

BNP PARIBAS BANGKOK BRANCH

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2009

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AUDITOR'S REPORT

To the Board of Directors of BNP Paribas

I have audited the accompanying balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in Head Office's equity and balances with other branches under the same entity and cash flows for the years then ended of BNP Paribas - Bangkok Branch. The Bank's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2009 and 2008, and the results of its operations and cash flows for the years then ended of BNP Paribas - Bangkok Branch in accordance with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Note 23 to the financial statements, those adjustments have been corrected in the financial statements for the year ended 31 December 2008. I audited the restated financial statements and expressed an unqualified opinion on those financial statements.





Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited

Bangkok
29 April 2010

BNP Paribas - Bangkok Branch
Balance Sheets
As at 31 December 2009 and 2008

			(Restated)
		2009	2008
	Notes	Baht	Baht
Assets			
Cash		322,378	298,470
Interbank and money market items	4		
Domestic items - interest bearing		10,319,820,368	2,302,123,553
- non interest bearing		10,292,722	20,262,242
		<u>10,330,113,090</u>	<u>2,322,385,795</u>
Foreign items - interest bearing		9,304,728	23,506,542
- non interest bearing		4,664,404	6,400,792
		<u>13,969,132</u>	<u>29,907,334</u>
Total interbank and money market items		<u>10,344,082,222</u>	<u>2,352,293,129</u>
Investment in securities	5		
Short-term investment in securities, net		12,535,449,023	6,134,188,333
Long-term investment in securities, net		5,337,566,747	4,474,340,358
Investment in securities, net		<u>17,873,015,770</u>	<u>10,608,528,691</u>
Loans and accrued interest receivables	6		
Loans		2,595,394,714	2,876,619,332
Accrued interest receivables		11,806,955	28,793,988
Total loans and accrued interest receivables		<u>2,607,201,669</u>	<u>2,905,413,320</u>
Less Allowance for doubtful accounts	7	(629,514,665)	(303,845,046)
Less Revaluation allowance for debt restructuring		<u>(25,557,509)</u>	<u>-</u>
Loans and accrued interest receivables, net		<u>1,952,129,495</u>	<u>2,601,568,274</u>
Customers' liabilities under acceptances		6,449,512	37,557,693
Derivative financial instruments assets		21,106,310,777	35,363,809,662
Equipment, net	8	14,397,037	17,526,375
Other assets	9	104,066,750	118,754,560
Total assets		<u><u>51,400,773,941</u></u>	<u><u>51,100,336,854</u></u>


 Monique Vialatou
 Chief Executive Officer


 Frederic Barcza
 เฟรดเดอริก บาร์ดชา
 Chief Operating Officer

BNP Paribas - Bangkok Branch
Balance Sheets (Cont'd)
As at 31 December 2009 and 2008

			(Restated)
		2009	2008
	Notes	Baht	Baht
Liabilities and Head Office's equity and balances with other branches under the same entity			
Liabilities			
Deposits	10		
Thai Baht deposits		2,880,154,067	4,989,195,804
Foreign currency deposits		96,321,369	526,090,278
Total deposits		<u>2,976,475,436</u>	<u>5,515,286,082</u>
Interbank and money market items	11		
Domestic items - interest bearing		1,002,823,570	198,241,337
- non interest bearing		50,000	50,000
Total interbank and money market items		<u>1,002,873,570</u>	<u>198,291,337</u>
Demand liabilities		930,247	3,567,930
Borrowing	12	5,028,988,307	4,310,094,990
Bank's liabilities under acceptances		6,449,512	37,557,693
Derivative financial instruments liabilities		20,419,819,925	31,150,209,745
Other liabilities	13	503,496,269	523,103,594
Total liabilities		<u>29,939,033,266</u>	<u>41,738,111,371</u>
Head Office's equity and balances with other branches under the same entity			
Fund remitted into Thailand for maintaining assets under the law	14	5,899,633,250	5,899,633,250
Translation adjustment		(229,070,750)	(57,773,250)
		<u>5,670,562,500</u>	<u>5,841,860,000</u>
Net balance of inter-office accounts with Head Office and other branches under the same entity		15,805,663,451	2,953,140,825
Unrealised gain on change in fair value of investment in securities		182,722,087	405,900,999
Retained earnings (deficit)		(197,207,363)	161,323,659
Total Head Office's equity and balances with other branches under the same entity		<u>21,461,740,675</u>	<u>9,362,225,483</u>
Total liabilities and Head Office's equity and balances with other branches under the same entity		<u><u>51,400,773,941</u></u>	<u><u>51,100,336,854</u></u>
Off balance sheet items -contingencies	15		
Avals on bills and guarantees on loans		342,400,000	-
Liabilities under unmatured bills		1,709,992	1,370,222,823
Letters of credit		273,481,136	401,986,348
Other guarantees		10,074,618,613	11,580,311,401

The notes to financial statements on pages 8 to 28 form an integral part of these financial statements.

BNP Paribas - Bangkok Branch
Statement of Income
For the years ended 31 December 2009 and 2008

			(Restated)
		2009	2008
	Notes	Baht	Baht
Interest and dividend income			
Loans		118,150,400	191,270,243
Interbank and money market items		102,963,767	328,035,460
Government and state enterprise securities		273,059,977	329,141,525
Total interest and dividend income		494,174,144	848,447,228
Interest expense			
Deposits		42,659,113	201,604,210
Interbank and money market items		225,558,986	351,102,177
Borrowings		201,640,305	244,585,427
Total interest expense		469,858,404	797,291,814
Net interest and dividend income		24,315,740	51,155,414
Bad debts and doubtful accounts	7	351,298,513	23,924,810
Loss from restructuring	17	25,820,862	-
Net interest and dividend income after bad debts and doubtful accounts		(352,803,635)	27,230,604
Non-interest income			
Net gain on investments		23,543,811	119,547,562
Fees and services income		41,559,798	61,950,823
Net gain on foreign exchange and derivatives		664,453,954	469,157,550
Other income		32,743,271	577,207
Total non-interest income		762,300,834	651,233,142
Non-interest expenses			
Personnel expenses		235,768,600	222,571,986
Premises and equipment expenses		43,428,352	36,212,402
Taxes and duties		10,197,819	15,300,041
Fees and services expenses		80,878,064	103,853,169
Head Office expenses		22,304,553	43,697,077
(Profit) cost sharing from financial instruments, net		68,091,460	390,379,639
Other expenses		25,160,778	62,579,397
Total non-interest expenses		485,829,626	874,593,711
Loss before income tax		(76,332,427)	(196,129,965)
Income tax	19	282,198,595	-
Net loss for the year		(358,531,022)	(196,129,965)

The notes to financial statements on pages 8 to 28 form an integral part of these financial statements.

BNP Paribas - Bangkok Branch

**Statements of Changes in Head Office's equity and balances with other branches under the same entity
For the years ended 31 December 2009 and 2008**

	Fund remitted into Thailand for maintaining assets under the law	Net balance of inter-office accounts with Head Office and balances with other branches under the same entity	Unappropriated retained earnings (deficit)	Unrealised gain on change in fair value of investment in securities	Total
	Baht	Baht	Baht	Baht	Baht
As at 1 January 2009 - previously reported	5,899,633,250	2,944,744,262	333,384,166	405,900,999	9,583,662,677
Retrospective adjustments - Correction of errors (Note 23)	-	8,396,563	(172,060,507)	-	(163,663,944)
Balance after restatement	5,899,633,250	2,953,140,825	161,323,659	405,900,999	9,419,998,733
Net increase (decreased) during the year	-	12,852,522,626	-	(223,178,912)	12,629,343,714
Translation adjustment					
At beginning of year	(57,773,250)	-	-	-	(57,773,250)
Increase during the year	(171,297,500)	-	-	-	(171,297,500)
At end of year	(229,070,750)	-	-	-	(229,070,750)
Net loss for the year	-	-	(358,531,022)	-	(358,531,022)
As at 31 December 2009	5,670,562,500	15,805,663,451	(197,207,363)	182,722,087	21,461,740,675
As at 1 January 2008 - previously reported	5,899,633,250	112,789,892	619,189,074	72,451,384	6,704,063,600
Retrospective adjustments - Correction of errors (Note 23)	-	-	(261,735,450)	-	(261,735,450)
Balance after restatement	5,899,633,250	112,789,892	357,453,624	72,451,384	6,442,328,150
Net increase during the year	-	2,840,350,933	-	333,449,615	3,173,800,548
Translation adjustment					
At beginning of year	(187,463,250)	-	-	-	(187,463,250)
Decrease during the year	129,690,000	-	-	-	129,690,000
At end of year	(57,773,250)	-	-	-	(57,773,250)
Net loss for the year	-	-	(196,129,965)	-	(196,129,965)
As at 31 December 2008	5,841,860,000	2,953,140,825	161,323,659	405,900,999	9,362,225,483

The notes to financial statements on pages 8 to 28 form an integral part of these financial statements.

BNP Paribas - Bangkok Branch
Statement of Cash Flows
For the years ended 31 December 2009 and 2008

		(Restated)
	2009	2008
	Baht	Baht
Cash flows from operating activities	Notes	
Loss before tax for the year		(76,332,427) (196,129,965)
Adjustment for:		
Depreciation	8	7,493,268 7,853,254
Bad debts and doubtful accounts	7	351,298,513 23,924,810
Revaluation allowance for debt restructuring		25,557,509 -
Premium and discount on debt securities		30,190,786 25,410,481
(Gain) loss on sales of investment in securities		23,297,624 (30,580,563)
Gain on disposal of equipment		(94,845) -
Net unrealised (gain) loss on foreign exchange rate		(186,125,955) 129,002,705
Net unrealised gain on revaluation of derivative financial instruments		3,527,109,066 (3,095,046,543)
Interest expense		469,858,404 797,291,814
Interest and dividend income		(494,174,144) (848,447,288)
Profit (loss) from operating activities before changes in operating assets and liabilities		3,678,077,799 (3,186,721,295)
(Increase) decrease in operating assets:		
Interbank and money market items		(8,002,641,440) 1,262,469,719
Securities purchased under resale agreements		- 2,960,000,000
Trading securities		(7,197,286,305) (1,323,843,204)
Loans		281,224,618 1,641,277,030
Other assets		(1,338,470) (7,206,353)
Increase (decrease) in operating liabilities:		
Deposits		(2,538,810,646) 4,713,313,701
Interbank and money market items		788,708,663 (3,706,483,558)
Borrowings		718,893,317 (4,006,929,830)
Demand liabilities		(2,637,683) (2,686,506)
Other liabilities		(179,812,295) (143,296,441)
Net balance of inter-office accounts with Head Office and other branches under the same entity		12,724,492,026 3,033,959,206
Cash provided by operating before received (paid)		
interest and income tax		268,869,584 1,233,852,469
Interest received		524,520,259 876,551,121
Interest paid		(518,096,827) (727,830,783)
Income tax paid		(80,781,281) (7,135,237)
Net cash provided by operating activities		194,511,735 1,375,437,570

The notes to financial statements on pages 8 to 28 form an integral part of these financial statements.

BNP Paribas - Bangkok Branch
Statement of Cash Flows (Cont'd)
For the years ended 31 December 2009 and 2008

			(Restated)
		2009	2008
	Note	Baht	Baht
Cash flows from investing activities			
Purchases of investment in securities		(6,067,446,774)	(7,066,955,823)
Proceeds from sales of investment in securities		5,723,578,238	5,888,886,442
Purchases of equipment	8	(4,363,935)	(9,845,239)
Proceeds from disposals of equipment		94,850	-
Net cash used in investing activities		(348,137,621)	(1,187,914,620)
Cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(153,625,886)	187,522,950
Cash and cash equivalents at beginning of year		303,305,865	115,782,915
Cash and cash equivalents at end of year		<u>149,679,979</u>	<u>303,305,865</u>
Cash and cash equivalents:			
Cash		322,378	298,470
Interbank and money market items - assets		13,991,132	14,151,460
Interbank and money market items - liabilities		(15,873,570)	-
Net balance of inter-office accounts with Head Office and other branches under the same entity - assets		154,395,857	322,996,675
Net balance of inter-office accounts with Head Office and other branches under the same entity - liabilities		(3,155,818)	(34,140,740)
Total cash and cash equivalents		<u>149,679,979</u>	<u>303,305,865</u>

The notes to financial statements on pages 8 to 28 form an integral part of these financial statements.

1 General information

BNP Paribas was incorporated in France. The address of BNP Paribas' registration in Thailand, as a branch, is as follows:

29th Floor Abdulrahim Place, 990 Rama IV Road, Bangkok

BNP Paribas operates a Bangkok Branch. The Bank was granted a banking license by the Bank of Thailand on the 6th November 1996.

These financial statements have been approved by the management on 29 April 2010.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Bank's financial statements of the Bank are set out below:

2.1 Basis of preparation

Bangkok Branch is a segment of BNP Paribas which is incorporated in France and is not separately incorporated legal entity. The financial statements have been prepared from the records of the Thailand operations and only reflect transactions recorded locally.

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 designated as applicable to non-public companies and the financial reporting requirements of the Bank of Thailand.

The Bank has chosen not to apply Thai Accounting Standard No. 32 (revised 2007) "Financial Instruments: Presentation" (formerly TAS 48). The application of this standard is not mandatory for non-public companies.

The financial statements have been prepared under the historical cost convention except for some investments and derivative financial instruments as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reported period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Summary of significant accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and amendments to accounting standards

Thai Accounting Standards were renumbered with an effect on 26 June 2009 following and announcement by the federation of Accounting Professions in order to conform with the number used in the International Financial Reporting Standards.

Revised accounting and financial reporting standards that are effective for the period beginning on or after 1 January 2009 and revised accounting framework are as follows:

TAS 36 (revised 2009) Impairment of Assets
TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations
(formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)

Those standards and accounting framework do not have a material impact on the financial statements.

The revised accounting standards and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which have not been early adopted by the Bank are as follows:

Effective for the period beginning on or after 1 January 2011
TAS 24 (revised 2007) Related Party Disclosure (formerly TAS 47)
TAS 40 Investment Property

Effective for the period beginning on or after 1 January 2012
TAS 20 Accounting for Government Grants and Disclosure for Government Assistance

The Bank's management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented.

2.3 Recognition of interest income

Interest income is recognised on accrual basis. Such income recognition is discontinued when reasonable doubt exists as to the timely collection or if payment of principal or interest is contractually over three months past due. Then the interest income is recognized when payment is received.

When income recognition is discontinued, the Bank reverses outstanding accrued interest income to the statement of income.

2.4 Recognition of interest expenses

Interest on borrowings and deposits are recognised as an expense on accrual basis.

2 Summary of significant accounting policies (Cont'd)

2.5 Investment in securities

Basis of investment classification

The Bank classifies its investments into the following categories: trading, available-for-sale, held-to-maturity and general investment. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity. Investment in non-marketable equity securities are classified as general investment. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Carrying value of investments

Trading securities are carried at fair value, with differences between the carrying values and fair values being presented as unrealised gains or losses in the statement of income.

Available-for-sale securities are carried at fair values, less allowance for impairment in value (if any). Differences between carrying values and fair values are presented as unrealised gains or losses in the Head Office's equity section.

Held-to-maturity debt securities are carried at amortised cost, less allowance for impairment in value (if any).

Investments in non-marketable equity securities are classified as general securities and carried at cost less allowance for impairment in value (if any).

Fair values of debt securities, which are classified as trading and available-for-sale securities are calculated with reference to the last quoted bid prices at the close of business on the balance sheet date. Fair values of marketable equity securities are calculated with reference to the quoted bid prices of the Stock Exchange of Thailand at the close of business on the balance sheet date.

A test for impairment is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, the impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

When disposing of part of a particular investment in debt or equity securities, the carrying amount of the disposed part is based on the weighted average carrying amount of the total holding of the investment.

2.6 Loans and allowance for doubtful accounts

Loans are generally stated at the principal amounts outstanding. The allowance for doubtful accounts is provided for risks of losses incurred on loans. The allowance is increased by provisions charged to expense and decreased by write-offs, net of recoveries.

The estimated losses are based on collection experience and management's evaluation of the adequacy of the allowance for doubtful accounts, which evaluation encompasses consideration of the current status of individual debtors as well as debtors in general.

2 Summary of significant accounting policies (Cont'd)

2.7 Troubled debt restructurings

The Bank records assets or equities received in settlement of debts at the lower of the fair value of the assets or equities, less estimated selling expenses (if any), or the amount of investment in receivables (including accrued interest income).

When the troubled debt restructuring involves modification of terms of receivables, the fair value of the investment in receivables after restructuring is based on the net present value of the expected future cash flows, discounted by the Minimum Lending Rates (MLR) prevailing at the restructuring date.

Losses arising from restructuring, less recorded allowance for doubtful accounts, are recognised in the statement of income when incurred.

Legal fees and other direct costs incurred to effect the troubled debt restructuring are expensed when incurred.

2.8 Equipment and depreciation

Equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method to write off the cost of each asset less its residual value over the estimated useful life as follows:

Leasehold improvements	3 years
Furniture and office equipment	5 years
Motor vehicles	5 years

Estimated useful life of equipment is revised in every reporting balance sheet date.

If the carrying amount of an asset is higher than its estimated recoverable amount, it is reduced immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Expenditures for additions, renewals and improvements, which result in a substantial increase in an asset's current replacement value, are capitalised. Repairs and maintenance costs are recognised as expenses when incurred.

2.9 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise. The Bank's financial assets and liabilities comprise of cash, interbank and money market items (assets and liabilities), investment in securities, loans, deposits, borrowings and certain balances of other assets and liabilities.

2 Summary of significant accounting policies (Cont'd)

2.10 Derivatives financial instruments

Derivatives financial instruments for trading purpose are recognised at fair values and net amount reported in the balance sheet as assets or liabilities by the same counterparty and when the contracts have the same maturity date. Changes in fair values are posted to the statement of income.

Derivatives financial instruments for hedging purpose to manage the Bank's exposures to market price movement through the use of derivatives, gain or loss resulting from the changes in fair values of contracts are recognised in accordance with the accounting treatment on hedge items. If hedged items are carried on an accrual basis, then hedging instruments carry the accrual consistently.

Hybrid Instrument includes a non-derivative host contract and an embedded derivative. The host contract is accounted for under the classification of the host contract. An embedded derivative is separated from the host contract and accounted for as a derivative which is carried at fair value, if and only if:

1. The economic characteristics and risks of the host contract and the embedded derivative are non-closely related.
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
3. The hybrid instrument is not recognized at fair value through the statement of income.

If an embedded derivative is not separated or in case the reliable fair value of embedded derivative is not determined, the hybrid instrument is accounted for under the classification of the host contract.

2.11 Operating leases - for lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

2.12 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents include cash on hand, interbank and money market items and net balance of inter-office accounts with Head Office and other branches under the same entity with initial maturity of three months or less.

2.13 Foreign currency translation

Foreign currency assets and liabilities are translated into Baht using the reference average exchange rates of exchange of the Bank of Thailand ruling at the balance sheet date. Transactions during the year are translated into Baht using the reference average rates of exchange of the Bank of Thailand ruling at the transaction dates. Gains and losses resulting from translation are included in the results of operations.

2.14 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2 Summary of significant accounting policies (Cont'd)

2.15 Provident fund

The Bank operates a provident fund that is defined contribution plan. The assets of which are held in a separate fund which is managed by the external fund manager. The provident fund is funded by payments from employees and by the Bank. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

3 Additional information

3.1 Critical accounting estimates, assumptions and judgments

Estimates assumptions and judgments are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments, the management has made judgment by using a variety of valuation techniques. The input parameters to the models used are taken from observable markets, and includes consideration of maturity, interest rate correlation and volatility, etc.

Impairment of loans and commitment and contingent liabilities

The Bank maintains an allowance for doubtful accounts and provision for contingent liabilities to reflect impairment of loans and off-balance sheet items. They relate to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts and provision for contingent liabilities are significantly impacted by the Bank's assessment of collaterals and/or future cash flows. Such assessment being based on consideration of historical collection experience, financial position and performance, known identified instances of default and consideration of economics.

3.2 Capital risk management

The Bank's objectives when managing capital are to ensure that the Bank will be able to continue as a going concern while maximizing the returns to shareholders, the benefits of other stakeholders and complying with the Bank of Thailand rules of the capital fund.

4 Interbank and money market items - assets

a) Domestic items

	2009		
	On demand Baht	Term Baht	Total Baht
The Bank of Thailand	10,272,722	9,250,000,000	9,260,272,722
Commercial banks	523,656	1,080,000,000	1,080,523,656
Total	10,796,378	10,330,000,000	10,340,796,378
<u>Add</u> Accrued interest receivables	-	116,712	116,712
<u>Less</u> Allowance for doubtful account	-	(10,800,000)	(10,800,000)
Total	10,796,378	10,319,316,712	10,330,113,090

	2008		
	On demand Baht	Term Baht	Total Baht
The Bank of Thailand	20,242,242	2,300,000,000	2,320,242,242
Commercial banks	2,143,553	-	2,143,553
Total	22,385,795	2,300,000,000	2,322,385,795
<u>Add</u> Accrued interest receivables	-	-	-
Total	22,385,795	2,300,000,000	2,322,385,795

b) Foreign items

	2009		
	On demand Baht	Term Baht	Total Baht
Singapore Dollars	2,929,567	-	2,929,567
Swedish Kroners	4,577,254	-	4,577,254
Danish Kroners	87,150	-	87,150
Australian Dollars	6,375,161	-	6,375,161
Total	13,969,132	-	13,969,132
<u>Add</u> Accrued interest receivables	-	-	-
Total	13,969,132	-	13,969,132

	2008		
	On demand Baht	Term Baht	Total Baht
United States Dollars	-	12,646,875	12,646,875
Singapore Dollars	4,157,897	-	4,157,897
Swedish Kroners	5,714,652	-	5,714,652
Euros	-	3,120,268	3,120,268
Danish Kroners	686,140	-	686,140
Australian Dollars	3,572,770	-	3,572,770
Total	14,131,459	15,767,143	29,898,602
<u>Add</u> Accrued interest receivables	-	8,732	8,732
Total	14,131,459	15,775,875	29,907,334

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5 Investment in securities

Investments in securities as at 31 December 2009 and 2008 comprised the following:

	2009		2008	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
Short-term investment in securities				
Trading securities				
Government securities and securities guaranteed by the Ministry of Finance	9,159,445,937	9,143,978,799	1,988,768,346	1,969,990,119
<u>Less</u> Mark to market adjustment	(15,467,138)	-	(18,778,227)	-
Total trading securities, net	9,143,978,799	9,143,978,799	1,969,990,119	1,969,990,119
Available-for-sale securities				
Government securities and securities guaranteed by the Ministry of Finance	3,194,318,488	3,195,833,319	3,530,013,864	3,542,952,928
<u>Add</u> Mark to market adjustment	1,514,831	-	12,939,064	-
Total available-for-sale securities, net	3,195,833,319	3,195,833,319	3,542,952,928	3,542,952,928
Held to maturity debt securities				
Government securities and securities guaranteed by the Ministry of Finance	195,636,905		621,245,286	
Total held to maturity debt securities, net	195,636,905		621,245,286	
Total short-term investment, net	<u>12,535,449,023</u>		<u>6,134,188,333</u>	
	2009		2008	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
Long-term investments in securities				
Available-for-sale securities				
Government securities and securities guaranteed by the Ministry of Finance	4,907,249,821	5,088,457,077	3,634,033,273	4,026,995,208
<u>Add</u> Mark to market adjustment	181,207,256	-	392,961,935	-
Total available-for-sale securities, net	5,088,457,077	5,088,457,077	4,026,995,208	4,026,995,208
Held to maturity debt securities				
Government securities and securities guaranteed by the Ministry of Finance	249,104,550		447,339,590	
Total held to maturity debt securities, net	249,104,550		447,339,590	
General investments				
Non-marketable equity securities	43,972		45,994	
<u>Less</u> Allowance for impairment	(38,852)		(40,434)	
Total general investments, net	5,120		5,560	
Total long-term investment, net	<u>5,337,566,747</u>		<u>4,474,340,358</u>	
Total investments in securities, net	<u>17,873,015,770</u>		<u>10,608,528,691</u>	

5 Investment in securities (Cont'd)

Debt securities as at 31 December are classified according to their maturity as follows:

	2009			Total Baht
	Up to 1 year Baht	1 - 5 years Baht	> 5 years Baht	
Available-for-sale securities				
Ministry of Finance	593,574,974	3,941,691,553	-	4,535,266,527
Bank of Thailand	2,600,743,514	615,575,666	-	3,216,319,180
Government Housing Bank	-	349,982,602	-	349,982,602
Total	3,194,318,488	4,907,249,821	-	8,101,568,309
Add Mark to market adjustment	1,514,831	181,207,256	-	182,722,087
	3,195,833,319	5,088,457,077	-	8,284,290,396
Held-to-maturity securities				
Bank of Thailand	170,609,841	249,104,550	-	419,714,391
Export-Import Bank	25,027,064	-	-	25,027,064
Total	195,636,905	249,104,550	-	444,741,455
Total debt securities	3,391,470,224	5,337,561,627	-	8,729,031,851
	2008			Total Baht
	Up to 1 year Baht	1 - 5 years Baht	> 5 years Baht	
Available-for-sale securities				
Ministry of Finance	1,167,769,741	1,312,530,071	1,971,524,100	4,451,823,912
Bank of Thailand	2,362,244,123	-	-	2,362,244,123
Government Housing Bank	-	-	349,979,102	349,979,102
Total	3,530,013,864	1,312,530,071	2,321,503,202	7,164,047,137
Add Mark to market adjustment	12,939,064	123,734,728	269,227,207	405,900,999
	3,542,952,928	1,436,264,799	2,590,730,409	7,569,948,136
Held-to-maturity securities				
Ministry of Finance	260,266,220	421,138,933	-	681,405,153
Bank of Thailand	360,979,066	-	-	360,979,066
Export-Import Bank	-	26,200,657	-	26,200,657
Total	621,245,286	447,339,590	-	1,068,584,876
Total debt securities	4,164,198,214	1,883,604,389	2,590,730,409	8,638,533,012

6 Loans and accrued interest receivables

a) Grouped by type of contracts

	2009 Baht	2008 Baht
Overdrafts	2,362,194	15,255,098
Loans	2,575,121,719	2,840,146,213
Staff loans	17,910,801	21,218,021
Total loans	2,595,394,714	2,876,619,332
<u>Add</u> Accrued interest receivables	11,806,955	28,793,988
<u>Less</u> Allowance for doubtful accounts	(629,514,665)	(303,845,046)
<u>Less</u> Revaluation allowance for debt restructuring	(25,557,509)	-
Loans and accrued interest receivables, net	1,952,129,495	2,601,568,274

b) Grouped by the residual maturity of the contracts

	2009 Baht	2008 Baht
Not over 1 year*	1,956,426,011	2,805,928,123
Over 1 year	638,968,703	70,691,209
Total loans and accrued interest receivables	2,595,394,714	2,876,619,332

* Includes contracts already matured.

c) Grouped by business sector

	2009					Total Baht
	Normal Baht	Special Mention Baht	Sub- Standard Baht	Doubtful Baht	Loss Baht	
Manufacturing and commerce	849,643,058	-	59,200,000	621,171,383	139,037,059	1,669,051,500
Real estate and construction	101,000,000	-	-	-	-	101,000,000
Utilities and services	754,214,081	-	-	-	-	754,214,081
Housing loans	13,707,540	-	-	-	-	13,707,540
Others	40,904,635	-	-	16,516,958	-	57,421,593
Total	1,759,469,314	-	59,200,000	637,688,341	139,037,059	2,595,394,714

	2008					Total Baht
	Normal Baht	Special Mention Baht	Sub- Standard Baht	Doubtful Baht	Loss Baht	
Manufacturing and commerce	1,475,206,144	-	-	-	139,319,216	1,614,525,360
Real estate and construction	121,000,000	-	-	-	-	121,000,000
Utilities and services	1,015,518,885	-	-	-	-	1,015,518,885
Housing loans	17,144,742	-	-	-	-	17,144,742
Others	58,879,471	-	-	49,550,874	-	108,430,345
Total	2,687,749,242	-	-	49,550,874	139,319,216	2,876,619,332

6 Loans and accrued interest receivables (Cont'd)

d) Grouped by classifications:

Classifications	Loans and accrued interest receivables Baht	Loans net of collateral Baht	2009 Allowance for doubtful accounts	
			Minimum % required according to BOT guidelines	Total allowance recorded Baht
Normal	1,771,276,269	1,771,276,269	1	17,712,763
Special mention	-	-	2	-
Substandard	59,200,000	59,200,000	100	59,200,000
Doubtful loss	637,688,341	637,688,341	50/100	327,102,649
Loss	139,037,059	139,037,059	100	139,037,059
Total	<u>2,607,201,669</u>	<u>2,607,201,669</u>		543,052,471
Additional allowance				<u>86,462,194</u>
Total allowance for doubtful accounts				<u>629,514,665</u>

In December 2009, a syndicated loan classified as doubtful loss has been restructured with modification of the terms and condition. As at 31 December 2009, the Bank has provided allowance for doubtful account at 50% of the loan outstanding balance which is the agreed rate within the group of creditors. The management's view is that, it is too early to consider a reclassification and a reversal of allowance for doubtful account of such loan.

Classifications	Loans and accrued interest receivables Baht	Loans net of collateral Baht	2008 Allowance for doubtful accounts	
			Minimum % required according to BOT guidelines	Total allowance recorded Baht
Normal	2,716,543,230	2,716,543,230	1	27,165,432
Special mention	-	-	2	-
Substandard	-	-	100	-
Doubtful loss	49,550,874	49,550,874	100	49,550,874
Loss	139,319,216	139,319,216	100	139,319,216
Total	<u>2,905,413,320</u>	<u>2,905,413,320</u>		216,035,522
Additional allowance				<u>87,809,524</u>
Total allowance for doubtful accounts				<u>303,845,046</u>

7 Allowance for doubtful accounts

	2009					
	Normal Baht	Special mention Baht	Sub- standard Baht	Doubtful Baht	Loss Baht	Total Baht
Balance at beginning of year	98,457,997	-	-	66,067,832	139,319,217	303,845,046
Add Additional (reversal) allowance during year	(10,800,000)	-	59,200,000	325,132,430	-	373,532,430
Less Recovery of bad debts	-	-	-	(33,033,917)	-	(33,033,917)
Translation adjustment	-	-	-	(14,546,737)	(282,157)	(14,828,894)
Balance at end of year	<u>87,657,997</u>	<u>-</u>	<u>59,200,000</u>	<u>343,619,608</u>	<u>139,037,060</u>	<u>629,514,665</u>

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7 Allowance for doubtful accounts (Cont'd)

	2008					
	Normal Baht	Special mention Baht	Sub- standard Baht	Doubtful Baht	Loss Baht	Total Baht
Balance at beginning of year	59,249,259	-	-	82,584,790	139,105,595	280,939,644
<u>Add</u> Additional allowance during year	40,441,768	-	-	-	-	40,441,768
<u>Less</u> Recovery of bad debts	-	-	-	(16,516,958)	-	(16,516,958)
Translation adjustment	(1,233,030)	-	-	-	213,622	(1,019,408)
Balance at end of year	98,457,997	-	-	66,067,832	139,319,217	303,845,046

8 Equipment, net

	Leasehold improvements Baht	Furniture and office equipment Baht	Motor vehicles Baht	Total Baht
As at 31 December 2007				
At cost	12,681,844	71,507,100	4,761,000	88,949,944
Less Accumulated depreciation	(12,260,197)	(59,763,025)	(1,392,332)	(73,415,554)
Net book value	421,647	11,744,075	3,368,668	15,534,390
For the year ended 31 December 2008				
Opening net book value	421,647	11,744,075	3,368,668	15,534,390
Purchases	3,450,416	6,394,823	-	9,845,239
Depreciation charge	(931,103)	(5,969,951)	(952,200)	(7,853,254)
Closing net book value	2,940,960	12,168,947	2,416,468	17,526,375
As at 31 December 2008				
At cost	16,132,260	77,901,923	4,761,000	98,795,183
Less Accumulated depreciation	(13,191,300)	(65,732,976)	(2,344,532)	(81,268,808)
Net book value	2,940,960	12,168,947	2,416,468	17,526,375
For the year ended 31 December 2009				
Opening net book value	2,940,960	12,168,947	2,416,468	17,526,375
Purchases	95,230	4,268,705	-	4,363,935
Disposal	-	(5)	-	(5)
Depreciation charge	(1,026,118)	(5,514,950)	(952,200)	(7,493,268)
Closing net book value	2,010,072	10,922,697	1,464,268	14,397,037
As at 31 December 2009				
At cost	16,227,490	80,771,994	4,761,000	101,760,484
Less Accumulated depreciation	(14,217,418)	(69,849,297)	(3,296,732)	(87,363,447)
Net book value	2,010,072	10,922,697	1,464,268	14,397,037

As at 31 December 2009, certain items of equipment have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 69.10 million (2008: Baht 45.32 million).

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9 Other assets

	2009 Baht	2008 Baht
Accrued interest income	69,627,144	83,094,207
Deposits	5,325,798	6,036,896
Others	29,113,808	29,623,457
	<u>104,066,750</u>	<u>118,754,560</u>

10 Deposits

10.1 Grouped by types

	2009 Baht	2008 Baht
On demand	219,074,656	163,897,999
Savings	626,746,054	1,073,923,999
Term	2,130,654,726	4,277,464,084
Total deposits	<u>2,976,475,436</u>	<u>5,515,286,082</u>

10.2 Grouped by currency

	2009 Baht	2008 Baht
US Dollar	92,595,357	506,782,767
Thai Baht	2,880,154,067	4,989,195,804
Other currencies	3,726,012	19,307,511
Total deposits	<u>2,976,475,436</u>	<u>5,515,286,082</u>

11 Interbank and money market items - liabilities

	2009		
	On demand Baht	Term Baht	Total Baht
Financial institutions	<u>1,002,873,570</u>	<u>-</u>	<u>1,002,873,570</u>
	2008		
	On demand Baht	Term Baht	Total Baht
Financial institutions	<u>198,291,337</u>	<u>-</u>	<u>198,291,337</u>

12 Borrowing

	2009		
	Short-term Baht	Long-term Baht	Total Baht
Bills of exchange	1,301,036,876	799,951,431	2,100,988,307
Bills of exchange with embedded derivatives	-	2,928,000,000	2,928,000,000
Total	<u>1,301,036,876</u>	<u>3,727,951,431</u>	<u>5,028,988,307</u>

12 Borrowing (Cont'd)

	2008	
	Short-term Baht	Long-term Baht
Bills of exchange	1,748,620,265	751,474,725
Bills of exchange with embedded derivatives	-	1,810,000,000
Total	1,748,620,265	2,561,474,725

The Bills of exchange carry a fixed rate of interest and are unsecured. The Bills of exchange with embedded derivatives carry an interest rate which refer to the fluctuation of the exchange rates between Thai Baht and US Dollars or to the Thai Baht rates of interest. The Bank also has the right to early redeem the Bills on exchange with embedded derivatives on specific dates or conditions which are stated in the agreements.

13 Other liabilities

	2009 Baht	(Restated) 2008 Baht
Debt securities payable	-	297,119,454
Customer's accounts under process	33,497,165	19,161,969
Income tax payable	198,858,096	-
Accrued expenses	165,496,083	120,725,780
Other liabilities	105,644,925	86,096,391
Total other liabilities	503,496,269	523,103,594

14 Capital fund

Capital fund and assets maintained in Thailand under section 32 of the Financial Institution Act B.E. 2551 as at 31 December 2009 and 2008 comprise of the following:

	2009 Baht	(Restated) 2008 Baht
Total assets maintained in Thailand	5,992,408,109	5,923,875,060
Total funds and capital loans remitted into Thailand for maintaining assets	5,473,355,137	5,841,860,000
Net balance of inter-office accounts with head office and Balances with other branches under the same entity	15,805,663,451	2,953,140,825
Total funds and capital loans remitted into Thailand for maintaining assets	21,279,018,588	8,795,000,825
Total capital funds	5,514,261,387	5,750,400,000
	2009	(Restated) 2008
Total capital funds to risk assets ratio (%)	26.19	26.94

The Bank will disclose capital maintenance information as at 31 December 2009 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks on its web site at www.bnpparibas.co.th in April 2010.

15 Commitments and contingent liabilities

As at 31 December 2009 and 2008, the Bank has the following commitments and contingent liabilities which were incurred in the normal course of business:

	2009			2008		
	Thai Baht'000	Foreign currency Baht'000	Total Baht'000	Thai Baht'000	Foreign currency Baht'000	Total Baht'000
Letters of credit	3,845	269,636	273,481	76,436	325,551	401,987
Guarantees on loans	342,400	-	342,400	-	-	-
Liabilities under unmatured bills	-	1,710	1,710	-	1,370,223	1,370,223
Other commitments	4,340,005	5,734,614	10,074,619	5,444,572	6,135,740	11,580,312
Spot exchange contracts - bought	5,942,496	2,594,520	8,537,016	9,075,419	10,421,217	19,496,636
Spot exchange contracts - sold	2,068,440	6,470,778	8,539,218	9,328,210	10,167,748	19,495,958
Forward exchange contracts - bought	8,656,701	26,503,672	35,160,374	12,088,418	14,100,157	26,188,575
Forward exchange contracts - sold	20,504,227	14,727,697	35,231,924	12,353,805	13,762,871	26,116,676
Currency swap contracts - bought	105,589,648	121,716,314	227,305,962	108,239,635	108,781,277	217,020,912
Currency swap contracts - sold	112,485,219	115,194,134	227,679,353	96,476,504	119,470,779	215,947,283
Interest rate swap contracts	737,013,613	108,037,205	845,050,818	622,437,415	87,334,988	709,772,403
Cross currency interest rate swap contracts - bought	73,631,668	99,728,726	173,360,394	60,494,041	109,053,698	169,547,739
Cross currency interest rate swap contracts - sold	71,828,278	101,698,617	173,526,894	72,222,356	95,475,416	167,697,772
Forward rate agreement - bought	1,000,000	2,002,125	3,002,125	-	3,667,230	3,667,230
Forward rate agreement - sold	-	-	-	-	698,520	698,520
Currency option instruments bought	671,240	855,956	1,527,196	732,817	761,788	1,494,605
Currency option instruments sold	45,000	239,468	284,468	80,362	209,042	289,404
Interest option instruments bought	7,000,000	-	7,000,000	4,000,000	-	4,000,000
Interest option instruments sold	16,800,000	-	16,800,000	14,400,000	-	14,400,000
Credit Default Swap	300,000	70,074	370,074	-	-	-
Forward exchange option - bought	28,110	1,501,594	1,529,704	-	-	-
Forward exchange option - sold	861,085	670,198	1,531,283	-	-	-
Unused overdrafts	320,000	201,965	521,965	754,946	-	754,946
Total	1,169,431,975	608,219,003	1,777,650,978	1,028,204,936	581,736,245	1,609,941,181

The management anticipates no material losses as a result of these transactions.

16 Provisioning policy on allowance for doubtful accounts

The Bank has credit exposures in Thailand, which have been experiencing economic problems in recent years.

By letter dated 22 December 1998, the Head Office put in place a framework risk guarantee agreement for high risk countries. Under this agreement, it is stipulated that all cross-border credit transaction in a high risk country which exceeds local powers are guaranteed by BNP Paribas Head Office. This agreement applied to all outstanding credit exposures in place as of 1 April 1998, with effect as of the date thereof. By this agreement BNP Paribas Head Office guaranties to BNP Paribas Bangkok Branch the risks as such were defined above, for a maximum of up to 80% of all amounts expected to be owed to BNP Paribas Bangkok by the borrowers at the triggering date of the guarantee.

17 Troubled debt restructurings

As at 31 December 2009 and 2008, the Bank has outstanding receivables which have been restructured as follows:

	2009		2008	
	Number of loans	Outstanding balance after TDR Million Baht	Number of loans	Outstanding balance after TDR Million Baht
At beginning of year	3	189	3	222
Restructured during the year	2	1,002	-	-
Repaid and closed during the year	-	(355)	-	(33)
At end of year	5	836	3	189

Details of customers whose debts have been restructured during the year ended 31 December 2009 are as follows:

Restructuring methods	2009				
		Amount of	Type of	Fair value	Amount of
	No. of	debt before	transferred	of assets	debt after
	customers	restructuring	assets	of assets	restructuring
		Baht'000		Baht'000	Baht'000
Modification of terms and conditions	2	1,001,797	-	-	1,001,797

For the year ended 31 December 2009, the Bank incurred losses from revaluation allowance for debt restructuring of Baht 25.82 million and recognised income received from restructured customers of Baht 71.59 million.

As at 31 December 2009 the Bank has a commitment to lend additional credit line for letter of credit to a restructured customer.

18 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control, the Bank, including holding companies, subsidiaries and fellow subsidiaries are related parties. Associates and individuals owning, directly or indirectly, an interest in the voting rights of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not only the legal form.

The significant related party transactions made with fellow branches, subsidiaries, associates and the Head Office of BNP Paribas are as follows:

	2009	(Restated) 2008
	Baht'000	Baht'000
<u>Balance sheets</u>		
Loans, receivables and accrued interest receivable	-	628,677
Borrowings, deposits and accrued interest payable	15,306,830	2,333,561
Contingencies	300,077,983	286,617,866
<u>Income statements</u>		
Interest income	19,269	10,882
Interest expenses	220,100	281,217
Net gain on foreign exchange	824	196
Non-interest income		
- (Profit) cost sharing from financial instruments, net	68,091	390,380
- Head Offices allocation expenses	22,305	43,697
- Technical assistant fee	47,848	61,608

Transactions between the Bank and related parties are priced at and contained similar conditions as with the Bank's general customers and conformed to normal banking practice.

The (profit) cost sharing includes the sharing of revenues and expenses between related parties, which may be cross-border, of the capital market activities. All these related parties will have a number of functions which can be categorized as trading, sales and marketing, management and support functions, involved in these capital market activities. The sharing principles of these agreements are based on Organisation for Economic Co-operation and Development (OECD) guidelines and applied arm's length remunerations of all parties.

19 Income taxes

Reconciliation of income tax expense is as follows:

	2009	(Restated) 2008
	Baht	Baht
Income (loss) before tax	(76,332,427)	(196,129,965)
Income not subject to tax	(588,491,777)	(2,613,694,139)
Expenses not deductible for tax purposes	3,865,387,905	1,057,467,974
Loss carry forward	(2,259,901,718)	(507,545,588)
Taxable income (loss)	940,661,983	(2,259,901,718)
Tax calculated at the tax rate of 30%	282,198,595	-

20 Operating lease commitment

The future aggregate minimum lease payments under operating lease agreements for office are as follows:

	2009 Baht	2008 Baht
Not later than 1 year	7,623,673	7,623,673
Later than 1 year but not later than 5 years	1,270,612	8,894,285
	<u>8,894,285</u>	<u>16,517,958</u>

21 Liquidity risk

The following table presents a maturity analysis for on-balance sheet monetary assets and liabilities as at 31 December 2009 and 2008:

	2009					In Million Baht
	At call	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	No maturity
Interbank and money market items	25	10,319	-	-	-	-
Investment in securities	-	9,948	2,587	5,338	-	-
Loans and accrued interest receivables	434	710	801	436	11	215
Allowance for doubtful accounts	-	-	-	-	-	(630)
Revaluation allowance for debt restructuring	-	-	-	-	-	(26)
Customers' liabilities under acceptances	-	6	-	-	-	-
Other monetary assets	-	19	70	-	-	5
Total monetary assets	459	21,002	3,458	5,774	11	(436)
Deposits	846	2,131	-	-	-	-
Interbank and money market items	1,003	-	-	-	-	-
Demand liabilities	1	-	-	-	-	-
Borrowings	-	1,301	-	1,100	2,628	-
Bank's liabilities under acceptances	-	6	-	-	-	-
Other monetary liabilities	-	163	213	61	66	-
Total monetary liabilities	1,850	3,601	213	1,161	2,694	-
Liquidity, net	(1,391)	17,401	3,245	4,613	(2,683)	(436)

	2008 (Restated)					In Million Baht
	At call	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	No maturity
Interbank and money market items	37	2,309	7	-	-	-
Investment in securities	-	3,529	2,605	1,884	2,591	-
Loans and accrued interest receivables	384	1,880	431	6	15	189
Allowance for doubtful accounts	-	-	-	-	-	(304)
Customers' liabilities under acceptances	-	38	-	-	-	-
Other monetary assets	-	18	87	-	-	6
Total monetary assets	421	7,774	3,130	1,890	2,606	(109)
Deposits	5,515	-	-	-	-	-
Interbank and money market items	198	-	-	-	-	-
Demand liabilities	-	4	-	-	-	-
Borrowings	-	1,749	-	-	2,561	-
Bank's liabilities under acceptances	-	38	-	-	-	-
Other monetary liabilities	-	361	21	76	65	-
Total monetary liabilities	5,713	2,152	21	76	2,626	-
Liquidity, net	(5,292)	5,622	3,109	1,814	(20)	(109)

22 Fair values of financial assets and liabilities

The estimated fair value of significant financial assets and liabilities as of 31 December 2009 and 2008 is as follows:

	2009		2008 (Restated)	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Interbank and money market items	10,344	10,344	2,353	2,353
Investments in securities	17,873	17,880	10,609	10,628
Loan, receivables and accrued interest receivable, net	1,952	1,952	2,602	2,602
Derivative financial instruments assets	21,106	21,106	35,364	35,364
Financial liabilities				
Deposits	2,976	2,976	5,515	5,515
Interbank and money market items	1,003	1,003	198	198
Borrowings	5,029	5,113	4,310	4,785
Derivative financial instruments liabilities	20,420	20,420	31,150	31,150

The following methods and assumptions are used to estimate the fair value of financial assets and liabilities:

- Fair values of interbank and money market items and deposits are approximate to the carrying value because they are highly liquid.
- Fair values of investment in securities are calculated as described in Note 2.5. Fair value of held to maturity debt securities are calculated with reference to the last quoted bid prices at the closed business on the balance sheet date.
- Loans and accrued interest receivable are based on the carrying amount net of allowance for doubtful accounts.
- The fair values of derivative financial instruments have been valued at their current market values, which are obtained from quoted market prices or other widely used calculation methods.
- Fair values of short-term borrowings are approximate to the carry value because they are highly liquid. Fair values of long-term borrowings are calculated by using the current market values, which are obtained from quoted market interest rate or other widely used calculation method.

23 Correction of errors

In 2009, the Bank found that it has inappropriately recognised gain on foreign exchange revaluation of the hedging FX forward account (the off balance sheet account) due to a manual adjustment of the relevant position accounts since 2006. The adjustment was done following the deployment of the information technology systems (ASTIFX, ANALYTICAL DEALS, CASH PV SCHEME) at some point in time. As a result, the gain on foreign exchange revaluation during 2006 and 2007 has been overstated by Baht 262 millions and has been understated by Baht 45 millions for the year 2008.

In addition, the Bank adjusted the measurement method of some borrowings in 2008. The borrowings from Head Office amounting to JYP 6 billions which are banking book transactions were previously recognised at fair value and the fair value loss for an amount of Baht 103 millions was recognised in the statement of income. Such borrowings are used to hedge exchange rate risk of the forward contracts which were trading book transactions and were measured at fair value. Therefore the Bank's management had to change the measurement method of the borrowings to be at cost. This resulted in understatement of gain on derivative for the year 2008 by Baht 103 millions and understatement of interest expense by Baht 8 millions.

The Bank also adjusted the bonus expenses of the Fixed Income staff for year 2008 which were understated by Baht 50 millions due to misunderstanding on the bonus plan and payment schedule instructed by the Head Office.

The comparative financial statements have been restated to conform to the correction of errors. The effects of correction of errors on the balance sheet as at 31 December 2008 and the statement of income for the year ended 31 December 2008 are as follows:

	Baht
Balance sheet as at 31 December 2008	
Decrease in derivative financial instruments assets	(216,371,010)
Decrease in derivative financial instruments liabilities	(102,705,817)
Increase in other liabilities	49,998,651
Increase in net balance of inter-office accounts with Head Office and other branches under the same entity	8,396,563
Decrease in retained earning at beginning of year	(261,735,450)
Decrease in retained earning at end of year	(172,060,507)
Statement of income for the year ended 31 December 2008	
Increase in interest expense - Interbank and money market items	8,064,450
Increase in non-interest income - Net gain on foreign exchange and derivatives	147,738,044
Increase in non-interest expense - personal expenses	49,998,651
Decrease in net loss	(89,674,943)

24 Reclassification

Certain amounts in the financial statements for the year ended 31 December 2008 have been reclassified to conform to changes in presentation in the current year to comply with the preparation of financial statements of commercial banks as required by the Bank of Thailand. The reclassifications are as follows:

	As reclassified before restatement Baht	As previously reported Baht
Income statements		
Interest and dividend income		
Interbank and money market items	328,035,460	172,313,502
Government and state enterprise securities	329,141,525	484,863,483
Interest expense		
Interbank and money market items	351,102,177	430,488,562
Borrowings	236,520,977	157,134,592