

**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 2009

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 separate balance sheets as at 30 June 2009, and the related statements of income, changes in equity and cash flows for the six-month period then ended 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. The consolidated and separate balance sheets as at 31 December 2008, the statements of income, changes in equity and cash flows for the six-month period ended 30 June 2008 of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, were audited by another auditor whose report dated 19 February 2009 and 21 August 2008, respectively, expressed an unqualified opinion on those statements.

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 separate financial statements referred to above present fairly, in all material respects, the financial positions as at 30 June 2009 and the results of operations and cash flows for the six-month period then ended of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, in accordance with generally accepted accounting principles.

I have also reviewed the consolidated and separate statements of income for the three-month period ended 30 June 2009 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. The consolidated and separate statements of income for the three-month period ended 30 June 2008 of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, were reviewed by another auditor whose report dated 21 August 2008 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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 accompanying financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

(Supot Singhasaneh)
Certified Public Accountant
Registration No. 2826

KPMG Phoomchai Audit Ltd.
Bangkok
20 August 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Balance sheets

As at 30 June 2009 and 31 December 2008

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
<i>(in Baht)</i>					
Cash		22,659,219,936	29,940,840,387	22,557,887,919	29,784,860,675
Interbank and money market items	4.1				
Domestic items					
Interest bearing		147,930,461,245	55,401,882,782	147,519,292,376	54,879,515,435
Non-interest bearing		13,141,653,941	10,157,273,726	12,986,385,420	9,888,346,078
Foreign items					
Interest bearing		15,197,969,661	18,289,619,166	12,819,828,056	15,965,146,923
Non-interest bearing		2,553,022,919	3,858,161,662	1,597,885,937	2,906,567,583
Total interbank and money market items, net		178,823,107,766	87,706,937,336	174,923,391,789	83,639,576,019
Investments	4.2				
Short-term investments, net		29,866,462,232	51,340,228,272	28,863,277,602	49,475,324,697
Long-term investments, net		122,314,606,251	99,645,997,500	122,059,883,933	99,488,434,837
Investments in subsidiaries and associated companies, net		4,378,734,607	4,210,890,055	18,344,247,148	23,431,592,782
Total investments, net		156,559,803,090	155,197,115,827	169,267,408,683	172,395,352,316
Loans and accrued interest receivables	4.3				
Loans		906,788,869,542	916,920,343,771	876,023,243,906	892,849,597,675
Accrued interest receivables		1,669,323,110	2,270,351,313	1,644,949,443	2,712,461,162
Total loans and accrued interest receivables		908,458,192,652	919,190,695,084	877,668,193,349	895,562,058,837
Less allowance for doubtful accounts	4.3.5, 4.4	(41,068,346,535)	(41,037,596,325)	(38,251,318,971)	(38,033,933,509)
Less revaluation allowance for debt restructuring	4.5	(779,129,887)	(673,262,741)	(779,129,887)	(673,262,741)
Total loans and accrued interest receivables, net		866,610,716,230	877,479,836,018	838,637,744,491	856,854,862,587
Properties foreclosed, net	4.7	11,875,681,689	11,986,847,238	11,552,845,604	11,492,055,361
Customers' liabilities under acceptances		166,125,887	186,124,467	166,125,887	186,124,467
Premises and equipment, net	4.8	28,411,257,842	29,111,794,386	27,005,076,992	27,616,241,172
Assets pending transfer	4.9	2,208,034,253	1,548,198,130	2,166,211,956	1,462,079,947
Receivables from selling of investments		19,300,625,083	30,359,164,684	19,300,581,383	30,359,164,684
Receivables from disposal of assets		1,138,767,491	1,183,636,654	1,138,534,291	1,182,306,654
Other assets, net	4.10	11,488,697,966	16,939,179,288	8,782,387,592	13,520,936,638
Total assets		1,299,242,037,233	1,241,639,674,415	1,275,498,196,587	1,228,493,560,520

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Balance sheets

As at 30 June 2009 and 31 December 2008

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
<i>(in Baht)</i>					
Deposits	4.11				
Deposits in Baht		957,478,375,082	895,114,617,639	958,372,258,439	901,375,885,993
Deposits in foreign currencies		20,936,700,332	16,367,665,287	16,921,307,089	12,158,152,169
Total deposits		<u>978,415,075,414</u>	<u>911,482,282,926</u>	<u>975,293,565,528</u>	<u>913,534,038,162</u>
Interbank and money market items	4.12				
Domestic items					
Interest bearing		28,778,189,034	25,546,869,434	29,947,409,865	22,366,709,242
Non-interest bearing		2,380,098,385	2,418,853,811	2,561,557,620	2,493,602,363
Foreign items					
Interest bearing		60,641,716	113,159,981	92,467,452	107,320,735
Non-interest bearing		1,072,484,943	799,442,768	1,137,804,478	853,173,407
Total interbank and money market items		<u>32,291,414,078</u>	<u>28,878,325,994</u>	<u>33,739,239,415</u>	<u>25,820,805,747</u>
Liabilities payable on demand		5,437,215,575	3,686,008,269	5,417,673,139	3,733,745,341
Borrowings	4.13				
Short-term borrowings		58,793,469,435	53,277,457,855	45,636,969,435	53,495,457,855
Long-term borrowings		25,439,852,340	29,133,305,374	25,139,852,340	24,933,305,374
Total borrowings		<u>84,233,321,775</u>	<u>82,410,763,229</u>	<u>70,776,821,775</u>	<u>78,428,763,229</u>
Bank's liabilities under acceptances		166,125,887	186,124,467	166,125,887	186,124,467
Interest payable on deposits		2,219,551,383	3,314,865,088	2,217,705,109	3,311,681,281
Liabilities pending transfer	4.14	13,267,064,523	11,488,805,352	13,082,374,078	11,480,294,468
Payables from purchases of investments		32,004,156,600	51,035,459,691	32,004,156,600	51,035,459,691
Provisions	4.15	3,247,605,219	3,205,197,627	2,815,241,589	2,733,552,738
Other liabilities	4.16	17,258,005,855	18,056,179,754	13,010,038,332	13,668,515,652
Total liabilities		<u>1,168,539,536,309</u>	<u>1,113,744,012,397</u>	<u>1,148,522,941,452</u>	<u>1,103,932,980,776</u>

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Balance sheets

As at 30 June 2009 and 31 December 2008

Liabilities and equity	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
<i>(in Baht)</i>					
Equity					
Share capital					
Authorised share capital					
4,491,622,837 preferred shares of Baht 10 each	4.17	44,916,228,370		44,916,228,370	
5,077,705,299 preferred shares of Baht 10 each			50,777,052,990		50,777,052,990
2,508,377,163 ordinary shares of Baht 10 each		25,083,771,630		25,083,771,630	
1,922,294,701 ordinary shares of Baht 10 each			19,222,947,010		19,222,947,010
Issued and fully paid-up share capital					
798,302,374 preferred shares of Baht 10 each	4.17	7,983,023,740	-	7,983,023,740	-
916,307,592 preferred shares of Baht 10 each		-	9,163,075,920	-	9,163,075,920
2,600,889,824 ordinary shares of Baht 10 each		26,008,898,240	-	26,008,898,240	-
2,482,884,606 ordinary shares of Baht 10 each		-	24,828,846,060	-	24,828,846,060
Premium on preferred shares		3,121,722,483	3,583,176,130	3,121,722,483	3,583,176,130
Premium on ordinary shares		8,002,468,143	7,541,014,496	8,002,468,143	7,541,014,496
Revaluation surplus on land appraisal		6,096,802,705	6,102,022,066	5,770,828,192	5,770,828,192
Revaluation surplus on premises appraisal		5,188,653,859	5,278,653,102	5,119,760,717	5,199,916,611
Revaluation surplus on investments		2,010,843,903	3,140,869,328	1,752,951,399	2,955,166,342
Foreign currency translation		(263,571,671)	(215,747,439)	-	-
Unrealised gain from capital surplus on investment in subsidiary of associated company		60,454,357	60,454,357	-	-
Retained earnings					
Appropriated					
Legal reserve	4.18	5,062,683,827	5,062,683,827	5,062,683,827	5,062,683,827
Unappropriated		66,725,126,365	62,659,470,199	64,152,918,394	60,455,872,166
Total equity attributable to equity holders of the Bank		129,997,105,951	127,204,518,046	126,975,255,135	124,560,579,744
Minority interests		705,394,973	691,143,972	-	-
Total equity		130,702,500,924	127,895,662,018	126,975,255,135	124,560,579,744
Total liabilities and equity		1,299,242,037,233	1,241,639,674,415	1,275,498,196,587	1,228,493,560,520
Off-balance sheet items - contingencies					
4.20					
Avals to bills and guarantees of loans		3,804,622,763	5,883,266,490	5,004,622,763	5,883,266,490
Liability under unmatured import bills		4,213,434,406	5,880,414,365	4,213,434,406	5,880,414,365
Letter of credit		12,915,303,209	12,424,814,355	12,823,733,280	12,308,311,664
Other contingencies		1,876,449,878,260	2,001,854,711,521	1,876,303,016,491	2,001,249,906,857

(Mrs. Kannikar Chalitaporn)

President

(Mr. 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 income

For the three-month periods ended 30 June 2009 and 2008 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in Baht)</i>			
Interest and dividend income				
Loans	10,830,203,083	11,864,400,414	11,054,856,473	12,087,471,757
Interbank and money market items	586,676,603	1,063,037,151	579,741,516	1,031,797,634
Hire purchase and financial lease	1,076,374,136	1,458,639,481	233,686,061	28,684,495
Investments	1,150,350,545	1,068,149,105	1,635,622,758	1,371,104,224
Total interest and dividend income	13,643,604,367	15,454,226,151	13,503,906,808	14,519,058,110
Interest expenses				
Deposits	2,418,611,653	3,388,622,196	2,411,740,880	3,382,964,272
Interbank and money market items	133,193,875	382,429,463	100,991,955	118,802,520
Short-term borrowings	405,390,222	382,775,946	309,306,852	287,322,853
Long-term borrowings	245,994,959	317,711,995	285,972,360	310,064,154
Total interest expenses	3,203,190,709	4,471,539,600	3,108,012,047	4,099,153,799
Net interest and dividend income	10,440,413,658	10,982,686,551	10,395,894,761	10,419,904,311
Bad debt and doubtful accounts	1,383,190,467	1,487,204,678	1,489,545,520	876,968,160
Loss on debt restructuring	10,454,480	23,031,840	10,454,480	23,031,840
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	9,046,768,711	9,472,450,033	8,895,894,761	9,519,904,311
Non-interest income				
Gain on investments	594,984,412	43,658,969	587,708,473	404,722,596
Income from equity interest in associated companies	191,485,729	188,089,276	-	-
Fees and service income				
Acceptances, avals and guarantees	279,873,867	330,362,469	279,873,867	330,362,469
Others	4,432,499,307	3,977,279,042	4,132,843,519	3,576,442,135
Gain on exchanges	973,155,926	1,199,223,121	972,345,833	1,199,016,251
Underwriting income	489,107,360	562,789,648	-	-
Other income	222,015,768	537,421,359	56,973,889	215,454,288
Total non-interest income	7,183,122,369	6,838,823,884	6,029,745,581	5,725,997,739

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 June 2009 and 2008 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
Non-interest expenses					
Personnel expenses		3,248,759,500	3,124,344,155	3,014,708,362	2,756,872,374
Premises and equipment expenses		1,941,701,547	1,891,902,374	1,700,925,660	1,695,135,568
Taxes and duties		658,994,503	409,322,714	654,959,579	400,419,236
Fees and service expenses		789,144,005	722,503,542	762,251,005	759,719,887
Directors' remuneration		9,147,133	48,236,986	6,961,333	41,724,400
Contributions to the Financial Institutions					
Development Fund and the Deposit Protection Agency		907,548,210	855,491,097	907,548,210	855,491,097
Underwriting expenses		266,678,923	372,319,171	-	-
Other expenses		1,182,113,666	877,727,202	898,803,140	715,413,864
Total non-interest expenses		<u>9,004,087,487</u>	<u>8,301,847,241</u>	<u>7,946,157,289</u>	<u>7,224,776,426</u>
Income before income tax expense		<u>7,225,803,593</u>	<u>8,009,426,676</u>	<u>6,979,483,053</u>	<u>8,021,125,624</u>
Income tax expense		<u>2,003,658,341</u>	<u>2,182,945,075</u>	<u>1,871,195,880</u>	<u>1,869,441,780</u>
Net income		<u><u>5,222,145,252</u></u>	<u><u>5,826,481,601</u></u>	<u><u>5,108,287,173</u></u>	<u><u>6,151,683,844</u></u>
Attributable to:					
Equity holders of the Bank		5,234,293,164	5,818,403,787	5,108,287,173	6,151,683,844
Minority interests		(12,147,912)	8,077,814	-	-
Net income		<u><u>5,222,145,252</u></u>	<u><u>5,826,481,601</u></u>	<u><u>5,108,287,173</u></u>	<u><u>6,151,683,844</u></u>
Earnings per share	5.6				
Basic		<u><u>1.41</u></u>	<u><u>1.48</u></u>	<u><u>1.36</u></u>	<u><u>1.66</u></u>
Diluted		<u><u>1.41</u></u>	<u><u>1.48</u></u>	<u><u>1.36</u></u>	<u><u>1.66</u></u>

(Mrs. Kannikar Chalitaporn)

President

(Mr. 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 income

For the six-month periods ended 30 June 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in Baht)</i>			
Interest and dividend income	5.1				
Loans		22,390,377,411	23,128,619,409	22,920,841,185	23,444,388,539
Interbank and money market items		1,176,163,564	2,302,050,253	1,159,061,177	2,230,709,417
Hire purchase and financial lease		2,237,595,662	2,820,138,924	426,033,904	28,684,495
Investments		2,484,071,106	2,663,980,580	2,960,170,739	3,601,991,141
Total interest and dividend income		<u>28,288,207,743</u>	<u>30,914,789,166</u>	<u>27,466,107,005</u>	<u>29,305,773,592</u>
Interest expenses					
Deposits		5,665,484,226	6,683,340,891	5,648,452,268	6,669,099,741
Interbank and money market items		284,787,326	820,404,596	202,526,359	265,703,834
Short-term borrowings		882,046,949	814,464,299	789,701,302	598,689,291
Long-term borrowings		589,992,317	617,254,864	581,588,234	520,985,051
Total interest expenses		<u>7,422,310,818</u>	<u>8,935,464,650</u>	<u>7,222,268,163</u>	<u>8,054,477,917</u>
Net interest and dividend income		<u>20,865,896,925</u>	<u>21,979,324,516</u>	<u>20,243,838,842</u>	<u>21,251,295,675</u>
Bad debt and doubtful accounts	4.4, 5.2	2,837,162,792	2,357,517,482	2,981,414,896	1,720,362,470
Loss on debt restructuring	4.3.8, 5.3	18,585,104	79,637,530	18,585,104	79,637,530
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		<u>18,010,149,029</u>	<u>19,542,169,504</u>	<u>17,243,838,842</u>	<u>19,451,295,675</u>
Non-interest income					
Gain on investments	5.4	684,886,564	853,874,275	960,445,660	1,275,240,115
Income from equity interest in associated companies		286,861,204	392,706,392	-	-
Fees and service income					
Acceptances, avals and guarantees		534,080,268	563,862,610	534,106,408	563,888,751
Others		8,565,431,726	8,172,098,019	8,071,657,513	7,338,028,013
Gain on exchanges		1,976,930,200	1,975,327,764	1,974,075,833	1,973,847,344
Underwriting income		987,723,252	1,162,600,712	-	-
Other income		572,084,067	1,193,551,101	208,234,666	530,793,427
Total non-interest income		<u>13,607,997,281</u>	<u>14,314,020,873</u>	<u>11,748,520,080</u>	<u>11,681,797,650</u>

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statements of income

For the six-month periods ended 30 June 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
Non-interest expenses					
Personnel expenses		6,005,024,324	5,886,272,057	5,539,710,937	5,063,303,491
Premises and equipment expenses		3,889,353,738	3,756,972,758	3,472,219,742	3,333,017,836
Taxes and duties		1,158,924,855	1,008,391,309	1,149,994,137	975,889,466
Fees and service expenses		1,640,681,619	1,500,527,123	1,595,938,729	1,578,110,221
Directors' remuneration	5.5	17,277,133	62,190,486	13,588,333	49,534,400
Contributions to the Financial Institutions					
Development Fund and the Deposit Protection Agency		1,804,189,944	1,710,982,193	1,804,189,944	1,710,982,193
Underwriting expenses		511,218,639	729,640,799	-	-
Other expenses		2,098,516,268	1,759,133,436	1,588,367,385	1,390,606,732
Total non-interest expenses		<u>17,125,186,520</u>	<u>16,414,110,161</u>	<u>15,164,009,207</u>	<u>14,101,444,339</u>
Income before income tax expense		14,492,959,790	17,442,080,216	13,828,349,715	17,031,648,986
Income tax expense		3,689,551,928	4,773,616,505	3,413,072,780	4,287,535,578
Net income		<u><u>10,803,407,862</u></u>	<u><u>12,668,463,711</u></u>	<u><u>10,415,276,935</u></u>	<u><u>12,744,113,408</u></u>
Attributable to:					
Equity holders of the Bank		10,781,403,378	12,605,686,931	10,415,276,935	12,744,113,408
Minority interests		<u>22,004,484</u>	<u>62,776,780</u>	-	-
Net income		<u><u>10,803,407,862</u></u>	<u><u>12,668,463,711</u></u>	<u><u>10,415,276,935</u></u>	<u><u>12,744,113,408</u></u>
Earnings per share	5.6				
Basic		<u>3.62</u>	<u>5.06</u>	<u>3.48</u>	<u>5.13</u>
Diluted		<u>3.18</u>	<u>3.71</u>	<u>3.07</u>	<u>3.75</u>

(Mrs. Kannikar Chalitaporn)

President

(Mr. 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 2009 and 2008

Consolidated financial statements															
Note	Issued and fully		Premium on		Revaluation	Revaluation	Revaluation	Foreign	Unrealised gain	Retained earnings		Total equity		Total	
	paid-up share capital		Preferred		surplus on	surplus on	currency	associated	from capital	Unappropriated		attributable			Minority
	Preferred	Ordinary	Preferred	Ordinary	land appraisal	premise appraisal	surplus on investments	translation	subsidiary of company	surplus on	Legal reserve	Unappropriated	to equity holders of the Bank		
<i>(in Baht)</i>															
Balance at 1 January 2008	14,994,071,750	18,997,850,230	5,863,358,599	5,260,832,027	5,783,328,455	5,360,228,397	1,919,394,028	(283,629,796)	60,454,357	3,987,724,794	48,959,072,759	110,902,685,600	914,909,153	111,817,594,753	
Revaluation surplus on land and premises appraisal increase (decrease)	-	-	-	-	(614,023)	(76,506,768)	-	-	-	-	80,155,893	3,035,102	-	3,035,102	
Revaluation surplus on investments decrease	-	-	-	-	-	-	(1,563,291,014)	-	-	-	-	(1,563,291,014)	(58,204,173)	(1,621,495,187)	
Foreign currency translation decrease	-	-	-	-	-	-	-	(40,252,190)	-	-	-	(40,252,190)	-	(40,252,190)	
Income (expense) recognised directly in equity	-	-	-	-	(614,023)	(76,506,768)	(1,563,291,014)	(40,252,190)	-	-	80,155,893	(1,600,508,102)	(58,204,173)	(1,658,712,275)	
Net income	-	-	-	-	-	-	-	-	-	-	12,605,686,931	12,605,686,931	62,776,780	12,668,463,711	
Total recognised income (expense) for the period	-	-	-	-	(614,023)	(76,506,768)	(1,563,291,014)	(40,252,190)	-	-	12,685,842,824	11,005,178,829	4,572,607	11,009,751,436	
Dividend paid	4.19	-	-	-	-	-	-	-	-	-	(6,798,638,531)	(6,798,638,531)	(106,104,352)	(6,904,742,883)	
Conversion of preferred shares to ordinary shares	(25,140,720)	25,140,720	(9,831,156)	9,831,156	-	-	-	-	-	-	-	-	-	-	
Increase in shareholding in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2,301,548)	(2,301,548)	
Balance at 30 June 2008	14,968,931,030	19,022,990,950	5,853,527,443	5,270,663,183	5,782,714,432	5,283,721,629	356,103,014	(323,881,986)	60,454,357	3,987,724,794	54,846,277,052	115,109,225,898	811,075,860	115,920,301,758	
Balance at 1 January 2009	9,163,075,920	24,828,846,060	3,583,176,130	7,541,014,496	6,102,022,066	5,278,653,102	3,140,869,328	(215,747,439)	60,454,357	5,062,683,827	62,659,470,199	127,204,518,046	691,143,972	127,895,662,018	
Revaluation surplus on land and premises appraisal increase (decrease)	-	-	-	-	(5,219,361)	(89,999,243)	-	-	-	-	82,639,389	(12,579,215)	(9,103,357)	(21,682,572)	
Revaluation surplus on investments increase (decrease)	-	-	-	-	-	-	(1,130,025,425)	-	-	-	-	(1,130,025,425)	3,254,650	(1,126,770,775)	
Foreign currency translation decrease	-	-	-	-	-	-	-	(47,824,232)	-	-	-	(47,824,232)	(146)	(47,824,378)	
Income (expense) recognised directly in equity	-	-	-	-	(5,219,361)	(89,999,243)	(1,130,025,425)	(47,824,232)	-	-	82,639,389	(1,190,428,872)	(5,848,853)	(1,196,277,725)	
Net income	-	-	-	-	-	-	-	-	-	-	10,781,403,378	10,781,403,378	22,004,484	10,803,407,862	
Total recognised income (expense) for the period	-	-	-	-	(5,219,361)	(89,999,243)	(1,130,025,425)	(47,824,232)	-	-	10,864,042,767	9,590,974,506	16,155,631	9,607,130,137	
Dividend paid	4.19	-	-	-	-	-	-	-	-	-	(6,798,386,601)	(6,798,386,601)	(1,904,630)	(6,800,291,231)	
Conversion of preferred shares to ordinary shares	(1,180,052,180)	1,180,052,180	(461,453,647)	461,453,647	-	-	-	-	-	-	-	-	-	-	
Balance at 30 June 2009	7,983,023,740	26,008,898,240	3,121,722,483	8,002,468,143	6,096,802,705	5,188,653,859	2,010,843,903	(263,571,671)	60,454,357	5,062,683,827	66,725,126,365	129,997,105,951	705,394,973	130,702,500,924	

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 2009 and 2008

	Separate financial statements										
	Issued and fully				Revaluation						Total
	paid-up share capital		Premium on		Revaluation surplus on land appraisal	surplus on premises appraisal	Revaluation surplus on investments	Retained earnings		equity	
	Preferred shares	Ordinary shares	Preferred shares	Ordinary shares				Appropriated Legal reserve	Unappropriated		
<i>Note</i>	<i>(in Baht)</i>										
Balance at 1 January 2008	14,994,071,750	18,997,850,230	5,863,358,599	5,260,832,027	5,783,328,455	5,360,228,397	1,597,704,435	3,987,724,794	46,669,994,221	108,515,092,908	
Revaluation surplus on land and premises appraisal increase (decrease)	-	-	-	-	(614,023)	(80,155,893)	-	-	80,155,893	(614,023)	
Revaluation surplus on investments decrease	-	-	-	-	-	-	(1,437,480,010)	-	-	(1,437,480,010)	
Income (expense) recognised directly in equity	-	-	-	-	(614,023)	(80,155,893)	(1,437,480,010)	-	80,155,893	(1,438,094,033)	
Net income	-	-	-	-	-	-	-	-	12,744,113,408	12,744,113,408	
Total recognised income (expense) for the period	-	-	-	-	(614,023)	(80,155,893)	(1,437,480,010)	-	12,824,269,301	11,306,019,375	
Dividend paid	-	-	-	-	-	-	-	-	(6,798,638,531)	(6,798,638,531)	
Conversion of preferred shares to ordinary shares	(25,140,720)	25,140,720	(9,831,156)	9,831,156	-	-	-	-	-	-	
Balance at 30 June 2008	14,968,931,030	19,022,990,950	5,853,527,443	5,270,663,183	5,782,714,432	5,280,072,504	160,224,425	3,987,724,794	52,695,624,991	113,022,473,752	
Balance at 1 January 2009	9,163,075,920	24,828,846,060	3,583,176,130	7,541,014,496	5,770,828,192	5,199,916,611	2,955,166,342	5,062,683,827	60,455,872,166	124,560,579,744	
Revaluation surplus on premises appraisal increase (decrease)	-	-	-	-	-	(80,155,894)	-	-	80,155,894	-	
Revaluation surplus on investments decrease	-	-	-	-	-	-	(1,202,214,943)	-	-	(1,202,214,943)	
Income (expense) recognised directly in equity	-	-	-	-	-	(80,155,894)	(1,202,214,943)	-	80,155,894	(1,202,214,943)	
Net income	-	-	-	-	-	-	-	-	10,415,276,935	10,415,276,935	
Total recognised income (expense) for the period	-	-	-	-	-	(80,155,894)	(1,202,214,943)	-	10,495,432,829	9,213,061,992	
Dividend paid	-	-	-	-	-	-	-	-	(6,798,386,601)	(6,798,386,601)	
Conversion of preferred shares to ordinary shares	(1,180,052,180)	1,180,052,180	(461,453,647)	461,453,647	-	-	-	-	-	-	
Balance at 30 June 2009	7,983,023,740	26,008,898,240	3,121,722,483	8,002,468,143	5,770,828,192	5,119,760,717	1,752,951,399	5,062,683,827	64,152,918,394	126,975,255,135	

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 2009 and 2008

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	(in Baht)			
<i>Cash flows from operating activities</i>				
Income before income tax expense	14,492,959,790	17,442,080,216	13,828,349,715	17,031,648,986
<i>Adjustments for</i>				
Depreciation and amortisation	1,395,002,251	1,322,456,686	1,280,708,554	1,211,423,393
Bad debt and doubtful accounts	2,837,162,792	2,357,517,482	2,981,414,896	1,720,362,470
Loss on debt restructuring	18,585,104	79,637,530	18,585,104	79,637,530
Loss of impairment of assets	3,020	-	3,020	-
Reversal of impairment of properties foreclosed	(1,367,505)	-	(1,367,505)	-
Reversal of impairment of investments in securities	(135,827,862)	(592,838,390)	(432,981,365)	(832,359,904)
Gain on sales of investments	(658,215,859)	(384,707,088)	(661,036,359)	(460,748,699)
Loss on transferring investment portfolio	-	76,922,571	-	-
(Gain) loss on sales of premises and equipment	(10,083,145)	203,362	(301,884)	(447,217)
(Gain) loss on sales of properties foreclosed	121,873,573	(204,119,686)	(53,033,820)	(388,594,593)
Gain on exchanges	(1,976,930,200)	(1,975,327,764)	(1,974,075,833)	(1,973,847,344)
Unrealised loss on revaluation of securities	109,157,157	46,748,632	133,572,064	17,868,488
Derecognition of negative goodwill	-	(3,326,348)	-	-
Allowance for due from insurers	175,721,234	-	-	-
Prepaid interest amortisation	-	543,570,000	-	-
Increase (decrease) in other accrued expenses	(761,019,742)	165,577,650	(578,990,511)	495,269,890
Income from equity interest in associated companies	(286,861,204)	(392,706,392)	-	-
	15,320,159,404	18,481,688,461	14,540,846,076	16,900,213,000
Net interest and dividend income	(20,865,896,925)	(21,979,324,516)	(20,243,838,842)	(21,251,295,675)
Proceeds from interest and dividend	28,948,595,376	32,448,269,398	28,613,733,979	30,777,705,051
Interest paid	(8,598,951,872)	(9,351,970,144)	(8,384,580,268)	(8,458,814,025)
Income tax paid	(4,184,649,285)	(4,273,770,402)	(4,101,334,094)	(3,935,043,893)
Income from operations before changes in operating assets and liabilities	10,619,256,698	15,324,892,797	10,424,826,851	14,032,764,458
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	(92,585,632,912)	(2,840,538,303)	(92,750,721,681)	(2,227,465,527)
Investment in securities for trading	11,822,077,124	(7,865,097,612)	12,111,488,322	(7,667,590,542)
Loans and accrued interest receivables	7,303,167,415	(23,107,699,376)	14,040,430,102	(35,591,643,395)
Properties foreclosed	1,191,479,591	3,743,751,088	1,194,431,193	2,754,101,865
Other assets	17,956,879,408	(12,840,881,931)	17,282,208,496	(12,602,232,154)

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 2009 and 2008

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
<i>Increase (decrease) in operating liabilities</i>				
Deposits	66,932,792,489	24,070,861,370	61,759,527,367	23,773,672,458
Interbank and money market items	3,413,088,084	(10,608,442,182)	7,918,433,667	(11,403,765,012)
Liabilities payable on demand	1,751,207,305	2,381,837,596	1,683,927,798	2,378,411,513
Short-term borrowings	5,516,011,580	(8,467,568,189)	(7,858,488,420)	2,304,524,758
Other liabilities	(16,895,008,125)	21,564,040,023	(16,877,257,002)	22,328,750,886
Net cash provided by (used in) operating activities	17,025,318,657	1,355,155,281	8,928,806,693	(1,920,470,692)
<i>Cash flows from investing activities</i>				
Purchases of available-for-sale securities	(38,274,420,824)	(26,562,673,433)	(33,581,359,079)	(18,458,074,105)
Proceeds from sales of available-for-sale securities	21,324,697,185	13,696,777,987	16,328,100,665	5,223,108,865
Purchases of held-to-maturity securities	(6,682,583,343)	(2,135,867,330)	(6,736,387,294)	(1,640,842,239)
Proceeds from redemption of held-to-maturity securities	9,787,746,852	10,956,549,873	9,288,636,200	10,795,807,798
Purchases of general securities	-	(818,734)	-	(818,734)
Proceeds from sales of general securities	425,765,957	895,945,790	425,395,957	876,118,483
Purchases of investments in subsidiaries and/or associated companies	-	-	-	(1,263,990)
Proceeds from sales of investments in subsidiaries and/or associated companies	112,926,360	90,338,973	5,154,593,204	2,999,988,000
Purchases of premises and equipment	(552,906,889)	(782,117,829)	(501,684,697)	(745,466,417)
Proceeds from sales of premises and equipment	93,404,090	15,335,672	58,765,230	4,139,063
Net cash used in investing activities	(13,765,370,612)	(3,826,529,031)	(9,563,939,814)	(947,303,276)
<i>Cash flows from financing activities</i>				
Increase (decrease) in long-term borrowings	(3,693,453,034)	7,308,278,173	206,546,966	7,608,278,173
Dividend paid to equity holders of the bank	(6,798,386,601)	(6,798,638,531)	(6,798,386,601)	(6,798,638,531)
Dividend paid to minority interests	(1,904,630)	(106,104,352)	-	-
Net cash provided by (used in) financing activities	(10,493,744,265)	403,535,290	(6,591,839,635)	809,639,642
Decrease in foreign currency translation	(47,824,231)	(40,252,190)	-	-
Net decrease in cash and cash equivalents	(7,281,620,451)	(2,108,090,650)	(7,226,972,756)	(2,058,134,326)
Cash and cash equivalents at beginning of period	29,940,840,387	21,460,446,867	29,784,860,675	21,234,625,540
Cash and cash equivalents at end of period	22,659,219,936	19,352,356,217	22,557,887,919	19,176,491,214

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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Note	Contents	Pages
1	General information	15
2	Basis of preparation of the financial statements	15
3	Significant accounting policies	18
4	Information on balance sheet items	27
	4.1 Interbank and money market items (Assets)	27
	4.2 Investments	29
	4.3 Loans and accrued interest receivables	39
	4.4 Allowance for doubtful accounts	47
	4.5 Revaluation allowance for debt restructuring	48
	4.6 Classified assets	48
	4.7 Properties foreclosed	50
	4.8 Premises and equipment	52
	4.9 Assets pending transfer	54
	4.10 Other assets	54
	4.11 Deposits	54
	4.12 Interbank and money market items (Liabilities)	56
	4.13 Borrowings	57
	4.14 Liabilities pending transfer	58
	4.15 Provisions	58
	4.16 Other liabilities	58
	4.17 Preferred shares	59
	4.18 Legal reserve	59
	4.19 Dividends	59
	4.20 Contingencies	60
5	Information on statement of income items	62
	5.1 Interest and dividend income	62
	5.2 Bad debt and doubtful accounts	62
	5.3 Loss on debt restructuring	63
	5.4 Gain on investments	63
	5.5 Directors and executives' benefits	63
	5.6 Earnings per share	64
6	Supplementary disclosures required by accounting standards and regulators	66
	6.1 Capital funds	66
	6.2 The financial sector master plan	67
	6.3 Related-party transactions	67
	6.4 Disclosure of the statements of cash flows of the asset management company	75
	6.5 Long-term leases and service agreements	76
	6.6 Segment reporting	77
	6.7 Disclosure of financial instruments	79
	6.8 Events after the balance sheet date	92
	6.9 Thai Accounting Standards (TAS) not yet adopted	92
	6.10 Reclassification of accounts	92

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 20 August 2009.

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.

2 Basis of preparation of the financial statements

2.1 Basis of preparation of the financial statements

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

The consolidated and separate financial statements for the six-month periods ended 30 June 2009 and 2008 and the consolidated and separate balance sheet as at 31 December 2008, presented herein for comparison, which have been derived from the consolidated and separate financial statements for the year ended 31 December 2008 are prepared in accordance with Thai Accounting Standard including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand and presented as prescribed by the Bank of Thailand (“The BoT”)’s directive number Sor Nor Sor 70/2551 dated 3 August 2008, 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”.

The consolidated and separate statements of income for the three-month periods ended 30 June 2009 and 2008 are prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting* (formerly TAS 41).

The interim financial statements are presented in Thai Baht, rounded to the nearest million unless otherwise stated.

On 15 May 2009, the FAP has made the announcement No. 12/2009 to renumber Thai Accounting Standards (TAS) to be the same as International Accounting Standards (IAS).

The Bank and its subsidiaries have adopted the following revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) and new accounting guidelines which were issued by the FAP and were effective for annual accounting periods beginning on or after 1 January 2009.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) *Impairment of Assets* (formerly TAS 36)

TFRS 5 (revised 2007) *Non-current Assets Held for Sale and Discontinued Operations*
(formerly TAS 54)

Accounting Guideline on Accounting Record for Leasehold Right

Accounting Guideline on Business Combinations Involving Entities under Common Control

The adoption of these revised TAS and TFRS, including new accounting guideline does not have any material impact on the consolidated or separate financial statements.

Furthermore, the FAP has made the announcement No. 16/2009 to issue new TAS which are not yet effective in the preparation of these financial statements. These new and revised TAS are disclosed in note 6.9.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2009 are consistent with those applied in the financial statements for the year ended 31 December 2008.

2.2 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. Significant related party transactions and balances have been eliminated. The subsidiaries are as follows:

	% shareholding of the Bank		
	30 June 2009	31 December 2008	30 June 2008
1. Chatuchak Asset Management Co., Ltd.*	100.0	100.0	100.0
2. Rutchayothin Assets Management Co., Ltd.**	100.0	100.0	-
3. Cambodian Commercial Bank Ltd.	100.0	100.0	100.0
4. SCB Securities Co., Ltd.	100.0	100.0	100.0
5. The Siam Commercial Samaggi Insurance PCL	59.1	59.1	59.1
6. SCB Training Centre Co., Ltd.	100.0	100.0	100.0
7. Siam Pitiwat Co., Ltd.	99.9	99.9	99.9
8. Mahisorn Co., Ltd.	100.0	100.0	100.0
9. Astrakhan Investment Limited	99.9	99.9	99.9
10. SCB Asset Management Co., Ltd.	100.0	100.0	100.0
11. SCB Capital Service Co., Ltd.	100.0	100.0	100.0
12. SCB Quant Asset Management Co., Ltd.***	-	-	100.0
13. Ratchayothin Capital Service Co., Ltd.****	-	-	100.0
14. Siam Commercial Leasing PCL	99.1	99.1	99.1
15. Siam Panich SPV1 Company Limited	99.1	99.1	99.1
16. Siam Niti Law Office Company Limited	100.0	100.0	100.0

* Discontinued operations or in the process of dissolution

** Newly established in 2008

*** Sold in 2008

**** Liquidation and cessation in 2008

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

All subsidiaries were registered and operate in Thailand except Cambodian Commercial Bank Ltd., which was registered and operates in Cambodia, and Astrakhan Investment Limited which was registered and operates in Hong Kong.

The consolidated financial statements for the six-month periods ended 30 June 2009 and 2008 and for the year ended 31 December 2008 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		For the year ended
		ended 30 June	ended 30 June	31 December
		2009	2008	2008
Companies which are owned through debt restructuring				
1.	Manasika Co., Ltd.	100.0	100.0	100.0
2.	Phoenix Land Development Co., Ltd.	97.6	97.6	97.6
		% of the paid-up share capital		
		For the six-month periods		For the year ended
		ended 30 June	ended 30 June	31 December
		2009	2008	2008
Companies which the Bank has significant control and are in the process of dissolutions				
1.	Siam Commercial Development Co., Ltd.	10.0	10.0	10.0
2.	Thai Manpower Development Co., Ltd.	10.0	10.0	10.0

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

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgments, estimates and assumptions are based on historical experience and various other factors, including management’s assessment of the potential impact on the Bank and subsidiaries’ operations and financial impact of the global economic crisis. Actual results may differ from these estimates.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Note	4.2	Investments
	4.4	Allowance for doubtful accounts
	4.5	Revaluation allowance for debt restructuring
	4.7	Properties foreclosed
	4.8	Premises and equipment
	4.13	Borrowings
	4.15	Provisions
	4.16	Other liabilities
	4.20	Contingencies
	5.2	Bad debt and doubtful accounts
	5.3	Loss on debt restructuring
	6.7	Disclosure of financial instruments

3 Significant accounting policies

3.1 Cash and cash equivalents

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

3.2 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 balance sheet as either short-term investments, long-term investments or investments in subsidiaries and associated companies. Short-term investments are those investments that the Bank intends to hold for less than 1 year. Long-term investments are those investments that the Bank intends to hold for more than 1 year.

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 carried at fair value. Changes in fair value are recognised in the statement of income as either non-interest income or expense. 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 carried at fair value, with the valuation surplus or deficit on investments presented as a separate 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 for which the Bank has both the intention and ability to hold until maturity are classified as held-to-maturity securities. Such securities are carried at amortised cost, net of allowances for impairment, 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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Equity securities which are not readily marketable securities and are not subsidiaries and associated companies are classified as general investments and are carried at the historical cost, net of allowances for impairment, if any.

Investments in subsidiaries and associated companies in the separate financial statements are accounted for by the cost method net of allowances for impairment, if any.

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

According to the announcement of Federation of Accounting Professions No. 27/2550 regarding “The Provision to Apply Thai Accounting Standards No.44 and 45”, investments in subsidiaries and associated companies acquired from troubled debt restructuring and for which the Bank has received the permission from the Bank of Thailand to hold shares exceeding the regulation are included in general investment and available-for-sale securities are not required to be either accounted for by the equity method or to consolidated.

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

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 non-interest expense in the statement of income, when impairment in value of investment has occurred.

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

3.3 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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

3.4 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 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 use 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. Restructuring loans which were previously classified as doubtful and doubtful loss are upgraded to substandard. Restructuring 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 the statement of income. Bad debts recovery is recorded as income and is presented net of bad debt and doubtful accounts expense in the statement of income.

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.

3.5 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 the statements of income.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

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. Losses from such debt restructuring are recognised in the statement of income.

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 investment in the receivable plus the non-accrued interest income to which the Bank has the ultimate legal right, in accordance with the TAS 34 *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.

3.6 Properties foreclosed

Properties foreclosed consist of immovable and movable properties which are carried at the lower of investment in the loan or fair value of the property as at the period end. Should the carrying value of a property foreclosed become impaired, an allowance for impairment will be recorded in accordance with TAS 36 (revised 2007) *Impairment of Assets* (formerly TAS 36).

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

3.7 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. 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 revaluation surplus on land appraisal and revaluation surplus on premises appraisal 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 the statement of income.

Equipment is presented at cost net of accumulated depreciation.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of assets. The estimated useful lives are as follows:

Premises	15-50 years
Equipment	5 years

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

3.8 Other assets

Software licenses are presented at cost net of accumulated amortisation which amortisation is recognised in the statement of income on a straight-line basis over the estimated useful lives of 5 - 10 years.

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

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Negative goodwill arising on acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition.

For the financial statements whose period begin after 1 January 2008, goodwill and negative goodwill, carried in the financial statements that arose from a business combination for which the agreement date was before 1 January 2008, are stated at cost less accumulated amortisation as of 31 December 2007 and impairment losses. Goodwill arising from a business combination for which the agreement date begins on or after 1 January 2008, are stated at cost less accumulated impairment losses. Negative goodwill is recognised as income in the statement of income in the year of the business combination.

3.9 Provident fund

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.

3.10 Provision for retirement benefits

Under the labor laws and the Bank's employment policy, all employees who have been with the Bank for over 8 years are entitled to severance pay upon retirement at the age of 60.

The Bank's net obligation in respect of defined retirement plan is determined by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The discount rate is determined by reference to market yields on Government bonds. The provision for retirement benefit is calculated by using The Projected Unit Credit Method.

3.11 Provisions

A provision is recognised in the balance sheet when the Bank has a present legal or constructive obligation as a result of a past event, and it 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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

3.12 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 balance sheet 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.

3.13 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 guideline of the Bank of Thailand.

3.14 Dividend income

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

3.15 Non-interest income

Non-interest income is recognised on an accrual basis.

3.16 Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recorded as expenses on an accrual basis.

3.17 Income tax

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

3.18 Earnings per share

The basic earnings per share are calculated by dividing the net income for the three-month and six-month periods, adjusted by dividend on convertible preferred shares, by the weighted average number of ordinary shares outstanding during the period. The diluted earnings per share are calculated from net income for the three-month and six-month periods adjusted by dividend on convertible preferred shares, divided by the weighted average number of ordinary shares, on the assumption that conversion of all ordinary share equivalents have been made at the beginning of the period. Ordinary share equivalents consist of convertible preferred shares.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

3.19 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 end of the period are converted into Baht at the reference BoT exchange rates at the end of the period.

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

Exchange rate differences arising on the translation of the financial statements of foreign subsidiaries and foreign branches are presented as “Foreign currency translation” under the equity in the balance sheet.

3.20 Derivatives

Recognition of derivatives is as follows:

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

3.21 Significant accounting policies of insurance subsidiary

3.21.1 Recognition of insurance and reinsurance premium

Premium income is recognised on the date the relevant insurance policy comes into effect, after deducting premium ceded and cancelled. Reinsurance premium income is recognised when the reinsurer places the reinsurance application or statement of accounts.

3.21.2 Unearned premium reserve

Unearned premium reserve is provided for in compliance with the methodology as specified in the Insurance Act B.E. 2535 (1992) as follows:

Fire, motor and miscellaneous	- Monthly average basis (the one-twenty fourth method)
Marine	- Premium written for the last three months
Travel accident	- Premium written for the last one month

3.21.3 Loss reserve and outstanding claims

Outstanding claims are provided whenever claims have been submitted at a sum as advised by the insurer. Loss reserve is provided based on estimates made by the subsidiary’s management.

Claim liabilities incurred but not reported are provided at 2.5% of retrospective 12 months net premium.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

3.22 Significant accounting policies of leasing subsidiary

3.22.1 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.

Lease contracts are accounted for by financing lease basis. Finance income from lease contracts is recognised on the effective interest method over the period of the contracts.

3.22.2 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.

3.22.3 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 separately presented in the balance sheet.

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 than beneficial interests in the transferred assets are received in exchange.

Servicing assets and other retained 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.

3.22.4 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 Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

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 Bank of Thailand.

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 Bank of Thailand guidelines. Each loan category is subject to different levels of provisioning based on percentages established by the Bank of Thailand 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

For factoring accounts receivable, the amounts that the subsidiary uses for calculating the allowance for doubtful accounts are net of suspense account.

Allowance for doubtful accounts is recognised by deducting from Deferred Purchase Price Receivable. The allowance amount over the Deferred Purchase Price Receivable is recognised as expense in the statement of income.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4 Information on balance sheet items

4.1 Interbank and money market items (Assets)

As at 30 June 2009 and 31 December 2008, interbank and money market items (Assets) are as follows:

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	12,982	137,800	150,782	9,888	44,471	54,359
Commercial banks	536	6,702	7,238	899	5,158	6,057
Other banks	296	250	546	-	-	-
Finance companies, securities companies and credit foncier companies	-	502	502	-	170	170
Other financial institutions	-	3,996	3,996	-	5,497	5,497
Total	13,814	149,250	163,064	10,787	55,296	66,083
<i>Add</i> accrued interest receivables	-	43	43	-	61	61
<i>Less</i> allowance for doubtful accounts	-	(2,035)	(2,035)	-	(585)	(585)
Total domestic items	13,814	147,258	161,072	10,787	54,772	65,559
Foreign items:						
US Dollars	3,102	11,803	14,905	4,416	15,263	19,679
Japanese YEN	229	-	229	323	-	323
Other currencies	1,160	1,379	2,539	1,974	94	2,068
Total	4,491	13,182	17,673	6,713	15,357	22,070
<i>Add</i> accrued interest receivables	-	94	94	-	94	94
<i>Less</i> allowance for doubtful accounts	-	(16)	(16)	-	(16)	(16)
Total foreign items	4,491	13,260	17,751	6,713	15,435	22,148
Total domestic and foreign items	18,305	160,518	178,823	17,500	70,207	87,707

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements					
	30 June 2009			31 December 2008		
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	12,980	137,800	150,780	9,887	44,471	54,358
Commercial banks	536	6,702	7,238	626	4,848	5,474
Finance companies, securities companies and credit foncier companies	-	502	502	-	-	-
Other financial institutions	-	3,996	3,996	-	5,477	5,477
Total	13,516	149,000	162,516	10,513	54,796	65,309
Add accrued interest receivables	-	25	25	-	44	44
Less allowance for doubtful accounts	-	(2,035)	(2,035)	-	(585)	(585)
Total domestic items	13,516	146,990	160,506	10,513	54,255	64,768
Foreign items:						
US Dollar	2,530	9,070	11,600	3,394	13,050	16,444
Japanese YEN	229	-	229	323	-	323
Other currencies	1,131	1,379	2,510	1,936	92	2,028
Total	3,890	10,449	14,339	5,653	13,142	18,795
Add accrued interest receivables	-	94	94	-	93	93
Less allowance for doubtful accounts	-	(16)	(16)	-	(16)	(16)
Total foreign items	3,890	10,527	14,417	5,653	13,219	18,872
Total domestic and foreign items	17,406	157,517	174,923	16,166	67,474	83,640

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.2 Investments

4.2.1 Classification of investments in securities

As at 30 June 2009 and 31 December 2008, the Bank and its subsidiaries classify their investments in securities as follows:

	Consolidated financial statements			
	30 June 2009		31 December 2008	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in million Baht)</i>			
Short-term investments				
Securities for trading				
Government and state enterprise securities	14,060	14,059	26,041	26,144
Corporate debt securities	27	27	504	532
Foreign debt securities	459	457	-	-
Domestic equity securities	32	22	117	83
Other securities	404	405	41	41
Total	14,982	14,970	26,703	26,800
Add (less) allowance for revaluation of investments	(12)	-	97	-
Total	14,970	14,970	26,800	26,800
Available-for-sale securities				
Government and state enterprise securities	2,932	2,958	1,602	1,612
Corporate debt securities	283	283	514	516
Foreign debt securities	2,388	2,382	7,663	7,686
Other securities	-	-	60	60
Total	5,603	5,623	9,839	9,874
Add allowance for revaluation of investments	20	-	35	-
Total	5,623	5,623	9,874	9,874
Held-to-maturity securities				
Government and state enterprise securities	9,142	9,310	13,272	13,380
Corporate debt securities	46	46	1,714	1,394
Foreign debt securities	85	85	-	-
Total	9,273	9,441	14,986	14,774
Less allowance for impairment of investments	-	-	(320)	-
Total	9,273	9,441	14,666	14,774
Total short-term investments, net	29,866	30,034	51,340	51,448

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Consolidated financial statements			
	30 June 2009		31 December 2008	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in million Baht)</i>			
Long-term investments				
Available-for-sale securities				
Government and state enterprise securities	62,192	62,406	40,307	42,900
Corporate debt securities	1,166	1,118	198	146
Foreign debt securities	75	74	-	-
Domestic equity securities	12,330	12,879	12,132	11,622
Other securities	1,572	1,435	2,076	1,798
Total	77,335	77,912	54,713	56,466
Add allowance for revaluation of investments	1,028	-	2,204	-
Less allowance for impairment of investments	(451)	-	(451)	-
Total	77,912	77,912	56,466	56,466
Held-to-maturity securities				
Government and state enterprise securities	41,940	42,187	39,744	41,988
Corporate debt securities	1,027	1,028	1,118	1,160
Foreign debt securities	1,968	1,968	2,605	2,605
Other debt securities	111	111	-	-
Total	45,046	45,294	43,467	45,753
Less allowance for impairment of investments	(1,005)	-	(784)	-
Total	44,041	45,294	42,683	45,753
General investments				
Domestic non-marketable equity securities	1,597	1,814	1,734	1,994
Foreign non-marketable equity securities	15	333	15	342
Total	1,612	2,147	1,749	2,336
Less allowance for impairment of investments	(1,250)	-	(1,252)	-
Total	362	2,147	497	2,336
Total long-term investments, net	122,315	125,353	99,646	104,555

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements			
	30 June 2009		31 December 2008	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in million Baht)</i>			
Short-term investments				
Securities for trading				
Government and state enterprise securities	14,060	14,059	26,041	26,144
Corporate debt securities	27	27	504	532
Foreign debt securities	459	457	-	-
Total	<u>14,546</u>	<u>14,543</u>	<u>26,545</u>	<u>26,676</u>
Add (less) allowance for revaluation of investments	(3)	-	131	-
Total	<u>14,543</u>	<u>14,543</u>	<u>26,676</u>	<u>26,676</u>
Available-for-sale securities				
Government and state enterprise securities	2,542	2,568	786	795
Corporate debt securities	203	203	228	229
Foreign debt securities	2,388	2,382	7,663	7,686
Total	<u>5,133</u>	<u>5,153</u>	<u>8,677</u>	<u>8,710</u>
Add allowance for revaluation of investments	20	-	33	-
Total	<u>5,153</u>	<u>5,153</u>	<u>8,710</u>	<u>8,710</u>
Held-to-maturity securities				
Government and state enterprise securities	9,082	9,250	12,731	12,839
Corporate debt securities	-	-	1,678	1,358
Foreign debt securities	85	85	-	-
Total	<u>9,167</u>	<u>9,335</u>	<u>14,409</u>	<u>14,197</u>
Less allowance for impairment of investments	-	-	(320)	-
Total	<u>9,167</u>	<u>9,335</u>	<u>14,089</u>	<u>14,197</u>
Total short-term investments, net	<u>28,863</u>	<u>29,031</u>	<u>49,475</u>	<u>49,583</u>
Long-term investments				
Available-for-sale securities				
Government and state enterprise securities	62,192	62,406	40,307	42,900
Corporate debt securities	1,088	1,038	143	92
Foreign debt securities	75	74	-	-
Domestic equity securities	12,003	12,621	12,003	11,493
Other securities	902	781	1,572	1,389
Total	<u>76,260</u>	<u>76,920</u>	<u>54,025</u>	<u>55,874</u>
Add allowance for revaluation of investments	1,111	-	2,300	-
Less allowance for impairment of investments	(451)	-	(451)	-
Total	<u>76,920</u>	<u>76,920</u>	<u>55,874</u>	<u>55,874</u>
Held-to-maturity securities				
Government and state enterprise securities	41,133	41,380	38,937	41,181
Corporate debt securities	2,286	2,210	2,295	2,337
Foreign debt securities	1,968	1,968	2,605	2,605
Other debt securities	111	111	-	-
Total	<u>45,498</u>	<u>45,669</u>	<u>43,837</u>	<u>46,123</u>
Less allowance for impairment of investments	(758)	-	(758)	-
Total	<u>44,740</u>	<u>45,669</u>	<u>43,079</u>	<u>46,123</u>
General investments				
Domestic non-marketable equity securities	1,610	1,852	1,747	2,032
Foreign non-marketable equity securities	15	333	15	342
Total	<u>1,625</u>	<u>2,185</u>	<u>1,762</u>	<u>2,374</u>
Less allowance for impairment of investments	(1,225)	-	(1,227)	-
Total	<u>400</u>	<u>2,185</u>	<u>535</u>	<u>2,374</u>
Total long-term investments, net	<u>122,060</u>	<u>124,774</u>	<u>99,488</u>	<u>104,371</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2009

For the three-month period ended 30 June 2009 (Unaudited)

As at 30 June 2009, 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 debt securities of Baht 5,942 million in the consolidated financial statements and of Baht 5,798 million in the separate financial statements (31 December 2008: Baht 6,289 million and Baht 5,924 million, respectively) (see Note 4.3.9).

As at 30 June 2009, the Bank has government bonds which are classified as held-to-maturity securities, of Baht 25 million which are pledged with the court against a lawsuit. (31 December 2008: Baht 24 million)

As at 30 June 2009, a subsidiary pledged debt securities, which are classified as held-to-maturity securities, amounting to Baht 14 million with a government agency (31 December 2008: Baht 14 million).

4.2.2 Time to maturity of debt securities

Time to maturity of the Bank and its subsidiaries' investment in debt securities classified as available-for-sale securities and held-to-maturity securities as at 30 June 2009 and 31 December 2008 are presented below. Expected maturity may differ from contractual maturity due to some borrowers having the right to call or prepay obligations with or without prepayment penalties.

	Consolidated financial statements							
	30 June 2009				31 December 2008			
	Maturity schedule of securities				Maturity schedule of securities			
	1 year	Over 1 to 5 years	Over 5 years	Total	1 year	Over 1 to 5 years	Over 5 years	Total
	<i>(in million Baht)</i>							
Available-for-sale securities								
Government and state enterprise securities	2,932	50,212	11,980	65,124	1,602	29,283	11,024	41,909
Corporate debt securities	283	1,166	-	1,449	514	198	-	712
Foreign debt securities	2,388	75	-	2,463	7,663	-	-	7,663
Other securities	-	-	433	433	60	-	1,104	1,164
Total	5,603	51,453	12,413	69,469	9,839	29,481	12,128	51,448
Add allowance for revaluation of investments	20	146	69	235	35	933	1,659	2,627
Less allowance for impairment of investments	-	-	(150)	(150)	-	-	(51)	(51)
Total	5,623	51,599	12,332	69,554	9,874	30,414	13,736	54,024
Held-to-maturity securities								
Government and state enterprise securities	9,142	25,152	16,788	51,082	13,272	24,441	15,303	53,016
Corporate debt securities	46	977	50	1,073	1,714	1,068	50	2,832
Foreign debt securities	85	1,701	267	2,053	-	2,605	-	2,605
Other debt securities	-	111	-	111	-	-	-	-
Total	9,273	27,941	17,105	54,319	14,986	28,114	15,353	58,453
Less allowance for impairment of investments	-	(982)	(23)	(1,005)	(320)	(761)	(23)	(1,104)
Total	9,273	26,959	17,082	53,314	14,666	27,353	15,330	57,349
Total debt securities	14,896	78,558	29,414	122,868	24,540	57,767	29,066	111,373

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements							
	30 June 2009				31 December 2008			
	Maturity schedule of securities				Maturity schedule of securities			
	1 year	Over 1 to 5 years	Over 5 years	Total	1 year	Over 1 to 5 years	Over 5 years	Total
	<i>(in million Baht)</i>							
Available-for-sale securities								
Government and state enterprise securities	2,542	50,212	11,980	64,734	786	29,283	11,024	41,093
Corporate debt securities	203	1,088	-	1,291	228	143	-	371
Foreign debt securities	2,388	75	-	2,463	7,663	-	-	7,663
Other securities	-	-	433	433	-	-	1,104	1,104
Total	5,133	51,375	12,413	68,921	8,677	29,426	12,128	50,231
Add allowance for revaluation of investments	20	145	69	234	33	934	1,659	2,626
Less allowance for impairment of investments	-	-	(150)	(150)	-	-	(51)	(51)
Total	5,153	51,520	12,332	69,005	8,710	30,360	13,736	52,806
Held-to-maturity securities								
Government and state enterprise securities	9,082	24,562	16,571	50,215	12,731	23,935	15,002	51,668
Corporate debt securities	-	2,286	-	2,286	1,678	2,295	-	3,973
Foreign debt securities	85	1,701	267	2,053	-	2,605	-	2,605
Other debt securities	-	111	-	111	-	-	-	-
Total	9,167	28,660	16,838	54,665	14,409	28,835	15,002	58,246
Less allowance for impairment of investments	-	(758)	-	(758)	(320)	(758)	-	(1,078)
Total	9,167	27,902	16,838	53,907	14,089	28,077	15,002	57,168
Total debt securities	14,320	79,422	29,170	122,912	22,799	58,437	28,738	109,974

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

As at 30 June 2009 and 31 December 2008, unrealised gain (loss) on available-for-sale securities and held-to-maturity securities is as follows:

Type of securities	Consolidated financial statements							
	30 June 2009				31 December 2008			
	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*	82,487	2,388	(1,340)	83,535	64,101	3,429	(1,190)	66,340
Held-to-maturity securities	54,319	1,078	(662)	54,735	57,349	3,455	(277)	60,527
Total	136,806	3,466	(2,002)	138,270	121,450	6,884	(1,467)	126,867

* Net of allowance for impairment

Type of securities	Separate financial statements							
	30 June 2009				31 December 2008			
	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*	80,942	2,383	(1,252)	82,073	62,251	3,423	(1,090)	64,584
Held-to-maturity securities	54,665	1,078	(739)	55,004	57,168	3,455	(303)	60,320
Total	135,607	3,461	(1,991)	137,077	119,419	6,878	(1,393)	124,904

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.2.4 Investments in companies with holding of 10% and upwards

As at 30 June 2009 and 31 December 2008, 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 financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
			<i>(in million Baht)</i>		
Mutual fund and financial service	4 - 6	10,778	10,242	10,775	10,239
Manufacturing	1	-	-	-	-
Others	12 - 15	193	328	191	326
		10,971	10,570	10,966	10,565

4.2.5 Investments in companies with problems in their financial positions

As at 30 June 2009 and 31 December 2008, 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	Consolidated financial statements					
		30 June 2009			31 December 2008		
		Cost	Market value	Amount of provision	Cost	Market value	Amount of provision
			<i>(in million Baht)</i>				
Finance companies ordered closed							
Common shares	2	1	-	1	1	-	1
Bonds	2	-	-	-	-	-	-
Listed companies identified for delisting							
Common shares	2-3	14	-	14	14	-	14
Bonds	3	54	-	54	54	-	54
Non-listed companies whose operating results in line with the listed companies identified for delisting and having going concern issue							
Common shares/Preferred shares	16-19	590	3	586	590	3	586

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Number of companies	Separate financial statements					
		30 June 2009			31 December 2008		
		Cost	Market value	Amount of provision	Cost	Market value	Amount of provision
<i>(in million Baht)</i>							
Listed companies identified for delisting							
Common shares	2	14	-	14	14	-	14
Bonds	2	50	-	50	50	-	50
Non-listed companies whose operating results in line with the listed companies identified for delisting and having going concern issue							
Common shares/Preferred shares	14-17	565	3	561	565	3	561

4.2.6 Investments in subsidiaries and associated companies

As at 30 June 2009 and 31 December 2008, the Bank and its subsidiaries have investments in subsidiaries and associated companies as follows:

	Type of business	Type of share	Consolidated financial statements					
			Direct and indirect shareholding		Investment value			
			30 June 2009		Cost method		Equity method	
			31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	
			(%)		<i>(in million Baht)</i>			
Associated companies								
Finance & Insurance								
VinaSiam Bank (Vietnam)	Banking	Ordinary	33.0	33.0	697	697	745	741
The Siam Industrial Credit PCL and affiliates	Finance	Ordinary	38.6	38.6	1,250	1,250	1,442	1,532
Siam Commercial New York Life Insurance PCL	Life insurance	Ordinary	47.3	47.3	633	633	2,043	1,764
SCB Leasing PCL	Leasing, hire-purchase and factoring	Ordinary	44.3	44.3	45	45	150	146
Services								
Siam Children Care Co., Ltd.*	Nursery	Ordinary	30.0	30.0	-	2	(1)	-
Others								
Saturn Inc. (Cayman Islands)**	Holding	Ordinary	-	39.8	-	16	-	28
Nobleclear Holding (BVI) Ltd. (Germany)*	Holding	Ordinary	46.9	46.9	-	-	-	-
Total investments in associated companies, net					2,625	2,643	4,379	4,211

* Discontinued operations or in the process of dissolution

** Sold during the six-month period ended 30 June 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Type of business	Type of share	Separate financial statements			
			Direct and indirect shareholding		Investment value	
			30 June 2009	31 December 2008	Cost method	
			(%)		30 June 2009	31 December 2008
Subsidiaries						
Finance & Insurance						
Cambodian Commercial Bank Ltd. (Cambodia)	Banking	Ordinary	100.0	100.0	634	634
Chatuchak Asset Management Co., Ltd.*	Asset management	Ordinary	100.0	100.0	850	6,000
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.	Fund management	Ordinary	100.0	100.0	221	221
The Siam Commercial Samaggi Insurance PCL	Insurance	Ordinary	59.1	59.1	546	546
Siam Commercial Leasing PCL and affiliate	Leasing, hire-purchase and factoring	Ordinary	99.1	99.1	10,719	10,719
Services						
SCB Training Centre Co., Ltd.	Service	Ordinary	100.0	100.0	390	390
Siam Pitiwat Co., Ltd.	Service	Ordinary	99.9	99.9	10	10
SCB Capital Service Co., Ltd.	Asset management	Ordinary	100.0	100.0	88	88
Siam Niti Law Office Co., Ltd.	Legal consultant	Ordinary	100.0	100.0	16	16
Real estate						
Mahisorn Co., Ltd.	Real estate	Ordinary	100.0	100.0	2,142	2,142
Others						
Astrakhan Investment Limited (Hong Kong)	Holding	Ordinary	99.9	99.9	2	2
Associated companies						
Finance & Insurance						
VinaSiam Bank (Vietnam)	Banking	Ordinary	33.0	33.0	697	697
The Siam Industrial Credit PCL and affiliates	Finance	Ordinary	38.6	38.6	1,250	1,250
Siam Commercial New York Life Insurance PCL	Life insurance	Ordinary	47.3	47.3	633	633
SCB Leasing PCL	Leasing, hire-purchase and Factoring	Ordinary	44.3	44.3	40	40
Services						
Siam Children Care Co., Ltd.*	Nursery	Ordinary	30.0	30.0	-	-
Others						
Saturn Inc. (Cayman Islands) ***	Holding	Ordinary	-	39.8	-	14
Nobleclear Holding (BVI) Ltd. (Germany)*	Holding	Ordinary	46.9	46.9	-	-
Total					20,370	25,534
Less allowance for impairment of investments					(2,026)	(2,103)
Total investments in subsidiaries and associated companies, net					18,344	23,431

* Discontinued operations or in the process of dissolution

** Newly established in 2008

*** Sold during the six-month period ended 30 June 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Summaries of financial information of associated companies are as follows:

	30 June 2009 (Unaudited)			31 December 2008 (Audited)		
	Total assets	Total liabilities	Equity <i>(in million Baht)</i>	Total assets	Total liabilities	Equity
Finance & Insurance	77,846	67,832	10,014	73,414	65,124	8,290
Others	-	-	-	17	-	17
	77,846	67,832	10,014	73,431	65,124	8,307

	For the six-month periods ended 30 June					
	2009 (Unaudited)			2008 (Unaudited)		
	Revenue	Expenses	Net income	Revenue	Expenses	Net income
Finance & Insurance	11,821	11,032	789	9,863	9,084	779
Real estate	-	-	-	2,546	2,442	104
Others	-	-	-	4	-	4
	11,821	11,032	789	12,413	11,526	887

As at 30 June 2009 and 31 December 2008, 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:

	Share holding (%)	30 June 2009 (Unaudited)		Equity
		Total assets	Total liabilities <i>(in million Baht)</i>	
General investments				
Manasika Co., Ltd.	100.0	120	-	120
Phoenix Land Development Co., Ltd.	97.6	177	192	(15)
Thai Mercantile Marine Co., Ltd.**	-	-	-	-
Siam Media and Communication Co., Ltd.*	33.3	-	-	-
Nava 84 Co., Ltd.**	-	-	-	-
WTA (Thailand) Co., Ltd.	25.0	-	-	-
Available-for-sale investments				
Premier Enterprise PCL	20.0	1,311	1,084	227

* Discontinued operations or in the process of dissolution

** Sold during the six-month period ended 30 June 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Share holding (%)	31 December 2008 (Audited)		Equity
		Total assets	Total liabilities (in million Baht)	
General investments				
Manasika Co., Ltd.	100.0	120	-	120
Phoenix Land Development Co., Ltd.	97.6	156	185	(29)
Thai Mercantile Marine Co., Ltd.	41.1	15	154	(139)
Siam Media and Communication Co., Ltd.*	33.3	-	-	-
Nava 84 Co., Ltd.	25.0	1,213	-	1,213
WTA (Thailand) Co., Ltd.	25.0	-	-	-
Available-for-sale investments				
Premier Enterprise PCL	20.0	1,074	843	231

* Discontinued operations or in the process of dissolution

	For the six-month periods ended 30 June					
	2009 (Unaudited)			2008 (Unaudited)		
	Revenue	Expenses	Net income (loss)	Revenue	Expenses	Net income (loss)
General investments						
Manasika Co., Ltd.	-	-	-	-	-	-
Phoenix Land Development Co., Ltd.	7	1	6	17	-	17
Mahachai Land Development Co., Ltd.*	-	-	-	93	58	35
Thai Mercantile Marine Co., Ltd.***	-	-	-	-	1	(1)
Siam Media and Communication Co., Ltd.**	-	-	-	-	-	-
Nava 84 Co., Ltd.***	-	-	-	-	-	-
WTA (Thailand) Co., Ltd.	-	-	-	-	-	-
Available-for-sale investments						
Premier Enterprise PCL	243	255	(12)	347	219	128

* Sold in 2008

** Discontinued operations or in the process of dissolution

*** Sold during the six-month period ended 30 June 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.3 Loans and accrued interest receivables

4.3.1 Classified by product as at 30 June 2009 and 31 December 2008

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Overdrafts	54,280	57,160	53,888	56,722
Loans	705,981	692,942	726,107	732,433
Bills	56,079	68,217	55,921	68,012
Hire-purchase	65,017	71,071	17,465	11,407
Financial lease	1,001	1,301	-	-
Others	24,431	26,229	22,642	24,276
Total	906,789	916,920	876,023	892,850
Add accrued interest receivables	1,669	2,271	1,645	2,712
Less allowance for doubtful accounts	(41,068)	(41,038)	(38,251)	(38,034)
revaluation allowance for debt restructuring	(779)	(673)	(779)	(673)
Total	866,611	877,480	838,638	856,855

4.3.2 Classified by time to maturity as at 30 June 2009 and 31 December 2008

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Within 1 year*	373,559	384,700	393,192	424,103
Over 1 year	533,230	532,220	482,831	468,747
Accrued interest receivables	1,669	2,271	1,645	2,712
Total	908,458	919,191	877,668	895,562

- Including loans without contracts and past-due

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.3.3 Classified by currency and residence of customers as at 30 June 2009 and 31 December 2008

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	879,597	-	879,597	880,305	-	880,305
US Dollar	13,531	13,098	26,629	16,193	13,967	30,160
Other currencies	563	-	563	6,455	-	6,455
Accrued interest receivables			1,669			2,271
Total			908,458			919,191

	Separate financial statements					
	30 June 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	850,347	-	850,347	857,971	-	857,971
US Dollar	13,531	11,582	25,113	16,193	12,231	28,424
Other currencies	563	-	563	6,455	-	6,455
Accrued interest receivables			1,645			2,712
Total			877,668			895,562

4.3.4 Classified by business type and loan classification as at 30 June 2009 and 31 December 2008

	Consolidated financial statements											
	30 June 2009						31 December 2008					
	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	12,268	122	18	14	766	13,188	13,057	72	148	42	774	14,093
Manufacturing and commercial	299,804	8,952	2,683	2,841	18,007	332,287	310,108	10,274	2,992	4,503	17,408	345,285
Real estate and construction	68,681	2,657	1,301	80	3,247	75,966	72,918	2,415	165	155	3,574	79,227
Utilities and services	108,532	4,094	353	540	3,263	116,782	99,320	2,855	1,104	433	3,129	106,841
Housing loans	223,683	6,547	1,865	1,727	7,672	241,494	217,861	7,133	1,816	1,351	7,339	235,500
Others	115,488	6,629	1,673	927	2,355	127,072	123,594	7,245	2,054	1,232	1,849	135,974
Total	828,456	29,001	7,893	6,129	35,310	906,789	836,858	29,994	8,279	7,716	34,073	916,920
Accrued interest receivables	1,559	63	44	2	1	1,669	2,098	87	25	5	56	2,271
Total	830,015	29,064	7,937	6,131	35,311	908,458	838,956	30,081	8,304	7,721	34,129	919,191

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements											
	30 June 2009						31 December 2008					
	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	11,953	122	18	14	757	12,864	12,722	72	148	42	762	13,746
Manufacturing and commercial	322,245	8,952	2,683	2,840	17,731	354,451	352,180	10,274	2,992	4,503	17,089	387,038
Real estate and construction	68,678	2,656	1,300	81	1,880	74,595	72,911	2,415	165	155	2,104	77,750
Utilities and services	107,899	4,093	353	540	3,262	116,147	98,618	2,855	1,104	433	3,056	106,066
Housing loans	223,677	6,547	1,865	1,727	7,614	241,430	217,854	7,133	1,816	1,352	7,280	235,435
Others	72,800	1,840	897	427	572	76,536	69,507	1,713	759	224	612	72,815
Total	807,252	24,210	7,116	5,629	31,816	876,023	823,792	24,462	6,984	6,709	30,903	892,850
Accrued interest receivables	1,535	63	44	2	1	1,645	2,566	87	25	5	29	2,712
Total	808,787	24,273	7,160	5,631	31,817	877,668	826,358	24,549	7,009	6,714	30,932	895,562

4.3.5 Loan classification and allowance as at 30 June 2009 and 31 December 2008

Loan classification	Consolidated financial statements						
	30 June 2009						
	Loan and accrued interest	Loan and accrued interest, net	Allowance per BoT's guideline	Collateral / Cashflow approach	Allowance per BoT's guideline	Collective approach	Total
	<i>(in million Baht)</i>						
Normal	830,015	812,265*	1	7,695	27	7,722	
Special Mention	29,064	28,898*	2	482	88	570	
Sub - Standard***	7,937	4,320**	100	3,544	128	3,672	
Doubtful	6,131	2,644**	100	2,144	265	2,409	
Doubtful Loss	35,311	17,980**	100	14,780	1,049	15,829	
Total	908,458	866,107		28,645	1,557	30,202	
Allowance established in excess of BoT regulation						10,866	
Total						41,068	

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Consolidated financial statements

31 December 2008

Loan classification	Loan and accrued interest (in million Baht)	Loan and accrued interest, net (in million Baht)	Allowance per BoT's guideline (%)	Allowance per BoT's guideline		Total
				Collateral / Cashflow approach	Collective approach (in million Baht)	
Normal	838,956	832,301*	1	8,197	88	8,285
Special Mention	30,081	21,369*	2	316	144	460
Sub - Standard***	8,304	4,250**	100	2,956	210	3,166
Doubtful	7,721	2,956**	100	1,949	473	2,422
Doubtful Loss	34,129	17,456**	100	14,545	739	15,284
Total	919,191	878,332		27,963	1,654	29,617
Allowance established in excess of BoT regulation						11,421
Total						41,038

* 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

Separate financial statements

30 June 2009

Loan classification	Loan and accrued interest (in million Baht)	Loan and accrued interest, net (in million Baht)	Allowance per BoT's guideline (%)	Allowance per BoT's guideline (in million Baht)
Special Mention	24,273	24,107*	2	482
Sub - Standard***	7,160	3,543**	100	3,543
Doubtful	5,631	2,144**	100	2,144
Doubtful Loss	31,817	14,486**	100	14,486
Total	877,668	835,316		28,565
Allowance established in excess of BoT regulations				9,686
Total				38,251

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Loan classification	Separate financial statements			
	31 December 2008			
	Loan and accrued interest	Loan and accrued interest, net	Allowance per BoT's guideline	
	(in million Baht)	(in million Baht)	(%)	(in million Baht)
Normal	826,358	819,703*	1	8,197
Special Mention	24,549	15,837*	2	317
Sub - Standard***	7,009	2,955**	100	2,955
Doubtful	6,714	1,949**	100	1,949
Doubtful Loss	30,932	14,259**	100	14,259
Total	895,562	854,703		27,677
Allowance established in excess of BoT regulations				10,357
Total				38,034

* 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 collectibility of the Bank's loan portfolio, the Bank believes that the allowance established was adequate as at 30 June 2009 and 31 December 2008 and in compliance with the BoT's guidelines. As at 30 June 2009, the Bank and its subsidiaries have provided an allowance for doubtful accounts which exceeds the minimum allowance required by the BoT's guidelines by Baht 10,866 million in the consolidated financial statements and by Baht 9,686 million in the separate financial statements (31 December 2008: Baht 11,421 million and Baht 10,357 million, respectively).

4.3.6 Loans to listed companies identified for delisting

As at 30 June 2009 and 31 December 2008, the Bank has 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:

Listed companies identified for delisting	Consolidated financial statements							
	30 June 2009				31 December 2008			
	No. of companies	Loans and accrued interest receivables*	Collateral	Amount of provisions	No. of companies	Loans and accrued interest receivables*	Collateral	Amount of provisions
	(in million Baht)				(in million Baht)			
	4	2,230	1,115	1,304	2	712	175	537

* Including loans to financial institutions

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements							
	30 June 2009				31 December 2008			
	No. of companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Amount of provisions	No. of companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Amount of provisions
Listed companies identified for delisting	4	2,230	1,115	1,304	2	712	175	537

* Including loans to financial institutions

4.3.7 Non-Performing Loans

As at 30 June 2009 and 31 December 2008, 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 substandard, doubtful, doubtful loss and loss under BoT's guideline. The amounts are as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Non-Performing Loans (net of allowance for doubtful accounts)	24,808	26,453	22,697	23,735
% of Non-Performing Loans to total loans (net)	2.4	2.8	2.3	2.6
Non-Performing Loans (gross)	49,832	50,067	45,063	44,596
% of Non-Performing Loans to total loans	4.7	5.1	4.4	4.7

As at 30 June 2009, Rutchayothin Assets Management Co., Ltd. which is a subsidiary, has Non-Performing Loans of Baht 798 million (31 December 2008: Baht 904 million). Had Non-Performing Loans been based on principal of loan purchased from the group as at 30 June 2009, the amount would be Baht 1,747 million (31 December 2008: Baht 1,968 million).

4.3.8 Troubled debt restructuring

The financial statements for the six-month periods ended 30 June 2009 and 2008, include the result of various types of troubled debt restructuring including transfers of assets and equity securities, changes in repayment condition, and mixed types as follows:

Types of debt restructuring	Consolidated financial statements						Transferred assets		
	No. of accounts		Outstanding debts				Types	Fair value	
	2009	2008	Before debt restructuring 2009	2008	After debt restructuring 2009	2008		2009	2008
Transfers of assets	2	-	10	-	9	-	Immovable properties	9	-
Debt restructuring in various forms	347	114	2,592	379	2,585	375	Immovable properties	41	2
Changes of repayment conditions	1,779	1,605	8,007	4,184	7,900	4,117			
Total	2,128	1,719	10,609	4,563	10,494	4,492			

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Types of debt restructuring	Separate financial statements						Transferred assets		
	No. of accounts		Outstanding debts				Types	Fair value	
	2009	2008	Before debt restructuring		After debt restructuring			2009	2008
			2009	2008	2009	2008	(in million Baht)	(in million Baht)	
Transfers of assets	2	-	10	-	9	-	Immovable properties	9	-
Debt restructuring in various forms	347	114	2,592	379	2,585	375	Immovable properties	41	2
Changes of repayment conditions	<u>1,779</u>	<u>1,605</u>	<u>8,007</u>	<u>4,184</u>	<u>7,900</u>	<u>4,117</u>			
Total	<u>2,128</u>	<u>1,719</u>	<u>10,609</u>	<u>4,563</u>	<u>10,494</u>	<u>4,492</u>			

As at 30 June 2009 and 2008, troubled debt restructuring compared with total loans including loans to financial institutions are as follows:

	Consolidated financial statements			
	2009		2008	
	No. of accounts	The outstanding debts (in million Baht)	No. of accounts	The outstanding debts (in million Baht)
Troubled debt restructuring during the period	2,128	10,609	1,719	4,563
Total loans including loans to financial institutions	413,651	1,057,430	441,196	946,685

	Separate financial statements			
	2009		2008	
	No. of accounts	The outstanding debts (in million Baht)	No. of accounts	The outstanding debts (in million Baht)
Troubled debt restructuring during the period	2,128	10,609	1,719	4,563
Total loans including loans to financial institutions	223,945	1,026,640	194,589	897,045

As at 30 June 2009 and 31 December 2008, the Bank and its subsidiaries have balance of restructuring loans as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	(in million Baht)			
Restructuring loans which are classified as NPL	14,877	18,915	14,876	18,914
Restructuring loans which are not classified as NPL	<u>29,911</u>	<u>21,551</u>	<u>29,911</u>	<u>21,551</u>
Total	<u>44,788</u>	<u>40,466</u>	<u>44,787</u>	<u>40,465</u>

The average term of troubled debt restructuring as of 30 June 2009 is 12.9 years (30 June 2008: 14.1 years).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Supplementary information relating to restructuring debtors for the six-month periods ended 30 June 2009 and 2008 are as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Interest income recognised in the statements of income	976	1,334	976	1,328
Loss on debt restructuring recognised in the statements of income	19	80	19	80
Cash collection	1,453	1,996	1,453	1,974

4.3.9 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: (see Notes 4.2.1 and 4.20)

	Consolidated financial statements		Separate financial statements	
	30 June 2009 ^{***}	31 December 2008 ^{**}	30 June 2009 [*]	31 December 2008 [*]
	<i>(in million Baht)</i>			
Total net amount of sub-quality assets transferred to TAMC since 2001	9,868	10,174	9,749	9,749
Promissory notes received	9,868	10,174	9,749	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 765 million

*** Net of adjustment of selling price of loans sold to TAMC of Baht 985 million

4.3.10 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 3.22.3). 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.4 Allowance for doubtful accounts

As at 30 June 2009 and 31 December 2008, allowance for doubtful accounts consists of the following:

Consolidated financial statements							
30 June 2009							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	8,285	460	3,166	2,422	15,284	11,421	41,038
Bad debt and doubtful accounts*	(576)	110	506	(13)	2,170	1,125	3,322
Bad debt written off	(1)	-	-	-	(1,633)	-	(1,634)
Others	14	-	-	-	8	(1,680)	(1,658)
Ending balance	<u>7,722</u>	<u>570</u>	<u>3,672</u>	<u>2,409</u>	<u>15,829</u>	<u>10,866</u>	<u>41,068</u>

* Before deducting bad debt recovered of Baht 485 million (see Note 5.2)

Consolidated financial statements							
31 December 2008							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	7,284	382	3,122	3,760	14,602	16,573	45,723
Bad debt and doubtful accounts*	1,015	78	44	(1,338)	9,627	(3,753)	5,673
Bad debt written off	-	-	-	-	(8,918)	-	(8,918)
Others	(14)	-	-	-	(27)	(1,399)	(1,440)
Ending balance	<u>8,285</u>	<u>460</u>	<u>3,166</u>	<u>2,422</u>	<u>15,284</u>	<u>11,421</u>	<u>41,038</u>

* Before deducting bad debt recovered of Baht 833 million (see Note 5.2)

Separate financial statements							
30 June 2009							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	8,197	317	2,955	1,949	14,259	10,357	38,034
Bad debt and doubtful accounts*	(287)	165	588	195	1,686	904	3,251
Bad debt written off	-	-	-	-	(1,459)	-	(1,459)
Others	-	-	-	-	-	(1,575)	(1,575)
Ending balance	<u>7,910</u>	<u>482</u>	<u>3,543</u>	<u>2,144</u>	<u>14,486</u>	<u>9,686</u>	<u>38,251</u>

* Before deducting bad debt recovered of Baht 270 million (see Note 5.2)

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Separate financial statements

31 December 2008

	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	7,159	196	2,978	3,565	13,784	13,415	41,097
Bad debt and doubtful accounts*	1,038	121	(23)	(1,616)	8,955	(3,556)	4,919
Bad debt written off	-	-	-	-	(8,480)	-	(8,480)
Others	-	-	-	-	-	498	498
Ending balance	8,197	317	2,955	1,949	14,259	10,357	38,034

* Before deducting bad debt recovered of Baht 833 million (see Note 5.2)

4.5 Revaluation allowance for debt restructuring

As at 30 June 2009 and 31 December 2008, revaluation allowance for debt restructuring consist of the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Beginning balance	673	1,073	673	1,073
Increase (decrease) during the period/year	106	(400)	106	(400)
Ending balance	779	673	779	673

4.6 Classified assets

The Bank and its subsidiaries have classified assets according to the guidelines of the BoT as at 30 June 2009 and 31 December 2008 as follows:

Consolidated financial statements

30 June 2009

	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	830,015	148,470	-	-	11	978,496
Special Mention	29,064	-	-	-	-	29,064
Sub-Standard	7,937	-	-	-	1	7,938
Doubtful	6,131	-	-	-	3	6,134
Doubtful Loss	35,311	502	6,097	1,003	802	43,715
	908,458	148,972	6,097	1,003	817	1,065,347

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.7 Properties foreclosed

As at 30 June 2009 and 31 December 2008, properties foreclosed consist of the following:

Consolidated financial statements				
30 June 2009				
	Beginning balance	Additions	Disposals	Ending balance
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets	13,384	812	(661)	13,535
Movable assets	404	599	(763)	240
Others	320	450	(550)	220
Total properties foreclosed	<u>14,108</u>	<u>1,861</u>	<u>(1,974)</u>	<u>13,995</u>
Less allowance for impairment of assets	<u>(2,121)</u>	<u>(2)</u>	<u>4</u>	<u>(2,119)</u>
Total properties foreclosed, net	<u>11,987</u>	<u>1,859</u>	<u>(1,970)</u>	<u>11,876</u>

Consolidated financial statements				
31 December 2008				
	Beginning balance	Additions	Disposals	Ending balance
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets	18,318	2,735	(7,669)	13,384
Movable assets	506	3,317	(3,419)	404
Others	383	840	(903)	320
Total properties foreclosed	<u>19,207</u>	<u>6,892</u>	<u>(11,991)</u>	<u>14,108</u>
Less allowance for impairment of assets	<u>(2,264)</u>	<u>(31)</u>	<u>174</u>	<u>(2,121)</u>
Total properties foreclosed, net	<u>16,943</u>	<u>6,861</u>	<u>(11,817)</u>	<u>11,987</u>

Separate financial statements				
30 June 2009				
	Beginning balance	Additions	Disposals	Ending balance
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets	13,236	811	(661)	13,386
Movable assets	41	211	(202)	50
Others	320	450	(550)	220
Total properties foreclosed	<u>13,597</u>	<u>1,472</u>	<u>(1,413)</u>	<u>13,656</u>
Less allowance for impairment of assets	<u>(2,105)</u>	<u>(2)</u>	<u>4</u>	<u>(2,103)</u>
Total properties foreclosed, net	<u>11,492</u>	<u>1,470</u>	<u>(1,409)</u>	<u>11,553</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements			Ending balance
	Beginning balance	31 December 2008		
		Additions	Disposals	
		<i>(in million Baht)</i>		
Foreclosed assets				
Immovable assets	18,206	2,636	(7,606)	13,236
Movable assets	-	41	-	41
Others	383	840	(903)	320
Total properties foreclosed	<u>18,589</u>	<u>3,517</u>	<u>(8,509)</u>	<u>13,597</u>
Less allowance for impairment of assets	<u>(2,240)</u>	<u>(31)</u>	<u>166</u>	<u>(2,105)</u>
Total properties foreclosed, net	<u>16,349</u>	<u>3,486</u>	<u>(8,343)</u>	<u>11,492</u>

Gain (Loss) on sales of properties foreclosed recognised in the consolidated statements of income for the six-month periods ended 30 June 2009 and 2008 are loss of Baht 122 million and gain of Baht 204 million, respectively and for the separate statements of income are gains of Baht 53 million and Baht 389 million, respectively.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.8 Premises and equipment

As at 30 June 2009 and 31 December 2008, premises and equipment consist of the following:

Consolidated financial statements												
30 June 2009												
	Beginning balance	Cost Additions	Disposals	Other	Ending balance	Beginning balance	Accumulated depreciation			Ending balance	Allowance for impairment of assets	Premises and equipment, net
							Depreciation	Disposals	Other			
						<i>(in million Baht)</i>						
Land												
Cost	5,566	-	(9)	(1)	5,556	-	-	-	-	-	(399)	5,157
Appraisal increase*	6,113	-	-	-	6,113	-	-	-	-	-	-	6,113
Premises												
Cost	14,379	74	(22)	(7)	14,424	(5,960)	(162)	10	8	(6,104)	(180)	8,140
Appraisal increase (year 2005)	5,797	-	-	-	5,797	(501)	(84)	1	-	(584)	-	5,213
Equipment	14,604	501	(140)	(2)	14,963	(10,409)	(908)	77	1	(11,239)	-	3,724
Others	213	165	(228)	-	150	(112)	(1)	27	-	(86)	-	64
Total	46,672	740	(399)	(10)	47,003	(16,982)	(1,155)	115	9	(18,013)	(579)	28,411

* Appraisal increase in year 2005 for Bank and year 2008 for its subsidiaries

Depreciation for the six-month periods ended	- 30 June 2009	1,155
	- 30 June 2008	1,104

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2009

For the three-month period ended 30 June 2009 (Unaudited)

Separate financial statements

30 June 2009

	Beginning balance	Cost			Ending balance	Beginning balance <i>(in million Baht)</i>	Accumulated depreciation			Ending balance	Allowance for impairment of assets	Premises and equipment, net
		Additions	Disposals	Other			Depreciation	Disposals	Other			
Land												
Cost	5,196	-	-	-	5,196	-	-	-	-	-	(399)	4,797
Appraisal increase (year 2005)	5,771	-	-	-	5,771	-	-	-	-	-	-	5,771
Premises												
Cost	13,394	74	-	(3)	13,465	(5,450)	(141)	-	6	(5,585)	(162)	7,718
Appraisal increase (year 2005)	5,699	-	-	-	5,699	(499)	(80)	-	-	(579)	-	5,120
Equipment	13,653	460	(64)	(1)	14,048	(9,677)	(833)	6	-	(10,504)	-	3,544
Others	90	162	(197)	-	55	-	-	-	-	-	-	55
Total	43,803	696	(261)	(4)	44,234	(15,626)	(1,054)	6	6	(16,668)	(561)	27,005

Depreciation for the six-month periods ended

- 30 June 2009

- 30 June 2008

1,054

1,019

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.9 Assets pending transfer

As at 30 June 2009 and 31 December 2008, assets pending transfer consist of the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Sundry receivables	943	485	935	477
Prepayment of Option Premium	397	457	397	457
Clean bills in transit	332	175	332	175
Others	536	431	502	353
Total	2,208	1,548	2,166	1,462

4.10 Other assets

As at 30 June 2009 and 31 December 2008, other assets consist of the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Software license, net	1,616	1,746	1,569	1,696
Accrued interest on investment	1,407	1,467	1,368	1,433
Derivative revaluation	1,263	-	1,263	-
Net inter-account balance	910	1,149	910	1,149
Collateral per Credit Support Annex	784	7,118	784	7,118
Securities business receivables	659	290	-	-
Leasehold, net	584	629	479	514
Customer insurance premium and legal deposits with court	138	117	134	117
Others	4,128	4,423	2,275	1,494
Total	11,489	16,939	8,782	13,521

4.11 Deposits

4.11.1 Classified by product as at 30 June 2009 and 31 December 2008:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Demand	36,197	37,439	36,449	42,787
Savings	464,625	399,538	462,074	397,299
Fixed				
- Less than 6 months	209,718	263,749	208,888	262,711
- 6 months and less than 1 year	53,607	50,436	53,546	50,419
- 1 year and over 1 year	214,268	160,320	214,337	160,318
Total	978,415	911,482	975,294	913,534

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.11.2 Classified by maturity as at 30 June 2009 and 31 December 2008:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Within 1 year	920,385	876,342	917,193	878,394
Over 1 year	58,030	35,140	58,101	35,140
Total	978,415	911,482	975,294	913,534

4.11.3 Classified by currency and residence of customer as at 30 June 2009 and 31 December 2008:

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	957,221	259	957,480	894,837	278	895,115
US Dollars	11,019	7,422	18,441	6,443	7,571	14,014
Other currencies	1,567	927	2,494	1,409	944	2,353
Total	969,807	8,608	978,415	902,689	8,793	911,482

	Separate financial statements					
	30 June 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	958,147	227	958,374	901,119	257	901,376
US Dollars	11,088	3,371	14,459	6,511	3,332	9,843
Other currencies	1,568	893	2,461	1,410	905	2,315
Total	970,803	4,491	975,294	909,040	4,494	913,534

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.12 Interbank and money market items (Liabilities)

As at 30 June 2009 and 31 December 2008, interbank and money market items (Liabilities) consist of the following:

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	-	938	938	-	1,553	1,553
Commercial banks	574	-	574	1,067	-	1,067
Other banks	372	414	786	3,654	860	4,514
Finance companies, securities companies and credit foncier companies	13,340	1,120	14,460	15,139	3,328	18,467
Other financial institutions	1,940	12,460	14,400	2,076	289	2,365
Total domestic items	<u>16,226</u>	<u>14,932</u>	<u>31,158</u>	<u>21,936</u>	<u>6,030</u>	<u>27,966</u>
Foreign items:						
US Dollar	84	-	84	123	70	193
Japanese YEN	1	-	1	-	-	-
Other currencies	1,048	-	1,048	719	-	719
Total foreign items	<u>1,133</u>	<u>-</u>	<u>1,133</u>	<u>842</u>	<u>70</u>	<u>912</u>
Total domestic and foreign items	<u>17,359</u>	<u>14,932</u>	<u>32,291</u>	<u>22,778</u>	<u>6,100</u>	<u>28,878</u>
	Separate financial statements					
	30 June 2009			31 December 2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Domestic items:						
Bank of Thailand and Financial Institutions Development Fund	-	938	938	-	1,553	1,553
Commercial banks	920	-	920	1,067	-	1,067
Other banks	372	414	786	29	860	889
Finance companies, securities companies and credit foncier companies	14,345	1,120	15,465	15,659	3,327	18,986
Other financial institutions	1,940	12,460	14,400	2,076	289	2,365
Total domestic items	<u>17,577</u>	<u>14,932</u>	<u>32,509</u>	<u>18,831</u>	<u>6,029</u>	<u>24,860</u>
Foreign items:						
US Dollar	181	-	181	178	70	248
Japanese YEN	1	-	1	-	-	-
Other currencies	1,048	-	1,048	713	-	713
Total foreign items	<u>1,230</u>	<u>-</u>	<u>1,230</u>	<u>891</u>	<u>70</u>	<u>961</u>
Total domestic and foreign items	<u>18,807</u>	<u>14,932</u>	<u>33,739</u>	<u>19,722</u>	<u>6,099</u>	<u>25,821</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.13 Borrowings

As at 30 June 2009 and 31 December 2008, borrowings consist of the following:

	Interest rate (%)	Year of maturity	Consolidated financial statements					
			30 June 2009			31 December 2008		
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Bonds								
- Baht	4.21-6.35	2009-2010	14,200	-	14,200	4,500	-	4,500
Subordinated Bonds								
- Baht	3.50-6.00	2009-2018	26,416	-	26,416	28,638	-	28,638
Floating Rate Notes								
- US Dollar	LIBOR+0.23	2009	-	-	-	-	10,481	10,481
Structured Notes								
- Baht	Variable*	2009-2011	766	-	766	2,170	-	2,170
Bill of Exchanges								
- Baht	1.50-4.55	2009-2011	42,611	-	42,611	36,484	-	36,484
Others			240	-	240	138	-	138
Total			84,233	-	84,233	71,930	10,481	82,411

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

	Interest rate (%)	Year of maturity	Separate financial statements					
			30 June 2009			31 December 2008		
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Subordinated Bonds								
- Baht	3.50-6.00	2009-2018	26,416	-	26,416	28,638	-	28,638
Floating Rate Notes								
- US Dollar	LIBOR+0.23	2009	-	-	-	-	10,481	10,481
Structured Notes								
- Baht	Variable*	2009-2011	766	-	766	2,170	-	2,170
Bill of Exchanges								
- Baht	1.50-4.55	2009-2011	43,355	-	43,355	37,002	-	37,002
Others			240	-	240	138	-	138
Total			70,777	-	70,777	67,948	10,481	78,429

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.14 Liabilities pending transfer

As at 30 June 2009 and 31 December 2008, liabilities pending transfer consist of the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Pending for payment E-banking	8,776	7,976	8,776	7,976
Other payables	2,688	2,402	2,688	2,402
Others	1,803	1,111	1,618	1,102
Total	13,267	11,489	13,082	11,480

4.15 Provisions

As at 30 June 2009 and 31 December 2008, provisions consist of the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Reserve for claims	1,208	1,208	867	823
Possible loss from Asset Transferred agreement with TAMC	953	950	904	904
Reserve for pension and gratuity	935	868	892	828
Provisions for commitments as off-balance sheet items	115	115	115	115
Possible loss from legal cases	37	64	37	64
Total	3,248	3,205	2,815	2,734

4.16 Other liabilities

As at 30 June 2009 and 31 December 2008, other liabilities consist of the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	<i>(in million Baht)</i>			
Accrued expenses	6,531	8,097	6,471	7,860
Other payable per Credit Support Annex	5,623	3,137	5,623	3,137
Unearned premium reserve	1,015	995	-	-
Trading transaction with securities companies	871	251	-	-
Marginal deposit	626	644	462	458
Derivative revaluation	-	1,887	-	1,887
Others	2,592	3,045	454	327
Total	17,258	18,056	13,010	13,669

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.17 Preferred shares

The holders of preferred shares have the preferential right to receive a non-cumulative dividend of 5.25% per annum of the issued price, or Baht 1.37 per share per annum before the dividend payment to ordinary shares. However, there may be some events that may result in the Bank paying dividends at less than such rate. In any year that the ordinary shareholders are paid dividends at a rate higher than that paid to the preferred shareholders, the Bank shall pay dividend to the preferred shareholders at a rate equal to the dividend paid to the ordinary shareholders.

The preferred shares are all convertible preferred shares with the preferential right expiring on 10 May 2009. However, in the event that the preferred shareholders wish to exercise their convertible rights, it can be done at the end of each quarter prior to the said date. After the Bank's preferred shares expire, the preferential rights of such preferred shares will automatically be ended where all rights under such preferred shares will be the same as those of ordinary shares and such preferred shares must be converted into ordinary shares.

4.18 Legal reserve

Under the Public Companies Act, the Bank and its subsidiaries, which are public companies are required to set aside as legal reserve at least 5% of its net income, net of accumulated deficit brought forward (if any), until the reserve is not less than 10% of the registered capital.

According to the Civil and Commercial Code, subsidiaries which are private companies must appropriate to a reserve fund at each distribution of dividend at least 5% of the profit arising from the business of the company until the reserve fund reaches 10% of the capital of the company. Such reserve fund is not available for distribution as dividend.

4.19 Dividends

The shareholders' meeting passed a resolution on 3 April 2009 to pay dividends to both preferred and ordinary shareholders at the rate of Baht 2.00 per share. The amount of Baht 6,798 million was paid on 28 April 2009.

The shareholders' meeting passed a resolution on 3 April 2008 to pay dividends to both preferred and ordinary shareholders at the rate of Baht 2.00 per share. The amount of Baht 6,798 million was paid on 28 April 2008.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

4.20 Contingencies

As at 30 June 2009 and 31 December 2008, contingencies of the Bank and its subsidiaries are as follows:

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Baht	Foreign currencies	Total	Baht	Foreign currencies	Total
	<i>(in million Baht)</i>					
Avals to bills	2,214	-	2,214	2,764	-	2,764
Guarantees of loans	25	1,566	1,591	1,511	1,608	3,119
Liability under unmatured import bills	1,086	3,127	4,213	1,947	3,933	5,880
Letters of credit	598	12,317	12,915	599	11,826	12,425
Other guarantees	88,766	6,281	95,047	77,644	7,671	85,315
Exchange rate contracts						
Bought	130	358,326	358,456	959	381,593	382,552
Sold	3	387,814	387,817	868	432,683	433,551
Interest rate contracts						
Bought	422,596	51,676	474,272	444,241	63,208	507,449
Sold	423,196	51,676	474,872	444,841	63,208	508,049
Equity derivatives						
Bought	535	147	682	595	326	921
Sold	78	77	155	123	79	202
Credit derivatives						
Sold	573	1,184	1,757	742	1,216	1,958
Commodity derivatives						
Bought	-	970	970	-	1,408	1,408
Sold	-	970	970	-	1,408	1,408
Amount of unused bank overdraft	80,808	355	81,163	78,433	306	78,739
Others	-	289	289	-	303	303
Total	<u>1,020,608</u>	<u>876,775</u>	<u>1,897,383</u>	<u>1,055,267</u>	<u>970,776</u>	<u>2,026,043</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements					
	30 June 2009			31 December 2008		
	Baht	Foreign currencies	Total <i>(in million Baht)</i>	Baht	Foreign currencies	Total
Avals to bills	2,214	-	2,214	2,764	-	2,764
Guarantees of loans	1,225	1,566	2,791	1,511	1,608	3,119
Liability under unmatured import bills	1,086	3,127	4,213	1,947	3,933	5,880
Letters of credit	598	12,226	12,824	599	11,709	12,308
Other guarantees	88,815	6,281	95,096	77,644	7,671	85,315
Exchange rate contracts						
Bought	130	358,768	358,898	959	381,593	382,552
Sold	3	387,814	387,817	868	432,683	433,551
Interest rate contracts						
Bought	422,596	51,676	474,272	444,241	63,208	507,449
Sold	423,196	51,676	474,872	444,841	63,208	508,049
Equity derivatives						
Bought	535	147	682	595	326	921
Sold	78	77	155	123	79	202
Credit derivatives						
Sold	573	1,184	1,757	742	1,216	1,958
Commodity derivatives						
Bought	-	970	970	-	1,408	1,408
Sold	-	970	970	-	1,408	1,408
Amount of unused bank overdraft	80,808	-	80,808	78,433	1	78,434
Others	-	6	6	-	4	4
Total	<u>1,021,857</u>	<u>876,488</u>	<u>1,898,345</u>	<u>1,055,267</u>	<u>970,055</u>	<u>2,025,322</u>

As at 30 June 2009, the Bank has commitments of Baht 334 million, in connection with finance companies whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2008: Baht 334 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 will transfer sub-quality assets including right over the collateral to TAMC at terms and conditions specified in the agreement. The price of transferred loans shall equal the value of the collateral, which should not exceed the book value of such loans. The Bank and TAMC reserve the right to request for reappraisal under specified terms. Once TAMC and the Bank agree with the price, the Bank will receive 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 Notes 4.2.1 and 4.3.9).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (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 2009, the provision for possible loss was set up amounting to Baht 904 million, which was presented in provisions on the balance sheet (31 December 2008: Baht 904 million).

5 Information on statement of income items

5.1 Interest and dividend income

Interest and dividend income included in the statements of income for the six-month periods ended 30 June 2009 and 2008 are as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Interest income				
Loans	22,390	23,129	22,921	23,444
Interbank and money market items	1,176	2,302	1,159	2,231
Hire-purchase and financial lease income	2,238	2,820	426	29
Investments	2,145	1,860	2,156	1,821
Dividend income				
Investments	339	804	804	1,781
Total	28,288	30,915	27,466	29,306

5.2 Bad debt and doubtful accounts

Bad debt and doubtful accounts recognised in the consolidated statements of income for the six-month periods ended 30 June 2009 and 2008 are Baht 2,837 million and Baht 2,357 million (net of bad debt recovery of Baht 485 million and Baht 405 million), respectively and in the separate statements of income are Baht 2,981 million and Baht 1,720 million (net of bad debt recovery of Baht 270 million and Baht 405 million), respectively (see Note 4.4).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

5.3 Loss on debt restructuring

Loss on debt restructuring recognised in the consolidated and separate statements of income for the six-month periods ended 30 June 2009 and 2008 are Baht 19 million and Baht 80 million, respectively (see Note 4.5)

5.4 Gain on investments

Gain related to investments in securities included in the statements of income for the six-month periods ended 30 June 2009 and 2008 are as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Loss on revaluation of trading securities	(109)	(47)	(134)	(18)
Loss on transferring investment portfolios	-	(77)	-	-
Reversal of impairment of investment in securities	136	593	433	832
Gain (loss) on sales and redemption of investment in securities				
- Trading securities	101	123	113	130
- Available-for-sale securities	269	(37)	270	10
- Held-to-maturity securities	-	(7)	-	-
- General investments	288	306	288	321
- Investment in subsidiaries and associated companies	-	-	(10)	-
Gain on investments	685	854	960	1,275

5.5 Directors and executives' benefits

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 employees benefits.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

5.6 Earnings per share

Earnings per share in the consolidated and separate financial statements for the three-month periods ended 30 June 2009 and 2008 are calculated as follows:

	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income before dividend of preferred shares	5,234	5,818	2,597	1,902		
Less dividend of preferred shares	<u>(1,580)</u>	<u>(2,994)</u>	<u>-</u>	<u>-</u>		
Net income after dividend of preferred shares	3,654	2,824	2,597	1,902	1.41	1.48
Effect of diluted equivalent ordinary shares convertible preferred shares*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Diluted earnings per share (Income available to ordinary shareholders plus assumed conversions of convertible preferred shares)	<u>3,654</u>	<u>2,824</u>	<u>2,597</u>	<u>1,902</u>	1.41	1.48

* No adjustment for the effect of convertible preferred shares as the assumed exercise of the convertible preferred shares would have an anti-diluted effect on the amount of diluted earnings per share

	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income before dividend of preferred shares	5,108	6,152	2,597	1,902		
Less dividend of preferred shares	<u>(1,580)</u>	<u>(2,994)</u>	<u>-</u>	<u>-</u>		
Net income after dividend of preferred shares	3,528	3,158	2,597	1,902	1.36	1.66
Effect of diluted equivalent ordinary shares convertible preferred shares*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Diluted earnings per share (Income available to ordinary shareholders plus assumed conversions of convertible preferred shares)	<u>3,528</u>	<u>3,158</u>	<u>2,597</u>	<u>1,902</u>	1.36	1.66

* No adjustment for the effect of convertible preferred shares as the assumed exercise of the convertible preferred shares would have an anti-diluted effect on the amount of diluted earnings per share

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Earnings per share in the consolidated and separate financial statements for the six-month periods ended 30 June 2009 and 2008 are calculated as follows:

	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income before dividend of preferred shares	10,781	12,606	2,542	1,901		
Less dividend of preferred shares	<u>(1,580)</u>	<u>(2,994)</u>	<u>-</u>	<u>-</u>		
Net income after dividend of preferred shares	9,201	9,612	2,542	1,901	3.62	5.06
Effect of diluted equivalent ordinary shares convertible preferred shares	<u>1,580</u>	<u>2,994</u>	<u>851</u>	<u>1,498</u>		
Diluted earnings per share (Income available to ordinary shareholders plus assumed conversions of convertible preferred shares)	<u>10,781</u>	<u>12,606</u>	<u>3,393</u>	<u>3,399</u>	3.18	3.71
	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share						
Net income before dividend of preferred shares	10,415	12,744	2,542	1,901		
Less dividend of preferred shares	<u>(1,580)</u>	<u>(2,994)</u>	<u>-</u>	<u>-</u>		
Net income after dividend of preferred shares	8,835	9,750	2,542	1,901	3.48	5.13
Effect of diluted equivalent ordinary shares convertible preferred shares	<u>1,580</u>	<u>2,994</u>	<u>851</u>	<u>1,498</u>		
Diluted earnings per share (Income available to ordinary shareholders plus assumed conversions of convertible preferred shares)	<u>10,415</u>	<u>12,744</u>	<u>3,393</u>	<u>3,399</u>	3.07	3.75

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6 Supplementary disclosures required by accounting standards and regulators

6.1 Capital funds

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 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 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 2009 and 31 December 2008, the Bank's total capital funds can be categorised as follows:

	Separate financial statements	
	30 June 2009	31 December 2008
	<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	5,063	3,988
Net gain after appropriations	53,657	52,609
Total Tier 1 capital	<u>103,836</u>	<u>101,713</u>
Tier 2 capital		
Revaluation surplus on land and premises appraisal	6,600	6,640
Revaluation surplus on investment in equity securities	473	197
Subordinated bonds	20,570	20,570
Allowance for classified assets of "normal" category and excess allowance	11,412	11,396
Total Tier 2 capital	<u>39,055</u>	<u>38,803</u>
Total capital funds	<u>142,891</u>	<u>140,516</u>
Total risk assets	912,946	921,875
Total capital / Total risk assets	(minimum 8.50%) 15.7%	15.2%
Total Tier 1 capital / Total risk assets	(minimum 4.25%) 11.4%	11.0%
Total Tier 2 capital / Total risk assets	4.3%	4.2%

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.2 The financial sector master plan

On 23 January 2004, the Ministry of Finance issued the notification detailing terms, conditions and procedures for applying for a new bank license (“The Financial Sector Master Plan”). The notification detailed the operational structure of financial institutions which would result in having only commercial banks being able to accept public deposits. The Bank sold the shares in Book Club Finance PCL, its subsidiary, to the third party. For Siam Industrial Credit PCL, its associated company, the Ministry of Finance disapproved the set up as a retail bank. The ultimate effect of the plan to the operations of such associated company cannot be presently determined.

6.3 Related-party transactions

The Bank has business transactions with related parties or persons. Interest rate of 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:

6.3.1 Loans, deposits and contingencies

Loans, deposits and contingencies to related parties or persons as at 30 June 2009 and 31 December 2008 are as follows:

	Consolidated financial statements							
	30 June 2009				31 December 2008			
	Loans	Deposits	Borro- wings	Contin- gencies	Loans	Deposits	Borro- wings	Contin- gencies
	<i>(in million Baht)</i>							
Associated companies								
Finance & Insurance								
The Siam Industrial Credit PCL and affiliates	-	61	-	1	-	111	-	1
Siam Commercial New York Life Insurance PCL	-	413	-	376	-	559	-	1
SCB Leasing PCL	26	4	-	160	16	4	-	340
VinaSiam Bank (Vietnam)	-	13	-	-	-	5	-	-
Others								
Saturn Inc. (Cayman Islands) and affiliates	-	-	-	-	-	17	-	-
Nobleclear Holding (BVI) Ltd. (Germany)*	-	5	-	-	-	5	-	-
Total associated companies	26	496	-	537	16	701	-	342
Related companies (10% to 20% ownership)								
Finance & Insurance								
	-	20	-	1	-	22	-	1
Service								
	-	64	-	-	-	80	-	-
Real estate								
	-	4	-	-	-	8	-	-
Others								
	-	-	-	-	-	39	-	1
Total related companies (10% to 20% ownership)	-	88	-	1	-	149	-	2

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Consolidated financial statements							
	30 June 2009				31 December 2008			
	Loans	Deposits	Borro- wings	Contin- gencies	Loans	Deposits	Borro- wings	Contin- gencies
	<i>(in million Baht)</i>							
Related companies (Shareholding through debt restructuring process)								
Fuel Pipeline Transportation Co., Ltd.	825	24	-	7	841	18	-	7
Phoenix Land Development Co., Ltd.	-	44	-	32	-	52	-	32
Premier Enterprise PCL	10	6	-	-	-	9	-	-
Manasika Co., Ltd.	-	10	-	2	-	10	-	2
Total related companies (Shareholding through debt restructuring process)	835	84	-	41	841	89	-	41
Related companies (Shareholding through other companies' debt restructuring process)								
Siam Media and Communication Co., Ltd. and affiliate*	-	-	-	1	-	-	-	1
Nava 84 Co., Ltd. and affiliate**	-	-	-	-	-	25	-	-
Total related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	25	-	1
Major shareholder (more than 10% ownership)								
The Crown Property Bureau	-	1,301	-	-	-	1,062	-	-
Subsidiaries and associated companies of major shareholder which are not included in the above lists								
Subsidiaries	152	1,283	350	14	189	1,046	350	12
Associated companies	-	1,876	-	504	-	559	-	777
Total related companies (Subsidiaries and associated companies of major shareholder)	152	3,159	350	518	189	1,605	350	789
Entity in which the directors, management or close members of their families have significant influence								
- Netone Network Solution Co., Ltd.	-	-	-	-	8	38	-	14
- T I P S Co., Ltd.	-	37	-	30	-	13	-	130
- Others	-	97	-	2	-	397	45	27
Total related companies (Entity in which the directors, management or close members of their families have significant influence)	-	134	-	32	8	448	45	171
Officers from departmental managers upward	45	432	-	-	51	572	30	-
Total	1,058	5,694	350	1,130	1,105	4,651	425	1,346

* Discontinued operations or in the process of dissolution

** Sold during the six-month period ended 30 June 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements							
	30 June 2009				31 December 2008			
	Loans	Deposits	Borro- wings	Contin- gencies	Loans	Deposits	Borro- wings	Contin- gencies
	<i>(in million Baht)</i>							
Subsidiaries								
Finance & Insurance								
Chatuchak Asset Management Co., Ltd.*	-	60	-	-	-	5,256	-	-
Rutchayothin Assets Management Co., Ltd.**	-	577	-	-	-	347	-	-
Cambodian Commercial Bank Ltd. (Cambodia)	-	92	-	-	-	36	-	-
SCB Securities Co., Ltd.	-	75	1,005	-	-	23	395	-
The Siam Commercial Samaggi Insurance PCL and affiliates	-	96	-	47	-	293	-	48
SCB Asset Management Co., Ltd.	-	154	-	17	-	44	-	17
Siam Commercial Leasing PCL and affiliates	22,998	95	-	1,200	42,758	194	-	1,500
Services								
SCB Training Centre Co., Ltd.	-	4	-	-	-	3	-	-
Siam Pitiwat Co., Ltd.	-	9	-	-	-	11	-	-
SCB Capital Service Co., Ltd.	-	44	-	-	-	63	-	-
Siam Niti Law Office Co., Ltd.	-	5	-	-	-	5	-	-
Real estate								
Mahisorn Co., Ltd.	-	28	743	2	-	16	518	1
Others								
Astrakhan Investment Limited (Hong Kong)	-	76	-	-	-	76	-	-
Total subsidiaries	22,998	1,315	1,748	1,266	42,758	6,367	913	1,566
Associated companies								
Finance & Insurance								
The Siam Industrial Credit PCL and affiliates	-	61	-	1	-	111	-	1
Siam Commercial New York Life Insurance PCL	-	413	-	376	-	559	-	1
SCB Leasing PCL	26	4	-	160	16	4	-	340
VinaSiam Bank (Vietnam)	-	13	-	-	-	5	-	-
Others								
Saturn Inc. (Cayman Islands) and affiliates	-	-	-	-	-	17	-	-
Nobleclear Holding (BVI) Ltd. (Germany)*	-	5	-	-	-	5	-	-
Total associated companies	26	496	-	537	16	701	-	342
Related companies (10% to 20% ownership)								
Finance & Insurance	-	20	-	1	-	22	-	1
Service	-	64	-	-	-	80	-	-
Real estate	-	4	-	-	-	8	-	-
Others	-	-	-	-	-	39	-	1
Total related companies (10% to 20% ownership)	-	88	-	1	-	149	-	2

* Discontinued operations or in the process of dissolution

** Newly established in 2008

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements							
	30 June 2009				31 December 2008			
	Loans	Deposits	Borro- wings	Contin- gencies	Loans	Deposits	Borro- wings	Contin- gencies
	<i>(in million Baht)</i>							
Related companies (Shareholding through debt restructuring process)								
Fuel Pipeline Transportation Co., Ltd.	825	24	-	7	841	18	-	7
Phoenix Land Development Co., Ltd.	-	44	-	32	-	52	-	32
Premier Enterprise PCL	10	6	-	-	-	9	-	-
Manasika Co., Ltd.	-	10	-	2	-	10	-	2
Total related companies (Shareholding through debt restructuring process)	835	84	-	41	841	89	-	41
Related companies (Shareholding through other companies' debt restructuring process)								
Siam Media and Communication Co., Ltd. and affiliate*	-	-	-	1	-	-	-	1
Nava 84 Co., Ltd. and affiliate**	-	-	-	-	-	25	-	-
Total related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	25	-	1
Major shareholder (more than 10% ownership)								
The Crown Property Bureau	-	1,301	-	-	-	1,062	-	-
Subsidiaries and associated companies of major shareholder which are not included in the above lists								
Subsidiaries	152	1,283	350	14	189	1,046	350	12
Associated companies	-	1,876	-	504	-	559	-	777
Total related companies (Subsidiaries and associated companies of major shareholder)	152	3,159	350	518	189	1,605	350	789
Entity in which the directors, management or close members of their families have significant influence								
- Netone Network Solution Co., Ltd.	-	-	-	-	8	38	-	14
- T I P S Co., Ltd.	-	37	-	30	-	13	-	130
- Others	-	97	-	2	-	397	45	27
Total related companies (Entity in which the directors, management or close members of their families have significant influence)	-	134	-	32	8	448	45	171
Officers from departmental managers upward	45	432	-	-	51	572	30	-
Total	24,056	7,009	2,098	2,396	43,863	11,018	1,338	2,912

* Discontinued operations or in the process of dissolution

** Sold during the six-month period ended 30 June 2009

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.3.2 Investments

Investments in subsidiaries and associated companies as at 30 June 2009 and 31 December 2008 are described in Note 4.2.6.

Investments in related companies in which the Bank and its subsidiaries are the shareholders and/or management are directors as at 30 June 2009 and 31 December 2008 are as follows:

Company	Type of business	30 June 2009				
		Paid-up capital (in million Baht)	Share holding (%)	Net investment (in million Baht)	Share holding (%)	Net investment (in million Baht)
10% to 20% ownership						
Services						
Siam Technology Service Co., Ltd.	IT consultancy	30	10.0	-	10.0	-
Nippon Koa Insurance Broker (Thailand) Co., Ltd.	Insurance broker	6	20.0	1	-	-
Siam Cosmos Service Co., Ltd.	Insurance broker	6	11.7	2	-	-
Premus (Thailand) Co., Ltd.	Building management	13	10.0	1	10.0	1
National ITMX Co., Ltd.	Services	50	16.5	8	16.5	8
Real estate						
Thai Obayashi Corp., Ltd.	Construction	10	10.0	62	10.0	62
SG Star Property Co., Ltd.	Construction	612	20.2	-	6.1	-
Others						
Navuti Co., Ltd.	Agriculture	60	10.0	-	10.0	-
Siam Commercial Development Co., Ltd.	Holding	15	10.0	-	10.0	-
Thai U.S. Leather Co., Ltd.	Industry	194	10.0	-	10.0	-
Siam Cement Myanmar Trading Ltd. (Myanmar)	Commerce	KYAT 1	10.0	-	10.0	-
International Trader Co., Ltd.	Agriculture	20	10.0	2	-	-
Shareholding through debt restructuring process						
Fuel Pipeline Transportation Co., Ltd.	Transportation	1,592	16.7	-	16.7	-
Phoenix Land Development Co., Ltd.	Real estate	500	97.6	-	97.6	-
Manasika Co., Ltd.	Real estate	120	100.0	119	100.0	119
Premier Enterprise PCL	Other finance	800	20.0	166	20.0	166
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	-
Total				361		356

KYAT = KYAT Currency

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

		31 December 2008				
Company	Type of business	Consolidated financial statements			Separate financial statements	
		Paid-up capital (in million Baht)	Share holding (%)	Net investment (in million Baht)	Share holding (%)	Net investment (in million Baht)
10% to 20% ownership						
Services						
Siam Technology Service Co., Ltd.	IT consultancy	30	10.0	-	10.0	-
Nippon Koa Insurance Broker (Thailand) Co., Ltd.	Insurance broker	4	20.0	1	-	-
Siam Cosmos Service Co., Ltd.	Insurance broker	6	11.7	2	-	-
Premus (Thailand) Co., Ltd.	Building management	13	10.0	1	10.0	1
National ITMX Co., Ltd.	Services	50	16.5	6	16.5	6
Real estate						
Thai Obayashi Corp., Ltd.	Construction	10	10.0	62	10.0	62
SG Star Property Co., Ltd.	Construction	599	20.7	-	6.3	-
Others						
Navuti Co., Ltd.	Agriculture	60	10.0	-	10.0	-
Siam Commercial Development Co., Ltd.	Holding	15	10.0	-	10.0	-
Thai U.S. Leather Co., Ltd.	Industry	194	10.0	-	10.0	-
Siam Cement Myanmar Trading Ltd. (Myanmar)	Commerce	KYAT 1	10.0	-	10.0	-
International Trader Co., Ltd.	Agriculture	20	10.0	2	-	-
Shareholding through debt restructuring process						
Fuel Pipeline Transportation Co., Ltd.	Transportation	1,592	16.7	-	16.7	-
Phoenix Land Development Co., Ltd.	Real estate	500	97.6	-	97.6	-
Manasika Co., Ltd.	Real estate	120	100.0	119	100.0	119
Thai Mercantile Marine Ltd.	Transportation	150	41.1	-	41.1	-
Premier Enterprise PCL	Other finance	800	20.0	166	20.0	166
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	-
Nava 84 Co., Ltd.	Holding	1,203	25.0	137	25.0	137
Total				496		491

^{KYAT} = KYAT Currency

* 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 period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.3.3 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 2009 and 2008 are as follows:

	Consolidated financial statements							
	2009				2008			
	Income		Expenses		Income		Expenses	
	Interest and dividend	Other	Interest	Other	Interest and dividend	Other	Interest	Other
	<i>(in million Baht)</i>							
Associated companies	160	735	1	2	68	647	1	3
Major shareholder	-	-	3	4	-	-	3	4

	Separate financial statements							
	2009				2008			
	Income		Expenses		Income		Expenses	
	Interest and dividend	Other	Interest	Other	Interest and dividend	Other	Interest	Other
	<i>(in million Baht)</i>							
Subsidiaries	632	622	8	63	562	390	4	98
Associated companies	160	735	1	-	68	645	1	-
Major shareholder	-	-	3	4	-	-	3	4

Income and expenses between the Bank and its subsidiaries, associated companies and related companies for the six-month periods ended 30 June 2009 and 2008 are as follows:

	Consolidated financial statements							
	2009				2008			
	Income		Expenses		Income		Expenses	
	Interest and dividend	Other	Interest	Other	Interest and dividend	Other	Interest	Other
	<i>(in million Baht)</i>							
Associated companies	160	1,450	1	88	69	1,255	2	67
Major shareholder	-	-	5	8	-	-	8	8

	Separate financial statements							
	2009				2008			
	Income		Expenses		Income		Expenses	
	Interest and dividend	Other	Interest	Other	Interest and dividend	Other	Interest	Other
	<i>(in million Baht)</i>							
Subsidiaries	1,034	1,131	19	88	1,445	839	7	223
Associated companies	160	1,450	1	84	68	1,246	2	60
Major shareholder	-	-	5	8	-	-	8	8

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

On 10 May 1999, the Ministry of Finance became the major shareholder of the Bank holding 38.8% of paid-up capital according to the 14 August 1999 - financial institution's capital support program. Other shareholders had the rights to purchase the shares from the Ministry of Finance. The Bank invested Baht 32,500 million received from the Ministry of Finance following the capital increment in government bonds and recorded these as held-to-maturity investments. On 1 December 2003, the Ministry of Finance had transferred approximately 24.8% of paid-up capital to Vayupak I Fund ("the Fund"). On 21 January 2005, Ministry of Finance sold 12.3% of the Bank's paid-up capital to the Crown Property Bureau. Other transactions, if any, among the Bank and the Ministry of Finance and any other government agencies and the Fund arose from normal banking activities, which did not relate to the shareholding.

6.3.4 Sales of loans to Chatuchak Asset Management Co., Ltd.

For the year ended 31 December 2008, the Bank sold loans and accrued interest receivables of Baht 265 million to Chatuchak Asset Management Co., Ltd. at book value of Baht 195 million, for the year ended 31 December 2007, the Bank sold loans and accrued interest receivables of Baht 680 million to Chatuchak Asset Management Co., Ltd. at book value of Baht 312 million and during the year ended 31 December 2005, the Bank sold loans and receivables of Baht 5,342 million to Chatuchak Asset Management Co., Ltd. at book value of Baht 1,513 million.

For the year ended 31 December 2008, Chatuchak Asset Management Co., Ltd. sold loans and other assets of Baht 2,724 million to Rutchayothin Assets Management Co., Ltd. at book value of Baht 1,513 million which, as at 30 June 2009, the net book value stood at Baht 974 million.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.4 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. and Chatuchak Asset Management Co., Ltd. are as follows:

Rutchayothin Assets Management Co., Ltd.
Statement of cash flows
For the six-month period ended 30 June 2009
(Unaudited)

	2009 <i>(in million Baht)</i>
Cash flows from operating activities	
Income before income tax	7
<i>Adjustments for</i>	
Reversal bad debt and doubtful accounts	(8)
Loss from adjustment of selling price of loans sold to TAMC	2
Decrease in other accrued expense	(1)
	-
Net interest and dividend income	(58)
Proceed from interest and dividend	56
Income tax paid	(5)
Income from operations before changes in operating assets and liabilities	(7)
<i>Operating assets (increase) decrease</i>	
Investment in receivables	116
Properties foreclosed	(1)
Other assets	1
Net cash provided by operating activities	109
Cash flows from financing activities	
Increase in long-term borrowing	51
Net cash provided by financing activities	51
Net increase in cash and cash equivalents	160
Cash and cash equivalents at beginning of period	417
Cash and cash equivalents at end of period	577

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.6 Segment reporting

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

6.6.1 As at 30 June 2009 and 31 December 2008, the financial position classified by domestic and foreign operations are as follows:

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Domestic operations	Foreign operations	Total	Domestic operations	Foreign operations	Total
	<i>(in million Baht)</i>					
Total assets	1,266,894	32,348	1,299,242	1,194,577	47,063	1,241,640
Interbank and money market items						
(Assets)	165,224	13,599	178,823	70,468	17,239	87,707
Investments, net	152,475	4,085	156,560	147,445	7,752	155,197
Loans	893,073	13,716	906,789	902,276	14,644	916,920
Deposits	972,951	5,464	978,415	904,896	6,586	911,482
Interbank and money market items						
(Liabilities)	32,290	1	32,291	28,793	85	28,878
Borrowings	84,233	-	84,233	71,930	10,481	82,411
Contingencies	1,890,931	6,452	1,897,383	2,017,359	8,684	2,026,043

	Separate financial statements					
	30 June 2009			31 December 2008		
	Domestic operations	Foreign operations	Total	Domestic operations	Foreign operations	Total
	<i>(in million Baht)</i>					
Total assets	1,248,219	27,279	1,275,498	1,186,740	41,754	1,228,494
Interbank and money market items						
(Assets)	164,657	10,266	174,923	69,677	13,963	83,640
Investments, net	165,184	4,083	169,267	164,645	7,750	172,395
Loans	863,823	12,200	876,023	879,943	12,907	892,850
Deposits	973,947	1,347	975,294	911,247	2,287	913,534
Interbank and money market items						
(Liabilities)	33,738	1	33,739	25,742	79	25,821
Borrowings	70,777	-	70,777	67,948	10,481	78,429
Contingencies	1,892,622	5,723	1,898,345	2,017,359	7,963	2,025,322

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.6.2 The results of operations classified by domestic and foreign operations for the three-month periods ended 30 June 2009 and 2008 are as follows:

	Consolidated financial statements							
	2009				2008			
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest and dividend income	13,515	238	(109)	13,644	15,361	603	(510)	15,454
Interest expenses	3,191	121	(109)	3,203	4,437	545	(510)	4,472
Net interest income	10,324	117	-	10,441	10,924	58	-	10,982
Non-interest income	7,157	26	-	7,183	6,787	52	-	6,839
Non-interest expenses	10,349	49	-	10,398	9,757	55	-	9,812
Income before income tax	7,132	94	-	7,226	7,954	55	-	8,009

	Separate financial statements							
	2009				2008			
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest and dividend income	13,405	208	(109)	13,504	14,467	562	(510)	14,519
Interest expenses	3,104	113	(109)	3,108	4,073	536	(510)	4,099
Net interest income	10,301	95	-	10,396	10,394	26	-	10,420
Non-interest income	6,024	5	-	6,029	5,705	21	-	5,726
Non-interest expenses	9,418	28	-	9,446	8,100	25	-	8,125
Income before income tax	6,907	72	-	6,979	7,999	22	-	8,021

6.6.3 The results of operations classified by domestic and foreign operations for the six-month periods ended 30 June 2009 and 2008 are as follows:

	Consolidated financial statements							
	2009				2008			
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest and dividend Income	28,032	583	(327)	28,288	30,589	1,627	(1,301)	30,915
Interest expenses	7,396	353	(327)	7,422	8,858	1,379	(1,301)	8,936
Net interest income	20,636	230	-	20,866	21,731	248	-	21,979
Non-interest income	13,539	69	-	13,608	14,220	94	-	14,314
Non-interest expenses	19,873	108	-	19,981	18,746	105	-	18,851
Income before income tax	14,302	191	-	14,493	17,205	237	-	17,442

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements							
	2009				2008			
	Domestic operations	Foreign operations	Elimination	Total	Domestic operations	Foreign operations	Elimination	Total
	<i>(in million Baht)</i>							
Interest and dividend								
Income	27,277	516	(327)	27,466	29,074	1,533	(1,301)	29,306
Interest expenses	7,214	335	(327)	7,222	7,994	1,361	(1,301)	8,054
Net interest income	20,063	181	-	20,244	21,080	172	-	21,252
Non-interest income	11,722	26	-	11,748	11,647	35	-	11,682
Non-interest expenses	18,106	58	-	18,164	15,849	53	-	15,902
Income before income tax	13,679	149	-	13,828	16,878	154	-	17,032

6.7 Disclosure of financial instruments

6.7.1 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 counterparty and obtaining sufficient collateral or other security where appropriate, as a mean to mitigating the risk of financial losses from defaults.

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

The Bank has a credit risk in case 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 diversifications of customers.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.7.2 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).

Significant financial assets and liabilities as at 30 June 2009 and 31 December 2008 can be repriced as follows:

Consolidated financial statements								
30 June 2009								
	Reprice on demand	1 - 3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	Total
<i>(in million Baht)</i>								
Financial assets								
Cash	-	-	-	-	-	-	22,659	22,659
Interbank and money market items	2,053	161,679	692	-	44	-	16,407	180,875
Investments, net	776	9,424	17,743	77,939	29,820	-	20,858	156,560
Loans	586,846	93,915	55,510	84,228	35,599	49,832	859	906,789
Accrued interest receivables	-	-	-	-	-	-	1,669	1,669
Total financial assets	589,675	265,018	73,945	162,167	65,463	49,832	62,452	1,268,552
Financial liabilities								
Deposits	464,625	263,124	156,369	58,100	-	-	36,197	978,415
Interbank and money market items	13,137	14,504	261	664	273	-	3,452	32,291
Borrowings	-	27,490	28,306	28,396	41	-	-	84,233
Interest payable on deposits	-	-	-	-	-	-	2,220	2,220
Other liabilities	-	-	-	-	-	-	686	686
Total financial liabilities	477,762	305,118	184,936	87,160	314	-	42,555	1,097,845
Difference	111,913	(40,100)	(110,991)	75,007	65,149	49,832	19,897	170,707

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2009

For the three-month period ended 30 June 2009 (Unaudited)

Consolidated financial statements

31 December 2008

	Reprice on demand	1 - 3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	Total
<i>(in million Baht)</i>								
Financial assets								
Cash	-	-	-	-	-	-	29,941	29,941
Interbank and money market items	2,339	67,102	3,315	-	45	-	15,508	88,309
Investments, net	-	24,525	17,585	63,676	29,275	-	20,136	155,197
Loans	651,479	69,019	45,108	82,140	18,843	50,067	264	916,920
Accrued interest receivables	-	-	-	-	-	-	2,271	2,271
Total financial assets	653,818	160,646	66,008	145,816	48,163	50,067	68,120	1,192,638
Financial liabilities								
Deposits	393,706	281,755	157,610	35,140	-	-	43,271	911,482
Interbank and money market items	15,935	2,849	6,025	184	667	-	3,218	28,878
Borrowings	1,019	21,501	30,758	29,052	81	-	-	82,411
Interest payable on deposits	-	-	-	-	-	-	3,315	3,315
Other liabilities	-	-	-	-	-	-	767	767
Total financial liabilities	410,660	306,105	194,393	64,376	748	-	50,571	1,026,853
Difference	243,158	(145,459)	(128,385)	81,440	47,415	50,067	17,549	165,785

Separate financial statements

30 June 2009

	Reprice on demand	1 - 3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	Total
<i>(in million Baht)</i>								
Financial assets								
Cash	-	-	-	-	-	-	22,558	22,558
Interbank and money market items	1,910	159,447	-	-	-	-	15,618	176,975
Investments, net	-	9,369	17,597	78,802	29,652	-	33,847	169,267
Loans	593,061	114,017	53,666	35,079	35,136	45,063	1	876,023
Accrued interest receivable	-	-	-	-	-	-	1,645	1,645
Total financial assets	594,971	282,833	71,263	113,881	64,788	45,063	73,669	1,246,468
Financial liabilities								
Deposits	462,074	262,294	156,376	58,101	-	-	36,449	975,294
Interbank and money market items	14,338	14,504	261	664	273	-	3,699	33,739
Borrowings	-	18,233	27,406	25,097	41	-	-	70,777
Interest payable on deposits	-	-	-	-	-	-	2,218	2,218
Other liabilities	-	-	-	-	-	-	646	646
Total financial liabilities	476,412	295,031	184,043	83,862	314	-	43,012	1,082,674
Difference	118,559	(12,198)	(112,780)	30,019	64,474	45,063	30,657	163,794

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Separate financial statements								
31 December 2008								
	Reprice on demand	1 - 3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	Total
<i>(in million Baht)</i>								
Financial assets								
Cash	-	-	-	-	-	-	29,785	29,785
Interbank and money market items	2,144	65,143	2,795	-	-	-	14,159	84,241
Investments, net	-	23,140	17,290	64,346	29,024	-	38,595	172,395
Loans	658,756	88,627	63,079	22,854	14,935	44,596	3	892,850
Accrued interest receivable	-	-	-	-	-	-	2,712	2,712
Total financial assets	660,900	176,910	83,164	87,200	43,959	44,596	85,254	1,181,983
Financial liabilities								
Deposits	397,299	280,731	157,577	35,140	-	-	42,787	913,534
Interbank and money market items	16,374	2,849	2,400	184	667	-	3,347	25,821
Borrowings	1,019	21,521	30,956	24,852	81	-	-	78,429
Interest payable on deposits	-	-	-	-	-	-	3,312	3,312
Other liabilities	-	-	-	-	-	-	715	715
Total financial liabilities	414,692	305,101	190,933	60,176	748	-	50,161	1,021,811
Difference	246,208	(128,191)	(107,769)	27,024	43,211	44,596	35,093	160,172

The effective interest rate of financial instruments which are repriced within 1 year is not significantly different from market rates. The effective interest rate of financial instruments which are repriced over 1 year is not significantly different from the average interest rate of this financial year.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.7.3 Interest earning and interest bearing financial instruments are as follows:

	Consolidated financial statements					
	30 June 2009			31 December 2008		
	Average	Interest	Average	Average	Interest	Average
	(in million Baht)	(%)	(in million Baht)	(%)	(%)	(%)
Interbank and money market items						
(Assets)	176,126	1,176	1.3	126,151	4,163	3.3
Investments, net	155,864	2,484	3.2	134,242	5,197	3.9
Loans	860,314	21,772	5.1	875,091	49,018	5.6
Deposits	974,900	5,665	1.2	892,356	14,581	1.6
Interbank and moneymarket items						
(Liabilities)	34,857	285	1.6	39,584	1,308	3.3
Borrowings	83,913	1,472	3.5	78,137	3,113	4.0

	Separate financial statements					
	30 June 2009			31 December 2008		
	Average	Interest	Average	Average	Interest	Average
	(in million Baht)	(%)	(in million Baht)	(%)	(%)	(%)
Interbank and money market items						
(Assets)	172,084	1,159	1.3	123,629	4,038	3.3
Investments, net	168,288	2,960	3.5	148,372	6,218	4.2
Loans	838,250	20,347	4.9	819,130	46,022	5.6
Deposits	971,454	5,648	1.2	891,367	14,547	1.6
Interbank and moneymarket items						
(Liabilities)	33,082	203	1.2	23,776	567	2.4
Borrowings	78,857	1,371	3.5	67,947	2,664	3.9

6.7.4 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's policy is to minimise liquidity risk whilst maximising investment returns. The Assets and Liabilities Committee (ALCO) monitors and reviews the liquidity position on a regular basis.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Financial assets and liabilities as at 30 June 2009 and 31 December 2008 are classified according to their contractual maturity as follows:

Consolidated financial statements							
30 June 2009							
Maturity	Maturity within			Maturity	No	Total	
on	1 - 3	3 - 12	1 - 5	over	maturity		
demand	months	months	years	5 years	-		
<i>(in million Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	22,659	22,659
Interbank and money market items	18,321	161,680	830	-	44	-	180,875
Investments, net	776	9,424	17,743	79,974	29,896	18,747	156,560
Loans*	74,631	166,900	132,028	290,642	241,578	1,010	906,789
Accrued interest receivables	-	1,669	-	-	-	-	1,669
Total financial assets	93,728	339,673	150,601	370,616	271,518	42,416	1,268,552
Financial liabilities							
Deposits	500,821	263,125	156,369	58,100	-	-	978,415
Interbank and money market items	13,905	17,188	261	664	273	-	32,291
Borrowings	-	27,490	28,306	8,396	20,041	-	84,233
Interest payable on deposits	-	1,175	884	161	-	-	2,220
Other liabilities	-	111	561	14	-	-	686
Total financial liabilities	514,726	309,089	186,381	67,335	20,314	-	1,097,845
Net liquidity gap	(420,998)	30,584	(35,780)	303,281	251,204	42,416	170,707

* Including non-performing loans

Consolidated financial statements							
31 December 2008							
Maturity	Maturity within			Maturity	No	Total	
on	1 - 3	3 - 12	1 - 5	over	maturity		
demand	months	months	years	5 years	-		
<i>(in million Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	29,941	29,941
Interbank and money market items	17,692	67,208	3,363	-	46	-	88,309
Investments, net	41	22,603	19,567	65,317	29,716	17,953	155,197
Loans*	79,877	145,754	159,070	294,883	235,329	2,007	916,920
Other liabilities	-	2,271	-	-	-	-	2,271
Total financial assets	97,610	237,836	182,000	360,200	265,091	49,901	1,192,638
Financial liabilities							
Deposits	436,977	281,755	157,610	35,140	-	-	911,482
Interbank and money market items	19,153	2,849	6,026	184	666	-	28,878
Borrowings	-	21,870	31,408	9,052	20,081	-	82,411
Interest payable on deposits	-	1,804	1,035	476	-	-	3,315
Other liabilities	-	342	402	23	-	-	767
Total financial liabilities	456,130	308,620	196,481	44,875	20,747	-	1,026,853
Net liquidity gap	(358,520)	(70,784)	(14,481)	315,325	244,344	49,901	165,785

* Including non-performing loans

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

Separate financial statements							
30 June 2009							
	Maturity on demand	1 - 3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	Total
<i>(in million Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	22,558	22,558
Interbank and money market items	17,408	159,567	-	-	-	-	176,975
Investments, net	-	9,370	17,597	80,837	29,652	31,811	169,267
Loans *	76,530	186,600	130,061	241,693	241,139	-	876,023
Accrued interest receivables	-	1,645	-	-	-	-	1,645
Total financial assets	93,938	357,182	147,658	322,530	270,791	54,369	1,246,468
Financial liabilities							
Deposits	498,523	262,294	156,376	58,101	-	-	975,294
Interbank and money market items	18,037	14,504	261	664	273	-	33,739
Borrowings	-	18,234	27,406	5,096	20,041	-	70,777
Interest on deposits	-	1,173	884	161	-	-	2,218
Other liabilities	-	72	560	14	-	-	646
Total financial liabilities	516,560	296,277	185,487	64,036	20,314	-	1,082,674
Net liquidity gap	(422,622)	60,905	(37,829)	258,494	250,477	54,369	163,794
* Including non-performing loans							

Separate financial statements							
31 December 2008							
	Maturity on demand	1 - 3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	Total
<i>(in million Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	29,785	29,785
Interbank and money market items	16,166	65,233	2,842	-	-	-	84,241
Investments, net	-	21,218	19,211	66,352	29,024	36,590	172,395
Loans *	82,135	165,156	176,812	236,358	232,389	-	892,850
Accrued interest receivables	-	2,712	-	-	-	-	2,712
Total financial assets	98,301	254,319	198,865	302,710	261,413	66,375	1,181,983
Financial liabilities							
Deposits	440,086	280,731	157,577	35,140	-	-	913,534
Interbank and money market items	19,721	2,849	2,400	184	667	-	25,821
Borrowings	-	21,890	31,606	4,852	20,081	-	78,429
Interest payable on deposits	-	1,801	1,035	476	-	-	3,312
Other liabilities	-	295	396	24	-	-	715
Total financial liabilities	459,807	307,566	193,014	40,676	20,748	-	1,021,811
Net liquidity gap	(361,506)	(53,247)	5,851	262,034	240,665	66,375	160,172
* Including non-performing loans							

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.7.5 Currency risk

Currency 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 stoploss 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.

As at 30 June 2009 and 31 December 2008, the Bank has the following financial assets and liabilities denominated in the various currencies as follows:

	Consolidated financial statements					
	30 June 2009					
	THB	USD	EURO	YEN	Others	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	21,920	371	110	81	177	22,659
Interbank and money market items	162,112	16,434	1,412	229	688	180,875
Investments, net	150,882	5,062	3	-	613	156,560
Loans	879,569	26,629	309	201	81	906,789
Accrued interest receivables	1,441	227	1	-	-	1,669
Total financial assets	1,215,924	48,723	1,835	511	1,559	1,268,552
Financial liabilities						
Deposits	957,480	18,441	1,495	474	525	978,415
Interbank and money market items	32,195	94	-	1	1	32,291
Borrowings	84,233	-	-	-	-	84,233
Interest payable on deposits	2,216	3	-	-	1	2,220
Other liabilities	686	-	-	-	-	686
Total financial liabilities	1,076,810	18,538	1,495	475	527	1,097,845
On-balance sheet items, net	139,114	30,185	340	36	1,032	170,707
Off-balance sheet items - contingencies (currency swap contracts)	127	(20,608)	539	(8,767)	(652)	(29,361)

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Consolidated financial statements					
	31 December 2008					
	THB	USD	EURO	YEN	Others	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	28,706	536	313	125	261	29,941
Interbank and money market items	65,782	20,773	428	323	1,003	88,309
Investments, net	144,684	8,282	3	-	2,228	155,197
Loans	880,305	30,160	276	6,136	43	916,920
Accrued interest receivables	1,979	291	-	1	-	2,271
Total financial assets	1,121,456	60,042	1,020	6,585	3,535	1,192,638
Financial liabilities						
Deposits	895,115	14,014	1,376	501	476	911,482
Interbank and money market items	27,976	898	-	-	4	28,878
Borrowings	71,930	10,481	-	-	-	82,411
Interest payable on deposits	3,309	5	-	-	1	3,315
Other liabilities	723	44	-	-	-	767
Total financial liabilities	999,053	25,442	1,376	501	481	1,026,853
On-balance sheet items, net	122,403	34,600	(356)	6,084	3,054	165,785
Off-balance sheet items - contingencies (currency swap contracts)	91	(33,265)	605	(15,593)	(2,837)	(50,999)

	Separate financial statements					
	30 June 2009					
	THB	USD	EURO	YEN	Others	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	21,899	293	110	81	175	22,558
Interbank and money market items	161,546	13,129	1,412	229	658	176,974
Investments, net	162,954	5,696	3	-	615	169,268
Loans	850,319	25,113	309	201	81	876,023
Accrued interest receivable	1,422	222	1	-	-	1,645
Total financial assets	1,198,140	44,453	1,835	511	1,529	1,246,468
Financial liabilities						
Deposits	958,374	14,459	1,495	474	492	975,294
Interbank and money market items	33,556	181	-	1	1	33,739
Borrowings	70,777	-	-	-	-	70,777
Interest payable on deposits	2,216	1	-	-	1	2,218
Other liabilities	646	-	-	-	-	646
Total financial liabilities	1,065,569	14,641	1,495	475	494	1,082,674
On-balance sheet items, net	132,571	29,812	340	36	1,035	163,794
Off-balance sheet items - contingencies (currency swap contracts)	127	(20,201)	539	(8,731)	(652)	(28,918)

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

	Separate financial statements					
	31 December 2008					
	THB	USD	EURO	YEN	Others	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	28,663	433	313	125	251	29,785
Interbank and money market items	64,941	17,586	428	323	963	84,241
Investments, net	161,248	8,915	3	-	2,229	172,395
Loans	857,971	28,424	276	6,136	43	892,850
Accrued interest receivable	2,425	286	-	1	-	2,712
Total financial assets	1,115,248	55,644	1,020	6,585	3,486	1,181,983
Financial liabilities						
Deposits	901,377	9,843	1,376	501	437	913,534
Interbank and money market items	24,871	946	-	-	4	25,821
Borrowings	67,948	10,481	-	-	-	78,429
Interest payable on deposits	3,309	2	-	-	1	3,312
Other liabilities	670	45	-	-	-	715
Total financial liabilities	998,175	21,317	1,376	501	442	1,021,811
On-balance sheet items, net	117,073	34,327	(356)	6,084	3,044	160,172
Off-balance sheet items - contingencies (currency swap contracts)	91	(33,265)	605	(15,593)	(2,837)	(50,999)

6.7.6 Derivatives

Financial derivatives are financial instruments whose characteristics are derived from the underlying assets, or from interest and exchange rates or indices. The following are the derivatives 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.
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 Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

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. These include forward exchange contracts, currency swaps, interest rate swaps, equity derivatives, credit derivatives and commodity derivatives. Such derivatives have different levels of exposures. However, 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.

The notional amount and the fair value of derivatives as at 30 June 2009 and 31 December 2008 are as follows:

Consolidated and separate financial statements					
30 June 2009					
	Notional amount			Total	Net fair value of derivative
	Less than 1 year	Within 1 - 5 years	More than 5 years		
<i>(in million Baht)</i>					
Forward exchange contracts	422,482	1,082	798	424,362	441
Currency swap contracts	92,601	109,813	119,497	321,911	1,220
Interest rate swap contracts	138,211	244,279	92,382	474,872	(446)
Equity derivatives	248	434	-	682	-
Credit derivatives	573	1,184	-	1,757	48
Commodity derivatives	1,940	-	-	1,940	1

Consolidated and separate financial statements					
31 December 2008					
	Notional amount			Total	Net fair value of derivative
	Less than 1 year	Within 1 - 5 years	More than 5 years		
<i>(in million Baht)</i>					
Forward exchange contracts	480,104	2,581	849	483,534	(2,678)
Currency swap contracts	90,345	110,528	131,696	332,569	794
Interest rate swap contracts	142,645	280,602	84,802	508,049	(360)
Equity derivatives	235	686	-	921	-
Credit derivatives	742	1,216	-	1,958	8
Commodity derivatives	2,816	-	-	2,816	2

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

6.7.7 Fair value of financial instruments

Normally, fair value of financial instruments is their quoted market prices. However, for many financial instruments, quoted market prices are not available. Fair values are 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 value from different techniques may significantly differ from each other.

A summary of book value and fair value of financial instruments as at 30 June 2009 and 31 December 2008 are as follows:

	Consolidated financial statements			
	30 June 2009		31 December 2008	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Cash	22,659	22,659	29,941	29,941
Interbank and money market items	178,823	178,823	87,707	87,707
Investments, net	156,560	156,560	155,197	155,197
Loans and accrued interest receivables, net	866,611	870,066	877,480	880,925
Financial liabilities				
Deposits	978,415	980,270	911,482	913,104
Interbank and money market items	32,291	32,301	28,878	28,880
Liabilities payable on demand	5,437	5,437	3,686	3,686
Borrowings	84,233	84,233	82,411	82,411
Interest payable on deposits	2,220	2,220	3,315	3,315
Other liabilities	686	686	767	767
	Separate financial statements			
	30 June 2009		31 December 2008	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Cash	22,558	22,558	29,785	29,785
Interbank and money market items	174,923	174,923	83,640	83,640
Investments, net	169,267	169,267	172,395	172,395
Loans and accrued interest receivables, net	838,638	842,092	856,855	860,300
Financial liabilities				
Deposits	975,294	977,149	913,534	915,156
Interbank and money market items	33,739	33,749	25,821	25,823
Liabilities payable on demand	5,418	5,418	3,734	3,734
Borrowings	70,777	70,777	78,429	78,429
Interest payable on deposits	2,218	2,218	3,312	3,312
Other liabilities	646	646	715	715

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the six-month period ended 30 June 2009
For the three-month period ended 30 June 2009 (Unaudited)

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.
Securities purchased under resale agreements:	The carrying values of securities purchased under resale agreements approximate fair value.
Investments	Fair values for securities are based on estimated market prices as described in Note 3.2
Loans and accrued interest receivable:	<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 receivable 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.
Liabilities payable on demand:	The carrying amount of liabilities payable on demand approximates fair value.
Securities sold under repurchase agreements:	The carrying value of securities sold under repurchase agreements approximates fair value.
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-balance-sheet instruments:	Fair values for off-balance-sheet 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.

