

KASIKORNBANK PUBLIC COMPANY LIMITED
and Its Subsidiaries

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2011

Review Report of Certified Public Accountant

To the Board of Directors of KASIKORNBANK PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and the Bank-only statements of financial position as at 30 September 2011, and the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010 (restated), and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2011 and 2010 (restated) of **KASIKORNBANK PUBLIC COMPANY LIMITED** and its subsidiaries, and of **KASIKORNBANK PUBLIC COMPANY LIMITED**, respectively. The Bank's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Bank 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 are not presented fairly, in all material respects, in accordance with Financial Reporting Standards.

As explained in Notes 3 and 20 to the financial statements, in 2010 the Bank and subsidiaries had early adopted new and revised Thai Financial Reporting Standards. The consolidated and the Bank-only financial statements for the three-months and nine-months period ended 30 September 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.

As explained in Notes 2 and 26 to the financial statements, with effect from 1 January 2011, the Bank and subsidiaries have adopted certain new and revises Thai Financial Reporting Standards and complied with the relevant Bank of Thailand notification with regard to the presentation of the financial statements. The consolidated and the Bank-only financial statements for the three-months and nine-months period ended 30 September 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.

I have previously audited the consolidated and Bank-only financial statements for the year ended 31 December 2010 of **KASIKORNBANK PUBLIC COMPANY LIMITED** and its subsidiaries, and of **KASIKORNBANK PUBLIC COMPANY LIMITED**, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 17 February 2011. As explained in Notes 2 and 26 to the accompanying financial statements, the financial statements for the year ended 31 December 2010 have been restated consequent to the adoption of certain new and revised Financial Reporting Standards and compliance with the relevant Bank of Thailand notification with regard to the presentation of the financial statements. I have audited the adjustments that were applied to the restatements of the 2010 consolidated and the Bank-only financial statements and in my opinion these adjustments are appropriate and have been properly applied. The consolidated and Bank-only statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those restated financial statements.



(Ms. Somboon Supasiripinyo)
Certified Public Accountant
Registration No. 3731

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2011

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

		Thousand Baht			
		Consolidated		The Bank	
	Note	30 September 2011	31 December 2010	30 September 2011	31 December 2010
ASSETS					
Cash		31,275,861	32,457,482	31,274,478	32,456,187
Interbank and money market items - net		165,266,962	97,560,143	160,952,335	96,768,486
Claims on security		8,520,930	-	8,520,930	-
Derivative assets		26,479,253	29,060,408	26,479,253	29,060,408
Investments - net	7, 24	287,251,553	251,079,721	190,200,806	168,114,988
Investments in subsidiaries and associates - net	8, 24	202,594	137,595	14,276,630	15,582,889
Loans to customers and accrued interest receivables - net	9, 10				
Loans to customers		1,205,815,688	1,082,580,962	1,189,992,633	1,067,998,583
Accrued interest receivables		1,842,037	1,416,482	1,642,007	1,224,484
Total Loans to customers and accrued interest receivables		1,207,657,725	1,083,997,444	1,191,634,640	1,069,223,067
Less Deferred revenue		(6,619,631)	(5,599,718)	(409,485)	(290,630)
Less Allowance for doubtful accounts	11	(33,353,798)	(32,444,855)	(32,243,171)	(31,199,086)
Less Revaluation allowance for debt restructuring	12	(5,209,436)	(4,386,765)	(5,209,038)	(4,386,660)
Total Loans to customers and accrued interest receivables - net		1,162,474,860	1,041,566,106	1,153,772,946	1,033,346,691
Customers' liability under acceptances		667,871	521,190	667,871	521,190
Properties foreclosed - net		12,774,836	14,380,983	11,560,488	12,393,288
Premises and equipment - net		38,789,836	39,008,556	33,091,227	33,371,270
Goodwill and other intangible assets - net		18,492,385	16,614,260	14,561,503	12,805,098
Deferred tax assets	14	3,865,430	3,581,654	3,318,174	3,524,427
Other assets - net		21,731,911	20,696,211	14,601,149	12,786,792
Total Assets		1,777,794,282	1,546,664,309	1,663,277,790	1,450,731,714
LIABILITIES AND EQUITY					
Deposits		1,255,176,833	1,100,036,472	1,257,001,001	1,102,229,159
Interbank and money market items		94,176,060	33,063,634	97,016,336	34,996,959
Liabilities payable on demand		12,597,215	21,621,928	12,597,136	21,615,512
Liabilities to deliver security		8,520,930	-	8,520,930	-
Financial liabilities designated at fair value through profit or loss		2,351,369	6,156,385	2,351,369	6,156,385
Derivative liabilities		26,721,611	28,398,944	26,721,611	28,397,687
Debts issued and borrowings		76,728,892	88,932,321	77,408,892	89,542,321
Bank's liability under acceptances		667,871	521,190	667,871	521,190
Provisions		12,230,833	11,804,616	11,913,880	11,534,844
Deferred tax liabilities	14	1,648,875	1,776,958	-	-
Life policy reserve		93,217,519	76,404,247	-	-
Other liabilities		32,938,738	32,460,145	24,366,317	24,305,603
Total Liabilities		1,616,976,746	1,401,176,840	1,518,565,343	1,319,299,660

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

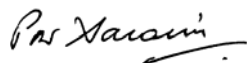
KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

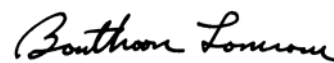
AS OF 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

	Note	Thousand Baht			
		Consolidated		The Bank	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
Equity					
Share capital					
Authorized share capital					
3,048,614,697 common shares, Baht 10 par value		30,486,147	30,486,147	30,486,147	30,486,147
Issued and paid-up share capital					
2,393,260,193 common shares, Baht 10 par value		23,932,602	23,932,602	23,932,602	23,932,602
Premium on common shares		18,103,110	18,103,110	18,103,110	18,103,110
Other reserves	7	8,658,359	9,198,714	8,244,539	8,414,470
Retained earnings					
Appropriated					
Legal reserve		3,050,000	3,050,000	3,050,000	3,050,000
Unappropriated		95,962,627	80,658,270	91,382,196	77,931,872
Total Equity attributable to equity holders of the Bank		149,706,698	134,942,696	144,712,447	131,432,054
Non-controlling interests		11,110,838	10,544,773	-	-
Total Equity		160,817,536	145,487,469	144,712,447	131,432,054
Total Liabilities and Equity		1,777,794,282	1,546,664,309	1,663,277,790	1,450,731,714

Pol.Gen.



(Pow Sarasin)
Vice Chairman

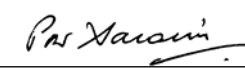


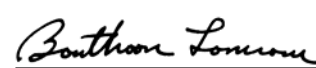
(Banthoon Lamsam)
Chief Executive Officer and President

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

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 AND 2010
(UNAUDITED)

		Thousand Baht			
		Consolidated		The Bank	
Note		2011	2010 (Restated)	2011	2010 (Restated)
	Interest income	22,119,315	15,782,364	20,651,357	14,515,966
	Interest expenses	7,439,556	3,786,708	7,474,980	3,803,980
	Interest income - net	14,679,759	11,995,656	13,176,377	10,711,986
	Fees and service income	6,896,562	5,847,809	6,750,515	5,551,492
	Fees and service expenses	1,398,574	1,116,356	1,409,126	1,097,963
	Fees and service income - net	5,497,988	4,731,453	5,341,389	4,453,529
	Gain on trading and foreign exchange transactions	1,583,465	1,291,660	1,591,205	1,287,522
	Loss on financial liabilities designated at fair value through profit or loss	(38,624)	(39,231)	(38,624)	(39,231)
	Gain (loss) on investments	57,463	105,047	(34,575)	(11,493)
	Share of profit from investments using equity method	3,356	1,255	-	-
	Dividend income	218,469	141,702	319,697	285,031
	Earned premium	10,602,447	7,069,075	-	-
	Other operating income	141,448	50,614	456,522	256,549
	Total operating income	32,745,771	25,347,231	20,811,991	16,943,893
	Underwriting expenses	9,186,833	6,232,496	-	-
	Total operating income - net	23,558,938	19,114,735	20,811,991	16,943,893
	Other operating expenses				
	Employee's expenses	4,667,713	4,073,731	3,555,540	3,120,977
	Directors' remuneration	19,348	25,263	15,438	22,098
	Premises and equipment expenses	2,328,347	2,237,352	2,370,873	2,136,158
	Taxes and duties	840,782	622,025	787,043	576,645
	Others	2,408,651	2,389,561	2,141,386	2,559,698
	Total other operating expenses	10,264,841	9,347,932	8,870,280	8,415,576
	Impairment loss on loans and debt securities	1,719,370	1,595,467	1,781,508	1,564,520
	Operating profit before income tax expense	11,574,727	8,171,336	10,160,203	6,963,797
	Income tax expense	3,423,684	2,365,391	2,986,437	1,948,149
	Net profit	8,151,043	5,805,945	7,173,766	5,015,648
	Other comprehensive income				
	(Loss) gain on remeasurement of available-for-sale investments	(964,557)	1,768,809	365,383	420,244
	Income taxes relating to components of other comprehensive income	288,729	(534,869)	(109,615)	(126,073)
	Total other comprehensive income	(675,828)	1,233,940	255,768	294,171
	Total comprehensive income	7,475,215	7,039,885	7,429,534	5,309,819
	Net profit attributable to :				
	Equity holders of the Bank	7,761,148	5,515,843	7,173,766	5,015,648
	Non-controlling interests	389,895	290,102	-	-
	Total comprehensive income attributable to :				
	Equity holders of the Bank	7,652,684	6,177,037	7,429,534	5,309,819
	Non-controlling interests	(177,469)	862,848	-	-
	Earnings per share of equity holders of the Bank				
	Basic earnings per share (Baht)	3.24	2.30	3.00	2.10
	Weighted average number of common shares (Thousand shares)	2,393,260	2,393,260	2,393,260	2,393,260

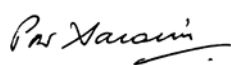
Pol.Gen. 
(Pow Sarasin)
Vice Chairman

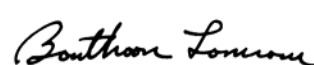

(Banthoon Lamsam)
Chief Executive Officer and President

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

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

		Thousand Baht			
		Consolidated		The Bank	
	Note	2011	2010 (Restated)	2011	2010 (Restated)
Interest income	22	60,609,137	45,499,289	56,451,324	41,954,950
Interest expenses	23	19,040,548	11,229,213	19,137,876	11,270,319
Interest income - net		41,568,589	34,270,076	37,313,448	30,684,631
Fees and service income		19,746,423	16,395,509	19,156,787	15,750,152
Fees and service expenses		4,002,268	3,253,949	4,017,609	3,197,913
Fees and service income - net		15,744,155	13,141,560	15,139,178	12,552,239
Gain on trading and foreign exchange transactions		4,062,225	3,299,246	4,067,961	3,296,176
Loss on financial liabilities designated at fair value through profit or loss		(35,859)	(58,307)	(35,859)	(58,307)
Gain on investments	24	659,990	497,994	300,767	230,370
Share of profit from investments using equity method		8,694	4,737	-	-
Dividend income		708,939	595,319	1,137,069	1,234,669
Earned premium		28,798,508	21,649,280	-	-
Other operating income		852,961	425,056	1,362,052	773,908
Total operating income		92,368,202	73,824,961	59,284,616	48,713,686
Underwriting expenses		24,542,002	18,627,438	-	-
Total operating income - net		67,826,200	55,197,523	59,284,616	48,713,686
Other operating expenses					
Employee's expenses		14,300,752	11,877,855	10,902,734	9,121,115
Directors' remuneration		87,501	98,234	67,563	83,476
Premises and equipment expenses		6,855,565	6,556,240	6,801,377	6,450,658
Taxes and duties		2,312,708	1,774,105	2,161,042	1,652,056
Others		7,042,036	7,205,288	6,918,553	7,326,821
Total other operating expenses		30,598,562	27,511,722	26,851,269	24,634,126
Impairment loss on loans and debt securities		5,185,842	5,018,577	5,186,230	4,917,224
Operating profit before income tax expense		32,041,796	22,667,224	27,247,117	19,162,336
Income tax expense	25	9,450,265	6,767,556	7,923,626	5,496,314
Net profit		22,591,531	15,899,668	19,323,491	13,666,022
Other comprehensive income					
(Loss) gain on remeasurement of available-for-sale investments		(1,472,995)	2,926,984	(85,640)	1,088,571
Income taxes relating to components of other comprehensive income		438,550	(876,957)	25,692	(326,571)
Total other comprehensive income		(1,034,445)	2,050,027	(59,948)	762,000
Total comprehensive income		21,557,086	17,949,695	19,263,543	14,428,022
Net profit attributable to :					
Equity holders of the Bank		21,193,329	14,764,611	19,323,491	13,666,022
Non-controlling interests		1,398,202	1,135,057	-	-
Total comprehensive income attributable to :					
Equity holders of the Bank		20,762,957	16,036,350	19,263,543	14,428,022
Non-controlling interests		794,129	1,913,345	-	-
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)		8.86	6.17	8.07	5.71
Weighted average number of common shares (Thousand shares)		2,393,260	2,393,260	2,393,260	2,393,260

Pol.Gen. 
(Pow Sarasin)
Vice Chairman


(Banthoon Lamsam)
Chief Executive Officer and President

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


KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

		Thousand Baht								
Note		Consolidated								
		Equity holders of the Bank					Non-controlling	Total		
		Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves		Retained Earnings		Total equity attributable to equity holders of the Bank	Interests	
				Appraisal Surplus on Asset Revaluation	Revaluation Surplus (deficit) on Available-for-sale Investments	Appropriated Legal Reserve	Unappropriated			
		23,932,602	18,103,110	7,515,909	943,651	3,050,000	66,452,011	119,997,283	8,148,781	128,146,064
		-	-	-	-	-	(5,983,150)	(5,983,150)	(500,012)	(6,483,162)
		-	-	-	-	-	-	-	501,748	501,748
	20	-	-	-	1,271,739	-	14,764,611	16,036,350	1,913,345	17,949,695
		-	-	(88,399)	-	-	88,399	-	-	-
		-	-	-	-	-	33,330	33,330	6,252	39,582
		23,932,602	18,103,110	7,427,510	2,215,390	3,050,000	75,355,201	130,083,813	10,070,114	140,153,927
		23,932,602	18,103,110	7,398,703	1,800,011	3,050,000	80,658,270	134,942,696	10,544,773	145,487,469
		-	-	-	-	-	(5,983,150)	(5,983,150)	(228,064)	(6,211,214)
		-	-	-	(430,372)	-	21,193,329	20,762,957	794,129	21,557,086
		-	-	(109,983)	-	-	109,983	-	-	-
		-	-	-	-	-	(15,805)	(15,805)	-	(15,805)
		23,932,602	18,103,110	7,288,720	1,369,639	3,050,000	95,962,627	149,706,698	11,110,838	160,817,536

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

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

		Thousand Baht						
Note		The Bank						
		Equity holders of the Bank						
		Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves		Retained Earnings		Total
				Appraisal Surplus on Asset Revaluation	Revaluation Surplus (deficit) on Available-for-sale Investments	Appropriated Legal Reserve	Unappropriated	
Balance at 1 January 2010		23,932,602	18,103,110	7,515,909	957,479	3,050,000	65,137,740	118,696,840
Dividend paid		-	-	-	-	-	(5,983,150)	(5,983,150)
Total comprehensive income for the period	20	-	-	-	762,000	-	13,666,022	14,428,022
Transferred to retained earnings		-	-	(88,399)	-	-	88,399	-
Others		-	-	-	-	-	33,345	33,345
Ending balance as of 30 September 2010		<u>23,932,602</u>	<u>18,103,110</u>	<u>7,427,510</u>	<u>1,719,479</u>	<u>3,050,000</u>	<u>72,942,356</u>	<u>127,175,057</u>
Balance at 1 January 2011		23,932,602	18,103,110	7,398,703	1,015,767	3,050,000	77,931,872	131,432,054
Dividend paid		-	-	-	-	-	(5,983,150)	(5,983,150)
Total comprehensive income for the period		-	-	-	(59,948)	-	19,323,491	19,263,543
Transferred to retained earnings		-	-	(109,983)	-	-	109,983	-
Ending balance as of 30 September 2011		<u>23,932,602</u>	<u>18,103,110</u>	<u>7,288,720</u>	<u>955,819</u>	<u>3,050,000</u>	<u>91,382,196</u>	<u>144,712,447</u>

Pol.Gen. 
(Pow Sarasin)
Vice Chairman


(Banthoon Lamsam)
Chief Executive Officer and President

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


KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

	Thousand Baht			
	Consolidated		The Bank	
	2011	2010 (Restated)	2011	2010 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit before income tax expense	32,041,796	22,667,224	27,247,117	19,162,336
Add (Less) Adjustments to reconcile profit from operating before income tax expense to net cash from operating activities				
Depreciation and amortization	3,464,726	3,072,167	3,022,814	2,615,061
Bad debt and doubtful accounts	2,455,203	2,720,061	2,397,663	2,557,986
Loss on debt restructuring	3,212,121	2,762,718	3,211,710	2,762,319
Interest income from amortization of revaluation allowance for debt restructuring	(131,233)	(257,589)	(131,143)	(257,187)
Loss (gain) on foreign exchange translation of long-term borrowings	185,772	(574,383)	185,772	(574,383)
Gain on revaluation of investments	(66,953)	(61,055)	(66,953)	(57,566)
Reversal of loss on impairment of investments	(252,206)	(451)	(252,206)	(451)
Gain on disposal of securities for investments	(409,347)	(501,225)	(50,701)	(230,370)
(Gain) loss on disposal of investments in associated	(438)	-	1,841	-
Amortization of discount on debt instruments	(835,744)	(493,622)	(832,588)	(690,564)
Loss on impairment of properties foreclosed	447,960	358,736	378,163	338,596
(Reversal of loss) loss on impairment of other assets	(79,916)	42,106	(79,916)	42,106
(Gain) loss on disposal of premises and equipment	(10,930)	1,564	2	(84)
Loss on write off of premises and equipment	71,068	46	70,986	14
Reversal of loss on impairment of premises and equipment	-	(2,604)	-	(2,604)
Share of profit from investments using equity method	(8,694)	(4,737)	-	-
Dividend income from associated companies	4,650	4,200	-	-
Amortization of discount on debentures	2,222	2,351	2,222	2,351
Increase (decrease) in other reserves	426,217	(227,342)	379,036	1,120,783
	<u>40,516,274</u>	<u>29,508,165</u>	<u>35,483,819</u>	<u>26,788,343</u>
Net income from interest	(41,568,589)	(34,270,076)	(37,313,448)	(30,684,631)
Net income from dividends	(708,939)	(595,319)	(1,137,069)	(1,234,669)
Proceeds from interest	60,883,987	45,591,036	56,063,551	42,167,432
Interest paid	(17,017,142)	(10,161,710)	(17,099,227)	(10,199,903)
Proceeds from dividends	702,940	621,833	1,135,826	1,244,420
Income tax paid	(10,801,909)	(7,813,237)	(8,804,382)	(6,169,647)
Income from operations before changes in operating assets and liabilities	<u>32,006,622</u>	<u>22,880,692</u>	<u>28,329,070</u>	<u>21,911,345</u>
(Increase) decrease in operating assets				
Interbank and money market items (assets)	(67,650,854)	(24,095,595)	(64,131,211)	(24,026,323)
Investments held for trading	2,626,805	(11,747,465)	2,609,465	(11,742,642)
Loans to customers	(128,713,222)	(66,100,317)	(127,195,022)	(63,979,500)
Properties foreclosed	3,733,930	3,684,896	2,943,622	2,590,227
Other assets	1,622,661	(18,167,887)	292,674	(16,287,815)

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

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

		Thousand Baht			
		Consolidated		The Bank	
Note		2011	2010 (Restated)	2011	2010 (Restated)
Increase (decrease) in operating liabilities					
	Deposits	155,140,361	66,824,845	154,771,842	65,651,788
	Interbank and money market items (liabilities)	61,112,426	(7,743,742)	62,019,377	(6,247,906)
	Liabilities payable on demand	(9,024,713)	483,286	(9,018,376)	490,804
	Financial liabilities designated at fair value through profit or loss	(3,805,016)	7,990,076	(3,805,016)	7,990,076
	Short-term debts issued and borrowings	(12,043,247)	1,697,981	(11,973,247)	(70,030)
	Other accrued expenses	95,351	16,473	103,613	(16,393)
	Other liabilities	14,461,115	28,719,977	(3,055,599)	14,689,578
	Net cash provided by (used in) operating activities	49,562,219	4,443,220	31,891,192	(9,046,791)
CASH FLOWS FROM INVESTING ACTIVITIES					
	Proceeds from disposal of available-for-sale investments	88,151,988	213,947,359	66,702,226	195,492,323
	Proceeds from redemption of held to maturity debt instruments	7,114,421	17,160,434	95,130	416,296
	Proceeds from disposal of general investments	123,259	198,659	122,795	197,659
	Proceeds from capital decrease/disposal of investments in subsidiary company	-	-	1,626,145	998,275
	Proceeds from disposal of investments in associated	7,510	-	495	-
	Purchase of available-for-sale investments	(111,165,612)	(188,638,693)	(90,517,235)	(170,253,003)
	Purchase of held to maturity debt instruments	(23,141,984)	(29,340,890)	(159,994)	(282,869)
	Purchase of general investments	(260,455)	(191)	(252,155)	(191)
	Cash paid for capital increases of subsidiary company	-	-	(2,000)	(5,000)
	Purchase of investments in associated	(28,700)	-	-	-
	Proceeds from disposal of premises and equipment	12,296	15,239	956	5,858
	Purchase of premises and equipment	(2,287,511)	(3,683,476)	(1,699,359)	(3,375,495)
	Purchase of leasehold	(100,021)	(49,624)	(99,688)	(49,294)
	Purchase of intangible assets	(2,609,641)	(2,555,542)	(2,558,891)	(2,599,669)
	Net cash (used in) provided by investing activities	(44,184,450)	7,053,275	(26,741,575)	20,544,890
CASH FLOWS FROM FINANCING ACTIVITIES					
	Decrease in long-term debts issued and borrowings	(348,176)	(8,473,288)	(348,176)	(8,473,288)
	Increase in non-controlling interests' share capital	-	501,748	-	-
	Dividend payments to shareholder	(5,983,150)	(5,983,150)	(5,983,150)	(5,983,150)
	Dividend paid to non-controlling interests	(228,064)	(500,012)	-	-
	Net cash used in financing activities	(6,559,390)	(14,454,702)	(6,331,326)	(14,456,438)
	Net decrease in cash	(1,181,621)	(2,958,207)	(1,181,709)	(2,958,339)
	Cash at the beginning of the period	6 32,457,482	26,674,351	32,456,187	26,673,193
	Cash at the end of the period	6 31,275,861	23,716,144	31,274,478	23,714,854

Pol.Gen. 
(Pow Sarasin)
Vice Chairman


(Bantoon Lamsam)
Chief Executive Officer and President

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

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

Note	Contents	Page
1	General information	12
2	Basis of preparation of the interim financial statements	14
3	New and revised Thai Financial Reporting Standards	15
4	Significant accounting policies	16
5	Capital requirements	16
6	Supplementary information of cash flows	17
7	Investments - net	18
8	Investments in subsidiaries and associated companies - net	25
9	Loans to customers and accrued interest receivables - net	32
10	Troubled debt restructuring	38
11	Allowance for doubtful accounts	43
12	Revaluation allowance for debt restructuring	44
13	Classified assets	45
14	Deferred tax assets and deferred tax liabilities	47
15	Assets pledged as collateral	51
16	Contingent liabilities and commitments	52
17	Related party transactions and balances	53
18	Events after the financial statement	66
19	Thai Financial Reporting Standards (TFRS) not yet adopted	67
20	Restatement of comparative financial statements	67
21	The financial positions and results of operations differentiated by domestic and foreign business	68
22	Interest income	74
23	Interest expenses	75
24	Gain on investments	76
25	Income tax expense	77
26	Reclassification of accounts	79
27	Approval of financial statements	79

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

These notes form an integral part of the financial statements.

1 GENERAL INFORMATION

KASIKORNBANK PUBLIC COMPANY LIMITED, (“the Bank”), is a registered public company located in the Kingdom of Thailand and listed on the Stock Exchange of Thailand on 9 February 1976. The registered office of the Bank is at 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District, Bangkok.

The principal activity of the Bank is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and certain majors cities overseas.

The consolidated financial statements of the Bank consist of the Bank and its subsidiaries. Details of the Bank’s subsidiaries were as follows:

	% Shareholding of the Bank	
	<u>Direct and Indirect</u>	
	<u>30 September 2011 and</u>	
	<u>31 December 2010</u>	<u>30 September 2010</u>
KASIKORN ASSET MANAGEMENT CO., LTD. (“KAsset”)	100.00	100.00
KASIKORN RESEARCH CENTER CO., LTD. (“KResearch”)	100.00	100.00
KASIKORN SECURITIES PCL (“KSecurities”)	99.99	99.99
KASIKORN LEASING CO., LTD. (“KLeasing”)	100.00	100.00
KASIKORN FACTORY & EQUIPMENT CO., LTD. (“KF&E”)	100.00	100.00
Phethai Asset Management Co., Ltd.	100.00	100.00
KHAO KLA Venture Capital Management Co., Ltd.	100.00	100.00
K-SME Venture Capital Co., Ltd.	100.00	100.00
PROGRESS SOFTWARE CO., LTD.	100.00	100.00
PROGRESS PLUS CO., LTD.	100.00	100.00
PROGRESS APPRAISAL CO., LTD.	100.00	100.00
PROGRESS GUNPAI CO., LTD.	100.00	100.00
PROGRESS MANAGEMENT CO., LTD.	100.00	100.00
PROGRESS FACILITIES MANAGEMENT CO., LTD.	100.00	100.00
PROGRESS SERVICE CO., LTD.	100.00	100.00
PROGRESS LAND AND BUILDINGS CO., LTD.	100.00	100.00
PROGRESS STORAGE CO., LTD.	100.00	100.00
PROGRESS HR CO., LTD.	100.00	100.00
PROGRESS SERVICE SUPPORT CO., LTD.	100.00	100.00
PROGRESS COLLECTION CO., LTD.	100.00	100.00
PROGRESS TRAINING CO., LTD.	100.00	100.00

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

	% Shareholding of the Bank	
	<u>Direct and Indirect</u>	
	<u>30 September 2011 and</u>	
	<u>31 December 2010</u>	<u>30 September 2010</u>
PROGRESS MULTI INSURANCE BROKER CO., LTD.	100.00	100.00
Thanyathanathavee Co., Ltd.	100.00	100.00
Thanyathamrongkij Co., Ltd.	100.00	100.00
Thanyanithiwattana Co., Ltd.	100.00	100.00
Ruang Khao Phuean Thai Joint Investment Agreement	100.00	100.00
Muangthai Group Holding Co., Ltd. (“MTGH”)	51.00	51.00
Muang Thai Life Assurance Co., Ltd. (“MTL”)	38.25	38.25
Muangthai Broker Co., Ltd. (“MTB”)	49.98	49.98

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

2 BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

a) Statement of compliance

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

The interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) Interim Financial Reporting; Financial Reporting Standards; guidelines promulgated by the Federation of Accounting Professions (FAP), applicable rules and regulations of the Thai Securities and Exchange Commission ("SEC") and Stock Exchange of Thailand ("SET") and with the Bank of Thailand ("BoT") notification number SOR NOR SOR 11/2553, directive dated 3 December 2010, regarding the "Preparation and announcement of the financial statements of commercial banks and holding companies which are a parent company of a group of companies offering financial services". See Note 26 for reclassification of accounts for financial statements for the three-month and nine-month periods ended 30 September 2010, for comparative purpose.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2010 and for the six-months period ended 30 June 2011. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank and its subsidiaries for the year ended 31 December 2010 and for the six-months period ended 30 June 2011.

b) Presentation currencies

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

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

3 NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

During 2010 and 2011, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Bank and its subsidiaries' operations and effective for accounting periods beginning on or after 1 January 2011. The Bank and its subsidiaries have early adopted some TFRS for the preparation of financial statements in 2010 and have applied the following TFRS from 1 January 2011 :

TFRS	Topic
TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 34 (Revised 2009)	Interim Financial Reporting
FAP's announcement 17/2554	Transitional Procedures for other Long-term Employee Benefits
FAP's announcement 18/2554	Accounting Guidance on Revaluation of Assets

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

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

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

Comparative information has been re-presented so that it also is in conformity with the revised standard, see Note 26. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

See Note 20 for the restatement of the financial statements for the three-month and nine-month periods ended 30 September 2010, presented for comparative purpose, from the adoption of TAS12 income tax and TAS19 employee benefits.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these interim financial statements. These new and revised TFRS are disclosed in Note 19.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

4 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of computation applied by the Bank and its subsidiaries in the interim financial statements for the three-month and nine-month period ended 30 September 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010 and for the six-months period ended 30 June 2011, except for those as described in Note 3.

5 CAPITAL REQUIREMENTS

The ratios of capital to assets (Capital Adequacy Ratio) as of 30 September 2011 and 31 December 2010 were calculated from the financial statements of the Bank. The Bank has chosen to adopt the Standardized Approach in compliance with the Basel II Accord, which is consistent with the BoT requirements.

	(Million Baht)	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Tier 1 Capital		
Issued and fully paid up share capital, premiums on share capital	42,036	42,036
Legal reserves	3,050	3,050
Net profit after appropriation	84,133	60,850
<u>Less</u> Deferred tax assets	(6,690)	-
Investments in subordinated debt of other financial institutions (Already included in their capital requirements)	<u>(8)</u>	<u>-</u>
Total Tier 1 Capital Base	<u>122,521</u>	<u>105,936</u>
Tier 2 Capital		
Surplus on land revaluation	4,544	4,585
Surplus on premises revaluation	1,958	2,023
Surplus on marketable equity securities-available-for-sale investments revaluation	814	616
Provision for normal assets	15,755	14,140
Subordinated debentures	29,561	30,569
<u>Less</u> Investments in subordinated debt of other financial institutions (Already included in their capital requirements)	<u>(8)</u>	<u>-</u>
Total Tier 2 Capital Base	<u>52,624</u>	<u>51,933</u>
Total Capital Base	<u>175,145</u>	<u>157,869</u>
Total Risk-Weighted Assets	1,260,375	1,131,218

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

The BoT's regulations require that banks registered in Thailand maintain a capital adequacy ratio of not less than 8.5% and that tier-1 capital ratio must not be less than 4.25% of such assets and contingencies. Capital adequacy ratios maintained by the Bank were as follows:

	<u>Percentage</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Capital adequacy ratio	13.90	13.96
Tier-1 Capital ratio	9.72	9.37

6 SUPPLEMENTARY INFORMATION OF CASH FLOWS

6.1 Significant non-cash items

Significant non-cash items for the nine-month periods ended 30 September 2011 and 2010 were as follows:

	<u>(Million Baht)</u>			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revaluation (deficit) surplus on available-for-sale investments	(430)	1,272	(60)	762
The realized portion of the appraised surplus on asset revaluation	(110)	(88)	(110)	(88)
Foreclosed properties arising from auction and debt settlement	2,549	3,332	2,462	3,029

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

7 INVESTMENTS - NET

7.1 Type of investments

Investments consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
	<u>Fair Value</u>	<u>Fair Value</u>	<u>Fair Value</u>	<u>Fair Value</u>
1. <u>Trading investments</u>				
1.1 Government and state enterprise securities	12,298	14,540	12,298	14,540
1.2 Private enterprise debt instruments	562	784	562	784
1.3 Marketable equity securities - domestic	<u>302</u>	<u>316</u>	<u>277</u>	<u>274</u>
Total	<u>13,162</u>	<u>15,640</u>	<u>13,137</u>	<u>15,598</u>
2. <u>Available-for-sale investments</u>				
2.1 Government and state enterprise securities	166,527	143,586	164,088	139,662
2.2 Private enterprise debt instruments	719	1,234	645	839
2.3 Foreign debt instruments	6,838	6,141	5,324	5,509
2.4 Marketable equity securities - domestic	10,364	11,601	1,259	1,316
2.5 Marketable equity securities - overseas	<u>1,185</u>	<u>345</u>	<u>870</u>	<u>345</u>
Total	<u>185,633</u>	<u>162,907</u>	<u>172,186</u>	<u>147,671</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
	Cost Value/ Amortized Cost	Cost Value/ Amortized Cost	Cost Value/ Amortized Cost	Cost Value/ Amortized Cost
	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>
3. Held-to-maturity debt instruments				
3.1 Government and state enterprise securities	56,883	51,477	2,915	3,261
3.2 Private enterprise debt instruments	26,428	17,905	583	583
3.3 Foreign debt instruments	3,717	2,059	97	93
3.4 Investments in receivables	<u>477</u>	<u>485</u>	<u>464</u>	<u>466</u>
Total	87,505	71,926	4,059	4,403
<u>Less Allowance for impairment</u>	<u>(901)</u>	<u>(902)</u>	<u>(880)</u>	<u>(881)</u>
Total	<u>86,604</u>	<u>71,024</u>	<u>3,179</u>	<u>3,522</u>
4. General investments				
4.1 Non-marketable equity securities - domestic	1,881	1,917	1,610	1,616
4.2 Non-marketable equity securities - overseas	<u>437</u>	<u>307</u>	<u>437</u>	<u>307</u>
Total	2,318	2,224	2,047	1,923
<u>Less Allowance for impairment</u>	<u>(465)</u>	<u>(715)</u>	<u>(348)</u>	<u>(599)</u>
Total	<u>1,853</u>	<u>1,509</u>	<u>1,699</u>	<u>1,324</u>
Total Investments - net	<u>287,252</u>	<u>251,080</u>	<u>190,201</u>	<u>168,115</u>

As of 30 September 2011 and 31 December 2010, investments in held-to-maturity debt instruments, which are government and state enterprise securities, included promissory notes from Thai Asset Management Corporation of Baht 1,851 million and Baht 2,261 million, respectively.

7.2 Revaluation surplus on available-for-sale investments

Revaluation surplus on available-for-sale investments consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Revaluation surplus (deficit) on available-for-sale investments				
Debt instruments	(396)	40	(363)	57
Equity securities	<u>1,766</u>	<u>1,760</u>	<u>1,319</u>	<u>959</u>
Total	<u>1,370</u>	<u>1,800</u>	<u>956</u>	<u>1,016</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

7.3 Maturity for debt instruments

A maturity analysis for debt instruments resulted in the following:

(Million Baht)

	<u>Consolidated</u>							
	<u>30 September 2011</u>				<u>31 December 2010</u>			
	<u>Maturity</u>				<u>Maturity</u>			
	<u>Over 1 year</u>		<u>Over</u>		<u>Over 1 year</u>		<u>Over</u>	
<u>1 year</u>	<u>to 5 years</u>	<u>5 years</u>	<u>Total</u>	<u>1 year</u>	<u>to 5 years</u>	<u>5 years</u>	<u>Total</u>	
1. Available-for-sale investments								
1.1 Government and state								
enterprise securities	87,325	73,691	5,925	166,941	44,596	94,237	4,585	143,418
1.2 Private enterprise debt								
instruments	5	641	95	741	561	625	96	1,282
1.3 Foreign debt instruments	<u>785</u>	<u>4,486</u>	<u>1,616</u>	<u>6,887</u>	<u>452</u>	<u>4,985</u>	<u>654</u>	<u>6,091</u>
Total	88,115	78,818	7,636	174,569	45,609	99,847	5,335	150,791
<u>(Less) Add Allowance for</u>								
revaluation	(331)	(215)	107	(439)	(63)	(24)	303	216
<u>Less Allowance for impairment</u>	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>(46)</u>
Total	<u>87,784</u>	<u>78,603</u>	<u>7,697</u>	<u>174,084</u>	<u>45,546</u>	<u>99,823</u>	<u>5,592</u>	<u>150,961</u>
2. Held-to-maturity debt								
instruments								
2.1 Government and state								
enterprise securities	2,485	2,540	51,858	56,883	410	5,171	45,896	51,477
2.2 Private enterprise debt								
instruments	1,487	5,499	19,442	26,428	755	3,678	13,472	17,905
2.3 Foreign debt instruments	97	2,410	1,210	3,717	93	476	1,490	2,059
2.4 Investments in receivables	<u>472</u>	<u>5</u>	<u>-</u>	<u>477</u>	<u>472</u>	<u>13</u>	<u>-</u>	<u>485</u>
Total	4,541	10,454	72,510	87,505	1,730	9,338	60,858	71,926
<u>Less Allowance for impairment</u>	<u>(302)</u>	<u>-</u>	<u>(599)</u>	<u>(901)</u>	<u>(303)</u>	<u>-</u>	<u>(599)</u>	<u>(902)</u>
Total	<u>4,239</u>	<u>10,454</u>	<u>71,911</u>	<u>86,604</u>	<u>1,427</u>	<u>9,338</u>	<u>60,259</u>	<u>71,024</u>
Total Debt Instruments	<u>92,023</u>	<u>89,057</u>	<u>79,608</u>	<u>260,688</u>	<u>46,973</u>	<u>109,161</u>	<u>65,851</u>	<u>221,985</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>The Bank</u>							
	<u>30 September 2011</u>				<u>31 December 2010</u>			
	<u>Maturity</u>				<u>Maturity</u>			
	<u>Over 1 year</u>		<u>Over</u>		<u>Over 1 year</u>		<u>Over</u>	
<u>1 year</u>	<u>to 5 years</u>	<u>5 years</u>	<u>Total</u>	<u>1 year</u>	<u>to 5 years</u>	<u>5 years</u>	<u>Total</u>	
1. Available-for-sale investments								
1.1 Government and state								
enterprise securities	87,275	72,892	4,475	164,642	42,952	93,512	3,184	139,648
1.2 Private enterprise debt								
instruments	-	623	46	669	240	603	46	889
1.3 Foreign debt instruments	<u>785</u>	<u>4,369</u>	<u>156</u>	<u>5,310</u>	<u>452</u>	<u>4,985</u>	<u>-</u>	<u>5,437</u>
Total	88,060	77,884	4,677	170,621	43,644	99,100	3,230	145,974
<u>(Less) Add Allowance for</u>								
revaluation	(331)	(292)	105	(518)	(66)	(120)	268	82
<u>Less Allowance for impairment</u>	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>(46)</u>
Total	<u>87,729</u>	<u>77,592</u>	<u>4,736</u>	<u>170,057</u>	<u>43,578</u>	<u>98,980</u>	<u>3,452</u>	<u>146,010</u>
2. Held-to-maturity debt								
instruments								
2.1 Government and state								
enterprise securities	1,747	1,104	64	2,915	-	3,261	-	3,261
2.2 Private enterprise debt								
instruments	-	-	583	583	-	-	583	583
2.3 Foreign debt instruments	97	-	-	97	93	-	-	93
2.4 Investments in receivables	<u>459</u>	<u>5</u>	<u>-</u>	<u>464</u>	<u>459</u>	<u>7</u>	<u>-</u>	<u>466</u>
Total	2,303	1,109	647	4,059	552	3,268	583	4,403
<u>Less Allowance for impairment</u>	<u>(297)</u>	<u>-</u>	<u>(583)</u>	<u>(880)</u>	<u>(298)</u>	<u>-</u>	<u>(583)</u>	<u>(881)</u>
Total	<u>2,006</u>	<u>1,109</u>	<u>64</u>	<u>3,179</u>	<u>254</u>	<u>3,268</u>	<u>-</u>	<u>3,522</u>
Total Debt Instruments	<u>89,735</u>	<u>78,701</u>	<u>4,800</u>	<u>173,236</u>	<u>43,832</u>	<u>102,248</u>	<u>3,452</u>	<u>149,532</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

7.4 Investments in other companies having a going concern

Investments held by the Bank and its subsidiaries in financial institutions that were closed on 8 December 1997, or investments in listed companies which meet SET's criteria for delisting, and are in default on debt instruments, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting or investments in receivables with uncertainty in settlement or in default, were as follows:

(Million Baht)

	<u>30 September 2011</u>					
	<u>Consolidated</u>			<u>The Bank</u>		
	<u>Cost Value/ Book Value</u>	<u>Fair Value</u>	<u>Allowance for Impairment</u>	<u>Cost Value/ Book Value</u>	<u>Fair Value</u>	<u>Allowance for Impairment</u>
1. Closed financial institutions						
- Debt Instrument	130	-	(130)	130	-	(130)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments						
- Debt Instrument	46	-	(46)	46	-	(46)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting						
- Equity Securities	423	381	(42)	423	381	(42)
- Debt Instrument	453	-	(453)	453	-	(453)
4. Investments in receivables with uncertainty in settlement or in default						
	<u>477</u>	<u>175</u>	<u>(302)</u>	<u>464</u>	<u>167</u>	<u>(297)</u>
Total	<u>1,529</u>	<u>556</u>	<u>(973)</u>	<u>1,516</u>	<u>548</u>	<u>(968)</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>31 December 2010</u>					
	<u>Consolidated</u>			<u>The Bank</u>		
	<u>Cost Value/ Book Value</u>	<u>Fair Value</u>	<u>Allowance for Impairment</u>	<u>Cost Value/ Book Value</u>	<u>Fair Value</u>	<u>Allowance for Impairment</u>
1. Closed financial institutions						
- Debt Instrument	130	-	(130)	130	-	(130)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments						
- Debt Instrument	46	-	(46)	46	-	(46)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting						
- Equity Securities	293	-	(293)	293	-	(293)
- Debt Instrument	453	-	(453)	453	-	(453)
4. Investments in receivables with uncertainty in settlement or in default	<u>485</u>	<u>183</u>	<u>(302)</u>	<u>466</u>	<u>168</u>	<u>(298)</u>
Total	<u>1,407</u>	<u>183</u>	<u>(1,224)</u>	<u>1,388</u>	<u>168</u>	<u>(1,220)</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

7.5 Investments over 10% held by the Bank and its subsidiaries

Investments held by the Bank and its subsidiaries, that were more than 10% of those companies' shares and were not investments in subsidiaries and associated companies, classified by industry were as follows:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Manufacturing and commerce	50	80	-	-
Property development and construction	597	496	597	496
Infrastructure and services	1	1	1	1
Others	<u>1,121</u>	<u>1,155</u>	<u>231</u>	<u>285</u>
Total	<u>1,769</u>	<u>1,732</u>	<u>829</u>	<u>782</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

8 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES - NET

8.1 Type of investments in subsidiaries and associated companies

Investments in ordinary shares of subsidiaries and associated companies were as follows:

(Million Baht)

	Type of Business	Type of Share	Consolidated					
			% Shareholding		Cost method		Equity method	
			Direct and indirect					
			30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Associated companies</u>								
Goco Co., Ltd. ¹⁾	Information and Communication							
	System Development	Ordinary	22.65%	30.74%	4	5	4	5
Processing Center Co., Ltd.	Service	Ordinary	30.00%	30.00%	15	15	114	109
Rural Capital Partners Co., Ltd. ²⁾	Venture Capital	Ordinary	-	27.50%	-	2	-	2
Lawson-Marsh Events Co., Ltd. ¹⁾	Professional	Ordinary	35.71%	35.71%	5	5	5	5
	Conference Organizer							
Humanica Co., Ltd. ¹⁾	Software design and development	Ordinary	47.60%	21.60%	26	13	26	13
2Spot Communications Co., Ltd. ¹⁾	Character Design and Development	Ordinary	6.63%	20.17%	-	5	-	5
Sukhothai Land Co., Ltd. ¹⁾	Hotel and Resort	Ordinary	37.14%	14.29%	26	-	26	-
Zemasch Corporation Co., Ltd. ¹⁾	Manufacturer and distribution of printer consumables	Ordinary	24.20%	15.11%	28	-	28	-
Total					104	45	203	139
<u>Less</u> Allowance for impairment					-	(1)	-	(1)
Investments in Associated Companies – Net					<u>104</u>	<u>44</u>	<u>203</u>	<u>138</u>

¹⁾ The Bank holds shares indirectly through K-SME Venture Capital Co., Ltd.

²⁾ The Bank sold all investments in Rural Capital Partners Co., Ltd. on 22 September 2011.

On 23 March 2011, 2Spot Communications Co., Ltd. repurchased their stocks from K-SME Venture Capital Co., Ltd., thus the percent of indirect shareholding via K-SME decreased from 20.17% to 6.63%. As the result, K-SME transferred such investment from investments in associates to general investments.

On 15 September 2011, K-SME Venture Capital Co., Ltd. purchased stocks from Sukhothai Land Co., Ltd. and Zemasch Corporation Co., Ltd., thus the percent of indirect shareholding via K-SME increased to 37.14% and 24.20%, respectively. As the result, K-SME transferred such investments from general investments to investments in associates.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

		<u>The Bank</u>							
		<u>% Shareholding</u>				<u>Cost method</u>		<u>Dividend income</u>	
		<u>Direct and indirect</u>		<u>30 September</u>		<u>31 December</u>		<u>30 September</u>	
		<u>Type of</u>		<u>30 September</u>		<u>31 December</u>		<u>30 September</u>	
		<u>Share</u>		<u>2011</u>		<u>2010</u>		<u>2011</u>	
		<u>Business</u>		<u>2011</u>		<u>2010</u>		<u>2010</u>	
<u>Subsidiaries</u>									
KASIKORN ASSET	Mutual Fund								
MANAGEMENT CO., LTD.	Management	Ordinary	100.00%	100.00%	2,003	2,003	504	626	
KASIKORN RESEARCH									
CENTER CO., LTD.	Service	Ordinary	100.00%	100.00%	6	6	-	-	
KASIKORN SECURITIES PCL	Securities								
	Business	Ordinary	99.99%	99.99%	1,312	1,312	-	-	
KASIKORN LEASING CO., LTD.	Lending	Ordinary	100.00%	100.00%	900	900	-	-	
KASIKORN FACTORY &									
EQUIPMENT CO., LTD.	Lending	Ordinary	100.00%	100.00%	237	237	-	-	
Phethai Asset Management Co., Ltd.	Asset								
	Management	Ordinary	100.00%	100.00%	3,700	5,000	-	-	
KHAO KLA Venture Capital	Venture Capital								
Management Co., Ltd.	Management	Ordinary	100.00%	100.00%	-	-	-	-	
K-SME Venture Capital Co., Ltd.	Venture Capital	Ordinary	100.00%	100.00%	200	200	-	-	
PROGRESS SOFTWARE CO., LTD.	Service	Ordinary	100.00%	100.00%	19	19	7	25	
PROGRESS PLUS CO., LTD.	Service	Ordinary	100.00%	100.00%	4	4	-	3	
PROGRESS APPRAISAL CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	33	20	
PROGRESS GUNPAI CO., LTD.	Service	Ordinary	100.00%	100.00%	21	21	50	50	
PROGRESS MANAGEMENT									
CO., LTD.	Service	Ordinary	100.00%	100.00%	6	6	1	1	
PROGRESS FACILITIES									
MANAGEMENT CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	11	7	
PROGRESS SERVICE CO., LTD.	Service	Ordinary	100.00%	100.00%	2	2	21	16	
PROGRESS LAND AND	Property								
BUILDINGS CO., LTD.	Development	Ordinary	100.00%	100.00%	160	160	-	-	
PROGRESS STORAGE CO., LTD.	Service	Ordinary	100.00%	100.00%	3	3	9	8	
PROGRESS HR CO., LTD.	Service	Ordinary	100.00%	100.00%	1	1	20	19	
PROGRESS SERVICE SUPPORT									
CO., LTD.	Service	Ordinary	100.00%	100.00%	4	4	7	3	
PROGRESS COLLECTION CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	2	-	
PROGRESS TRAINING CO., LTD.	Service	Ordinary	100.00%	100.00%	2	2	1	1	

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

		<u>The Bank</u>						
		<u>% Shareholding</u>		<u>Cost method</u>		<u>Dividend income</u>		
		<u>Direct and indirect</u>						
<u>Type of</u>	<u>Type of</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>30 September</u>	
<u>Business</u>	<u>Share</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Subsidiaries</u>								
PROGRESS MULTI INSURANCE	Insurance							
BROKER CO., LTD.	Broker	Ordinary	100.00%	100.00%	-	5	-	
Thanyathanathavee Co., Ltd.	Investment in other companies	Ordinary	100.00%	100.00%	1,149	1,149	-	
Thanyathamrongkij Co., Ltd.	Investment in other companies	Ordinary	100.00%	100.00%	1,149	1,149	-	
Thanyanithiwattana Co., Ltd.	Investment in other companies	Ordinary	100.00%	100.00%	2,204	2,204	67	
Ruang Khao Phuean Thai Joint Investment Agreement	Investment in other companies	Ordinary	100.00%	100.00%	-	-	-	
Muangthai Group Holding Co., Ltd.	Holding	Ordinary	51.00%	51.00%	3,077	3,077	75	
Muang Thai Life Assurance Co., Ltd.	Life Assurance	Ordinary	38.25%	38.25%	-	-	-	
Muangthai Broker Co., Ltd.	Insurance Broker	Ordinary	49.98%	49.98%	-	-	-	
<u>Associated companies</u>								
Processing Center Co., Ltd.	Service	Ordinary	30.00%	30.00%	15	15	4	
Rural Capital Partners Co., Ltd.	Venture Capital	Ordinary	-	27.50%	-	2	-	
Total					16,189	17,496	812	
<u>Less Allowance for impairment</u>					<u>(1,912)</u>	<u>(1,913)</u>		
Investments in Subsidiaries and Associated Companies - Net					<u>14,277</u>	<u>15,583</u>	<u>812</u>	
							<u>924</u>	

The recording of investments in associated companies using the equity method in the consolidated financial statements is based on financial information obtained from audited or reviewed financial statements and from management information that has not been audited or reviewed by the auditors.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

8.2 Financial positions and results of operations of the Bank's subsidiaries and associated companies

The summary of financial positions and results of operations of the Bank's subsidiaries and associated companies are set out below:

(Million Baht)

	Statements of Financial Position					
	30 September 2011			31 December 2010		
	(Unaudited)			(Audited)		
	Total	Total	Total	Total	Total	Total
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Subsidiaries						
K Companies	80,506	75,452	5,054	65,790	61,678	4,112
Companies in MTGH Group	115,348	98,897	16,451	96,883	81,366	15,517
Phethai – AMC	2,208	38	2,170	3,502	52	3,450
Support Service Providers to KASIKORNBANKGROUP (P Companies) and others	<u>10,771</u>	<u>622</u>	<u>10,149</u>	<u>11,053</u>	<u>1,078</u>	<u>9,975</u>
Total	<u>208,833</u>	<u>175,009</u>	<u>33,824</u>	<u>177,228</u>	<u>144,174</u>	<u>33,054</u>
Associated Companies	<u>430</u>	<u>52</u>	<u>378</u>	<u>413</u>	<u>42</u>	<u>371</u>

(Million Baht)

	Statements of Comprehensive Income					
	For the Three-month Periods Ended 30 September					
	2011			2010		
	(Unaudited)			(Restated)		
	Operating	Operating	Net Profit	Operating	Operating	Net Profit
	<u>Income</u>	<u>Expenses</u>	<u>(Loss)</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Profit</u>
Subsidiaries						
K Companies	1,259	763	496	1,141	686	455
Companies in MTGH Group	1,631	951	680	1,277	747	530
Phethai – AMC	22	25	(3)	36	2	34
Support Service Providers to KASIKORNBANKGROUP (P Companies) and others	<u>979</u>	<u>920</u>	<u>59</u>	<u>861</u>	<u>814</u>	<u>47</u>
Total	<u>3,891</u>	<u>2,659</u>	<u>1,232</u>	<u>3,315</u>	<u>2,249</u>	<u>1,066</u>
Associated Companies	<u>68</u>	<u>56</u>	<u>12</u>	<u>48</u>	<u>44</u>	<u>4</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	Statements of Comprehensive Income					
	For the Nine-month Periods Ended 30 September					
	2011			2010		
	(Unaudited)			(Restated)		
Operating	Operating		Operating	Operating		
<u>Income</u>	<u>Expenses</u>	<u>Net Profit</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Profit</u>	
Subsidiaries						
K Companies	3,749	2,304	1,445	3,079	1,967	1,112
Companies in MTGH Group	5,190*	2,813	2,377	4,306*	2,284	2,022
Phethai – AMC	55	35	20	58	50	8
Support Service Providers to KASIKORNBANKGROUP (P Companies) and others	<u>3,192</u>	<u>2,867</u>	<u>325</u>	<u>2,568</u>	<u>2,397</u>	<u>171</u>
Total	<u>12,186</u>	<u>8,019</u>	<u>4,167</u>	<u>10,011</u>	<u>6,698</u>	<u>3,313</u>
Associated Companies	<u>179</u>	<u>149</u>	<u>30</u>	<u>150</u>	<u>131</u>	<u>19</u>

* Excluding inter-group transactions being dividend from subsidiary for the nine-month periods ended 30 September 2011 and 2010 in the amount of Baht 267 million and Baht 1,500 million, respectively.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

8.3 Disclosure of Statements of Cash Flows of Asset Management Company (“AMC”)

Phethai Asset Management Company Limited

Statements of Cash Flows

For the Nine-month Periods Ended 30 September 2011 and 2010

(Unaudited)

	Million Baht	
	<u>2011</u>	<u>2010</u> (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	20	8
Add (Less) Adjustments to reconcile income before income tax to net cash from operating activities		
Interest income from amortization of revaluation allowance for debt restructuring	-	(1)
Loss on impairment of properties foreclosed	45	40
Reversal of loss on impairment of other assets	-	(1)
Gain on transfer of changing account	(13)	(3)
Amortization of discount on promissory note receivables	(4)	(12)
Increase in accrued expenses	<u>1</u>	<u>2</u>
	49	33
Net income from interest	(41)	(43)
Proceeds from interest	41	43
Income tax received	<u>5</u>	<u>12</u>
Income from operations before changes in operating assets and liabilities	<u>54</u>	<u>45</u>
Decrease in operating assets		
Investments in receivables	3	22
Loans	113	116
Properties foreclosed	329	512
Other assets	300	142
(Decrease) Increase in operating liabilities		
Other liabilities	<u>(15)</u>	<u>1</u>
Net cash provided by operating activities	<u>784</u>	<u>838</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

Phethai Asset Management Company Limited

Statements of Cash Flows (Continued)

For the Nine-month Periods Ended 30 September 2011 and 2010

(Unaudited)

	<u>Million Baht</u>	
	<u>2011</u>	<u>2010</u> (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments in securities	<u>1</u>	<u>1</u>
Net cash provided by investing activities	<u>1</u>	<u>1</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for share capital decrease	<u>(1,300)</u>	<u>(998)</u>
Net cash used in financing activities	<u>(1,300)</u>	<u>(998)</u>
Net decrease in cash	(515)	(159)
Cash at the beginning of the period	<u>804</u>	<u>560</u>
Cash at the end of the period	<u><u>289</u></u>	<u><u>401</u></u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

9 LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES - NET

Loans to customers and accrued interest receivables - net consisted of:

9.1 Classified by Account Status

(Million Baht)

	<u>Consolidated</u>			
	<u>30 September 2011</u>			
	Loans and Accrued	Net amount used for set	% Used for setting	
	Interest	the Allowance for	the Allowance for	Allowance for
	<u>Receivables</u>	<u>Doubtful Accounts</u>	<u>Doubtful Accounts</u>	<u>Doubtful Accounts</u>
1. Minimum reserve of BoT's Regulations				
Pass	1,142,569	446,473	1	4,465
Special Mention	20,777	5,862	2	373
Sub-Standard	3,230	1,246	100	1,246
Doubtful	7,367	3,813	100	3,813
Doubtful of Loss	<u>19,646</u>	<u>10,544</u>	100	<u>10,544</u>
Total	1,193,589	<u>467,938</u>		20,441
2. Excess allowance				12,824
3. Credit balance transaction	1,383			5
4. Loan from life insurance business	<u>6,066</u>			<u>84</u>
Total	<u>1,201,038</u>			<u>33,354</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated</u>			
	<u>31 December 2010</u>			
	Loans and Accrued	Net amount used for set	% Used for setting	
	Interest	the Allowance for	the Allowance for	Allowance for
	<u>Receivables</u>	<u>Doubtful Accounts</u>	<u>Doubtful Accounts</u>	<u>Doubtful Accounts</u>
1. Minimum reserve of BoT's Regulations				
Pass	1,014,571	373,298	1	3,733
Special Mention	23,366	5,395	2	108
Sub-Standard	3,821	1,448	100	1,447
Doubtful	7,104	3,089	100	3,089
Doubtful of Loss	<u>22,420</u>	<u>12,605</u>	100	<u>12,605</u>
Total	1,071,282	<u>395,835</u>		20,982
2. Excess allowance				11,346
3. Credit balance transaction	1,517			-
4. Loan from life insurance business	<u>5,599</u>			<u>117</u>
Total	<u>1,078,398</u>			<u>32,445</u>

(Million Baht)

	<u>The Bank</u>			
	<u>30 September 2011</u>			
	Loans and Accrued	Net amount used for set	% Used for setting	
	Interest	the Allowance for	the Allowance for	Allowance for
	<u>Receivables</u>	<u>Doubtful Accounts</u>	<u>Doubtful Accounts</u>	<u>Doubtful Accounts</u>
1. Minimum reserve of BoT's Regulations				
Pass	1,143,474	515,787	1	5,158
Special Mention	19,430	5,847	2	372
Sub-Standard	3,080	1,233	100	1,233
Doubtful	7,151	3,772	100	3,772
Doubtful of Loss	<u>18,090</u>	<u>9,772</u>	100	<u>9,772</u>
Total	<u>1,191,225</u>	<u>536,411</u>		20,307
2. Excess allowance				11,936
Total				<u>32,243</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

The Bank

31 December 2010

	Loans and Accrued Interest Receivables	Net amount used for set the Allowance for Doubtful Accounts	% Used for setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve of BoT's Regulations				
Pass	1,016,720	425,942	1	4,259
Special Mention	21,017	5,271	2	106
Sub-Standard	3,656	1,441	100	1,441
Doubtful	6,826	2,957	100	2,957
Doubtful of Loss	<u>20,714</u>	<u>11,836</u>	100	<u>11,836</u>
Total	<u>1,068,933</u>	<u>447,447</u>		20,599
2. Excess allowance				<u>10,600</u>
Total				<u>31,199</u>

9.2 Non-performing loans (NPL)

According to the BoT's directive number SOR NOR SOR 13/2553, dated 3 December 2010, titled "Preparation and announcement of condensed report of assets and liabilities of commercial banks".

Non-performing loans (NPL gross) are defined as sub-standard quality loans, being outstanding loans of sub-standard, doubtful, doubtful of loss and loss loan accounts in accordance with the BoT's directive number SOR NOR SOR 31/2551, dated 3 August 2008, titled "Classification and provision criteria of financial institution".

Non-performing loans, net (NPL net) refers to the non-performing loan value, net of total allowances for doubtful accounts.

In accordance with the BoT's regulations, commercial banks are required to report the following information:

- Non-performing loans (NPL gross).
- The ratio of NPL to total loans.
- Non-performing loans, net (NPL net).
- The ratio of total loans, net of allowances for doubtful accounts, which is referred to the ratio of NPL net, to total loans after deduction of allowances for doubtful accounts.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

The Bank and subsidiaries showed non-performing loans (including financial institutions) to comply with BoT's regulations, summarized as follows:

	(Million Baht)			
	<u>30 September 2011</u>			
	<u>KASIKORNBANK</u>	<u>Phethai Asset</u>		<u>Consolidated</u>
		<u>Management</u>	<u>Other</u>	
<u>Non-performing loans, gross</u>				
Non-performing loans	28,171	1,006	896	30,073
Total loans used for NPL gross ratio calculation ⁽¹⁾	1,336,708	1,044	72,322	1,339,065 ⁽²⁾
Ratio of total loans	2.11	96.38	1.24	2.25
<u>Non-performing loans, net</u>				
Non-performing loans	13,454	763	312	14,529
Total loans used for NPL net ratio calculation ⁽¹⁾	1,321,991	801	71,738	1,323,521 ⁽²⁾
Ratio of total loans	1.02	95.29	0.43	1.10

	(Million Baht)			
	<u>31 December 2010</u>			
	<u>KASIKORNBANK</u>	<u>Phethai Asset</u>		<u>Consolidated</u>
		<u>Management</u>	<u>Other</u>	
<u>Non-performing loans, gross</u>				
Non-performing loans	31,053	1,208	914	33,175
Total loans used for NPL gross ratio calculation ⁽¹⁾	1,138,880	1,245	57,874	1,141,206 ⁽²⁾
Ratio of total loans	2.73	97.04	1.58	2.91
<u>Non-performing loans, net</u>				
Non-performing loans	14,806	911	305	16,022
Total loans used for NPL net ratio calculation ⁽¹⁾	1,122,633	948	57,265	1,124,053 ⁽²⁾
Ratio of total loans	1.32	96.11	0.53	1.43

⁽¹⁾ Excluding loans from KSecurities and MTL.

⁽²⁾ Excluding loans to and from subsidiary companies.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

9.3 Non-accrual loans based on the accrual basis

The Bank and subsidiaries showed non-accrual loans, gross, (including financial institutions) based on the accrual basis to comply with BoT's regulations can be summarized as follows:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Non-accrual loans	64,883	65,593	63,091	63,467
Total loans used for ratio Calculation ⁽¹⁾	1,339,065 ⁽²⁾	1,141,206 ⁽²⁾	1,336,708	1,138,880
Percentage of total loans	4.85	5.75	4.72	5.57

⁽¹⁾ Excluding loans from KSecurities and MTL.

⁽²⁾ Excluding loans to and from subsidiary companies.

9.4 Listed companies that meet SET's criteria for delisting

Loans to listed companies that meet SET's criteria for delisting were as follows:

	(Million Baht)					
	<u>Consolidated and The Bank</u>					
	<u>30 September 2011</u>			<u>31 December 2010</u>		
	<u>Loans and</u>			<u>Loans and</u>		
	<u>Accrued</u>	<u>Allowance for</u>		<u>Accrued</u>	<u>Allowance for</u>	
	<u>Interest</u>	<u>Collateral</u>	<u>Doubtful</u>	<u>Interest</u>	<u>Collateral</u>	<u>Doubtful</u>
	<u>Receivables</u>	<u>Value</u>	<u>Accounts</u>	<u>Receivables</u>	<u>Value</u>	<u>Accounts</u>
Listed companies which meet SET's criteria for delisting	2,772	599	558	477	24	449

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

9.5 Transferring of Sub-Standard Quality Assets to Thai Asset Management Corporation (“TAMC”)

In accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, on 12 October 2001, the Bank signed an Asset Transfer Agreement with TAMC to transfer eligible sub-standard quality assets outstanding as of 31 December 2000 to TAMC. All rights and duties associated with each transferred sub-standard quality asset were transferred to TAMC at a price determined by the appraised value of the underlying collateral assets, provided that the price did not exceed the book value of credits extended, less existing provisions outstanding, as required by law on the transfer date. TAMC has 180 days from the date of each transfer to examine any transferred assets. TAMC will then quote the transfer price within 7 days after the end of the examination period. After confirming the price, TAMC will issue non-transferable 10-year callable promissory notes guaranteed by FIDE. The notes bear interest equal to the weighted average of the deposit rates of five major banks, and are paid at the end of each year by cheque. The rights to these notes and the received notes are included in investments in held-to-maturity debt instruments.

In accordance with the Emergency Decree B.E. 2544 and the Asset Transfer Agreement, TAMC and the Bank will share jointly the profits and responsibility for any losses on transferred assets, which are payable on the fifth and the tenth anniversaries of the transfers, starting from 1 July 2001. In the case of losses, the Bank will first be responsible for any loss, not exceeding 20% of the transfer price. The second portion of losses, again not exceeding 20% of the transfer price, will be equally shared by TAMC and the Bank. Any remaining loss would then be absorbed by TAMC. In addition, expenses of TAMC are included in the calculation of the gain or loss sharing. In the case of profit, the first portion of profits up to 20% of the transfer price is to be shared equally by TAMC and the Bank. Should there be any profit over and above this, the Bank is entitled to the remainder up to the gross book value of the assets, less the transfer price and the Bank's share in the first portion of the profits. As of 30 September 2011 and 31 December 2010, the Bank has set up an estimate for loss sharing amounting to Baht 1,300 million.

As of 30 June 2011 which is the tenth anniversary of the transfer, the gross book value of the assets transferred before deducting allowance for doubtful accounts was Baht 14,557 million and the estimated total transfer price was Baht 10,072 million, for which the Bank received promissory notes from TAMC. The liquidation process has been in process to complete within the twelfth year since the Emergency Decree on Thai Asset Management Corporation B.E. 2544 was put into effect by the Liquidation Committee.

The Bank was informed that loss sharing at the end of the fifth year amounting to Baht 29 million was allocated to the Bank from TAMC. Such allocation is an approximation as the TAMC will calculate the actual profit or loss at the end of the tenth year upon completion of the remaining asset management process and to share the profits or losses as agreed.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

10 TROUBLED DEBT RESTRUCTURING

During the nine-month periods ended 30 September 2011 and 2010, the Bank and its subsidiaries engaged in debt restructuring contracts as follows:

	(Million Baht)							
	<u>Consolidated</u>				<u>The Bank</u>			
	<u>2011</u>		<u>2010</u>		<u>2011</u>		<u>2010</u>	
	Total		Total		Total		Total	
Outstanding		Outstanding		Outstanding		Outstanding		
Debt Before		Debt Before		Debt Before		Debt Before		
	<u>Cases</u>	<u>Restructuring</u>	<u>Cases</u>	<u>Restructuring</u>	<u>Cases</u>	<u>Restructuring</u>	<u>Cases</u>	<u>Restructuring</u>
Debt restructuring contracts								
that incurred losses	309	14,700	436	15,036	305	14,681	432	15,017
Debt restructuring contracts								
that incurred no losses	<u>32,913</u>	<u>29,421</u>	<u>26,637</u>	<u>26,763</u>	<u>32,886</u>	<u>29,351</u>	<u>26,623</u>	<u>26,704</u>
Total	<u>33,222</u>	<u>44,121</u>	<u>27,073</u>	<u>41,799</u>	<u>33,191</u>	<u>44,032</u>	<u>27,055</u>	<u>41,721</u>

Losses on debt restructuring for the nine-month periods ended 30 September 2011 and 2010 were as follows:

	(Million Baht)					
	<u>Consolidated</u>					
	<u>30 September 2011</u>					
		<u>Outstanding Debt</u>		<u>Transferred Assets</u>		Loss on
	Before		After		Debt	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Restructuring</u>	<u>Restructuring</u>	<u>Types</u>	<u>Fair Value</u>	<u>Restructuring</u>
Transfers of assets	15	526	-	Cash, land, premises and investments	207	319
Changes of repayment conditions	269	11,381	11,113	-	-	2,090
Debt restructuring in various forms	25	2,793	2,037	Cash, land, premises and investments	756	665
Total	<u>309</u>	<u>14,700</u>	<u>13,150</u>		<u>963</u>	<u>3,074</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

<u>Consolidated</u>						
<u>30 September 2010</u>						
	<u>Cases</u>	<u>Outstanding Debt</u>		<u>Transferred Assets</u>		<u>Loss on</u>
		<u>Before</u>	<u>After</u>	<u>Types</u>	<u>Fair Value</u>	<u>Debt</u>
<u>Types of Restructuring</u>		<u>Restructuring</u>	<u>Restructuring</u>			<u>Restructuring</u>
Transfers of assets	8	104	-	Cash, land, premises and investments	83	21
Changes of repayment conditions	385	10,551	10,551	-	-	1,954
Debt restructuring in various forms	43	4,381	3,625	Cash, land, premises and investments	756	721
Total	<u>436</u>	<u>15,036</u>	<u>14,176</u>		<u>839</u>	<u>2,696</u>

(Million Baht)

<u>The Bank</u>						
<u>30 September 2011</u>						
	<u>Cases</u>	<u>Outstanding Debt</u>		<u>Transferred Assets</u>		<u>Loss on</u>
		<u>Before</u>	<u>After</u>	<u>Types</u>	<u>Fair Value</u>	<u>Debt</u>
<u>Types of Restructuring</u>		<u>Restructuring</u>	<u>Restructuring</u>			<u>Restructuring</u>
Transfers of assets	12	524	-	Cash, land, premises and investments	206	318
Changes of repayment conditions	268	11,364	11,096	-	-	2,090
Debt restructuring in various forms	25	2,793	2,037	Cash, land, premises and investments	756	665
Total	<u>305</u>	<u>14,681</u>	<u>13,133</u>		<u>962</u>	<u>3,073</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

<u>The Bank</u>						
<u>30 September 2010</u>						
	<u>Cases</u>	<u>Outstanding Debt</u>		<u>Transferred Assets</u>	<u>Loss on</u>	
		<u>Before</u>	<u>After</u>	<u>Types</u>	<u>Fair Value</u>	<u>Debt</u>
<u>Types of Restructuring</u>		<u>Restructuring</u>	<u>Restructuring</u>			<u>Restructuring</u>
Transfers of assets	8	104	-	Cash, land, premises and investments	83	21
Changes of repayment conditions	381	10,532	10,532	-	-	1,953
Debt restructuring in various forms	43	4,381	3,625	Cash, land, premises and investments	756	721
Total	<u>432</u>	<u>15,017</u>	<u>14,157</u>		<u>839</u>	<u>2,695</u>

The Bank and its subsidiaries measure the expected recoverable amounts of loans restructured by changing repayment conditions by using the present value of future cash flows discounted by the market rate.

The terms of debt restructuring agreements with debts which were restructured by changing the repayment conditions and restructured in various other ways and which resulted in losses on debt restructuring during the nine-month periods ended 30 September 2011 and 2010 were as follows:

(Million Baht)

<u>Consolidated</u>								
<u>2011</u>					<u>2010</u>			
<u>Terms of debt</u>	<u>Cases</u>	<u>Outstanding Debt</u>			<u>Outstanding Debt</u>			
		<u>Before</u>	<u>After</u>	<u>End of</u>	<u>Before</u>	<u>After</u>	<u>End of</u>	
<u>restructuring agreements</u>		<u>Restructuring</u>	<u>Restructuring</u>	<u>Period</u>	<u>Cases</u>	<u>Restructuring</u>	<u>Restructuring</u>	<u>Period</u>
Less than 5 years	214	4,121	3,793	3,697	372	9,265	8,595	8,025
5 to 10 years	46	6,716	6,246	6,166	21	2,343	2,257	2,248
Over 10 years	<u>34</u>	<u>3,337</u>	<u>3,111</u>	<u>3,044</u>	<u>35</u>	<u>3,324</u>	<u>3,324</u>	<u>3,244</u>
Total	<u>294</u>	<u>14,174</u>	<u>13,150</u>	<u>12,907</u>	<u>428</u>	<u>14,932</u>	<u>14,176</u>	<u>13,517</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

		<u>The Bank</u>						
		<u>2011</u>			<u>2010</u>			
		<u>Outstanding Debt</u>			<u>Outstanding Debt</u>			
Terms of debt		Before	After	End of	Before	After	End of	
<u>restructuring agreements</u>	<u>Cases</u>	<u>Restructuring</u>	<u>Restructuring</u>	<u>Period</u>	<u>Cases</u>	<u>Restructuring</u>	<u>Restructuring</u>	<u>Period</u>
Less than 5 years	213	4,104	3,776	3,680	368	9,246	8,576	8,017
5 to 10 years	46	6,716	6,246	6,166	21	2,343	2,257	2,248
Over 10 years	<u>34</u>	<u>3,337</u>	<u>3,111</u>	<u>3,044</u>	<u>35</u>	<u>3,324</u>	<u>3,324</u>	<u>3,244</u>
Total	<u>293</u>	<u>14,157</u>	<u>13,133</u>	<u>12,890</u>	<u>424</u>	<u>14,913</u>	<u>14,157</u>	<u>13,509</u>

The Bank and its subsidiaries recognized interest income from debt restructuring for the periods ended 30 September as follows:

(Million Baht)

	<u>Consolidated</u>				<u>The Bank</u>			
	<u>For the three-month</u>		<u>For the nine-month</u>		<u>For the three-month</u>		<u>For the nine-month</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Debt restructuring contracts that incurred losses	166	224	487	635	166	224	487	635

The Bank had commitments to extend additional loans to these borrowers as follows:

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Debt restructuring contracts that incurred losses	527	479

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

The Bank and its subsidiaries had outstanding balances on debtors which were restructured during the period/year as follows:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Debt restructuring contracts that incurred losses	12,907	12,884	12,890	12,877
Debt restructuring contracts that incurred no losses	<u>22,382</u>	<u>24,956</u>	<u>22,311</u>	<u>24,955</u>
Total	<u>35,289</u>	<u>37,840</u>	<u>35,201</u>	<u>37,832</u>

The Bank and its subsidiaries had outstanding balances relating to all restructured debtors which had been performing in accordance with debt restructuring agreements as follows:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Debt restructuring contracts that incurred losses	24,829	22,597	24,805	22,585
Debt restructuring contracts that incurred no losses	<u>37,154</u>	<u>36,738</u>	<u>37,045</u>	<u>36,676</u>
Total	<u>61,983</u>	<u>59,335</u>	<u>61,580</u>	<u>59,261</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

11 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The movements in the allowance for doubtful accounts during the period/year were as follows:

(Million Baht)

	<u>Consolidated</u>								<u>Total</u>
	<u>30 September 2011</u>								
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Allowances from Securities Business</u>	<u>Allowances from Insurance Business</u>	
Balance at the beginning									
of the period	3,733	108	1,447	3,089	12,605	11,346	-	117	32,445
Doubtful accounts									
(reversal)	732	265	(201)	724	(513)	1,478	5	(36)	2,454
Bad debt written off	-	-	-	-	(3,442)	-	-	-	(3,442)
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>1,897</u>
Balance at the end of									
the period	<u>4,465</u>	<u>373</u>	<u>1,246</u>	<u>3,813</u>	<u>10,544</u>	<u>12,824</u>	<u>5</u>	<u>84</u>	<u>33,354</u>

(Million Baht)

	<u>Consolidated</u>								<u>Total</u>
	<u>31 December 2010</u>								
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Allowances from Insurance Business</u>		
Balance at the beginning of the year	2,829	79	3,061	3,020	11,261	9,141	135		29,526
Transferred from investments in receivables	-	-	-	-	7	-	-		7
Doubtful accounts (reversal)	905	58	(1,614)	69	3,083	2,237	(26)		4,712
Bad debt written off	(1)	(29)	-	-	(4,303)	-	-		(4,333)
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,557</u>	<u>(32)</u>	<u>8</u>		<u>2,533</u>
Balance at the end of the year	<u>3,733</u>	<u>108</u>	<u>1,447</u>	<u>3,089</u>	<u>12,605</u>	<u>11,346</u>	<u>117</u>		<u>32,445</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>The Bank</u>						
	<u>30 September 2011</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Balance at the beginning of the period	4,259	106	1,441	2,957	11,836	10,600	31,199
Doubtful accounts (reversal)	899	266	(208)	815	(712)	1,336	2,396
Bad debt written off	-	-	-	-	(3,336)	-	(3,336)
Others	-	-	-	-	1,984	-	1,984
Balance at the end of the period	<u>5,158</u>	<u>372</u>	<u>1,233</u>	<u>3,772</u>	<u>9,772</u>	<u>11,936</u>	<u>32,243</u>

(Million Baht)

	<u>The Bank</u>						
	<u>31 December 2010</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Balance at the beginning of the year	3,260	74	3,057	3,001	10,531	8,424	28,347
Doubtful accounts (reversal)	999	32	(1,616)	(44)	2,877	2,176	4,424
Bad debt written off	-	-	-	-	(4,137)	-	(4,137)
Others	-	-	-	-	2,565	-	2,565
Balance at the end of the year	<u>4,259</u>	<u>106</u>	<u>1,441</u>	<u>2,957</u>	<u>11,836</u>	<u>10,600</u>	<u>31,199</u>

12 REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

The movements in the revaluation allowance for debt restructuring during the period/year were as follows:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Balance at the beginning of the period/year	4,387	4,519	4,386	4,493
Increase	2,894	2,583	2,894	2,582
Amortization to interest income	(131)	(326)	(131)	(326)
Others	(1,940)	(2,389)	(1,940)	(2,363)
Balance at the end of the period/year	<u>5,210</u>	<u>4,387</u>	<u>5,209</u>	<u>4,386</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

13 CLASSIFIED ASSETS

Assets of the Bank and its subsidiaries, classified as investments, loans and accrued interest receivables (including financial institutions), properties foreclosed and other assets, were categorized by quality in compliance with the BoT's regulations, taking into account analyses of each loan and appraisal of the financial standing of each borrower, as follows:

(Million Baht)

	<u>Consolidated</u>				
	<u>30 September 2011</u>				
	<u>Investments</u>	<u>Loans and Accrued Interest Receivables</u>	<u>Properties Foreclosed</u>	<u>Other Assets</u>	<u>Total</u>
Pass	-	1,288,366	-	-	1,288,366
Special Mention	-	20,626	-	-	20,626
Sub-Standard	-	3,230	-	-	3,230
Doubtful	-	7,368	-	-	7,368
Doubtful of Loss	<u>4,267</u>	<u>19,646</u>	<u>558</u>	<u>1,301</u>	<u>25,772</u>
Total	<u>4,267</u>	<u>1,339,236</u>	<u>558</u>	<u>1,301</u>	<u>1,345,362</u>

(Million Baht)

	<u>Consolidated</u>				
	<u>31 December 2010</u>				
	<u>Investments</u>	<u>Loans and Accrued Interest Receivables</u>	<u>Properties Foreclosed</u>	<u>Other Assets</u>	<u>Total</u>
Pass	-	1,084,795	-	-	1,084,795
Special Mention	-	23,233	-	-	23,233
Sub-Standard	-	3,821	-	-	3,821
Doubtful	-	7,104	-	-	7,104
Doubtful of Loss	<u>4,207</u>	<u>22,420</u>	<u>559</u>	<u>1,314</u>	<u>28,500</u>
Total	<u>4,207</u>	<u>1,141,373</u>	<u>559</u>	<u>1,314</u>	<u>1,147,453</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

<u>The Bank</u>					
<u>30 September 2011</u>					
	<u>Investments</u>	Loans and Accrued <u>Interest Receivables</u>	Properties <u>Foreclosed</u>	<u>Other Assets</u>	<u>Total</u>
Pass	-	1,289,257	-	-	1,289,257
Special Mention	-	19,280	-	-	19,280
Sub-Standard	-	3,080	-	-	3,080
Doubtful	-	7,151	-	-	7,151
Doubtful of Loss	<u>4,261</u>	<u>18,090</u>	<u>380</u>	<u>1,297</u>	<u>24,028</u>
Total	<u>4,261</u>	<u>1,336,858</u>	<u>380</u>	<u>1,297</u>	<u>1,342,796</u>

(Million Baht)

<u>The Bank</u>					
<u>31 December 2010</u>					
	<u>Investments</u>	Loans and Accrued <u>Interest Receivables</u>	Properties <u>Foreclosed</u>	<u>Other Assets</u>	<u>Total</u>
Pass	-	1,086,943	-	-	1,086,943
Special Mention	-	20,885	-	-	20,885
Sub-Standard	-	3,656	-	-	3,656
Doubtful	-	6,826	-	-	6,826
Doubtful of Loss	<u>4,201</u>	<u>20,714</u>	<u>356</u>	<u>1,314</u>	<u>26,585</u>
Total	<u>4,201</u>	<u>1,139,024</u>	<u>356</u>	<u>1,314</u>	<u>1,144,895</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

14 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Movements in deferred tax assets and liabilities during the period/year were as follows:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Deferred tax assets	3,865	3,582	3,318	3,524
Deferred tax liabilities	<u>(1,649)</u>	<u>(1,777)</u>	<u>-</u>	<u>-</u>
Net	<u>2,216</u>	<u>1,805</u>	<u>3,318</u>	<u>3,524</u>

(Million Baht)

	<u>Consolidated</u>				
	<u>Charged / credited to:</u>				
	<u>As of</u>	<u>Other comprehensive</u>			<u>As of</u>
	<u>1 January 2011</u>	<u>Profit or loss</u>	<u>income</u>	<u>Others</u>	<u>30 September 2011</u>
Deferred tax assets					
Premises and equipment	6	2	-	(1)	7
Properties foreclosed	402	30	-	-	432
Investments	544	(89)	-	-	455
Investments in subsidiaries and associated companies	577	-	-	-	577
Loans and accrued interest receivables	994	(234)	-	(1)	759
Other assets	541	(10)	-	8	539
Provisions	847	36	-	-	883
Employee Benefits	3,355	14	-	(1)	3,368
Life policy reserve	<u>660</u>	<u>190</u>	<u>-</u>	<u>(12)</u>	<u>838</u>
Total	<u>7,926</u>	<u>(61)</u>	<u>-</u>	<u>(7)</u>	<u>7,858</u>
Deferred tax liabilities					
Investments	1,882	(23)	(439)	-	1,420
Premises and equipment	4,050	(128)	-	-	3,922
Other liabilities	<u>189</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total	<u>6,121</u>	<u>(40)</u>	<u>(439)</u>	<u>-</u>	<u>5,642</u>
Net	<u>1,805</u>	<u>(21)</u>	<u>439</u>	<u>(7)</u>	<u>2,216</u>

(Million Baht)

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated</u>				
	<u>Charged / credited to:</u>				
	<u>As of</u> <u>1 January 2010</u>	<u>Profit or loss</u>	<u>Other comprehensive</u> <u>income</u>	<u>Charged directly</u> <u>to equity</u>	<u>As of</u> <u>31 December 2010</u>
Deferred tax assets					
Premises and equipment	5	1	-	-	6
Properties foreclosed	386	16	-	-	402
Investments	524	20	-	-	544
Investments in subsidiaries and associated companies	577	-	-	-	577
Loans and accrued interest receivables	1,074	(80)	-	-	994
Other assets	454	87	-	-	541
Provisions	882	(35)	-	-	847
Employee Benefits	3,109	246	-	-	3,355
Life policy reserve	<u>468</u>	<u>192</u>	<u>-</u>	<u>-</u>	<u>660</u>
Total	<u>7,479</u>	<u>447</u>	<u>-</u>	<u>-</u>	<u>7,926</u>
Deferred tax liabilities					
Investments	1,106	(48)	824	-	1,882
Premises and equipment	4,098	1	-	(49)	4,050
Other liabilities	<u>94</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>189</u>
Total	<u>5,298</u>	<u>48</u>	<u>824</u>	<u>(49)</u>	<u>6,121</u>
Net	<u>2,181</u>	<u>399</u>	<u>(824)</u>	<u>49</u>	<u>1,805</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>The Bank</u>				<u>As of</u> 30 September 2011
	<u>Charged / credited to:</u>				
	<u>As of</u> 1 January 2011	<u>Profit or loss</u>	<u>Other comprehensive</u> <u>income</u>	<u>Others</u>	
Deferred tax assets					
Properties foreclosed	385	29	-	-	414
Investments	506	(89)	-	-	417
Investments in subsidiaries and associated companies	574	-	-	-	574
Loans and accrued interest receivables	915	(223)	-	-	692
Other assets	304	(30)	-	-	274
Provisions	847	36	-	-	883
Employee Benefits	<u>3,283</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>3,280</u>
Total	<u>6,814</u>	<u>(280)</u>	<u>-</u>	<u>-</u>	<u>6,534</u>
Deferred tax liabilities					
Investments	242	7	(26)	-	223
Premises and equipment	<u>3,048</u>	<u>(55)</u>	<u>-</u>	<u>-</u>	<u>2,993</u>
Total	<u>3,290</u>	<u>(48)</u>	<u>(26)</u>	<u>-</u>	<u>3,216</u>
Net	<u>3,524</u>	<u>(232)</u>	<u>26</u>	<u>-</u>	<u>3,318</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>The Bank</u>				<u>As of</u> <u>31 December 2010</u>
	<u>As of</u> <u>1 January 2010</u>	<u>Charged / credited to:</u>		<u>Charged directly</u> <u>to equity</u>	
		<u>Profit or loss</u>	<u>Other comprehensive</u> <u>income</u>		
Deferred tax assets					
Properties foreclosed	368	17	-	-	385
Investments	486	20	-	-	506
Investments in subsidiaries and associated companies	574	-	-	-	574
Loans and accrued interest receivables	987	(72)	-	-	915
Other assets	262	42	-	-	304
Provisions	882	(35)	-	-	847
Employee Benefits	<u>3,046</u>	<u>237</u>	<u>-</u>	<u>-</u>	<u>3,283</u>
Total	<u>6,605</u>	<u>209</u>	<u>-</u>	<u>-</u>	<u>6,814</u>
Deferred tax liabilities					
Investments	222	(5)	25	-	242
Premises and equipment	<u>3,096</u>	<u>1</u>	<u>-</u>	<u>(49)</u>	<u>3,048</u>
Total	<u>3,318</u>	<u>(4)</u>	<u>25</u>	<u>(49)</u>	<u>3,290</u>
Net	<u>3,287</u>	<u>213</u>	<u>(25)</u>	<u>49</u>	<u>3,524</u>

See Note 25 for the amounts recognized in the statements of comprehensive income.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

15 ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral as consisted of:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Deposits	2,746	916	2,708	827
Government bonds	68,344	34,277	50,236	20,210
State enterprises bonds	<u>296</u>	<u>297</u>	<u>186</u>	<u>187</u>
Total	<u>71,386</u>	<u>35,490</u>	<u>53,130</u>	<u>21,224</u>

The Bank has pledged these assets as collateral for derivatives, for electricity consumption, for court collateral and for repurchase agreements.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

16 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments as consisted of:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Avals to bills	7,721	3,802	7,721	3,802
Guarantees of loans	171	159	171	159
Liability under unmatured import bills	10,021	8,418	10,021	8,418
Letter of credit	26,031	24,496	26,031	24,496
Other contingencies				
- Guarantees of selling instruments or securities	1,000	1,500	1,000	1,500
- Unused credit line of overdraft	176,440	161,168	176,440	161,168
- Other guarantees	138,643	126,839	138,587	126,813
- Others	<u>524,900</u>	<u>477,847</u>	<u>524,866</u>	<u>477,813</u>
Total	<u>884,927</u>	<u>804,229</u>	<u>884,837</u>	<u>804,169</u>

Under normal business operations, the Bank is a defendant in various litigation against the Bank. These include cases of wrongful acts brought against the Bank, with total claims amounting to Baht 7,472 million and Baht 7,663 million as of 30 September 2011 and 31 December 2010, respectively. The Management believes that any liability resulting from this litigation will not be material to the Bank's financial position or on the results of its operations.

One of the civil cases against the Bank is a case which was further appealed to the Court of Final Appeal of Hong Kong under Common Law. In this case, the Liquidators of Akai Holdings Limited ("Akai") under a bankruptcy case filed a civil lawsuit against the Bank, with total claim for damages of USD 52.81 million plus interest, alleging that a Loan Agreement and a Share Pledge Agreement entered into during 1998 between the Bank and Akai were void and that the Bank is required to compensate Akai for damages resulting from enforcing the sale of shares under the Share Pledge Agreement.

The Court of First Instance of Hong Kong dismissed the Liquidators' entire claim. The Liquidators appealed to the Court of Appeal which overturned the Court of First Instance decision ordering the Bank to pay damages. The Bank appealed to the Court of Final Appeal. On 8 November 2010, the Court of Final Appeal awarded in favour of Akai by ordering the Bank to pay damages of USD 22.54 million together with interest, at the rate of 1% over USD LIBOR, total amount of USD 34.25 million. The Bank already paid such damages in 2010.

As of 30 September 2011 and 31 December 2010, Muang Thai Life Assurance Company Limited has been sued as insurer, with claims amounting to approximately Baht 162 million and Baht 133 million, respectively. The Management believes that any liability resulting from this litigation will not be material to the Company's financial position or on the results of its operations.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

17 RELATED PARTY TRANSACTIONS AND BALANCES

17.1 Loans and contingencies made to officers⁽¹⁾ and to business entities where the Bank and its subsidiaries, their directors or officers, hold 20%⁽²⁾ or more of their paid-up capital, in which market price as charged as with other normal business, were summarized as follows:

	(Million Baht)	
	<u>Consolidated</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Loans</u>		
1. Officers	25	21
2. Business entities where the Bank and subsidiaries, their directors or officers, hold 20% or more of the paid - up capital ⁽²⁾	<u>212</u>	<u>982</u>
Total	<u>237</u>	<u>1,003</u>
<u>Contingencies</u>		
1. Officers	-	-
2. Business entities where the Bank and subsidiaries, their directors or officers, hold 20% or more of the paid - up capital ⁽²⁾	<u>14</u>	<u>13</u>
Total	<u>14</u>	<u>13</u>

	(Million Baht)	
	<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Loans</u>		
1. Officers	8	21
2. Business entities where the Bank, its directors or officers, hold 20% or more of the paid - up capital ⁽²⁾	<u>70,512</u>	<u>57,012</u>
Total	<u>70,520</u>	<u>57,033</u>
<u>Contingencies</u>		
1. Officers	-	-
2. Business entities where the Bank, its directors or officers, hold 20% or more of the paid - up capital ⁽²⁾	<u>142</u>	<u>89</u>
Total	<u>142</u>	<u>89</u>

⁽¹⁾ Officers mean management who holds the title of at least First Senior Vice President including Department Head-Financial Accounting Management Department and Department Head-Financial Planning Department.

⁽²⁾ Related business entities: 2010 mean business entities where the Bank, subsidiaries and any related parties hold 10% or more of the paid-up capital. 2011 mean business entities where the Bank, subsidiaries and any related parties hold 20% or more of the paid-up capital.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

17.2 Related Parties

Relationships between the Bank and other business entities⁽¹⁾ where control exists for the period/year ended 30 September 2011 and 31 December 2010 are explained in Note 8.1

17.3 Significant transactions occurring between the Bank and Phethai Asset Management Company Limited were summarized as follows:

	(Million Baht)	
	<u>The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Deposits	289	804
Accrued Income	2	-

	(Million Baht)			
	<u>The Bank</u>			
	<u>For the Three-month</u>		<u>For the Nine-month</u>	
	<u>Periods Ended 30 September</u>		<u>Periods Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Other income	2	2	6	8

Income and expenses shared between the Bank and Phethai Asset Management Company Limited are charged at cost, except for fee income, which is charged at market price.

The Bank has provided an allowance for doubtful accounts for Phethai Asset Management Company Limited using the same method as for general customers and in accordance with the BoT's regulations.

⁽¹⁾ Related parties 2010 mean spouses and children under age of 20 years old.
2011 mean spouses, children, father, mother, siblings and children's spouses.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

17.4 Additional transactions occurring between the Bank and related business entities, which are charged at market price as with other normal business or the price as stipulated in the agreement, are as follows:

17.4.1 Assets, liabilities and contingencies between the Bank, its subsidiaries and associated companies excluding Phethai Asset Management Company Limited were summarized as follows:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Interbank and Money Market Items (Assets)</u>				
Subsidiary				
- KASIKORN SECURITIES PCL	-	-	200	265
<u>Loans</u>				
Subsidiaries				
- KASIKORN LEASING CO., LTD.	-	-	63,154	52,782
- KASIKORN FACTORY & EQUIPMENT CO., LTD.	-	-	6,941	3,242
Associated Company				
- HUMANICA LTD.	25	-	25	-
<u>Other Assets</u>				
Subsidiaries				
- Muang Thai Life Assurance Co., Ltd.	-	-	798	190
- KASIKORN SECURITIES PCL	-	-	121	32
- KASIKORN ASSET MANAGEMENT CO., LTD.	-	-	96	82
- KASIKORN LEASING CO., LTD.	-	-	26	11
- PROGRESS LAND AND BUILDINGS CO., LTD.	-	-	-	319

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Deposits</u>				
Subsidiaries				
- KASIKORN ASSET MANAGEMENT CO., LTD.	-	-	405	1,236
- KASIKORN LEASING CO., LTD.	-	-	393	524
- KASIKORN FACTORY & EQUIPMENT CO., LTD.	-	-	358	122
- PROGRESS GUNPAI CO., LTD.	-	-	178	196
- PROGRESS LAND AND BUILDINGS CO., LTD.	-	-	159	2
- Muangthai Group Holding Co., Ltd.	-	-	145	112
- K-SME Venture Capital Co., Ltd.	-	-	79	68
- PROGRESS APPRAISAL CO., LTD.	-	-	74	78
- PROGRESS SERVICE CO., LTD.	-	-	45	63
- PROGRESS PLUS CO., LTD.	-	-	39	86
- PROGRESS SERVICE SUPPORT CO., LTD.	-	-	39	49
- KASIKORN RESEARCH CENTER CO., LTD.	-	-	38	42
- PROGRESS FACILITIES MANAGEMENT CO., LTD.	-	-	36	40
- PROGRESS HR CO., LTD.	-	-	28	40
- PROGRESS STORAGE CO., LTD.	-	-	27	32
- PROGRESS MANAGEMENT CO., LTD.	-	-	25	31
- PROGRESS SOFTWARE CO., LTD.	-	-	22	63
- PROGRESS TRAINING CO., LTD.	-	-	15	14
Associated Company				
- Processing Center Co., Ltd.	16	23	16	23

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Interbank and Money Market Items (Liabilities)</u>				
Subsidiaries				
- KASIKORN SECURITIES PCL	-	-	2,371	1,471
- Muang Thai Life Assurance Co., Ltd.	-	-	879	721
<u>Borrowings</u>				
Subsidiary				
- KASIKORN ASSET MANAGEMENT CO., LTD.	-	-	680	510
<u>Other Liabilities</u>				
Subsidiaries				
- KASIKORN LEASING CO., LTD.	-	-	874	730
- PROGRESS SOFTWARE CO., LTD.	-	-	220	215
- PROGRESS HR CO., LTD.	-	-	36	36
- PROGRESS APPRAISAL CO., LTD.	-	-	25	16
- KASIKORN SECURITIES PCL	-	-	25	9
- PROGRESS PLUS CO., LTD.	-	-	20	25
- PROGRESS SERVICE CO., LTD.	-	-	16	-
<u>Contingencies</u>				
Subsidiaries				
- Muang Thai Life Assurance Co., Ltd.	-	-	1,968	1,787
- KASIKORN FACTORY & EQUIPMENT CO., LTD.	-	-	190	128
Associated Company				
- Processing Center Co., Ltd.	13	13	13	13

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

Certain subsidiaries and associated companies have entered into 1-2 years building lease and service agreements with the Bank. Rentals are charged at cost plus an increment for additional administration and maintenance expenditures incurred. As of 30 September 2011 and 31 December 2010, the Bank and its related parties have rental agreements with remaining tenures amounting to Baht 37 million and Baht 35 million, respectively.

The Bank has entered into 5-year car leasing agreements with KASIKORN LEASING CO., LTD. Such agreements are classified as finance lease agreements, charged at market rates. As of 30 September 2011 and 31 December 2010, the book value of finance lease liabilities, before elimination, amounts to Baht 871 million and 728 million, respectively.

The Bank entered into an Information Technology Service Agreement with PROGRESS SOFTWARE CO., LTD. under which the service will be provided until 30 November 2015. As of 30 September 2011, the Bank is committed to pay total service fees of Baht 109 Million and as of 31 December 2010, the Bank has no further commitment to pay total service fees as the service fees have not been determined.

17.4.2 Revenue and expenses occurring between the Bank, its subsidiaries and associated companies were summarized as follows:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Three-month Periods</u>		<u>For the Three-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Subsidiaries				
Revenue:				
Interest income	-	-	591	459
Dividend income	-	-	218	400
Fee income	-	-	1,042	966
Other income	-	-	453	79
Expenses:				
Interest expenses	-	-	50	33
Fee expenses	-	-	50	38
Personnel expenses	-	-	66	65
Other expenses	-	-	830	806
Associated Companies				
Revenue:				
Fee income	-	1	-	1
Expenses:				
Other expenses	6	4	6	4

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Nine-month Periods</u>		<u>For the Nine-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Subsidiaries				
Revenue:				
Interest income	-	-	1,598	1,323
Dividend income	-	-	578	634
Fee income	-	-	2,926	2,582
Other income	-	-	1,195	278
Expenses:				
Interest expenses	-	-	135	77
Fee expenses	-	-	145	113
Personnel expenses	-	-	349	268
Other expenses	-	-	2,376	2,122
Associated Companies				
Revenue:				
Other income	6	6	6	6
Fee income	3	3	3	3
Expenses:				
Other expenses	15	11	15	11

The Bank has entered into a staff secondment agreement with KASIKORN SECURITIES PCL, commencing from January 2006. The agreement shall be terminated at any time by the Bank giving notice 60 days prior to the termination date. The Bank is responsible for salaries, welfare and other benefits and any liabilities that arise or may arise from the actions of the employees.

For the Nine-month periods ended 30 September 2011 and 2010, the Bank incurred expenses amounting to Baht 349 million and Baht 268 million, respectively, presented as personnel expenses in the statements of comprehensive income.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

17.4.3 Assets, liabilities and contingencies between the Bank and other business entities in which the directors, key executive officers and close members of their families have significant influence were summarized as follows:

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Loans</u>		
- Sansiri Public Co., Ltd.	3,873	2,136
- TT&T Public Co., Ltd.*	2,175	-
- PTT Aromatics and Refining Public Co., Ltd.*	2,001	-
- Thanakorn Vegetable Oil Products Co., Ltd.*	706	-
- Jutha Maritime Public Co., Ltd.	691	714
- C.P. Merchandising Co., Ltd.*	657	-
- PAPANAN LIMITED*	642	-
- Charoen Pokphand Foods Public Co., Ltd.	620	800
- BANGKOK PRODUCE MERCHANDISING PUBLIC CO., LTD.*	515	-
- KOMATSU BANGKOK LEASING CO., LTD.*	237	-
- TISCO TOKYO LEASING CO., LTD.*	211	-
- Global Utilities Services Co., Ltd.	193	217
- RED LOTUS PROPERTIES LIMITED*	164	-
- Loxley Public Co., Ltd.*	141	-
- SIAM QUALITY STARCH CO., LTD.*	104	-
- Bangkok Komatsu Forklift Co., Ltd.,*	73	-
- PHIWANTHANA CO., LTD.*	46	-
- CONSTRUCTION AND ENGINEERING SERVICES CO., LTD.*	40	-
- BANGKOK FOOD PRODUCTS CO., LTD.*	40	-
- Loxbit Public Co., Ltd.*	38	-
- Eastern Printing Public Co., Ltd.*	25	-
- Yip In Tsoi & Jacks Co., Ltd.	22	3
- United Factoring (1993) Co., Ltd.*	10	-
- Bangkok Glass Industry Co., Ltd.**	-	693

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Deposits</u>		
- CP ALL PUBLIC CO., LTD.*	744	-
- TT&T Public Co., Ltd.*	583	-
- Counter Service Co., Ltd.*	553	-
- Serm Suk Public Co., Ltd.	397	300
- C.P. Retailing and Marketing Co., Ltd.*	346	-
- Thai Smart Card Co., Ltd.*	288	-
- Muang Thai Insurance Public Co., Ltd.	249	352
- Global Utilities Services Co., Ltd.*	207	-
- National ITMX Co., Ltd.	177	22
- BP - CASTROL (THAILAND) LIMITED*	172	-
- Phatra Leasing Public Co., Ltd.	152	72
- SIAM GS SALES CO., LTD.*	141	-
- SIAM MOTORS SALES CO., LTD.*	123	-
- Guardfire Limited*	89	-
- Retailink (Thailand) Co., Ltd.*	85	-
- SIAM MOTORS TRADING CO., LTD.*	83	-
- B.GRIMM BIP POWER LIMITED*	75	-
- Serm Suk Beverage Co., Ltd.	71	45
- Crown Seal Public Co., Ltd.*	60	-
- Sansiri Public Co., Ltd.	51	194
- TOSHIBA LIGHTING COMPONENTS (THAILAND) LTD.*	47	-
- Loxley Trading Co., Ltd.*	44	-
- ROSS BREEDERS SIAM CO., LTD.*	42	-
- SIAM RIKEN INDUSTRIAL CO., LTD.*	40	-
- TRIPLE T GLOBAL NET CO., LTD.*	35	-
- Charoen Pokphand Foods Public Co., Ltd.	34	24
- General Engineering Public Co., Ltd.*	34	-
- Suludee Co., Ltd.*	34	-
- Arbor Acres Thailand Co., Ltd.*	34	-
- SIAM MUSIC YAMAHA CO., LTD.*	30	-

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Deposits (continued)</u>		
- Loxley Public Co., Ltd.*	26	-
- Thai - Amadeus Southeast Asia Co., Ltd.*	25	-
- Architects 49 Ltd.*	23	-
- Oriental Post Co., Ltd.*	23	-
- Professional Computer Co., Ltd.*	22	-
- Muangthai Holding Co., Ltd.*	22	-
- PHIWANTHANA CO., LTD.*	21	-
- Foseco (Thailand) Limited*	20	-
- SIAM BANGNA LAND CO., LTD.*	20	-
- Sombat Lamsam Co., Ltd.	20	27
- Sarasin Co., Ltd.*	20	-
- Smithithada Co., Ltd.	19	15
- M&E ENGINEERING 49 LIMITED*	18	-
- PLUS PROPERTY CO., LTD.*	17	-
- SIAM MODIFIED STARCH CO., LTD.*	16	-
- Ruam Samphant Co., Ltd.*	16	-
- SIAM HITACHI AUTOMOTIVE PRODUCTS LTD.*	16	-
- Zin Suapa Co., Ltd.	15	12
- QUALITY CONSTRUCTION PRODUCTS PUBLIC CO., LTD.*	15	-
- JEM ENVIRONMENTAL MANAGEMENT CO., LTD.*	14	-
- PAPANAN LIMITED*	14	-
- Mobile Innovation Co., Ltd.*	14	-
- Pruetthada Co., Ltd.	12	5
- Chulintrwong Co., Ltd.*	12	-
- M.THAIINDUSTRIAL CO., LTD.*	12	-
- SIAM PATHUMWAN HONDA AUTOMOBILE CO., LTD.*	12	-
- CONSULTING & MANAGEMENT 49 LTD.*	11	-
- Floor Industry Co., Ltd.*	11	-
- Songkhla Shipping Agency Co., Ltd.*	11	-
- INTERIOR ARCHITECTS 49 LIMITED*	10	-

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Deposits (continued)</u>		
- Petpak Co., Ltd.*	10	-
- M & A Consultants Recruitment Co., Ltd.*	10	-
- Nithi Thamrong Co., Ltd.	6	37
- Mitsubishi Elevator Asia Co., Ltd.	5	37
- TOT Public Co., Ltd.**	-	34
- Sup Wattana Co., Ltd.**	-	19
- Khao Angkaew Co., Ltd.**	-	13
<u>Contingencies</u>		
- Charoen Pokphand Foods Public Co., Ltd.	4,146	1,619
- Sansiri Public Co., Ltd.	2,130	1,296
- PTT Aromatics and Refining Public Co., Ltd.*	2,003	-
- Loxley Public Co., Ltd.*	317	-
- B.GRIMM BIP POWER LIMITED*	229	-
- Quality Houses Public Co., Ltd.	224	583
- Home Product Center Public Co., Ltd.*	202	-
- CP ALL PUBLIC CO., LTD.*	190	-
- Global Utilities Services Co., Ltd.	123	174
- Construction and Engineering Services Co., Ltd.*	103	-
- CASA VILLE CO., LTD.*	70	-
- C.P. Merchandising Co., Ltd.*	62	-
- Dole Thailand Co., Ltd.	54	75
- General Engineering Public Co., Ltd.*	53	-
- Yip In Tsoi & Jacks Co., Ltd.	51	15
- C.P. Retailing and Marketing Co., Ltd.*	48	-
- Loxley Trading Co., Ltd.*	45	-
- SCG Network Management Co., Ltd.*	43	-
- Professional Computer Co., Ltd.*	34	-
- Retailink (Thailand) Co., Ltd.*	29	-
- Eastern Printing Public Co., Ltd.*	29	-
- SCG Trading Co., Ltd.*	27	-

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<u>Contingencies (continued)</u>		
- PHIWANTHANA CO., LTD.*	24	-
- SCG Logistics Management Co., Ltd.*	23	-
- SAIM QUALITY STARCH CO., LTD.*	21	-
- SIAM RIKEN INDUSTRIAL CO., LTD.*	19	-
- CPF FOOD PRODUCTS CO., LTD.*	19	-
- Loxbit Public Co., Ltd.*	19	-
- Siam Motor Parts Co., Ltd.*	18	-
- Thanakorn Vegetable Oil Products Co., Ltd.*	18	-
- Crown Seal Public Co., Ltd.*	15	-
- M.THAIINDUSTRIAL CO., LTD.*	12	-
- Jutha Maritime Public Co., Ltd.	2	12
- Bangkok Glass Industry Co., Ltd.**	-	67

* 2010 the entity was not related to the Bank.

** 2011 the entity is no longer related to the Bank.

17.4.4 Assets, liabilities and contingencies between the Bank and its directors and key executive officers or the Bank's employees who have authority and responsibility for planning, directing and controlling the activities of the Bank including their close family members were summarized as follows:

(Million Baht)

	<u>Consolidated and The Bank</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Loans	49	30
Deposits	2,426	1,150

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

17.5 Key management personnel compensation are consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Three-month</u>		<u>For the Three-month</u>	
	<u>Periods Ended 30 September</u>		<u>Periods Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	201	196	116	121
Post-employment benefits	<u>6</u>	<u>6</u>	<u>5</u>	<u>4</u>
Total	<u>207</u>	<u>202</u>	<u>121</u>	<u>125</u>

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Nine-month</u>		<u>For the Nine-month</u>	
	<u>Periods Ended 30 September</u>		<u>Periods Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	726	691	425	425
Post-employment benefits	<u>12</u>	<u>17</u>	<u>9</u>	<u>13</u>
Total	<u>738</u>	<u>708</u>	<u>434</u>	<u>438</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

18 EVENTS AFTER THE FINANCIAL STATEMENT

18.1 On 11 October 2011, the Cabinet announced the change in the corporate income tax rate to 23% for accounting periods ending 31 December 2012 or after, and to 20% for accounting periods beginning on or after 1 January 2013. If the Bank and its subsidiaries had recognized deferred tax assets/liabilities as at 30 September 2011 using the changed rates, the effect of this subsequent change in tax rate on the consolidated and the Bank-only financial statements as at 30 September 2011 were as follow:

	(Million Baht)	
	<u>Consolidated</u>	<u>The Bank</u>
	<u>30 September 2011</u>	
Statements of Financial Position		
Decreased in deferred tax assets	(1,051)	(849)
Decreased in deferred tax liabilities	(528)	-
Decreased in total equity	(523)	(849)

	(Million Baht)	
	<u>Consolidated</u>	<u>The Bank</u>
	<u>For the three-month and nine-month periods ended 30 September 2011</u>	
Statements of Comprehensive Income		
Increased in income tax expense	<u>1,868</u>	<u>1,995</u>
Decreased in net profit	(1,868)	(1,995)
Other comprehensive income		
Decreased in income taxes relating to components		
of other comprehensive income	<u>1,345</u>	<u>1,146</u>
Decreased in total comprehensive income	<u>(523)</u>	<u>(849)</u>

Net profit

Decreased in net profit attributable to equity holders of the Bank	(1,942)	(1,995)
Increased in non-controlling interests	74	-

However the above effect is subjects to change, the Cabinet's announcement has not enacted into law.

18.2 The unusually severe flooding in parts of Thailand is continuing to affect certain customers' business. The Bank and its subsidiaries provide assistance to customers as appropriate and to be managing their business in order to mitigate any resulting damage. Management is currently in the process of assessing the financial impact of the flooding on the Bank's and its subsidiaries' assets and operations.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

18.3 The Board of Directors meeting No. 10/2554 held on 27 October 2011, the board of directors passed a resolution to increase investment in KASIKORN SECURITIES PUBLIC COMPANY LIMITED, a subsidiary company in amount of Baht 200 million, the Bank maintained portion hold 99.99% shareholding.

19 THAI FINANCIAL REPORTING STANDARDS (TFRS) NOT YET ADOPTED

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

The below revised TFRS (revised 2009) will become effective for financial periods beginning on or after 1 January 2013.

TFRS	Topic
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The management is presently considering the potential impact from the adoption of the above revised TFRS.

20 RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

The Bank and its subsidiaries have restated the financial statements for the three-month and nine-month periods ended 30 September 2010, presented for comparative purpose, from the adoption of Thai Accounting Standard No.12 “Income Taxes” and Thai Accounting Standard No. 19 “Employee Benefits”. The effect of applying these TFRSs on the consolidated and separate financial statements were as follows :

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the</u>	<u>For the</u>	<u>For the</u>	<u>For the</u>
	<u>Three-month</u>	<u>Nine-month</u>	<u>Three-month</u>	<u>Nine-month</u>
	<u>Period Ended 30 September 2010</u>		<u>Period Ended 30 September 2010</u>	
Statements of Comprehensive Income				
Decrease in personnel expenses	(59)	(177)	(61)	(184)
Decrease in income tax expense	<u>(425)</u>	<u>(511)</u>	<u>(335)</u>	<u>(299)</u>
Increase in net profit	484	688	396	483
Other comprehensive income				
Increase in income tax relating to components				
of other comprehensive income	<u>(535)</u>	<u>(877)</u>	<u>(126)</u>	<u>(327)</u>
Increase (decrease) in total comprehensive income	<u>(51)</u>	<u>(189)</u>	<u>270</u>	<u>156</u>
Increase in basic earnings per share (Baht)	0.18	0.23	0.17	0.20

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

21 THE FINANCIAL POSITIONS AND RESULTS OF OPERATIONS DIFFERENTIATED BY DOMESTIC AND FOREIGN BUSINESSES

The financial positions and results of operations differentiated by domestic and foreign business can be summarized as follows:

21.1 Financial Positions Classified by Types of Businesses

(Million Baht)

	<u>Consolidated</u>				
	<u>30 September 2011</u>				
	<u>Domestic</u>	<u>Foreign</u>		<u>Eliminated</u>	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Total assets	1,764,487	13,307	1,777,794	-	1,777,794
Interbank and money market items - net (assets)	161,570	3,697	165,267	-	165,267
Investments - net	282,181	5,273	287,454	-	287,454
Loans to customers and accrued interest					
receivables - net	1,159,463	3,012	1,162,475	-	1,162,475
Deposits	1,250,917	4,260	1,255,177	-	1,255,177
Interbank and money market items (liabilities)	93,360	816	94,176	-	94,176
Debts issued and borrowings	71,030	5,699	76,729	-	76,729

(Million Baht)

	<u>Consolidated</u>				
	<u>31 December 2010</u>				
	<u>Domestic</u>	<u>Foreign</u>		<u>Eliminated</u>	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Total assets	1,537,291	11,182	1,548,473	(1,809)	1,546,664
Interbank and money market items - net (assets)	93,468	4,092	97,560	-	97,560
Investments - net	245,615	5,602	251,217	-	251,217
Loans to customers and accrued interest					
receivables - net	1,040,172	1,394	1,041,566	-	1,041,566
Deposits	1,098,393	1,643	1,100,036	-	1,100,036
Interbank and money market items (liabilities)	33,064	-	33,064	-	33,064
Debts issued and borrowings	83,421	5,511	88,932	-	88,932

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>The Bank</u>				
	<u>30 September 2011</u>				
	Domestic <u>Businesses</u>	Foreign <u>Businesses</u>	<u>Total</u>	Eliminated <u>Transactions</u>	<u>Total</u>
Total assets	1,649,971	13,307	1,663,278	-	1,663,278
Interbank and money market items - net (assets)	157,255	3,697	160,952	-	160,952
Investments - net	199,204	5,273	204,477	-	204,477
Loans to customers and accrued interest					
receivables - net	1,150,761	3,012	1,153,773	-	1,153,773
Deposits	1,252,741	4,260	1,257,001	-	1,257,001
Interbank and money market items (liabilities)	96,200	816	97,016	-	97,016
Debts issued and borrowings	71,710	5,699	77,409	-	77,409

(Million Baht)

	<u>The Bank</u>				
	<u>31 December 2010</u>				
	Domestic <u>Businesses</u>	Foreign <u>Businesses</u>	<u>Total</u>	Eliminated <u>Transactions</u>	<u>Total</u>
Total assets	1,441,359	11,182	1,452,541	(1,809)	1,450,732
Interbank and money market items - net (assets)	92,676	4,092	96,768	-	96,768
Investments - net	178,096	5,602	183,698	-	183,698
Loans to customers and accrued interest					
receivables - net	1,031,953	1,394	1,033,347	-	1,033,347
Deposits	1,100,586	1,643	1,102,229	-	1,102,229
Interbank and money market items (liabilities)	34,997	-	34,997	-	34,997
Debts issued and borrowings	84,031	5,511	89,542	-	89,542

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

21.2 Results of Operations Classified by Types of Businesses

(Million Baht)

	<u>Consolidated</u>				
	<u>For the Three-month Period Ended 30 September 2011</u>				
	<u>Domestic</u>	<u>Foreign</u>		<u>Eliminated</u>	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	22,042	135	22,177	(58)	22,119
Interest expenses	<u>7,459</u>	<u>38</u>	<u>7,497</u>	<u>(58)</u>	<u>7,439</u>
Interest income - net	14,583	97	14,680	-	14,680
Fees and service income - net	5,484	14	5,498	-	5,498
Other operating income	3,237	144	3,381	-	3,381
Other operating expenses	<u>11,905</u>	<u>79</u>	<u>11,984</u>	<u>-</u>	<u>11,984</u>
Operating profit before income tax expense	<u>11,399</u>	<u>176</u>	<u>11,575</u>	<u>-</u>	<u>11,575</u>

(Million Baht)

	<u>Consolidated</u>				
	<u>For the Three-month Period Ended 30 September 2010</u>				
	<u>Domestic</u>	<u>Foreign</u>		<u>Eliminated</u>	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	15,757	55	15,812	(30)	15,782
Interest expenses	<u>3,801</u>	<u>17</u>	<u>3,818</u>	<u>(32)</u>	<u>3,786</u>
Interest income - net	11,956	38	11,994	2	11,996
Fees and service income - net	4,719	12	4,731	-	4,731
Other operating income	2,649	(261)	2,388	-	2,388
Other operating expenses	<u>10,905</u>	<u>39</u>	<u>10,944</u>	<u>-</u>	<u>10,944</u>
Operating profit before income tax expense	<u>8,419</u>	<u>(250)</u>	<u>8,169</u>	<u>2</u>	<u>8,171</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

The Bank

For the Three-month Period Ended 30 September 2011

	Domestic	Foreign		Eliminated	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	20,574	135	20,709	(58)	20,651
Interest expenses	<u>7,495</u>	<u>38</u>	<u>7,533</u>	<u>(58)</u>	<u>7,475</u>
Interest income - net	13,079	97	13,176	-	13,176
Fees and service income - net	5,328	14	5,342	-	5,342
Other operating income	2,150	144	2,294	-	2,294
Other operating expenses	<u>10,573</u>	<u>79</u>	<u>10,652</u>	<u>-</u>	<u>10,652</u>
Operating profit before income tax expense	<u>9,984</u>	<u>176</u>	<u>10,160</u>	<u>-</u>	<u>10,160</u>

(Million Baht)

The Bank

For the Three-month Period Ended 30 September 2010

	Domestic	Foreign		Eliminated	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	14,491	55	14,546	(30)	14,516
Interest expenses	<u>3,819</u>	<u>17</u>	<u>3,836</u>	<u>(32)</u>	<u>3,804</u>
Interest income - net	10,672	38	10,710	2	10,712
Fees and service income - net	4,442	12	4,454	-	4,454
Other operating income	2,039	(261)	1,778	-	1,778
Other operating expenses	<u>9,941</u>	<u>39</u>	<u>9,980</u>	<u>-</u>	<u>9,980</u>
Operating profit before income tax expense	<u>7,212</u>	<u>(250)</u>	<u>6,962</u>	<u>2</u>	<u>6,964</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

	<u>Consolidated</u>				
	<u>For the Nine-month Period Ended 30 September 2011</u>				
	Domestic	Foreign		Eliminated	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	60,415	338	60,753	(144)	60,609
Interest expenses	<u>19,095</u>	<u>89</u>	<u>19,184</u>	<u>(144)</u>	<u>19,040</u>
Interest income - net	41,320	249	41,569	-	41,569
Fees and service income - net	15,712	32	15,744	-	15,744
Other operating income	10,147	366	10,513	-	10,513
Other operating expenses	<u>35,592</u>	<u>192</u>	<u>35,784</u>	<u>-</u>	<u>35,784</u>
Operating profit before income tax expense	<u>31,587</u>	<u>455</u>	<u>32,042</u>	<u>-</u>	<u>32,042</u>

(Million Baht)

	<u>Consolidated</u>				
	<u>For the Nine-month Period Ended 30 September 2010</u>				
	Domestic	Foreign		Eliminated	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	45,439	146	45,585	(86)	45,499
Interest expenses	<u>11,266</u>	<u>49</u>	<u>11,315</u>	<u>(86)</u>	<u>11,229</u>
Interest income - net	34,173	97	34,270	-	34,270
Fees and service income - net	13,111	31	13,142	-	13,142
Other operating income	8,170	(384)	7,786	-	7,786
Other operating expenses	<u>32,429</u>	<u>102</u>	<u>32,531</u>	<u>-</u>	<u>32,531</u>
Operating profit (loss) before income tax expense	<u>23,025</u>	<u>(358)</u>	<u>22,667</u>	<u>-</u>	<u>22,667</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

The Bank

For the Nine-month Period Ended 30 September 2011

	Domestic	Foreign		Eliminated	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	56,257	338	56,595	(144)	56,451
Interest expenses	<u>19,193</u>	<u>89</u>	<u>19,282</u>	<u>(144)</u>	<u>19,138</u>
Interest income - net	37,064	249	37,313	-	37,313
Fees and service income - net	15,107	32	15,139	-	15,139
Other operating income	6,466	366	6,832	-	6,832
Other operating expenses	<u>31,845</u>	<u>192</u>	<u>32,037</u>	<u>-</u>	<u>32,037</u>
Operating profit before income tax expense	<u>26,792</u>	<u>455</u>	<u>27,247</u>	<u>-</u>	<u>27,247</u>

(Million Baht)

The Bank

For the Nine-month Period Ended 30 September 2010

	Domestic	Foreign		Eliminated	
	<u>Businesses</u>	<u>Businesses</u>	<u>Total</u>	<u>Transactions</u>	<u>Total</u>
Interest income	41,895	146	42,041	(86)	41,955
Interest expenses	<u>11,307</u>	<u>49</u>	<u>11,356</u>	<u>(86)</u>	<u>11,270</u>
Interest income - net	30,588	97	30,685	-	30,685
Fees and service income - net	12,521	31	12,552	-	12,552
Other operating income	5,861	(384)	5,477	-	5,477
Other operating expenses	<u>29,450</u>	<u>102</u>	<u>29,552</u>	<u>-</u>	<u>29,552</u>
Operating profit (loss) before income tax expense	<u>19,520</u>	<u>(358)</u>	<u>19,162</u>	<u>-</u>	<u>19,162</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

22 INTEREST INCOME

Interest income as consisted of:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Three-month Periods</u>		<u>For the Three-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Interbank and money market items	1,847	590	1,834	585
Investments and trading transactions	98	74	98	74
Investments in debt securities	2,124	1,688	1,136	899
Loans	17,209	12,673	17,601	12,933
Hire purchase and financial lease	859	733	-	-
Others	<u>(18)</u>	<u>25</u>	<u>(18)</u>	<u>25</u>
Total	<u>22,119</u>	<u>15,783</u>	<u>20,651</u>	<u>14,516</u>

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Nine-month Periods</u>		<u>For the Nine-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Interbank and money market items	5,283	1,523	5,260	1,511
Investments and trading transactions	208	182	208	182
Investments in debt securities	5,809	4,896	3,071	2,706
Loans	46,876	36,595	47,923	37,380
Hire purchase and financial lease	2,444	2,127	-	-
Others	<u>(11)</u>	<u>176</u>	<u>(11)</u>	<u>176</u>
Total	<u>60,609</u>	<u>45,499</u>	<u>56,451</u>	<u>41,955</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

23 INTEREST EXPENSES

Interest expenses as consisted of:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Three-month Periods</u>		<u>For the Three-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Deposits	4,404	1,669	4,406	1,672
Interbank and money market items	924	463	940	466
Contributions to Deposit Protection Agency	1,233	991	1,233	991
Debts issued				
- Subordinated debentures	434	461	434	461
- Others	428	190	435	193
Others	<u>16</u>	<u>13</u>	<u>27</u>	<u>21</u>
Total	<u>7,439</u>	<u>3,787</u>	<u>7,475</u>	<u>3,804</u>

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Nine-month Periods</u>		<u>For the Nine-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Deposits	10,074	4,994	10,080	5,000
Interbank and money market items	2,812	1,180	2,851	1,186
Contributions to Deposit Protection Agency	3,514	2,979	3,514	2,979
Debts issued				
- Subordinated debentures	1,290	1,428	1,290	1,428
- Others	1,307	613	1,323	619
Borrowings	1	1	1	1
Others	<u>42</u>	<u>34</u>	<u>79</u>	<u>57</u>
Total	<u>19,040</u>	<u>11,229</u>	<u>19,138</u>	<u>11,270</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

24 GAIN ON INVESTMENTS

Gain on investments presented in the statements of comprehensive income as consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Three-month Periods</u>		<u>For the Three-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Gain (loss) on disposal				
Available-for-sale investments	59	104	(34)	(12)
General investments	-	1	-	1
Investments in subsidiaries and associated companies	(2)	-	(2)	-
Total	<u>57</u>	<u>105</u>	<u>(36)</u>	<u>(11)</u>
Reversal (loss) on impairment and write-off of investment				
Equity securities - available-for-sale	(1)	-	-	-
Investments in subsidiaries and associated companies	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total gain on investments	<u>57</u>	<u>105</u>	<u>(35)</u>	<u>(11)</u>

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Nine-month Periods</u>		<u>For the Nine-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Gain (loss) on disposal				
Available-for-sale investments	414	500	56	229
General investments	(5)	1	(5)	1
Investments in subsidiaries and associated companies	-	-	(2)	-
Total	<u>409</u>	<u>501</u>	<u>49</u>	<u>230</u>
Reversal (loss) on impairment and write-off of investment				
Equity securities - available-for-sale	(1)	(3)	-	-
General investments	251	-	251	-
Investments in subsidiaries and associated companies	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total	<u>251</u>	<u>(3)</u>	<u>252</u>	<u>-</u>
Total gain on investments	<u>660</u>	<u>498</u>	<u>301</u>	<u>230</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

25 INCOME TAX EXPENSE

25.1 Income tax expense as consisted of:

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Three-month Periods</u>		<u>For the Three-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current tax expense				
Current period	3,699	2,791	3,227	2,283
Deferred tax expense				
Movements in temporary differences	<u>(275)</u>	<u>(426)</u>	<u>(241)</u>	<u>(335)</u>
Total	<u>3,424</u>	<u>2,365</u>	<u>2,986</u>	<u>1,948</u>

	(Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>For the Nine-month Periods</u>		<u>For the Nine-month Periods</u>	
	<u>Ended 30 September</u>		<u>Ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current tax expense				
Current period	9,429	7,279	7,692	5,795
Deferred tax expense				
Movements in temporary differences	<u>21</u>	<u>(511)</u>	<u>232</u>	<u>(299)</u>
Total	<u>9,450</u>	<u>6,768</u>	<u>7,924</u>	<u>5,496</u>

See Note 14 for movement in deferred tax assets and deferred tax liabilities during the period.

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

25.2 Reconciliation of effective tax rates as consisted of

(Million Baht)

	<u>Consolidated</u>			
	<u>For the Three-month Periods Ended 30 September</u>			
	<u>2011</u>		<u>2010</u>	
	<u>Rate (%)</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Amount</u>
Income before income tax		<u>11,575</u>		<u>8,171</u>
Income tax using the Thai corporation tax rate	30.00%	3,472	30.00%	2,451
Tax effect of income and expenses				
that are not taxable income or not deductible				
in determining taxable profit, net		<u>(48)</u>		<u>(86)</u>
Total	29.58%	<u>3,424</u>	28.94%	<u>2,365</u>

(Million Baht)

	<u>The Bank</u>			
	<u>For the Three-month Periods Ended 30 September</u>			
	<u>2011</u>		<u>2010</u>	
	<u>Rate (%)</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Amount</u>
Income before income tax		<u>10,160</u>		<u>6,964</u>
Income tax using the Thai corporation tax rate	30.00%	3,048	30.00%	2,089
Tax effect of income and expenses				
that are not taxable income or not deductible				
in determining taxable profit, net		<u>(62)</u>		<u>(141)</u>
Total	29.39%	<u>2,986</u>	27.97%	<u>1,948</u>

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

(Million Baht)

<u>Consolidated</u>				
<u>For the Nine-month Periods Ended 30 September</u>				
	<u>2011</u>		<u>2010</u>	
	<u>Rate (%)</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Amount</u>
Income before income tax		<u>32,042</u>		<u>22,667</u>
Income tax using the Thai corporation tax rate	30.00%	9,613	30.00%	6,800
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(163)</u>		<u>(32)</u>
Total	29.49%	<u>9,450</u>	29.86%	<u>6,768</u>

(Million Baht)

<u>The Bank</u>				
<u>For the Nine-month Periods Ended 30 September</u>				
	<u>2011</u>		<u>2010</u>	
	<u>Rate (%)</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Amount</u>
Income before income tax		<u>27,247</u>		<u>19,162</u>
Income tax using the Thai corporation tax rate	30.00%	8,174	30.00%	5,749
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(250)</u>		<u>(253)</u>
Total	29.08%	<u>7,924</u>	28.68%	<u>5,496</u>

26 RECLASSIFICATION OF ACCOUNTS

Financial statements as at 31 December 2010 and interim financial statements for the three-month and nine-month periods ended 30 September 2010 have been reclassified to be presented in order to comply with Thai Financial Reporting Standards and the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services”.

27 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Audit Committee on 10 November 2011.