Thailand).

1.3 Risk from Decline of Interest Spread

Strong competition for new loans, risk of present customers switching to other banks, and the possibility of customers raising funds by issuing debt instruments or selling equity via capital market, all combined to force the Bank to offer competitively low interest rates on loans. Moreover, the preparation for IAS 39 accounting standards and Basel II capital requirements is likely to significantly increase the Bank's costs and, hence, a narrowing of the interest spreads, which will directly affects its profitability.

However, the Bank adopts a policy to determine loan interest rates by taking into considerations the customer's risk profile and the Bank's costs of funds. In addition, it puts emphasis on the control of loan quality as well as operating costs. The Bank also has a policy to raise fee incomes to compensate for the anticipated reduction in interest incomes.

In 2009, interest spread from the earning assets and cost of funds of the Bank and its subsidiaries was at 3.06%, slightly lower from 3.16% in 2008. Meanwhile, loans and deposits registered a negative growth rate of 0.30% and 5.69%, respectively, pushing up the loan to deposit ratio to 86.04 %.

1.4 Operational Risk after Loan Approval

After a loan has been approved, the Bank requires the loan officer and the loan department to closely monitor the customer's compliance with the loan conditions, and to review the customer's status at least once a year, or as soon as there is any significant change in the related conditions. The Bank also requires a periodic review of the price and liquidity of the collateral. If the review finds the collateral to depreciate in value such that the value is no longer sufficient to cover the loan, the Bank may require the customer to provide additional collateral or reduce the customer's credit line and set aside allowances for doubtful debts.

The Bank's Credit Review Department has performed reviews of loan quality and the compliance with lending procedures and reported to the Risk Management Committee, the Audit Committee, the Board and Directors, and the Bank of Thailand on a quarterly basis. The Bank also has a loan ageing system that supports loan review and provides a warning signal to facilitate timely prevention and solution of problem loans.

1.5 Risk from Increase of NPLs

Non-performing loans (NPLs) not only force financial institutions to set aside reserve in order to maintain adequate capital but also adversely affect their ability to generate income. The Bank is well aware of such problem and has attempted to forestall NPL increase by implementing stringent policies and procedures in loan extension. In 2009, the minimum size of loan requests that require risk analysis by the Credit Underwriting Departments was reduced from Baht 30 million to Baht 10 million. Moreover, the Bank also applied tougher credit policies towards business sectors associated with risks. These sectors were categorized into three groups, namely, sectors of high concern, sectors of very high concern, and sector temporarily suspended for loan extension. Such policies are reviewed regularly. All these measures were undertaken to prevent current loan portfolio from becoming obstacles for future loan expansion and to control the Bank's credit risk exposure at appropriate level.

After a loan has been approved, loan officer and loan review officer shall closely monitor the business trend and the probability of each loan becoming an NPL. For existing NPLs, the following-up on loan restructuring is conducted by a team of authorized officers such as the Sub-Committee on Loan Restructuring. The Bank has also revised the authority structure of loan restructuring approval by empowering executives of related departments to approve loan structuring in accordance with the risk levels and the restructuring conditions. The important feature of restructuring efforts is the analysis of each customer's cash flow and repayment capability. The restructuring is tailored to fit each debtor, with the objective of helping the debtor to revive his business, to maintain normal operations, and not to become NPL again.

The Bank has also established a Pre-NPL Management Program under which existing debtors are closely monitored in accordance to their risk levels. The debtors are classified into normal debtors, special mention debtors, and debtors with tendency to be affected by unfavorable economic conditions. The Credit Risk Management Department will identify industrial sectors that have high risks and need precaution for use in setting up credit risk management guidelines. Besides, stress tests, including those applied to individual client, are undertaken in order to assess credit quality and determine preventive and remedial measures.

In 2009, NPLs of the Bank and its subsidiaries amounted to Baht 25,915 million or 8.11% of total loans, a slight increase from Baht 24,494 million of NPLs in 2008, or 7.86% of total loans.

1.6 Risk that Restructured Loans Become NPLs Again

Restructured loans may become NPLs again for several reasons, such as adverse economic conditions, worsening business conditions, unfavorable changes in interest or exchange rates, as well as the flexible repayment conditions and interest rates during the early phase of loan restructuring when the interest rates are lower than normal and no principal payment is required. The Bank's risk increases once the restructured conditions are changed to normal conditions. To reduce this risk, apart from closely monitoring each debtor, the Bank has set aside additional reserve over and above

the level required by the Bank of Thailand, by assessing the possible loss from the inability of the restructured loan debtors to comply with the restructured conditions, to prevent any adverse impact on its financial statements.

1.7 Risk from Impairment of Foreclosed Properties

The Bank is exposed to risk stemming from impairment of properties foreclosed from debtors as a result of debt restructuring, properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, and assets awaiting disposal. At the end of 2009, foreclosed properties of the Bank and its subsidiaries after deducting impairment allowances totaled Baht 6,721 million, decreasing by Baht 982 million or 12.75% over the amount at the end of 2008.

1.8 Risk from Guarantees

Bill of payment guarantee, loan guarantee, letter of credit, aval, and other forms of guarantee are another source of risks, requiring the Bank to make cash payments on behalf of the customers who cannot abide by the guarantee conditions. The Bank attempts to reduce and prevent realization of contingent liabilities by thoroughly examining the customers' credit history, requiring additional collateral as well as applying the same criteria as used in normal loan approval process to guarantee applications.

At the end of 2009, such contingent obligations of the Bank and its subsidiaries amounted to Baht 19,897 million, an increase of 2.06% compared with Baht 19,496 million at the end of 2008.

2. Market Risk Management

Market risk stems from changes in market factors, such as interest rates, exchange rates and security prices, and affects the Bank's income, capital, assets values and financial liabilities. The Bank has a policy to control market risk within an acceptable level and in correspondence with the Bank of Thailand's guideline for market risk management supervision. Effective market risk management ensures that the Bank can efficiently conduct its business and achieve a targeted return. Market risk consists of:

2.1 Interest Rate Risk

Interest rate risk has an adverse impact on the Bank's income and capital. It arises when there are mismatches between the interest rate and rate sensitive items in the Bank's asset, liability, and off-balance sheet structures, and hence negatively affects net interest income. The Bank has a policy to contain interest rate risk within an acceptable level under close supervision of the Assets and Liabilities Management Committee. For transactions in the trading book, the value at risk (VaR) method, which calculates the worst expected loss over a given horizon at a given confidence level, has been adopted to analyze interest rate risk to ensure effective interest rate risk management. In addition, "modified duration" and "interest rate sensitivity" have been used to measure the impact of interest rate changes on investment in debt instruments. As for the transactions in the banking book, interest rate risk analysis is made by analyzing the impact of timing differences in the interest rate changes of assets, liabilities and off-balance sheet items on its net interest incomes (Repricing Gap Analysis), and the impact of interest rate changes on economic value of equity (EVE).

According to the asset and liability structures of the Bank classified by type of interest rates in 2009, Baht 233,870 million worth of assets were earning assets carrying floating interest rates whereas Baht 253,118 million worth of liabilities, accounting for 68.89% of total financial liabilities, carried fixed interest rates. Of the total fixed-interest rate liabilities, the majority portion, or 85.37%, consisted of deposits, interbank and money market transactions, and borrowings that mature and can be repriced within 6 months. The Assets and Liabilities Management Committee (ALCO) is responsible for monitoring and controlling the Bank's asset and liability structures whereas the Financial Policy and Liquidity Management Committee (Money Desk), which meets every week, is responsible for assessing the Bank's financial position and cash flows to ensure that the Bank maintains an appropriate level of liquidity that is adequate for current business and future expansion. It also manages the interest rate level of deposits and loans to ensure their alignment with the cost and return structures and liquidity risk of the Bank, thus enabling the Bank to cope effectively with the ever-changing money market conditions.

(Unit: Million Baht)

Assets/Liabilities Classified by Type of Interest Rates (Bank's Financial Statements)	2009			
	Floating Rate	Fixed rate	No Interest Rate	Total
Total Financial Assets	233,870	147,215	33,151	414,236
Total Financial Liabilities	107,066	253,118	7,226	367,410

2.2 Foreign Exchange Risk

Foreign exchange risk involves risk stemming from transactions denominated in foreign currencies (Transaction Risk) or from converting foreign currency-denominated assets or liabilities into local currency (Translation Risk). It is another risk that may adversely impact the Bank's income or capital. The Bank has therefore determined the scope of its foreign exchange business, with the main purposes to manage the Bank's financial position and to provide services to customers. Financial instruments are used as tools for hedging foreign exchange risk management in order to control the risk level at an acceptable level.

2.3 Securities Price Risk

Securities price risk arises from the fluctuating movements of equity's prices and may adversely affect the Bank's income and capital. Various risk limits, such as exposure limit, stop loss limit, and VaR limit have been introduced to keep the impacts induced by securities price risk at acceptable level.

The Bank also performed a stress test of market risks to assess the impacts of severe fluctuation in the money and capital market on the Bank's operation and financial position. Historical market data and factors suggested by the Bank of Thailand were used to evaluate the possible impact of sudden changes in market conditions.

At the end of 2009, the Bank and its subsidiaries reported net investments of Baht 87,396 million, an increase of Baht 219 million compared with the amount of Baht 87,177 million at the end of 2008. The investments consisted of Baht 77,217 million of investments in debt instruments and Baht 10,179 million of investments in equity instruments. In terms of investment horizon, short-term investments amounted to Baht 43,361 million, up by Baht 22,114 million whereas long-term investments amounted to Baht 43,403 million, down by Baht 22,069 million. Investments in subsidiaries and affiliated companies rose by Baht 174 million to Baht 632 million.

3. Liquidity Risk Management

Liquidity risk involves a bank's failure to meet its financial obligations upon maturity due to its inability to obtain sufficient cash or to liquidate assets at reasonable costs. Recognizing such risk, the Bank has set up the Financial Policy and Liquidity Management Committee (Money Desk) to keep a close watch on the Bank's financial and liquidity management. The Treasury and Investment Department is responsible for managing the Bank's daily liquidity position in local as well as foreign currencies and specifying the tools and risk ceilings for use in assessing, controlling, monitoring and reporting liquidity risk under normal and crisis conditions. The liquidity risk is reported to the Assets and Liabilities Management Committee on a monthly basis or when the financial conditions change.

In 2009, the Bank had Baht 192,910 million of assets with a maturity of one year or less and Baht 329,290 million of liabilities with the same maturity. However, since most of the short-term deposits are redeposited upon maturity, they provide an ongoing source of funds for loan extension. Moreover, in case of emergency, the Bank is able to rely on funds from its operating cash flows, interbank and money market borrowings, as well as existing liquid assets. As a result, the Bank's liquidity position is considered sufficient for dealing with any crisis that may arise. The high level of liquidity of the Bank and its subsidiaries was also reflected by a loan to deposit ratio of 86.04% registered in 2009.

4. Operational Risk Management

Operational risk refers to the possible damage the Bank may sustain as a result of the lack of efficient supervision and control in the management of work processes, personnel, operations systems and information technology systems, or the impact of external factors. The Bank has implemented a clear-cut operational risk policy that is in alignment with good governance principle. The Bank is organized along a structure that clearly separates each business unit's duty and

responsibility and provides proper check and balance. The Compliance and Audit Group, an important mechanism to help control and prevent any possible damages, operates independently and reports directly to the Audit Committee. A department has been set up to be in charge of operational risk management. The Bank has adopted a number of operational risk management tools, including risk and control self assessment and development of key risk indicators. An IT system has been developed to report any data loss for damage assessment, and to calculate minimum capital fund to meet operational risk as required by Basel II requirements. Business Continuity Plan is an important tool to buffer the severity of the impact of adverse events that lead to temporary cease of the Bank and its critical operational system, for instance, fire, natural disasters, disruption of the Bank's main computer system, proliferation of epidemics, etc. The Bank has also developed a material document and data management system to prevent possible loss of documents and data that are necessary for the Bank's operations. To ensure effective communications among executives and employees of the Bank in case of emergency, a call tree test has been conducted regularly. All these efforts and implementations aim to build the confidence of customers and related/concerned parties regarding the Bank's capability and readiness to effectively tackle any unexpected adverse events and return to normal business operations in due time.

5. Capital Adequacy Risk

At the end of December 2009, the Bank had a capital adequacy ratio (in compliance with Basel II rules) of 14.55%, up from 10.38% at the end of 2008. These ratios are higher than the minimum requirement of 8.50% specified by the Bank of Thailand. Moreover, the Bank's Tier-1 capital to risk-weighted assets stood at 10.43% and 9.68% at the end of 2009 and 2008, respectively, exceeding the minimum requirement of 4.25% specified by the Bank of Thailand. Such figures reflect the Bank's adequate level of capital in coping with possible risks and supporting future business expansion.

6. Other Risk factors

6.1 Risks from Changes in Regulations Governing the Bank and its Activities

The banking business is under rigorous supervision of the Bank of Thailand. Relevant regulations as well as operational guidelines and procedures have been amended from time to time in order to enhance strength and reduce operational risks of financial institutions. The implementation of Phase II of Financial Sector Master Plan (2010-2014) further necessitates the comprehensive preparedness of the financial service industry in order to cope effectively with intensifying competition from local and overseas financial institutions.

The current minimum capital adequacy ratio of 8.5% that all commercial banks registered in Thailand are required by the Bank of Thailand to maintain may change in the future, and consequently affect the capital structure of commercial banks. In this connection, the Bank has a policy to maintain a capital adequacy ratio that is higher than the minimum requirement. The Bank realizes the importance of adaptation to the capital adequacy requirement and regulatory guidelines of the Bank of Thailand, such as the application of the International Accounting Standard No. 39 (IAS 39), the compliance to Basel II rules, the consolidation supervision of financial institutions, the requirement of single lending limit, and the supervision of transactions with major shareholders or related lending, etc. To be well prepared, the Bank has put in place management strategies covering credit risk, market risk, and operational risk management, while at the same time set aside adequate reserve and capital. All these efforts have been implemented systematically on a continuous basis, for example, planning for business expansion, revision of organizational structure and accounting structure, and readiness of preparation for the information and other operational systems. These will alleviate any adverse impacts caused by the changes.

6.2 Risks from Government Policy Pertaining to the Cancellation/Change of Deposit Guarantee Scheme

During the economic crisis in the past, deposits and creditors of financial institutions had been fully protected by the Financial Institutions Development Funds (FIDF). The FIDF was responsible of paying principals and interest to depositors and creditors of financial institutions which were closed down and default on principals and interests repayment. However, following the establishment of the Deposit Protection Agency (DPA), the level of protection offered by the deposit guarantee scheme will be changed to a limited amount. The change may have an impact on the funding structure of commercial banks and financial institutions.

Due to the Bank's adherence to the policy and strategies of client base expansion, especially retail depositors, the risk has been diversified and the adverse impact from such policy measure is consequently mitigated.

General Information

1.1 Siam City Bank Public Company Limited, Head Office:

1101 New Petchburi Road, Makkasan, Rajthevi, Bangkok 10400 Registration no. Bor Mor Jor 0107537001072
 Tel 0-2253-0200-43, 0-2208-5000 Fax 0-2253-1240 Type of Business: Banking
 Registered capital and paid-up capital : Baht 21,128,106,760 comprising 2,112,810,676 Ordinary shares
 at Bath 10 per share

1.2 Equity Participation in other Companies more than 10% of the Shares Issued

As at December 31, 2009 The bank held over 10 Percent of share in the following companies :

Company	Type of Business	Total Number of Shares Issued	Shares Held by SCIB	
			Number of Share Held	% of Paid-up Capital
Common shares from investment				
1. Siam City Life Assurance Co.,Ltd.	Life Insurance	70,000,000	70,000,000	100.00
2. Scib Services Co.,Ltd.	Service	100,000	100,000	100.00
3. Siam City Securities Co.,Ltd.	Securities	200,000,000	199,577,643	99.79
4. The Chada Thong Properties Co.,Ltd.	Real Estates	10,000	7,000	70.00
5. Siam City Assets Management Co.,Ltd.	Assets Management	30,000,000	18,000,000	60.00
6. Siam City Insurance Co.,Ltd.	Insurance	400,000	182,000	45.50
7. Ratchthani Leasing Pcl.	Leasing	822,593,906	397,500,000	48.32
8. Thoon Ruam Kan Co.,Ltd.	Credit Card	240,000	80,000	33.33
9. Siam Samsung Life Insurance Co.,Ltd.	Life Insurance	50,000,000	12,500,000	25.00
10. Piboon Concrete Co.,Ltd.	Building&Furnishing Materials	8,000,000	800,000	10.00
11. Metropolitan Industrial Leasing Co.,Ltd.	Leasing	5,000,000	500,000	10.00
12. Steel Top Co.,Ltd.	Building&Furnishing Materials	74,000,000	7,400,000	10.00
13. Siam Tire Cord Co.,Ltd.	Textiles Clothing & Footwear	2,000,000	200,000	10.00
14. Crystal City Development Co.,Ltd.	Building&Furnishing Materials	750,000	75,000	10.00
15. Soonvijai Development Co.,Ltd.	Real Estate	13,000	1,300	10.00
16. Modular Samko Co.,Ltd.	Household Goods	3,500,000	350,000	10.00
17. Sahakol Chassis Co.,Ltd.	Vehicle Parts	45,000,000	4,500,000	10.00
18. Siam Euro Leasing Co.,Ltd.	Hire Purchare & Leasing	13,000,000	1,300,000	10.00
19. Siam City Real Estate Services Co.,Ltd.	Real Estate	1,000,000	100,000	10.00
Common shares from debt restructuring (Debt-Equity SWAP)				
20. Thai-German Products Pcl.	Building&Furnishing Materials	510,665,109	61,951,256	12.13
21. High Pressure Steel Pipe Industry Co.,Ltd.	Steel	500,001	70,470	14.09

Remark No 4, 8, 19 and 21 have filed for liquidation

Names and locations of the companies that the bank has shareholding more than 10%

1. Siam City Life Assurance Co.,Ltd.

169 Suttisan Rd.,
Samsen, Payatai,
Bangkok 10400
Tel. 0-2616-2324
Fax 0-2616-2343

7. Ratchthani Leasing Pcl.

77/35-36 11th Floor Sinsathon Tower,
Krungthonburi Rd., Klongtonsai,
Klongsan, Bangkok. 10600
Tel. 0-2440-0844
Fax 0-2440-0848

2. SCIB Services Co.,Ltd.

1091/230 New Petchburi Rd.,
Magasan, Rajthevi,
Bangkok 10400
Tel. 0-2208-5061-2
Fax 0-2651-6611

8. Thoon Ruam Kan Co.,Ltd.

133/2 Sukumvit 21,
Klongtoey, Bangkok 10110
Tel. 0-2259-0284
Fax 0-2258-7043
(Liquidator)

3. Siam City Securities Co.,Ltd.

999/9 The offices at centralworld,
9th Floor, Rama I Rd, Pathumwan,
Bangkok 10330
Tel. 0-2624-8888
Fax 0-2624-8899

9. Siam Samsung Life Insurance Co.,Ltd.

2922/222-227 Charn Issara Tower II
15th Floor, New Petchburi Rd.,
Huaykwang, Bangkok 10320
Tel. 0-2308-2261-68
Fax 0-2308-2269

4. The Chada Thong Properties

1091/230 New Petchburi Rd.,
Rajthevi, Bangkok 10400
Tel. 0-2208-5061-2
Fax 0-2651-6611
(Liquidator)

10. Piboon Concrete Co.,Ltd.

263/1 Moo 10
Maepheak, Sansai,
Chiangmai 50290
Tel. (053) 849-435-8
Fax (053) 849-439

5. Siam City Assets Management Co.,Ltd.

942/135 Charn Issara Tower I, 4th Floor,
Rama IV Rd., Suriyawong,
Bangrak, Bangkok 10500
Tel. 0-2624-8500
Fax. 0-2624-8599

11. Metropolitan Industrial Leasing Co.,Ltd.

184/87 Forum Tower, 18th Floor,
Ratchadaphisek Rd.,
Bangkok 10320
Tel. 0-2248-1427
Fax 0-2248-1426

6. Siam City Insurance Co.,Ltd.

44/1 Rungrojthanakul Building, 12th Floor,
Ratchadaphisek Rd., Huaykwang,
Huaykwang, Bangkok 10310
Tel. 0-2202-9500
Fax 0-2202-9555

12. Steel Top Co.,Ltd.

9 U M Tower, 16th Floor,
Ramkhamhaeng Rd.,
Bangkok 10250
Tel. 0-2719-9637-41
Fax 0-2719-9642

13. Siam Tire Cord Co.,Ltd.

46/1 Moo 9 Bangna-Trad Rd., KM. 39,
Bangprakong, Chacherngsal 24130
Tel. (038) 538-555
Fax (038) 538-399

18. Siam Euro Leasing Co.,Ltd.

27 Sukumvit Soi 1
Bangkok 10110
Tel. 0-2254-1074
Fax 0-2254-1076

14. Crystal City Development Co.,Ltd.

2170 New Petchburi Rd.,
Huaykwang,
Bangkok 10320
Tel. 0-2255-6470
Fax 0-2255-6495

19. Siam City Real Estate Services Co.,Ltd.

183 Regent House, 19th Floor, Rajadamri Rd.,
Lumpini, Pathumwan, Bangkok 10330
Tel. 0-2651-9788
Fax 0-2651-9787
(Liquidator)

15. Soonvijai Development Co.,Ltd.

1740 New Petchburi Rd.,
Huaykwang,
Bangkok 10320
Tel. 0-2718-0386-9
Fax 0-2718-0387-8

20. Thai-German Products Pcl.

170 Ocean Tower I, 10th Floor,
Ratchadaphisek Rd., Klongtoey,
Bangkok 10110
Tel. 0-2261-3300
Fax 0-2261-2769

16. Modular Samko Co.,Ltd.

70/9 Soi Ekamai,
Sukumvit Rd.,
Bangkok 10110
Tel. 0-2391-0498-9
Fax 0-2381-1290, 0-2718-0387-8

21. High Pressure Steel Pipe Industry Co.,Ltd.

1620/4 Songwad Rd.,
Bangkok 10100
Tel. 0-2235-2940-49
Fax 0-2255-6495
(Liquidator)

17. Sahakol Chassis Co.,Ltd.

1418/6-8 Phaholyotin Rd.,
Ladyao, Bangkhen,
Bangkok 10220
Tel. 0-2512-0336-41
Fax 0-2513-2424

As at December 31,2009

The bank held unit trusts more than 10 % of each fund as follows :

Company	Type of Business	Asset-net (Baht)	NAV Per Unit (Baht/Unit)	Total Number of shares Issued	Shares held by SCIB	
					Number of shares Held	% of Paid-up Capital
Max Equity Fund	Open-End Fund	263,986,376.32	14.9176	17,696,303.45	16,934,286.21	95.69
Business Strategic Fund	Close-End Fund	426,023,589.08	10.3157	41,298,319.29	27,804,809.03	67.33
Max Equity Retirement Fund	Open-End Fund	80,934,485.53	14.6295	5,532,279.68	2,000,000.00	36.15
The Thai Business Fund 3	Close-End Fund	781,196,640.00	3.2549	300,000,000.00	100,000,000.00	33.33
Max Balance Retirement Fund	Open-End Fund	93,691,206.45	13.1652	7,116,580.56	1,800,400.06	25.30
The Thai Opportunity Fund 2	Open-End Fund	2,703,775,123.91	14.6166	184,979,757.53	40,000,000.00	21.62
Thai Real Estate Restructring Fund 1	Close-End Fund	1,448,224,389.15	15.0856	96,000,000.00	17,142,857.00	17.86
SCI Internation Fixed Income Fund GI12M2/09	Open-End Fund	205,148,640.90	10.3813	19,761,363.31	3,000,000.00	15.18
SCI Foreign Investment Fund KO 2Y	Open-End Fund	1,065,537,486.96	10.4690	101,780,254.75	15,000,000.00	14.74
SCI Internation Fixed Income Fund GI12M2/09	Open-End Fund	244,698,989.68	10.3767	23,581,580.82	3,000,000.00	12.72

Other Reference Persons

- Common share registrar
Thailand Securities Depository Co., Ltd.
62 the Stock Exchange of Thailand Building
Ratchadapisek Road, Klongtoey, Bangkok 10110
- Auditors
Ernst & Young Office Limited
Lake Ratchada Bldg. 33rd Floor
193/136-137 Ratchadapisek Road,
Klongtoey, Bangkok 10110
- Frequently contacted financial institution
Commercial banks in the financial market, Bank of Thailand,
Financial Institutions Development Fund

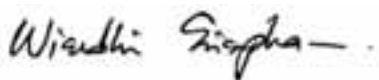
The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the Bank's financial statements and consolidated financial statements of the Bank and its subsidiaries' and financial information contained in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles in Thailand, using appropriate and consistent accounting policies, and exercising due consideration and estimation in their preparation, and disclosing sufficient important information in notes to the financial statements.

The Board of Directors has arranged to maintain an efficient internal control, to ensure that the accounting data are accurate, complete and sufficient to reflect the positions of assets and to give warning signals to fraud and other important irregular transactions.

The Board of Directors has appointed an Audit Committee, consisting of independent directors, to be responsible for the quality of financial statements and internal control system. The opinion of the Audit Committee on these matters is found in this annual report.

The Board of Directors is of the opinion that the Bank's internal control system is satisfactory and contributes to the confidence in the reliability of the financial statements of the Bank and its subsidiaries as at 31 December 2009.



(Mr. Wisudhi Srisuphan)

Chairman

25 February 2010



(Mr. Chaiwat Utaiwan)

President and Chief Executive Officer

25 February 2010



Financial Statement

As at 31 December 2009 and 2008

Report of Independent Auditor

To the Shareholders of Siam City Bank Public Company Limited

I have audited the accompanying consolidated balance sheets of Siam City Bank Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended, and the separate financial statements of Siam City Bank Public Company Limited for the same periods. 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 express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam City Bank Public Company Limited and its subsidiaries and of Siam City Bank Public Company Limited as at 31 December 2009 and 2008, and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements referred to above, I draw attention to the matter discussed in Note 6.2 to the financial statements regarding to the potential future impact to the balances of "Differences as a result of assets transferred to Sukhumvit Asset Management Company Limited" being recorded as receivable awaiting collection, and the price adjustments and other adjusting transactions requested by Sukhumvit Asset Management Company Limited, of the resolutions of ongoing examination or negotiation among the Bank, Sukhumvit Asset Management Company Limited, and the Financial Institution Development Fund.



Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 24 February 2010

Siam City Bank Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	note	2009	2008	2009	2008
Assets					
Cash		12,797,605,558	12,579,521,182	12,797,435,391	12,579,302,644
Interbank and money market items	7				
Domestic items					
Interest bearing		40,566,274,247	31,926,225,293	40,282,085,206	31,630,062,803
Non-interest bearing		1,462,833,991	4,069,649,084	1,402,615,192	4,031,156,383
Foreign items					
Interest bearing		654,406,771	174,723,603	654,406,771	174,723,603
Non-interest bearing		1,149,030,848	629,574,334	1,149,030,848	629,574,334
Total interbank and money market items - net		43,832,545,857	36,800,172,314	43,488,138,017	36,465,537,123
Investments					
Short-term investments - net	8.1	43,360,549,566	21,247,494,948	40,619,041,741	15,370,474,365
Long-term investments - net	8.1	43,402,899,617	65,471,777,561	37,606,844,008	65,245,299,794
Investments in subsidiaries - net	8.7	-	-	1,575,616,572	1,575,616,572
Investments in associated companies - net	8.8	633,014,005	457,564,155	574,337,592	421,962,592
Total investments - net		87,395,463,188	87,176,636,664	80,375,639,913	82,613,353,323
Loans and accrued interest receivables	9, 32				
Loans		278,959,450,127	279,795,465,592	277,461,615,638	278,126,681,902
Accrued interest receivables		719,386,502	1,033,510,673	713,463,843	1,028,481,481
Total loans and accrued interest receivables		279,678,836,629	280,828,976,265	278,175,079,482	279,155,163,383
Less: Allowance for doubtful debts	10	(16,853,013,346)	(15,325,200,913)	(15,785,359,931)	(14,258,204,374)
Revaluation allowance for debt restructuring	11	(476,078,547)	(668,438,790)	(476,078,547)	(668,438,790)
Loans and accrued interest receivables - net		262,349,744,736	264,835,336,592	261,913,641,004	264,228,520,249
Properties foreclosed - net	12	8,720,653,147	7,702,515,225	6,720,653,147	7,702,515,225
Customers' liability under acceptance		112,599,649	117,535,806	112,599,649	117,535,806
Premises and equipment - net	13	7,288,715,844	7,621,048,158	7,228,376,152	7,567,602,582
Leasehold rights - net	14	214,209,213	235,756,352	214,209,213	235,756,352
Intangible assets - net	15	268,840,426	306,666,743	246,812,613	292,733,657
Differences as a result of assets transferred to "SAM" - net	6.2	82,582,236	82,847,780	82,582,236	82,847,780
Accrued interest receivables		666,247,285	992,082,038	584,466,373	920,645,809
Other assets - net	16, 32	2,380,558,036	1,641,170,717	2,105,235,867	1,492,413,221
Total assets		424,109,765,176	420,091,689,571	415,869,989,595	414,298,963,771

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

Siam City Bank Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
Liabilities and shareholders' equity					
Deposits	17, 32				
Deposits in baht		323,751,324,409	343,533,269,554	323,916,522,658	343,619,161,633
Deposits in foreign currencies		462,133,375	226,833,933	462,133,375	226,833,933
Total deposits		324,213,457,784	343,760,103,487	324,378,656,033	343,845,995,566
Interbank and money market items	18				
Domestic items					
Interest bearing		21,600,495,408	15,349,421,559	21,888,598,457	15,680,279,723
Non-interest bearing		1,026,888,156	1,380,426,998	1,033,954,368	1,390,232,161
Foreign items					
Non-interest bearing		239,185	250,474	239,185	250,474
Total interbank and money market items		22,627,622,749	16,730,099,031	22,922,792,010	17,070,762,358
Liability payable on demand		836,217,039	553,558,029	836,217,039	553,558,029
Borrowings					
Short-term borrowings	19, 1	7,983,794,254	3,502,368,997	7,983,794,254	3,502,368,997
Long-term borrowings	19, 2, 32	11,288,376,562	1,706,378,536	11,288,376,562	1,706,378,536
Total borrowings		19,272,170,816	5,208,747,533	19,272,170,816	5,208,747,533
Bank's liability under acceptance		112,599,649	117,535,806	112,599,649	117,535,806
Accrued interest expenses		934,126,381	1,540,337,300	934,207,923	1,540,714,241
Provisions for liabilities		1,035,088,292	956,182,350	1,034,458,292	955,552,350
Other liabilities	20, 32	11,804,971,846	9,945,315,850	3,872,709,114	4,297,786,926
Total liabilities		380,636,254,558	378,811,879,386	373,363,810,876	373,590,652,809

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

Siam City Bank Public Company Limited and its subsidiaries

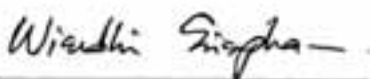
Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Registered, issued and fully paid-up share capital				
2,112,810,676 ordinary shares of Baht 10 each	21,128,106,760	21,128,106,760	21,128,106,760	21,128,106,760
Share premium on treasury stocks	9,294,350	9,294,350	-	-
Revaluation surplus on assets	21 3,409,975,785	3,452,723,631	3,409,975,785	3,452,723,631
Revaluation surplus on investments	22 1,690,957,355	2,362,944,836	1,693,495,688	2,372,982,669
Retained earnings				
Appropriated - statutory reserve	23 1,492,276,455	1,294,460,344	1,492,276,455	1,294,460,344
Unappropriated	15,411,495,456	12,898,495,782	14,782,324,031	12,460,037,558
Equity attributable to the Bank's shareholders	43,142,106,161	41,148,025,703	42,506,178,719	40,708,310,962
Minority interests - equity attributable to minority shareholders of subsidiaries				
	131,404,459	133,784,482	-	-
Total shareholders' equity	43,273,510,620	41,279,810,185	42,506,178,719	40,708,310,962
Total liabilities and shareholders' equity	434,109,765,176	420,091,689,571	415,869,989,595	414,298,963,771
	-	-	-	-
Off-balance sheet items - commitments				
30.1				
Aval to bills and guarantees of loans	806,783,455	1,118,437,836	806,783,455	1,118,437,836
Liability under unmatured import bills	598,451,340	653,978,227	598,451,340	653,978,227
Letters of credits	2,348,885,491	1,194,239,459	2,348,885,491	1,194,239,459
Other commitments	133,846,316,640	123,331,523,577	133,846,316,640	123,331,523,577

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



Mr. Wisudhi Srisuphan

Chairman of the Board



Mr. Chaiwat Utaiwan

President and Chief Executive Officer

Siam City Bank Public Company Limited and its subsidiaries

Statements of income

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Interest and dividend income					
Loans		14,177,041,474	15,885,396,411	14,139,345,412	15,787,713,989
Interbank and money market items		927,376,994	1,034,440,807	922,908,022	1,031,984,699
Investments		3,138,156,954	4,804,435,502	2,927,794,147	4,607,889,017
Total interest and dividend income	32	18,242,575,422	21,724,272,720	17,990,047,581	21,427,587,705
Interest expenses					
Deposits		4,750,202,700	8,331,980,889	4,750,202,700	8,331,980,889
Interbank and money market items		209,619,895	359,395,482	210,820,830	360,186,935
Short-term borrowings		134,037,133	71,028,187	134,037,133	71,028,187
Long-term borrowings		307,594,315	5,305,058	307,594,315	5,305,058
Total interest expenses	32	5,401,454,043	8,767,709,626	5,402,654,878	8,768,501,069
Net interest and dividend income		12,841,121,379	12,956,563,094	12,587,392,603	12,659,086,636
Bad debt and doubtful accounts	10	(2,254,477,898)	(2,150,373,889)	(2,253,821,023)	(1,134,620,348)
Reversal of revaluation allowance for debt restructuring		45,337,702	41,862,919	45,337,702	41,862,919
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		10,631,981,183	10,848,052,324	10,378,909,282	11,566,329,207
Non-Interest Income					
Gains on investments	8.9	1,183,675,518	587,378,307	1,020,433,767	245,813,803
Shares of profits from investments in associated companies under equity method	8.6.1	40,894,695	1,853,969	-	-
Fees and charges					
Acceptances, avails and guarantees		292,100,376	283,262,221	292,100,376	283,262,221
Others		2,324,844,568	2,450,010,680	2,221,188,438	2,295,089,127
Gains on exchange		369,611,017	404,060,100	369,611,017	404,060,100
Gains on disposals of assets		238,625,907	442,128,744	229,994,890	442,128,744
Net premium written on life insurance		2,853,456,318	1,776,330,805	-	-
Other income		383,811,719	314,246,339	383,278,738	320,870,804
Total non-interest income	32	7,687,020,118	6,259,271,165	4,526,807,227	3,991,224,799

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

Siam City Bank Public Company Limited and its subsidiaries

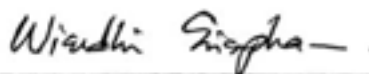
Statements of Income (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Non-interest expenses				
Personnel expenses	4,344,964,897	3,963,160,213	3,918,923,321	3,610,862,418
Premises and equipment expenses	1,909,508,416	1,920,176,941	1,822,063,518	1,834,190,453
Taxes and duties	521,550,726	632,549,665	511,247,715	622,310,378
Fees and charges	492,586,042	350,254,142	452,632,328	316,430,176
Directors' remuneration	25 30,695,473	30,743,164	22,534,832	22,568,000
Contributions to the Financial Institution Development Fund and Deposit Protection Fund	1,396,490,290	1,391,521,446	1,396,490,290	1,391,521,446
Losses on impairment of assets and properties foreclosed	306,200,510	391,023,042	306,200,510	345,699,448
Losses on impairment of investments in subsidiaries	-	-	-	1,022,887,924
Under writing expenses	2,707,986,763	1,805,999,588	-	-
Other expenses	1,065,289,894	893,948,154	1,137,797,363	973,078,509
Total non-interest expenses	32 12,775,273,011	11,378,376,355	9,567,879,877	10,139,548,752
Earnings before income tax	5,543,728,290	5,727,947,134	5,337,636,632	5,418,005,254
Income tax	26 (1,392,548,630)	(1,610,998,130)	(1,381,314,421)	(1,610,762,208)
Net income	4,151,179,660	4,116,949,004	3,956,322,211	3,807,243,046
Net income attributable to:				
Equity holders of the Bank	4,147,035,412	4,113,636,794	3,956,322,211	3,807,243,046
Minority shareholders of subsidiaries	4,144,248	3,312,210	-	-
	4,151,179,660	4,116,949,004	-	-
Earnings per share				
Basic earning per share				
Net income attributable to equity holders of the Bank	17 1.96	1.95	1.87	1.80

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



Mr. Wisudhi Srisuphan

Chairman of the Board



Mr. Chaiwat Utaivan

President and Chief Executive Officer

Siam City Bank Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2009 and 2008

	Consolidated financial statements							(Unit: Baht)
	Equity attributable to the Shareholders				Minority interests - equity attributable to minority shareholders			
Registered, issued and fully paid-up share capital	Treasury stocks	Share premium on equity	Revaluation surplus on assets	Revaluation surplus on investments	Appropriated - Statutory reserve	Unappropriated	Total	
Balance as at 31 December 2007	21,128,106,760	9,294,350	3,618,216,350	1,444,209,523	1,104,098,192	8,932,473,294	36,381,815,992	
Revenue (expenses) recognised directly in equity	-	-	(122,744,873)	-	-	-	(122,744,873)	
Decrease in revaluation surplus on assets	-	-	(42,747,846)	-	-	42,747,846	-	
Amortisation of revaluation surplus on assets	-	-	-	759,808,836	-	-	759,808,836	
Revaluation surplus on investments	-	-	-	-	-	-	-	
Total revenue (expenses) recognised directly in equity	-	-	(165,492,719)	759,808,836	-	42,747,846	642,116,702	
Recognised revaluation deficit on investments in statement of income	-	-	-	158,928,487	-	-	158,928,487	
Net income	-	-	-	-	-	4,113,636,794	4,116,949,004	
Total revenue (expenses) for the year	-	-	(185,492,719)	918,735,313	-	4,156,384,640	4,917,994,193	
Transfer unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	-	190,362,152	(190,362,152)	-	
Balance as at 31 December 2008	21,128,106,760	9,294,350	3,452,723,631	2,362,944,836	1,294,460,344	12,898,495,782	41,279,810,185	
Balance as at 31 December 2008	21,128,106,760	9,294,350	3,452,723,631	2,362,944,836	1,294,460,344	12,898,495,782	41,279,810,185	
Revenue (expenses) recognised directly in equity	-	-	(42,747,846)	-	-	42,747,846	-	
Amortisation of revaluation surplus on assets	-	-	-	(671,987,481)	-	-	(671,987,481)	
Revaluation deficit on investments	-	-	-	-	-	-	-	
Total revenue (expenses) recognised directly in equity	-	-	(42,747,846)	(671,987,481)	-	42,747,846	(671,987,481)	
Net income	-	-	-	(671,987,481)	-	4,147,036,412	4,151,179,660	
Total revenue (expenses) for the year	-	-	(42,747,846)	(671,987,481)	-	4,189,783,258	3,472,667,908	
Transfer unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	-	197,816,111	(197,816,111)	-	
Dividends paid (Note 28)	-	-	-	-	-	(1,478,967,473)	(1,478,967,473)	
Balance as at 31 December 2009	21,128,106,760	9,294,350	3,409,975,785	1,690,957,355	1,492,276,455	15,411,495,456	43,273,510,620	

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

Siam City Bank Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity (continued)
 For the years ended 31 December 2009 and 2008

	Separate financial statements					(Unit: Baht)
	Registered, issued and fully paid-up share capital	Revaluation surplus on assets	Revaluation surplus on investments	Retained earnings		
				Appropriated - Statutory reserve	Unappropriated	
Balance as at 31 December 2007	21,128,106,760	3,618,216,350	1,442,408,235	1,104,090,192	8,800,408,818	36,093,238,355
Revenue (expenses) recognised directly in equity	-	-	-	-	-	-
Decrease in revaluation surplus on assets during the year	-	(122,744,873)	-	-	-	(122,744,873)
Amortisation of revaluation surplus on assets	-	(42,747,846)	-	-	42,747,846	-
Revaluation surplus on investments	-	-	771,645,947	-	-	771,645,947
Total revenue (expenses) recognised directly in equity	-	(165,492,719)	771,645,947	-	42,747,846	648,901,074
Recognised revaluation deficit on investments in statement of income	-	-	158,928,487	-	-	158,928,487
Net income	-	-	-	-	3,807,243,046	3,807,243,046
Total revenue (expenses) for the year	-	(165,492,719)	930,574,434	-	3,849,990,892	4,615,072,607
Transfer unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	190,362,152	(190,362,152)	-
Balance as at 31 December 2008	21,128,106,760	3,452,723,631	2,372,982,669	1,294,460,344	12,460,037,558	40,708,310,962
Balance as at 31 December 2008	21,128,106,760	3,452,723,631	2,372,982,669	1,294,460,344	12,460,037,558	40,708,310,962
Revenue (expenses) recognised directly in equity	-	(42,747,846)	-	-	42,747,846	-
Amortisation of revaluation surplus on assets	-	-	(679,486,981)	-	-	(679,486,981)
Revaluation deficit on investments	-	(42,747,846)	(679,486,981)	-	42,747,846	(679,486,981)
Total revenue (expenses) recognised directly in equity	-	-	-	-	3,956,322,211	3,956,322,211
Net income	-	-	-	-	3,999,070,057	3,276,835,230
Total revenue (expenses) for the year	-	(42,747,846)	(679,486,981)	-	(187,816,111)	-
Transfer unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	187,816,111	(187,816,111)	-
Dividends paid (Note 26)	-	-	-	-	(1,478,967,473)	(1,478,967,473)
Balance as at 31 December 2009	21,128,106,760	3,409,975,785	1,693,495,688	1,492,276,455	14,782,324,031	42,506,178,719

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

Siam City Bank Public Company Limited and its subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Earnings before income tax	5,543,728,290	5,727,947,134	5,337,636,632	5,418,005,254
Adjustments to reconcile earnings before income tax to net cash provided by (paid from) operating activities:				
Shares of profits from investments in associated companies	(40,894,695)	(1,853,969)	-	-
Depreciation and amortisation	818,378,184	936,182,415	781,229,451	896,912,182
Bad debts and doubtful accounts	2,254,477,898	2,150,373,689	2,253,821,023	1,134,620,348
Reversal of revaluation allowance for debt restructuring	(45,337,702)	(41,862,919)	(45,337,702)	(41,862,919)
Losses on disposals of debts	-	41,288,839	-	41,288,839
Gains on disposals of premises and equipment	(84,663,873)	(25,743,051)	(76,032,856)	(25,452,193)
Gains on disposals of properties foreclosed	(153,962,034)	(416,676,551)	(153,962,034)	(416,676,551)
Losses on impairment of assets and properties foreclosed	306,200,510	391,023,042	306,200,510	345,699,448
Losses on impairment of investments	-	180,663,486	-	180,663,486
Losses on impairment of investments in subsidiaries	-	-	-	1,022,887,924
Gains on sale of investments	(876,181,530)	(595,126,789)	(737,156,845)	(629,054,104)
Unrealised (gains) losses on revaluation of investments	55,424,946	(168,415,222)	(231,916,070)	207,076,597
Reversal of allowance for impairment on investments	(51,360,852)	(13,085,666)	(51,360,852)	(13,085,666)
(Gains) losses on reclassification of investment types	(311,558,082)	8,585,884	-	8,585,884
Unrealised (gains) losses on exchange	(100,296,758)	306,239,885	(100,296,758)	306,239,885
(Reversal of) provisions for contingent liabilities	78,905,942	(145,316,644)	78,905,942	(145,316,644)
Increase in life policy reserves	1,889,528,458	1,176,386,659	-	-
Increase (decrease) in accrued expenses	(3,942,476)	(9,308,383)	(176,119,958)	216,692,181
Income from operating activities before changes in operating assets and liabilities	9,278,446,226	8,501,301,839	7,185,610,483	8,507,223,951

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

Siam City Bank Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
(Increase) decrease in operating assets				
Interbank and money market items	(7,032,813,712)	(9,859,345,334)	(7,023,041,063)	(10,128,988,480)
Short-term investments	1,455,086,244	9,884,630,846	2,398,774,117	10,717,531,413
Loans	(338,289,782)	(28,760,275,904)	(509,238,983)	(28,362,656,946)
Properties foreclosed	875,815,934	2,654,013,905	875,815,934	2,654,013,905
Differences as a result of assets transferred to "SAM"	-	585,814,223	-	585,814,223
Other assets	29,845,171	1,021,216,974	155,060,158	1,027,741,029
Increase (Decrease) in operating liabilities				
Deposits	(19,539,427,480)	10,291,479,049	(19,460,121,309)	10,330,481,918
Interbank and money market items	5,897,523,717	(426,498,633)	5,852,029,651	(323,852,307)
Liability payable on demand	282,659,010	(78,968,196)	282,659,010	(78,968,196)
Securities sold under repurchase agreements	-	(7,000,000,000)	-	(7,000,000,000)
Short-term borrowings	4,481,425,257	(1,825,371,788)	4,481,425,257	(1,825,371,788)
Other liabilities	(157,790,441)	(1,198,100,385)	(380,795,184)	(1,189,024,263)
Cash used in operating activities	(4,767,719,856)	(15,210,103,404)	(6,141,821,929)	(15,086,055,541)
Net interest and dividend income	(18,242,575,422)	(21,724,272,720)	(17,990,047,561)	(21,427,587,705)
Interest expenses	5,401,454,043	8,767,709,626	5,402,654,978	8,768,501,069
Cash received on interest income	18,292,921,826	21,049,938,516	18,095,209,627	20,774,545,890
Cash paid for interest expenses	(6,007,664,961)	(9,197,309,270)	(6,009,161,296)	(9,197,932,676)
Cash paid for income tax	(1,388,001,901)	(1,002,237,100)	(1,364,045,113)	(960,942,394)
Cash received on income tax refund	6,102,356	76,996,984	-	74,873,658
Net cash used in operating activities	(5,703,483,915)	(17,239,277,368)	(8,007,211,314)	(17,054,597,699)
Cash flows from investing activities				
(Increase) decrease in long-term investments	(1,203,444,106)	17,684,714,018	103,896,280	17,718,354,657
Cash received on dividend from associated companies	25,415,000	27,730,000	25,415,000	27,730,000
Dividends received	441,265,936	579,831,682	397,888,445	545,745,267
Proceeds from disposals of premises and equipment	88,317,742	26,266,261	79,064,348	25,829,065
Cash paid for purchases of premises and equipment	(333,879,513)	(210,483,108)	(299,752,738)	(197,763,227)
Cash paid for leasehold rights	(10,257,340)	(4,219,380)	(10,257,340)	(4,219,380)
Cash paid for intangible assets	(56,379,982)	(71,217,419)	(41,460,488)	(67,758,875)
Cash paid for investment in a subsidiary	-	-	-	(200,000,000)
Cash paid for investment in an associated company	(132,500,000)	-	(132,500,000)	-
Net cash provided by (used in) investing activities	(1,181,462,263)	16,032,622,054	122,913,507	17,847,917,507

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

Siam City Bank Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from financing activities				
Proceeds from issuance of subordinated debentures	10,000,000,000	-	10,000,000,000	-
Cash received from (paid for) long-term borrowings	(418,001,973)	1,403,062,931	(418,001,973)	1,403,062,931
Dividends paid	(1,478,967,473)	-	(1,478,967,473)	-
Net cash provided by financing activities	8,103,030,554	1,403,062,931	8,103,030,554	1,403,062,931
Net increase in cash and cash equivalents	218,084,376	2,196,407,617	218,132,747	2,196,382,739
Cash and cash equivalents at beginning of the years	12,579,521,182	10,383,113,565	12,579,302,644	10,382,919,905
Cash and cash equivalents at end of the years	12,797,605,558	12,579,521,182	12,797,435,391	12,579,302,644

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

Siam City Bank Public Company Limited and its subsidiaries**Notes to financial statements****For the years ended 31 December 2009 and 2008****1. General information****1.1 Economic crisis**

The financial crisis experienced by the United States of America over the past years has had a far reaching effect on the global economy. The governments of many countries have made continuous efforts to remedy the problem and to build confidence to various parties. However, the global economy remains uncertain. These financial statements have therefore been prepared on the bases of facts currently known to the Bank and its subsidiaries and on estimates and assumptions currently considered appropriate. However, they could be affected by an array of future events.

1.2 Bank information

Siam City Bank Public Company Limited ("the Bank") is a public limited company incorporated and domiciled in Thailand. The Bank operates in Thailand and commenced operating its banking businesses on 24 May 1941. The Bank's head office is located at No. 1101 New Petchburi Road, Makkasan Sub-district, Rajathevi District, Bangkok. As at 31 December 2009 and 2008, the Bank had altogether 420 branches and 407 branches, respectively, in all regions of Thailand, and one overseas branch.

All subsidiaries were incorporated as limited companies under Thai laws. They operate in Thailand and their core businesses are securities business, fund management business, life insurance business and service rendering business.

2. Basis of preparation of financial statements

2.1 Basis for presentation of financial statements

These financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and the presentation of the financial statements has been made in compliance with the Notification of the Bank of Thailand ("BoT") regarding "the preparation and format of the financial statements of commercial banks and holding parent company of financial business groups" dated 3 August 2008, and relevant notifications of the Securities and Exchange Commission ("SEC").

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding significant accounting policies.

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

2.2 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of Siam City Bank Public Company Limited and the following subsidiaries:

	Type of business	Percentage of shares held by the Bank as at 31 December		Assets included as a percentage to the consolidated totals as at 31 December		Revenue included as a percentage to the consolidated totals for the year ended 31 December		Net income (loss) included as a percentage to the consolidated totals for the year ended 31 December	
		2009	2008	2009	2008	2009	2008	2009	2008
Siam City Life Assurance Co., Ltd.	Life insurance	100	100	1.95	1.39	12.23	8.39	3.42	7.63
Siam City Securities Co., Ltd.	Securities	99.8	99.8	0.27	0.29	1.30	1.18	0.49	(23.60)
SCIB Services Co., Ltd.	Service rendering	100	100	0.01	0.01	0.03	0.01	0.10	0.01
Siam City Asset Management Co., Ltd.	Fund management	60	60	0.07	0.08	0.58	0.43	0.27	0.27

- (b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Bank obtains control, to the date on which the Bank disposes of its investments in such subsidiaries or the subsidiaries cease their operation and enter the liquidation process. The consolidated financial statements as at 31 December 2009 and 2008 did not include the financial statements of a subsidiary, The Chada Thong Properties Company Limited, in which the Bank has a shareholding greater than 50 percent, because the subsidiary has ceased its operations and is in the process of being liquidated. The Bank has already made a full allowance for impairment in the value of its investment in this subsidiary.
- (c) The financial statements of the subsidiaries, which are used to prepare the consolidated financial statements, are prepared for the same reporting period as the Bank, using consistent significant accounting policies.
- (d) The outstanding balances and significant intercompany transactions between the Bank and its subsidiaries have been eliminated in the consolidated financial statements. The investments in subsidiaries as recorded in the Bank's and subsidiaries' books of accounts have been eliminated against shareholders' equity of the subsidiaries.
- (e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated statements of income and within equity in the consolidated balance sheets.

2.3 Separate financial statements

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

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions ("FAP") issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as used in these financial statements correspond to those per this notification.

The FAP has issued Notification No. 86/2551 and 16/2552, mandating the use of new Thai Accounting Standards ("TAS"), Thai financial reporting standards ("TFRS") and Accounting Treatment Guidances as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale and

Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidances became effective for the financial statements for fiscal year beginning on or after 1 January 2009. The management of the Bank and its subsidiaries has assessed the effect of these standards and guidances and believes that the above-mentioned accounting standards, financial reporting standard and accounting treatment guidances do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date. The management of the Bank and its subsidiaries has assessed that TAS 20 is not relevant to their businesses, while TAS 24 (revised 2007) and TAS 40 will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Significant accounting policies

Significant accounting policies adopted by the Bank and its subsidiaries are summarised below.

4.1 Revenue recognition

(a) Interest and discounts on loans

The Bank recognises interest and discounts on loans as revenue on an accrual basis, based on the amount of principal outstanding. For loans on which principal or interest payments have been defaulted for more than three months from the due date, the Bank ceases accrual of interest income, recognises interest income on a cash basis and reverses the interest previously accrued as revenue from its accounts, in accordance with the Notification of the Bank of Thailand.

Interest income on restructured loans is recognised on a cash basis.

(b) Interest on margin loans

Interest on margin loans is recognised as revenue on an accrual basis, but where there is uncertainty as to the collectability of loans and interest the subsidiary ceases accrual.

In the following cases, collectability of loans and interest is considered to be uncertain.

- (1) Loans which are not fully collateralised.
- (2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
- (3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is a clear evidence and a high degree of certainty that full repayment will be received.
- (4) Debtors are troubled financial institutions.
- (5) Other debtors from which interest payment is overdue by 3 months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 33/2543 dated 25 August 2000, amended by Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

(c) Interest and dividends on investments

Interest on investments is recognised as revenue based on the effective yield rates over the holding periods. Dividend income is recognised when the right to receive dividends is established.

(d) Fees and service income

Fees and service income are recognised as revenue on an accrual basis.

(e) Brokerage fees

Brokerage fees on securities and derivatives trading are recognised as revenue on the transaction date.

(f) Gain (losses) on trading in investments

Gain (losses) on trading in investments are recognised as revenue or expenses on the transaction dates.

(g) Gains (losses) on trading in securities and derivatives

Gains (losses) on trading in securities and derivatives are recognised as revenue or expenses on the transaction dates.

(h) Life insurance premium

First year premium income is recognised as revenue when cash received and underwriting of the insurance is approved.

Renewal year premium income is recognised as revenue when they are due and collected. Moreover, premium due and uncollected at end of the year is recognised as revenue only if the policy is still in force.

4.2 Expense recognition

(a) Interest expenses

Interest expenses are charged to statements of income on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses on a straight-line method over the periods of notes payables.

(b) Life premium reserve

Life premium reserve represents the reserve for liability accumulated from the commencement date up to the balance sheet dates, for all life insurance policies in force. The reserve is calculated in accordance with the actuarial method prescribed by the Regulation on Life Insurance Policy Reserve as promulgated by the Ministry of Commerce on 23 November 2001.

- Reserve for life insurance policies with over-1-year period is determined using the mean reserve method.
- At least 40 percent of net premium written or full amount of unearned premium reserve is set aside for life insurance policies with less than or equal to 1-year period, accident insurance policies, health insurance policies, or other insurance policies.

(c) Benefits payment in accordance with life insurance policies

Benefits payment is recorded when notification of claim is received or when due under policies.

4.3 Cash and cash equivalents

Cash and cash equivalents are those amounts included in the balance sheets under the caption of cash, and consist of cash on hand and cheques in transit.

4.4 Recording and derecording customers' assets

Assets which customers have placed with the subsidiary as collateral for securities and derivatives trading are recorded as assets of the subsidiary for internal control purposes, but at the balance sheet dates the subsidiary offsets these amounts against both assets and liabilities and presents only those assets which belong to the subsidiary.

4.5 Securities purchased under resale agreements/Securities sold under repurchase agreements

The Bank enters into agreements to purchase securities or to sell securities that include agreements to sell or purchase the securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items" in the balance sheets, and the underlying securities are treated as collateral to the receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items" in the balance sheets, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

Differences between the purchase and sale considerations are recognised as interest income or expenses over the transaction periods.

4.6 Investments

Investments in securities held for trading are presented at fair value. Unrealised gains or losses arising from changes in the value of such securities are included in the statements of income.

Investments in available-for-sales securities, both held as short-term and long-term investments, are presented at fair value. Changes in the value of such securities are shown as a separate item in shareholders' equity until the securities are sold, when the changes are then included in statements of income.

Investments in debt securities expected to be held to maturity, which are classified as short-term or long-term investments by remaining periods to maturity, are presented at amortised costs less allowance for impairment losses (if any). Premiums/discounts on debt securities are amortised based on the effective yield rates. The amortised amount is presented as an adjustment to the interest income.

Investments in non-marketable equity securities which are classified as general investments are valued at cost less allowance for impairment losses (if any).

Purchases and sales of equity securities are recognised on the trade dates except for the Bank's investments in debt securities, which are recognised on the settlement dates.

Losses on impairment of investments are recognised in statements of income.

In cases where there is reclassification of investment type, the investments are presented at their fair value prevailing on the reclassification dates. Differences between the carrying amount of the investments and their respective fair value on those dates are charged against statements of income or recorded as revaluation surplus (deficit) on investments, which is presented as a separate item in shareholders' equity to be amortised over the remaining periods to maturity of the debt securities, according to the type of the reclassified investment.

4.7 Fair values of securities

Fair values of securities are calculated on the following basis:

For government securities and state enterprise securities, fair values are calculated by using the Bank of Thailand formula, based on the yield curve of The Thai Bond Market Association or other financial institutions.

For private sector debt securities which can be freely traded on an open market or for which quoted market prices are readily available, the last trading price quoted by The Thai Bond Market Association is used as a fair value. In the absence of such price, fair value is determined applying the yield curve of The Thai Bond Market Association or other financial institutions, adjusted for an appropriate risk premium, in accordance with the criteria established by the Bank of Thailand. For private sector debt securities, which cannot be freely traded on an open market or for which a quoted market price is not readily available, the Bank uses the fair value that is determined by its counterparty.

For listed equity securities, fair value is the last bid price quoted on The Stock Exchange of Thailand on the last business day of the period.

For investment units, fair value is determined using the net asset value as at the balance sheet dates.

The Bank measures investments with embedded derivatives using the fair value as estimated by the seller with gains/losses arising from revaluation recognised in the statements of income. This method of measurement is in compliance with the principles stipulated by the Bank of Thailand's Notification no 67/2551, dated 3 August 2008.

4.8 Investment in subsidiaries and associated companies

Separate financial statements

Investments in subsidiaries and associated companies are stated at cost net of allowance for impairment on investments in subsidiaries and associated companies (if any). Losses on impairment are charged to the statements of income.

Consolidated financial statements

Investments in associated companies in the consolidated financial statements are recorded using the equity method. Under this method, investments are initially recorded at the acquisition cost and are adjusted to reflect the attributable share of the profits or losses from the operations of the associated companies, in proportion to the investments. Goodwill is presented in the balance sheet at cost less allowance for impairment whereby cost of goodwill arisen as a result of business combination completed before 1 January 2008 is the book value of goodwill outstanding as at 31 December 2007.

If the Bank receives shares as a result of debt restructuring of a borrower, and as a result the Bank holds more than 50 percent or 20 percent of the paid-up share capital of such company, the Bank will not treat the investee company as a subsidiary or an associated company, respectively, but will treat it as a general investment since the Bank intends to hold such investment temporarily. Such investments are valued at cost less allowance for impairment losses (if any).

The Bank does not treat investments in any mutual funds in which it holds more than 50% or 20% of equity as investments in subsidiaries or associated companies, respectively because the Bank does not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund managers in accordance with the mutual fund prospectus and under the supervision of the Office of Securities and Exchange Commission.

4.9 Loans

The Bank presents loans at the principal balances excluding accrued interest receivables, with the exception of bank overdrafts, which are presented at the principal balance including accrued interest receivables. Unearned income and discounts on loans are deducted from the loan balances.

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful debts, and adding related accrued interest receivables. In addition, securities business receivables include the net receivable balances of cash accounts, credit balance receivables for which the securities purchased are used as collateral, and other receivables such as overdue cash customers accounts and receivables which are, for example, subject to legal proceedings, are undergoing restructuring or are settling in installments.

4.10 Allowance for doubtful debts

(a) For loans of banking business

The Bank provides allowance for doubtful debts in accordance with the notifications of the Bank of Thailand ("the BoT") and adjusts the balance based on the amount that it expects not to be recouped from debtors. Such amount is determined based on an evaluation of the current status of the debtors, taking into consideration relevant risk and the value of the underlying collateral.

For loans classified as "Pass" (including restructured loans) and "Special-mention", the Bank sets provision at the rates of 1% and 2% of the loan balances (excluding accrued interest receivables) after deducting collateral value, respectively, calculated in accordance with the BoT's guidelines.

For non-performing loans, which are loans classified as "Sub-standard", "Doubtful" and "Doubtful of loss", the Bank sets provision at a rate of 100% of the recorded debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, discounted at the rate and over the time needed to dispose of collateral in accordance with the BoT's guidelines.

Allowance for doubtful debts additionally set up during the years is recognised as expenses for the years.

Amounts written off as bad debts are deducted from the allowance for doubtful debts and in case of recovery being made from these debtors, the recovered amount is recognised as revenue in statements of income in the year it is recovered.

(b) For securities business receivables

A subsidiary provides allowance for doubtful debts based on a review of the debtor's ability to make repayment, taking into consideration recovery risk and/or the value of the collateral. Allowance is set aside for doubtful debts not fully covered by collateral and/or those expected not to be fully recoverable. Debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor. Thor. 33/2543, dated 25 August 2000, as amended by the Notification No. Kor. Thor. 5/2544, dated 15 February 2001, of the Office of the Securities and Exchange Commission, and taking into consideration other relevant factors.

4.11 Troubled debt restructuring and losses from troubled debt restructuring

The Bank records troubled debt restructuring transactions and relevant losses with reference to the Notifications of the Bank of Thailand.

In determination of losses from troubled debt restructuring, in cases where the troubled debt restructuring involves debt/asset swaps and/or debt/equity swaps the Bank recognises a loss from troubled debt restructuring in the statements of income equal to the excess of the recorded outstanding loans and receivables due from a debtor over the fair value of the assets and/or equity received in settlement of debts. In cases where the troubled debt restructuring involves modification of the repayment conditions, the Bank will determine the present value of expected cash inflows under the new restructuring agreements, discounted by the market interest rate being quoted on the restructuring dates. The excess of the recorded outstanding loans and receivables due from a debtor over the then-determined present value is accounted for as revaluation allowance for debt restructuring and recognised as expenses in statements of income on the debt restructuring dates. The Bank amortises the revaluation allowance based on the repayment amounts and the remaining term of the debt restructuring agreement, or reviews such revaluation allowance using the present value of the projected expected cash to be received over the remaining terms.

4.12 Receivable from Clearing House/Payable to Clearing House

Receivable from Clearing House comprises the net balance receivable from Thailand Securities Depository Company Limited ("TSD") in respect of securities trades settled through the Clearing House of TSD, and the net balance receivable from Thailand Clearing House Company Limited ("TCH") for derivatives business including amounts placed with TCH as security for derivatives trading.

Payable to Clearing House comprises the net balance payable to Thailand Securities Depository Company Limited in relation to securities trading settlements made through the Clearing House of TSD, and the net balance payable to Thailand Clearing House Company Limited for derivatives business.

4.13 Properties foreclosed

Properties foreclosed are stated at the lower of cost or net realisable value, which is determined with reference to the latest available appraisal value, in accordance with the Notifications of the Bank of Thailand, less estimated selling expenses.

Gains or losses on disposals of properties foreclosed are recorded as revenues or expenses in statements of income when ownership is transferred. Losses on impairment of properties foreclosed are recognised as expenses in statements of income.

4.14 Premises and equipment and depreciation

Land are stated at cost/revalued amount, buildings and equipment are stated at cost/revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

The Bank and its subsidiaries initially record land, buildings and equipment at their costs on the acquisition dates. The Bank, thereafter, arranged to have the independent appraisers valued land and buildings and records those assets at their appraised values. The Bank has policy to revalue such assets every 3 to 5 years in order that the carrying values of those assets as at the balance sheet dates do not differ materially from their fair values.

The Bank recognises surplus/deficit arising as a result of revaluation of its assets as follows:

- (a) When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to the equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as revenue in statements of income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense in statements of income.
- (b) When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised as an expense. However, a revaluation decrease will be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the surplus on revaluation in respect of the same asset and the exceeded amount is recognised as an expense in statements of income.

Depreciation of buildings and equipment is calculated by reference to their costs or the revalued amount, on a straight line basis over the following estimated periods of useful lives.

Buildings	-	20 - 30 years
Equipment	-	3 - 10 years
Motor vehicles	-	5 years

No depreciation is determined for land and assets in progress.

Depreciation is included in statements of income.

Revaluation surplus on assets is amortised on the straight-line method over the estimated remaining periods of those assets' useful lives, and directly credited to the retained earnings.

4.15 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Leasehold rights are amortised on a straight-line basis over the lease periods and the amortisation amounts are recognised as expenses in statements of income.

4.16 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and allowance for impairment (if any).

Intangible assets with finite useful lives or with useful lives that can be estimated on a systematic basis are amortised over the periods of their economic benefit lives and are tested for impairment whenever there is an indication that the asset may be impaired. The amortisation period and method for such intangible assets are reviewed at least at each financial year-end. The amortisation amount and loss on impairment are recognised as expenses in the statements of income.

Intangible assets with finite useful lives or with useful lives, which can be estimated on a systematic basis have the followings periods of economic benefit lives.

Computer softwares	3 - 10 years
The Future Exchange membership fee	5 years
Service charges for internet trading transactions	
ordered through the Front Office system	10 years
Initial entrance fee for access to online derivatives	
trading system	10 years

No amortisation for computer softwares under development.

4.17 Impairment of assets

The Bank and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank and its subsidiaries estimate the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and such impairment loss is recognised in the statements of income. An asset's recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In determining fair value less costs to sell, the Bank and its subsidiaries determine the amount that they could obtain at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing unrelated parties, after deducting the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

4.18 Long-term leases

Long term leases for assets which significant portion of the risks and rewards of ownership pertaining to the lessor are classified as operating leases. The Bank and its subsidiaries recognise rental fees as expenses in the statements of income over the contract periods.

The Bank and subsidiaries record vehicle under financial leases, which transfer substantially all the risks and rewards of ownership to the Bank and subsidiaries, as being lessees, as financial leases. Financial leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as long-term liabilities, while the interest element is charged to the statements of income over the lease period. Assets acquired under finance leases are depreciated over their estimated useful lives.

4.19 Provisions

Provisions are recognised when the Bank and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of such obligation can be made.

4.20 Derivatives

The Bank has entered into derivative transactions in order to respond to clients' needs and manages its own foreign exchange and interest rate risks. Obligations under derivative contracts are regarded as off-balance sheet items.

(a) Forward exchange contracts

The Bank records the difference between the contracted rates and the spot rates on the contract dates as assets or liabilities in the balance sheets by the amounts determined from recognition of such determined difference as expenses or revenue on a straight line basis over the contract periods.

(b) Interest rate swap contracts/Cross currency swap contracts

For trading purpose

Derivative contracts having an interest rate swap feature entered into by the Bank for trading purposes are recorded at fair values whereby a change in the fair value of the contracts is recognised as a gain/loss in statements of income.

For non-trading purpose

Derivative contracts entered into by the Bank for non-trading purposes are recognised on an accrual basis as follows:

- The foreign exchange components are translated at the exchange rates ruling on the balance sheet dates, with unrealised gains or losses on translation recognised in statements of income. Receivables and payables as a result of translation of such components are presented at the net amount as assets or liabilities in balance sheets.
- Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets and liabilities. That is, interest income or interest expense is recognised in the statements of income over the terms of the contracts.

From 30 September 2008, the Bank changed its method of measuring foreign exchange contracts, interest rate swap contracts, and cross currency and interest rate swap contracts. The changes were made according to the purposes of entering into these transactions, as follows.

Trading Book

As at the balance sheet dates, foreign exchange contracts, interest rate swap contracts and cross currency and interest rate swap contracts are measured at fair value. Gains/Losses arising from revaluation are recognised in the statements of income.

The fair values of foreign exchange contracts were determined using the forward exchange rates of the remaining contract periods at the balance sheet date. The fair values of interest rate swap contracts and cross currency and interest rate swap contracts is determined based on the price of same derivatives having similar characteristics, same currency, and same maturity periods, as those currently committed, as published by reliable sources.

Banking Book

As of the balance sheet dates, the Bank recognises foreign exchange contracts, interest rate swap contracts, and cross currency and interest rate swap contracts on an accrual basis as follows:

- (a) The foreign exchange components are translated at the exchange rates ruling on the balance sheet dates, with unrealised gains or losses on translation recognised in statements of income. Premiums or discounts on contracts are amortised on a straight-line basis over the terms of the contracts.
- (b) Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets and liabilities. That is, interest income or interest expense is recognised in the statements of income over the terms of the contracts.

These measurement methods are in compliance with the principles stipulated by the Bank of Thailand's Notification no 67/2551, dated 3 August 2008.

A subsidiary measures its trading derivatives at fair value. Amounts pledged as security for derivatives trading are recorded as receivable from Clearing House and gains or losses from changes in fair value of derivatives are included in the statements of income. The fair value of derivatives is based on the daily settlement price quoted on Thailand Futures Exchange Public Company Limited.

4.21 Translation of foreign currencies

Foreign currency transactions are translated into Baht at the reference exchange rates of the Bank of Thailand ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies outstanding on the balance sheet dates have been translated into Baht at the reference exchange rates of the Bank of Thailand ruling on the balance sheet dates.

Exchange gains and losses are included in statements of income.

4.22 Employee benefits

Salary, wages, bonuses, contributions to the social security fund and provident fund are recognised as expenses on an accrual basis.

4.23 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

4.24 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Bank and its subsidiaries, whether directly or indirectly, or which are under common control with the Bank and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Bank and its subsidiaries that gives them significant influence over the Bank and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Bank's and its subsidiaries' operations, together with close family members of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant accounting judgments and estimates are as follow:

5.1 Fair value of financial instruments

In determining the fair value of financial instruments that are not freely traded in an open market or for which quoted market prices are not readily available, the management exercises judgment in estimating the fair value of such financial instruments, using the generally accepted valuation method. The inputs used in such fair value calculation are comparable to those from the observable markets, taking into consideration of liquidity and correlation and long-term volatility of financial instruments.

5.2 Allowance for doubtful debts on loans and accrued interest receivables

Allowances for doubtful debts on loans and accrued interest receivables are intended to adjust the value of loans and receivables for probable credit losses. The management follows the BoT's and the SEC's guidelines regarding the provision of allowance for doubtful debts, including the use of judgment to estimate losses expected to be incurred on loans and accrued interest receivables, taking into consideration an analysis of each debtor's status, payment history, collection experience from the debtor, the value of collateral and surrounding economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful debts and adjustments to the allowances may therefore be required in the future.

5.3 Allowance for impairment on investments in securities

The Bank and its subsidiaries consider that available-for-sale investments are impaired when the management exercises judgment that there has been a significant and prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgment.

5.4 Allowance for impairment on properties foreclosed

The Bank considers allowance for impairment of properties foreclosed when net realisable value is below book value. The management uses judgment to estimate impairment loss, taking into consideration the latest appraisal values, the types, the characteristics of the assets and disposal plans for properties foreclosed. However, the use of different estimates and assumptions could affect the amounts of allowance for impairment and adjustments to the allowances may therefore be required in the future.

5.5 Premises and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to estimate the useful lives and salvage values of the Bank's buildings and equipment and to review estimated useful lives and salvage values whenever circumstances change.

The Bank measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the fair market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amounts are lower than the carrying amounts. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.6 Intangible assets

In consideration of impairment on intangible assets, it requires management to forecast cash flows that will be generated by the assets or the cash generating units, and to select a suitable discount rate in order to determine the present value of those cash flows. In addition, in amortising intangible assets, the management estimates the useful lives of those intangible assets that have finite useful lives and reviews these estimates whenever circumstances change.

5.7 Recognition and derecognition of assets and liabilities

In considering whether to recognise or derecognise assets and liabilities, the management is required to make judgment on whether significant risk and rewards have been transferred. Although management uses their best judgment and knowledge of current events in making assessments of risk and rewards, actual risks and rewards may ultimately differ.

5.8 Life insurance premium reserve

Life insurance premium reserve is calculated under the actuarial method, based on current assumptions or on assumptions established at inception of the insurance contract, and adjusted to reflect risk premium and adverse deviations. The main assumptions used relate to mortality rates, morbidity rates, longevity, investment returns, expenses, lapse and surrender rates, and discount rates. The use of different assumptions may affect the amount of the life insurance premium reserve, and adjustment of life insurance premium reserve may therefore be required in the future.

5.9 Litigation and pending resolutions as a result of the receipt of business transfer and the transfer of non-performing assets

The Bank and its subsidiaries have contingent liabilities as a result of (a) litigation cases being made against them and (b) issues pending resolutions as a result of the receipt of business transfer and the transfer of non-performing assets. The management exercises to assess the outcome of the litigation cases and the resolutions of pending issues and in case where they believe that there will be no loss to the Bank and its subsidiaries, they will provide no contingent liabilities as at the balance sheet dates. However, actual outcome could differ from the estimates.

6. Transfer of business from Bangkok Metropolitan Bank Public Company Limited and transfer of non-performing assets to Petchburi Asset Management Company Limited

6.1 Transfer of business from Bangkok Metropolitan Bank Public Company Limited

In order to comply with an order of the Ministry of Finance dated 29 March 2002, the Bank entered into a business transfer agreement with Bangkok Metropolitan Bank Public Company Limited ("BMB"), effective from 1 April 2002, whereby it was to receive the transfer of all assets and liabilities of BMB, including obligations, at their book value as at 31 March 2002, and the Bank was to issue non-interest bearing notes to BMB to settle the excess of assets over liabilities.

The Bank received the transfer of assets and liabilities totaling approximately Baht 187,679 million and Baht 181,016 million, respectively, leaving an excess of assets over liabilities of Baht 6,663 million, which the Bank was to pay to BMB. The Bank made payment of such amount to BMB in July 2007.

However, as at 31 December 2009, the Bank still has assets, commitments and contingent liabilities outstanding as a result of the transfer of business from BMB, as described below.

- (a) The difference as a result of assets transferred to Sukhumvit Asset Management Company Limited ("SAM") still not being accepted by SAM, as discussed under Note 6.2 (a) to the financial statements,

- (b) SAM has requested to transfer back assets to the Bank, requested price adjustments and requested repayments together with interest from the Bank, as discussed under Note 6.2 (b) to the financial statements.
- (c) There are lawsuits involving the Bank as a result of the transfer of business from BMB, totaling approximately Baht 10,885 million. These have already been disclosed as contingent liabilities, as discussed under Note 30.2.1 (b) to the financial statements.
- (d) There are commitments in respect of guarantees.

After the payment of Baht 6,663 million to BMB in July 2007, the FIDF deposited Baht 1,089 million, which is equal to the loss compensation limit, with the Bank in the FIDF's account. Such deposit account is to fund the payment of compensation to the Bank in accordance with the agreement to compensate for losses incurred by the Bank as a result of the transfer of business from BMB, if such losses are actually incurred by the Bank due to the outstanding issues described in (a), (b), (c) and (d) above. In addition, there is a memorandum of agreement concerning conditions for additional loss compensation if the Bank incurs losses in relation to the two lawsuits discussed in (c).

As at 31 December 2009 and 2008, the deposit account of the FIDF to fund the payment of compensation for losses incurred by the Bank, had outstanding balance of approximately Baht 1,050 million and Baht 1,057 million, respectively, because compromise agreements were reached by the Bank in 5 lawsuits and 4 lawsuits, respectively, with no loss being incurred by the Bank.

6.2 Transfers of non-performing assets to Petchburi Asset Management Company Limited

On 29 June 2001, two agreements were made, between the Bank and Petchburi Asset Management Company Limited ("PAM") and between BMB and PAM, in respect of the transfer of non-performing loans outstanding as at 29 June 2001, 28 December 2001 and 28 June 2002, and off-balance sheet commitments outstanding as at 30 June 2001, whereby the Bank settled obligations to the beneficiaries in cases where the claims on those commitments arose prior to 29 June 2004. Later, on 7 May 2004, PAM transferred its entire business to SAM, and therefore any transactions to which PAM was a party were transferred to SAM.

The transfers of non-performing loans and related settlement have almost been completed. However, there remain the following outstanding issues.

- (a) As at 31 December 2009 and 2008, there was an outstanding difference of approximately Baht 94 million, as a result of the transfer of assets to SAM, comprising receivables awaiting collection. These are presented under the caption of "Differences as a result of assets transferred to SAM" in the balance sheets. Such amounts mainly relate to transfers of guarantee claims, for which there are pending issues with regard to proof of rights of claim or the assets transferred being qualified in accordance with the conditions set out in the transfer agreements. Such differences are now being examined and/or negotiated among the Bank, SAM and FIDF for final resolution.

As at 31 December 2009 and 2008, such differences consist of (i) Baht 11 million of transactions incurred directly by the Bank, against which the Bank has set aside full allowance for doubtful debts, and (ii) Baht 83 million of transactions incurred by BMB. If losses arise on the latter and collection can not be made from SAM, FIDF will consider compensating the Bank for all such losses.

As at 31 December 2009 and 2008, the outstanding balances of such differences, net of allowance for doubtful debts, amounted to Baht 83 million. The Bank's management believes that no significant future losses will arise since the transfers of those assets corresponded to the principles of the agreements made among the Bank, BMB and SAM and the agreement given by FIDF.

- (b) Furthermore, SAM is re-examining certain previously transferred assets (of both the Bank and BMB) in order to consider whether to transfer the assets back to the Bank, to request price adjustments or to request repayment together with interest from the Bank. The major pending issue relates to the proof of rights of claim over these assets. In relation to the transferred assets of BMB, the Bank's management believes that the Bank will receive compensation for losses from the FIDF, as discussed under Note 6.1 to the financial statements, and that any adjusting transactions will be within the limit of the funds set aside by FIDF to compensate for losses in such cases, amounting to approximately Baht 503 million.

At the balance sheet dates, the Bank was unable to determine the potential impact of these pending issues. However, the Bank's management believes that no significant future losses will be incurred by the Bank.

7. Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the FIDF	1,386	28,100	29,486	3,946	10,800	14,746
Commercial banks	301	1,994	2,295	419	1,449	1,868
Other banks	-	2,169	2,169	-	2,142	2,142
Finance, finance and securities, securities and credit foncier companies	-	200	200	-	-	-
Other financial institutions	36	7,966	8,002	70	17,298	17,368
Total domestic items	1,723	40,429	42,152	4,435	31,689	36,124
Add: Accrued interest receivables	-	11	11	-	30	30
Less: Allowance for doubtful debts	(10)	(123)	(133)	(10)	(148)	(158)
Domestic items - net	1,713	40,317	42,030	4,425	31,571	35,996
Foreign:						
US dollar	662	320	1,012	193	175	368
Euro	227	-	227	165	-	165
Yen	212	-	212	57	-	57
Other currencies	352	-	352	214	-	214
Foreign items - net	1,453	320	1,803	529	175	804
Domestic and foreign items - net	3,166	40,637	43,833	5,054	31,746	36,800

(Unit: Million Baht)

	Separate financial statements					
	31 December 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the FIDF	1,386	28,100	29,486	3,946	10,800	14,746
Commercial banks	16	1,934	1,950	85	1,449	1,534
Other banks	-	2,169	2,169	-	2,142	2,142
Finance, finance and securities, securities and credit foncier companies	-	200	200	-	-	-
Other financial institutions	26	7,966	7,992	60	17,298	17,358
Total domestic items	1,428	40,369	41,797	4,091	31,689	35,780
Add: Accrued interest receivables	-	11	11	-	30	30
Less: Allowance for doubtful debts	-	(123)	(123)	-	(148)	(148)
Domestic items - net	1,428	40,257	41,685	4,091	31,571	35,662
Foreign:						
US dollar	692	320	1,012	193	175	368
Euro	227	-	227	165	-	165
Yen	212	-	212	57	-	57
Other currencies	352	-	352	214	-	214
Foreign items - net	1,483	320	1,803	629	175	804
Domestic and foreign items - net	2,911	40,577	43,488	4,720	31,746	36,466

8. Investments

8.1 Classified by type of investment

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2009		31 December 2008	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Short-term investments				
Securities held for trading				
Government and state enterprise securities	227	227	3,724	4,147
Private sector debt securities	41	41	674	758
Overseas debt securities	4,338	4,356	9,526	9,327
Domestic marketable equity securities	699	780	562	408
Total	5,305	5,404	14,486	14,640
Add: Allowance for revaluation	99	-	154	-
Securities held for trading - net	5,404	5,404	14,640	14,640
Available-for-sale securities				
Government and state enterprise securities	31,587	31,662	457	465
Private sector debt securities	2,241	2,261	1,865	1,877
Overseas debt securities	2,041	2,048	2,696	2,667
Domestic marketable equity securities	15	15	72	62
Total	35,884	35,986	5,090	5,071
Add (less): Allowance for revaluation	102	-	(19)	-
Available-for-sale securities - net	35,986	35,986	5,071	5,071
Held-to-maturity debt securities - due within 1 year				
Government and state enterprise securities	321	320	-	-
Private sector debt securities	1,542	1,580	735	742
Overseas debt securities	75	75	699	675
Total held-to-maturity debt securities - due within 1 year	1,938	1,975	1,434	1,417
General investments				
Non-marketable equity securities	-	-	102	-
Investments in receivables	33	-	-	-
Total general investments	33	-	102	-
Short-term investments - net	43,361	43,361	21,247	21,247

(Unit: Million Baht)				
Consolidated financial statements				
	31 December 2009		31 December 2008	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Long-term investments				
Available-for-sale securities				
Government and state enterprise securities	14,420	15,014	47,929	50,490
Private sector debt securities	3,647	3,703	3,005	3,037
Overseas debt securities	6,503	6,687	350	322
Domestic marketable equity securities	7,273	7,293	7,230	5,148
Total	31,843	32,697	58,514	59,997
Add: Allowance for revaluation	854	-	1,483	-
Available-for-sale securities - net	32,697	32,697	59,997	59,997
Held-to-maturity debt securities				
Government and state enterprise securities	4,814	4,624	-	-
Private sector debt securities	3,088	3,156	3,882	1,022
Overseas debt securities	1,297	1,269	-	-
Total held-to-maturity debt securities	9,199	9,049	3,882	1,022
General investments				
Non-marketable equity securities				
- Domestic	1,440		1,555	
- Overseas	38		38	
Investments in receivables	29		-	
Total general investments	1,507		1,593	
Long-term investments - net	43,403		65,472	

(Unit: Million Baht)

	Separate financial statements			
	31 December 2009		31 December 2008	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Short-term investments				
Securities held for trading				
Overseas debt securities	4,338	4,356	9,211	8,997
Add (Less): Allowance for revaluation	18	-	(214)	-
Securities held for trading - net	4,356	4,356	8,997	8,997
Available-for-sale securities				
Government and state enterprise securities	30,503	30,579	408	415
Private sector debt securities	2,104	2,124	1,845	1,857
Overseas debt securities	2,041	2,048	2,696	2,667
Total	34,648	34,751	4,949	4,939
Add (less): Allowance for revaluation	103	-	(10)	-
Available-for-sale securities - net	34,751	34,751	4,939	4,939
Held-to-maturity debt securities - due within 1 year				
Private sector debt securities	1,479	1,517	735	742
Overseas debt securities	-	-	699	675
Total held-to-maturity debt securities - due within 1 year	1,479	1,517	1,434	1,417
General investment				
Investments in receivables	33	-	-	-
Total general investments	33	-	-	-
Short-term investments - net	40,619	40,619	15,370	15,370

(Unit: Million Baht)				
	Separate financial statements			
	31 December 2009		31 December 2008	
	Cost/ Carrying value		Cost/ Carrying value	
		Fair value		Fair value
Long-term investments				
Available-for-sale securities				
Government and state enterprise securities	14,283	14,881	47,757	50,307
Private sector debt securities	3,592	3,648	3,005	3,037
Overseas debt securities	6,503	6,688	350	322
Domestic marketable equity securities	7,221	7,239	7,228	6,146
Total	31,599	32,456	58,340	59,812
Add: Allowance for revaluation	857	-	1,472	-
Available-for-sale securities - net	32,456	32,456	59,812	59,812
Held-to-maturity debt securities				
Private sector debt securities	2,689	2,752	3,882	4,022
Overseas debt securities	1,001	981	-	-
Total held-to-maturity debt securities	3,690	3,733	3,882	4,022
General investments				
Non-marketable equity securities				
- Domestic	1,394		1,513	
- Overseas	38		38	
Investments in receivables	29		-	
Total general investments	1,461		1,551	
Long-term investments - net	37,607		65,245	

On 1 May 2009, a subsidiary reclassified certain investments in securities held for trading as held-to-maturity debt securities. The fair value and the carrying value of these investment at the transfer date amounted to approximately Baht 4,949 million and Baht 4,637 million, respectively. The subsidiary recognised a gain on the reclassification of investment totaling Baht 312 million in the statement of income (see Note 8.9).

8.2 Classified by the remaining periods to maturity of the debt securities

Investments in debt securities, except for those held for trading, can be classified by remaining periods to maturity as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2009				31 December 2008			
	Periods remaining				Periods remaining			
	1 - 5		Over	Total	1 - 5		Over	Total
	1 year	years	5 years		1 year	Years	5 years	
Available-for-sale securities								
Government and state enterprises securities	31,587	12,484	1,936	46,007	457	35,483	12,446	48,386
Private sector debt securities	2,241	3,570	77	5,888	1,865	3,005	-	4,870
Overseas debt securities	2,041	6,503	-	8,544	2,696	350	-	3,046
Total	35,869	22,557	2,013	60,439	5,018	38,838	12,446	56,302
Add (less): Allowance for revaluation	102	759	75	936	(9)	919	1,346	2,556
Available-for-sale-securities - net	35,971	23,316	2,088	61,375	5,009	39,757	14,092	58,858
Held-to-maturity debt securities								
Government and state enterprise securities	321	1,208	3,606	5,135	-	-	-	-
Private sector debt securities	1,542	2,649	439	4,630	735	3,732	150	4,617
Overseas debt securities	75	1,037	260	1,372	699	-	-	699
Total held-to-maturity debt securities	1,938	4,894	4,305	11,137	1,434	3,732	150	5,316
Total debt securities	37,909	28,210	6,393	72,512	6,443	43,489	14,242	64,174

(Unit: Million Baht)

	Separate financial statements							
	31 December 2009				31 December 2008			
	Periods remaining				Periods remaining			
	1 - 5		Over	Total	1 - 5		Over	Total
	1 year	years	5 years		1 year	Years	5 years	
Available-for-sales securities								
Government and state enterprise securities	30,503	12,358	1,925	44,786	408	35,332	12,425	48,165
Private sector debt securities	2,104	3,570	22	5,696	1,845	3,005	-	4,850
Overseas debt securities	2,041	6,503	-	8,544	2,696	350	-	3,046
Total	34,648	22,431	1,947	59,026	4,949	38,687	12,425	56,061
Add (less): Allowance for revaluation	103	763	76	942	(10)	913	1,841	2,544
Available-for-sale-securities - net	34,751	23,194	2,023	59,968	4,939	39,600	14,066	58,605
Held-to-maturity securities								
Private sector debt securities	1,479	2,539	150	4,168	735	3,732	150	4,617
Overseas debt securities	-	1,001	-	1,001	699	-	-	699
Total held-to-maturity debt securities	1,479	3,540	150	5,169	1,434	3,732	150	5,316
Total debt securities	36,230	26,734	2,173	65,137	6,373	43,332	14,216	63,921

8.3 Investments subject to restrictions

As at 31 December 2009 and 2008, the Bank and its subsidiaries have the following government and state enterprise securities (presented at face value) subject to restrictions:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Government and state enterprises securities				
Placed with court for stay of execution	265	262	265	262
Placed as guarantee with the registrar	20	20	-	-
Placed as reserves for insurance	1,331	1,010	-	-
Placed for utilities usage	12	12	12	12
Placed for securities sold under repurchase agreements	11,449	4,386	11,449	4,386
Total	13,077	5,690	11,726	4,660

8.4 Investments representing shareholdings of 10% or more

The following are investments in equity securities, classified by industry, where the Bank and its subsidiaries hold 10% or more of the paid-up share capital of the investee companies but such companies are not treated as their subsidiaries or associated companies:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	Carrying value	Carrying value	Carrying value	Carrying value
Industrial sector	69	78	69	78
Banking and finance sector	47	42	5	-
	116	120	74	78

8.5 Investments in investment units in which the Bank and its subsidiaries have shareholding of 10% or more

Investments in investment units in which the Bank and its subsidiaries hold 10% or more of the paid-up capital of the fund, but which are not treated as subsidiaries or associated companies, are below classified by type of fund.

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2009		31 December 2008	
	Cost/ Carrying value		Cost/ Carrying value	
		Fair value		Fair value
Available-for-sale securities				
Investments in equity funds	189	282	189	168
Investments in debt securities	210	219	-	-
Investments in flexible funds	671	608	842	599
Total	1,070	1,109	1,031	767
Add (Less): Allowance for revaluation	39	-	(264)	-
Carrying value	1,109	1,109	767	767
General investments				
Investments in property funds	750	760	873	872
Total	750	760	873	872

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

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2009			31 December 2008		
	Allowance for revaluation/ Carrying Cost impairment value			Allowance for revaluation/ Carrying Cost impairment value		
Listed companies under delisting conditions	-	-	-	-	-	-

8.7 Investments in subsidiary companies

Investments in subsidiaries in the separate financial statements, which are stated under the cost method, consist of investments in ordinary shares of following companies.

(Unit: Million Baht)

Company's name	Type of business	Separate financial statements							
		Paid-up capital		Shareholding percentage		Carrying value under the cost method		Dividends received	
		31	31	31	31	31	31	for the years ended	
		December	December	December	December	December	December	31 December	
		2009	2008	2009	2008	2009	2008	2009	2008
				%	%				
Subsidiaries - included in consolidated financial statements									
SCIB Services Co., Ltd.	Service rendering	10	10	100.00	100.00	10	10	-	-
Siam City Life Assurance Co., Ltd.	Life insurance	700	700	100.00	100.00	726	726	-	-
Siam City Securities Co., Ltd.	Securities	2,000	2,000	99.79	99.79	2,075	2,075	-	-
Siam City Asset Management Co., Ltd.	Fund management	300	300	60.00	60.00	180	180	-	-
Subsidiaries - not included in consolidated financial statements									
The Chada Thong Properties Co., Ltd.	In the process of liquidation	1	1	70.00	70.00	-	-	-	-
Total investments in subsidiaries						2,991	2,991	-	-
Less: Allowance for impairment losses on investments						(1,415)	(1,415)		
Investments in subsidiaries - net						1,576	1,576		

8.8 Investments in associated companies

8.8.1 Details of investments in associated companies

(Unit: Million Baht)								
Company's name	Type of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			Carrying value under equity method		Carrying value under the cost method			
			31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
			%	%				
Siam Samsung Insurance Co., Ltd.	Life insurance	Thailand	25.00	25.00	109	118	125	125
Siam City Insurance Co., Ltd.	Non-life insurance	Thailand	45.50	45.50	97	78	32	32
Ratchthani Leasing Plc.	Car leasing	Thailand	48.32	39.76	428	261	430	278
Total investment in associated companies					632	457	587	435
Less: Allowance for impairment losses on investments							(13)	(13)
Investments in associated companies - net							574	422

(Unit: Million Baht)				
Company's name	Consolidated financial statements		Separate financial statements	
	Shares of profits (losses) from associated companies for the years ended 31 December		Dividends received for the years ended 31 December	
	2009	2008	2009	2008
Siam Samsung Insurance Co., Ltd.	(9)	(4)	-	-
Siam City Insurance Co., Ltd.	20	15	8	12
Ratchthani Leasing Plc.	30	(9)	17	16
Total	41	2	25	28

The shares of profits for the years ended 31 December 2009 and 2008 totaling Baht 41 million and Baht 2 million, respectively, from Siam Samsung Insurance Co., Ltd., Siam City Insurance Co., Ltd. and Ratchthani Leasing Public Company Limited, were determined based on management accounts of those associated companies as summary described in Note 8.8.3 to the financial statements.

8.8.2 As at 31 December 2009 and 2008, the fair values of the investment in an associated company, which is listed on the Stock Exchange of Thailand, were Baht 441 million and Baht 154 million, respectively.

8.8.3 Financial information of associated companies (based on management accounts of associated companies) is summarised below.

Company's name	(Unit: Million Baht)									
	Paid-up share capital		Total assets		Total liabilities		Total revenue		Net income	
	as at 31 December		as at 31 December		as at 31 December		for the years ended		for the years ended	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Siam Samsung										
Insurance Co., Ltd.	500	500	1,904	1,694	1,486	1,240	966	826	(-4)	(15)
Siam City Insurance										
Co., Ltd.	40	40	852	737	636	562	771	746	-6	32
Ratchthani Leasing Plc.	823	667	6,830	4,948	5,681	4,020	659	451	109	72

8.9 Gains on investments

Gains on investments as presented in the statements of income for the years ended 31 December 2009 and 2008 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2009	2008	2009	2008
Unrealised gains (losses) on revaluation of investments	(55)	168	232	(207)
Impairment losses on investments	-	(181)	-	(181)
Allowance for impairment losses on investments	51	13	51	13
Gains (losses) on reclassification of investments	312	(8)	-	(8)
Realised gains on sales of investments	876	595	737	629
Gains on investments	1,184	587	1,020	246

9. Loans and accrued interest receivables

9.1 Classified by loan type

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Bank overdrafts	22,616	23,368	22,616	23,368
Loans	216,062	208,422	216,062	208,422
Bills	38,540	46,057	38,540	46,057
Others	1,757	1,969	259	300
Total loans	278,975	279,816	277,477	278,147
Less: Unearned income	(15)	(20)	(15)	(20)
Add: Accrued interest receivables	719	1,033	713	1,028
Total loans and accrued interest receivables	279,679	280,829	278,175	279,155
Less: Allowance for doubtful debts	(16,853)	(15,325)	(15,785)	(14,258)
Revaluation allowance for debt restructuring	(476)	(668)	(476)	(668)
Loans and accrued interest receivables - net	262,350	264,836	261,914	264,229

On 27 August 2008, a meeting of the Bank's Board of Directors passed a resolution approving the sale of non-performing loans to NFS Asset Management Company Limited ("NFS") and Bangkok Commercial Asset Management Company Limited ("BAM") based on the loan balances as at 31 March 2008. These loan balances amounted to Baht 797 million, after deducting allowance for doubtful debts and revaluation allowance for debt restructuring, and the Bank recorded Baht 42 million of losses on the sale of such loans in the third quarter of 2008. On 10 September 2008, the Bank, as the transferer, entered into agreements to transfer assets with NFS and BAM, as the transferees, with the Bank receiving full payment for the disposed non performing loans on 25 September 2008. Under the agreements to transfer assets to NFS and BAM, the Bank had to deliver the original documents of rights over the assets and the underlying collateral, including electronic data of the transferred assets to the transferees within 30 days after the agreement date. Should certain circumstances stipulated in the agreement come to pass with respect to the transferred assets, the transferees could cancel the transfer assets within 120 days from 25 September 2008. In the first quarter of 2009, BAM submitted a letter to the Bank, notifying it that BAM would return non-performing loans of the three debtors to the Bank and requesting that the Bank refund of the payment already made to the Bank, totaling Baht 15.9 million, or the Bank has to transfer rights over the underlying collateral of such non-performing loans to BAM and be responsible for payment of all expenses related to the transfer of the collateral. In the second quarter of 2009, BAM considered and agreed that the Bank was to transfer rights over collateral bought by the Bank through open bid auction process and to deliver the net cash received from disposals of certain collaterals to BAM whereby BAM was to absorb all expenses relating to such transfers. In the third quarter of 2009, the Bank completed the transfer of all collaterals to BAM and BAM already paid for all relevant expenses to the Bank by offsetting them with the amounts the Bank had to pay to BAM.

9.2 Classified by remaining periods to maturity of loan agreements

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Within 1 year*	113,991	136,330	112,544	134,713
More than 1 year*	164,984	143,486	164,933	143,434
Total loans	278,975	279,816	277,477	278,147
Less: Unearned income	(15)	(20)	(15)	(20)
Add: Accrued interest receivables	719	1,033	713	1,028
Total loans and accrued interest receivables	279,679	280,829	278,175	279,155

* included loans for which the debtors have been unable to comply with the agreements and the Bank has the right to call for an immediate payment.

9.3 Classified by currency and residency of debtors

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2009			31 December 2008		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	266,630	3,806	270,436	266,801	2,358	269,659
US dollar	4,092	3,923	8,015	3,663	4,252	7,915
Other currencies	524	-	524	2,242	-	2,242
Total loans	271,246	7,729	278,975	272,706	7,110	279,816
Less: Unearned income	(15)	-	(15)	(20)	-	(20)
Total loans	271,231	7,729	278,960	272,686	7,110	279,796
Add: Accrued interest receivables			719			1,033
Total loans and accrued interest receivables			279,679			280,829

(Unit: Million Baht)

	Separate financial statements					
	31 December 2009			31 December 2008		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	265,132	3,806	268,938	265,132	2,858	267,990
US dollar	4,092	3,923	8,015	3,663	4,252	7,915
Other currencies	524	-	524	2,242	-	2,242
Total loans	269,748	7,729	277,477	271,037	7,110	278,147
Less: Unearned income	(15)	-	(15)	(20)	-	(20)
Total loans	269,733	7,729	277,462	271,017	7,110	278,127
Add: Accrued interest receivables			713			1,028
Total loans and accrued interest receivables			278,175			279,155

9.4 Classified by type of business and loan classification

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2009					
	Past	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	5,302	65	157	12	226	5,762
Manufacturing and commerce	53,313	11,894	1,949	5,589	6,246	78,991
Real estate and construction	33,724	2,110	1,187	225	2,448	39,695
Public utilities and services	42,638	7,365	571	690	2,798	54,060
Housing loans	55,191	1,382	350	398	751	58,072
Others	39,132	944	342	151	1,826	42,395
Total loans	229,300	23,760	4,556	7,065	14,294	278,975
Less: Unearned income	(14)	(1)	-	-	-	(15)
Add: Accrued interest receivables	424	220	23	7	48	719
Total loans and accrued interest receivables	229,710	23,979	4,579	7,072	14,338	279,679

(Unit: Million Baht)

Consolidated financial statements

31 December 2008

	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	6,062	47	193	113	129	6,544
Manufacturing and commerce	65,016	10,210	1,539	7,566	2,509	86,840
Real estate and construction	47,734	2,348	1,254	1,493	1,649	54,478
Public utilities and services	49,511	5,288	2,197	2,470	329	59,795
Housing loans	33,506	800	352	247	422	35,327
Others	33,676	1,124	385	403	1,244	36,832
Total loans	235,505	19,817	5,920	12,292	6,282	279,816
Less: Unearned income	(18)	(2)	-	-	-	(20)
Add: Accrued interest receivables	875	85	20	34	19	1,033
Total loans and accrued interest receivables	236,362	19,900	5,940	12,326	6,301	280,829

(Unit: Million Baht)

Separate financial statements

31 December 2009

	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	5,302	65	157	12	226	5,762
Manufacturing and commerce	53,313	11,894	1,949	5,589	6,246	78,991
Real estate and construction	33,724	2,110	1,187	225	2,449	39,695
Public utilities and services	42,638	7,365	571	690	2,796	54,060
Housing loans	55,191	1,382	350	398	751	58,072
Others	38,709	944	335	151	758	40,897
Total loans	228,877	23,760	4,549	7,065	13,226	277,477
Less: Unearned income	(14)	(1)	-	-	-	(15)
Add: Accrued interest receivables	418	220	23	7	45	713
Total loans and accrued interest receivables	229,281	23,979	4,572	7,072	13,271	278,175

(Unit: Million Baht)

Separate financial statements						
31 December 2008						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	6,052	47	193	113	129	6,544
Manufacturing and commerce	65,016	10,210	1,539	7,566	2,509	86,840
Real estate and construction	47,734	2,348	1,254	1,493	1,649	54,478
Public utilities and services	49,511	5,288	2,197	2,470	329	59,795
Housing loans	33,506	600	352	247	422	35,327
Others	33,082	1,124	377	403	177	35,163
Total loans	234,911	19,817	5,912	12,292	5,215	278,147
Less: Unearned income	(18)	(2)	-	-	-	(20)
Add: Accrued interest receivables	870	85	20	34	19	1,028
Total loans and accrued interest receivables	235,753	19,900	5,932	12,326	5,234	279,155

9.5 Classified by loan classification in accordance with the Notifications of the Bank of Thailand or the Office of the Securities and Exchange Commission

(Unit: Million Baht)

Consolidated financial statements								
31 December 2009					31 December 2008			
	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Provision amount provided in the accounts	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Provision amount provided in the accounts
Pass	229,710	92,646	1	922	236,362	96,839	1	950
Special-mention	23,979	9,271	2	186	19,900	7,858	2	156
Sub-standard	4,579	1,170	100	1,221	5,940	1,282	100	1,265
Doubtful	7,072	5,033	100	5,156	12,326	7,435	100	7,561
Doubtful of loss	14,339	6,691	100	6,775	6,301	3,499	100	3,541
Total	279,679	114,811		14,260	280,829	116,893		13,473
Additional provision in accordance with qualitative criteria				2,593				1,852
Total				16,853				15,325

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

(Unit: Million Baht)

	Separate financial statements							
	31 December 2009		31 December 2008		31 December 2009		31 December 2008	
	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Provision amount provided in the accounts	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Provision amount provided in the accounts
Pass	229,281	92,223	1	922	235,763	96,241	1	950
Special-mention	23,979	9,271	2	186	19,900	7,858	2	156
Sub-standard	4,572	1,170	100	1,221	5,932	1,262	100	1,265
Doubtful	7,072	5,033	100	5,156	12,326	7,435	100	7,561
Doubtful of loss	13,271	5,623	100	5,707	5,234	2,432	100	2,474
Total	278,175	113,320		13,192	279,155	115,228		12,406
Additional provision in accordance with qualitative criteria				2,593				1,852
Total				15,785				14,258

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

9.6 Non-performing loans

As at 31 December 2009 and 2008, the Bank has the following non-performing loans:

(Unit: Million Baht)

	Separate financial statements	
	31 December 2009	31 December 2008
Non-performing loan (principal only)	24,840	23,419
Percentage of non-performing loans to total loans ⁽¹⁾	7.82%	7.56%

⁽¹⁾ The denominator base included interbank and money market items (assets).

Non-performing loans as at 31 December 2009 and 2008 as presented above are classified as such in accordance with the Notification of the BoT dated 3 August 2008, defining non-performing loans as those classified as "sub-standard", "doubtful" and "doubtful of loss", but excluding outstanding loans for which debt restructuring agreements have been made and which have already met the conditions for upgrade to "pass" or "special-mention" under the Bank of Thailand's criteria.

On 25 March 2009, a meeting of the Bank's Board of Directors passed a resolution approving in principle the criteria, conditions and fees for hiring a consulting company to handle the whole process of disposal of the Bank's non-performing loans. However, on 26 November 2009 the Bank already notified investors of cancellation of disposal of the non-performing loans.

9.7 Non-accrued loans

As at 31 December 2009 and 2008, the Bank has the following loans on which it has ceased recognising interest income on an accrual basis:

	(Unit: Million Baht)	
	Separate financial statements	
	31 December 2009	31 December 2008
Non-accrued loans (Baht)	33,897	33,355
Percentage of non-performing loans to total loans ⁽¹⁾	10.66%	10.76%

⁽¹⁾ The denominator base included interbank and money market items (assets).

9.8 Debtors which have problems relating to financial position and operating results

As at 31 December 2009 and 2008, the Bank has the following loans and accrued interest receivables due from debtors which have problems relating to their financial position and operating results, and fall under delisting conditions:

	(Unit: Million Baht)					
	Separate financial statements					
	31 December 2009			31 December 2008		
Listed companies that fall under delisting conditions	Loans and accrued interest receivables	Collateral value	Allowance for doubtful debts	Loans and accrued interest receivables	Collateral value	Allowance for doubtful debts
	299	46	255	320	24	296

The Bank has inadequate information to disclose transactions in respect of companies whose auditors' reports indicate that there is substantial doubt about their ability to continue their operations as a going concern and unlisted companies whose financial position and results of operations are similar to those of companies who fall under the Stock Exchange of Thailand's delisting criteria. However, the Bank took these factors into account in classifying the debtors and making provision in accordance with the guidelines of the Bank of Thailand.

9.9 Troubled debt restructuring

The Bank has established a policy for debt restructuring with the objective of maximising the opportunity for debt recovery, while enabling the debtors to continue their business in order to reduce the Bank's non-performing loan level and loan loss reserve, and to support the recovery of the national economy. The Bank has established policies and procedures for debtor selection, setting criteria for relaxation of terms and conditions, assigning responsible officers for each process, and monitoring the debtors' performance after restructuring.

For the year ended 31 December 2009 and 2008, troubled debt restructuring agreements executed with debtors (only those with losses on debt restructuring) can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements			
	For the year ended 31 December 2009		For the year ended 31 December 2008	
	Debt balances		Debt balances	
	Number of debtors	before restructuring	Number of debtors	before restructuring
Debtors executing debt restructuring agreements	4	137	16	2,649

The debtors executing debt restructuring described above can be classified by method of debt restructuring as follows:

Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2009						
	Number of debtors	Debt balances Before restructuring	Debt balances After restructuring	Type of assets Transferred	Fair value	Loss on debt restructuring ⁽¹⁾	Present value loss from debt restructuring
Collection from collateral disposal	1	135	135	-	-	-	13
Modification of terms of payments	3	2	2	-	-	-	-
Total restructured debts during the year	4	137	137	-	-	-	13
Loans and accrued interest receivables as at 31 December 2009		343,214	278,175				

⁽¹⁾ Loss on debt restructuring is determined after deducting allowance for doubtful debts already provided in the accounts for the troubled debtor on the restructuring date.

(Unit: Million Baht)

Separate financial statements						
For the year ended 31 December 2008						
	Number of	Debt balances		Type of	Fair	Present
	debtors	Before	After	assets	value	value loss
		restructuring	restructuring	Transferred		from debt
						restructuring ⁽¹⁾
Modification of terms of payments	16	2,649	2,399	-	-	135
Total restructured debts during the year	16	2,649	2,399		-	135
Loans and accrued interest receivables						
as at 31 December 2008	318,958		279,155			

⁽¹⁾ Loss on debt restructuring is determined after deducting allowance for doubtful debts already provided in the accounts for the troubled debtor on the restructuring date.

For the year ended 31 December 2009, the Bank reversed revaluation allowance for debt restructuring amounting to Baht 58 million (2008: Baht 177 million), and amortised revaluation allowance for debt restructuring totaling Baht 143 million to interest income (2008: Baht 395 million).

The debts restructured by means of modification of the terms 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)

Separate financial statements						
Term of repayment under restructuring agreements	For the year ended 31 December 2009			For the year ended 31 December 2008		
	Debt balances		Number of	Debt balances		Number of
	Number of	Before		Number of	Before	
	debtors	restructuring		debtors	restructuring	
Less than 5 years	1	135	135	2	3	3
5 - 10 years	2	1	1	9	22	22
10 - 15 years	-	-	-	4	2,823	2,173
More than 15 years	1	1	1	1	1	1
Total	4	137	137	16	2,649	2,199

Additional information for the year ended 31 December 2009 and 2008 relating to the restructured debts is as follows:

	(Unit: Million Baht)			
	Separate financial statements			
	For the year ended		For the year ended	
	31 December 2009		31 December 2008	
	Number of debtors	Amounts	Number of debtors	Amounts
Part of debt forgiven during the years to debtors who fulfilled debt restructuring conditions during the year	-	-	-	-
Cash settlement by debtors				
Principal	5,597	3,672	5,695	5,075
Interest	6,191	1,297	7,049	2,002

As at 31 December 2009 and 2008, troubled debtors that the Bank has completed restructuring can be summarised as follows:

	(Unit: Million Baht)	
	Separate financial statements	
	Number of debtors	Debt balances after restructuring
Balance of restructured debts up to 31 December 2009	5,947	24,439
Balance of restructured debts up to 31 December 2008	5,908	21,105

As at 31 December 2009 and 2008, the Bank had no outstanding commitments to provide additional loan facilities after restructuring.

10. Allowance for doubtful debts

(Unit: Million Baht)

	Consolidated financial statements						
	For the year ended 31 December 2009						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional provision (qualitative criteria)	Total
Balance - beginning of the year	950	156	1,265	7,561	3,541	1,852	15,325
Transferred from allowance for doubtful debts of interbank and money market items	25	-	-	-	-	-	25
Bad debts written off	-	-	-	(821)	(40)	-	(861)
Reversal from disposal of debts	-	-	-	(91)	-	-	(91)
Increase (decrease) during the year	(53)	30	(44)	(1,693)	3,274	74	2,255
Balance - end of the year	922	186	1,221	5,156	6,775	2,590	16,853

(Unit: Million Baht)

	Consolidated financial statements						
	For the year ended 31 December 2008						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional provision (qualitative criteria)	Total
Balance - beginning of the year	836	84	3,090	1,495	6,052	2,984	14,545
Bad debts written off	-	-	-	(934)	-	-	(934)
Reversal from disposal of debts	-	-	-	(436)	-	-	(436)
Increase (decrease) during the year	114	72	(1,825)	7,436	(2,511)	(1,134)	2,150
Balance - end of the year	950	156	1,265	7,561	3,541	1,852	15,325

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2009						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional provision (qualitative criteria)	Total
Balance - beginning of the year	950	156	1,265	7,561	2,474	1,852	14,258
Transferred from allowance for doubtful debts of interbank and money market items	25	-	-	-	-	-	25
Bad debts written off	-	-	-	(621)	(40)	-	(661)
Reversal from disposal of debts	-	-	-	(91)	-	-	(91)
Increase (decrease) during the year	(53)	30	(44)	(1,693)	3,273	741	2,254
Balance - end of the year	922	186	1,221	5,156	5,707	2,593	15,785

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2008						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional provision (qualitative criteria)	Total
Balance - beginning of the year	836	84	3,090	1,495	6,001	2,988	14,494
Bad debts written off	-	-	-	(934)	-	-	(934)
Reversal from disposal of debts	-	-	-	(436)	-	-	(436)
Increase (decrease) during the year	114	72	(1,825)	7,436	(3,527)	(1,136)	1,134
Balance - end of the year	950	156	1,265	7,561	2,474	1,852	14,258

As a result of the drastic fall in the Stock Exchange of Thailand index during the fourth quarter of 2008, the subsidiary, which operates a securities business, forced 8 margin account customers to liquidate their investments. The amounts received from such forced sales were insufficient to cover the outstanding debts. The outstanding debts remaining after deducting the amounts received from the forced sales, plus the debt balance on cash accounts of the same customers totalled Baht 978.61 million. The subsidiary already made allowance for doubtful debts in full in the fourth quarter of 2008. The progress of actions taken against those customers is as follows:

- (a) On 20 November 2008, a customer with an outstanding balance of Baht 0.26 million entered into an agreement with the subsidiary to pay in installments. The debtor completed installment payment to the subsidiary during the year ended 31 December 2009.
- (b) On 18 December 2008, a customer with an outstanding balance of Baht 121.85 million filed various lawsuits against the subsidiary, as discussed under Note 30.2.2 (c) to the financial statements. However, in 2009 the subsidiary filed lawsuits with the Civil Court and the Bankruptcy Court against the debtor seeking to have that debtor settled amounts due to the subsidiary. The cases are being considered by the courts.
- (c) In 2009, the subsidiary has filed lawsuits with the Civil Court and the Bankruptcy Court, seeking to have the 6 remaining customers settled their total outstanding debts of Baht 856.50 million to the subsidiary. The progress of these lawsuits made against these 6 debtors is as follows:
 - The Central Bankruptcy Court has issued orders of absolute receivership for 4 debtors, and these are being carried out in accordance with the process laid down under bankruptcy laws. The Civil Court disposed of the lawsuit of 1 debtor with an outstanding balance of Baht 135 million and ordered 1 debtor with an outstanding balance of Baht 265.04 million to withdraw the lawsuit. The subsidiary is in the process of requesting the Civil Court to dispose of the cases of 2 debtors with balances totaling Baht 432.75 million because those debtors are under absolute receivership by order of the Central Bankruptcy Court.
 - The Civil Court judged in favor of the subsidiary in ordering 1 debtor with a balance of Baht 15.26 million to make payment to the subsidiary. However, the debtor has filed an appeal and the case is being considered by the Civil Court and the Central Bankruptcy Court.
 - The lawsuit against 1 debtor with a balance of Baht 8.45 million is being considered by the Civil Court and the Central Bankruptcy Court.

11. Revaluation allowance for debt restructuring

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2009	2008
Balance at beginning of the years	668	1,111
Additional present value loss from debt restructuring and from adjustments during the years	13	135
Amortisation of revaluation allowance for debt restructuring during the years	(143)	(395)
Reversal of transactions during the years	(58)	(177)
Reversal from disposal of debts	(4)	(6)
Balance at the end of the years	476	668

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

As at 31 December 2009 and 2008, properties foreclosed can be summarised as follows:

	(Unit: Million Baht)				
	Consolidated and separate financial statements				
	For the year ended 31 December 2009				
	Beginning balances	Additions	Disposals	Ending balances	Portion subject to disposal restrictions, buyback options or first refusal rights
Immovable assets	10,768	51	(1,274)	9,545	760
Movable assets	113	-	-	113	-
Total	10,881	51	(1,274)	9,658	760
Others	181	-	(10)	171	-
Total properties foreclosed	11,062	51	(1,284)	9,829	760
Less: Allowance for impairment	(3,359)	(293)	544	(3,108)	(36)
Properties foreclosed - net	7,703	(242)	(740)	6,721	724

(Unit: Million Baht)

Consolidated and separate financial statements					
For the year ended 31 December 2008					
	Beginning			Ending	Portion subject to
	balances	Additions	Disposals	balances	disposal restrictions,
					buyback options or
					first refusal rights
Immovable assets	11,926	305	(1,463)	10,768	764
Movable assets	699	-	(586)	113	82
Total	12,625	305	(2,049)	10,881	846
Others	678	86	(583)	181	-
Total properties foreclosed	13,303	391	(2,632)	11,062	846
Less: Allowance for impairment	(3,419)	(334)	394	(3,359)	(118)
Properties foreclosed - net	9,884	57	(2,238)	7,703	728

As at 31 December 2009, properties foreclosed, classified by years in which holding periods mature as imposed by the Bank of Thailand, are as follow:

(Unit: Million Baht)

Year in which holding period matures ⁽¹⁾	Cost	Allowance for impairment ⁽¹⁾	Net book value
Year in which holding period matures (Immovable assets)			
Already matured	597	(256)	341
2010	1,269	(192)	1,077
2011	4,222	(1,280)	2,942
2012	1,234	(164)	1,070
2013 or later (includes assets foreclosed subject to court proceedings)	2,394	(644)	1,750
Total immovable assets	9,716	(2,536)	7,180
Movable assets	113	(109)	4
Total	9,829	(2,645)	7,184
General reserve	-	(463)	(463)
Properties foreclosed - net	9,829	(3,108)	6,721

⁽¹⁾ As at 31 December 2009 the Bank changed methods of calculation of the allowed holding period and allowance for impairment to comply with the Notification of the Bank of Thailand No. Sor Nor Sor 22/2552 regarding properties foreclosed.

The Bank provides allowance for impairment of properties foreclosed by reference to appraisal value, and appraises or reviews 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 limitations on the period for which such foreclosed properties may be held, stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowed 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 appropriate given the current situation and the current disposal plans for the properties foreclosed.

13. Premises and equipment

(Unit: Million Baht)					
Consolidated financial statements					
	Revaluation basis		Cost basis		
			Assets in		
	Land	Buildings	Equipment	progress	Total
Cost/Reappraised value					
31 December 2008	4,175	4,710	4,768	39	13,692
Additions	-	4	219	112	335
Disposals/write offs	-	-	(283)	-	(283)
Transfer in (out)	-	47	8	(27)	28
31 December 2009	4,175	4,761	4,712	124	13,772
Accumulated depreciation					
31 December 2008	-	2,378	3,691	-	6,069
Depreciation for the year - cost	-	170	492	-	662
Depreciation for the year - incremental	-	54	-	-	54
Depreciation for the year - decremental	-	(26)	-	-	(26)
Accumulated depreciation on disposals/write offs	-	-	(278)	-	(278)
31 December 2009	-	2,576	3,905	-	6,481
Allowance for impairment					
31 December 2008	1	-	1	-	2
31 December 2009	1	-	1	-	2
Net book value					
31 December 2008	4,174	2,332	1,076	39	7,621
31 December 2009	4,174	2,185	806	124	7,289
Depreciation included in the statements of income					
for the years ended					
31 December 2008					790
31 December 2009					690

(Unit: Million Baht)

	Separate financial statements				
	Revaluation basis		Cost basis		Total
	Land	Buildings	Equipment	Assets in progress	
Cost/Reappraised value					
31 December 2008	4,169	4,706	4,579	39	13,493
Additions	-	2	187	111	300
Disposals/write off	-	-	(254)	-	(254)
Transfer in (out)	-	47	6	(27)	26
31 December 2009	4,169	4,755	4,518	123	13,565
Accumulated depreciation					
31 December 2008	-	2,377	3,546	-	5,923
Depreciation for the year - cost	-	169	464	-	633
Depreciation for the year - incremental	-	54	-	-	54
Depreciation for the year - decremental	-	(26)	-	-	(26)
Accumulated depreciation on disposals/write off	-	-	(249)	-	(249)
31 December 2009	-	2,574	3,761	-	6,335
Allowance for impairment					
31 December 2008	1	-	1	-	2
31 December 2009	1	-	1	-	2
Net book value					
31 December 2008	4,168	2,329	1,032	39	7,568
31 December 2009	4,168	2,181	756	123	7,228
Depreciation included in the statements of income for the years ended					
31 December 2008					760
31 December 2009					661

Had the land and buildings been carried in the financial statements based on historical costs, their net book value as at 31 December 2009 and 2008 would have been as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Land	2,038	2,038	2,032	2,032
Buildings	1,812	1,931	1,808	1,927

As at 31 December 2009 and 2008, the Bank and its subsidiaries have certain equipment which has been fully depreciated but is still in use. The original costs of those assets amounted to approximately Baht 2,645 million and Baht 2,051 million, respectively (The Bank only: Baht 2,547 million and Baht 1,990 million, respectively).

14. Leasehold rights

	(Unit: Million Baht)
	Consolidated and separate financial statements
Net book value as at 31 December 2008	236
Additions during the year - at cost	10
Amortisation for the year	(32)
Net book value as at 31 December 2009	<u>214</u>

15. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements				
	Goodwill	Computer software	Initial membership fees for Thailand Futures Exchange (TFEX) and others	Computer software under development	Total
Cost					
31 December 2008	64	837	4	36	941
Additions	-	40	-	16	56
Transfer in (out) - net	-	14	-	(16)	(2)
31 December 2009	64	891	4	36	995
Accumulated amortisation					
31 December 2008	18	538	3	-	559
Amortisation	-	91	-	-	91
31 December 2009	18	629	3	-	650
Allowance for impairment					
31 December 2008	46	30	-	-	76
31 December 2009	46	30	-	-	76
Net book value					
31 December 2008	-	269	1	36	306
31 December 2009	-	232	1	36	269
Amortisation expenses included in the statements of income for the years ended					
31 December 2008	-	103	2	-	105
31 December 2009	-	91	-	-	91
Remaining amortisation periods					
31 December 2008	-	1 - 120 Months	32 Months		
31 December 2009	-	1 - 120 Months	20 Months		

(Unit: Million Baht)			
Separate financial statements			
	Computer software	Computer software under development	Total
Cost			
31 December 2008	803	35	838
Additions	38	3	41
Transfer in (out) - net	7	(7)	-
31 December 2009	848	31	879
Accumulated amortisation			
31 December 2008	515	-	515
Amortisation	87	-	87
31 December 2009	602	-	602
Allowance for impairment			
31 December 2008	30	-	30
31 December 2009	30	-	30
Net book value			
31 December 2008	258	35	293
31 December 2009	216	31	247
Amortisation expenses included in the statements of income for the years ended			
31 December 2008	99	-	99
31 December 2009	87	-	87
Remaining amortisation periods			
31 December 2008	1 - 120 Months		
31 December 2009	1 - 120 Months		

16. Other assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Forward premiums and revaluation allowance on derivative contracts	1,226	225	1,226	225
Suspense accounts - debtors	406	403	406	403
Miscellaneous debtors	258	217	239	205
Suspense accounts between head office and branches	197	198	197	198
Deposit	114	114	113	113
Deposit to derivative contract	88	501	88	501
Others	493	364	235	225
Total	2,782	2,022	2,504	1,870
Less: Allowance for doubtful debts/impairment	(401)	(381)	(399)	(378)
Other assets - net	2,381	1,641	2,105	1,492

17. Deposits

17.1 Classified by types of deposit

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Current accounts	4,882	4,736	4,882	4,736
Savings deposits	103,214	92,485	103,380	92,571
Time deposits				
- Less than 6 months	72,900	62,545	72,900	62,545
- 6 months and up to 1 year	34,767	94,167	34,767	94,167
- Over 1 year	98,815	82,761	98,815	82,761
Certificates of deposit	9,635	7,066	9,635	7,066
Total deposits	324,213	343,760	324,379	343,846

17.2 Classified by the remaining periods of deposit contracts

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Not over 1 year	297,476	332,612	297,642	332,698
Over 1 year	26,737	11,148	26,737	11,148
Total	324,213	343,760	324,379	343,846

17.3 Classified by currency and residency of depositors

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	323,751	-	323,751	343,533	-	343,533
US dollar	416	13	429	182	14	196
Other currencies	16	17	33	11	20	31
Total	324,183	30	324,213	343,726	34	343,760

(Unit: Million Baht)

	Separate financial statements					
	31 December 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	323,917	-	323,917	343,619	-	343,619
US dollar	416	13	429	182	14	196
Other currencies	16	17	33	11	20	31
Total	324,349	30	324,379	343,812	34	343,846

18. Interbank and money market items (liabilities)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the FIDF	1,058	463	1,518	1,058	642	1,700
Commercial banks	906	15,551	16,457	1,290	5,090	6,380
Other banks	-	-	-	44	5,500	5,544
Finance, finance and securities, securities, credit foncier companies	107	1	108	219	52	271
Other financial institutions	1,944	2,601	4,545	2,059	776	2,835
Total domestic items	4,012	18,616	22,628	4,670	12,060	16,730
Foreign:						
US dollar	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-
Total foreign items	-	-	-	-	-	-
Total domestic and foreign items	4,012	18,616	22,628	4,670	12,060	16,730

(Unit: Million Baht)

	Separate financial statements					
	31 December 2009			31 December 2008		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the FIDF	1,055	463	1,518	1,058	642	1,700
Commercial banks	906	15,551	16,457	1,290	5,090	6,380
Other banks	-	-	-	44	5,500	5,544
Finance, finance and securities, securities, credit foncier companies	330	51	381	309	52	361
Other financial institutions	1,966	2,601	4,567	2,310	776	3,086
Total domestic items	4,257	18,666	22,923	5,011	12,060	17,071
Foreign:						
US dollar	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-
Total foreign items	-	-	-	-	-	-
Total domestic and foreign items	4,257	18,666	22,923	5,011	12,060	17,071

19. Borrowings

19.1 Short-term borrowings

As at 31 December 2009, the Bank had short-term borrowings in the form of bills of exchange amounting to Baht 7,770 million, which carry interest at the rates of 0.75 - 2.50 percent per annum, which are due during January 2010 to December 2010 (31 December 2008: Baht 3,502 million, carrying interest at rates of 1.75 - 4.20 percent per annum, due during January 2009 to December 2009).

As at 31 December 2009, the Bank had long-term borrowings maturing within 1 year in the form of bills of exchange which are due during July 2010 to November 2010, amounting to Baht 214 million and carrying interest at fixed rate of 5.00 percent per annum.

19.2 Long-term borrowings

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 December 2009	31 December 2008
Long-term loans from the Department of Alternative Energy Development and Efficiency	291	420
Bills of exchange maturing in over 1 year	997	1,287
Subordinated debentures	10,000	-
Total long-term borrowings	11,288	1,707

19.2.1 The Bank has entered into long-term loan agreements with the Department of Alternative Energy Development and Efficiency. As at 31 December 2009 and 2008, the balances of long-term borrowings under those agreements were as follows:

(Unit: Million Baht)								
Consolidated and separate financial statements								
Contract Number	Contract date	Credit limit as at		Outstanding balances as at		Interest rate per annum	Due date	Draw down period counting from the loan agreement date
		31 December 2009	31 December 2008	31 December 2009	31 December 2008			
Special 3/48	30 January 2003	118	118	29	50	0.00	29 January 2013	3 years
Special 7/49	17 March 2006	214	209	122	209	0.50	16 March 2016	3 years
Special 7/50	2 August 2007	152	152	107	127	0.50	1 August 2017	3 years
Special 16/50	2 August 2007	50	50	33	34	0.50	1 August 2017	3 years
		534	589	291	420			

19.2.2 As at 31 December 2009, the Bank had long-term borrowings in the form of bills of exchange amounting to Baht 997 million, carrying interest at a floating rate of 6M-THBFIX plus 0.35 percent per annum, maturing in 2011 (31 December 2008: Baht 1,287 million, carrying interest at fixed rates of 3.50 - 3.90 percent per annum and a floating rate of 6M-THBFIX plus 0.35 percent per annum, maturing in 2010 and 2011).

19.2.3 On 19 June 2009, the Bank issued Baht 10,000 million of uncollateralised subordinated debentures, comprising 10,000,000 units with par value of Baht 1,000 each, to be used as Tier 2 capital. The debentures mature in 2019 and the Bank has an option to early redeem them at par value plus interest as accrued up to the redemption date. The early redemption is subject to prior written approval from the Bank of Thailand and is permitted in the following circumstances:

- (a) Before the end of the fifth year from the issue date, if the Bank is informed by the Bank of Thailand that (1) these debentures no longer qualify as Tier 2 capital of the Bank or (2) these debentures can be treated as Tier 2 capital to the extent that they do not exceed 50 percent of the Tier 1 capital of the Bank, or
- (b) At the end of the fifth year after the issue date or on any interest payment date after the fifth year from the issue date, or
- (c) The Bank can show that interest on these debentures is no longer tax deductible, or
- (d) The Bank is able to obtain funds in an equal or higher amount than those generated from the subordinated debentures, or the Bank's Tier 1 capital exceeds the Bank of Thailand's minimum requirement after redemption of the debentures, or
- (e) The Bank is under final receiving order issued by a Court, the Bank is ordered by a Court to undergo the rehabilitation process, the Bank is sentenced to be bankrupt under the Bankruptcy Act or relevant laws, or the Bank undergoes the liquidation process to dissolve its businesses. However, the redemption under these circumstances shall be under article 5 of the rights as specified in the prospectus and/or under the Bankruptcy Act, and/or relevant laws, or
- (f) Other additional conditions as stipulated by the BOT.

Interest rates on such subordinated debentures and interest payment schedules are as follows:

Interest rate	5.50 percent per annum during the 1 st to 3 rd years. 6.00 percent per annum during the 4 th to 7 th years. 6.50 percent per annum during the 8 th to 10 th years.
Interest payment	Interest is payable quarterly on 19 March, 19 June, 19 September and 19 December of every year. The first payment of interest is to be on 19 September 2009.

For the year ended 31 December 2009, the Bank recognised interest expenses amounting to Baht 295 million on such subordinated debentures in the statement of income.

20. Other liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Forward discounts and revaluation allowance on derivative contracts	187	828	187	828
Suspense accounts - creditors	1,690	1,863	1,690	1,863
Tax payable	898	963	879	958
Miscellaneous creditors	170	94	170	94
Life policy reserves	7,199	5,310	-	-
Deposit from derivative contracts	507	153	507	153
Accrued expenses	408	317	330	294
Others	746	417	110	108
Total	11,805	9,945	3,873	4,298

21. Revaluation surplus on assets

This represents the surplus arising from revaluation of land and buildings. The surplus is amortised on a straight-line basis over the remaining lives of the related assets with the amortised amount being charged directly against retained earnings.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2009	31 December 2008
Balance - beginning of the years	3,453	3,618
Less: Decrease in revaluation of assets during the years	-	(123)
Less: Amortisation charged directly against retained earnings	(43)	(42)
Balance - end of the years	<u>3,410</u>	<u>3,453</u>

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

22. Revaluation surplus on investments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Revaluation surplus on investments				
Debt securities	1,146	3,043	1,146	3,036
Equity securities	877	602	875	601
Total	<u>2,023</u>	<u>3,645</u>	<u>2,021</u>	<u>3,637</u>
Revaluation deficit on investments				
Debt securities	(32)	(165)	(30)	(165)
Equity securities	(300)	(1,117)	(298)	(1,099)
Total	<u>(332)</u>	<u>(1,282)</u>	<u>(328)</u>	<u>(1,264)</u>
Revaluation surplus on investments	<u>1,691</u>	<u>2,363</u>	<u>1,693</u>	<u>2,373</u>

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Bank is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

24. 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 regulations of the Act on Undertaking of Banking business B.E. 2551.

		(Unit: Million Baht)	
		Separate financial statements	
		31 December 2009	31 December 2008
<u>Tier I</u>			
Issued and paid up share capital		21,128	21,128
Retained earnings			
Appropriated - statutory reserve		1,492	1,294
Unappropriated		10,981	8,801
Total		33,601	31,223
<u>Tier II</u>			
Surplus on revaluation of assets		2,245	2,267
Long-term subordinated debentures		10,000	-
Reserve for assets classified as "Pass"		1,045	1,098
Surplus on revaluation available for sale equity securities		9	-
Total Tier II capital funds		13,299	3,365
Total Tier I and Tier II capital funds		46,900	34,588
Less: Revaluation deficit on available-for-sale equity securities		-	(1,081)
Total capital funds		46,900	33,507

As at 31 December 2009 and 2008, the Bank's capital ratio was calculated based on the BoT's guidelines on supervision of commercial banks relating to capital funds, as announced by the BoT on 27 November 2008.

	31 December 2009		31 December 2008	
	Capital ratio of the Bank	Minimum requirement by BoT	Capital ratio of the Bank	Minimum requirement by BoT
The ratio of tier 1 capital fund to risk assets	10.43%	4.25%	9.68%	4.25%
The ratio of total capital funds to risk assets	14.55%	8.50%	10.38%	8.50%

In compliance with Basel II's Pillar III concerning disclosure of capital adequacy information under the Notification of the Bank of Thailand, the Bank is to disclose capital adequacy and capital risk exposure information of the Bank as of 31 December 2009 through the Bank's website at www.scib.co.th and in SCIB's annual report for the year 2009, by April 2010.

25. Directors' remuneration

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

26. Income tax

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

27. Earnings per share

Earnings per share, as presented in the statements of income, is basic earnings per share which is calculated by dividing net income attributable to the equity holders of the Bank by the weighted average number of ordinary shares of the Bank in issue and held by outside parties during the years.

28. Dividends paid

Dividends declared during the year ended 31 December 2009 consisted of the following:

Approved by		Total dividends paid	Dividend per share
		(Million Baht)	(Baht)
Annual dividend for the year 2008	Annual General Meeting of the shareholders on 24 April 2009	1,479	0.70
Total dividend for the year ended 31 December 2009		1,479	0.70

29. Encumbrance of assets

29.1 Cash at bank and investments in debt securities

The Bank and its subsidiaries have placed assets such as cash at banks, government and state enterprises bonds (presented in the following table at face value) as collateral against the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Placed with court for stay of execution	265	262	265	262
Placed as guarantee with the registrar	20	20	-	-
Placed as reserve for insurance	1,331	1,010	-	-
Placed as collateral for utilities consumption	12	12	12	12
Placed for securities sold under repurchase agreements	11,449	4,386	11,449	4,386
Total	13,077	5,690	11,726	4,660

29.2 Properties foreclosed

The Bank has properties foreclosed that are subject to disposal restrictions due to court order, or restrictions under debt restructuring agreements that grant buyback options or first refusal rights to the debtors, as described in Note 12 to the financial statements.

30. Commitments and contingent liabilities

30.1 Commitments

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

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2009			31 December 2008		
	Foreign		Total	Foreign		Total
	Baht	currency		Baht	currency	
Avals to bills	422	-	422	479	-	479
Guarantees of loans	351	34	385	537	102	639
Other guarantees	15,129	1,014	16,143	15,477	1,053	16,530
Liability under unmatured						
import bills	229	369	598	13	641	654
Letters of credit	55	2,294	2,349	22	1,172	1,194
Forward and spot contracts						
- Bought	-	12,209	12,209	-	9,405	9,405
- Sold	-	26,294	26,294	-	21,843	21,843
Cross currency and interest rate						
swap contracts						
- Bought	-	2,789	2,789	-	-	-
- Sold	-	16,035	16,035	-	13,430	13,430
Interest rate swap contracts						
- Fixed rate payer	3,807	452	4,259	3,835	358	4,193
- Fixed rate payee	2,632	452	3,084	2,660	358	3,018
- Floating rate payer	2,632	452	3,084	2,660	358	3,018
- Floating rate payee	3,807	452	4,259	3,835	358	4,193
Undrawn bank overdrafts	41,372	-	41,372	37,442	-	37,442
Others	-	4,318	4,318	415	9,845	10,260
Total	70,436	67,164	137,600	67,375	58,923	126,298

30.2 Contingent liabilities

30.2.1 As at 31 December 2009, claims totaling Baht 21,128 million have been filed against the Bank as defendant or co-defendant in lawsuits. These comprise both lawsuits directly involving the Bank and obligations arising as a result of the transfer of business from BMB; (a) Baht 10,243 million relates to the Bank's own lawsuits, with Baht 8,594 million of this amount relating to a tort case in which the factual loss is only Baht 202 million and the Court of First Instance has already ordered the dismissal of action, with the case now is in the process of being heard by the Supreme Court. The total sum of cases relating directly to the Bank's business, after deducting this tort case, is thus Baht 1,649 million, and (b) The remaining portion of Baht 10,885 million represents cases in which the Bank is involved as a result of the transfer of business from BMB, and the Bank is entitled to compensation for actual losses incurred if such losses are in accordance with the conditions agreed with the FIDF, as discussed under Note 6.1 to the financial statements (Baht 9,586 million of this amount relates a single case brought by a debtor which BMB already transferred to PAM before the Bank received the transfer of business from BMB and the Bank believes that the lawsuit has been brought against the wrong party. The Bank's management believes that the Bank has no liability in respect of such case.).

As at 31 December 2009 and 2008, the Bank had already made provisions for contingent liabilities totaling Baht 62 million and Baht 44 million, respectively, in the balance sheets, for those lawsuits with respect to (a) above where the Court of First Instance has already judged in favor of the plaintiff. The Bank's management believes that there will be no significant losses in the future from the remaining cases.

As 31 December 2009, the Bank was requested to make restitution as a result of a person forging the Bank's documents and using such counterfeit documents. However, the Bank has already filed a complaint against the person who produced and used counterfeit documents so as to proceed with a legal action. The Bank believes that no liability will arise from such restitution.

30.2.2 As at 31 December 2009 and 2008, the subsidiary has contingent liabilities as follow:

- (a) On 5 January 2004 a civil law suit was filed against the subsidiary, with the plaintiff lodging a claim for the return of assets and compensation totaling Baht 15.58 million. The subsidiary was accused of failure to comply with the terms and conditions of a share sale agreement executed with a customer (the plaintiff). The alleged failure occurred while the subsidiary was operating under its previous name, Yuanta Securities (Thailand) Company Limited.

Under the share purchase and sale agreement dated 7 January 2003 between the subsidiary's former shareholders, the seller, and the Siam City Bank Plc., the purchaser, any liabilities incurred by the seller before shares were transferred to the purchaser by the seller and were not to be presented in the balance sheet as at 31 December 2002, provided that the case was finalised and the court ordered the subsidiary to pay such liabilities, the seller agreed to pay compensation to the subsidiary at a rate of 92.7329 percent of the liabilities.

On 29 September 2005, the Civil Court ordered the subsidiary to return the securities to the plaintiff or pay Baht 8.38 million if the subsidiary was unable to do so. Subsequently, the subsidiary lodged an appeal with the Appeal Court on 14 November 2005, the plaintiff lodged an appeal on 28 October 2005 seeking to have the subsidiary return the securities or pay Baht 8.38 million and a month's opportunity loss fee of Baht 600,000 from 1 January 2003 until settlement is completely made. Therefore, the case is being reheard. However, as at 31 December 2009 and 2008 the subsidiary estimated its contingent liabilities at Baht 0.63 million and recorded this under the caption of "Provision for liabilities" in the balance sheets.

(b) On 13 September 2007, a lawsuit was filed against the subsidiary by an employee, claiming Baht 4.3 million (damages together with interest and surcharges up to the date of filing the lawsuit) for alleged breach of an employment contract. Subsequently, on 24 April 2008, the Central Labour Court ordered the subsidiary to pay the employee Baht 27,363 plus interest at 15 percent per annum counting from the date of the lawsuit until full settlement is made. The subsidiary deposited such amount with the Central Labour Court and recorded it under the caption of "other asset" in the balance sheets. Subsequently on 30 July 2008, the subsidiary lodged an appeal with the Central Labour Court, and the plaintiff also lodged an appeal on 24 July 2008. The case is in the process of being reconsidered by the Supreme Court. However, as at 31 December 2009 and 2008, the Bank and this subsidiary did not provide for any contingent liabilities in respect of the lawsuit because the management of Bank and the subsidiary believes that the subsidiary will eventually win the case and no significant losses will be incurred to the subsidiary.

(c) On 18 December 2008, a civil lawsuit was filed against the subsidiary by a customer (plaintiff), alleging that the subsidiary had breached a securities trading agreement made with the plaintiff and claiming compensation of Baht 239.34 million. The subsidiary countersued the customer on 26 January 2009, claiming the amount of Baht 129.14 million owed by the customer to the subsidiary. This case is being considered by the Civil Court.

On 3 September 2009, a prosecution lawsuit was filed against the subsidiary by the customer in a false testimony case. This case is being considered by the court.

In addition, on 28 September 2009, a civil lawsuit was filed against the subsidiary by the customer, alleging in the consumer case that the subsidiary had breached a securities trading agreement and dishonestly exercised its rights, and claiming compensation totaling of Baht 144.47 million. This case is being considered by the court.

However, as at 31 December 2009 and 2008, the Bank and this subsidiary did not provide for any contingent liabilities with regard to the above-mentioned lawsuits since the management of Bank and the subsidiary expects that the subsidiary will eventually win the lawsuits and there will be no significant loss to the subsidiary.

30.3 Commitments under long-term leases agreements

The Bank has commitments with regard to the leases for branch offices and space for ATMS, with leasing terms ranging from 1 to 30 years. As at 31 December 2009 and 2008, the Bank had obligations to pay future rentals totaling Baht 449 million and Baht 421 million, respectively.

The Bank has entered into long-term asset lease agreements with its affiliated companies and other companies. These agreements are for the leases of motor vehicles and other assets, including various service agreements with leasing terms ranging from 1 - 5 years. As at 31 December 2009 and 2008, the Bank had obligations to pay future rental and service fees totaling Baht 665 million and Baht 141 million, respectively.

30.4 Other commitments

The Bank has entered into various agreements relating to computer system development consultancy services and computer system and software development and installation services with total contract values of approximately USD 0.70 million and Baht 640 million. As at 31 December 2009, the Bank is obligated to pay further amount of approximately USD 0.70 million and Baht 412 million. (31 December 2008: approximately USD 0.19 million and Baht 179 million) under the respective agreements.

The Bank has entered into contracts with various subcontractors for the renovation of the Bank's buildings, branches and equipment. As at 31 December 2009 and 2008, there are outstanding future payment commitments totaling Baht 0.80 million and Baht 3 million, respectively.

As at 31 December 2009 and 2008, the Bank has contractual commitments in respect of the purchase and servicing of information technology systems, and other services. The Bank is obligated to pay further amounts of approximately Baht 121 million and Baht 144 million, respectively, under such agreements.

31. Provident fund

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 3 - 10 percent of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 3 - 10 percent depending on number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. For the year ended 31 December 2009 and 2008, respective amounts of Baht 208 million and Baht 185 million, were contributed to the funds by the Bank and its subsidiaries (The Bank only: Baht 197 million and Baht 176 million, respectively).

32. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	For the years ended 31 December		For the years ended 31 December		
	2009	2008	2009	2008	Pricing Policy
Major shareholder					
Expenses					
Interest expenses	19	25	19	25	At the same rates as given to general depositors
Subsidiaries					
Revenues					
Interest income	-	-	-	6	As specified in the loan agreements
Non-interest income	-	-	260	205	As mutually agreed by both parties
Expenses					
Interest expenses	-	-	2	5	At the same rates as given to general depositors
Non-interest expenses	-	-	161	144	As mutually agreed by both parties
Associated companies					
Revenues					
Interest income	200	148	200	148	As specified in the loan agreements
Dividend income	25	28	25	28	As declared by associated companies
Non-interest income	26	28	26	28	As mutually agreed by both parties
Expenses					
Interest expenses	1	2	1	2	At the same rate as given to general depositors
Non-interest expenses	36	37	36	37	As mutually agreed by both parties
Related parties and persons					
Revenues					
Interest income	717	975	717	975	As specified in loan and/or restructuring agreements
Non-interest income	1	12	1	12	As mutually agreed by both parties
Expenses					
Interest expenses	34	14	34	14	At the same rates as given to general depositors

In addition, the Bank conducted securities trading through a subsidiary engaged in the securities business. The trading volumes for the year ended 31 December 2009 and 2008 were Baht 30 million and Baht 35 million, respectively. Related commission fees were charged at an approximate rate of 0.25 percent of the trading volumes.

The outstanding balances of significant transactions the Bank has with its major shareholder as at 31 December 2009 and 2008 are as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 December 2009	31 December 2008
Financial Institution and Development Fund		
Domestic deposits - interest bearing	1,050	1,057

The outstanding balances of significant transactions with subsidiaries as at 31 December 2009 and 2008 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Subsidiaries				
Assets				
Other assets	-	-	17	32
Total	-	-	17	32
Liabilities				
Domestic deposits - interest bearing	-	-	275	415
Domestic deposits - non-interest bearing	-	-	7	10
Other liabilities	-	-	177	3
Total	-	-	459	428

The outstanding balances of significant transactions the Bank has with its associated companies, related persons and related companies as at 31 December 2009 and 2008 are as follows:

(Unit: Million Baht)

	Separate financial statements								Interest rates charged on loans
	31 December 2009				31 December 2008				
	Average outstanding loans	Outstanding loans	Obligations	Deposits/ borrowings	Average outstanding loans	Outstanding loans	Obligations	Deposits/ borrowing	
Associated companies									
Ratchthani Leasing Plc.	4,044	4,361	-	19	2,575	3,609	-	15	3%, 4.75%, MLR - 1%, MLR - 1.25%, MOR, Average MLR
Siam Samsutg Insurance Co., Ltd.	-	-	-	27	-	-	-	28	-
Siam City Insurance Co., Ltd.	-	-	-	63	-	-	-	84	-
Related parties									
Thai Nam Plastic Plc.	-	-	-	-	31	-	-	-	-
Laguna Estate Co., Ltd.	-	-	-	-	2	-	-	-	-
Palang Patra Co., Ltd.	-	-	2	-	-	-	-	-	-
Thai-German Product Plc.	385	393	-	-	387	356	95	6	MOR, MLR, MRR, Average MLR
Thai Identity Sugar Factory Co., Ltd.	-	-	-	-	30	29	-	8	Average MLR
Kaset Thai Sugar Co., Ltd.	-	-	-	-	88	85	-	-	Average MLR
Srithai Superware Plc.	503	458	18	2	344	336	129	3	MOR, MLR, 3% - 4%, Average MLR
Siam Tire Cord Co., Ltd.	489	488	-	-	491	493	5	2	3% - 7%, MOR
Thai Ethoxylate Co., Ltd.	301	287	-	193	341	329	-	255	Fix 3M + 3%, MOR, MLR, Average MLR
Magic Enterprise Co., Ltd.	245	232	7	7	257	255	6	7	Fix 1Y + 4.75%, MOR, MLR + 0.5%
Siam City Leasing Factoring Plc.	250	162	5	-	412	399	12	1	MOR, MRR - 0.25%, MLR - 0.5%, MLR - 0.25%
Ratchaburi Electricity Generating Holding Plc.	-	-	-	-	-	-	-	4	-
Max and Mighty (Thailand) Co., Ltd.	-	-	-	-	3	3	-	2	Fix 6 M + 1.25%
Asia Hotel Plc.	-	-	-	-	973	-	-	-	-
Golden Asset Co., Ltd.	350	346	6	16	345	357	8	16	MLR + 0.5%, MLR - 1%, MOR + 1%, MOR
Wangkanai Sugar Co., Ltd.	1,730	1,662	48	10	287	1,929	48	18	Average MLR, MLR - 0.5%, MOR

(Unit: Million Baht)

Separate financial statements									
	31 December 2009				31 December 2008				Interest rates charged for loans
	Average outstanding loans	Outstanding loans	Obligations	Deposits/ borrowings	Average outstanding loans	Outstanding loans	Obligations	Deposits/ borrowing	
Related parties (continued)									
Ruampol Enterprise Co., Ltd.	-	-	-	-	69	69	-	-	Average MLR MOR
Advance Agro Plc.	-	-	-	-	1,642	-	-	-	-
New Somnuk Service Co., Ltd.	-	-	-	-	2	-	-	-	-
Chaimongkol Refinery Co., Ltd.	2,801	2,866	3	95	605	2,606	3	89	MLR - 1%, MLR, MLR - 5%
Wongpaitoon Group Plc.	-	-	-	-	198	-	-	-	-
National Credit Bureau Co., Ltd.	-	-	-	1	-	-	-	32	-
PTT Aromatics and Refining Plc.	2,500	2,500	-	-	2,500	2,500	-	-	MLR, MLR - 1%, MLR - 5%, Fix 6 M + 1.25%
Thaioli Power Co., Ltd.	101	-	-	18	211	163	83	73	Fix 6 M + 2.75%
Establishment of Bank for Agriculture and Agricultural Cooperatives	11,708	-	-	2,021	5,730	5,730	-	4,025	2.5%, 4.95%
G J Steel Plc.	-	-	-	1	-	-	-	1	-
Thai Vegetable Oil Plc.	-	-	-	-	-	-	-	1	-
Berli Jucker Plc.	-	-	-	110	-	-	-	19	-
Sukhumvit Asset Management Co., Ltd.	-	-	-	45	-	-	-	10	-
PTT Plc.	-	-	-	90	-	-	-	5	-
IRPC Plc.	-	-	-	-	-	-	-	17	-
Songkhla Metal Drum Co., Ltd.	-	-	-	7	-	-	-	14	-
NYK Songkhla Co., Ltd.	-	-	1	22	-	-	-	20	-
TOT Plc.	-	-	-	2	-	-	-	2	-
Bangkok Commercial Asset Management Co., Ltd.	-	-	-	6	-	-	-	-	-
Electricity Generating Authority of Thailand	-	-	-	5,398	-	-	-	-	-
Dhipaya Insurance Plc.	-	-	-	6	-	-	-	-	-
Others	-	-	1	3	-	-	4	2	-
		13,755	91	8,162		19,248	391	4,759	

The Bank pays interests on deposits taken and borrowings from its related parties at the same rates given to general depositors or charged to general lenders.

As at 31 December 2009 and 2008, the Bank had the following outstanding related party transactions with executive employees of the Bank from department manager level and above.

	(Unit: Million Baht)	
	Separate financial statements	
	2009	2008
Staff loans	52	57
Other loans	14	13
Deposits	119	232

Directors and management's remuneration

For the year ended 31 December 2009 and 2008, the Bank and its subsidiaries paid salaries, bonuses, meeting allowances and gratuities to their key management personnel, including directors, totaling Baht 217 million and 154 million (the Bank only: Baht 123 million and 108 million, respectively).

33. Financial position and results of operations classified by domestic and foreign operations

33.1 Financial position classified by business activity

	(Unit: Million Baht)				
	Separate financial statements				
	31 December 2009				
	Domestic operations	Foreign operations	Total	Elimination	Grand Total
Total assets	415,178	13,841	429,019	(13,149)	415,870
Interbank and money market items (assets)	56,633	4	56,637	(13,149)	43,488
Loans	277,462	-	277,462	-	277,462
Investments	66,613	13,763	80,376	-	80,376
Deposits	324,379	-	324,379	-	324,379
Interbank and money market items (liabilities)	22,612	13,460	36,072	(13,149)	22,923
Borrowings	19,272	-	19,272	-	19,272
Total commitments	133,282	4,318	137,600	-	137,600

(Unit: Million Baht)

	Separate financial statements				
	31 December 2008				
	Domestic operations	Foreign operations	Total	Elimination	Grand Total
Total assets	414,627	12,135	426,762	(12,463)	414,299
Interbank and money market items (assets)	48,920	9	48,929	(12,463)	36,466
Loans	278,126	1	278,127	-	278,127
Investments	70,555	12,058	82,613	-	82,613
Deposits	343,846	-	343,846	-	343,846
Interbank and money market items (liabilities)	17,071	12,463	29,534	(12,463)	17,071
Borrowings	5,209	-	5,209	-	5,209
Total commitments	117,920	8,378	126,298	-	126,298

33.2 Results of operations classified by business activity

(Unit: Million Baht)

	Separate financial statements				
	For the year ended 31 December 2009				
	Domestic operations	Foreign operations	Total	Elimination	Grand Total
Interest and dividend income	17,726	396	18,122	(132)	17,990
Interest expenses	5,403	132	5,535	(132)	5,403
Doubtful debts and loss on debt restructuring	2,208	-	2,208	-	2,208
Net interest income	10,115	264	10,379	-	10,379
Non-interest income	4,291	236	4,527	-	4,527
Non-interest expenses	9,564	4	9,568	-	9,568
Income before income tax	4,842	496	5,338	-	5,338

(Unit: Million Baht)

	Separate financial statements				
	For the year ended 31 December 2008				
	Domestic operations	Foreign operations	Total	Elimination	Grand Total
Interest and dividend income	21,309	505	21,814	(386)	21,428
Interest expenses	8,768	386	9,154	(386)	8,768
Doubtful debts and loss on debt restructuring	1,093	-	1,093	-	1,093
Net interest income	11,448	119	11,567	-	11,567
Non-interest income	4,139	(148)	3,991	-	3,991
Non-interest expenses	9,919	221	10,140	-	10,140
Income before income tax	5,668	(250)	5,418	-	5,418

34. Financial instruments

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

34.1 Credit risk

Credit risk is the risk that a debtor will be unable to repay a debt in accordance with the contractual conditions and agreements, as a result of financial problems faced by the debtor due to adverse changes in the economic and business conditions or errors in management and operation. To mitigate credit risk, the Bank has established a policy of extending loans to all business and industrial sectors that have growth potential and are important to the country's economic development. Loan approvals are carefully considered, with the potential of the business and the ability of the borrower to repay credit as the key criteria.

The Bank recognises the importance of the management and mitigation of credit risk, and has therefore improved its organisational structure in terms of the committee and unit responsible for risk management, including loan approval processes, and the authorisation structure for loan approvals, with more loan applications being channeled through the Credit Committee. Risk assessment and management tools developed by the Bank are used to bring the loan approval process closer to international standards. These are major steps towards ensuring that credit risk is mitigated or maintained at appropriate levels. The roles of the risk committee and key units responsible for risk management are as follow:

- The Risk Management Committee is responsible for overall risk management, setting risk management policies and developing risk management systems in line with international standards.
- The Assets and Liabilities Management Committee (ALCO) oversees and directs the formulation of policies on liquidity management, investment in the money market and capital market, interest rates, and overall financial risk management.
- The Risk Management Team is responsible for ensuring effective management and control of both credit and operational risk, and sets measures to protect the security of the information technology environment and important data, to prevent damage to the operation of the Bank's business.
- The Credit Management Team provides reviews, analyses and comments on credit risk, for consideration by the Credit Committee. The Credit Management Team functions independently of the marketing and relationship management team.

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

(Unit: Million Baht)

	Consolidated and Separate financial statements					
	31 December 2009			31 December 2008		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Aval to bills	422	-	422	476	3	479
Guarantees of loans	378	7	385	637	2	639
Liabilities under unmatured						
import bills	598	-	598	654	-	654
Letters of credit	2,349	-	2,349	1,194	-	1,194
Other guarantees	15,364	779	16,143	15,851	679	16,530
Others	42,353	3,337	45,690	43,205	4,497	47,702

34.2 Market risk

Market risk is the risk that changes various market factors, such as interest rates, foreign exchange rates or securities prices will affect on the Bank's revenue and the value of its financial assets or liabilities, and cause the Bank to incur a financial loss.

The Bank's Assets and Liabilities Management Committee is responsible for determining strategies and operating guidelines for the management of liquidity risk, interest rate risk and foreign exchange risk, while the Bank's Risk Management Department is entrusted with the responsibilities of (a) managing market risk, liquidity risk, and operational risk in line with strategies and guidelines laid down by the Assets and Liabilities Management Committee, and (b) developing tools for risk evaluation, and procedures for risk auditing, reporting and monitoring, to ensure risk management is effective.

34.2.1 Interest rate risk

Interest rate risk is the risk that changes in market interest rates may affect the value of financial instruments, or cause fluctuations in revenue or the value of the Bank's financial assets and liabilities. Interest rate risk arises as a result of interest rate structure and the characteristics and structure of the Bank's assets, liabilities and capital.

The Bank's policy is to manage the effects of interest rate changes to keep them within acceptable levels, and this is closely monitored by the Assets and Liabilities Management Committee. The Bank assesses interest rate risk using repricing gap analysis as a tool to help the Bank evaluate the impact of interest rate changes on its assets and liabilities, and sensitivity analysis to help the Bank evaluate the potential impact of interest rate changes on the Bank's operating results over the next one year.

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

(Unit: Million Baht)

Descriptions	Separate financial statements			
	31 December 2009			
	Floating interest rates	Fixed interest rates	Non- interest bearing	Total
Financial Assets				
Cash	-	-	12,797	12,797
Interbank and money market items	560	40,489	2,552	43,601
Investments	27,797	35,457	17,122	80,376
Loans ⁽¹⁾	205,513	71,269	680	277,462
Financial Liabilities				
Deposits	102,960	216,093	5,326	324,379
Interbank and money market items	3,108	18,781	1,034	22,923
Liability payable on demand	-	-	836	836
Borrowings	998	18,244	30	19,272

⁽¹⁾ Of the loans, totals of Baht 21,487 million carrying interest at floating rates, Baht 3,263 million carrying interest at fixed rates and Baht 91 million carrying no interest are non-performing loans.

(Unit: Million Baht)

Descriptions	Separate financial statements			
	31 December 2008			
	Floating interest rates	Fixed interest rates	Non- interest bearing	Total
Financial Assets				
Cash	-	-	12,579	12,579
Interbank and money market items	220	31,703	4,661	36,584
Investments	31,941	40,977	9,695	82,613
Loans ⁽¹⁾	213,769	63,628	730	278,127
Financial Liabilities				
Deposits	92,193	246,519	5,134	343,846
Interbank and money market items	3,620	12,060	1,391	17,071
Liability payable on demand	-	-	554	554
Borrowings	997	4,162	50	5,209

⁽¹⁾ Of the loans, totals of Baht 20,833 million carrying interest at floating rates, Baht 2,494 million carrying interest at fixed rates and Baht 92 million carrying no interest are non-performing loans.

The remaining periods counting from 31 December 2009 and 2008 to the repricing dates or maturity dates (whichever are sooner) of financial instruments carrying interest at fixed rates are as follow:

(Unit: Million Baht)

Separate financial statements							
Counting from 31 December 2009							
Remaining periods to repricing dates or maturity dates							
Descriptions	At call	0 - 6 months	6 - 12 months	1 - 3 years	Over 3 years	Total	Interest rate (% per annum)
Financial Assets							
Interbank and money market items	-	39,989	-	500	-	40,489	0.18 - 4.60
Investments	-	4,045	4,160	16,262	10,990	35,457	0.00 - 11.56
Loans ⁽¹⁾	1,283	31,574	2,177	9,738	26,497	71,269	0.09 - 25.00
Financial Liabilities							
Deposits	39	156,068	33,248	26,738	-	216,093	0.50 - 5.50
Interbank and money market items	115	17,850	721	95	-	18,781	0.01 - 3.75
Borrowings	-	7,736	246	-	10,262	18,244	0.75 - 5.50

⁽¹⁾ Of the loans, totals of Baht 1,150 million, Baht 847 million, Baht 485 million, Baht 223 million and Baht 558 million for which the remaining periods to the new repricing dates or maturity dates (whichever are sooner) categorised as "at call", "0-6 months", "6-12 months", "1-3 years" and "over 3 years", respectively, are non-performing loans.

(Unit: Million Baht)

Separate financial statements							
Counting from 31 December 2008							
Remaining periods to repricing dates or maturity dates							
Descriptions	At call	0 - 6 months	6 - 12 months	1 - 3 years	Over 3 years	Total	Interest rate (% per annum)
Financial Assets							
Interbank and money market items	-	30,453	-	1,250	-	31,703	1.50 - 5.25
Investments	-	2,336	3,212	14,053	21,376	40,977	0.00 - 11.56
Loans ⁽¹⁾	981	36,501	2,724	5,903	17,519	63,628	0.00 - 25.00
Financial Liabilities							
Deposits	72	209,835	25,464	11,148	-	246,519	0.00 - 5.00
Interbank and money market items	-	11,668	391	1	-	12,060	1.50 - 6.25
Borrowings	3	3,297	202	290	370	4,162	0.50 - 4.20

⁽¹⁾ Of the loans, totals of Baht 616 million, Baht 787 million, Baht 45 million, Baht 571 million and Baht 475 million for which the remaining periods to the new repricing dates or maturity dates (whichever are sooner) categorised as "at call", "0-6 months", "6-12 months", "1-3 years" and "over 3 years", respectively, are non-performing loans.

In addition, the average balances of the financial assets or liabilities of the Bank generating revenues or incurring expenses, calculated based on the average balances outstanding during the years, and the average interest and dividend rates for the year ended 31 December 2009 and 2008 can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	For the year ended 31 December 2009			For the year ended 31 December 2008		
	Average Balances	Interest and dividend	Average rate (% per annum)	Average balances	Interest and dividend	Average rate (% per annum)
<u>Performing financial assets</u>						
Interbank and money market items	42,436	923	2.17	36,705	1,007	2.74
Securities purchased under resale agreements	-	-	-	7,016	25	4.26
Investments	78,827	2,928	3.71	100,613	4,608	4.58
Loans	276,603	14,139	5.11	259,566	15,788	6.08
<u>Performing financial liabilities</u>						
Deposits	331,685	4,750	1.43	350,013	8,332	2.38
Interbank and money market items	14,519	211	1.45	13,381	338	2.53
Securities sold under repurchase agreements	-	-	-	4,322	22	3.36
Borrowings	15,431	442	2.86	3,568	76	2.14

34.2.2 Foreign exchange risk

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

The Bank has no policy to speculate but engages in financial derivative transactions in order to manage foreign exchange and interest rate risks that may arise as a result of financial derivative transactions executed in providing services to its customers.

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 December 2009 and 2008, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: USD Million)

	Separate financial statements					
	31 December 2009			31 December 2008		
	USD	Euro ⁽¹⁾	Other currencies ⁽¹⁾	USD	Euro ⁽¹⁾	Other currencies ⁽¹⁾
Spot	727.15	23.20	33.31	674.30	24.28	63.60
Forward	(731.91)	(22.02)	(34.67)	(668.32)	(23.85)	(64.90)
Net position	(4.76)	1.18	(1.36)	5.98	0.43	(1.30)

⁽¹⁾ Balances denominated in Euro and other currencies are stated in USD equivalents.

34.2.3 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 revenue or the value of financial assets.

The Bank manages risk in accordance with the guidelines stipulated by the Assets and Liabilities Management Committee, which sets various risk control limits, such as total exposure limits, individual limits and stop loss limits. Value at risk is used by the Assets and Liabilities Management Committee as a tool for estimating and controlling maximum acceptable losses for the Bank.

34.3 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 Bank's Liquidity Management Committee is responsible for keeping a close watch on the financial and liquidity management of the Bank in line with the risk management guidelines stipulated by the Assets and Liabilities Management Committee. Daily liquidity is managed based on consideration of daily cash demand, liquidity in excess of the mandatory level of 6% required by the Bank of Thailand, the structure of deposits and withdrawals, depositor behaviour, competitive position, economic conditions within and outside the country and the expected returns of the Bank. Furthermore, the committee takes into consideration the maximum cumulative outflow under normal conditions and during a crisis, based on a comparative analysis of the Bank's cash position, the credit lines granted but unused at other banks, and the Bank's reserve levels. The Bank also has contingency plans for cases where it may face liquidity problems.

The remaining periods to maturity, counting from 31 December 2009 and 2008, of financial instruments are as follows:

(Unit: Million Baht)

	Separate financial statements					
	Counting from 31 December 2009					
Descriptions	At call	Within 6 months	6 months to 1 year	Over 1 year	No maturity	Total
<u>Financial Assets</u>						
Cash	12,797	-	-	-	-	12,797
Interbank and money market items	2,912	39,989	200	500	-	43,601
Investments	-	26,603	10,670	32,282	10,821	80,376
Loans ⁽¹⁾	26,904	65,621	20,011	164,926	-	277,462
<u>Financial Liabilities</u>						
Deposits	108,302	156,092	33,248	26,737	-	324,379
Interbank and money market items	4,257	18,503	68	95	-	22,923
Liability payable on demand	836	-	-	-	-	836
Borrowings	2	7,736	246	11,288	-	19,272

⁽¹⁾ Of the loans, which mature at call, within 6 months, 6 months to 1 year and over 1 year, amounts of Baht 4,825 million, Baht 2,458 million, Baht 1,974 million and Baht 15,584 million, respectively, represent default non-performing loans. Therefore, the term of these loans depends upon the results of debt restructuring.

(Unit: Million Baht)

Descriptions	Separate financial statements					
	Counting from 31 December 2008					
	At call	Within 6 months	6 months to 1 year	Over 1 year	No maturity	Total
<u>Financial Assets</u>						
Cash	12,579	-	-	-	-	12,579
Interbank and money market items	4,721	30,613	-	1,250	-	36,584
Investments	-	6,428	4,605	61,885	9,695	82,613
Loans ⁽¹⁾	29,092	76,271	29,334	143,430	-	278,127
<u>Financial Liabilities</u>						
Deposits	97,382	209,852	25,464	11,148	-	343,846
Interbank and money market items	5,011	11,668	391	1	-	17,071
Liability payable on demand	554	-	-	-	-	554
Borrowings	3	3,297	202	1,707	-	5,209

⁽¹⁾ Of the loans, which mature at call, within 6 months, 6 months to 1 year and over 1 year, amounts of Baht 4,231 million, Baht 4,328 million, Baht 2,650 million and Baht 12,210 million, respectively, represent default non-performing loans. Therefore, the term of these loans depends upon the results of debt restructuring.

34.4 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 instruments. The fair values 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 values determined by the quoted market prices.

(b) Financial liabilities

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

As at 31 December 2009 and 2008, the differences between the fair value and book value of the Bank's and its subsidiaries' financial instruments are considered to be immaterial, except the fair values of debt securities intended to be held to maturity are Baht 11,024 million and Baht 5,439 million, respectively (The Bank only: Baht 5,250 million and Baht 5,439 million, respectively).

34.5 Financial derivatives

The Bank engages in financial derivative 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 December 2009 and 2008, financial derivatives as classified by their maturities are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements					
	31 December 2009			31 December 2008		
	Less than	Over	Total	Less than	Over	Total
	1 year	1 year		1 year	1 year	
Forward and spot contracts						
- Bought	12,209	-	12,209	9,405	-	9,405
- Sold	26,294	-	26,294	21,843	-	21,843
Cross currency and interest rate swap contracts						
- Bought	913	1,876	2,789	-	-	-
- Sold	2,896	13,139	16,035	8,951	4,479	13,430
Interest rate swap contracts						
- Fixed rate payer	1,325	2,934	4,259	1,000	3,193	4,193
- Fixed rate payee	1,000	2,084	3,084	1,000	2,018	3,018
- Floating rate payer	1,000	2,084	3,084	1,000	2,018	3,018
- Floating rate payee	1,325	2,934	4,259	1,000	3,193	4,193

The Bank sets 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 that financial derivatives involve credit risk and manages it by setting 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 and interest rates, which can fluctuate materially as the market situation changes.

35. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 24 February 2010.

List of Branches

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Head Office	0-2208-5000 , 0-2253-0200-43	0-2253-1240	www.scib.co.th
Petchburi Office	0-2208-6085-6 , 0-2253-7068	0-2253-6198	petburi_off@scib.co.th
Suan Mali Office	0-2225-9999 , 0-2223-0561 ext. 2106 , 2207 , 2112	0-22243810	reg101@scib.co.th
District 1	0-2221-9347-9	0-2221-9344	reg01@scib.co.th
Sampeng	0-2222-7396 , 0-2222-7551 , 0-2223-2898	0-2225-8468	br005@scib.co.th
Yao Waraj	0-2221-1236 , 0-2221-7194-5 , 0-2225-0578	0-2225-0580	br008@scib.co.th
Charoen Krung (Sub-Branch)	0-2224-1839 , 0-2225-7194	0-2224-2059	br050@scib.co.th
Tien Kua Tien	0-2221-3575-6 , 0-2622-9063	0-2221-3575	br146@scib.co.th
Sam Yaek	0-2223-2704-8	0-2223-2705	br102@scib.co.th
Anu Wong	0-2222-0161-3 , 0-2222-0169	0-2225-8931	br027@scib.co.th
Pha Hu Rad (Sub-Branch)	0-2221-2069 , 0-2221-5239 , 0-2225-3594	0-2221-5128	br712@scib.co.th
Rajawong	0-2224-5705 , 0-2224-5870 , 0-2224-5897	0-2224-5792	br134@scib.co.th
Leng Noi Jee	0-2221-1248 , 0-2221-3501 , 0-2222-8531	0-2223-3211	br110@scib.co.th
Sikak Phraya Sri	0-2222-4477-8 , 0-2623-8521-2 , 0-2226-2267	0-2225-7036	br121@scib.co.th
Werng Nakorn Kasem	0-2222-2430 , 0-2221-7201-4	0-2222-6475	br140@scib.co.th
Bamrung Muang	0-2216-9794-7 , 0-2214-0606-8	0-2216-9798	br006@scib.co.th
Bo Bei	0-2628-1693-5 , 0-2628-1690	0-2628-1696	br068@scib.co.th
District 2	0-2280-7745-7	0-2280-7748	reg02@scib.co.th
Pra Tu Nam	0-2251-6018 , 0-2251-6852 , 0-2252-6937 0-2252-6979 , 0-2252-7690 , 0-2251-6019	0-2252-6935	br105@scib.co.th
Charoen Phol	0-2215-6628-30	0-2215-6627	br136@scib.co.th
Samyarn	0-2215-1549 , 0-2215-4199 , 0-2215-4225 0-2216-4739 , 0-2216-6017	0-2216-6170	br109@scib.co.th
Hua Lamphong	0-2237-9710-4	0-2237-9713	br007@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Nang Lerng	0-2281-0842 , 0-2281-2169 0-2281-2320 , 0-2282-0124	0-2281-2322	br113@scib.co.th
Charu Muang	0-2214-1488 , 0-2214-1739 , 0-2216-6981 0-2216-6980 , 0-2216-6880 , 0-2611-7902	0-2214-2038	br112@scib.co.th
Saim Square	0-2251-6763 , 0-2252-5252 0-2252-5308 , 0-2252-7080	0-2253-9429	br119@scib.co.th
The Ves	0-2628-7240-4 , 0-2628-7247	0-2282-8810	br025@scib.co.th
Racha Damnern	0-2221-3391 , 0-2223-6010 , 0-2226-0178-9 0-2222-5880 , 0-2226-0182	0-2222-9635	br002@scib.co.th
Bang Lamphu	0-2281-6821 , 0-2281-6332	0-2281-7457	br104@scib.co.th
Tha Prachand	0-2221-6486 , 0-2225-4466 0-2225-8934 , 0-2623-6160-2	0-2225-8933	br015@scib.co.th
Pakklong Talad (Sub-Branch)	0-2221-7511 , 0-2222-0686 , 0-2222-7467	0-2222-4794	br062@scib.co.th
Baiyok Pratunam (Sub-Branch)	0-2208-0824-5	0-2208-0826	br201@scib.co.th
District 3	0-2944-7066-7	0-2944-7068	reg03@scib.co.th
Latphrao	0-2512-2343-4 , 0-2938-2433 0-2511-1312 , 0-2511-1160	0-2512-2342	br013@scib.co.th
Central Plaza	0-2541-1297 , 0-2541-1300 0-2541-1490 , 0-2541-1617	0-2541-1718	br151@scib.co.th
Latphrao 118	0-2539-2925-7	0-2530-4348	br177@scib.co.th
Latphrao 53 (Sub-Branch)	0-2539-1167 , 0-2539-1507 0-2539-2857 , 0-2539-9785	0-2539-2261	br174@scib.co.th
Appeal Court	0-2938-3421-6	0-2938-3428	br081@scib.co.th
Chokchai 4 (Sub-Branch)	0-2931-0895-7	0-2931-0798	br060@scib.co.th
Rachada-Huay Khwang	0-2694-1489-91 , 0-2694-1495	0-2694-1496	br091@scib.co.th
Latphrao 80	0-2933-9170-2 , 0-2933-9174-5	0-2933-9178	br064@scib.co.th
Nawamin 66	0-2519-5724 , 0-2519-4616 , 0-2519-5696	0-2519-4627	br042@scib.co.th
Klong Chan	0-2377-1364 , 0-2377-1368-9	0-2377-3609	br141@scib.co.th
Indraruk (Sub-Branch)	0-2375-1281-2 , 0-2375-1284	0-2375-1285	br169@scib.co.th
Seri Thai 32	0-2376-1043-4 , 0-2376-1045-6	0-2376-1122	br037@scib.co.th
Bang Khen	0-2579-1340 , 0-2579-3483 0-2579-4526 , 0-2579-7485	0-2579-6794	br125@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
The Mall Bangkokpi (Sub Branch)	0-2734-3735-6	0-2734-3647	br192@scib.co.th
Union Mall (Sub Branch)	0-2512-4304 , 0-2512-2040	0-2512-5516	br195@scib.co.th
District 4	0-2616-3543 , 0-2616-2200 , 0-2616-3563	0-2616-3544	reg04@scib.co.th
Anusavaree Chai Samornraphoom	0-2644-7474-6 , 0-2354-9330-1	0-2354-9351	br018@scib.co.th
Racha Prarop	0-2245-4968-9 , 0-2642-6054-5	0-2245-0882	br127@scib.co.th
Ratchawat	0-2241-0868 , 0-2243-6183 , 0-2243-7980-1	0-2241-1483	br111@scib.co.th
Bang Sue	0-2587-0616 , 0-2587-0686 , 0-2587-8216	0-2585-9659	br128@scib.co.th
Saphan Kwai	0-2279-3942 , 0-2279-5633 , 0-2279-6060-1 0-2279-7533 , 0-2616-6748	0-2616-6747	br108@scib.co.th
Suthi San	0-2616-3553-8 ext. 120, 121, 127, 129	0-2616-3561	br055@scib.co.th
Talad Mochit	0-2278-5300-1 , 0-2270-0308 , 0-2618-5656-7	0-2279-3411	br021@scib.co.th
Huay Kwang	0-2692-0061 , 0-2692-2098 0-2692-2099 , 0-2692-2100	0-2276-1134	br012@scib.co.th
Huay Kwang (2)	0-2277-4728 , 0-2276-3596 , 0-2277-3142	0-2277-1074	br117@scib.co.th
Pracha Utid (Huay Kwang)	0-2934-4181-3	0-2934-4184	br176@scib.co.th
Pra Ram 9	0-2246-7829-30	0-2246-8473	br165@scib.co.th
Asoke-Dindaeng	0-2641-7547-9	0-2641-7566	br080@scib.co.th
District 5	0-2291-4631 , 0-2291-4847	0-2291-0407	reg05@scib.co.th
Wat Phrayakrai	0-2289-3026-7 , 0-2289-5033	0-2289-5032	br150@scib.co.th
Pra Ram 3	0-2682-7322-6 , 0-2682-7328-9	0-2682-7327	br079@scib.co.th
Bangkhlo	0-2289-4223 , 0-2289-4236 , 0-2289-4253	0-2289-4159	br157@scib.co.th
Sathupradit	0-2682-0610-8	0-2682-0619	br071@scib.co.th
Trok Chan	0-2211-1286 , 0-2211-4511 , 0-2674-8257-8	0-2211-4653	br114@scib.co.th
South Sathorn Road (Thai C.C. Tower)	0-2675-5697-9 , 0-2675-5700	0-2675-5701	br183@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Pun Road	0-2237-9317-20 , 0-2235-5800-2 0-2237-9661-2	0-2237-9321	br010@scib.co.th
Si Lom	0-2635-1150-2	0-2635-1157	br103@scib.co.th
Racha Dhamri	0-2251-4314 , 0-2251-4348-9 , 0-2251-3113	0-2251-4316	br154@scib.co.th
Center World Plaza	0-2255-6163 , 0-2255-9658-9	0-2255-9657	br161@scib.co.th
Si Phraya	0-2233-5305-7 , 0-2267-2191-4	0-2233-4174	br003@scib.co.th
Tha Niya	0-2236-3520-1 , 0-2236-5339 , 0-2236-9129-30	0-2236-9119	br053@scib.co.th
Charn Issara Tower (Rama IV)	0-2267-4296-8	0-2267-4299	br205@scib.co.th
District 6	0-2260-2431 , 0-2661-2673 , 0-2260-2738	0-2258-8995	reg06@scib.co.th
Pra Ram 4	0-2249-4201-3 , 0-2249-0330 , 0-2249-0325 0-2249-0360 , 0-2671-0260	0-2249-4204	br019@scib.co.th
Kluaynumtai	0-2258-6620-1	0-2258-5505	br130@scib.co.th
Klong Toey	0-2240-0161 , 0-2249-2633 , 0-2249-2911	0-2249-4789	br106@scib.co.th
Ploenchit Center	0-2656-8403-7	0-2656-8400	br072@scib.co.th
Asoke	0-2260-7830-4	0-2260-7839	br031@scib.co.th
Na Na Nua	0-2252-0709 , 0-2252-6540 0-2253-4835 , 0-2254-5538	0-2253-5668	br133@scib.co.th
Eka Mai	0-2392-2831 , 0-2392-7278-9 , 0-2711-4842	0-2392-2832	br126@scib.co.th
Thong Lor (2) (Sub-Branch)	0-2392-0527-8	0-2391-1862	br175@scib.co.th
Petchaburi Tat Mai	0-2308-2955-8 , 0-2718-1834	0-2308-2950	br044@scib.co.th
Thong Lor (Sub-Branch)	0-2185-2758-61 , 0-2185-2756	0-2185-2757	br054@scib.co.th
Thaisumit Tower	0-2252-6458 , 0-2251-1327 0-2255-3385 , 0-2251-1498	0-2251-1357	br115@scib.co.th
Ratchada Phisek	0-2641-2225-8	0-2641-3233	br052@scib.co.th
Thanon Witthayu (All Seasons Place) Sub Branch	0-2252-6784-5	0-2252-6786	br186@scib.co.th
Berlijucker House (Klaynumthai) Sub Branch	0-2381-5065-7	0-2381-5068	br196@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
District 7	0-2719-4585-6	0-2719-4587	reg07@scib.co.th
Ramkhamhaeng 73	0-2375-2126-7 , 0-2374-9644 0-2375-1945 , 0-2375-2254	0-2375-2452	br041@scib.co.th
Sukha Phibal 3 (Sub-Branch)	0-2373-0005 , 0-2373-0007-8 , 0-2373-5454	0-2373-0004	br059@scib.co.th
Lamsali	0-2735-2060-3	0-2735-2067	br170@scib.co.th
Hua Mark	0-2314-0086-7 , 0-2314-3004 , 0-2314-2627	0-2314-7277	br135@scib.co.th
Phatanakarn	0-2719-4580-3	0-2719-4591	br051@scib.co.th
Klong Ton (Sub-Branch)	0-2381-3114-5 , 0-2381-3121-2	0-2381-3124	br056@scib.co.th
Phathanakarn 22	0-2318-7241-2 , 0-2318-7620 , 0-2318-7969	0-2318-7393	br148@scib.co.th
On Nuch (Sub-Branch)	0-2322-1557-9	0-2322-1556	br179@scib.co.th
Sukhuvit 71	0-2391-6067 , 0-2392-5944 , 0-2392-8102	0-2392-2534	br118@scib.co.th
Pra Ves	0-2322-2223 , 0-2722-1371-2	0-2322-8943	br024@scib.co.th
Seacon Square	0-2721-8548-50	0-2721-8551	br164@scib.co.th
Pra-ves (on Nuch) (Sub-Branch)	0-2328-8023-5	0-2328-8027	br181@scib.co.th
U Domsuk	0-2393-7123 , 0-2395-5959 , 0-2393-5781-2	0-2399-2399	br137@scib.co.th
Central Bangna (Sub Branch)	0-2398-9572-3	02398-9574	br193@scib.co.th
District 8	0-2412-2797 , 0-2418-2723 , 0-2866-2442	0-2412-2798	reg08@scib.co.th
Phetkasem 69	0-2809-3034-8	0-2809-3041	br075@scib.co.th
Nongkeam	0-2445-4788 , 0-2445-4790-2	0-2445-4789	br160@scib.co.th
Bangyeerua	0-2472-2664-7	0-2472-2668	br004@scib.co.th
Siyaek Ban kaek	0-2465-2115 , 0-2466-1950 , 0-2465-5072 0-2466-1673 , 0-2466-3552	0-2465-5071	br009@scib.co.th
Tha Dindaeng (Sub-Branch)	0-2863-1283-8	0-2863-1289	br074@scib.co.th
Bang kae	0-2454-6225-7 , 0-2454-2790-2 , 0-2454-0041	0-2413-1329	br017@scib.co.th
Bang kae (Sub-Branch)	0-2801-1004-6	0-2801-1007	br172@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Sam Yaek Fai Shai	0-2411-3446 , 0-2418-3575-6	0-2411-2321	br116@scib.co.th
Charan Sanitwong 35 (Sub-Branch)	0-2411-0511 , 0-2411-0545 , 0-2411-0605	0-2411-0607	br048@scib.co.th
Wongwienyai	0-2437-0188 , 0-2437-2596 , 0-2438-6148	0-2437-5784	br107@scib.co.th
Chareon Nakhon (Sub-Branch)	0-2862-5010-6	0-2862-5017	br078@scib.co.th
The Mall Bangkae (Sub Branch)	0-2803-8373-4	0-2803-8375	br185@scib.co.th
District 9	0-2420-5314-5	0-2420-5311	reg09@scib.co.th
Kra Tum Ban	(034) 472-422	(034) 471-511	br016@scib.co.th
Sam Phran	(034) 322-781 , (034) 322-783 , (034) 323-800	(034) 322-782	br022@scib.co.th
Aom Noi	0-2420-1450 , 0-2420-1811 , 0-2420-2565-6	0-2420-1132	br124@scib.co.th
Samut Sakhon	(034) 411-225-6 , (034) 425-205-8 (034) 411-127	(034) 425-204	br325@scib.co.th
Klongkru (Sub-Branch)	(034) 827-086 , (034) 827-093	(034) 827-094	br069@scib.co.th
Mahachai Muang Mai	(034) 812-620-4	(034) 426-989	br034@scib.co.th
Talad Mahachai (Sub-Branch)	(034) 810-287-8	(034) 810-467	br061@scib.co.th
Thanon Seattrakit 1 (Omnoi)	0-2810-4596-9	0-2810-4605	br066@scib.co.th
Wat Thiendad (Sub-Branch)	0-2429-0216 , 0-2429-0813	0-2429-0847	br097@scib.co.th
Nakhon Chai Sri	(034) 331-350-1	(034) 331-349	br147@scib.co.th
Talad Tana (Nakhon Chai Sri)	(034) 331-107-9	(034) 331-151	br026@scib.co.th
Salaya (Sub-Branch)	0-2441-4557-9	0-2441-4560	br100@scib.co.th
Thanon Ekachai	0-2450-3741-3	0-2450-3744	br199@scib.co.th
District 10	0-2756-9087-89	0-2394-2250	reg10@scib.co.th
Poo Chao Saming Prai	0-2183-2044 , 0-2183-2046-7	0-2183-2043	br142@scib.co.th
Samrong Nua	0-2384-7141 , 0-2384-7244 0-2384-7419 , 0-2394-2246-50	0-2384-7678	br131@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Huachiew Chaloeprakiat University	0-2312-6600-5	0-2312-6603	br168@scib.co.th
Muang Mai Bang Pli	0-2706-0322-6	0-2706-0329	br092@scib.co.th
Bang Poo Industrial Estate	0-2324-0360 , 0-2324-0364 0-2324-0806-7 , 0-2709-8106-7	0-2324-0805	br158@scib.co.th
Bang Poo	0-2323-2960-3	0-2323-2964	br040@scib.co.th
Samrong	0-2396-0278-80 , 0-2745-3482-3	0-2399-5103	br011@scib.co.th
Talad Somrong (Sub-Branch)	0-2756-8411-4	0-2756-8419	br067@scib.co.th
Samut Prakarn	0-2388-0099 , 0-2395-0045 , 0-2702-8086	0-2395-2021	br123@scib.co.th
Talad Prakarn (Sub-Branch)	0-2702-8380-4	0-2702-8388	br046@scib.co.th
Theparak	0-2759-6061-4 , 0-2759-6066	0-2759-6067	br039@scib.co.th
Namdang (Sub-Branch)	0-2385-2511-2 , 0-2385-2920 , 0-2385-2936	0-2385-2921	br171@scib.co.th
Big C Bangplee (Sub Branch)	0-2752-5632-3	0-2752-5635	br189@scib.co.th
King Kaew	0-2316-1990-2 , 0-2750-0184-5	0-2317-1312	br030@scib.co.th
District 11	0-2582-0872-4	0-2582-0875	reg11@scib.co.th
Haryaek Pakkred	0-2583-7574 , 0-2583-9144 , 0-2582-3634-5	0-2584-3959	br152@scib.co.th
Pracha Chuen	0-2585-6811 , 0-2585-7231 , 0-2910-0727	0-2585-2666	br129@scib.co.th
Minburi	0-2517-8014-5 , 0-2517-9321	0-2517-8016	br163@scib.co.th
Bang Bua Thong	0-2571-3598-9 , 0-2571-3373-5 , 0-2571-7843-4	0-2571-7845	br014@scib.co.th
Rattanathibet (Sub-Branch)	0-2969-9040-3 , 0-2969-9046	0-2969-9048	br063@scib.co.th
Pakkred	0-2960-9928-30 , 0-2583-7246 , 0-23583-7876	0-2583-7562	br023@scib.co.th
Samakhee Road (Sub-Branch)	0-2574-2794-5	0-2574-2793	br166@scib.co.th
Chaeng Watana	0-2573-7625-6 , 0-2982-9192-3 , 0-2982-9438-40	0-2982-9441	br038@scib.co.th
Song Prapha (Sub-Branch)	0-2928-8542-5	0-2928-8546	br076@scib.co.th
Ram Intra	0-2943-5630-2 , 0-2519-0824-5	0-2519-0826	br035@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Fashion Ailand (Sub-Branch)	0-2947-6402-5	0-2947-6410	br065@scib.co.th
Ram Intra (Km.8)	0-2510-6900 , 0-2510-2342 , 0-2510-9874 , 0-2510-1093	0-2510-9875	br149@scib.co.th
Ram Intra Km.7 (Sub-Branch)	0-2510-9882 , 0-2510-9788 , 0-2510-9610	0-2510-9197	br180@scib.co.th
Pantip Plaza Ngamwongwan (Sub Branch)	0-2953-5056-7	0-2953-5058	br197@scib.co.th
Thanon Chalong Krung (Sub Branch)	0-2327-8111-3	0-2327-8114	br198@scib.co.th
Thanon Kheha Romklao (Sub Branch)	0-2543-9200-1 , 0-2543-9191	0-2543-9192	br200@scib.co.th
Bang Yai (Sub Branch)	0-2595-0682-4	0-2595-0685	br202@scib.co.th
Chaloemphrakiat Government Complex (Building A)	0-2143-9631-3	0-2143-9634	br204@scib.co.th
BIG C Chaengwatthana	0-2574-3525-7	0-2574-3528	br208@scib.co.th
District 12	0-2531-3464	0-2531-9845	reg12@scib.co.th
Simum Muang Ransit	0-2531-9774 , 0-2531-3445 , 0-2531-3509 , 0-2531-3447	0-2531-9636	br036@scib.co.th
Zeer Street	0-2992-6807-9	0-2992-6810	br173@scib.co.th
Don Muang	0-2929-7004 , 0-2566-1950-1	0-2566-3425	br122@scib.co.th
Rangsit Klong 3	0-2990-8806-8	0-2533-1659	br058@scib.co.th
Rangsit	0-2567-5808 , 0-2567-2738-9	0-2567-5809	br145@scib.co.th
Lamlooka	0-2994-5747-51	0-2994-5753	br090@scib.co.th
Saphan Mai Don Muang	0-2521-1670 , 0-2521-0612-3 , 0-2552-2822	0-2521-0611	br143@scib.co.th
Saphan Mai Don Muang (Sub-Branch)	0-2970-4400-3	0-2970-4408	br070@scib.co.th
Pathum Thani	0-2581-5766 , 0-2581-6976	0-2581-6925	br155@scib.co.th
Bang kadee Industrial Park (Sub-Branch)	0-2501-1254-6	0-2501-1257	br099@scib.co.th
Klong Luang	0-2516-1230-33 , 0-2516-1202	0-2516-1203	br029@scib.co.th
Navanakorn (Sub-Branch)	0-2909-0620-3 , 0-2909-0626	0-2909-0625	br082@scib.co.th
Future Park Rungsit (Sub Branch)	0-2958-0914-5	0-2958-0917	br188@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
IT Square (Sub Branch)	0-2576-0104-5 , 0-2576-0106	br190@scib.co.th	
District 13	0-2435-4676 , 0-2886-5095-6	0-2435-4675	reg13@scib.co.th
Bang Khun Non	0-2424-9778-9 , 0-2433-6028-9	0-2434-9772	br153@scib.co.th
Boroma Rachachoni (Pinklao)	0-2446-8061-4	0-2446-8065	br184@scib.co.th
Bang Phlad	0-2435-7205 , 0-2435-6808-10	0-2435-6807	br159@scib.co.th
Bangkruay (Sub-Branch)	0-2447-2897 , 0-2447-5095 , 0-2447-5506 , 0-2447-2775	0-2883-8619	br182@scib.co.th
Pin Klao	0-2435-4273-4 , 0-2435-7374 0-2435-4530 , 0-2435-4577-8	0-2435-4518	br033@scib.co.th
Talingchan (Sub-Branch)	0-2882-7790-4	0-2882-7796	br085@scib.co.th
Thanon Arun Amarin	0-2424-0888 , 0-2424-0999 , 0-2883-3981-2	0-2433-7061	br139@scib.co.th
Pran Nok (Sub-Branch)	0-2418-0785 , 0-2418-0787 , 0-2418-0782	0-2418-0786	br162@scib.co.th
Bang Bon	0-2899-8533-5	0-2899-8540	br073@scib.co.th
Non Thaburi (Sub-Branch)	0-2527-0255-60	0-2527-0254	br047@scib.co.th
Wutakas	0-2466-9981-2 , 0-2466-6160 , 0-2465-4236 , 0-2472-5839	0-2472-5838	br020@scib.co.th
Talad Plu (Sub-Branch)	0-2466-7404 , 0-2466-7423 , 0-2466-8196 , 0-2466-9511	0-2465-1767	br057@scib.co.th
Wong Sawang	0-2586-0420-2	0-2910-7949	br032@scib.co.th
Homeworks Ratchaphruek	0-2447-6690-2	0-2447-6693	br207@scib.co.th
District 14	0-2477-2416-7 , 0-2477-2487	0-2477-2486	reg14@scib.co.th
Bang Mod	0-2428-7014-5 , 0-2428-6913-6	0-2428-6994	br043@scib.co.th
Thanon Pra Ram 2 (Soi 3)	0-2427-1552-3	0-2427-1551	br138@scib.co.th
Phra Pra Daeng	0-2463-3940-1 , 0-2463-8415-7	0-2463-6897	br028@scib.co.th
Pracha U Tis (Sub-Branch)	0-2873-4721-3 , 0-2873-5848	0-2873-5849	br084@scib.co.th
Bang Kru	0-2462-8020 , 0-2462-8034 , 0-2464-2454	0-2462-6193	br144@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Bang Kru (Sub-Branch)	0-2817-5417-19	0-2817-5423	br088@scib.co.th
Sam Yaek Phra Pra Daeng	0-2463-2156-7 , 0-2462-6284	0-2462-5355	br120@scib.co.th
Thanam Phra Pradaeng (Sub-Branch)	0-2463-0488 , 0-2463-2228 , 0-2463-3577-8	0-2464-2156	br167@scib.co.th
Rachada Phisek-Thapra	0-2878-8845-50	0-2878-8852	br077@scib.co.th
Charan Sanitwong 13 (Sub-Branch)	0-2864-1560-3	0-2864-1566	br083@scib.co.th
Sam Re	0-2468-0609 , 0-2468-1008-9 , 0-2476-5422	0-2476-5423	br132@scib.co.th
Talad Sam Re (Sub-Branch)	0-2472-2045-50	0-2472-2052	br049@scib.co.th
The Mall Thapara (Sub Branch)	0-2477-7295-6	0-2477-7297	br187@scib.co.th
Big C Suksawat (Sub Branch)	0-2463-0992-3	0-2463-0980	br194@scib.co.th
Carrefour Pra Ram 2	0-2450-1340-2	0-2450-1343	br203@scib.co.th
District 15	(038) 876-610-1	(038) 876-612	reg15@scib.co.th
Chandhaburi	(039) 325-925 , (039) 322-048 (039) 311-079 , (039) 312-276	(039) 325-926	br312@scib.co.th
Trat	(039) 525-731-5	(039) 525-734	br414@scib.co.th
Huay Sa Thon	(039) 395-381-3	(039) 395-384	br378@scib.co.th
Rayong	(038) 614-913-4	(038) 612-342	br332@scib.co.th
Mab Ta Put	(038) 682-531-3	(038) 681-995	br382@scib.co.th
Nikhom Phattana	(038) 636-090-1	(038) 636-092	br710@scib.co.th
Ban Phe	(038) 651-995 , (038) 651-997 , (038) 651-978	(038) 651-993	br559@scib.co.th
Klaeng	(038) 887-003-9	(038) 678-002	br578@scib.co.th
Sattahip	(038) 437-321 , (038) 437-986	(038) 437-717	br531@scib.co.th
Koh Chang (Sub-Branch)	(039) 551-026-29	(039) 551-030	br415@scib.co.th
Pluak Daeng (Sub Branch)	(038) 659-768-9	(038) 659-770	br451@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
District 16	(038) 275-498-9	(038) 273-243	reg16@scib.co.th
Pattaya	(038) 720-334 , (038) 720-339	(038) 429-973	br377@scib.co.th
Chonburi	(038) 276-930-7	(038) 276-935	br380@scib.co.th
Bangpasoi	(038) 271-819 , (038) 276-651 (038) 283-719 , (038) 283-919	(038) 276-652	br507@scib.co.th
Si racha	(038) 773-415-20	(038) 773-421	br399@scib.co.th
Thanon Surasak 1 (Siracha)	(038) 311-872-3 , (038) 312-206-7	(038) 311-871	br508@scib.co.th
Laem Chabang	(038) 400-740-3	(038) 400-745	br404@scib.co.th
Cha Choeng Sao	(038) 515-835-7	(038) 515-838	br388@scib.co.th
Nong Mon	(038) 392-302 , (038) 392-125 , (038) 392-131	(038) 392-501	br514@scib.co.th
Ban Bung	(038) 443-060-1 , (038) 444-015-6	(038) 443-713	br519@scib.co.th
Bowin Industrial Estate	(038) 345-456-7 , (038) 345-828	(038) 345-829	br435@scib.co.th
Haad Pattaya Nua (Sub Branch)	(038) 415-772-4 , (038) 415-884	(038) 415-885	br437@scib.co.th
Tukcom Pattaya (Sub Branch)	(038) 724-105-7	(038) 724-108	br440@scib.co.th
Pattaya Klang (Sub Branch)	(038) 426-312 , (038) 426-343 , (038) 426-467	(038) 421-325	br444@scib.co.th
Rajamangala University Of Technology	(038) 341-029	(038) 341-159	br452@scib.co.th
Burapha University (Sub Branch)	(038) 394-185-6	(038) 394-187	br455@scib.co.th
Saha Group Industrial Park (Sriraja)	(038) 481-826-8	(038) 481-829	br460@scib.co.th
Carrefour Chachoengsao	(038) 515-188 , (038) 515-190 , (038) 515-194	(038) 515-219	br467@scib.co.th
Pacific Park Sriracha	(038) 313-226 , (038) 313-236 , (038) 313-244	(038) 313-245	br468@scib.co.th
District 17	(037) 421-888-9	(037) 421-345	reg17@scib.co.th
Prachin Buri	(037) 211-300 , (037) 213-855-9	(037) 213-080	br334@scib.co.th
Nakorn Nayok	(037) 311-131 , (037) 312-608-9	(037) 312-610	br357@scib.co.th
Sa kaew	(037) 241-061 , (037) 241-585-6	(037) 241-062	br367@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Wang Nam Yen	(037) 251-543-7	(037) 251-546	br387@scib.co.th
Wang Somboon (Sub-Branch)	(037) 449-193-4	(037) 449-195	br701@scib.co.th
Aranya Prathet	(037) 223-505-7	(037) 223-511	br397@scib.co.th
Na Dee	(037) 289-069 , (037) 411-201-2	(037) 289-069	br398@scib.co.th
Kabin Buri	(037) 281-156 , (037) 281-333	(037) 281-155	br520@scib.co.th
Phanom Sarakham	(038) 551-005 , (038) 551-824-6	(038) 551-659	br528@scib.co.th
304 Industrial Park (Sub Branch)	(037) 414-378-80	(037) 414-381	br438@scib.co.th
Kabinburi Industrial Zone (Nongkee) Sub Branch	(037) 455-428-9 , (037) 455-420-1	(037) 455-439	br439@scib.co.th
District 18	(056) 225-257 , (056) 228-415	(056) 225-258	reg18@scib.co.th
Paknam pho	(056) 212-082 , (056) 212-189 (056) 213-388 , (056) 212-847-8	(056) 213-516	br302@scib.co.th
Nakorn Sawan	(056) 222-998 , (056) 227-835	(056) 231-462	br504@scib.co.th
Ta Klee	(056) 261-093 , (056) 261-133 , (056) 262-381-3	(056) 262-383	br349@scib.co.th
Hangnam Sakorn (Sub-Branch)	(056) 431-232 , (056) 431-233	(056) 431-234	br708@scib.co.th
Chong Khae	(056) 269-163 , (056) 269-128-30	(056) 269-127	br702@scib.co.th
Han Kha	(056) 451-040 , (056) 451-042 , (056) 451-500	(056) 451-499	br544@scib.co.th
Nong Ben (Sub-Branch)	(056) 296-163-5	(056) 296-166	br700@scib.co.th
Chai Nat	(056) 416-650-3	(056) 416-654	br424@scib.co.th
U Thai Thani	(056) 571-616-19	(056) 571-620	br433@scib.co.th
Phaisali (Sub Branch)	(056) 259-721-22	(056) 259-723	br443@scib.co.th
District 19	(055) 246-788 , (055) 251-881	(055) 219-997	reg19@scib.co.th
Phisanulok	(055) 243-871-2 , (055) 259-322	(055) 244-268	br372@scib.co.th
Phi Chit	(056) 611-033 , (056) 611-651	(056) 611-127	br513@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Phet Chaboon	(056) 723-103	(056) 723-104	br572@scib.co.th
Kamphang Phet	(055) 712-753-4 , (055) 712-770 , (055) 712-803	(055) 712-830	br390@scib.co.th
Sawarn Kalok	(055) 641-478-9 , (055) 642-512 , (055) 642-515	(055) 641-480	br353@scib.co.th
Sukho Thai	(055) 616-201-4	(055) 616-200	br422@scib.co.th
Tak	(055) 511-275 , (055) 511-360 , (055) 513-484-5	(055) 513-486	br323@scib.co.th
Mae Sod	(055) 533-311-3 , (055) 533-319	(055) 533-320	br381@scib.co.th
Lumsak (Sub-Branch)	(056) 701-540 , (056) 701-878 (056) 704-207 , (056) 704-267	(056) 704-513	br436@scib.co.th
Wang Chao (Sub-Branch)	(055) 556-059 , (055) 556-061	(055) 556-063	br706@scib.co.th
Prangatai (Sub Branch)	(055) 762-111-2	(055) 762-113	br454@scib.co.th
Lomkao (Sub Branch)	(056) 708-492-3	(056) 708-494	br453@scib.co.th
BIG C Phitsanulok	(055) 220-784-5 , (055) 378-295	(055) 378-296	br466@scib.co.th
District 20	(054) 230-422 , (054) 230-051	(054) 230-593	reg20@scib.co.th
Lampang	(054) 226-041-4	(054) 226-045	br301@scib.co.th
Thanon Boonywat	(054) 217-444 , (054) 217-666 , (054) 218-790 (054) 224-668 , (054) 214-666	(054) 224-667	br502@scib.co.th
Sob Tui	(054) 228-040-3	(054) 228-044	br342@scib.co.th
Pha Yao	(054) 431-124 , (054) 482-386-8	(054) 431-272	br341@scib.co.th
Prae	(054) 522-004 , (054) 522-006	(054) 522-005	br546@scib.co.th
Nan	(054) 711-095-9	(054) 711-098	br419@scib.co.th
Uttaradit	(055) 403-103-6	(055) 403-107	br418@scib.co.th
Lampoon	(053) 510-371 , (053) 512-060-1	(053) 510-372	br307@scib.co.th
Bhumibhon Dam	(055) 549-598-9 , (055) 599-004-5	(055) 599-021	br352@scib.co.th
Lamphun Industrial (Sub Branch)	(053) 581-662-3	(053) 581-664	br449@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
District 21	(053) 217-053-4 , (053) 217-190	(053) 217-191	reg21@scib.co.th
Chieng Mai	(053) 273-352 , (053) 275-737 , (053) 276-528	(053) 272-733	br300@scib.co.th
Mae sai	(053) 731-675 , (053) 731-879 (053) 731-904 , (053) 733-165-6	(053) 731-905	br391@scib.co.th
San Pakoi	(053) 244-157 , (053) 249-167-8 , (053) 246-157 (053)247-157 , (053) 249-170-1	(053) 241-157	br345@scib.co.th
San Sai	(053) 491-457 , (053) 491-928 (053) 491-934 , (053) 491-969	(053) 491-728	br711@scib.co.th
Kwuang Sing	(053) 210-826-8 , (053) 216-586	(053) 222-718	br555@scib.co.th
Chiengrai	(053) 717-100-6 , (053) 717-108-9	(053) 717-107	br375@scib.co.th
Hangdong	(053) 434-035-7	(053) 434-038	br577@scib.co.th
Mae Hongson	(053) 614-441-2 , (053) 614-444-5	(053) 614-443	br425@scib.co.th
Chang Klan	(053) 274-634 , (053) 274-934-5	(053) 274-635	br505@scib.co.th
Central Airport Plaza (Sub Branch)	(053) 271-700 , (053) 271-801	(053) 272-154	br441@scib.co.th
Pai (Sub branch)	(053) 699-886 , (053) 699-505	(053) 699-252	br448@scib.co.th
Bo Sang	(053) 337-004-6	(053) 337-007	br461@scib.co.th
District 22	(043) 227-280-1 , (043) 227-274	(043) 227-282	reg22@scib.co.th
Udon Thani	(042) 221-703 , (042) 221-381 , (042) 247-211-2	(042) 247-209	br333@scib.co.th
Nong Khai	(042) 412-890-4	(042) 412-895	br389@scib.co.th
Thanon Udondusadee	(042) 247-574 , (042) 247-732 , (042) 247-775	(042) 247-510	br561@scib.co.th
Khon Kaen	(043) 221-163 , (043) 223-234 , (043) 224-201-2	(043) 221-822	br339@scib.co.th
Thanon Srichan	(043) 227-275-8	(043) 227-279	br522@scib.co.th
Chum Phae	(043) 311-684 , (043) 312-292 , (043) 312-393	(043) 312-395	br563@scib.co.th
Ban Phai	(043) 274-038-40	(043) 274-043	br589@scib.co.th
Srang Khom	(042) 276-222-4	(042) 276-225	br580@scib.co.th
Loei	(042) 861-451-3	(042) 861-454	br431@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Nong Bua Lamphoo	(042) 311-107 , (042) 311-166 (042) 311-385 , (042) 311-588	(042) 311-657	br427@scib.co.th
Kan Ra Sin	(043) 812-024 , (043) 812-026 (043) 812-034 , (043) 812-044	(043) 812-066	br423@scib.co.th
Wang Sammo (Sub Branch)	(042) 387-486-7	(042) 387-488	br446@scib.co.th
Suwankhuha (Sub Branch)	(042) 372-515-6	(043) 372-517	br445@scib.co.th
BIG C Udonthani	(042) 128-551-3	(042) 128-548	br465@scib.co.th
District 23	(045) 244-914 , (045) 254-116-7	(045) 254-348	reg23@scib.co.th
Ubon Ratchathani	(045) 244-910-4 , (045) 244-917	(045) 244-919	br383@scib.co.th
Thanon Sabpasit	(045) 244-315 , (045) 244-729 (045) 245-744 , (045) 245-855	(045) 243-193	br585@scib.co.th
Ya So Thorn	(045) 714-051-6	(045) 714-054	br591@scib.co.th
Amnat Charoen	(045) 511-721-4	(045) 511-726	br586@scib.co.th
Warin Chamrab	(045) 322-788 , (045) 322-791-3	(045) 322-790	br564@scib.co.th
Roiet	(043) 511-521 , (043) 513-520-1	(043) 511-520	br361@scib.co.th
Muk Da Harn	(042) 631-367-70	(042) 631-374	br402@scib.co.th
Maha Sarakham	(043) 725-485 , (043) 725-661 (043) 723-653 , (043) 725-418	(043) 723-692	br420@scib.co.th
Nakhon Phanom	(042) 516-125-8	(042) 516-129	br395@scib.co.th
Sri Sa Ket	(045) 617-861-4	(045) 617-860	br434@scib.co.th
Sakon Nakorn	(042) 716-446-50	(042) 716-451	br592@scib.co.th
District 24	(044) 267-291-2 , (044) 257-094	(044) 257-095	reg24@scib.co.th
Nakorn Rachasrima	(044) 259-003-4 , (044) 251-376	(044) 259-002	br359@scib.co.th
Thanon Suranaree	(044) 242-560 , (044) 242-904 (044) 256-705 , (044) 267-312	(044) 256-706	br503@scib.co.th
Thanon Mitapap	(044) 268-631-6	(044) 268-634	br576@scib.co.th
Pak Chong	(044) 313-798-9 , (044) 313-855-6	(044) 313-255	br386@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Samyaek Pak Thongchai	(044) 213-993-5 , (044) 281-815-6	(044) 213-994	br394@scib.co.th
Nang Rong	(044) 631-049 , (044) 631-586-8	(044) 631-050	br369@scib.co.th
Burirum	(044) 601-555 , (044) 602-000 , (044) 602-111	(044) 602-123	br401@scib.co.th
Plubplachai (Burirum)	(044) 608-012-5	(044) 608-016	br587@scib.co.th
Surin	(044) 514-455-8	(044) 514-459	br376@scib.co.th
Chaiyaphum	(044) 813-251-5	(044) 813-253	br429@scib.co.th
District 25	(036) 221-094 , (036) 316-264 , (036) 318-277	(036) 220-407	reg25@scib.co.th
Sara Buri	(036) 211-166 , (036) 211-454 (036) 212-420 , (036) 315-227	(036) 212-421	br331@scib.co.th
Pakprew	(036) 211-833-4 , (036) 221-286 , (036) 220-312	(036) 221-884	br509@scib.co.th
Kaeng Koi	(036) 244-176 , (036) 244-179 , (036) 245-127-8	(036) 244-178	br521@scib.co.th
Nong Khae	(036) 371-504 , (036) 371-517 , (036) 371-859	(036) 371-516	br535@scib.co.th
Ban Mo	(036) 201-141 , (036) 201-391-2	(036) 201-142	br370@scib.co.th
Sing Buri	(036) 511-199 , (036) 521-200-1	(036) 521-202	br385@scib.co.th
Lop Buri	(036) 411-233 , (036) 411-595 , (036) 421-020-2	(036) 421-023	br340@scib.co.th
Ta Rua Ayudhaya	(035) 341-019 , (035) 341-029 , (035) 341-729	(035) 341-795	br356@scib.co.th
District 26	(035) 336-622 , (035) 336-623	(035) 336-624	reg26@scib.co.th
Ayudhaya	(035) 252-431-6 , (035) 252-359 , (035) 252-438	(035) 252-437	br343@scib.co.th
Talad Chaophorm	(035) 244-768 , (035) 245-162-3 (035) 246-101 , (035) 246-109	(035) 245-441	br570@scib.co.th
Roj Chana	(035) 213-892-4 , (035) 244-381	(035) 242-136	br392@scib.co.th
Lad Bua Luang	(035) 379-290-1	(035) 379-292	br703@scib.co.th
Bang Pa Han	(035) 381-023-5	(035) 381-026	br554@scib.co.th
Se Na	(035) 201-035 , (035) 201-291 (035) 201-748 , (035) 201-590	(035) 201-749	br348@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Bang Sai (Sub-Branch)	(035) 282-118-20 , (035) 375-226	(035) 375-144	br707@scib.co.th
Ang Thong	(035) 611-099 , (035) 612-301-3	(035) 611-100	br363@scib.co.th
Wises Chai Chan	(035) 632-801-4	(035) 632-805	br421@scib.co.th
District 27	(034) 621-231-2	(034) 621-233	reg27@scib.co.th
Kanchana Buri	(034) 515-096-100	(034) 515-102	br335@scib.co.th
Thanon Bavorn	(034) 511-022 , (034) 512-387 (034) 514-205 , (034) 512-201	(034) 511-597	br713@scib.co.th
Tarua Kanchanaburi	(034) 561-130 , (034) 561-040 , (034) 562-074	(034) 562-073	br338@scib.co.th
Ta Muang	(034) 611-119 , (034) 611-403 , (034) 612-417-8	(034) 612-419	br337@scib.co.th
Thong Pha Poom	(034) 599-073 , (034) 599-352	(034) 599-613	br400@scib.co.th
Suphan Buri	(035) 511-330 , (035) 511-590 , (035) 523-882-3	(035) 523-881	br324@scib.co.th
Thanon Phrapanvasa	(035) 521-575 , (035) 521-963	(035) 521-964	br537@scib.co.th
Sri Pra Chan	(035) 581-150 , (035) 581-160	(035) 581-140	br540@scib.co.th
U Thong	(035) 551-299 , (035) 551-618	(035) 551-868	br538@scib.co.th
Dan Chang	(035) 595-497-8	(035) 595-499	br384@scib.co.th
Sam Chook	(035) 571-644 , (035) 571-655 , (035) 571-666	(035) 571-099	br346@scib.co.th
Song Phi Nong	(035) 532-890-3	(035) 532-894	br417@scib.co.th
Thungkhok (Sub Branch)	(035) 568-086-7	(035) 568-069	br447@scib.co.th
District 28	(032) 201-487 , (032) 200-466 , (032) 342-983	(032) 201-488	reg28@scib.co.th
Nakorn Prathom	(034) 255-317-9	(034) 254-915	br320@scib.co.th
Thanon Ratchawithi (Nakorn Prathom)	(034) 242-348 , (034) 251-080	(034) 251-081	br529@scib.co.th
Bang Len	(034) 391-026-9	(034) 391-030	br371@scib.co.th
Kam Phaeng Saen	(034) 351-100 , (034) 351-614	(034) 351-094	br358@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Rachaburi	(032) 337-142 , (032) 338-280 (032) 325-802-5 , (032) 337-777	(032) 325-801	br314@scib.co.th
Ban Pong	(032) 200-429-31 , (032) 211-993	(032) 211-035	br316@scib.co.th
Thanon Songphon	(032) 200-427 , (032) 211-899 (032) 211-900 , (032) 342-986	(032) 200-426	br517@scib.co.th
Photharam	(032) 231-089 , (032) 231-255 , (032) 233-283-4	(032) 231-090	br326@scib.co.th
Damnern Sa Duak	(032) 253-810-2	(032) 253-813	br315@scib.co.th
Pho Hak	(032) 387-021-2	(032) 387-023	br709@scib.co.th
Robinson Ratchaburi	(032) 327-711-3	(032) 327-714	br462@scib.co.th
District 29	(034) 720-735 , (034) 720-758	(034) 720-736	reg29@scib.co.th
Samut Songkram	(034) 711-361 , (034) 711-444 (034) 711-510 , (034) 715-444	(034) 715-555	br321@scib.co.th
Ban Phaeo	(034) 481-088 , (034) 481-099 , (034) 480-111 (034) 480-112 , (034) 481-605	(034) 481-606	br368@scib.co.th
Umpava	(034) 751-177-8 , (034) 751-640-1	(034) 751-642	br322@scib.co.th
Khaowang	(032) 425-350 , (032) 426-086 (032) 428-352 , (032) 427-152	(032) 428-351	br360@scib.co.th
Petcha Buri	(032) 427-023-5	(032) 415-455	br547@scib.co.th
Tha Yang	(032) 461-445-6 , (032) 461-823-4	(032) 461-447	br545@scib.co.th
Cha Am	(032) 434-130-1 , (032) 471-158 , (032) 471-094	(032) 471-185	br523@scib.co.th
Hua Hin	(032) 511-098 , (032) 511-203 (032) 512-218 , (032) 512-470-1	(032) 512-219	br350@scib.co.th
Pran Buri	(032) 621-643 , (032) 622-373-4	(032) 622-055	br515@scib.co.th
Prachuab khiri Khan	(032) 604-464-7	(032) 604-468	br428@scib.co.th
District 30	(077) 283-804 , (077) 283-171 , (077) 283-067	(077) 282-150	reg30@scib.co.th
Chumphon	(077) 571-935 , (077) 501-060 , (077) 571-938-9	(077) 571-940	br408@scib.co.th
Lang Suan	(077) 541-965 , (077) 541-975 , (077) 581-417-8	(077) 541-987	br319@scib.co.th
Ban Don	(077) 210-365 , (077) 272-006 , (077) 273-663 (077) 281-551-2 , (077) 282-151	(077) 210-366	br308@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
Ban Na-Doem	(077) 359-013 , (077) 359-067 , (077) 359-015	(077) 359-014	br704@scib.co.th
Surat Thani	(077) 283-627-30	(077) 284-080	br560@scib.co.th
Phunpin	(077) 311-449 , (077) 311-377 , (077) 312-368-70	(077) 311-537	br354@scib.co.th
Nakhon Sri Dhamaraj	(075) 342-779-80 , (075) 356-119 , (075) 356-761	(075) 356-741	br305@scib.co.th
Pak Pa Nang	(075) 517-132 , (075) 517-298 , (075) 518-023 (075) 517-979 , (075) 517-969	(075) 518-021	br306@scib.co.th
Thong Song	(075) 411-087 , (075) 411-287 (075) 411-956 , (075) 411-808	(075) 411-054	br328@scib.co.th
Khiansa (Sub Branch)	(077) 387-407-8	(077) 387-409	br456@scib.co.th
Phraphrom (Sub Branch)	(075) 763-260-1	(075) 763-262	br450@scib.co.th
Robinson Ocean Nakonsrithammarat	(075) 341-960-1 , (075) 341-875	(075) 341-876	br459@scib.co.th
Talad Tarphae Nakhon sri Thammaraj	(075) 383-271 , (075) 383-277 , (075) 383-316	(075) 383-110	br464@scib.co.th
District 31	(076) 217-683-4	(076) 217-698	reg31@scib.co.th
Ra Nong	(077) 811-198 , (077) 811-299 (077) 811-752 , (077) 812-299	(077) 811-751	br366@scib.co.th
Phuket	(076) 212-077 , (076) 212-385 , (076) 222-838-40	(076) 222-841	br374@scib.co.th
Thanon Montri	(076) 212-993 , (076) 212-999 (076) 215-393 , (076) 222-846	(076) 213-149	br539@scib.co.th
Haad Ka Ron	(076) 396-981 , (076) 396-095 , (076) 396-485-6	(076) 396-980	br705@scib.co.th
Haad Pa Tong	(076) 292-116-8	(076) 345-687	br396@scib.co.th
Thlang	(076) 311-020 , (076) 311-040 (076) 311-432 , (076) 274-176	(076) 311-433	br365@scib.co.th
Phang Nga	(076) 411-295 , (076) 411-527-8	(076) 411-326	br364@scib.co.th
Thai Muang	(076) 571-234-7	(076) 571-215	br355@scib.co.th
Ta Kua Pa	(076) 431-503-5 , (076) 425-666	(076) 425-777	br317@scib.co.th
Khao lak (Sub-Branch)	(076) 485-493-5	(076) 485-560	br416@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
District 32	(075) 216-252 , (075) 216-484	(075) 216-638	reg32@scib.co.th
Trang	(075) 218-059 , (075) 218-590 (075) 211-321 , (075) 214-033	(075) 211-320	br304@scib.co.th
Kantang	(075) 251-250 , (075) 251-640 , (075) 251-038	(075) 251-644	br329@scib.co.th
Huay Yod	(075) 235-033-5 , (075) 271-013	(075) 271-064	br327@scib.co.th
Yarn Ta Khao	(075) 281-003 , (075) 281-101	(075) 281-102	br344@scib.co.th
Phata Lung	(074) 613-082 , (074) 613-951-2	(074) 611-918	br318@scib.co.th
Kra Bi	(075) 611-320-1 , (075) 620-520 (075) 620-546-51, (075) 611-764	(075) 620-549	br330@scib.co.th
Koh lanta	(075) 668-151-2	(075) 668-151	br403@scib.co.th
Ao Luk	(075) 634-335-7 , (075) 610-739	(075) 610-755	br379@scib.co.th
Ao nang	(075) 661-430-2 , (075) 661-434	(075) 661-433	br430@scib.co.th
BIG C Krabi	(075) 701-020-2	(075) 701-023	br469@scib.co.th
District 33	(074) 355-400 , (074) 355-399	(074) 355-400	reg33@scib.co.th
Haad Yai	(074) 235-549 , (074) 239-907 , (074) 355-396-7	(074) 243-648	br303@scib.co.th
Thanon Nipatuthit 1	(074) 244-898-9	(074) 232-485	br501@scib.co.th
Songkhla	(074) 311-638 , (074) 323-735-6	(074) 313-543	br362@scib.co.th
Pattani	(073) 335-950-1 , (073) 331-851	(073) 335-949	br310@scib.co.th
Sai Buri	(073) 411-021 , (073) 411-314-5	(073) 411-138	br347@scib.co.th
Nara Thivas	(073) 512-013 , (073) 511-030 , (073) 514-463-5	(073) 512-014	br311@scib.co.th
Su Ngei Golok	(073) 611-359 , (073) 611-002 , (073) 613-611	(073) 613-632	br351@scib.co.th
Ya La	(073) 212-592 , (073) 213-375 , (073) 211-692	(073) 211-691	br309@scib.co.th
Be Tong	(073) 231-120 , (073) 231-416	(073) 230-914	br336@scib.co.th
Sa Tun	(074) 725-251-3	(074) 725-254	br426@scib.co.th
Lee Gardens Plaza (Sub Branch)	(074) 239-010 , (074) 239-349	(074) 230-414	br442@scib.co.th

OFFICE/DISTRICT/BRANCH	TELEPHONE	FAX	E-mail
District 34	(077) 414-455	(077) 414-456	reg34@scib.co.th
Koh Samui	(077) 421-110 , (077) 421-111 (077) 420-363 , (077) 420-365	(077) 421-112	br313@scib.co.th
Chaweng Beach	(077) 230-405 , (077) 231-089-90	(077) 422-051	br714@scib.co.th
Haad la mai	(077) 458-159-60 , (077) 458-162-4	(077) 458-161	br432@scib.co.th
Koh Pha-Ngan	(077) 377-051 , (077) 377-054 , (077) 238-186-7	(077) 377-052	br373@scib.co.th
Haad Rin (Sub-Branch)	(077) 375-477 , (077) 375-254	(077) 375-476	br412@scib.co.th
Koh Tao	(077) 456-533-4	(077) 456-784	br413@scib.co.th
Maenam (Sub Branch)	(077) 248-375 , (077) 332-259	(077) 332-260	br457@scib.co.th
Tharua Bangrak Koh Samui (Sub Branch)	(077) 417-184-5	(077) 417-186	br458@scib.co.th

Trade Finance Department

OFFICE	SENIOR MANAGER/CHIEF	TELEPHONE	FAX
Head Office	Mr. Sailom Nopkachain	0-2253-3630	0-2253-1240
Suanmali Office	Mr. Vibul Leevarapakul	0-2224-3716	0-2224-3728
Thaniya Center	Ms. Paradee Kittipoonsuk	0-2233-6950	0-2236-3485
Bangpoo Industrial Estate Center	Mr. Kampol Pholngam	0-2709-8106-7	0-2324-0805
Samutsakorn Center	Ms. Molwadee Lopsoontorn	0-3483-7615-8	0-3483-7619
Haad Yai Center	Mrs. Nidhree Apiwantanakorn	0-7423-5400-2	0-7423-5403
Navanakorn Industrial Estate Center	Ms. Naiyana Udomrak	0-2529-0950-1	0-2529-0952
Thanon Seattakij 1 Center	Mr. Dhiwat Thamwongwat	0-2420-0425-6	0-2420-0745
Thanon Surasak 1 (Siracha) Center	Ms. Kularb Taveekittiwong	0-3832-4652	0-3832-4042
Kingkaew Center	Mrs. Chatchanan Plungwatana	0-2325-1044-5	0-2325-1059

Currency Exchange Office

● Bangkok

Khao Sarn Road 1 Booth	Khao Sarn Road 2 Booth	Khao Sarn Road 3 Booth
Sukhumvit Road, Soi 15 Booth	Metro Shopping Center Booth	Patpong Road Booth
Nana Tai Booth	Vimanmek Mansion Dusit Palace Booth	Prompong Train Station Booth
Siam Train Station Booth	Rajdamnern Branch	Thaprachand Branch
Thaniya Branch (Silom Road)	Bobae Sub-Branch	Ratchada Huay Kwang Branch
Bamrungmuang Branch	Nana Nua Branch	Baiyok Pratunam Sub Branch

● Chiangmai

Chiangmai Branch	Chang Klan Branch	Tha-Phae Booth
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● Ayudhaya

Wat Yai Chai Mongkol Booth	Mobile Wat Mongkol Borpit
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● Chonburi

Pattaya Branch	Pattaya nua (Pattaya 2) Sub Branch	Pattaya Tai Soi 14 Booth
Pattaya Klang Sub-Branch		

● Trad

Kok-Chang Branch	Koh-Chang Booth
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● Prachuabkhirikhan

Hua-hin Branch	Hua-Hin 2 Booth	Hua-Hin 3 Booth
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● Krabi

Krabi Branch	Tarua-Chaofa Booth	Ao Nang Sub-Branch
Ao Phra Nang Booth	Koh Lanta Branch	

● Phuket

Patong Beach Branch	Patong-Bangla Booth	Patong Tai Booth
Karon Beach Branch	Soi Bangla Karon Booth	Kata Booth

● Surathani

Koh Samui Branch	Koh Pha-Ngan Branch	Tharua Koh Pha-Ngan Booth
Haad-Rin Sub-Branch (Koh Pha-Ngan)	Haad-Rin 2 Booth (Koh Pha-Ngan)	Koh Tao Sub-Branch
Ban Haad-Sairi Booth (Koh Tao)	Chaweng Beach Sub-Branch (Koh Sumui)	Chaweng Beach Booth (Koh Samui)
Lamai Sub-Branch (Koh Samui)	Lamai Beach 1 Booth (Koh Samui)	Lamai Beach 2 Booth (Koh Samui)
Lamai Beach 3 Booth (Koh Samui)	Mae-Nam Sub Branch	Tha Rua Bangrak Branch

● Phang-Nga

Khao-lak Sub-Branch

MAJOR CORRESPONDENT BANK

AFRICA

SOUTH AFRICA

- JOHANNESBURG

STANDARD BANK OF SOUTH AFRICA LIMITED
STANDARD CHARTERED BANK

ASIA

CHINA (THE PEOPLE'S REPUBLIC OF CHINA)

- BEIJING

BANK OF CHINA
JPMORGAN CHASE BANK (CHINA)

- SHANGHAI

BANK OF AMERICA, N.A.
CITIBANK (CHINA) CO.,LTD.
STANDARD CHARTERED BANK (CHINA) LTD.

HONG KONG

- HONG KONG

BANK OF EAST ASIA LIMITED
HONGKONG AND SHANGHAI BANKING CORP. LTD.
WACHOVIA BANK N.A.

INDIA

- MUMBAI

BANK OF NOVA SCOTIA
BANK OF AMERICA, N.A.
CITIBANK N.A.
STANDARD CHARTERED BANK

INDONESIA

- JAKARTA

HONGKONG AND SHANGHAI BANKING CORP.
STANDARD CHARTERED BANK
BANK OF AMERICA N.A.

MALAYSIA

- KUALA LUMPUR

RHB BANK BERHAD
UNITED OVERSEAS BANK (MALAYSIA) BERHAD

SINGAPORE

- SINGAPORE

OVERSEA-CHINESE BANKING CORP.
STANDARD CHARTERED BANK
UNITED OVERSEAS BANK

TAIWAN

- TAIPEI

BANK OF AMERICA, N.A.
BANK OF NEW YORK MELLON
WACHOVIA BANK N.A.

KOREA (REPUBLIC OF KOREA)

- SEOUL

BANK OF NEW YORK MELLON
CITIBANK KOREA INC.
KOREA EXCHANGE BANK

JAPAN

- TOKYO

BANK OF NOVA SCOTIA
BANK OF TOKYO MITSUBISHI UFJ LTD.
MIZUHO CORPORATE BANK
RESONA BANK
SUMITOMO MITSUI BANKING CORP.
STANDARD CHARTERED BANK

AUSTRALIA

AUSTRALIA

- SYDNEY

COMMONWEALTH BANK OF AUSTRALIA
WESTPAC BANKING CORP.

- MELBOURNE

AUSTRALIA AND NEW ZEALAND BANKING GROUP
NATIONAL AUSTRALIA BANK

NEW ZEALAND

- AUCKLAND

CITIBANK N.A.
HONGKONG AND SHANGHAI BANKING CORP.

- WELLINGTON

ANZ NATIONAL BANK LIMITED
BANK OF NEW ZEALAND
WESTPAC BANKING CORPORATION

EUROPE

AUSTRIA

- VIENNA

UNICREDIT BANK AUSTRIA AG
RAIFFEISEN ZENTRALBANK OESTERREICH AG

BELGIUM

- BRUSSELS

FORTIS BANK S.A./N.V.
ING BELGIUM N.V./S.A.

DENMARK

- COPENHAGEN

DANSKE BANK A/S
NORDEA BANK DANMARK A/S

SWEDEN

- STOCKHOLM

SKANDINAVISKA ENSKILDA BANKEN
SVENSKA HANDELSBANKEN

TURKEY

- ISTANBUL

CITIBANK A.S.
HSBC BANK A.S.

UNITED KINGDOM

- LONDON

BARCLAYS BANK PLC
HSBC BANK PLC
ROYAL BANK OF SCOTLAND PLC
STANDARD CHARTERED BANK
NATIONAL WESTMINSTER BANK PLC

FRANCE

- PARIS

BNP PARIBAS SA
NATIXIS

GERMANY

- FRANKFURT

STANDARD CHARTERED BANK (GERMANY)
GMBH
COMMERZGANK AG
DEUTSCHE BANK

- MUNICH

UNICREDIT BANK AG
BAYERISCHE LANDESBANK

MAJOR CORRESPONDENT BANK

EUROPE

ITALY

- ROME

BANCA NAZIONALE DEL LAVORO S.P.A.

UNICREDIT BANCA DI ROMA S.P.A.

- MILAN

INTESA SANPAOLO SPA

UNICREDIT BANK AG

THE NETHERLANDS

- AMSTERDAM

ROYAL BANK OF SCOTLAND

ING BANK N.V.

NORWAY

- OSLO

NORDEA BANK NORGE ASA

HANDELSBANKEN

SPAIN

- MADRID

BANCO SANTANDER S.A.

COMMERZBANK AG

MIDDLE EAST

QATAR

- DOHA

BNP PARIBAS

HSBC BANK MIDDLE EAST LIMITED

STANDARD CHARTERED BANK

SAUDI ARABIA

- RIYADH

SAUDI BRITISH BANK

RIYAD BANK

UNITED ARAB EMIRATES

- ABU DHABI

BNP PARIBAS

NATIONAL BANK OF ABU DHABI

- DUBAI

HSBC BANK MIDDLE EAST LIMITED

STANDARD CHARTERED BANK

NORTH AMERICA

CANADA

- TORONTO

BANK OF NOVA SCOTIA

CANADIAN IMPERIAL BANK OF COMMERCE

ROYAL BANK OF CANADA

UNITED STATES OF AMERICA

- NEW YORK

BANK OF AMERICA N.A.

BANK OF NEW YORK MELLON

CITIBANK N.A.

HSBC BANK USA, N.A.

JPMORGAN CHASE BANK N.A.

STANDARD CHARTERED BANK

WACHOVIA BANK N.A.

- PHILADELPHIA

WACHOVIA BANK N.A.

- LOS ANGELES

STANDARD CHARTERED BANK

WACHOVIA BANK N.A.

- SAN FRANCISCO

BANK OF AMERICA N.A.

WELLS FARGO N.A.

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ธนาคารนครหลวงไทย *ที่รักคุณ*



ธนาคารนครหลวงไทย *หัวใจกรุงเทพ*

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