

**The Siam Commercial Bank Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Audit and Review Reports of Certified Public Accountant

For the three-month and six-month periods ended
30 June 2011

Audit and Review Reports of Certified Public Accountant

To the Shareholders of The Siam Commercial Bank Public Company Limited

I have audited the accompanying consolidated and the Bank's statements of financial position as at 30 June 2011 and 31 December 2010, and the related statements of comprehensive income, changes in equity and cash flows for the six-month periods ended 30 June 2011 and 2010 (restated) of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information presented in these financial statements. 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 consolidated and the Bank's financial statements referred to above present fairly, in all material respects, the financial positions as at 30 June 2011 and 31 December 2010 and the results of operations and cash flows for the six-month periods ended 30 June 2011 and 2010 (restated) of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, in accordance with financial reporting standards.

I have also reviewed the consolidated and the Bank's statements of comprehensive income for the three-month periods ended 30 June 2011 and 2010 (restated) of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

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

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with financial reporting standards.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Bank and its subsidiaries have adopted certain new and revised financial reporting standards. The consolidated and the Bank's financial statements for the three-month and six-month periods ended 30 June 2010 and as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.

(Supot Singhasaneh)
Certified Public Accountant
Registration No. 2826

KPMG Phoomchai Audit Ltd.
Bangkok
18 August 2011

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2011 and 31 December 2010

Assets	Note	Consolidated		The Bank	
		30 June 2011	31 December 2010 (Restated)	30 June 2011	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Cash		25,155,056	33,273,010	25,018,417	33,171,784
Interbank and money market items, net	10	202,523,283	149,018,434	193,588,633	146,391,744
Derivative assets	11	27,156,992	31,589,205	27,156,992	31,589,205
Investments, net	12	192,428,253	148,495,443	123,357,375	145,424,811
Investments in subsidiaries and associates, net	13	2,357,727	5,250,817	25,880,401	17,990,809
Loans to customers and accrued interest receivables, net	14				
Loans to customers		1,187,156,538	1,067,159,207	1,170,743,462	1,050,236,154
Accrued interest receivables		2,147,831	1,824,400	2,032,680	1,797,442
Total loans to customers and accrued interest receivables		1,189,304,369	1,068,983,607	1,172,776,142	1,052,033,596
Less deferred revenue		(10,629,103)	(8,585,280)	(9,891,876)	(7,290,998)
Less allowance for doubtful accounts	14.4, 18	(41,295,471)	(41,000,179)	(39,245,480)	(38,867,757)
Less revaluation allowance for debt restructuring	19	(556,870)	(594,759)	(556,870)	(594,759)
Total loans to customers and accrued interest receivables, net		1,136,822,925	1,018,803,389	1,123,081,916	1,005,280,082
Customers' liabilities under acceptances		193,129	162,945	193,129	162,945
Properties for sale, net	20	12,479,563	12,683,713	12,337,876	12,551,756
Premises and equipment, net	21	33,799,958	28,534,779	32,366,505	27,324,796
Goodwill and other intangible assets, net	22	11,158,141	2,172,288	1,200,334	1,318,263
Receivables from selling of investments		24,583,742	29,578,247	24,583,741	29,578,241
Assets pending transfer	23	3,855,442	6,809,074	3,847,010	6,701,302
Other assets, net	24	13,755,941	10,363,605	8,554,456	8,434,693
Total assets		1,686,270,152	1,476,734,949	1,601,166,785	1,465,920,431

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated		The Bank	
		30 June 2011	31 December 2010 (Restated)	30 June 2011	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Liabilities					
Deposits	26	1,097,942,720	1,092,108,950	1,097,456,428	1,090,495,260
Interbank and money market items, net	27	35,760,756	48,039,272	37,899,184	49,911,581
Liabilities payable on demand		9,834,719	6,883,222	9,832,194	6,866,151
Liabilities to deliver security		196,700	-	-	-
Derivative liabilities	11	24,300,772	29,135,232	24,300,772	29,135,232
Debt issued and borrowings	28	201,977,325	62,609,368	201,977,325	62,789,368
Bank's liabilities under acceptances		193,129	162,945	193,129	162,945
Provisions	29	4,856,627	4,601,002	4,612,049	4,359,861
Liabilities under insurance contracts		69,060,915	1,640,490	-	-
Payable from purchases of investments		28,559,857	33,431,691	28,494,698	33,431,691
Liabilities pending transfer	30	8,632,141	13,202,177	8,427,089	13,083,204
Other liabilities	31	29,647,257	29,815,529	23,446,512	26,309,379
Total liabilities		1,510,962,918	1,321,629,878	1,436,639,380	1,316,544,672
Equity					
Share capital					
Authorised share capital					
3,585,588,249 preference shares of Baht 10 each		35,855,882	35,861,558	35,855,882	35,861,558
3,414,411,751 ordinary shares of Baht 10 each		34,144,118	34,138,442	34,144,118	34,138,442
Issued and paid-up share capital					
6,332,207 preference shares of Baht 10 each	32	63,322	65,719	63,322	65,719
3,392,859,991 ordinary shares of Baht 10 each		33,928,600	33,926,203	33,928,600	33,926,203
Premium on share capital					
Premium on preference share		24,762	25,699	24,762	25,699
Premium on ordinary share		11,099,429	11,098,492	11,099,429	11,098,492
Other reserves		21,086,672	15,754,413	20,784,880	15,344,324
Retained earnings					
Appropriated					
Legal reserve	33	7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		101,003,231	86,445,116	91,626,412	81,915,322
Total shareholders' equity		174,206,016	154,315,642	164,527,405	149,375,759
Non-controlling interest		1,101,218	789,429	-	-
Total equity		175,307,234	155,105,071	164,527,405	149,375,759
Total liabilities and equity		1,686,270,152	1,476,734,949	1,601,166,785	1,465,920,431

(Mrs. Kannikar Chalitaporn)

President

(Dr. Vichit Suraphongchai)

Chairman of the Executive Committee

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Consolidated		The Bank	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Interest income		18,259,453	12,598,870	17,191,250	12,092,934
Interest expense		5,706,942	2,918,475	5,723,913	2,840,834
Net interest income		12,552,511	9,680,395	11,467,337	9,252,100
Fees and service income		5,575,873	5,218,000	6,127,856	5,034,976
Fees and service expense		945,832	709,609	835,858	662,492
Net fees and service income		4,630,041	4,508,391	5,291,998	4,372,484
Net trading income		1,203,583	687,087	1,220,993	685,657
Net gain on investments		337,962	6,760	395,762	19,187
Share of profit of associates		180,016	261,419	-	-
Dividend income		154,428	137,151	2,384,507	1,922,917
Net earned insurance premiums		7,638,758	545,188	-	-
Other operating income		163,684	208,068	197,488	93,515
Total operating income		26,860,983	16,034,459	20,958,085	16,345,860
Net insurance claims		6,025,338	281,230	-	-
Net operating income		20,835,645	15,753,229	20,958,085	16,345,860
Other operating expenses					
Staff costs		4,213,217	3,292,681	3,682,150	3,009,478
Directors' remuneration	38	20,826	23,980	15,934	15,461
Premises and equipment expenses		1,996,137	2,033,741	1,811,331	1,916,657
Taxes and duties		657,993	465,050	630,142	463,050
Others		1,858,995	1,379,862	1,910,883	1,406,000
Total operating expenses		8,747,168	7,195,314	8,050,440	6,810,646
Impairment loss of loans and debt securities		833,617	1,114,135	900,000	1,200,000
Profit before tax		11,254,860	7,443,780	12,007,645	8,335,214
Income tax expense		3,058,898	2,104,630	2,659,949	1,931,277
Net profit		8,195,962	5,339,150	9,347,696	6,403,937

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated		The Bank	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Other comprehensive income					
Change in revaluation surplus		36,699	41,072	33,442	40,078
Gain (loss) on remeasuring available-for-sale investment		(286,162)	729,222	(249,352)	723,876
Foreign currency translation differences		24,883	4,498	-	-
Total other comprehensive income		<u>-224,580</u>	<u>774,792</u>	<u>-215,910</u>	<u>763,954</u>
Total comprehensive income for the period		<u><u>7,971,382</u></u>	<u><u>6,113,942</u></u>	<u><u>9,131,786</u></u>	<u><u>7,167,891</u></u>
Net profit attributable					
Shareholders' of the parent company		8,132,476	5,315,697	9,347,696	6,403,937
Non-controlling interest		63,486	23,453	-	-
Total comprehensive income attributable					
Shareholders' of the parent company		7,909,923	6,086,428	9,131,786	7,167,891
Non-controlling interest		61,459	27,514	-	-
Earnings per share of the parent company	47				
Basic earnings per share (<i>in Baht</i>)		<u>2.39</u>	<u>1.56</u>	<u>2.75</u>	<u>1.88</u>
Diluted earnings per share (<i>in Baht</i>)		<u>2.39</u>	<u>1.56</u>	<u>2.75</u>	<u>1.88</u>

(Mrs. Kannikar Chalitaporn)

President

(Dr. Vichit Suraphongchai)

Chairman of the Executive Committee

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010

	Note	Consolidated		The Bank	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Interest income	41	33,887,564	25,240,779	32,265,171	24,133,788
Interest expense	42	10,353,203	5,964,054	10,381,335	5,782,045
Net interest income		23,534,361	19,276,725	21,883,836	18,351,743
Fees and service income	43	11,832,930	10,445,496	12,554,957	10,073,146
Fees and service expense	43	1,919,777	1,562,140	1,741,480	1,468,174
Net fees and service income	43	9,913,153	8,883,356	10,813,477	8,604,972
Net trading income	44	2,934,866	1,728,866	2,947,213	1,724,816
Net gain on investments	45	5,424,539	202,338	435,829	236,130
Share of profit of associates		341,784	513,950	-	-
Dividend income		532,106	523,131	2,760,761	2,298,907
Net earned insurance premiums		11,664,533	1,143,344	-	-
Other operating income		417,013	502,971	294,746	230,197
Total operating income		54,762,355	32,774,681	39,135,862	31,446,765
Net insurance claims		8,880,090	563,868	-	-
Net operating income		45,882,265	32,210,813	39,135,862	31,446,765
Other operating expenses					
Staff costs		8,367,604	6,600,839	7,416,339	6,027,391
Directors' remuneration	38	28,814	31,757	22,785	22,181
Premises and equipment expenses		4,018,991	3,944,204	3,682,546	3,669,993
Taxes and duties		1,251,121	949,048	1,212,453	944,007
Others		3,315,212	2,478,859	3,482,538	2,601,429
Total operating expenses		16,981,742	14,004,707	15,816,661	13,265,001
Impairment loss of loans and debt securities	46	1,684,138	2,257,030	1,800,000	2,400,000
Profit before tax		27,216,385	15,949,076	21,519,201	15,781,764
Income tax expense		5,915,625	4,198,159	5,180,612	3,811,042
Net profit		21,300,760	11,750,917	16,338,589	11,970,722

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010

	Note	Consolidated		The Bank	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Other comprehensive income					
Change in revaluation surplus		5,533,438	-	5,533,438	-
Gain (loss) on remeasuring available-for-sale investment		(54,718)	1,788,652	78,003	1,757,182
Foreign currency translation differences		27,702	(47,526)	-	-
Share of other comprehensive income of associates		(970)	-	-	-
Total other comprehensive income		5,505,452	1,741,126	5,611,441	1,757,182
Total comprehensive income for the period		26,806,212	13,492,043	21,950,030	13,727,904
Net profit attributable					
Shareholders' of the parent company		21,183,772	11,690,410	16,338,589	11,970,722
Non-controlling interest		116,988	60,507	-	-
Total comprehensive income attributable					
Shareholders' of the parent company		26,691,111	13,426,585	21,950,030	13,727,904
Non-controlling interest		115,101	65,458	-	-
Earnings per share of the parent company	47				
Basic earnings per share (<i>in Baht</i>)		6.23	3.44	4.81	3.52
Diluted earnings per share (<i>in Baht</i>)		6.23	3.44	4.81	3.52

(Mrs. Kannikar Chalitaporn)

President

(Dr. Vichit Suraphongchai)

Chairman of the Executive Committee

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month periods ended 30 June 2011 and 2010

Note	Consolidated													
							Other components of equity							
	Issued and paid-up share capital		Premium on share capital		Retained earnings		Change in revaluation surplus	Gain (loss) on remeasuring available-for-sale investment	Foreign currency translation differences	Share of other comprehensive income of associates	Total other components of equity	Total shareholders' equity	Non-controlling interest	Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Legal reserve	Unappropriated								
	71,644	33,920,278	28,016	11,096,175	6,034,294	74,936,163	11,203,614	3,034,834	(245,652)	60,454	14,053,250	140,139,820	781,655	140,921,475
Dividend paid	-	-	-	-	-	(8,497,980)	-	-	-	-	-	(8,497,980)	(121,869)	(8,619,849)
Conversion of preference shares to ordinary shares	(3,322)	3,322	(1,299)	1,299	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	11,690,410	-	-	-	-	-	11,690,410	60,507	11,750,917
Other comprehensive income	-	-	-	-	-	-	-	1,783,701	(47,526)	-	1,736,175	1,736,175	4,951	1,741,126
Total comprehensive income for the period	-	-	-	-	-	11,690,410	-	1,783,701	(47,526)	-	1,736,175	13,426,585	65,458	13,492,043
Transfer to retained earnings	-	-	-	-	-	82,011	(83,642)	-	-	-	(83,642)	(1,631)	(666)	(2,297)
Balance at 30 June 2010	68,322	33,923,600	26,717	11,097,474	6,034,294	78,210,604	11,119,972	4,818,535	(293,178)	60,454	15,705,783	145,066,794	724,578	145,791,372

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month periods ended 30 June 2011 and 2010

Note	Consolidated													
							Other components of equity							
	Issued and paid-up share capital		Premium on share capital		Retained earnings		Change in revaluation surplus	Gain (loss) on remeasuring available-for-sale investment	Foreign currency translation differences	Share of other comprehensive income of associates	Total other components of equity	Total shareholders' equity	Non-controlling interest	Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Legal reserve	Unappropriated								
	65,719	33,926,203	25,699	11,098,492	7,000,000	86,445,116	11,038,160	5,068,928	(413,129)	60,454	15,754,413	154,315,642	789,429	155,105,071
Dividend paid	-	-	-	-	-	(6,798,384)	-	-	-	-	-	(6,798,384)	(145,819)	(6,944,203)
Conversion of preference shares to ordinary shares	(2,397)	2,397	(937)	937	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	21,183,772	-	-	-	-	-	21,183,772	116,988	21,300,760
Other comprehensive income	-	-	-	-	-	-	5,533,438	(52,831)	27,702	(970)	5,507,339	5,507,339	(1,887)	5,505,452
Total comprehensive income for the period	-	-	-	-	-	21,183,772	5,533,438	(52,831)	27,702	(970)	5,507,339	26,691,111	115,101	26,806,212
Transfer to retained earnings	-	-	-	-	-	172,727	(175,080)	-	-	-	(175,080)	(2,353)	(519)	(2,872)
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	343,026	343,026
Balance at 30 June 2011	63,322	33,928,600	24,762	11,099,429	7,000,000	101,003,231	16,396,518	5,016,097	(385,427)	59,484	21,086,672	174,206,016	1,101,218	175,307,234

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month periods ended 30 June 2011 and 2010

	The Bank						<u>Other components of equity</u>			Total
	<u>Issued and</u>		<u>Premium on</u>		<u>Retained earnings</u>		Change in	Gain on	Total	
	paid-up share capital		share capital		Legal					
	Preference	Ordinary	Preference	Ordinary	reserve	Unappropriated	surplus	available-for-sale	components	
<i>Note</i>	shares	shares	shares	shares	reserve	Unappropriated	surplus	investment	of equity	Total
	<i>(in thousand Baht)</i>									
Balance at 1 January 2010	71,644	33,920,278	28,016	11,096,175	6,034,294	71,437,715	10,810,433	2,716,984	13,527,417	136,115,539
Dividend paid	-	-	-	-	-	(8,497,980)	-	-	-	(8,497,980)
Conversion of preference shares to ordinary shares	(3,322)	3,322	(1,299)	1,299	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	11,970,722	-	-	-	11,970,722
Other comprehensive income	-	-	-	-	-	-	-	1,757,182	1,757,182	1,757,182
Total comprehensive income for the period	-	-	-	-	-	11,970,722	-	1,757,182	1,757,182	13,727,904
Transfer to retained earnings	-	-	-	-	-	80,141	(81,976)	-	(81,976)	(1,835)
Balance at 30 June 2010	68,322	33,923,600	26,717	11,097,474	6,034,294	74,990,598	10,728,457	4,474,166	15,202,623	141,343,628

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month periods ended 30 June 2011 and 2010

	The Bank										
	The Bank						<u>Other components of equity</u>				Total
	<u>Issued and</u>		<u>Premium on</u>		<u>Retained earnings</u>		Change in revaluation surplus	Gain on remeasuring available-for-sale investment	Total other components of equity		
	Preference	Ordinary	Preference	Ordinary	Legal	Unappropriated					
shares	shares	shares	shares	reserve	Unappropriated	surplus	investment	of equity	Total		
	<i>(in thousand Baht)</i>										
Balance at 1 January 2011	65,719	33,926,203	25,699	11,098,492	7,000,000	81,915,322	10,648,329	4,695,995	15,344,324	149,375,759	
Dividend paid	-	-	-	-	-	(6,798,384)	-	-	-	(6,798,384)	
Conversion of preference shares to ordinary shares	(2,397)	2,397	(937)	937	-	-	-	-	-	-	
Profit for the period	-	-	-	-	-	16,338,589	-	-	-	16,338,589	
Other comprehensive income	-	-	-	-	-	-	5,533,438	78,003	5,611,441	5,611,441	
Total comprehensive income for the period	-	-	-	-	-	16,338,589	5,533,438	78,003	5,611,441	21,950,030	
Transfer to retained earnings	-	-	-	-	-	170,885	(170,885)	-	(170,885)	-	
Balance at 30 June 2011	63,322	33,928,600	24,762	11,099,429	7,000,000	91,626,412	16,010,882	4,773,998	20,784,880	164,527,405	

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2011 and 2010

	Consolidated		The Bank	
	2011	2010 (Restated)	2011	2010 (Restated)
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
Profit from operating before income tax expense	27,216,385	15,949,076	21,519,201	15,781,764
<i>Adjustments for</i>				
Depreciation and amortisation	1,397,582	1,290,949	1,284,607	1,176,897
Impairment loss on loans and debt securities	1,684,138	2,257,030	1,800,000	2,400,000
(Reversal) loss of impairment of assets	(222,678)	13,497	(222,678)	13,497
(Reversal) loss of impairment of properties for sale	6,659	(2,313)	6,659	(2,313)
Gain on investments	(5,424,539)	(202,338)	(435,829)	(236,130)
Amortisation of discounts and premiums of investment in debt securities	141,448	82,827	187,685	82,827
(Gain) loss on sales of premises and equipment	(8,090)	8,569	(4,329)	15,486
Gain on sales of properties for sale	(122,545)	-172,817	(104,830)	(152,953)
Net trading income	(2,934,866)	(1,728,866)	(2,947,213)	(1,724,816)
Share of profit of associates	(341,784)	(513,950)	-	-
	21,391,710	16,981,664	21,083,273	17,354,259
Net interest income	(23,534,361)	(19,276,725)	(21,883,836)	(18,351,743)
Dividend income	(532,106)	(523,131)	(2,760,761)	(2,298,907)
Proceeds from interest	33,492,220	25,433,799	31,938,872	24,320,898
Interest paid	(8,712,074)	(4,803,406)	(8,739,612)	(4,580,000)
Proceeds from dividend	533,363	527,955	2,671,738	2,300,164
Income tax paid	(6,302,423)	(3,832,189)	(5,168,028)	(3,439,660)
Income from operations before changes in operating assets and liabilities	16,336,329	14,507,967	17,141,646	15,305,011
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	(46,251,695)	48,874,225	(47,146,148)	48,257,717
Derivative assets	4,432,213	(1,033,302)	4,432,213	(1,033,302)
Investment in securities for trading	3,356,765	(19,149,527)	3,520,012	(19,461,247)
Loans to customers	(119,866,869)	(33,066,148)	(120,735,557)	(47,543,563)
Properties for sale	1,867,136	1,447,495	1,648,593	1,241,533
Other assets	10,184,378	(529,495)	10,883,560	(382,163)

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2011 and 2010

	Consolidated		The Bank	
	2011	2010 (Restated)	2011	2010 (Restated)
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
<i>Increase (decrease) in operating liabilities</i>				
Deposits	5,804,933	(28,602,496)	6,932,332	(27,673,130)
Interbank and money market items	(12,278,516)	9,733,044	(12,012,397)	9,594,315
Liabilities payable on demand	2,951,497	3,256,939	2,966,044	3,249,869
Liabilities to deliver security	196,700	-	-	-
Derivative liabilities	(4,834,460)	833,941	(4,834,460)	833,941
Short-term debt securities in issue and borrowings	104,598,580	(24,863,372)	104,418,580	(10,963,372)
Other liabilities	(6,726,357)	3,538,443	(13,882,584)	3,061,560
Net cash used in operating activities	(40,229,366)	(25,052,286)	(46,668,166)	(25,512,831)
Cash flows from investing activities				
Purchases of available-for-sale securities	(36,197,808)	(4,991,106)	(24,636,030)	(3,529,563)
Proceeds from sales of available-for-sale securities	51,324,125	26,202,048	40,671,825	24,952,105
Purchases of held-to-maturity securities	(5,810,634)	(1,295,917)	(53,407)	(5,639)
Proceeds from redemption of held-to-maturity securities	3,769,972	5,860,860	2,648,794	4,883,860
Purchases of general securities	-	(2,400)	-	(2,300)
Proceeds from sales of general securities	1,639	115,000	-	115,000
Purchases of investments in subsidiaries and/or associated companies	-8,383,319	-	-8,400,000	-
Proceeds from sales of investments in subsidiaries and/or associated companies	141,322	204,701	836,774	-
Purchases of premises and equipment	(543,278)	(829,785)	(471,086)	(811,076)
Proceeds from sales of premises and equipment	168,034	67,888	158,453	38,104
Net cash provided by investing activities	4,470,053	25,331,289	10,755,323	25,640,491
Cash flows from financing activities				
Increase in long-term debt securities in issue and borrowings	34,557,860	1,774,406	34,557,860	1,774,406
Dividend paid to equity holders of the Bank	(6,798,384)	(8,497,980)	(6,798,384)	(8,497,980)
Dividend paid to non-controlling interest	(145,819)	(121,869)	-	-
Net cash provided by (used in) financing activities	27,613,657	(6,845,443)	27,759,476	(6,723,574)
Foreign currency translation differences	27,702	(47,526)	-	-
Net decrease in cash and cash equivalents	(8,117,954)	(6,613,966)	(8,153,367)	(6,595,914)
Cash and cash equivalents at 1 January	33,273,010	32,868,013	33,171,784	32,788,025
Cash and cash equivalents at 30 June	25,155,056	26,254,047	25,018,417	26,192,111

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Note	Contents	Pages
1	General information	17
2	Basis of preparation of the interim financial statements	17
3	Changes in accounting policies	20
4	Significant accounting policies	21
5	Acquisitions of subsidiaries and non-controlling interests	32
6	Financial risk management	33
7	Fair value of financial instruments	42
8	Maintenance of capital fund	44
9	Supplementary disclosures of cash flow information	45
10	Interbank and money market items, net (Assets)	46
11	Derivatives	47
12	Investments, net	51
13	Investments in subsidiaries and associated companies, net	54
14	Loans to customers and accrued interest receivables, net	57
15	Disclosure of the statements of cash flows of the asset management company	65
16	Troubled debt restructuring	66
17	Finance leases	67
18	Allowance for doubtful accounts	68
19	Revaluation allowance for debt restructuring	69
20	Properties for sale, net	70
21	Premises and equipment, net	72
22	Goodwill and other intangibles assets, net	74
23	Assets pending transfer	76
24	Other assets, net	76
25	Classified assets	77
26	Deposits	78
27	Interbank and money market items, net (Liabilities)	79
28	Debt issued and borrowings	81
29	Provisions	82
30	Liabilities pending transfer	84
31	Other liabilities	84
32	Preference shares	85
33	Legal reserve	85
34	Dividends	85
35	Assets pledged as collateral	85
36	Contingencies	86
37	Related parties	86
38	Key management personnel compensation	92
39	Long-term leases and service agreements	92
40	The financial position and results of operations classified by domestic and overseas business	93
41	Interest income	95
42	Interest expenses	95
43	Fees and service income, net	96
44	Gains on trading and foreign exchange transactions	96
45	Gains on investments, net	97
46	Bad debt, doubtful accounts and loss on debt restructuring	97
47	Earnings per share	98

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Note	Contents	Pages
48	Events after the reporting period	99
49	Adoption of Thai Accounting Standard 19 Employee Benefits	99
50	Thai Financial Reporting Standards (TFRS) not yet adopted	99
51	Reclassification of accounts	99

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorised for issue by the directors on 18 August 2011.

1 General information

The Siam Commercial Bank Public Company Limited, “the Bank”, is incorporated in Thailand and has its registered office at 9 Rutchadapisek Road, Jatujak, Bangkok.

The Bank was listed on the Stock Exchange of Thailand on 6 February 1976.

The principal business of the Bank is banking business through its branch network in Thailand and other countries.

Details of the Bank’s subsidiaries as at 30 June 2011, 31 December 2010 and 30 June 2010 were as follows:

Name of the entity	Type of business	% shareholding of the Bank		
		30 June 2011	31 December 2010	30 June 2010
1 Chatuchak Assets Management Co., Ltd.*	Asset management	100.0	100.0	100.0
2 Rutchayothin Assets Management Co., Ltd.	Asset management	100.0	100.0	100.0
3 Cambodian Commercial Bank Ltd.	Banking	100.0	100.0	100.0
4 SCB Securities Co., Ltd.	Securities	100.0	100.0	100.0
5 The Siam Commercial Samaggi Insurance PCL	Insurance	59.1	59.1	59.1
6 SCB Training Centre Co., Ltd.	Training center	100.0	100.0	100.0
7 Siam Phitiwat Co., Ltd.	Appraisal services	100.0	100.0	100.0
8 Mahisorn Co., Ltd.**	Property management	100.0	100.0	100.0
9 SCB Asset Management Co., Ltd.	Asset management	100.0	100.0	100.0
10 SCB Capital Service Co., Ltd.***	Asset management	-	100.0	100.0
11 Siam Commercial Leasing PCL	Leasing, hire-purchase and factoring	99.1	99.1	99.1
12 Siam Panich SPV1 Co., Ltd.	Securitisation	99.1	99.1	99.1
13 Siam Niti Law Office Co., Ltd.*	Legal consultant	100.0	100.0	100.0
14 SCB Plus Co., Ltd.	Collection company	100.0	100.0	100.0
15 SCB Life Assurance PCL****	Life insurance	94.7	47.3	47.3

* Discontinued operations or in the process of dissolution

** Decreased paid-up share capital from Baht 1,071 million to Baht 268 million on 2 June 2011

*** Dissolution in 2011

**** Acquisition in 2011, changed from associate to be a subsidiary and renamed from “Siam Commercial New York Life Insurance PCL” to “SCB Life Assurance PCL” on 25 May 2011

All subsidiaries were registered and operate in Thailand except Cambodian Commercial Bank Ltd., which was registered and operates in Cambodia.

2 Basis of preparation of the interim financial statements

(a) Basis of compliance

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The interim financial statements are prepared in accordance with Thai Accounting Standards (TAS) No. 34 (revised 2009) *Interim Financial Reporting*; Financial Reporting Standards and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services”.

During 2010 and 2011, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Bank and its subsidiaries’ operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TSI 31	Revenue - Barter Transactions Involving Advertising Services
FAP’s announcement no. 16/2554	Disclosure Guidance on Related Party Transactions with Government
FAP’s announcement no. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
FAP’s announcement no. 18/2554	Accounting Guidance on Revaluation of Assets
FAP’s announcement no. 19/2554	Accounting Guidance for Condominiums

The adoption of these new and revised Thai Financial Reporting Standards (TFRS) has resulted in changes in the Bank and its subsidiaries’ accounting policies. The effects of these changes are disclosed in note 3. Except for these changes, accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2010.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

In addition to the above new and revised Thai Financial Reporting Standards (TFRS), the FAP has issued during 2010 and 2011 a number of Thai Financial Reporting Standards (TFRS) which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these interim financial statements. These new and revised TFRS are disclosed in note 50.

(b) *Presentation currency*

The interim financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest million unless otherwise stated.

(c) *Use of estimates and judgments*

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgement made by management in applying the Bank and its subsidiaries' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2010, except for changes from the adoption of new and revised TFRS effective for accounting periods beginning on 1 January 2011.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 6	Financial risk management
Note 7	Fair value of financial instruments
Note 10	Interbank and money market items, net (Assets)
Note 11	Derivatives
Note 12	Investments, net
Note 13	Investments in subsidiaries and associated companies, net
Note 18	Allowance for doubtful accounts
Note 19	Revaluation allowance for debt restructuring
Note 20	Properties foreclosed, net
Note 21	Premises and equipment, net
Note 22	Goodwill and other intangibles assets, net
Note 30	Liabilities pending transfer

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

3 Changes in accounting policies

(a) Presentation of financial statements

From 1 January 2011, the Bank and its subsidiaries have adopted TAS 1 (revised 2009) *Presentation of Financial Statements*. Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Bank and its subsidiaries present all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(b) Accounting for business combinations

The Bank and its subsidiaries have adopted TFRS 3 (revised 2009) *Business Combinations* and TAS 27 (revised 2009) *Consolidated and Separate Financial Statements* for all business combinations on or after 1 January 2011. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards for business combinations during 2011 and, the adoption of these two revised standards has been disclosed in Note 5.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Bank and its subsidiaries. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Bank and its subsidiaries take into consideration potential voting rights that are currently exercisable.

Acquisitions on or after 1 January 2011

The Bank measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Bank and its subsidiaries incur in connection with a business combination are expensed as incurred.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Acquisitions between 1 January 2008 and 31 December 2010

Goodwill represented the excess of the cost of the acquisition over the Bank's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Bank and its subsidiaries incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2008

Goodwill was measured in the same way as described in the preceding paragraph. However, both positive and negative goodwill were amortised over their estimated useful life of 20 years. On 1 January 2008, on adoption of the former TAS 43 (revised 2007), the Bank and its subsidiaries discontinued amortising goodwill. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

4 Significant accounting policies

4.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and the Bank's subsidiaries where more than 50% of the shares are owned by the Bank. Related party transactions and balances have been eliminated.

The consolidated financial statements for the six-month periods ended 30 June 2011 and 2010 and for the year ended 31 December 2010 do not include certain companies which are in the process of being dissolved and do not include the companies in which the Bank and a subsidiary have more than 50% of paid-up capital as a result of debt restructuring because the Bank and the subsidiary intend to hold these investments temporarily. Such companies which are classified as "general investments" are as follows:

	% of the paid-up share capital		
	For the six-month periods ended		For the year ended
	30 June	30 June	31 December
	2011	2010	2010
Companies which are owned through debt restructuring			
Phoenix Land Development Co., Ltd.	97.6	97.6	97.6

The Company's assets, liabilities, equity, income, expenses, and profit are relatively immaterial compared to the consolidated financial statements.

4.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash on collection.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

4.3 Investments

The Bank classifies its investments in securities as trading securities, available-for-sale securities, held-to-maturity securities, general investments and investment in subsidiaries and associated companies. The Bank presents these investments in the statement of financial position as either investments or investments in subsidiaries and associated companies.

Trading securities are those investments that management acquires with the intention of holding these investments for a short period of time in order to take advantage of anticipated changes in the underlying market values. Trading securities are stated at fair value. Changes in fair value are recognised in profit or loss as net trading income. Interest income on trading securities is recognised using the accrual basis of accounting.

Marketable debt and equity securities that are not classified as trading securities, held-to-maturity securities, and investment in subsidiaries and associated companies are classified as available-for-sale securities and are stated at fair value, with the valuation surplus or deficit on investments presented as a Bank component of equity until realised upon disposition or sale of the underlying securities. Interest income on available-for-sale securities is recognised using the accrual basis of accounting. Debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity securities. Held-to-maturity investments are stated at amortised cost, less impairment losses, if any. Premiums and discounts on held-to-maturity securities are amortised or accreted as adjustments to interest income using the effective interest rate method over the term of the securities. Interest income on held-to-maturity securities is recognised using the accrual basis of accounting.

The Bank classifies non-negotiable promissory notes and the rights of the Bank against the non-negotiable promissory notes, which were given to the Bank by the Thai Asset Management Corporation (TAMC) upon entering into the Asset Transfer Agreement in order to transfer impaired assets of the Bank and its subsidiary, as held-to-maturity debt securities.

Equity securities which are not marketable and are not subsidiaries and associated companies are classified as general investments and are stated at the historical cost, less impairment losses, if any.

Investments in subsidiaries and associated companies in the Bank's financial statements are accounted for by the cost method less impairment losses, if any.

Investments in associated companies in the consolidated financial statements are accounted for by the equity method.

Investments in subsidiaries and associated companies acquired from troubled debt restructuring for which the Bank has received permission from the Bank of Thailand to hold the shares, and which are included in general investment and available-for-sale securities, are not required to be either accounted for by the equity method or to be consolidated.

The following methodologies are used to determine the fair value of securities held by the Bank.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The fair value of government debt securities is estimated based on the Thai Bond Market Association's last average bid price. In situations where no auction prices are available, the fair value is estimated based on the last executed price. For government debt securities with no active market price, the fair value is estimated based on the yield curve of government debt securities plus a risk premium.

The bidding prices at The Stock Exchange of Thailand on the last business day of the period are used to estimate the fair value of listed private sector debt and equity securities. The fair value of non-listed private sector debt securities is estimated by applying the BoT valuation formula and the risk free yield curve plus the appropriate risk premium.

The fair value of unit trusts is estimated based on the net asset value at the end of the period.

The fair value of foreign debt and equity securities listed on the foreign stock exchanges is estimated by using the bid prices at such exchanges as of the last business day of the period. The fair value of non-listed foreign debt and equity securities is determined based on values quoted by reliable international financial institutions.

Valuation allowances are established and recognised as gains on investments in profit or loss, when impairment in value of investment has occurred.

Cost of securities sold during the period is calculated using the weighted average method.

4.4 Loans

Overdrafts are stated at the principal amounts including interest. Certain overdrafts for which special notice has been served on the borrower and other loans are stated at the principal amount. Unearned discounts received in advance are presented as deduction from the loans.

Hire purchase and financial lease receivables are stated at outstanding balance, net of unearned interest income. Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

4.5 Allowance for doubtful accounts

The allowance for doubtful accounts represents estimation of probable losses that may have occurred from loans and other lending business at period end. The amount is in compliance with the minimum allowance for doubtful accounts required based on the BoT's guidelines. The guidelines require banks to categorise their loan portfolios into six categories. Each loan category is subject to different levels of provisioning based on percentages established by the BoT. The guidelines established the maximum collateral valuation limits for the purpose of calculating the allowance for doubtful accounts and also require that additional provisions for loans classified as doubtful loss be made in cases where the Bank had not undertaken debt restructuring or filed lawsuits against the debtors. The minimum allowance consists of the provisions based on the regulatory loan classifications and other additional provisions required by the BoT.

In addition, the BoT requires banks and finance companies to perform qualitative reviews of their loans as an ongoing process. The Bank and its subsidiaries, which are financial institutions, are required to periodically report the result of their compliance with these guidelines to the BoT.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The allowance is in compliance with and normally exceeds the minimum requirement under BoT's guidelines by considering each loan type. For corporate loans, the Bank considers a borrower's ability to repay the obligation on an individual case basis based on recent payment history and the estimated collateral value, if the expected source of repayment is from the liquidation of collateral. For SME and consumer loans, the Bank uses credit portfolio statistics to do the statistical analysis (Migration Analysis) for estimation of the deterioration in the portfolio and related allowance for loans under the doubtful category.

Loans which have been restructured will be reclassified. Restructured loans which were previously classified as doubtful and doubtful loss are upgraded to substandard. Restructured loans which were previously classified as substandard or special mention loans will be classified at the same class for 3 consecutive months or next 3 installment payments, whichever is the longer, at which time the loans will be reclassified as normal if the terms of the restructuring are complied with.

Allowances for doubtful accounts established during the period are recognised as bad debt and doubtful accounts expense in profit or loss. Bad debts recovery is recorded as income and is presented net of bad debt and doubtful accounts expense in profit or loss.

Bad debt written off is recorded as a decrease in the allowance for doubtful accounts. Write offs are only made for loans which the Bank pursues the collection but has no prospect of further receipts. These procedures comply with BoT's notification and guidelines.

4.6 Troubled debt restructuring

Losses on troubled debt restructuring resulting from the reduction of principal and accrued interest and other restructuring concessions including modification of terms, asset transfer, debts to equity swap, etc. are recognised as expenses in profit or loss.

In case the troubled debt restructuring modifies the terms of payment, the Bank complies with the BoT's criteria requiring the Bank to choose between the collateral method by which a loss amount is to be estimated and/or the net present value method which represents expected cash flow in the future and applying the interest rate on the restructuring date for discounting purpose. Losses from such debt restructuring are recognised in profit or loss.

The Bank records assets or shares of stock representing an equity interest in the debtor received under debt restructuring agreements at their fair value less cost to sell. However, the assets received are recorded at the amount not exceeding the recorded amount of the receivable plus the non-accrued interest income to which the Bank has the ultimate legal right, in accordance with the TAS 104 *Accounting for Troubled Debt Restructuring*.

Subsequent to the troubled debt restructuring, the Bank recalculates fair value of restructuring debt based on aforementioned discount rates as of the last date of the quarterly financial statements and makes an adjustment of the valuation on the debt restructuring, if the fair value has changed. The recalculation made to the quarterly financial statements is in accordance with the aforementioned BoT's criteria. The adjustment in the valuation of restructuring debt shall not cause the book value of restructuring debt to exceed the investment value of restructuring debt.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

4.7 Properties for sale

Properties for sale consist of immovable and movable properties which are carried at the lower of carrying amount of the loan or fair value of the property as at the period end. Should the carrying value of a property for sale become impaired, an allowance for impairment will be recorded in accordance with TAS 36 (revised 2009) *Impairment of Assets*.

Gains or losses on sales of properties for sale are recognised as income or expense at the date of disposal.

4.8 Premises and equipment

Land is stated at the appraised value according to the market price method. Premises are stated at the appraised value according to the replacement cost method net of accumulated depreciation and impairment losses, if any. The appraised values are determined by an independent appraiser according to guidelines prescribed by the BoT. The increment resulting from the appraisal is recorded in the accounts as other reserves and shown under equity. If the appraised values of land and premises are less than their cost, the difference is recognised as an expense in profit or loss.

Equipment and building improvement are stated at cost less accumulated depreciation.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

Premises	15-50 years
Equipment and vehicles	5 years
Building improvement	10 years

4.9 Goodwill and other intangible assets

Software licenses are stated at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 5 - 10 years.

Leasehold rights are stated as prepaid expenses. Amortisation is calculated by the straight-line method over the lease periods between 1 - 30 years.

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Bank's share of the identifiable net assets acquired. Negative goodwill in a business combination represents the excess of the fair value of the Bank's share of the identifiable net assets acquired over the cost of acquisition. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 4.10. Negative goodwill is recognised immediately in profit or loss.

4.10 Impairment

The carrying amounts of the Bank assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. An impairment loss in respect of goodwill is not reversed.

4.11 Securities borrowing and lending

The Bank and its subsidiaries record its obligations to return borrowed securities as “liabilities to deliver security” in statement of financial position and were presented at the fair value. Gains or losses arising from such adjustment are recognised in profit or loss. Cash paid as collateral for securities borrowing and lending is recorded as “claims on security”.

4.12 Employee benefits

The Bank operates a number of employees’ benefit plans as follows:

Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. The Bank has a provident fund for its employees. The Bank’s contributions are made to match with the contributions from employees and are recorded as expenses on an accrual basis.

Pension and post-retirement benefits

The Bank provides pension and post-retirement benefits to eligible employees under the following arrangement:

Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Bank pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank’s net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and adjust for any past service costs. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Bank’s obligations.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Bank, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. The Bank recognises all actuarial gains and losses arising from defined benefit plans in the shareholders' equity and all expenses related to defined benefit plans in personnel expenses in profit or loss.

Other long-term employee benefits

The Bank provides other long-term benefits to the eligible employees in return for their service in the current and prior periods before retirement. In the statement of financial position, the obligations represent the present value of the other long-term employee benefits. The obligations are calculated on the same basis as the defined benefit plan.

4.13 Provisions

A provision is recognised in the statement of financial position when the Bank has a present legal or constructive obligation as a result of a past event, and there is a high probability that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.14 Initial recognition

The Bank and its subsidiaries initially recognise loans to customers, deposits and debt issued and borrowings on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Bank and its subsidiaries become a party to the contractual provisions of the instrument.

4.15 Interest income and interest expense

The Bank recognises interest and discounts on loans as income on an accrual basis, except for interest on loans which are outstanding over 3 months at the date of the statement of financial position and interest from receivables under troubled debt restructuring agreements where the borrowers' ability to pay is uncertain. Such interest is recognised when received. The Bank reverses all accrued interest income for items which are no longer on an accrual basis. Interest on interbank and money market items and investments is recognised on an accrual basis.

Interest expense is recognised on an accrual basis.

4.16 Income from hire-purchase contract

The Bank recognises income from hire-purchase contract based on the effective interest method except for contracts prior to 2007 which are recognised by the sum-of-the-digits method.

Reversal of income from hire-purchase accounts receivable which are outstanding over three months from the due date is made in order to comply with the guidelines of the BoT.

4.17 Dividend income

The Bank recognises dividend income on an accrual basis at the date which the Bank earns the rights to receive the dividend.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

4.18 Net trading income

Net trading income is recognised on an accrual basis.

4.19 Contributions to the Deposit Protection Agency

Contributions to the Deposit Protection Agency are recorded as expenses on an accrual basis.

4.20 Income tax

The Bank records income tax payable for each period (if any) as an expense on an accrual basis.

4.21 Earnings per share

Since 10 May 2009, the conversion preference of the preference shares expired. Therefore, the preference shares' rights are equivalent to the ordinary shares. Basic earnings per share is calculated from net profit divided by the total number of ordinary shares and preference shares.

4.22 Assets and liabilities in foreign currencies

Assets and liabilities in foreign currencies are converted into Baht at the rates of exchange prevailing at the transaction dates. Balances of assets and liabilities in foreign currencies at the reporting date are converted into Baht at the reference BoT exchange rates at that date.

Gains or losses on foreign exchange transactions and translation gains or losses are recognised as income or expense for the period in profit or loss.

Exchange rate differences arising on the translation of the financial statements of foreign subsidiaries are presented as "Other reserves" under equity in the statement of financial position.

4.23 Derivatives

Recognition of derivatives is as follows:

- 1 Derivatives for trading are carried at fair value. Changes in fair value are recognised in profit or loss.
- 2 Derivatives for hedging of transactions which are measured on an accrual basis are recorded as off-financial reporting items and income and expense are recognised on an accrual basis equivalent to that used for the underlying transactions.

4.24 Significant accounting policies of life assurance subsidiary

4.24.1 Recognition of revenues

Premium income is recognised as revenue when premium is received and on the effective date of insurance policies for the first year premium. For the renewal insurance policies, premium income is recognised as revenue when premium is received. Premium due and uncollected is additionally recognised as revenue when the policy is still in force and in the process of collection.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

4.24.2 Life insurance policy reserves

Life insurance policy reserves represent the accumulated total liability for the life insurance policies in force on the financial reporting date. Such reserves are established to meet the estimated future obligations of all the life insurance policies in force. The reserves are calculated using actuarial methods as required by the related regulations of the Office of Insurance Commission, Ministry of Finance.

Unearned premium reserve

Unearned premium reserve for group insurance and short-term riders are calculated on a pro-rata basis i.e. incorporating the outstanding duration of each policy.

4.24.3 Unpaid benefits to life policies

A provision is made for the estimated cost of all claims notified but not settled at the date of the financial reporting less reinsurance recoveries, using the information available at the time. Provision is also made for the cost of claims incurred but not reported as at the reporting date based on the Company's experience and historical data. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in profit or loss in later years.

4.25 Significant accounting policies of insurance subsidiary

4.25.1 Recognition of direct and reinsurance premium

Premium income is recognised on the date the relevant insurance policy comes into effect, after deducting premium ceded and cancelled, and adjustment for unearned premiums.

The Company records premium income from long-term insurance policies for the coverage periods longer than 1 year as unearned revenue, and records related revenues and expenses as unearned and prepaid items. The Company recognises unearned and prepaid items as income in accordance with the Notification of Registrar No.13/2544 dated 28 August 2001, governing the revised rate of fire insurance premium.

Reinsurance premium income is recognised when the reinsurer places the reinsurance application or statement of accounts with the Company.

4.25.2 Unearned premium reserve

The subsidiary sets aside part of its written premiums as unearned premium reserve as follows:

Fire, marine (hull), motor and miscellaneous	- Monthly average basis from net premium written (the one-twenty fourth method)
Marine (cargo)	- Net premium written for the last ninety days
Travel accident	- Net premium written for the last thirty days

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

4.25.3 Loss reserves and outstanding claims

Loss reserves are taken up in the accounts upon receipt of claim advices from the insured, at the value appraised by an independent appraiser or the subsidiary's appraiser, depending on the particular case. In addition, the subsidiary sets up a provision for losses incurred but not yet reported (IBNR) based on the subsidiary's experience, but not less than 2.5% of the net premiums written of the last 12 months, in compliance with the Notification of the Ministry of Commerce governing the appropriation of unearned premium reserve and loss reserve of non-life insurance companies.

4.26 Significant accounting policies of the leasing subsidiary

4.26.1 Income from lease contracts

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance income from lease contracts is recognised on the effective interest method over the period of the contracts.

4.26.2 Income from factoring

Income from factoring is recognised by the effective interest method over the period of contracts. Interest income is not accrued for debts which are overdue more than 90 days.

4.26.3 Securitisation transaction

Siam Commercial Leasing Public Company Limited, a subsidiary, recognised the sales of hire-purchase receivables to Siam Panich SPV1 Company Limited ("Securitisation Plan"), according to the approval conditions required by the Securities and Exchange Commission. The subsidiary derecognised the hire-purchase receivables, which were transferred to Siam Panich SPV1 Company Limited, and the debentures under the securitisation plan in the amount that the risks and returns on the receivables had been transferred to the debenture holders for both initial receivables transferred on the initial cut off date and additional revolving receivables transferred during the revolving period.

For those receivables whose risks and returns were not transferred to the debenture holders, the subsidiary recorded it as Deferred Purchase Price Receivable and the separately presented in the statement of financial position.

The subsidiary derecognised the hire-purchase receivables and the debentures under the securitisation project where the risks and returns on the receivables have been transferred to the debenture holders. The subsidiary has considered that the risks and returns have been transferred when the transferor surrenders control over those assets to the transferee and accounted for as a sale to the extent that consideration other beneficial interests in the transferred assets are received in exchange.

Servicing assets and other beneficial interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold (if any), and retained interests (if any), based on their relative fair values at the date of transfer, if practicable.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

4.26.4 Allowance for doubtful accounts

The subsidiary provides the allowance for doubtful accounts of hire-purchase accounts receivable, lease accounts receivable and terminated contract of hire-purchase accounts receivable by using the Collective Approach method which consider the historical loss experience of each loan category.

The subsidiary also reverses income from hire-purchase accounts receivable and unearned interest income for receivables which are outstanding over 3 months from the due date in order to comply with the guidelines of the BoT.

The subsidiary provides allowance for doubtful accounts for factoring accounts receivable, notes receivable, and other legal receivable in compliance with the minimum allowance for doubtful accounts based on the BoT guidelines. Each loan category is subject to different levels of provisioning based on percentages established by the BoT without collateral deduction as follows:

	Allowance (%)
Normal (Past due less than 30 days)	1
Special Mention (Past due 31 - 90 days)	2
Sub-Standard (Past due 91 - 180 days)	100
Doubtful (Past due 181 - 360 days)	100
Doubtful Loss (Past due > 360 days)	100

The statement of financial position discloses the Deferred Purchase Price Receivable net of any allowance for doubtful accounts. Any allowance is recognised immediately in profit or loss.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

5 Acquisitions of subsidiaries and non-controlling interests

On 17 March 2011, the Bank acquired the additional 31,475,017 ordinary shares or 47.33% of the common shares of SCB Life Assurance PCL (SCBLIF) (formerly Siam Commercial New York Life Insurance PCL (SCNYL)) at Baht 8.4 billion resulting in the Bank holding 94.66% of the issued and paid up capital of SCBLIF (previously held 47.33%).

Under TFRS 3 (Revised 2009) *Business Combinations* (Effective in 2011), the investment in SCBLIF is classified as a step acquisition which requires the Bank to remeasure the previously held equity interest in SCBLIF (47.33%) at fair value and recognise the difference between fair value and carrying value to profit or loss on the acquisition date as follows:

	Amount (in million Baht)
Fair value of previously held equity interest in SCBLIF (47.33%)	8,400
Less Carrying amount of previously investment in SCBLIF	<u>(3,340)</u>
Gain on revaluation of interest in SCBLIF	<u>5,060</u>

According to TFRS 3, the acquisition of SCB Life Assurance PCL led to the recognition of Baht 8,865 million to goodwill, calculated as follows:

	Holding (%)	Amount (in million Baht)
Fair value of previously held equity interest in SCBLIF	47.33	8,400
Fair value of additional equity interest in SCBLIF	47.33	8,400
Non-controlling interest in SCBLIF	5.34	<u>349</u>
Total fair value of common shares of SCBLIF	<u>100.00</u>	17,149
Less Fair value of net assets acquired		<u>8,284</u>
Goodwill		<u>8,865</u>

The fair value and the book value of identifiable assets and liabilities assumed at acquisition date in SCB Life Assurance PCL are as follows:

	Book value (in million Baht)	Fair value
Interbank and money market items, net	7,209	7,209
Investments, net	58,554	60,290
Loans to customers and accrued interest receivables, net	1,089	1,089
Other assets, net	3,205	<u>3,205</u>
Total assets	<u>70,057</u>	<u>71,793</u>
Liabilities under insurance contracts	60,609	60,609
Other liabilities	2,900	<u>2,900</u>
Total liabilities	<u>63,509</u>	<u>63,509</u>
Net assets acquired	<u>6,548</u>	<u>8,284</u>

The revenue and net profit of SCB Life Assurance PCL from the acquisition date to 30 June 2011 included in the consolidated profit or loss are Baht 11,494 million and Baht 2,306 million, respectively.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

6 Financial risk management

6.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Bank and its subsidiaries. The Bank and its subsidiaries have adopted the policy of dealing with only creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

In case of recognised financial assets, the carrying amount of the assets recorded in the consolidated statement of financial position, net of any applicable provision for loss, represents the Bank's maximum exposure to credit risk.

The Bank has a credit risk where counterparties do not adhere to the terms of the financial contract.

Credit risk also arises from the possibility that the counterparty to a derivative financial instrument will not adhere to the terms of the contract with the Bank when settlement becomes due.

Concentrations of credit risk are limited due to the large number and diversification of customers.

6.2 Interest rate risk

Interest rate risk arises from the change in interest rates which will affect the net interest earnings in the current reporting period and in the future. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and equity.

The Bank uses various derivative transactions to manage its own asset and liability positions in order to manage interest rate exposure. The use of derivative transactions is in accordance with the policies and guidelines from the Board of Directors and is under the control of the Assets and Liabilities Committee (ALCO).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

As at 30 June 2011 and 31 December 2010, significant financial assets and liabilities can be repriced as follows:

	Consolidated							
	30 June 2011							
	Reprice on demand	Reprice 1 - 3 months	Reprice within 3 - 12 months	Reprice 1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	Total
	<i>(in million Baht)</i>							
Financial assets								
Cash	-	-	-	-	-	-	25,155	25,155
Interbank and money market items *	2,365	178,271	1,635	35	5,093	-	16,875	204,274
Investments, net	540	10,154	39,820	47,488	75,490	-	18,936	192,428
Loans to customers	638,064	263,996	138,219	95,172	4,523	36,553	-	1,176,527
Accrued interest receivables	-	-	-	-	-	-	2,148	2,148
Total financial assets	640,969	452,421	179,674	142,695	85,106	36,553	63,114	1,600,532
Financial liabilities								
Deposits	598,013	140,510	195,621	117,372	1,685	-	44,742	1,097,943
Interbank and money market items, net	11,425	5,302	2,394	11,734	-	-	4,906	35,761
Liabilities to deliver security	-	-	-	-	-	-	197	197
Debt issued and borrowings	-	108,368	37,806	43,430	12,373	-	-	201,977
Other liabilities	-	-	-	-	-	-	3,884	3,884
Total financial liabilities	609,438	254,180	235,821	172,536	14,058	-	53,729	1,339,762
Difference	31,531	198,241	(56,147)	(29,841)	71,048	36,553	9,385	260,770

* Excluding allowance for doubtful accounts amounting to Baht 1,751 million

	Consolidated							
	31 December 2010							
	Reprice on demand	Reprice 1 - 3 months	Reprice within 3 - 12 months	Reprice 1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	Total
	<i>(in million Baht)</i>							
Financial assets								
Cash	-	-	-	-	-	-	33,273	33,273
Interbank and money market items *	3,843	130,805	1,039	35	39	-	14,609	150,370
Investments, net	195	13,834	48,972	52,230	15,634	-	17,630	148,495
Loans to customers	585,859	234,995	113,333	83,657	2,045	38,684	1	1,058,574
Accrued interest receivables	-	-	-	-	-	-	1,824	1,824
Total financial assets	589,897	379,634	163,344	135,922	17,718	38,684	67,337	1,392,536
Financial liabilities								
Deposits	619,038	187,893	99,459	139,435	-	-	46,284	1,092,109
Interbank and money market items, net	14,088	27,626	908	447	-	-	4,970	48,039
Debt issued and borrowings	-	28,512	11,419	22,594	84	-	-	62,609
Other liabilities	-	-	-	-	-	-	2,493	2,493
Total financial liabilities	633,126	244,031	111,786	162,476	84	-	53,747	1,205,250
Difference	(43,229)	135,603	51,558	(26,554)	17,634	38,684	13,590	187,286

* Excluding allowance for doubtful accounts amounting to Baht 1,352 million

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank							Total
	30 June 2011							
	Reprice on demand	1 - 3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	
	<i>(in million Baht)</i>							
Financial assets								
Cash	-	-	-	-	-	-	25,018	25,018
Interbank and money market items *	1,448	177,845	100	-	-	-	15,947	195,340
Investments, net	-	9,333	39,501	42,017	15,179	-	17,327	123,357
Loans to customers	637,321	263,323	136,012	86,883	3,428	33,884	-	1,160,851
Accrued interest receivables	-	-	-	-	-	-	2,033	2,033
Total financial assets	638,769	450,501	175,613	128,900	18,607	33,884	60,325	1,506,599
Financial liabilities								
Deposits	597,974	140,352	195,602	117,373	1,685	-	44,470	1,097,456
Interbank and money market items, net	13,413	5,452	2,394	11,734	-	-	4,906	37,899
Debt issued and borrowings	-	108,368	37,806	43,430	12,373	-	-	201,977
Other liabilities	-	-	-	-	-	-	3,883	3,883
Total financial liabilities	611,387	254,172	235,802	172,537	14,058	-	53,259	1,341,215
Difference	27,382	196,329	(60,189)	(43,637)	4,549	33,884	7,066	165,384

* Excluding allowance for doubtful accounts amounting to Baht 1,751 million

	The Bank							Total
	31 December 2010							
	Reprice on demand	1 - 3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	
	<i>(in million Baht)</i>							
Financial assets								
Cash	-	-	-	-	-	-	33,172	33,172
Interbank and money market items *	2,697	130,521	48	-	-	-	14,478	147,744
Investments, net	-	12,695	49,276	51,482	15,397	-	16,575	145,425
Loans to customers	589,091	237,177	110,563	68,381	2,045	35,688	-	1,042,945
Accrued interest receivables	-	-	-	-	-	-	1,798	1,798
Total financial assets	591,788	380,393	159,887	119,863	17,442	35,688	66,023	1,371,084
Financial liabilities								
Deposits	617,775	187,745	99,477	139,436	-	-	46,062	1,090,495
Interbank and money market items, net	15,960	27,626	908	447	-	-	4,971	49,912
Debt issued and borrowings	-	28,692	11,419	22,594	84	-	-	62,789
Other liabilities	-	-	-	-	-	-	2,491	2,491
Total financial liabilities	633,735	244,063	111,804	162,477	84	-	53,524	1,205,687
Difference	(41,947)	136,330	48,083	(42,614)	17,358	35,688	12,499	165,397

* Excluding allowance for doubtful accounts amounting to Baht 1,352 million

The effective interest rates of financial instruments which are repriced within 1 year are not significantly different from market rates.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Interest earning and interest bearing financial instruments are as follows:

	Consolidated					
	30 June 2011			31 December 2010		
	Average	Interest	Average	Average	Interest	Average
	(in million Baht)	(in million Baht)	interest rate (%)	(in million Baht)	(in million Baht)	interest rate (%)
Interbank and money market items, net (Assets)	173,796	2,035	2.3	117,643	1,518	1.3
Investments, net	182,093	2,640	2.9	149,998	3,603	2.4
Loans to customers *	1,113,817	29,213	5.2	961,336	47,582	4.9
Deposits	1,100,299	6,094	1.1	962,101	6,691	0.7
Interbank and money market items, net (Liabilities)	61,492	679	2.2	49,604	724	1.5
Debt issued and borrowings	106,642	1,414	2.7	56,163	1,758	3.1

	The Bank					
	30 June 2011			31 December 2010		
	Average	Interest	Average	Average	Interest	Average
	(in million Baht)	(in million Baht)	interest rate (%)	(in million Baht)	(in million Baht)	interest rate (%)
Interbank and money market items, net (Assets)	166,962	1,933	2.3	114,204	1,507	1.3
Investments, net	141,741	1,652	2.3	147,203	3,550	2.4
Loans to customers *	1,097,992	28,680	5.2	938,991	45,790	4.9
Deposits	1,099,709	6,098	1.1	959,819	6,687	0.7
Interbank and money market items, net (Liabilities)	63,595	708	2.2	51,167	750	1.5
Debt issued and borrowings	106,702	1,410	2.6	50,486	1,564	3.1

* Net of deferred revenue

6.3 Foreign exchange risk

Foreign exchange risk is the risk that occurs from changes in exchange rate which may affect the value of the financial instruments or may cause volatility in the Bank's earnings or fluctuates in value of the financial assets and liabilities.

In managing its foreign exchange risk, it is the Bank's policy to square off its foreign currency denominated assets and liabilities positions in order to affect a net balance of foreign exchange. The Bank, therefore, endeavors to match its foreign currency denominated lending with same currency funding sources in order to minimise its exposure on foreign currency fluctuations. In addition, the Bank manages its exposure to currency risk by setting limits for both overnight and intra-day position, limits for stop-loss position and value at risk. These are monitored on a daily basis and in compliance with the Bank of Thailand's regulations on foreign exchange.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

As at 30 June 2011 and 31 December 2010, the Bank has the financial assets and liabilities denominated in the various currencies as follows:

	THB	USD	Consolidated		Others	Total
			EURO	YEN		
			30 June 2011			
			<i>(in million Baht)</i>			
Financial assets						
Cash	24,543	263	121	52	176	25,155
Interbank and money market items *	195,893	6,481	224	373	1,303	204,274
Investments, net	187,143	5,003	3	-	279	192,428
Loans to customers	1,083,496	87,221	5,071	337	402	1,176,527
Accrued interest receivables	1,858	288	2	-	-	2,148
Total financial assets	1,492,933	99,256	5,421	762	2,160	1,600,532
Financial liabilities						
Deposits	1,071,511	25,042	781	168	441	1,097,943
Interbank and money market items, net	26,131	9,609	-	21	-	35,761
Liabilities to deliver security	197	-	-	-	-	197
Debt issued and borrowings	189,705	12,272	-	-	-	201,977
Other liabilities	3,806	76	-	-	2	3,884
Total financial liabilities	1,291,350	46,999	781	189	443	1,339,762
On-financial reporting items, net	201,583	52,257	4,640	573	1,717	260,770
Off-financial reporting items - contingencies						
(currency swap contracts)	-	(30,181)	(4,272)	(479)	(706)	(35,638)

* Excluding allowance for doubtful accounts amounting to Baht 1,751 million

	THB	USD	Consolidated		Others	Total
			EURO	YEN		
			31 December 2010			
			<i>(in million Baht)</i>			
Financial assets						
Cash	32,143	527	246	86	271	33,273
Interbank and money market items *	142,541	5,705	280	355	1,489	150,370
Investments, net	145,945	2,190	3	-	357	148,495
Loans to customers	986,545	66,865	4,488	449	227	1,058,574
Accrued interest receivables	1,540	281	3	-	-	1,824
Total financial assets	1,308,714	75,568	5,020	890	2,344	1,392,536
Financial liabilities						
Deposits	1,047,419	38,368	918	4,914	490	1,092,109
Interbank and money market items, net	46,486	1,553	-	-	-	48,039
Debt issued and borrowings	62,609	-	-	-	-	62,609
Other liabilities	2,478	14	-	-	1	2,493
Total financial liabilities	1,158,992	39,935	918	4,914	491	1,205,250
On-financial reporting items, net	149,722	35,633	4,102	(4,024)	1,853	187,286
Off-financial reporting items - contingencies						
(currency swap contracts)	75	(18,642)	(3,860)	(5,117)	(920)	(28,464)

* Excluding allowance for doubtful accounts amounting to Baht 1,352 million

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank					Total
	30 June 2011					
	THB	USD	EURO	YEN	Others	
	<i>(in million Baht)</i>					
Financial assets						
Cash	24,504	169	121	52	172	25,018
Interbank and money market items *	189,696	3,751	224	373	1,296	195,340
Investments, net	118,072	5,003	3	-	279	123,357
Loans to customers	1,068,641	86,400	5,071	337	402	1,160,851
Accrued interest receivables	1,745	286	2	-	-	2,033
Total financial assets	1,402,658	95,609	5,421	762	2,149	1,506,599
Financial liabilities						
Deposits	1,073,789	22,285	781	168	433	1,097,456
Interbank and money market items, net	28,191	9,687	-	21	-	37,899
Debt issued and borrowings	189,705	12,272	-	-	-	201,977
Other liabilities	3,805	76	-	-	2	3,883
Total financial liabilities	1,295,490	44,320	781	189	435	1,341,215
On-financial reporting items, net	107,168	51,289	4,640	573	1,714	165,384
Off-financial reporting items - contingencies (currency swap contracts)	-	(29,778)	(4,272)	(479)	(706)	(35,235)

* Excluding allowance for doubtful accounts amounting to Baht 1,751 million

	The Bank					Total
	31 December 2010					
	THB	USD	EURO	YEN	Others	
	<i>(in million Baht)</i>					
Financial assets						
Cash	32,136	436	246	86	268	33,172
Interbank and money market items *	141,715	3,906	280	355	1,488	147,744
Investments, net	142,875	2,190	3	-	357	145,425
Loans to customers	971,972	65,812	4,488	449	224	1,042,945
Accrued interest receivables	1,516	279	3	-	-	1,798
Total financial assets	1,290,214	72,623	5,020	890	2,337	1,371,084
Financial liabilities						
Deposits	1,047,940	36,243	917	4,914	481	1,090,495
Interbank and money market items, net	48,283	1,629	-	-	-	49,912
Debt issued and borrowings	62,789	-	-	-	-	62,789
Other liabilities	2,476	14	-	-	1	2,491
Total financial liabilities	1,161,488	37,886	917	4,914	482	1,205,687
On-financial reporting items, net	128,726	34,737	4,103	(4,024)	1,855	165,397
Off-financial reporting items - contingencies (currency swap contracts)	75	(18,261)	(3,860)	(5,117)	(920)	(28,083)

* Excluding allowance for doubtful accounts amounting to Baht 1,352 million

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

6.4 Equity risk

Equity risk is any risk arising from changes in the price of equities or common stock that may cause volatility in the Bank's earning or fluctuations in the value of the Bank's financial assets. The Bank and its subsidiaries have policies to manage the risk by maintaining long-term equity investment and investing in growth potential equity and/ or those intended to support the business. The Bank has established the Policy that only companies within the Financial Group that are engaged in the financial business with specific supervisory bodies and those permitted to engage in portfolio management can engage in equity investment under relevant applicable regulations. The Bank has closely managed and monitored market situations to provide information for management to monitor the risk to the Bank.

6.5 Liquidity risk

Liquidity risk is the risk that the Bank may not be able to meet its obligations as they fall due, because of inability to realise assets or to cover funding requirements at an appropriate price, thus resulting in losses to the Bank.

The Bank has set the standard risk management framework for the SCB Financial Group companies which followed the Bank of Thailand's Consolidated Supervision framework. The Board of Directors has approved the SCB Financial Group Risk Management Policy which has set the risk management policy, organisation structure, risk limit, risk measurement and liquidity risk monitoring.

The Bank has implemented a system to monitor liquidity management on a daily basis in both baht and foreign currencies by applying a number of risk management tools, such as net daily liquidity position report, individual foreign currency position report in both the remaining time to maturity and with behavioral adjustments. In addition, the Bank also determines relevant risk limits to be adopted to measure, monitor and control liquidity risk to remain at an acceptable level, which is further reported to the senior management and relevant units on a daily basis.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

As at 30 June 2011 and 31 December 2010, financial assets and liabilities are classified according to their contractual maturity as follows:

	Consolidated						Total
	30 June 2011						
	Maturity on demand	1 - 3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	<i>(in million Baht)</i>						
Financial assets							
Cash	-	-	-	-	-	25,155	25,155
Interbank and money market items *	18,461	178,451	4,489	563	2,310	-	204,274
Investments, net	540	10,153	39,820	47,489	75,566	18,860	192,428
Loans to customers**	101,220	227,190	142,409	396,711	307,507	1,490	1,176,527
Accrued interest receivables	-	2,148	-	-	-	-	2,148
Total financial assets	120,221	417,942	186,718	444,763	385,383	45,505	1,600,532
Financial liabilities							
Deposits	642,755	140,510	195,621	117,372	1,685	-	1,097,943
Interbank and money market items, net	16,330	5,302	2,395	11,734	-	-	35,761
Liabilities to deliver security	197	-	-	-	-	-	197
Debt issued and borrowings	-	108,368	37,806	23,430	32,373	-	201,977
Other liabilities	-	1,885	1,729	270	-	-	3,884
Total financial liabilities	659,282	256,065	237,551	152,806	34,058	-	1,339,762
Net liquidity gap	(539,061)	161,877	(50,833)	291,957	351,325	45,505	260,770

* Excluding allowance for doubtful accounts amounting to Baht 1,751 million

** Including non-performing loans

	Consolidated						Total
	31 December 2010						
	Maturity on demand	1 - 3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	<i>(in million Baht)</i>						
Financial assets							
Cash	-	-	-	-	-	33,273	33,273
Interbank and money market items *	18,424	130,881	991	35	39	-	150,370
Investments, net	195	13,834	48,972	52,230	15,710	17,554	148,495
Loans to customers**	92,294	208,195	116,694	379,835	261,155	401	1,058,574
Accrued interest receivables	-	1,824	-	-	-	-	1,824
Total financial assets	110,913	354,734	166,657	432,100	276,904	51,228	1,392,536
Financial liabilities							
Deposits	665,322	187,893	99,459	139,435	-	-	1,092,109
Interbank and money market items, net	19,058	27,626	908	447	-	-	48,039
Debt issued and borrowings	-	28,511	11,420	2,594	20,084	-	62,609
Other liabilities	-	1,286	1,021	186	-	-	2,493
Total financial liabilities	684,380	245,316	112,808	142,662	20,084	-	1,205,250
Net liquidity gap	(573,467)	109,418	53,849	289,438	256,820	51,228	187,286

* Excluding allowance for doubtful accounts amounting to Baht 1,352 million

** Including non-performing loans

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank						Total
	30 June 2011						
	Maturity on demand	1 - 3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	<i>(in million Baht)</i>						
Financial assets							
Cash	-	-	-	-	-	25,018	25,018
Interbank and money market items *	17,319	178,021	-	-	-	-	195,340
Investments, net	-	9,333	39,501	42,017	15,179	17,327	123,357
Loans to customers **	100,993	226,046	139,273	387,032	307,507	-	1,160,851
Accrued interest receivables	-	2,033	-	-	-	-	2,033
Total financial assets	118,312	415,433	178,774	429,049	322,686	42,345	1,506,599
Financial liabilities							
Deposits	642,444	140,352	195,602	117,373	1,685	-	1,097,456
Interbank and money market items, net	18,319	5,452	2,394	11,734	-	-	37,899
Debt issued and borrowings	-	108,368	37,806	23,430	32,373	-	201,977
Other liabilities	-	1,884	1,729	270	-	-	3,883
Total financial liabilities	660,763	256,056	237,531	152,807	34,058	-	1,341,215
Net liquidity gap	(542,451)	159,377	(58,757)	276,242	288,628	42,345	165,384

* Excluding allowance for doubtful accounts amounting to Baht 1,751 million

** Including non-performing loans

	The Bank						Total
	31 December 2010						
	Maturity on demand	1 - 3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	<i>(in million Baht)</i>						
Financial assets							
Cash	-	-	-	-	-	33,172	33,172
Interbank and money market items *	17,150	130,594	-	-	-	-	147,744
Investments, net	-	12,695	49,276	51,482	15,397	16,575	145,425
Loans to customers **	95,979	210,076	112,564	363,171	261,155	-	1,042,945
Accrued interest receivables	-	1,798	-	-	-	-	1,798
Total financial assets	113,129	355,163	161,840	414,653	276,552	49,747	1,371,084
Financial liabilities							
Deposits	663,837	187,746	99,477	139,435	-	-	1,090,495
Interbank and money market items, net	20,931	27,626	908	447	-	-	49,912
Debt issued and borrowings	-	28,691	11,420	2,594	20,084	-	62,789
Other liabilities	-	1,284	1,021	186	-	-	2,491
Total financial liabilities	684,768	245,347	112,826	142,662	20,084	-	1,205,687
Net liquidity gap	(571,639)	109,816	49,014	271,991	256,468	49,747	165,397

* Excluding allowance for doubtful accounts amounting to Baht 1,352 million

** Including non-performing loans

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Deposit ratio

	30 June 2011	31 December 2010
		(%)
Gross loans to deposits ratio (Consolidated financial statements)	107.2	96.9
Gross loans to deposits and B/E (Consolidated financial statements)	92.6	93.3

7 Fair value of financial instruments

Fair values of financial instruments are their quoted market prices or where, quoted market prices are not available, based on estimates using present value or other valuation techniques. These techniques are significantly affected by the assumptions including discount rate and estimated cash flow. Hence, estimated fair values from different techniques may vary significantly.

As at 30 June 2011 and 31 December 2010, a summary of book value and fair value of financial instruments are as follows:

	Consolidated			
	30 June 2011		31 December 2010	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Cash	25,155	25,155	33,273	33,273
Interbank and money market items, net	202,523	202,523	149,018	149,018
Derivative assets	27,157	27,157	31,589	31,589
Investments, net	192,428	192,428	148,495	148,495
Loans to customers and accrued interest receivables, net	1,136,823	1,141,353	1,018,803	1,023,801
Total financial assets	<u>1,584,086</u>	<u>1,588,616</u>	<u>1,381,178</u>	<u>1,386,176</u>
Financial liabilities				
Deposits	1,097,943	1,097,008	1,092,109	1,092,407
Interbank and money market items, net	35,761	35,804	48,039	48,035
Liabilities payable on demand	9,835	9,835	6,883	6,883
Liabilities to deliver security	197	197	-	-
Derivative liabilities	24,301	24,301	29,135	29,135
Debt issued and borrowings	201,977	201,977	62,609	62,609
Total financial liabilities	<u>1,370,014</u>	<u>1,369,122</u>	<u>1,238,775</u>	<u>1,239,069</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank			
	30 June 2011		31 December 2010	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Cash	25,018	25,018	33,172	33,172
Interbank and money market items, net	193,589	193,589	146,392	146,392
Derivative assets	27,157	27,157	31,589	31,589
Investments, net	123,357	123,357	145,425	145,425
Loans to customers and accrued interest receivables, net	<u>1,123,082</u>	<u>1,127,600</u>	<u>1,005,280</u>	<u>1,010,207</u>
Total financial assets	<u>1,492,203</u>	<u>1,496,721</u>	<u>1,361,858</u>	<u>1,366,785</u>
Financial liabilities				
Deposits	1,097,456	1,096,521	1,090,495	1,090,793
Interbank and money market items, net	37,899	37,942	49,912	49,908
Liabilities payable on demand	9,832	9,832	6,866	6,866
Derivative liabilities	24,301	24,301	29,135	29,135
Debt issued and borrowings	<u>201,977</u>	<u>201,977</u>	<u>62,789</u>	<u>62,789</u>
Total financial liabilities	<u>1,371,465</u>	<u>1,370,573</u>	<u>1,239,197</u>	<u>1,239,491</u>

The following methods and assumptions are used by the Bank in estimating fair market values of financial instruments as disclosed herein:

Cash:	The carrying amounts approximate fair value.
Interbank and money market items (Assets):	Fair value calculated based on present value of estimated cash flows, using the current interest rate in the money market.
Derivatives:	The fair values of derivatives are obtained from quoted market price in active markets. Fair values of derivatives in an illiquid market are obtained using an average price (quoted from several reliable sources), valuation technique and a benchmark price of instruments which have similar characteristic, as appropriate.
Investments:	Fair values for securities are based on estimated market prices as described in Note 4.3.
Loans to customers and accrued interest receivables:	<ul style="list-style-type: none"> - For variable-rate loans that are repriced frequently and have no significant change in credit risk, fair values are based on carrying values. - Fair values of other loans are estimated using discounted cash flow analyses, using market interest rates or fair value of collateral. - The carrying amount of accrued interest receivables approximates fair value.
Deposits and interbank and money market items (Liabilities):	<ul style="list-style-type: none"> - The fair values disclosed for deposits which are payable on demand by the depositor, are equal to the carrying values of such deposits. - Fair values for fixed-deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar deposits. - The carrying amount of interbank and money market items approximates their fair value at the reporting date.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Liabilities payable on demand:	The carrying amount of liabilities payable on demand approximates fair value.
Liabilities to deliver security	Fair value for liabilities to deliver security are based on the latest offer price quoted on the Stock Exchange of Thailand at the end of the period.
Debt issued and borrowings:	<ul style="list-style-type: none">- The carrying amounts of short-term borrowings maturing within 90 days approximate their fair values.- Fair values of other borrowings are estimated using discounted cash flow analyses based on the Bank's current incremental borrowing rates for similar types of borrowing arrangements.
Interest payable on deposits:	The carrying amounts of interest payable approximate their fair values.
Off-financial reporting instruments:	Fair values for off-financial reporting instruments are based on the difference between contract rate and spot rate at period end as adjusted with risk premium of the remaining terms of the agreements.

8 Maintenance of capital fund

The Bank and its subsidiaries, which are financial institutions, are subject to various capital and regulatory requirements of the BoT. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and its subsidiaries must satisfy specific capital guidelines that involve, among others, quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated in accordance with regulatory accounting practices. The Bank's and its subsidiaries' capital amounts and classifications are also subject to qualitative judgments by the BoT as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by the BoT.

The Bank maintains its capital funds in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital funds as a proportion of risk assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. According to the Bank of Thailand's regulations, capital fund as at 31 December 2008 and thereafter must be calculated according to Basel II. As at 30 June 2011 and 31 December 2010, the Bank's total capital funds can be categorised as follows:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank	
	30 June 2011	31 December 2010
	<i>(in million Baht)</i>	
Tier 1 capital		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	6,034
Net gain after appropriations	75,117	71,512
Capital deduction item	(6)	-
Total Tier 1 capital	127,227	122,662
Tier 2 capital		
Revaluation surplus on land and premises appraisal	8,144	6,478
Revaluation surplus on investment in equity securities	1,381	1,359
Subordinated bonds	20,000	20,000
Allowance for classified assets of "normal" category and excess allowance	14,939	13,181
Total Tier 2 capital	44,464	41,018
Total capital funds	171,691	163,680
Total risk assets	1,195,148	1,054,458
Total capital / Total risk weighted assets (minimum 8.50%)	14.4%	15.5%
Total Tier 1 capital / Total risk weighted assets (minimum 4.25%)	10.7%	11.6%
Total Tier 2 capital / Total risk weighted assets	3.7%	3.9%

Disclosures of capital maintenance information under the Notification of the Bank of Thailand number Sor Nor Sor 25/2552 dated 14 December 2009, the Public Disclosures of Capital Maintenance for Commercial Banks and the Notification of the Bank of Thailand number Sor Nor Sor 6/2553 dated 18 June 2010, Prudential Regulations on Consolidated Supervision are as follows:

Location of disclosure	The Bank's website under Investor Relations section at http://www.scb.co.th/en/abt/abt_ivr_fin_fnr.shtml
Date of disclosure	Within 4 months after the year end date as indicated in the notification.
Information as of	31 December 2010

9 Supplementary disclosures of cash flow information

Significant non-cash items for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Change in revaluation surplus	5,358	(84)	5,362	(82)
Gain (loss) on remeasuring available-for-sale investment	(53)	1,784	78	1,757
Conversion of preference shares to ordinary shares	2	3	2	3
Premium on conversion of preference shares to ordinary shares	1	1	1	1
Properties for sale increased from loans payment	1,544	1,088	1,337	1,017
Unrealised increment per premises appraisal transferred to retained earnings	173	82	171	80

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

10 Interbank and money market items, net (Assets)

As at 30 June 2011 and 31 December 2010, interbank and money market items, net (Assets) are as follows:

	30 June 2011		Consolidated			
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	13,270	140,400	153,670	11,146	127,500	138,646
Commercial banks	1,056	28,780	29,836	1,001	175	1,176
Specialised financial institutions *	-	35	35	-	35	35
Other financial institutions **	7	6,491	6,498	99	1,716	1,815
Total	14,333	175,706	190,039	12,246	129,426	141,672
Add accrued interest receivables	-	77	77	-	27	27
Less allowance for doubtful accounts	-	(1,735)	(1,735)	-	(1,336)	(1,336)
Total domestic items	14,333	174,048	188,381	12,246	128,117	140,363
Foreign items:						
US Dollar	2,474	4,007	6,481	3,362	2,343	5,705
Japanese YEN	373	-	373	355	-	355
Euro	224	-	224	280	-	280
Other currencies	1,057	5,322	6,379	2,181	149	2,330
Total	4,128	9,329	13,457	6,178	2,492	8,670
Add accrued interest receivables	-	701	701	-	1	1
Less allowance for doubtful accounts	-	(16)	(16)	-	(16)	(16)
Total foreign items	4,128	10,014	14,142	6,178	2,477	8,655
Total domestic and foreign items	18,461	184,062	202,523	18,424	130,594	149,018

* Specialised financial institutions mean financial institutions which operate under specific development mandates such as Small and Medium Enterprise Development Bank of Thailand Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation, exclude Small Business Credit Guarantee Corporation

** Other financial institutions mean financial institutions which operate under the Interest on Loans of Finance Institution Act and apart from those listed above such as Finance company, Securities company, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and Credit Union League of Thailand Limited

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank					
	30 June 2011		31 December 2010			
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	13,270	140,400	153,670	11,146	127,500	138,646
Commercial banks	456	28,620	29,076	473	-	473
Specialised financial institutions *	-	-	-	-	-	-
Other financial institutions **	7	6,491	6,498	13	1,717	1,730
Total	13,733	175,511	189,244	11,632	129,217	140,849
<i>Add</i> accrued interest receivables	-	74	74	-	25	25
<i>Less</i> allowance for doubtful accounts	-	(1,735)	(1,735)	-	(1,336)	(1,336)
Total domestic items	13,733	173,850	187,583	11,632	127,906	139,538
Foreign items:						
US Dollar	1,939	1,811	3,750	2,703	1,203	3,906
Japanese YEN	373	-	373	355	-	355
Euro	224	-	224	280	-	280
Other currencies	1,050	623	1,673	2,180	149	2,329
Total	3,586	2,434	6,020	5,518	1,352	6,870
<i>Add</i> accrued interest receivables	-	2	2	-	-	-
<i>Less</i> allowance for doubtful accounts	-	(16)	(16)	-	(16)	(16)
Total foreign items	3,586	2,420	6,006	5,518	1,336	6,854
Total domestic and foreign items	17,319	176,270	193,589	17,150	129,242	146,392

* Specialised financial institutions mean financial institutions which operate under specific development mandates such as Small and Medium Enterprise Development Bank of Thailand Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation, exclude Small Business Credit Guarantee Corporation

** Other financial institutions mean financial institutions which operate under the Interest on Loans of Finance Institution Act and apart from those listed above such as Finance company, Securities company, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and Credit Union League of Thailand Limited

11 Derivatives

Financial derivatives are financial instruments whose characteristics are derived from underlying assets, or from interest and exchange rates or indices. The following derivatives are used by the Bank:

- 1 Forward exchange contracts which are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.
- 2 Currency and interest rate swaps which are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies and may also involve the exchange of related interest payments.
- 3 Interest rate swaps which are agreements that involve the exchange of interest obligations with a counterparty for a specified period without exchanging the underlying or notional principal.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

- 4 Equity derivatives which are agreements that determined values based on level of equity's price or price of equity group or Equity Index used as underlying assets.
- 5 Credit derivatives which are agreements to buy or sell guarantee of credit risk related to ability to repay underlying assets.
- 6 Commodity derivatives which are a purchase or a sale of a reference product or the exchange of cash flow calculated from a reference volume of product multiplied by the agreed price within a period of time and conditions as agreed in the contract.

The Bank has set up objectives and policies to manage the foreign exchange risk and interest rate risk from the volatility of foreign exchange rates and interest rates by using the derivatives for serving the client's need and the Bank's assets and liability management purpose. The Bank controls the counterparty risks by setting-up the credit limit based on the normal lending procedures and controls the market risks by setting-up the limit of stop-loss, value at risk and basis point value.

The total notional amounts of the derivatives at the period end do not represent the incurred risks from derivative transactions. The risks arising from the derivatives will depend on the changes in price of each derivative type.

As at 30 June 2011 and 31 December 2010, the notional amount and the fair value of derivatives are as follows:

	Consolidated			
	30 June 2011			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	1,051,272	11,806	103	1,063,181
Currency swap contracts	105,895	89,401	138,865	334,161
Interest rate swap contracts	439,658	599,363	121,962	1,160,983
Equity derivatives	1,257	-	-	1,257
Credit derivatives	-	203	-	203
Commodity derivatives	4,500	326	-	4,826

	Consolidated			
	31 December 2010			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	654,320	8,395	127	662,842
Currency swap contracts	112,628	75,628	135,136	323,392
Interest rate swap contracts	337,007	476,333	98,808	912,148
Equity derivatives	784	30	-	814
Credit derivatives	-	199	-	199
Commodity derivatives	7,397	-	-	7,397

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The Bank				
30 June 2011				
Notional amount				
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
<i>(in million Baht)</i>				
Forward exchange contracts	1,051,272	11,806	103	1,063,181
Currency swap contracts	105,896	89,496	139,172	334,564
Interest rate swap contracts	439,658	599,363	121,962	1,160,983
Equity derivatives	1,257	-	-	1,257
Credit derivatives	-	203	-	203
Commodity derivatives	4,500	326	-	4,826

The Bank				
31 December 2010				
Notional amount				
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
<i>(in million Baht)</i>				
Forward exchange contracts	654,320	8,395	127	662,842
Currency swap contracts	112,628	75,628	135,136	323,392
Interest rate swap contracts	337,007	476,333	98,808	912,148
Equity derivatives	784	30	-	814
Credit derivatives	-	199	-	199
Commodity derivatives	7,397	-	-	7,397

As at 30 June 2011 and 31 December 2010, notional amounts, fair value of derivatives held for trading book and readjustment based on an accrual basis of derivatives held for banking book classified by type of risk are as follows:

Type of risk	Consolidated					
	30 June 2011			31 December 2010		
	Fair value /		Notional amount	Fair value /		Notional amount
	Readjustment based on an accrual basis			Readjustment based on an accrual basis		
	Assets	Liabilities	Assets	Liabilities		
<i>(in million Baht)</i>						
Foreign exchange rates	17,863	14,373	1,397,342	20,460	17,521	986,234
Interest rate	8,792	9,433	1,160,983	9,229	9,731	912,148
Equity derivatives	89	89	1,257	84	77	814
Credit derivatives	4	-	203	4	-	199
Commodity derivatives	409	406	4,826	1,812	1,806	7,397
Total	27,157	24,301	2,564,611	31,589	29,135	1,906,792

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Type of risk	The Bank					
	30 June 2011			31 December 2010		
	Fair value / Readjustment based on an accrual basis		Notional amount	Fair value / Readjustment based on an accrual basis		Notional amount
Assets	Liabilities	Assets		Liabilities		
	<i>(in million Baht)</i>					
Foreign exchange rates	17,863	14,373	1,397,745	20,460	17,521	986,234
Interest rate	8,792	9,433	1,160,983	9,229	9,731	912,148
Equity derivatives	89	89	1,257	84	77	814
Credit derivatives	4	-	203	4	-	199
Commodity derivatives	409	406	4,826	1,812	1,806	7,397
Total	27,157	24,301	2,565,014	31,589	29,135	1,906,792

As at 30 June 2011 and 31 December 2010, the proportion, determined based on the notional amount, of derivatives transactions divided by type of counterparty is as follows;

Counterparty	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	(%)			
Financial institutions	72.81	72.63	72.79	72.63
Affiliated companies	-	0.02	0.02	0.02
Third parties	27.19	27.35	27.19	27.35

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

12 Investments, net

12.1 Classification of investments in securities

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries classify their investments in securities as follows:

	Consolidated		The Bank	
	30 June 2011 Fair value	31 December 2010 Fair value	30 June 2011 Fair value	31 December 2010 Fair value
	<i>(in million Baht)</i>			
Securities for trading				
Government and state enterprise securities	6,469	11,176	6,469	11,176
Corporate debt securities	419	1,465	419	1,465
Foreign debt securities	2,238	-	2,238	-
Domestic equity securities	196	-	-	-
Other securities	-	27	-	-
Total	9,322	12,668	9,126	12,641

	Consolidated		The Bank	
	30 June 2011 Fair value	31 December 2010 Fair value	30 June 2011 Fair value	31 December 2010 Fair value
	<i>(in million Baht)</i>			
Available-for-sale securities				
Government and state enterprise securities	62,163	78,153	60,462	77,086
Corporate debt securities	1,671	1,111	1,002	1,000
Foreign debt securities	285	407	285	407
Domestic equity securities	16,105	15,652	15,804	15,522
Foreign equity securities	893	365	894	365
Other securities	1,782	1,624	699	756
Total	82,899	97,312	79,146	95,136

	Consolidated		The Bank	
	30 June 2011 Cost / Amortised cost	31 December 2010 Cost / Amortised cost	30 June 2011 Cost / Amortised cost	31 December 2010 Cost / Amortised cost
	<i>(in million Baht)</i>			
Held-to-maturity securities				
Government and state enterprise securities	92,835	37,197	32,596	35,165
Corporate debt securities	5,298	401	1,186	1,271
Foreign debt securities	2,159	1,762	1,853	1,762
Other securities	800	-	-	-
Total	101,092	39,360	35,635	38,198
<i>Less allowance for impairment</i>	<i>(1,098)</i>	<i>(1,062)</i>	<i>(816)</i>	<i>(816)</i>
Total	99,994	38,298	34,819	37,382

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	Consolidated		The Bank	
	30 June 2011 Cost	31 December 2010 Cost	30 June 2011 Cost	31 December 2010 Cost
	<i>(in million Baht)</i>			
General investments				
Domestic non-marketable equity securities	1,363	1,364	1,400	1,401
Foreign non-marketable equity securities	15	15	16	15
Total	1,378	1,379	1,416	1,416
Less allowance for impairment	(1,165)	(1,162)	(1,150)	(1,150)
Total	213	217	266	266
Total investments, net	192,428	148,495	123,357	145,425

As at 30 June 2011, the Bank and a subsidiary classified the promissory notes which were issued by the Thai Asset Management Corporation (TAMC) upon entering into the Asset Transfer Agreement for the transfer of sub-quality assets, as held-to-maturity debt securities - government and state enterprise securities of Baht 3,944 million in the consolidated financial statements and of Baht 3,812 million in the Bank's financial statements (31 December 2010: Baht 5,180 million and Baht 5,036 million, respectively) (see Note 14.8).

12.2 Unrealised gain (loss) on available-for-sale securities and held-to-maturity securities

As at 30 June 2011 and 31 December 2010, unrealised gain (loss) on available-for-sale securities and held-to-maturity securities is as follows:

Type of securities	Consolidated							
	30 June 2011				31 December 2010			
	Amortised cost	Unrealised gains	Unrealised losses	Fair value	Amortised cost	Unrealised gains	Unrealised losses	Fair value
	<i>(in million Baht)</i>							
Available-for-sale securities	78,548*	4,971	(620)	82,899	93,071*	4,673	(432)	97,312
Held-to-maturity securities	101,092	4,083	(630)	104,545	39,360	982	(464)	39,878
Total	179,640	9,054	(1,250)	187,444	132,431	5,655	(896)	137,190

Type of securities	The Bank							
	30 June 2011				31 December 2010			
	Amortised cost	Unrealised gains	Unrealised losses	Fair value	Amortised cost	Unrealised gains	Unrealised losses	Fair value
	<i>(in million Baht)</i>							
Available-for-sale securities	74,806*	4,908	(568)	79,146	90,876*	4,665	(405)	95,136
Held-to-maturity securities	35,635	644	(150)	36,129	38,198	933	(216)	38,915
Total	110,441	5,552	(718)	115,275	129,074	5,598	(621)	134,051

* Net of allowance for impairment

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

12.3 Investments in companies with holding of 10% and upwards

As at 30 June 2011 and 31 December 2010, investments in mutual fund and companies other than subsidiaries and associated companies, of which the Bank and its subsidiaries hold 10% and upwards of the fund or the paid-up capital in each company, classified by industry, are as follows:

	Number of companies	Consolidated		The Bank	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		<i>(in million Baht)</i>			
Mutual fund and financial services	3-4	11,561	11,668	11,560	11,666
Others	11-12	76	75	73	74
		11,637	11,743	11,633	11,740

12.4 Investments in companies with problems in their financial positions

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries have investments in a number of securities issued by the companies with problems in their financial positions and operating results. The Bank and its subsidiaries have made a provision for diminution in the value of securities equal to the amount by which the aggregate cost exceeds the aggregate market value as follows:

	Number of companies	30 June 2011		Consolidated		31 December 2010		
		Cost	Market value	Number of companies	Amount of provision	Cost	Market value	Amount of provision
		<i>(in million Baht)</i>					<i>(in million Baht)</i>	
Finance companies ordered closed								
Common shares	1	1	-	1	1	1	-	1
Bonds	2	-	-	-	2	-	-	-
Listed companies identified for delisting								
Common shares	3	27	10	27	3	27	-	27
Bonds	3	30	-	30	3	30	-	30
Non-listed companies whose operating results in line with the listed companies identified for delisting and having going concern issue								
Common shares/Preference shares	14	563	5	559	13	563	6	559

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank							
	30 June 2011		31 December 2010		30 June 2011		31 December 2010	
	Number of companies	Cost	Market value	Amount of provision	Number of companies	Cost	Market value	Amount of provision
	<i>(in million Baht)</i>				<i>(in million Baht)</i>			
Listed companies identified for delisting								
Common shares	3	27	10	27	3	27	-	27
Bonds	2	30	-	30	2	30	-	30
Non-listed companies whose operating results in line with the listed companies identified for delisting and having going concern issue								
Common shares/Preference shares	13	563	5	559	12	563	6	559

13 Investments in subsidiaries and associated companies, net

As at 30 June 2011 and 31 December 2010, the Bank has investments in associated companies, net as follows:

	Type of business	Type of share	Direct and indirect shareholding		Consolidated Investment value			
			30 June 2011	31 December 2010	Cost method		Equity method	
			(%)	(%)	30 June 2011	31 December 2010	30 June 2011	31 December 2010
			<i>(in million Baht)</i>					
Associated companies								
Finance & Insurance								
VinaSiam Bank (Vietnam)	Banking	Ordinary	33.0	33.0	697	697	685	660
The Siam Industrial Credit PCL and affiliates	Finance and hire-purchase	Ordinary	38.6	38.6	1,250	1,250	1,654	1,535
SCB Life Assurance PCL*	Life insurance	Ordinary	-	47.3	-	633	-	3,258
SCB Leasing PCL	Leasing, hire-purchase and factoring	Ordinary	44.3	44.3	11	45	19	57
Total					1,958	2,625	2,358	5,510
Less allowance for impairment					-	(327)	-	(259)
Total investments in associated companies, net					1,958	2,298	2,358	5,251

* Acquisition in 2011, changed from associate to be a subsidiary and renamed from "Siam Commercial New York Life Insurance PCL" to "SCB Life Assurance PCL" on 25 May 2011

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries have investments in subsidiaries and associated companies, net as follows:

	Type of business	Type of share	The Bank			
			Direct shareholding		Investment value	
			30	31	Cost method	
			June	December	June	December
			2011	2010	2011	2010
			(%)		(in million Baht)	
Subsidiaries						
Finance & Insurance						
Cambodian Commercial Bank Ltd. (Cambodia)	Banking	Ordinary	100.0	100.0	634	634
Chatuchak Assets Management Co., Ltd.*	Asset management	Ordinary	100.0	100.0	850	850
Rutchayothin Assets Management Co., Ltd.	Asset management	Ordinary	100.0	100.0	25	25
SCB Securities Co., Ltd.	Securities	Ordinary	100.0	100.0	2,107	2,107
SCB Asset Management Co., Ltd.	Asset management	Ordinary	100.0	100.0	221	221
The Siam Commercial Samaggi Insurance PCL	Insurance	Ordinary	58.9	58.9	546	546
Siam Commercial Leasing PCL and affiliate	Leasing, hire-purchase and factoring	Ordinary	99.1	99.1	10,719	10,719
SCB Life Assurance PCL**	Life insurance	Ordinary	94.7	47.3	9,033	633
Services						
SCB Training Centre Co., Ltd.	Training center	Ordinary	100.0	100.0	390	390
Siam Phitiwat Co., Ltd.	Appraisal services	Ordinary	100.0	100.0	10	10
SCB Capital Service Co., Ltd.***	Asset management	Ordinary	-	100.0	-	48
Siam Niti Law Office Co., Ltd.*	Legal consultant	Ordinary	100.0	100.0	16	16
SCB Plus Co., Ltd.	Collection company	Ordinary	100.0	100.0	1	1
Real estate						
Mahisorn Co., Ltd.****	Property management	Ordinary	100.0	100.0	1,339	2,142
Associated companies						
Finance & Insurance						
VinaSiam Bank (Vietnam)	Banking	Ordinary	33.0	33.0	697	697
The Siam Industrial Credit PCL and affiliates	Finance and hire-purchase	Ordinary	38.6	38.6	1,250	1,250
SCB Leasing PCL	Leasing, hire-purchase and factoring	Ordinary	37.6	37.6	10	40
Total					27,848	20,329
Less allowance for impairment					(1,968)	(2,338)
Total investments in subsidiaries and associated companies, net					25,880	17,991

* Discontinued operations or in the process of dissolution

** Acquisition in 2011, changed from associate to be a subsidiary and renamed from "Siam Commercial New York Life Insurance PCL" to "SCB Life Assurance PCL" on 25 May 2011

*** Dissolution in 2011

**** Decreased paid-up share capital from Baht 1,071 million to Baht 268 million on 2 June 2011

On 18 May 2011, the Bank issued an intention to make a tender offer to purchase all securities of The Siam Industrial Credit Public Company Limited (SICCO) to delist SICCO's securities from the SET. Upon the delisting of SICCO's securities from the SET, the Bank has a plan to subsequently liquidate SICCO and return SICCO's finance business license to the authority.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

On 14 July 2011, SET has approved the delisting of SICCO's securities from the SET. The Bank makes the Tender Offer to Purchase Securities of SICCO during 20 July 2011 to 22 September 2011.

Summaries of financial information of associated companies are as follows:

	30 June 2011 (Unaudited)			31 December 2010 (Audited)		
	Total assets	Total liabilities	Equity <i>(in million Baht)</i>	Total assets	Total liabilities	Equity
Finance & Insurance	23,664	17,253	6,411	91,734	78,863	12,871
	23,664	17,253	6,411	91,734	78,863	12,871

	For the six-month periods ended 30 June					
	2011 (Unaudited)			2010 (Unaudited)		
	Revenue	Expenses	Net income <i>(in million Baht)</i>	Revenue	Expenses	Net income
Finance & Insurance	794	449	345	14,373	13,139	1,234
	794	449	345	14,373	13,139	1,234

The equity interest in SCB Life Assurance PCL has been reclassified as a subsidiary during the period ended 30 June 2011.

As at 30 June 2011 and 31 December 2010, the Bank and a subsidiary have equity securities in companies received as a result of troubled debt restructuring, which represent more than 20% of the paid-up capital of each company. The Bank did not record these securities as investments in subsidiaries and associated companies as it is the Bank's and subsidiary's intention to hold such investments temporarily. Such investments are as follows:

	Shareholding (%)	30 June 2011 (Unaudited)		
		Total assets	Total liabilities <i>(in million Baht)</i>	Equity
General investments				
Phoenix Land Development Co., Ltd.	97.6	167	169	(2)
Siam Media and Communication Co., Ltd.*	33.3	-	-	-
WTA (Thailand) Co., Ltd.	25.0	-	-	-
	Shareholding (%)	31 December 2010 (Audited)		
		Total assets	Total liabilities <i>(in million Baht)</i>	Equity
General investments				
Phoenix Land Development Co., Ltd.	97.6	162	169	(7)
Siam Media and Communication Co., Ltd.*	33.3	-	-	-
WTA (Thailand) Co., Ltd.	25.0	-	-	-

* Discontinued operations or in the process of dissolution

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	For the six-month periods ended 30 June					
	2011 (Unaudited)			2010 (Unaudited)		
	Revenue	Expenses	Net income	Revenue	Expenses	Net income
	<i>(in million Baht)</i>					
General investments						
Phoenix Land Development Co., Ltd.	7	1	6	3	3	-
Siam Media and Communication Co., Ltd.*	-	-	-	-	-	-
WTA (Thailand) Co., Ltd.	-	-	-	-	-	-

* Discontinued operations or in the process of dissolution

14 Loans to customers and accrued interest receivables, net

14.1 Classified by product as at 30 June 2011 and 31 December 2010

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Overdrafts	64,396	57,849	64,119	57,576
Loans	908,011	818,327	905,695	822,904
Bills	80,036	69,486	80,036	69,283
Hire-purchase	106,704	91,474	95,535	71,973
Financial lease	257	367	-	-
Others	27,752	29,656	25,358	28,500
Less deferred revenue	(10,629)	(8,585)	(9,892)	(7,291)
Total loans to customers, net	<u>1,176,527</u>	<u>1,058,574</u>	<u>1,160,851</u>	<u>1,042,945</u>
Add accrued interest receivables	<u>2,148</u>	<u>1,824</u>	<u>2,033</u>	<u>1,798</u>
Total loans to customers and accrued interest receivables, net	1,178,675	1,060,398	1,162,884	1,044,743
Less allowance for doubtful accounts				
- allowance established at BoT regulations				
- Individual approach	(27,468)	(26,702)	(26,296)	(25,792)
- Collective Approach	(866)	(1,151)	-	-
- allowance established in excess	(12,961)	(13,147)	(12,949)	(13,076)
Less revaluation allowance for debt restructuring	<u>(557)</u>	<u>(595)</u>	<u>(557)</u>	<u>(595)</u>
Total	<u>1,136,823</u>	<u>1,018,803</u>	<u>1,123,082</u>	<u>1,005,280</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

14.2 Classified by currency and residence of customers as at 30 June 2011 and 31 December 2010

	Consolidated					
	30 June 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,083,489	-	1,083,489	986,542	3	986,545
US Dollar	50,940	36,281	87,221	34,570	32,295	66,865
Other currencies	5,810	7	5,817	5,161	3	5,164
Total			<u>1,176,527</u>			<u>1,058,574</u>

	The Bank					
	30 June 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,068,642	-	1,068,642	971,972	-	971,972
US Dollar	50,940	35,459	86,399	34,570	31,242	65,812
Other currencies	5,810	-	5,810	5,161	-	5,161
Total			<u>1,160,851</u>			<u>1,042,945</u>

14.3 Classified by business type and loan classification as at 30 June 2011 and 31 December 2010

	Consolidated												
	30 June 2011						31 December 2010						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	
	<i>(in million Baht)</i>												
Agriculture and mining	13,192	157	6	21	77	13,453	11,234	88	21	1	118	11,462	
Manufacturing and commercial	427,354	4,996	939	4,324	15,136	452,749	368,677	15,700	4,687	2,179	13,719	404,962	
Real estate and construction	79,542	563	166	44	2,256	82,571	70,502	2,080	153	38	3,420	76,193	
Utilities and services	143,588	1,811	1,375	215	1,643	148,632	120,946	2,737	1,322	633	1,733	127,371	
Housing loans	289,129	4,706	1,627	1,345	4,305	301,112	268,180	4,929	1,734	1,319	4,395	280,557	
Others	171,433	3,503	802	331	1,941	178,010	151,085	3,732	895	346	1,971	158,029	
Total *	<u>1,124,238</u>	<u>15,736</u>	<u>4,915</u>	<u>6,280</u>	<u>25,358</u>	<u>1,176,527</u>	<u>990,624</u>	<u>29,266</u>	<u>8,812</u>	<u>4,516</u>	<u>25,356</u>	<u>1,058,574</u>	

* Net of deferred revenue

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank											
	30 June 2011					31 December 2010						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	13,192	157	6	21	77	13,453	11,234	88	21	1	118	11,462
Manufacturing and commercial	427,393	4,996	939	4,324	15,113	452,765	374,760	15,700	4,687	2,179	13,696	411,022
Real estate and construction	79,537	563	166	44	1,141	81,451	70,498	2,080	153	38	2,165	74,934
Utilities and services	143,228	1,811	1,375	215	1,643	148,272	120,537	2,737	1,322	632	1,733	126,961
Housing loans	289,126	4,706	1,627	1,345	4,305	301,109	268,176	4,929	1,734	1,319	4,346	280,504
Others	159,615	2,643	713	286	544	163,801	134,326	2,192	734	259	551	138,062
Total *	1,112,091	14,876	4,826	6,235	22,823	1,160,851	979,531	27,726	8,651	4,428	22,609	1,042,945

* Net of deferred revenue

14.4 Loan classification as at 30 June 2011 and 31 December 2010

	Consolidated						
	30 June 2011						
	Loan and accrued interest receivables	Net amount used for set the allowance for doubtful accounts	% used for setting the allowance Collateral / Cashflow approach	% used for setting the allowance Collective approach	Allowance for doubtful accounts		
	<i>(in million Baht)</i>				Collateral / Cashflow approach	Collective approach	Total
	<i>(in million Baht)</i>						
Minimum allowance of BoT's regulation							
- Normal	1,126,267	1,089,166*	1	0.00 - 70.18	10,773	203	10,976
- Special Mention	15,814	15,746*	2	0.00 - 70.18	298	7	305
- Sub - Standard***	4,925	2,262**	100	0.00 - 70.18	2,173	15	2,188
- Doubtful	6,280	3,404**	100	20.05 - 83.51	3,359	25	3,384
- Doubtful Loss	25,389	11,754**	100	70.18 - 70.34	10,865	616	11,481
Total	1,178,675	1,122,332			27,468	866	28,334
Allowance established in excess							12,961
Total							41,295

* Net of cash and near cash collateral

** Net of PV cashflow from loan receivables or selling collateral

*** Excluding allowance for troubled debt restructuring, the allowance of which was included in revaluation allowance for debt restructuring

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

Consolidated							
31 December 2010							
	Loan and accrued interest receivables <i>(in million Baht)</i>	Net amount used for set the allowance for doubtful accounts <i>(in million Baht)</i>	% used for setting the allowance Collateral / Cashflow approach	% used for setting the allowance Collective approach	Allowance for doubtful accounts Collateral / Cashflow Collective approach approach <i>(in million Baht)</i>		
							Total
Minimum allowance of BoT's regulation							
- Normal	992,308	963,358*	1	0.00 - 69.20	9,466	13	9,479
- Special Mention	29,338	29,218*	2	0.00 - 69.20	554	13	567
- Sub - Standard***	8,855	4,360**	100	0.00 - 69.20	4,198	35	4,233
- Doubtful	4,516	2,187**	100	2.72 - 82.84	2,100	235	2,335
- Doubtful Loss	<u>25,381</u>	<u>12,189**</u>	100	69.20 - 70.34	<u>10,384</u>	<u>855</u>	<u>11,239</u>
Total	<u>1,060,398</u>	<u>1,011,312</u>			<u>26,702</u>	<u>1,151</u>	<u>27,853</u>
Allowance established in excess							<u>13,147</u>
Total							<u>41,000</u>

* Net of cash and near cash collateral

** Net of PV cashflow from loan receivables or selling collateral

*** Excluding allowance for troubled debt restructuring, the allowance of which was included in revaluation allowance for debt restructuring

The Bank				
30 June 2011				
	Loan and accrued interest <i>(in million Baht)</i>	Net amount used for set the allowance for doubtful accounts <i>(in million Baht)</i>	% used for setting the allowance	Allowance for doubtful accounts <i>(in million Baht)</i>
Minimum allowance of BoT's regulation				
- Normal	1,114,036	1,076,935*	1	10,769
- Special Mention	14,954	14,887*	2	298
- Sub - Standard***	4,836	2,173**	100	2,173
- Doubtful	6,235	3,359**	100	3,359
- Doubtful Loss	<u>22,823</u>	<u>9,697**</u>	100	<u>9,697</u>
Total	<u>1,162,884</u>	<u>1,107,051</u>		<u>26,296</u>
Allowance established in excess				<u>12,949</u>
Total				<u>39,245</u>

* Net of cash and near cash collateral

** Net of PV cashflow from loan receivables or selling collateral

*** Excluding allowance for troubled debt restructuring, the allowance of which was included in revaluation allowance for debt restructuring

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank			
	31 December 2010			
	Loan and accrued interest <i>(in million Baht)</i>	Net amount used for set the allowance for doubtful accounts <i>(in million Baht)</i>	% used for setting the allowance	Allowance for doubtful accounts <i>(in million Baht)</i>
Minimum allowance of BoT's regulation				
- Normal	981,214	952,264*	1	9,523
- Special Mention	27,799	27,679*	2	554
- Sub - Standard***	8,693	4,198**	100	4,198
- Doubtful	4,428	2,100**	100	2,100
- Doubtful Loss	<u>22,609</u>	<u>9,417**</u>	100	<u>9,417</u>
Total	<u>1,044,743</u>	<u>995,658</u>		<u>25,792</u>
Allowance established in excess				<u>13,076</u>
Total				<u>38,868</u>

* Net of cash and near cash collateral

** Net of PV cashflow from loan receivables or selling collateral

*** Excluding allowance for troubled debt restructuring, the allowance of which was included in revaluation allowance for debt restructuring

Based on management's assessment of the ultimate collectability of the Bank's loan portfolio, the Bank and its subsidiaries believe that the allowance established was adequate as at 30 June 2011 and 31 December 2010 and in compliance with the BoT's guidelines.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

14.5 Loans to listed companies identified for delisting

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries have loans and accrued interest receivables with borrowers who have problems with their financial positions and operating results, causing their loans to become classified assets. The Bank and its subsidiaries have made provisions for loan losses as follows:

	Consolidated							
	30 June 2011				31 December 2010			
	No. of companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Amount of provision	No. of Companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Amount of provision
Listed companies identified for delisting	5	899	231	683	4	721	211	524

	The Bank							
	30 June 2011				31 December 2010			
	No. of companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Amount of provision	No. of Companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Amount of provision
Listed companies identified for delisting	5	899	231	683	4	721	211	524

* Including loans to financial institutions

14.6 Non-Performing Loans

As at 30 June 2011 and 31 December 2010, the Bank used the guidelines specified in the BoT's notification dated 3 August 2008 in determining Non-Performing Loans which consist of loans classified as sub-standard, doubtful, doubtful loss and loss under the BoT's guideline. The amounts are as follows:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Non-Performing Loans (net of allowance for doubtful accounts)	16,852	18,827	15,359	17,066
% of Non-Performing Loans to total loans (net)	1.3	1.6	1.2	1.5
Non-Performing Loans (gross)	36,553	38,684	33,884	35,688
% of Non-Performing Loans to total loans	2.7	3.3	2.5	3.0

As at 30 June 2011, Rutchayothin Assets Management Co., Ltd. which is a subsidiary, has Non-Performing Loans of Baht 509 million (31 December 2010: Baht 686 million), has Non-Performing Loans based on principal of loan purchased from the group as at 30 June 2011, the amount would be Baht 1,168 million (31 December 2010: Baht 1,361 million).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

14.7 Non-accrual loans based on the accrual basis

Non-accrual loans, gross, (including financial institutions) based on the accrual basis as at 30 June 2011 and 31 December 2010

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Loans to suspend recognition of income	103,061	105,078	100,392	102,081
% of loans to suspend recognition of income	7.6	8.8	7.5	8.7

14.8 Sales of loan receivables to the Thai Asset Management Corporation (“TAMC”)

The information regarding the transfer of a portion of sub-quality assets to TAMC according to the Asset Transfer Agreement of the Bank and a subsidiary since 2001 are as follows:

	Consolidated		The Bank	
	30 June 2011****	31 December 2010***	30 June 2011**	31 December 2010*
	<i>(in million Baht)</i>			
Total net amount of sub-quality assets transferred to TAMC since 2001	9,895	9,953	9,691	9,749
Promissory notes received	9,895	9,953	9,691	9,749

- * Net of adjustment of selling price of loans sold to TAMC of Baht 739 million
** Net of adjustment of selling price of loans sold to TAMC of Baht 796 million
*** Net of adjustment of selling price of loans sold to TAMC of Baht 985 million
**** Net of adjustment of selling price of loans sold to TAMC of Baht 1,042 million

On 12 October 2001, the Bank entered into an Asset Transfer Agreement with the Thai Asset Management Corporation (“TAMC”). Under the agreement, the Bank transferred sub-quality assets including the right over the collateral to TAMC at terms and conditions specified in the agreement. The price of transferred loans was equal the value of the collateral, which did not exceed the book value of such loans. The Bank and TAMC reserved the right to request for reappraisal under specified terms. Once TAMC and the Bank agreed with the price, the Bank received a non-negotiable promissory note from TAMC. The note matures in 10 years from the issuing date with the interest rate calculated based on the average rate of deposits. The note is availed by Financial Institution Development Fund (see Note 12.1).

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month periods ended 30 June 2011 and 2010

For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The Bank and TAMC agreed to recognise any profits or losses from the management of the sub-quality assets at the end of the fifth and the tenth year starting from 1 July 2001. The profits or losses shall be calculated based on all accumulated asset recoveries on a cash basis up to the date of calculation of such profits or losses less the transfer costs and other operating expenses incurred by TAMC including all interest paid by TAMC to the Bank. In addition, pursuant to the TAMC Decree B.E. 2544, in case when the profits are realised, the first portion of the profits, not exceeding 20% of the transfer price of sub-quality assets transferred to TAMC, will be allocated between TAMC and the Bank. The second portion of the profits will be given to the Bank. The two portions of the profits combined together shall not exceed the difference between the book value of sub-quality assets and the transfer price of sub-quality assets transferred to TAMC. All residual amount of profit will be given to TAMC. In the case of losses it will be shared between TAMC and the Bank. The Bank will take the first portion of losses, not exceeding 20% of the transfer price of sub-quality assets transferred to TAMC. The residual amount of the first portion of losses, not exceeding 20% of the transfer price of sub-quality assets transferred to TAMC, will be shared between TAMC and the Bank. All residual amount of the loss will be absorbed by TAMC. As at 30 June 2011, the Bank's provision for possible loss amounted to Baht 904 million, which was presented in provisions on the statement of financial position (*31 December 2010: Baht 904 million*).

Liquidation - TAMC

As of 30 June 2011 which is the tenth anniversary of the transfer, the Liquidation Committee will have to complete TAMC liquidation process within the twelfth year since the Emergency Decree on Thai Asset Management Corporation B.E. 2544 was put into effect.

14.9 Securitisation transaction of a subsidiary

On 20 March 2006, Siam Commercial Leasing Public Company Limited, a subsidiary, entered into the Hire-purchase Receivables Sale Agreement with Siam Panich SPV1 Company Limited ("the SPV1"), which was incorporated under the Civil and Commercial Code of Thailand, to operate the securitisation business under the Securitisation Law. The Subsidiary's Securitisation Plan was approved by the Office of the Securities and Exchange Commission after which the total Initial Receivables of Baht 6,614,999,826 were sold to the SPV1 at the net book value as at 28 February 2006. The Subsidiary transferred the rights to receive cash from the obligors to the SPV1 and received cash of Baht 4,999,649,826 from the SPV1 on 30 March 2006 (see Note 4.26.3). The remaining balance of the selling price for the Initial Receivables of Baht 1,615,350,000 was recorded as Deferred Purchase Price. The Subsidiary was allowed to sell additional revolving receivables subsequently and was appointed to act as the servicer which is responsible for collecting payments from its obligors under the Receivables Sale Agreements and Servicing Agreements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

15 Disclosure of the statements of cash flows of the asset management company

In accordance with the BoT's letter number Sor Nor Sor (01) Wor 3258/2543 dated 27 November 2000, relating to the regulations of the asset management company ("AMC"), the Bank is required to disclose the statements of cash flows of the AMC in the notes to the financial statements. The statements of cash flows of Rutchayothin Assets Management Co., Ltd. are as follows:

Rutchayothin Assets Management Co., Ltd.
Statement of cash flows
For the six-month periods ended 30 June 2011 and 2010
(Unaudited)

	2011	2010
	<i>(in million Baht)</i>	
Cash flows from operating activities		
Income before income tax expense	30	5
<i>Adjustments for</i>		
Reversal of bad debt and doubtful accounts	(18)	-
Loss from adjustment of selling price of loans sold to TAMC	2	2
Loss on impairment on properties foreclosed	1	-
	15	7
Net interest income	(3)	3
Proceed from interest	1	4
	13	14
Gain from operations before changes in operating assets and liabilities		
<i>Operating assets decrease</i>		
Investment in receivables	177	1
Properties foreclosed	11	12
Other assets	97	-
<i>Operating liabilities increase (decrease)</i>		
Short-term debt issued and borrowings	(85)	-
Other liabilities	4	-
	217	27
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from redemption of held-to-maturity securities	12	-
	12	-
Net cash provided by investing activities		
Net increase in cash and cash equivalents	229	27
Cash and cash equivalents at 1 January	90	246
Cash and cash equivalents at 30 June	319	273

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

16 Troubled debt restructuring

The financial statements for the six-month periods ended 30 June 2011 and 2010, include the result of various types of troubled debt restructuring including transfers of assets and equity securities, changes in repayment conditions, and mixed types as follows:

Types of debt restructuring	No. of accounts		Consolidated				Transferred assets		
			Outstanding debts		Types	Fair value			
			Before debt restructuring	After debt restructuring		2011	2010		
2011	2010	2011	2010	2011	2010	2011	2010		
Transfers of assets	1	4	3	23	3	20	Immovable properties	3	-
Debt restructuring in various forms	243	262	1,690	939	1,416	939	Immovable properties	691	-
Changes of repayment conditions	1,005	865	1,967	1,899	1,929	1,891			
Total	1,249	1,131	3,660	2,861	3,348	2,850			

Types of debt restructuring	No. of accounts		The Bank				Transferred assets		
			Outstanding debts		Types	Fair value			
			Before debt restructuring	After debt restructuring		2011	2010		
2011	2010	2011	2010	2011	2010	2011	2010		
Transfers of assets	1	4	3	23	3	20	Immovable properties	3	-
Debt restructuring in various forms	243	262	1,690	939	1,416	939	Immovable properties	691	-
Changes of repayment conditions	1,005	865	1,967	1,899	1,929	1,891			
Total	1,249	1,131	3,660	2,861	3,348	2,850			

As at 30 June 2011 and 2010, troubled debt restructuring compared with total loans including loans to financial institutions are as follows:

	Consolidated			
	2011	2011	2010	2010
	No. of accounts	The outstanding debts	No. of accounts	The outstanding debts
		(in million Baht)		(in million Baht)
Troubled debt restructuring during the period	1,249	3,660	1,131	2,861
Total loans including loans to financial institutions	539,265	1,360,295	439,281	1,012,364

	The Bank			
	2011	2011	2010	2010
	No. of accounts	The outstanding debts	No. of accounts	The outstanding debts
		(in million Baht)		(in million Baht)
Troubled debt restructuring during the period	1,249	3,660	1,131	2,861
Total loans including loans to financial institutions	428,258	1,339,106	297,463	995,548

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries have balances of restructured loans as follows:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Restructured loans which are classified as NPL	10,581	11,817	10,581	11,817
Restructured loans which are not classified as NPL	22,601	24,238	22,601	24,238
Total	33,182	36,055	33,182	36,055

The average term of troubled debt restructured as of 30 June 2011 is 7.9 years (30 June 2010: 8.7 years).

Supplementary information relating to restructuring debtors for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Interest income recognised in profit or loss	953	1,074	953	1,074
Loss on debt restructuring recognised in profit or loss	269	34	269	34
Cash collection	7,806	4,575	7,806	4,575

17 Finance leases

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries have finance leases as follows:

	Consolidated							
	30 June 2011			31 December 2010				
	Amount due			Amount due				
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
	<i>(in million Baht)</i>							
Total of gross investments in the lease	32,372	72,215	2,374	106,961	21,575	67,111	1,864	90,550
Less deferred revenue				(10,220)				(8,399)
Present value of the lease payments				96,741				82,151
Allowance for doubtful accounts				(1,950)				(2,255)
Finance leases, net				94,791				79,896

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	The Bank							
	30 June 2011			31 December 2010				
	Amount due			Amount due				
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
	<i>(in million Baht)</i>							
Total of gross investments in the lease	24,812	68,348	2,375	95,535	18,344	51,764	1,865	71,973
Less deferred revenue				<u>(9,627)</u>				<u>(7,108)</u>
Present value of the lease payments				85,908				64,865
Allowance for doubtful accounts				<u>(1,913)</u>				<u>(1,516)</u>
Finance leases, net				<u>83,995</u>				<u>63,349</u>

18 Allowance for doubtful accounts

As at 30 June 2011 and 31 December 2010, allowance for doubtful accounts consists of the following:

	Consolidated						Allowance established in excess of BoT regulations	Total
	30 June 2011							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Doubtful Loss		
	<i>(in million Baht)</i>							
Beginning balance	9,479	567	4,233	2,335	11,239	13,147	41,000	
Bad debt and doubtful accounts *	1,498	(262)	(2,045)	1,049	1,712	(105)	1,847	
Bad debt written off	-	-	-	-	(1,490)	-	(1,490)	
Others	(1)	-	-	-	20	(81)	(62)	
Ending balance	<u>10,976</u>	<u>305</u>	<u>2,188</u>	<u>3,384</u>	<u>11,481</u>	<u>12,961</u>	<u>41,295</u>	

* Before deducting bad debt recovered of Baht 432 million

	Consolidated						Allowance established in excess of BoT regulations	Total
	31 December 2010							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Doubtful Loss		
	<i>(in million Baht)</i>							
Beginning balance	8,244	623	2,503	2,884	14,374	13,514	42,142	
Bad debt and doubtful accounts *	1,234	(56)	1,730	(549)	3,478	(260)	5,577	
Bad debt written off	3	-	-	-	(6,642)	-	(6,639)	
Others	(2)	-	-	-	29	(107)	(80)	
Ending balance	<u>9,479</u>	<u>567</u>	<u>4,233</u>	<u>2,335</u>	<u>11,239</u>	<u>13,147</u>	<u>41,000</u>	

* Before deducting bad debt recovered of Baht 1,064 million

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The Bank							
30 June 2011							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	9,523	554	4,198	2,100	9,417	13,076	38,868
Bad debt and doubtful accounts *	1,246	(256)	(2,025)	1,259	1,730	(44)	1,910
Bad debt written off	-	-	-	-	(1,450)	-	(1,450)
Others	-	-	-	-	-	(83)	(83)
Ending balance	10,769	298	2,173	3,359	9,697	12,949	39,245

* Before deducting bad debt recovered of Baht 379 million

The Bank							
31 December 2010							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	8,322	579	2,436	2,621	12,068	13,402	39,428
Bad debt and doubtful accounts *	1,201	(25)	1,762	(521)	3,289	(221)	5,485
Bad debt written off	-	-	-	-	(5,940)	-	(5,940)
Others	-	-	-	-	-	(105)	(105)
Ending balance	9,523	554	4,198	2,100	9,417	13,076	38,868

* Before deducting bad debt recovered of Baht 834 million

19 Revaluation allowance for debt restructuring

As at 30 June 2011 and 31 December 2010, revaluation allowance for debt restructuring consists of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Beginning balance	595	752	595	752
Decrease during the period / year	(38)	(157)	(38)	(157)
Ending balance	557	595	557	595

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

20 Properties for sale, net

As at 30 June 2011 and 31 December 2010, properties for sale, net consist of the following:

	Consolidated				Ending balance
	Beginning balance	Transfer from business combination	Additions	Disposals	
	30 June 2011				
	<i>(in million Baht)</i>				
Foreclosed assets					
Immovable assets	13,808	4	1,358	(1,646)	13,524
Movable assets	67	-	283	(261)	89
Total	<u>13,875</u>	<u>4</u>	<u>1,641</u>	<u>(1,907)</u>	<u>13,613</u>
Others	193	-	452	(428)	217
Total properties for sale	14,068	4	2,093	(2,335)	13,830
Less allowance for impairment	(1,384)	-	38	(4)	(1,350)
Total properties for sale, net	<u>12,684</u>	<u>4</u>	<u>2,131</u>	<u>(2,339)</u>	<u>12,480</u>

	Consolidated				Ending balance
	Beginning balance	Transfer from business combination	Additions	Disposals	
	31 December 2010				
	<i>(in million Baht)</i>				
Foreclosed assets					
Immovable assets	14,214	-	3,223	(3,629)	13,808
Movable assets	217	-	944	(1,094)	67
Total	<u>14,431</u>	<u>-</u>	<u>4,167</u>	<u>(4,723)</u>	<u>13,875</u>
Others	293	-	1,425	(1,525)	193
Total properties for sale	14,724	-	5,592	(6,248)	14,068
Less allowance for impairment	(1,734)	-	-	350	(1,384)
Total properties for sale, net	<u>12,990</u>	<u>-</u>	<u>5,592</u>	<u>(5,898)</u>	<u>12,684</u>

	The Bank			Ending balance
	Beginning balance	Additions	Disposals	
	30 June 2011			
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets	13,698	1,313	(1,630)	13,381
Movable assets	18	122	(86)	54
Total	<u>13,716</u>	<u>1,435</u>	<u>(1,716)</u>	<u>13,435</u>
Others	193	451	(427)	217
Total properties for sale	13,909	1,886	(2,143)	13,652
Less allowance for impairment	(1,357)	50	(7)	(1,314)
Total properties for sale, net	<u>12,552</u>	<u>1,936</u>	<u>(2,150)</u>	<u>12,338</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	Beginning balance	The Bank 31 December 2010		Ending balance
		Additions	Disposals	
		<i>(in million Baht)</i>		
Foreclosed assets				
Immovable assets	14,067	3,223	(3,592)	13,698
Movable assets	57	197	(236)	18
Total	14,124	3,420	(3,828)	13,716
Others	293	1,425	(1,525)	193
Total properties for sale	14,417	4,845	(5,353)	13,909
Less allowance for impairment	(1,707)	-	350	(1,357)
Total properties for sale, net	12,710	4,845	(5,003)	12,552

Gains on sales of properties for sale recognised in the consolidated profit or loss for the six-month periods ended 30 June 2011 and 2010 are gain of Baht 123 million and Baht 173 million, respectively and for the Bank's profit or loss are gains of Baht 105 million and Baht 153 million, respectively.

Immovable assets foreclosed classified by external and internal appraisers as at 30 June 2011 and 31 December 2010 consist of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets				
Appraised by external appraisers	7,601	6,728	7,510	6,728
Appraised by internal appraisers	5,923	7,080	5,871	6,970
Total	13,524	13,808	13,381	13,698

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

21 Premises and equipment, net

As at 30 June 2011 and 31 December 2010, premises and equipment, net consist of the following:

	Cost						Consolidated 30 June 2011 Accumulated depreciation					Ending balance	Allowance for impairment	Net balance
	Beginning balance	Transfer from business combination	Additions	Disposals	Others	Ending Balance	Beginning balance	Transfer from business combination	Depreciation	Disposals	Others			
Land														
Cost	6,005	6	-	(1)	1	6,011	-	-	-	-	-	-	(352)	5,659
Appraisal increase*	6,113	3	1,736	-	-	7,852	-	-	-	-	-	-	-	7,852
Premises														
Cost	14,541	7	73	(19)	2	14,604	(6,566)	(5)	(167)	12	(3)	(6,729)	(155)	7,720
Appraisal increase*	5,795	3	3,018	-	-	8,816	(830)	-	(174)	-	780	(224)	-	8,592
Equipment	16,091	323	420	(251)	(14)	16,569	(12,443)	(219)	(744)	100	13	(13,293)	-	3,276
Others	676	298	290	(250)	3	1,017	(119)	(180)	(20)	3	-	(316)	-	701
Total	49,221	640	5,537	(521)	(8)	54,869	(19,958)	(404)	(1,105)	115	790	(20,562)	(507)	33,800

* Appraisal increase in year 2010 for Bank and year 2008 for its subsidiaries

Depreciation for the six-month periods ended	- 30 June 2011	1,105
	- 30 June 2010	1,005

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that was still in use as at 30 June 2011 amounted to Baht 10,810 million (31 December 2010: Baht 8,522 million).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

The Bank
30 June 2011

	Beginning balance	Additions	Cost		Ending Balance	Beginning balance	Accumulated depreciation			Ending balance	Allowance for impairment	Net balance
			Disposals	Others			Depreciation	Disposals	Others			
Land												
Cost	5,675	-	-	-	5,675	-	-	-	-	-	(351)	5,324
Appraisal increase (year 2010)	5,771	1,736	-	-	7,507	-	-	-	-	-	-	7,507
Premises												
Cost	13,679	73	(14)	-	13,738	(6,047)	(157)	10	(1)	(6,195)	(137)	7,406
Appraisal increase (year 2010)	5,697	3,018	-	-	8,715	(820)	(171)	-	780	(211)	-	8,504
Equipment	15,396	379	(197)	-	15,578	(11,859)	(702)	46	(1)	(12,516)	-	3,062
Others	543	267	(250)	4	564	-	-	-	-	-	-	564
Total	46,761	5,473	(461)	4	51,777	(18,726)	(1,030)	56	778	(18,922)	(488)	32,367

Depreciation for the six-month periods ended - 30 June 2011 1,030
- 30 June 2010 940

The gross amount of the Bank's fully depreciated premises and equipment that was still in use as at 30 June 2011 amounted to Baht 9,778 million (31 December 2010: Baht 7,839 million).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

22 Goodwill and other intangibles assets, net

As at 30 June 2011 and 31 December 2010, goodwill and other intangibles assets, net consist of the following:

	Cost					Consolidated 30 June 2011							Net balance
	Beginning balance	Transfer from business combination	Additions		Disposals	Ending Balance	Beginning balance	Transfer from business combination	Accumulated amortisation			Ending balance	
			Others	Disposals					Amortisations	Disposals	Others		
	<i>(in million Baht)</i>												
Goodwill	804	8,865	-	-	-	9,669	-	-	-	-	-	-	9,669
Software licenses	3,476	350	132	(1)	(10)	3,947	(2,113)	(111)	(252)	1	(5)	(2,480)	1,467
Others	5	12	6	-	(1)	22	-	-	-	-	-	-	22
Total	4,285	9,227	138	(1)	(11)	13,638	(2,113)	(111)	(252)	1	(5)	(2,480)	11,158

Amortisation presented in the consolidated profit or loss for the six-month periods ended 30 June 2011 and 2010 amounted to Baht 252 million and Baht 262 million, respectively.

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that was still in use for the consolidated financial statements as at 30 June 2011 amounted to Baht 778 million (*31 December 2010: Baht 719 million*).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	Beginning balance	Additions	Cost		Ending Balance	The Bank 30 June 2011		Accumulated amortisation			Ending balance	Net balance
			Disposals	Others		Beginning balance <i>(in million Baht)</i>	Amortisations	Disposals	Others			
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Software licenses	3,340	117	-	(14)	3,443	(2,022)	(219)	-	(2)	(2,243)	1,200	
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,340	117	-	(14)	3,443	(2,022)	(219)	-	(2)	(2,243)	1,200	

Amortisation presented in the Bank's profit or loss for the six-month periods ended 30 June 2011 and 2010 amounted to Baht 219 million and Baht 236 million, respectively.

The gross amount of the Bank's fully amortised intangible assets that was still in use for the Bank's financial statements as at 30 June 2011 amounted to Baht 702 million (*31 December 2010: Baht 674 million*).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

23 Assets pending transfer

As at 30 June 2011 and 31 December 2010, assets pending transfer consist of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Sundry receivables	3,035	6,146	3,035	6,040
Prepayment of Option Premium	133	84	133	84
Clean bills in transit	38	62	38	62
Others	649	517	641	515
Total	3,855	6,809	3,847	6,701

24 Other assets, net

As at 30 June 2011 and 31 December 2010, other assets, net consist of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Net inter-account balance	1,989	1,644	1,989	1,644
Accrued interest on investment	1,759	945	948	907
Receivables from disposal of assets	1,479	1,841	1,479	1,841
Securities business receivables	1,300	989	-	-
Collateral per Credit Support Annex	997	1,467	997	1,467
Leasehold, net	425	466	340	373
Customer insurance premium and legal deposits with court	159	152	159	152
Others	5,648	2,860	2,642	2,051
Total	13,756	10,364	8,554	8,435

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

25 Classified assets

The Bank and its subsidiaries have classified assets according to the guidelines of the BoT as at 30 June 2011 and 31 December 2010 as follows:

	Consolidated					Total
	30 June 2011					
	Loans and accrued interest receivables	Loans to financial institutions and accrued interest receivables	Investments	Properties foreclosed	Other assets	
	<i>(in million Baht)</i>					
Normal	1,126,267	181,620	-	-	18	1,307,905
Special Mention	15,814	-	-	-	1	15,815
Sub-Standard	4,925	-	-	-	1	4,926
Doubtful	6,280	-	-	-	3	6,283
Doubtful Loss	25,389	-	3,195	804	636	30,024
	<u>1,178,675</u>	<u>181,620</u>	<u>3,195</u>	<u>804</u>	<u>659</u>	<u>1,364,953</u>

	Consolidated					Total
	31 December 2010					
	Loans and accrued interest receivables	Loans to financial institutions and accrued interest receivables	Investments	Properties foreclosed	Other assets	
	<i>(in million Baht)</i>					
Normal	992,308	130,433	-	-	15	1,122,756
Special Mention	29,338	-	-	-	1	29,339
Sub-Standard	8,855	-	-	-	2	8,857
Doubtful	4,516	-	-	-	1	4,517
Doubtful Loss	25,381	-	3,277	592	854	30,104
	<u>1,060,398</u>	<u>130,433</u>	<u>3,277</u>	<u>592</u>	<u>873</u>	<u>1,195,573</u>

	The Bank					Total
	30 June 2011					
	Loans and accrued interest receivables	Loans to financial institutions and accrued interest receivables	Investments	Properties foreclosed	Other assets	
	<i>(in million Baht)</i>					
Normal	1,114,036	176,222	-	-	18	1,290,276
Special Mention	14,954	-	-	-	1	14,955
Sub-Standard	4,836	-	-	-	1	4,837
Doubtful	6,235	-	-	-	3	6,238
Doubtful Loss	22,823	-	4,821	792	636	29,072
	<u>1,162,884</u>	<u>176,222</u>	<u>4,821</u>	<u>792</u>	<u>659</u>	<u>1,345,378</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

The Bank						
31 December 2010						
	Loans and accrued interest receivables	Loans to financial institutions and accrued interest receivables	Investments	Properties foreclosed	Other assets	Total
<i>(in million Baht)</i>						
Normal	981,214	130,433	-	-	15	1,111,662
Special Mention	27,799	-	-	-	1	27,800
Sub-Standard	8,693	-	-	-	2	8,695
Doubtful	4,428	-	-	-	1	4,429
Doubtful Loss	22,609	-	5,069	573	854	29,105
	<u>1,044,743</u>	<u>130,433</u>	<u>5,069</u>	<u>573</u>	<u>873</u>	<u>1,181,691</u>

26 Deposits

26.1 Classified by product as at 30 June 2011 and 31 December 2010:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
<i>(in million Baht)</i>				
Demand	44,742	46,284	44,470	46,062
Savings	598,013	619,038	597,974	617,775
Fixed				
- Less than 6 months	116,664	155,806	116,507	155,659
- 6 months and less than 1 year	99,179	65,590	99,160	65,607
- Over 1 year	239,345	205,391	239,345	205,392
Total	<u>1,097,943</u>	<u>1,092,109</u>	<u>1,097,456</u>	<u>1,090,495</u>

26.2 Classified by currency and residence of customer as at 30 June 2011 and 31 December 2010:

	Consolidated					
	30 June 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>						
Baht	1,071,235	276	1,071,511	1,047,112	307	1,047,419
US Dollar	19,023	6,019	25,042	34,104	4,264	38,368
Other currencies	871	519	1,390	6,059	263	6,322
Total	<u>1,091,129</u>	<u>6,814</u>	<u>1,097,943</u>	<u>1,087,275</u>	<u>4,834</u>	<u>1,092,109</u>

	The Bank					
	30 June 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>						
Baht	1,073,538	251	1,073,789	1,047,664	276	1,047,940
US Dollar	19,024	3,261	22,285	34,104	2,139	36,243
Other currencies	872	510	1,382	6,059	253	6,312
Total	<u>1,093,434</u>	<u>4,022</u>	<u>1,097,456</u>	<u>1,087,827</u>	<u>2,668</u>	<u>1,090,495</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

27 Interbank and money market items, net (Liabilities)

As at 30 June 2011 and 31 December 2010, interbank and money market items, net (Liabilities) consist of the following:

	30 June 2011		Consolidated			
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	-	-	-	-	360	360
Commercial banks	164	3,900	4,064	629	18,395	19,024
Specialised financial institutions*	147	-	147	733	-	733
Other financial institutions**	14,458	5,937	20,395	16,569	8,724	25,293
Total domestic items	14,769	9,837	24,606	17,931	27,479	45,410
Foreign items:						
US Dollar	15	9,594	9,609	51	1,502	1,553
Yen	21	-	21	-	-	-
Other currencies	1,525	-	1,525	1,076	-	1,076
Total foreign items	1,561	9,594	11,155	1,127	1,502	2,629
Total domestic and foreign items	16,330	19,431	35,761	19,058	28,981	48,039

* Specialised financial institutions mean financial institutions which operate under specific development mandates such as Small and Medium Enterprise Development Bank of Thailand Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation, exclude Small Business Credit Guarantee Corporation

** Other financial institutions mean financial institutions which operate under the Interest on Loans of Finance Institution Act and apart from those listed above such as Finance company, Securities company, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and Credit Union League of Thailand Limited

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

	The Bank					
	30 June 2011		31 December 2010			
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	-	-	-	-	360	360
Commercial banks	544	3,900	4,444	629	18,395	19,024
Specialised financial institutions*	147	-	147	733	-	733
Other financial institutions**	15,989	6,086	22,075	18,365	8,724	27,089
Total domestic items	16,680	9,986	26,666	19,727	27,479	47,206
Foreign items:						
US Dollar	93	9,594	9,687	128	1,502	1,630
Yen	21	-	21	-	-	-
Other currencies	1,525	-	1,525	1,076	-	1,076
Total foreign items	1,639	9,594	11,233	1,204	1,502	2,706
Total domestic and foreign items	18,319	19,580	37,899	20,931	28,981	49,912

* Specialised financial institutions mean financial institutions which operate under specific development mandates such as Small and Medium Enterprise Development Bank of Thailand Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation, exclude Small Business Credit Guarantee Corporation

** Other financial institutions mean financial institutions which operate under the Interest on Loans of Finance Institution Act and apart from those listed above such as Finance company, Securities company, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and Credit Union League of Thailand Limited

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

28 Debt issued and borrowings

As at 30 June 2011 and 31 December 2010, debt issued and borrowings consist of the following:

	Interest rate (%)	Year of maturity	30 June 2011		Consolidated			
			Domestic	Foreign	Total	Domestic	Foreign	Total
					<i>(in million Baht)</i>			
Bonds								
- US.Dollar	3.9	2016	-	12,272	12,272	-	-	-
Subordinated Bonds								
- Baht	3.50-6.25	2018	20,000	-	20,000	20,000	-	20,000
Structured Notes								
- Baht	Variable*	2011	372	-	372	306	-	306
Bill of Exchanges								
- Baht	0.50-4.83	2011-2014	168,990	-	168,990	41,973	-	41,973
Others			343	-	343	330	-	330
Total			189,705	12,272	201,977	62,609	-	62,609

	Interest rate (%)	Year of maturity	30 June 2011		The Bank			
			Domestic	Foreign	Total	Domestic	Foreign	Total
					<i>(in million Baht)</i>			
Bonds								
- US.Dollar	3.9	2016	-	12,272	12,272	-	-	-
Subordinated Bonds								
- Baht	3.50-6.25	2018	20,000	-	20,000	20,000	-	20,000
Structured Notes								
- Baht	Variable*	2011	372	-	372	306	-	306
Bill of Exchanges								
- Baht	0.50-4.83	2011-2014	168,990	-	168,990	42,153	-	42,153
Others			343	-	343	330	-	330
Total			189,705	12,272	201,977	62,789	-	62,789

* Variable rates linked to reference interest rates and average price of marketable equity securities

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

29 Provisions

As at 30 June 2011 and 31 December 2010, provisions consist of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Reserve for pension and gratuity	2,243	2,061	2,057	1,944
Reserve for claims	1,238	1,173	1,238	1,173
Possible loss from Asset Transferred Agreement with TAMC	960	957	904	904
Provisions for commitments as off-financial reporting items	115	115	115	115
Possible loss from legal cases	301	295	298	224
Total	4,857	4,601	4,612	4,360

Pension and other post-retirement employee benefits

The Bank operates a number of post-retirement benefit plans including both defined contribution plans and defined benefit plans. All defined benefit plans are unfunded.

Present value of unfunded obligations as at 30 June 2011 and 31 December 2010 are as follows:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Severance Payment (“SP”) benefits scheme	1,874	1,720	1,716	1,619
Other scheme	369	340	341	325
Total present value of unfunded obligations	2,243	2,060	2,057	1,944

Post-employee benefits expenses included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Defined contribution plan	337	297	303	276
Defined benefit plan	127	112	113	103
Total post-employment benefits expensed	464	409	416	379

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

Movement in the present value of the defined benefit obligations:

	Consolidated			
	30 June 2011		31 December 2010	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
Obligations at beginning period / year	1,720	340	1,601	316
Transfer from business combination	58	11	-	-
Current service cost	76	12	131	23
Interest cost	33	6	59	12
Benefits paid	(13)	-	(71)	(11)
Obligations at ending period / year	<u>1,874</u>	<u>369</u>	<u>1,720</u>	<u>340</u>

	The Bank			
	30 June 2011		31 December 2010	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
Obligations at beginning period / year	1,619	325	1,513	303
Current service cost	67	10	119	22
Interest cost	30	6	56	11
Benefits paid	-	-	(69)	(11)
Obligations at ending period / year	<u>1,716</u>	<u>341</u>	<u>1,619</u>	<u>325</u>

The principal actuarial assumptions used to calculate the obligations under the defined benefit plans at 30 June 2011 and 31 December 2010 were as follows:

	Consolidated and The Bank	
	30 June 2011	31 December 2010
	(%)	
Financial assumptions		
Discount rate	3.8 - 4.2	3.8
Price inflation	3.5	3.5
Health cost inflation	4 - 4.8	4 - 4.8
Future salary increase rate	6 - 12	6 - 12

As of 30 June 2011, assumed healthcare cost trend rates have a significant effect on the amounts recognised in profit or loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	Consolidated and The Bank	
	1% increase	1% decrease
	<i>(in million Baht)</i>	
Effect on the aggregate current service and interest cost	4	(3)
Effect on defined benefit obligation	36	(27)

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

The employee benefit expected to be paid to retirees over each of the next two years are as follows:

	2010	Consolidated 2011	2012
		<i>(in million Baht)</i>	
Forecast of benefit payments			
Severance Payment (“SP”) benefits scheme	71	57	69
Other scheme	11	11	13
Expenses recognised in profit or loss	82	68	82

	2010	The Bank 2011	2012
		<i>(in million Baht)</i>	
Forecast of benefit payments			
Severance Payment (“SP”) benefits scheme	69	50	67
Other scheme	11	9	11
Expenses recognised in profit or loss	80	59	78

30 Liabilities pending transfer

As at 30 June 2011 and 31 December 2010, liabilities pending transfer consist of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
			<i>(in million Baht)</i>	
Pending for payment E-banking	5,826	9,139	5,826	9,139
Other payables	1,183	3,072	1,076	3,072
Others	1,623	991	1,525	872
Total	8,632	13,202	8,427	13,083

31 Other liabilities

As at 30 June 2011 and 31 December 2010, other liabilities consist of the following:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
			<i>(in million Baht)</i>	
Accrued expenses	12,391	11,993	11,797	11,772
Other payable per Credit Support Annex	7,638	11,833	7,638	11,833
Accrued interest payable on deposits	3,181	2,003	3,181	2,003
Securities business payables	1,405	912	-	-
Marginal deposit	452	404	452	318
Others	4,580	2,671	379	383
Total	29,647	29,816	23,447	26,309

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

36 Contingencies

As at 30 June 2011 and 31 December 2010, contingencies of the Bank and its subsidiaries are as follows:

	Consolidated		The Bank	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Avals to bills	2,458	3,030	2,335	3,030
Guarantees of loans	364	413	364	320
Liability under unmatured import bills	8,146	5,778	8,146	5,778
Letter of credit	17,789	13,878	17,682	13,755
Other contingencies				
- Amount of unused bank overdraft	94,551	88,617	94,173	88,256
- Other guarantees	93,790	102,749	93,770	102,797
- Others	806	202	1	-
Total	217,904	214,667	216,471	213,936

As at 30 June 2011, the Bank has commitments of Baht 3 million, in connection with finance companies whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2010: Baht 3 million).

37 Related parties

Related parties of the Bank include subsidiaries, associates, major shareholders, key management personnel, close family members of key management personnel and entities which are controlled or significantly influenced, or for which significant voting power is held, by key management personnel or their close family members.

The Bank has business transactions with related parties or persons. Interest rate for staff loans under the staff welfare scheme is charged in accordance with the Bank's regulations for such loans. Interest rate and other pricing for other related parties are at the same rate as in the normal course of business with the same business condition as general customers. The transactions with related parties or persons are as follows:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

37.1 Loans, deposits, borrowings and contingencies

Loans, deposits, borrowings and contingencies to related parties or persons as at 30 June 2011 and 31 December 2010 are as follows:

	Consolidated							
	30 June 2011			31 December 2010				
	Loans [*]	Deposits	Borrowings	Contingencies	Loans [*]	Deposits	Borrowings	Contingencies
	<i>(in million Baht)</i>							
Associated companies								
Finance & Insurance								
The Siam Industrial Credit PCL and affiliates	-	45	-	1	-	64	-	1
SCB Life Assurance PCL ^{**}	-	-	-	-	-	1,118	-	396
SCB Leasing PCL	-	30	-	-	-	115	-	-
VinaSiam Bank (Vietnam)	-	9	-	-	-	1	-	-
Total associated companies	-	84	-	1	-	1,298	-	397
Related companies (Shareholding through debt restructuring process)								
Phoenix Land Development Co., Ltd.	-	60	-	32	-	54	-	32
Total related companies (Shareholding through debt restructuring process)	-	60	-	32	-	54	-	32
Related companies (Shareholding through other companies' debt restructuring process)								
Siam Media and Communication Co., Ltd. and affiliate ^{***}	-	-	-	1	-	-	-	1
Total related companies (Shareholding through other companies' Debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)								
The Crown Property Bureau	-	1,807	500	-	-	1,603	-	-
Total major shareholder (more than 10% ownership)	-	1,807	500	-	-	1,603	-	-
Entity in which the directors, management or close members of their families have significant influence								
	-	137	70	2	-	194	-	4
Directors and key executive officers	81	387	107	-	87	579	5	-
Total	81	2,475	677	36	87	3,728	5	434

* Net of specific provision (1%)

** Acquisition in 2011, changed from associate to be a subsidiary and renamed from "Siam Commercial New York Life Insurance PCL" to "SCB Life Assurance PCL" on 25 May 2011.

*** Discontinued operations or in the process of dissolution

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

	The Bank							
	30 June 2011				31 December 2010			
	Loans *	Deposits	Borrow- ings	Contin- gencies	Loans *	Deposits	Borrow- ings	Contin- gencies
	<i>(in million Baht)</i>							
Subsidiaries								
Finance & Insurance								
Chatuchak Assets Management Co., Ltd.**	-	61	-	-	-	61	-	-
Rutchayothin Assets Management Co., Ltd.	-	319	-	-	-	90	-	-
Cambodian Commercial Bank Ltd. (Cambodia)	-	78	-	-	-	77	-	-
SCB Securities Co., Ltd.	-	36	1,414	-	-	98	1,465	-
The Siam Commercial Samaggi Insurance PCL and affiliates	-	90	-	47	-	41	-	47
SCB Asset Management Co., Ltd.	-	230	-	-	-	233	-	381
Siam Commercial Leasing PCL and affiliate	495	30	-	-	6,658	202	-	-
SCB Life Assurance PCL***	-	1,650	-	404	-	1,118	-	396
Services								
SCB Training Centre Co., Ltd.	-	5	-	1	-	2	-	-
Siam Phitiwat Co., Ltd.	-	39	-	-	-	11	-	-
SCB Capital Service Co., Ltd.****	-	-	-	-	-	6	-	-
Siam Niti Law Office Co., Ltd.**	-	7	-	-	-	7	-	-
SCB Plus Co., Ltd.	-	217	-	-	-	83	-	-
Real estate								
Mahisorn Co., Ltd.*****	-	267	-	-	-	48	180	-
Total subsidiaries	495	3,029	1,414	452	6,658	2,077	1,645	824
Associated companies								
Finance & Insurance								
The Siam Industrial Credit PCL and affiliates	-	45	-	1	-	64	-	1
SCB Leasing PCL	-	30	-	-	-	115	-	-
VinaSiam Bank (Vietnam)	-	9	-	-	-	1	-	-
Total associated companies	-	84	-	1	-	180	-	1

* Net of specific provision (1%)

** Discontinued operations or in the process of dissolution

*** Acquisition in 2011, changed from associate to be a subsidiary and renamed from "Siam Commercial New York Life Insurance PCL" to "SCB Life Assurance PCL" on 25 May 2011

**** Dissolution in 2011

***** Decreased paid-up share capital from Baht 1,071 million to Baht 268 million on 2 June 2011

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

	The Bank							
	30 June 2011			31 December 2010				
	Loans *	Deposits	Borrow- ings	Contin- gencies	Loans *	Deposits	Borrow- ings	Contin- gencies
	<i>(in million Baht)</i>							
Related companies (Shareholding through Debt restructuring process)								
Phoenix Land Development Co., Ltd.	-	60	-	32	-	54	-	32
Total related companies (Shareholding through debt restructuring process)	-	60	-	32	-	54	-	32
Related companies (Shareholding through other companies' debt restructuring process)								
Siam Media and Communication Co., Ltd. and affiliate **	-	-	-	1	-	-	-	1
Total related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)								
The Crown Property Bureau	-	1,807	500	-	-	1,603	-	-
Total major shareholder (more than 10% ownership)	-	1,807	500	-	-	1,603	-	-
Entity in which the directors, management or close members of their families have significant influence	-	137	70	2	-	194	-	4
Directors and key executive officers	81	387	107	-	87	579	5	-
Total	576	5,504	2,091	488	6,745	4,687	1,650	862

* Net of specific provision (1%)

** Discontinued operations or in the process of dissolution

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

37.2 Investments

Investments in subsidiaries and associated companies as at 30 June 2011 and 31 December 2010 are described in Note 13.

Investments in related companies in which the Bank and its subsidiaries are the shareholders and/or management are directors as at 30 June 2011 and 31 December 2010 are as follows:

Company	Type of business	30 June 2011				
		Paid-up capital (in million Baht)	Consolidated Share holding (%)	Net investment (in million Baht)	The Bank Share holding (%)	Net investment (in million Baht)
Shareholding through debt restructuring process						
Phoenix Land Development Co., Ltd.	Real estate	500	97.6	-	97.6	-
Shareholding through other companies' debt restructuring process						
WTA (Thailand) Co., Ltd.	Others	-	25.0	-	25.0	-
Siam Media & Communication Co., Ltd.*	Holding	700	33.3	-	33.3	-

Company	Type of business	31 December 2010				
		Paid-up capital (in million Baht)	Consolidated Share holding (%)	Net investment (in million Baht)	The Bank Share holding (%)	Net investment (in million Baht)
Shareholding through debt restructuring process						
Phoenix Land Development Co., Ltd.	Real estate	500	97.6	-	97.6	-
Shareholding through other companies' debt restructuring process						
WTA (Thailand) Co., Ltd.	Others	-	25.0	-	25.0	-
Siam Media & Communication Co., Ltd.*	Holding	700	33.3	-	33.3	-

* Discontinued operations or in the process of dissolution

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

37.3 Income and expenses

Income and expenses between the Bank and its subsidiaries, associated companies and related companies for the three-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated							
	2011				2010			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Associated companies	-	66	-	-	1	1,032	1	1
Major shareholder	-	-	4	4	-	-	5	4

	The Bank							
	2011				2010			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	20	3,917	20	277	32	2,291	5	219
Associated companies	-	65	-	-	-	1,031	1	-
Major shareholder	-	-	4	4	-	-	5	4

Income and expenses between the Bank and its subsidiaries, associated companies and related companies for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated							
	2011				2010			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Associated companies	2	582	1	127	1	1,849	1	92
Major shareholder	-	-	8	8	-	-	7	8

	The Bank							
	2011				2010			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	55	5,130	34	516	67	2,983	10	475
Associated companies	-	581	1	122	-	1,847	1	90
Major shareholder	-	-	8	8	-	-	7	8

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

38 Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the bank, being the president, director and group executive committee.

The Bank has not paid benefits to directors and executives other than the benefits that are normally paid such as meeting allowance, reward, salary, bonus, cost of living allowance, transportation fee and fringe benefits according to the Bank's regulations.

<i>For the three-month period ended 30 June</i>	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Short-term employee benefits	297	271	227	202
Post-employment benefits	16	3	15	-
Total	313	274	242	202

<i>For the six-month period ended 30 June</i>	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Short-term employee benefits	724	627	560	488
Post-employment benefits	17	7	15	2
Total	741	634	575	490

39 Long-term leases and service agreements

As at 30 June 2011 and 2010, the remaining rental and service expenses to be paid for long-term leases and service agreements are as follows:

Type of lease	Period	Consolidated		The Bank	
		2011	2010	2011	2010
		<i>(in million Baht)</i>			
Land and/or premises	Within 1 year	928	1,043	792	996
	1 - 5 years	741	831	588	750
	Over 5 years	189	131	177	113
Equipment	Within 1 year	475	434	475	433
	1 - 5 years	16	15	16	13
Vehicles	Within 1 year	196	177	196	163
	1 - 5 years	534	81	534	61

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

40 The financial position and results of operations classified by domestic and overseas business

The significant financial position and the results of operations classified into domestic and overseas business are shown below.

40.1 As at 30 June 2011 and 31 December 2010, the financial position classified by domestic and foreign operations are as follows:

	Consolidated					
	30 June 2011			31 December 2010		
	Domestic operations	Foreign operations	Total	Domestic operations	Foreign operations	Total
	<i>(in million Baht)</i>					
Total assets	1,647,416	38,854	1,686,270	1,455,396	21,339	1,476,735
Interbank and money market items, net (Assets)	197,138	5,385	202,523	145,808	3,210	149,018
Investments, net*	192,981	1,805	194,786	151,893	1,853	153,746
Loans to customers and accrued interest receivables, net	1,103,213	33,610	1,136,823	987,795	31,008	1,018,803
Deposits	1,090,026	7,917	1,097,943	1,085,216	6,893	1,092,109
Interbank and money market items, net (Liabilities)	26,129	9,632	35,761	46,537	1,502	48,039
Debt issued and borrowings	189,705	12,272	201,977	62,609	-	62,609

	The Bank					
	30 June 2011			31 December 2010		
	Domestic operations	Foreign operations	Total	Domestic operations	Foreign operations	Total
	<i>(in million Baht)</i>					
Total assets	1,566,075	35,092	1,601,167	1,447,679	18,241	1,465,920
Interbank and money market items, net (Assets)	190,942	2,647	193,589	144,999	1,393	146,392
Investments, net*	147,433	1,805	149,238	161,563	1,853	163,416
Loans to customers and accrued interest receivables, net	1,090,288	32,794	1,123,082	975,318	29,962	1,005,280
Deposits	1,092,293	5,163	1,097,456	1,085,767	4,728	1,090,495
Interbank and money market items, net (Liabilities)	28,305	9,594	37,899	48,410	1,502	49,912
Debt issued and borrowings	189,705	12,272	201,977	62,789	-	62,789

* Included investments in subsidiaries and associates, net

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

40.2 The results of operations classified by domestic and foreign operations for the three-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated							
	2011			2010				
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	18,124	368	(232)	18,260	12,462	187	(50)	12,599
Interest expenses	(5,718)	(221)	232	(5,707)	(2,914)	(54)	50	(2,918)
Net interest income	12,406	147	-	12,553	9,548	133	-	9,681
Net fees and service income	4,599	31	-	4,630	4,483	25	-	4,508
Other operating income	3,635	18	-	3,653	1,561	3	-	1,564
Other operating expenses	(9,545)	(36)	-	(9,581)	(8,212)	(97)	-	(8,309)
Profit from operating before income tax expense	<u>11,095</u>	<u>160</u>	<u>-</u>	<u>11,255</u>	<u>7,380</u>	<u>64</u>	<u>-</u>	<u>7,444</u>

	The Bank							
	2011			2010				
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	17,069	354	(232)	17,191	11,974	169	(50)	12,093
Interest expenses	(5,736)	(220)	232	(5,724)	(2,838)	(53)	50	(2,841)
Net interest income	11,333	134	-	11,467	9,136	116	-	9,252
Net fees and service income	5,272	20	-	5,292	4,359	14	-	4,373
Other operating income	4,183	16	-	4,199	2,719	2	-	2,721
Other operating expenses	(8,928)	(22)	-	(8,950)	(7,928)	(83)	-	(8,011)
Profit from operating before income tax expense	<u>11,860</u>	<u>148</u>	<u>-</u>	<u>12,008</u>	<u>8,286</u>	<u>49</u>	<u>-</u>	<u>8,335</u>

40.3 The results of operations classified by domestic and foreign operations for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated							
	2011			2010				
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	33,600	672	(384)	33,888	24,992	325	(76)	25,241
Interest expenses	(10,366)	(371)	384	(10,353)	(5,956)	(84)	76	(5,964)
Net interest income	23,234	301	-	23,535	19,036	241	-	19,277
Net fees and service income	9,870	43	-	9,913	8,815	68	-	8,883
Other operating income	12,415	19	-	12,434	4,055	(4)	-	4,051
Other operating expenses	(18,592)	(74)	-	(18,666)	(16,119)	(143)	-	(16,262)
Profit from operating before income tax expense	<u>26,927</u>	<u>289</u>	<u>-</u>	<u>27,216</u>	<u>15,787</u>	<u>162</u>	<u>-</u>	<u>15,949</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

	The Bank							
	2011				2010			
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	32,007	642	(384)	32,265	23,922	288	(76)	24,134
Interest expenses	(10,396)	(369)	384	(10,381)	(5,778)	(80)	76	(5,782)
Net interest income	21,611	273	-	21,884	18,144	208	-	18,352
Net fees and service income	10,792	21	-	10,813	8,558	47	-	8,605
Other operating income	6,424	15	-	6,439	4,498	(8)	-	4,490
Other operating expenses	(17,570)	(47)	-	(17,617)	(15,552)	(113)	-	(15,665)
Profit from operating before income tax expense	<u>21,257</u>	<u>262</u>	<u>-</u>	<u>21,519</u>	<u>15,648</u>	<u>134</u>	<u>-</u>	<u>15,782</u>

41 Interest income

Interest income included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Interbank and money market items	2,035	651	1,933	645
Investments and trading transactions	133	191	133	191
Investments in debt securities	2,507	1,648	1,519	1,624
Loans	26,882	20,773	26,856	20,762
Hire-purchase and financial lease	2,331	1,978	1,824	912
Total	<u>33,888</u>	<u>25,241</u>	<u>32,265</u>	<u>24,134</u>

42 Interest expenses

Interest expense included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Deposits	6,094	2,914	6,098	2,911
Interbank and money market items	680	327	708	336
Contributions to Deposit Protection Agency	2,165	1,869	2,165	1,869
Debt issued and borrowings				
- Subordinated debentures	486	536	486	536
- Others	920	289	921	104
Borrowings	8	29	3	26
Total	<u>10,353</u>	<u>5,964</u>	<u>10,381</u>	<u>5,782</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

43 Fees and service income, net

Net fees and service income included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptances, avals and guarantees	470	443	468	443
- ATM, Debit cards and other banking electronic	2,522	2,249	2,522	2,249
- Others	8,841	7,753	9,565	7,381
Total fees and service income	<u>11,833</u>	<u>10,445</u>	<u>12,555</u>	<u>10,073</u>
Fees and service expense	<u>(1,920)</u>	<u>(1,562)</u>	<u>(1,742)</u>	<u>(1,468)</u>
Net fees and service income	<u>9,913</u>	<u>8,883</u>	<u>10,813</u>	<u>8,605</u>

44 Gains on trading and foreign exchange transactions

Gains on trading and foreign exchange transactions included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and foreign currency related derivatives	2,934	1,304	2,931	1,300
- Interest rate related derivatives	(5)	56	(5)	56
- Debt securities	(37)	311	(37)	311
- Equity securities	(15)	-	-	-
- Others	58	58	58	58
Total	<u>2,935</u>	<u>1,729</u>	<u>2,947</u>	<u>1,725</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

45 Gains on investments, net

Gains related to investments in securities included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Gains (losses) on sales				
- Available-for-sale securities	112	181	66	181
- Held-to-maturity securities	(48)	-	-	-
- General investments	2	(5)	-	(5)
- Investment in subsidiaries and associated companies	5,057	-	(44)	-
Total	5,123	176	22	176
Loss on impairment				
- Available-for-sale securities	45	37	45	37
- General investments	(2)	(11)	(2)	2
- Investment in subsidiaries and associated companies	259	-	371	21
Total	302	26	414	60
Gains on investments	5,425	202	436	236

46 Bad debt, doubtful accounts and loss on debt restructuring

Bad debt and doubtful accounts recognised in the consolidated profit or loss for the six-month periods ended 30 June 2011 and 2010 are Baht 1,415 million and Baht 2,223 million (net of bad debt recovery of Baht 432 million and Baht 565 million), respectively and in the Bank's profit or loss are Baht 1,531 million and Baht 2,366 million (net of bad debt recovery of Baht 379 million and Baht 432 million), respectively (see Note 18).

Loss on debt restructuring recognised in the consolidated and the Bank's profit or loss for the six-month periods ended 30 June 2011 and 2010 are Baht 269 million and Baht 34 million, respectively (see Note 16).

Bad debt, doubtful accounts and loss on debt restructuring included in profit or loss for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Consolidated		The Bank	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Loans to customers	1,415	2,223	1,531	2,366
Loss on debt restructuring	269	34	269	34
Total	1,684	2,257	1,800	2,400

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

47 Earnings per share

Earnings per share in the consolidated and the Bank's financial statements for the three-month periods ended 30 June 2011 and 2010 are calculated as follows:

	Net income		Consolidated Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income	8,132	5,316	3,399	3,399	2.39	1.56
Diluted earnings per share*	8,132	5,316	3,399	3,399	2.39	1.56
	Net income		The Bank Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income	9,348	6,404	3,399	3,399	2.75	1.88
Diluted earnings per share*	9,348	6,404	3,399	3,399	2.75	1.88

* Income available to ordinary shareholders plus assumed conversions of convertible preference shares

Earnings per share in the consolidated and the Bank's financial statements for the six-month periods ended 30 June 2011 and 2010 are calculated as follows:

	Net income		Consolidated Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income	21,184	11,690	3,399	3,399	6.23	3.44
Diluted earnings per share*	21,184	11,690	3,399	3,399	6.23	3.44
	Net income		The Bank Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income	16,339	11,971	3,399	3,399	4.81	3.52
Diluted earnings per share*	16,339	11,971	3,399	3,399	4.81	3.52

* Income available to ordinary shareholders plus assumed conversions of convertible preference shares

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month periods ended 30 June 2011 and 2010
For the three-month period ended 30 June 2011 and 2010 (Unaudited)

The preference of the preference shares expired in 2009, therefore, their rights are equivalent to ordinary shares. Basic earnings per share of 2011 and 2010 are calculated from net profit divided by the total number of ordinary and preference shares.

48 Events after the reporting period

157,386 preference shares have been converted into 157,386 ordinary shares. The Bank registered the conversion of preference shares with the Ministry of Commerce on 11 July 2011.

49 Adoption of Thai Accounting Standard 19 Employee Benefits

During 2010, the Bank early adopted TAS 19 Employee benefits which was to become effective for accounting periods beginning on 1 January 2011. Management considers that this policy provides reliable information of employee benefit obligation of the Bank. The adoption of the accounting standard was applied retrospectively for the six-month period ended 30 June 2010.

50 Thai Financial Reporting Standards (TFRS) not yet adopted

The Bank and its subsidiaries have not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective.

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	2013

Management is presently considering the potential impact of adopting and the initial application of these new and revised TFRS on the consolidated and the Bank's financial statements.

51 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2010 and the statement of comprehensive income for the six-month period ended 30 June 2010, which are included in the 2011 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2011 interim financial statements. These reclassifications have principally been made according to TAS 1 (revised 2009) *Presentation of Financial Statements* and the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, regarding "The preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services".