

CIMB THAI BANK PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

30 JUNE 2010

AUDITOR'S REPORT

To the Shareholders of CIMB THAI Bank Public Company Limited

Audit Report

1. I have audited the accompanying consolidated and separate balance sheets as at 30 June 2010, and the related consolidated and separate statements of income, changes in shareholders' equity, and cash flows for the six-month period ended 30 June 2010 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to express an opinion on these interim financial statements based on my audit. The interim consolidated and separate financial statements for the six-month period ended 30 June 2009 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, were audited by the another auditor who issued an unqualified report on 27 August 2009 but drew attention that the Bank had an agreement which transferred its non-performing loans to Thai Asset Management Corporation ("TAMC") and contained a condition of future gain/loss sharing on those transferred non-performing loans and the outstanding issues with respect to the requisition of original ownership documents and others that may result in adjustments to the price and related interest, which are being examined and concluded by the Bank and TAMC. The consolidated and separate statements of income, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2009, presented herewith for comparative purposes, are components of the aforementioned interim financial statements.
2. I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain a reasonable assurance as to whether the interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall interim financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. In my opinion, the interim consolidated and separate financial statements referred above present fairly, in all material respects, the consolidated and separate financial position as at 30 June 2010, and the consolidated and separate results of operation and cash flows for the six-month period ended 30 June 2010 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, in accordance with generally accepted accounting principles.
4. The consolidated and separate financial statements for the year ended 31 December 2009 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, were audited by another auditor who issued an unqualified report on 23 February 2010 but drew attention to the same matters as described in the first paragraph. The consolidated and separate balance sheets as at 31 December 2009, presented herewith for comparative purposes (before restatement), are part of the consolidated and separate financial statements which were audited and upon which a report was issued as stated above.
5. Without qualifying my opinion on the aforementioned interim financial statements, I draw attention to the matter discussed in Note 37 to the interim financial statements that CIMB THAI Bank Public Company Limited had an agreement which transferred its non-performing loans to Thai Asset Management Corporation ("TAMC") and contained a condition of future gain/loss sharing on those transferred non-performing loans and the outstanding issues with respect to the requisition of original ownership documents and others that may result in adjustments to the price and related interest, which are being examined and concluded by the Bank and TAMC.

Review Report

6. I have reviewed the related consolidated and separate statements of income for the three-month period ended 30 June 2010 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information in these interim statements of income. My responsibility is to issue a report on these interim statements of income based on my review. The interim consolidated and separate statements of income for the three-month period ended 30 June 2009 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, were reviewed by the another auditor who issued an unqualified report on 27 August 2009 but drew attention on the same matters as described in the first paragraph.
7. I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the review to obtain a moderate assurance as to whether the interim statements of income are free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.
8. Based on my review, nothing has come to my attention that causes me to believe that the consolidated and separate statements of income referred above do not present fairly, in all material respects, the consolidated and separate results of operation for the three-month period ended 30 June 2010 of the Bank and its subsidiaries, and of the Bank, respectively, in accordance with generally accepted accounting principles.
9. Without qualifying my report on the aforementioned interim statements of income, I draw attention to the matter discussed in Note 37 to the interim financial statements which is the same matter as described in the fifth paragraph.



Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
PricewaterhouseCoopers ABAS Limited

Bangkok
30 August 2010

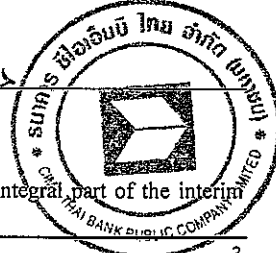
CIMB THAI BANK Public Company Limited
Balance sheets
As at 30 June 2010 and 31 December 2009

		Consolidated financial statements		Separate financial statements	
		30 June 2010 Baht	31 December 2009 Baht (Restated)	30 June 2010 Baht	31 December 2009 Baht (Restated)
Notes					
Assets					
Cash		2,039,888,280	2,821,772,139	2,038,618,139	2,820,537,268
Interbank and money market items	6				
Domestic items					
Interest bearing		10,372,551,008	14,257,684,949	10,083,966,368	13,765,038,298
Non-interest bearing		1,224,769,417	724,041,606	1,146,044,825	656,207,194
Foreign items					
Interest bearing		805,420,640	290,098,375	805,420,640	290,098,375
Non-interest bearing		178,810,567	97,720,535	178,810,567	97,720,535
Interbank and money market items - net		12,581,551,632	15,369,545,465	12,214,242,400	14,809,064,402
Investments	7				
Short-term investments - net		4,721,500,782	5,121,282,522	4,697,646,983	4,928,252,885
Long-term investments - net		16,710,675,098	15,387,861,853	16,690,534,199	15,236,251,809
Investments in subsidiaries and associates - net		153,912,645	205,453,938	1,067,643,017	1,463,637,904
Investments - net		21,586,088,525	20,714,598,313	22,455,824,199	21,628,142,598
Loans and accrued interest receivables	8				
Loans		88,402,272,235	85,996,442,503	86,838,115,686	81,179,770,435
Accrued interest receivables		203,944,182	254,683,505	179,010,775	198,137,466
Total loans and accrued interest receivables		88,606,216,417	86,251,126,008	87,017,126,461	81,377,907,901
Less Allowance for doubtful debts	9	(4,761,449,495)	(7,943,673,242)	(4,329,058,850)	(4,237,132,443)
Less Revaluation allowance for debt restructuring	10	(9,427,858)	(8,818,543)	(9,427,858)	(8,818,543)
Loans and accrued interest receivables - net		83,835,339,064	78,298,634,223	82,678,639,753	77,131,956,915
Properties foreclosed - net	11	2,179,884,808	2,409,895,840	2,164,525,736	2,232,213,794
Customers' liability under acceptance		20,531,548	53,947,377	20,531,548	53,947,377
Premises and equipments - net	12	2,687,831,822	3,548,984,412	2,625,649,991	3,472,435,396
Intangible assets	13	426,360,451	427,224,808	416,616,145	412,094,162
Assets of disposal group classified as held for sales	14	973,357,136	-	312,590,385	-
Financial derivatives assets		2,088,767,172	1,592,031,504	2,088,767,172	1,592,031,504
Other assets	15	1,801,099,933	1,820,125,667	1,562,379,434	1,465,769,937
Total assets		130,220,700,371	127,056,759,748	128,578,384,902	125,618,193,353

Director



Director

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Balance sheets (Cont'd)
As at 30 June 2010 and 31 December 2009

	Notes	Consolidated financial statements		Separate financial statements	
		30 June 2010 Baht	31 December 2009 Baht (Restated)	30 June 2010 Baht	31 December 2009 Baht (Restated)
Liabilities and shareholders' equity					
Deposits	16				
Deposits in Baht		92,861,997,254	88,320,066,638	92,877,411,837	88,345,547,649
Deposits in foreign currencies		241,289,674	78,696,230	241,289,674	78,696,230
Total deposits		93,103,286,928	88,398,762,868	93,118,701,511	88,424,243,879
Interbank and money market items	17				
Domestic items					
Interest bearing		4,311,900,930	9,183,075,027	4,135,369,511	9,106,511,182
Non-interest bearing		108,927,155	54,784,753	113,427,850	56,907,979
Foreign items					
Interest bearing		940,807,369	705,945,060	940,807,369	705,945,060
Non-interest bearing		282,406,239	3,570,527	282,406,239	3,570,527
Total interbank and money market items		5,644,041,693	9,947,375,367	5,472,010,969	9,872,934,748
Liability payable on demand		508,772,081	286,026,119	508,772,081	286,026,119
Borrowings	18				
Short-term borrowings		10,905,458,493	9,544,679,635	10,905,458,493	9,544,679,635
Long-term borrowings		5,517,869,516	5,598,756,528	5,419,960,000	5,503,187,500
Total borrowings		16,423,328,009	15,143,436,163	16,325,418,493	15,047,867,135
Bank's liability under acceptance		20,531,548	53,947,377	20,531,548	53,947,377
Accrued interest expenses		348,499,319	373,261,087	348,552,363	373,489,735
Provisions - Pension benefits to employees		553,085,787	524,227,773	553,085,787	523,647,640
Liabilities of disposal group classified as held for sales	14	419,730,362	-	-	-
Financial derivatives liabilities		1,553,277,861	1,182,961,588	1,553,277,861	1,182,961,588
Payable to clearing house/ securities business payable		314,261,629	417,094,312	-	-
Other liabilities	19	2,592,342,856	2,785,536,077	2,396,900,466	2,229,613,205
Total liabilities		121,481,158,073	119,112,628,731	120,297,251,079	117,994,731,426

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Balance sheets (Cont'd)
As at 30 June 2010 and 31 December 2009

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Notes			(Restated)		(Restated)
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	20				
Registered					
16,315,934,756 ordinary shares of Baht 0.50 each		8,157,967,378		8,157,967,378	
(31 December 2009: 13,349,401,164 ordinary shares of Baht 0.50 each)			6,674,700,582		6,674,700,582
Issued and paid-up share capital					
13,349,401,164 ordinary shares of Baht 0.50 each		6,674,700,582	6,674,700,582	6,674,700,582	6,674,700,582
Unrealised gain					
Revaluation surplus on assets	21	572,455,278	729,326,917	572,455,278	729,326,917
Revaluation surplus on change in value of investments	22	123,597,584	49,179,146	108,024,508	39,270,465
Retained earnings					
Appropriated - statutory reserve	23	3,500,000	-	3,500,000	-
Retained earnings		1,287,923,872	420,566,556	922,453,455	180,163,963
Equity attributable to the Bank's shareholders		8,662,177,316	7,873,773,201	8,281,133,823	7,623,461,927
Minority interest - equity attributable to minority shareholders of subsidiaries		77,364,982	70,357,816	-	-
Total shareholders' equity		8,739,542,298	7,944,131,017	8,281,133,823	7,623,461,927
Total liabilities and shareholders' equity		130,220,700,371	127,056,759,748	128,578,384,902	125,618,193,353
Off-balance sheet items - commitments					
	32				
Aval to bills and guarantees of loans		237,913,524	195,387,963	507,913,524	395,387,963
Liability under unmatured import bills		423,248,128	509,571,415	423,248,128	509,571,415
Letter of credits		1,883,918,735	2,313,070,311	1,883,918,735	2,313,070,311
Other commitments		316,217,713,901	197,093,973,193	316,217,777,901	197,094,037,193

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Income statements (Unaudited)
For the three-month periods ended 30 June 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		30 June 2010 Baht	30 June 2009 Baht	30 June 2010 Baht	30 June 2009 Baht
Interest and dividend income					
Loans		1,187,684,123	1,345,175,220	1,223,000,404	1,369,263,764
Interbank and money market items		18,987,462	124,318,847	16,765,068	119,448,072
Hire purchase and finance lease income		176,304,672	148,802,672	-	-
Investments		187,541,284	359,339,277	186,555,804	356,388,331
Total interest and dividend income		1,570,517,541	1,977,636,016	1,426,321,276	1,845,100,167
Interest expenses					
Deposits		220,034,117	678,906,696	219,901,928	679,787,012
Interbank and money market items		13,388,523	46,899,936	11,211,559	44,305,856
Short-term borrowings		30,163,573	336,049	30,163,573	242,759
Long-term borrowings		78,249,540	87,263,949	77,065,763	87,263,949
Total interest expenses		341,835,753	813,406,630	338,342,823	811,599,576
Net interest and dividend income		1,228,681,788	1,164,229,386	1,087,978,453	1,033,500,591
Bad debt and doubtful accounts		(173,115,974)	(652,938,975)	(178,000,000)	(650,000,000)
Net interest and dividend income after bad debt and doubtful account		1,055,565,814	511,290,411	909,978,453	383,500,591
Non-interest income					
Gains on investments	25	230,294,870	286,346,376	167,994,900	256,623,915
Fees and charges					
Acceptances, aval and guarantees		21,778,820	17,003,822	21,778,820	17,003,822
Others		177,908,657	193,144,610	129,426,664	128,270,867
Gains on exchange/derivatives		155,759,172	28,525,948	155,754,445	28,470,214
Premium written		-	64,842,304	-	-
Other income	26	(12,468,731)	41,903,469	(10,254,099)	19,735,396
Total non-interest incomes		573,272,788	631,766,529	464,700,730	450,104,214

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CTMB THAI BANK Public Company Limited
Income statements (Unaudited) (Cont'd)
For the three-month periods ended 30 June 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		30 June	30 June	30 June	30 June
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Non - interest expenses					
Personnel expenses		611,610,057	546,145,807	502,822,427	444,473,200
Premises and equipment expenses		307,945,161	334,818,314	279,527,265	295,852,034
Taxes and duties		48,550,410	63,393,742	48,285,521	62,065,110
Fees and charges		121,442,395	118,339,808	92,124,903	89,445,221
Directors' remuneration	34	2,556,000	3,683,000	2,472,000	2,456,000
Contribution fee to the Deposit Protection Agency		102,000,000	156,541,890	102,000,000	156,541,890
Other expenses		121,876,202	149,586,201	96,286,612	70,123,005
Total non-interest expenses		1,315,980,225	1,372,508,762	1,123,518,728	1,120,956,460
Income (loss) before corporate income tax		312,858,377	(229,451,822)	251,160,455	(287,351,655)
Corporate income tax	27	(8,454,660)	(17,130,640)	-	-
Net income (loss) from continuing operation		304,403,717	(246,582,462)	251,160,455	(287,351,655)
Profit after tax of discontinued operations	14	64,386,387	-	-	-
Net income (loss) for the period		368,790,104	(246,582,462)	251,160,455	(287,351,655)
Net income (loss) attributable to:					
Equity holders of the Bank		365,849,317	(245,530,779)	251,160,455	(287,351,655)
Minority interests of the subsidiaries		2,940,787	(1,051,683)	-	-
		368,790,104	(246,582,462)	251,160,455	(287,351,655)
Earnings (loss) per share	30				
Basic earnings (loss) per share (Baht per share)					
Net income (loss) attributable to equity holders of the Bank		0.03	(0.02)	0.02	(0.02)
Weighted average number of ordinary shares (shares)		13,349,401,164	13,349,401,164	13,349,401,164	13,349,401,164

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Income statements (Cont'd)
For the six-month periods ended 30 June 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		30 June	30 June	30 June	30 June
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Interest and dividend income					
Loans		2,399,905,342	2,855,163,130	2,456,279,316	2,904,271,915
Interbank and money market items		41,639,749	336,408,100	37,214,194	326,358,802
Hire purchase and finance lease income		339,501,444	301,490,188	-	-
Investments		414,024,904	818,887,642	413,029,424	809,095,094
Total interest and dividend income		3,195,071,439	4,311,949,060	2,906,522,934	4,039,725,811
Interest expenses					
Deposits		469,032,631	1,808,557,807	468,799,252	1,809,483,978
Interbank and money market items		28,586,615	98,419,743	24,276,295	90,213,620
Short-term borrowings		68,705,589	5,993,940	68,705,589	5,364,701
Long-term borrowings		155,002,142	148,245,585	152,661,654	148,245,585
Total interest expenses		721,326,977	2,061,217,075	714,442,790	2,053,307,884
Net interest and dividend income		2,473,744,462	2,250,731,985	2,192,080,144	1,986,417,927
Bad debt and doubtful accounts		(333,764,895)	(944,550,712)	(332,000,000)	(938,000,000)
Net interest and dividend income after bad debt and doubtful account		2,139,979,567	1,306,181,273	1,860,080,144	1,048,417,927
Non-interest income					
Gains on investments	25	234,347,636	529,329,054	170,477,456	461,769,596
Fees and charges					
Acceptances, aval and guarantees		46,474,040	37,960,253	46,474,041	37,960,253
Others		337,144,079	341,680,170	249,922,114	239,424,012
Gains on exchange/derivatives		215,186,942	58,956,050	215,149,486	61,242,303
Premium written		-	130,369,477	-	-
Other income	26	299,510,919	64,581,783	301,350,494	59,412,050
Total non-interest incomes		1,132,663,616	1,162,876,787	983,373,591	859,808,214

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Income statements (Cont'd)
For the six-month periods ended 30 June 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		30 June	30 June	30 June	30 June
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Non - interest expenses					
Personnel expenses		1,239,604,296	1,095,374,642	1,019,597,650	903,846,988
Premises and equipment expenses		634,778,957	648,605,196	580,275,837	603,743,597
Taxes and duties		97,389,029	124,731,583	96,967,589	121,037,082
Fees and charges		219,807,513	237,596,949	164,790,807	183,287,276
Directors' remuneration	34	5,112,000	9,480,200	4,944,000	6,996,000
Contribution fee to the Deposit Protection Agency		204,000,000	315,541,890	204,000,000	315,541,890
Other expenses		232,372,473	510,792,205	183,959,999	329,282,728
Total non-interest expenses		2,633,064,268	2,942,122,665	2,254,535,882	2,463,735,561
Income (loss) before corporate income tax		639,578,915	(473,064,605)	588,917,853	(555,509,420)
Corporate income tax	27	(12,390,823)	(32,564,248)	-	-
Net income (loss) from continuing operation		627,188,092	(505,628,853)	588,917,853	(555,509,420)
Profit after tax of discontinued operations	14	93,789,865	-	-	-
Net income (loss) for the period		720,977,957	(505,628,853)	588,917,853	(555,509,420)
Net income (loss) attributable to:					
Equity holders of the Bank		713,985,677	(502,044,619)	588,917,853	(555,509,420)
Minority interests of the subsidiaries		6,992,280	(3,584,234)	-	-
		720,977,957	(505,628,853)	588,917,853	(555,509,420)
Earnings (loss) per share	30				
Basic earnings (loss) per share (Baht per share)					
Net income (loss) attributable to equity holders of the Bank		0.05	(0.05)	0.04	(0.05)
Weighted average number of ordinary shares (shares)		13,349,401,164	10,358,938,759	13,349,401,164	10,362,380,462

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Statements of changes in shareholders' equity
For the six-month periods ended 30 June 2010 and 2009

Consolidated financial statements										
Shareholders' equity of the Bank										
Notes	Issued and paid-up share capital Baht	Share discounts Baht	Revaluation surplus on assets Baht	Revaluation surplus (deficit) on change in value of investments Baht	Statutory reserve Baht	Retained earnings Baht	Treasury stocks held by the subsidiaries Baht	Total equity attributable to the Bank's shareholders Baht	Minority interest Baht	Total
Balance as at 1 January 2009	25,030,127,183	(10,606,987,712)	748,814,825	54,637,646	6,053,484	(9,704,736,373)	(460,381,158)	5,067,527,895	67,706,843	5,135,234,738
Income (expenses) recognised directly in equity:										
Amortised revaluation surplus on assets	-	-	(9,663,867)	-	-	9,663,867	-	-	-	-
Decrease in fair value of investments	-	-	-	(55,669,210)	-	-	-	(55,669,210)	-	(55,669,210)
Net income (expenses) recognised directly in equity	-	-	(9,663,867)	(55,669,210)	-	9,663,867	-	(55,669,210)	-	(55,669,210)
Net losses for the period	-	-	-	-	-	(502,044,619)	-	(502,044,619)	(3,584,234)	(505,628,853)
Total income (expenses) for the period	-	-	(9,663,867)	(55,669,210)	-	(492,380,752)	-	(557,713,829)	(3,584,234)	(561,298,063)
Increase in ordinary shares	20 25,030,127,182	(22,493,740,961)	-	-	-	-	-	2,536,386,221	-	2,536,386,221
Decrease in ordinary shares	20 (43,385,553,783)	33,100,728,673	-	-	(6,053,484)	10,290,878,594	-	-	-	-
Decrease in treasury stocks held by subsidiaries	20 -	-	-	-	-	(198,742,920)	460,381,158	261,638,238	-	261,638,238
Minority interests - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(10,732)	(10,732)
Balance as at 30 June 2009	6,674,700,582	-	739,150,958	(1,031,564)	-	(104,981,451)	-	7,307,838,525	64,111,877	7,371,950,402
Balance as at 1 January 2010	6,674,700,582	-	729,326,917	49,179,146	-	420,566,556	-	7,873,773,201	70,357,816	7,944,131,017
Income (expense) recognised directly in equity:										
Amortised revaluation surplus on assets	-	-	(2,709,023)	-	-	2,709,023	-	-	-	-
Revaluation surplus on office building	-	-	(154,162,616)	-	-	154,162,616	-	-	-	-
Increase in fair value of investments	-	-	-	74,418,438	-	-	-	74,418,438	-	74,418,438
Net income (expense) recognised directly in equity	-	-	(156,871,639)	74,418,438	-	156,871,639	-	74,418,438	-	74,418,438
Net income for the period	-	-	-	-	-	713,985,677	-	713,985,677	6,992,280	720,977,957
Total income (expense) for the period	-	-	(156,871,639)	74,418,438	-	870,857,316	-	788,404,115	6,992,280	795,396,395
Appropriated - statutory reserve	23 -	-	-	-	3,500,000	(3,500,000)	-	-	-	-
Minority interests - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	14,886	14,886
Balance as at 30 June 2010	6,674,700,582	-	572,455,278	123,597,584	3,500,000	1,287,923,872	-	8,662,177,316	77,364,982	8,739,542,298

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Statements of changes in shareholders' equity (Cont'd)
For the six-month periods ended 30 June 2010 and 2009

		Separate financial statements						
	Notes	Issued and paid-up share capital Baht	Share discounts Baht	Revaluation surplus on assets Baht	Revaluation surplus on change in value of investments Baht	Statutory reserve Baht	Retained earnings Baht	Total
Balance as at 1 January 2009		25,030,127,183	(10,606,987,712)	748,814,825	55,777,090	6,053,484	(10,198,912,218)	5,034,872,652
Income (expenses) recognised directly in equity:								
Amortised revaluation surplus on assets		-	-	(9,663,867)	-	-	9,663,867	-
Decrease in fair value of investments		-	-	-	(63,311,896)	-	-	(63,311,896)
Net income (expenses) recognised directly in equity		-	-	(9,663,867)	(63,311,896)	-	9,663,867	(63,311,896)
Net losses for the period		-	-	-	-	-	(555,509,420)	(555,509,420)
Total income (expenses) for the period		-	-	(9,663,867)	(63,311,896)	-	(545,845,553)	(618,821,316)
Increase in ordinary shares	20	25,030,127,182	(22,493,740,961)	-	-	-	-	2,536,386,221
Decrease in ordinary shares	20	(43,385,553,783)	33,100,728,673	-	-	(6,053,484)	10,290,878,594	-
Balance as at 30 June 2009		<u>6,674,700,582</u>	<u>-</u>	<u>739,150,958</u>	<u>(7,534,806)</u>	<u>-</u>	<u>(453,879,177)</u>	<u>6,952,437,557</u>
Balance as at 1 January 2010		6,674,700,582	-	729,326,917	39,270,465	-	180,163,963	7,623,461,927
Income (expense) recognised directly in equity:								
Amortised revaluation surplus on assets		-	-	(2,709,023)	-	-	2,709,023	-
Revaluation surplus on office building		-	-	(154,162,616)	-	-	154,162,616	-
Increase in fair value of investments		-	-	-	68,754,043	-	-	68,754,043
Net income (expense) recognised directly in equity		-	-	(156,871,639)	68,754,043	-	156,871,639	68,754,043
Net income for the period		-	-	-	-	-	588,917,853	588,917,853
Total income (expenses) for the period		-	-	(156,871,639)	68,754,043	-	745,789,492	657,671,896
Appropriated - statutory reserve	23	-	-	-	-	3,500,000	(3,500,000)	-
Balance as at 30 June 2010		<u>6,674,700,582</u>	<u>-</u>	<u>572,455,278</u>	<u>108,024,508</u>	<u>3,500,000</u>	<u>922,453,455</u>	<u>8,281,133,823</u>

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Cash flow statements
For the six-month periods ended 30 June 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	30 June	30 June	30 June	30 June
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Income (loss) before corporate income tax from continuing operations	639,578,915	(473,064,605)	588,917,853	(555,509,420)
Income (loss) before corporate income tax from discontinued operations	60,316,208	-	-	-
Income (loss) before corporate income tax including discontinued operations	699,895,123	(473,064,605)	588,917,853	(555,509,420)
Adjustments to reconcile incomes (loss) before tax to cash received (paid) from operating activities:				
Depreciation and amortisation	238,659,976	254,904,006	225,733,063	233,213,843
Bad debts and doubtful accounts	333,764,895	944,550,712	332,000,000	938,000,000
Reserve for off-balance sheet items	3,000,000	165,500,000	3,000,000	165,500,000
Provision for liabilities	30,370,132	26,108,246	29,438,147	26,108,246
Reserve for contingent liabilities	-	62,200,000	-	62,200,000
Reversal of allowance for impairment for investment receivables	-	(4,495,239)	-	-
Impairment losses on investments	27,986,355	40,529,501	23,000,000	40,529,501
Impairment losses on intangible assets (reversal)	(362,115,515)	-	(362,115,515)	-
Losses on impairment of properties foreclosed	65,957,446	-	2,700,000	-
Provision for impairment of premises and equipments	3,830,424	-	3,830,424	-
Unrealised (gains) losses on exchange and derivatives	(127,309,301)	278,801,341	(127,309,302)	278,801,341
Realised (gains) losses of exchange rate on investments	23,662,500	-	23,662,500	-
Losses (gains) on sale of properties foreclosed	-	61,229,771	-	(14,430,296)
Unrealised gains on revaluation of investments	(2,695,198)	(20,025,828)	(1,554,961)	(3,413,812)
Gains on sale of investments	(251,747,854)	(476,746,500)	(186,575,239)	(475,052,343)
Gains on sale of non-performing loans	(5,347,256)	(950,940)	(5,347,256)	-
Gains on investment in non-performing loans	-	(79,536,517)	-	(25,208,813)
Gains on disposal of premises and equipments	(276,640,266)	(4,720,301)	(278,100,479)	(4,654,701)
Loss from written off premises and equipments	827,159	-	823,781	-
Losses from written off intangible assets	373,786,556	-	373,786,556	-
Interest and dividend incomes	(3,195,071,439)	(4,311,949,060)	(2,906,522,934)	(4,039,725,811)
Interest expenses	721,326,977	2,061,217,075	714,442,790	2,053,307,884
Loss from operations before changes in operating assets and liabilities	(1,697,859,286)	(1,476,378,338)	(1,546,190,572)	(1,320,334,381)
(Increase) decrease in operating assets				
Interbank and money market items	2,589,456,828	16,500,316,894	2,591,958,634	16,614,740,647
Investments held for trading	(1,013,749,595)	792,711,307	(998,714,011)	788,733,446
Loans	(6,141,618,845)	6,847,675,303	(5,912,947,633)	6,916,396,188
Properties foreclosed	176,949,801	230,554,045	74,735,283	56,437,400
Other assets	278,456,049	95,900,177	240,767,232	50,735,684
Increase (decrease) in operating liabilities				
Deposits	4,704,598,924	(42,666,147,742)	4,694,457,632	(42,610,337,841)
Interbank and money market items	(4,303,333,674)	(5,405,462,470)	(4,400,923,779)	(5,192,195,455)
Liability payable on demand	222,745,962	183,122,449	222,745,962	183,122,449
Other liabilities awaiting accounts transfer	-	(828,628,362)	-	(830,193,744)
Payable to clearing house/securities business payable	(102,832,683)	-	-	-
Other liabilities	181,887,021	6,941,915	112,758,482	(67,397,668)
Cash flows used in operating activities	(5,105,299,498)	(25,719,394,822)	(4,921,352,770)	(25,410,293,275)
Cash received from interest incomes	2,802,746,659	3,551,491,647	2,513,483,568	3,286,589,064
Cash paid for interest expenses	(534,310,828)	(1,740,280,712)	(530,138,054)	(1,725,143,840)
Cash paid for tax	(9,619,244)	(5,767,227)	-	-
Net cash flows used in operating activities	(2,846,482,911)	(23,913,951,114)	(2,938,007,256)	(23,848,848,051)

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited
Cash flow statements (Cont'd)
For the six-month periods ended 30 June 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Baht	30 June 2009 Baht	30 June 2010 Baht	30 June 2009 Baht
Cash flows from investing activities				
(Increase) decrease in securities held for investments	-	19,359,351,731	-	19,065,924,795
Cash paid for purchase securities held for investment	(6,608,216,750)	-	(6,407,117,179)	-
Cash received from held to maturity investments	3,548,541,640	-	2,518,217,777	-
Cash received from disposal of securities held for investment	2,629,409,663	-	3,548,541,640	-
Cash received from repayment of investment in non-performing loans	88,835,410	-	89,895,420	-
Increase in investments in subsidiary companies	-	-	-	(95,000,000)
Cash paid for purchases of premises and equipments	(82,303,997)	(55,197,332)	(74,427,180)	(51,067,562)
Proceeds from disposals of equipment	1,077,326,075	8,942,932	1,068,049,328	8,849,313
Cash paid for purchases of intangible assets	(63,214,620)	(111,741,844)	(60,493,154)	(103,576,236)
Dividend received	99,183,986	70,145,500	98,188,506	69,334,751
Interest received	223,696,217	869,206,014	223,696,218	859,607,366
Net cash flows from investing activities	913,257,624	20,140,707,001	1,004,551,376	19,754,072,427
Cash flows from financing activities				
Increase (decrease) in short-term borrowings	1,360,778,858	(3,379,690,897)	1,360,778,858	(2,908,699,000)
Increase in long-term borrowings	2,340,488	2,500,000,000	-	2,500,000,000
Cash received from capital increase	-	2,536,386,221	-	2,536,386,221
Proceeds from treasury stocks held by subsidiary	-	155,017,038	-	-
Interest expenses	(211,777,918)	(130,767,582)	(209,242,107)	(125,415,860)
Net cash flows from financing activities	1,151,341,428	1,680,944,780	1,151,536,751	2,002,271,361
Net decrease in cash and cash equivalents	(781,883,859)	(2,092,299,333)	(781,919,129)	(2,092,504,263)
Cash and cash equivalents at beginning of the period	2,821,772,139	4,631,710,995	2,820,537,268	4,630,351,485
Cash and cash equivalents at the end of the period	2,039,888,280	2,539,411,662	2,038,618,139	2,537,847,222
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Properties foreclosed received in settlement of debts	161,942,968	234,695,357	-	12,870,000
Payable from purchase premises and equipments	21,807,046	-	21,807,046	-
Payable from purchase intangible assets	19,974,508	-	19,974,508	-
Properties foreclosed received from auction	9,747,225	-	9,747,225	-
Revaluation surplus (deficit) on change in value of investment	74,433,324	(63,311,896)	68,754,043	(55,669,210)
Transfer assets to assets of disposal group classified as held for sales	973,357,136	-	312,590,385	-
Transfer liabilities to liabilities of disposal group classified as held for sales	419,730,362	-	-	-
Receivable from disposal of investment in subsidiary	249,999,930	-	249,999,930	-
Write-off loans and allowance for doubtful debts	449,914,573	-	367,646,602	-

The accompanying notes to interim consolidated and separate financial statements from page 14 to 83 are an integral part of the interim financial statements

1 General information

CIMB THAI Bank Public Company Limited ("the Bank") is a public company incorporated and domiciled in Thailand. The Bank operates a commercial bank in Thailand since 8 March 1949. The Bank's Head Office is 44 Langsuan Road, Lumpini, Patumwan, Bangkok.

The Bank is listed on the Stock Exchange of Thailand. For reporting purposes, the Bank and its subsidiaries are referred to as the Group. Its parent company is CIMB Bank Berhad, which is a public company incorporated in Malaysia. The parent company of the Group is CIMB Group Holdings Berhad (formerly known as "Bumiputra - Commerce Holdings Berhad"). On 20 April 2009, the Bank obtained an approval from the Ministry of Finance to change the Bank's name from "BankThai Public Company Limited" to "CIMB THAI Bank Public Company Limited". The name was registered with the Ministry of Commerce on 1 May 2009.

All subsidiaries were incorporated as limited companies or a public limited company under Thai laws, and all operate in Thailand, engaging mainly in securities business, fund management, insurance business, consultancy service, asset management, hire purchase and leasing.

The interim consolidated and separate financial statements were authorised for issue by the Board of directors on 27 August 2010.

2 Basis of preparation of interim consolidated and separate financial statements

The interim consolidated and separate financial statements ("the interim financial statements") are 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, and the financial reporting requirements of the Securities and Exchange Commission ("SEC"). The primary financial statements (i.e., balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the format as required by the Notification of the Bank of Thailand ("BoT"), "The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group" dated on 3 August 2008.

An English version of the interim consolidated and separate financial statements have been prepared from the interim 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 interim financial statements shall prevail.

The interim consolidated financial statements include the separate financial statements of CIMB THAI Bank Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009, with no structural changes related to subsidiaries occurring during the period, except for that reported in note to interim financial statements No. 7.7 and 14.

The Bank prepares separate financial statements for the benefit of public, which present investment in subsidiaries and associated companies under cost method.

3 Accounting policies

3.1 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

a) Accounting framework

The amendments of accounting framework was announced by the Federation of Accounting Professions on 9 April 2010 and endorsed by the Government Gazette on 26 May 2010 with effect on 26 May 2010.

b) New accounting standards, new financial reporting standards and amendments to accounting standards

The following new accounting standards, new financial reporting standards and amendments to accounting standards were announced by the Federation of Accounting Professions on 9 April 2010 and endorsed by the Government Gazette on 26 May 2010 are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them:

Effective for the period beginning on or after 1 January 2011

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Effective for the period beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The management of the Bank has assessed that TAS 2 (revised B.E. 2552), TAS 11 (revised B.E. 2552), TAS 20 (revised B.E. 2552) TAS 29, TAS 31 (revised B.E. 2552) and IFRS 6 are not relevant to the main business of the Bank. For other accounting standards, they are in the process of evaluating the effect of such standards to the financial statement for the year initially applied.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Comparative figures have been adjusted to conform with changes in presentation in the current year. The Bank separately presented financial derivatives assets and financial derivatives liabilities from other assets and other liabilities. As at 31 December 2009, financial derivatives assets and financial derivatives liabilities in the consolidated financial statement and separate financial statements show Baht 1,592 million and Baht 1,183 million, respectively.

3 Accounting policies (Cont'd)

3.2 Revenue recognition

(a) Interest and discount on loans

The Bank recognises interest and discounts on loans as income on an accrual basis, based on the amount of outstanding principal. For loans on which principal or interest payments have been defaulted for more than three months from the due date, the Bank discontinues recognition of overdue accrual of interest income, recognises interest income on a cash basis and reverses the interest previously accrued as income for such defaulted loans from their accounts, in accordance with the Notification of the Bank of Thailand.

Interest income on restructured loans is recognised on the same accrual basis as used for loans discussed above, with the exception of loans that are subject to monitoring for compliance with restructuring conditions, on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of not less than three consecutive months or three consecutive installments, whichever is longer.

(b) Interest on margin loans

Interest is recognised over the term of the loans based on the amount of outstanding. For delinquent margin loans on which interest is overdue for more than three months, it is the subsidiary's policy to stop recognising income on an accrual basis and adopt a cash basis in recognising income for such delinquent margin loans.

(c) Interest and dividends on investments

Interest on investments is recognised on an accrual basis based on the effective rate. Dividends from securities are recognised when the right to receive the dividends is established.

Interest income from investments in receivables is recognised as receivables from which loan repayment was received during the period, using the effective interest method. The effective interest rate was determined on basis of assumptions as to the amount and the timing of future collections on such loans. Such assumptions concern events that have not yet taken place and accordingly may vary if circumstances arise which were not foreseen.

(d) Gains (losses) on sale of investments

Gains (losses) on sale of investments are recognised as income/expenses on the transaction date.

(e) Gains (losses) on sale of property foreclosed

Gains or losses on sale of property foreclosed are recognised as income/expenses in income statement when the significant risks and rewards of ownership of property foreclosed have transferred to the buyer.

(f) Fees and services income

Fees and services income are recognised as income on an accrual basis.

(g) Brokerage fees

Brokerage fees on securities trading are recognised as income on the transaction date.

(h) Insurance premium

For insurance policies with the coverage periods of less than 1 year, premium income is recognised on the date the insurance policy comes into effect, after deducting premium ceded and cancelled. For long-term insurance policies with coverage periods of longer than 1 year, related revenues and expenses are recorded as unearned and prepaid items and gradually recognised as income and expenses on an annual basis over the coverage periods.

3 Accounting policies (Cont'd)

3.2 Revenue recognition (Cont'd)

(i) Reinsurance premium

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

(j) Hire purchase income

The income under hire purchase contracts are recognised over the installment period, using the effective rate method.

However, recognition of income on hire purchase receivables discontinues when payment is overdue from the third installment onwards. Income will be reinstated on an accrual basis when the overdue installments are received.

3.3 Expense recognition

(a) Interest expenses

Interest expenses are charged to income statements on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses evenly throughout the term of the notes.

(b) Unearned premium reserve

Unearned premium reserve is set aside in compliance with the Notification of the Office of Insurance Commission governing the allocation of the unearned premium reserve and loss reserve by the non-life insurance company as follows:

Fire, motors, hull and miscellaneous	Monthly average basis (the one-twenty fourth basis)
Marine and transportation (cargo)	Net premium written for the last ninety days
Travel accident with coverage of not more than 6 months	Net premium written for the last thirty days

(c) Loss reserve and outstanding claims

Outstanding claims have been provided upon receipt of claim advices from the insured. Loss reserve has been provided based on estimates made by the management. In addition, the subsidiary company has set up a provision for losses incurred but not yet reported (IBNR), which is estimated by an actuary based on experience and historical data but is not to be less than 2.5% of net premium written for the last twelve months in compliance with the Notification of the Office of Insurance Commission governing the allocation of the unearned premium reserve of subsidiary company and loss reserve by the non-life insurance company. However, since 1 January 2009, the Company shall allocate according to the past experience by Chain Ladder Approach or other international approaches but not less than 2.5% of the total net written premium on all types of risk of the past twelve months from the allocate date. The reserve calculation report has to be endorsed by an actuary of the subsidiary company.

(d) Commission fee under hire purchase agreements

The commission fee under hire purchase agreements is recognised over the installment period, using the effective rate method.

3 Accounting policies (Cont'd)

3.4 Investments

- a) Investments in securities held for trading are determined at fair value. Gains or losses arising from changes in the value of such securities are included in the income statement.
- b) Investments in available-for-sales securities, both held for short-term and long-term investment, are determined at fair value. Changes in the value of such securities are shown as a separate item in shareholders' equity until the securities are sold, when the changes are then included in determining income.
- c) Investments in debt securities expected to be held to maturity are determined at amortised cost. The Bank and its subsidiaries amortise premiums/discounts on debt securities based on a effective interest rate basis over the remaining period to maturity of the debt securities. The amortised amount is presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities which are classified as general investments are valued at cost less provision for impairment.

The fair value of marketable securities is based on the last bid price on the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of government and state enterprise securities, and private sector debt securities is determined using the formula determined by the BoT and the yield rates quoted by the Thai Bond Dealing Centre or other financial institutions, adjusted by an appropriate risk factor. The fair value of unit trusts is determined based on their net asset value.

The Bank and its subsidiaries record losses on impairment (if any) of investments in the income statement.

The Bank and its subsidiaries use first-in, first-out method for computation of the cost of investments.

In the event the Bank and its subsidiaries reclassify investment in securities, such investments are adjusted to their fair value as at the reclassification date. Differences between the carrying amount of the investments and their fair value on that date are included in determining income or recorded as revaluation surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment which is reclassified.

3.5 Investments in receivables

Investments in receivables that purchased from financial institutions are valued at acquisition cost net of allowance for impairment (if any). Loss on impairment of investments is included in income statement.

Investments in receivables which enter into troubled debt restructuring are transferred to loans and presented at fair value net off allowance for doubtful. The fair value is based on the outstanding balance of investments in receivables purchased as at transferred date or as at the date of restructuring.

The Bank and its subsidiaries determine allowance for impairment of investments in receivables based on the present value of expected future cash flows from collateral disposal or debt collection in accordance with the BoT's provisioning guidelines.

3 Accounting policies (Cont'd)

3.6 Promissory notes received in connection with transfer of non-performing loans to TAMC

Promissory notes received in connection with the transfer of non-performing loans to Thai Asset Management Corporation ("TAMC"), which are availed by the Financial Institutions Development Fund ("the FIDF"), are regarded as investments in debt securities expected to be held to maturity and therefore stated at cost. The Bank recognises interest income on the promissory notes on an accrual basis using the weighted average interest rate announced by 5 commercial banks for the previous quarter. The Bank will recognise income or expenses with respect to gain or loss sharing from the management of non-performing loans at the end of the agreement, and the Bank receives allocation from the TAMC, or when the gain or loss can be accurately estimated.

3.7 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies, are accounted for in the separate financial statements using the cost method net off allowance for impairment of investments in subsidiary and associated companies (if any). Losses on impairment records included in income statement.

Investment in associated company is accounted for in the consolidated financial statements using the equity method. Under this method, investments are initially recorded at the acquisition cost and are adjusted to reflect the attributable share of the profits or losses from the operations of each associated company, in proportion to the investment.

If the Bank receives shares as a result of debt restructuring of a borrower and as a result of such acquisition holds more than 50 percent or 20 percent of the shares of such company, the Bank will not treat the investee company as a subsidiary company or a associated company, respectively, as it intends to hold such investments on a temporary basis and must dispose them in accordance with BoT's guidelines.

If the Bank has no commitments or guarantee obligations to its subsidiary and associated companies, losses are recognised only to the extent that they do not exceed the outstanding balance of investments.

3.8 Loans/securities business receivables/hire purchase receivables

The Bank and its subsidiaries present loans at the principal balances excluding accrued interest receivable, with the exception of bank overdrafts, which are presented inclusive of accrued interest receivable. Unrealised deferred income and discounts on loans are deducted from the loan balances.

Securities business receivables comprise the net receivable balance of cash accounts and credit balance accounts secured by the purchased securities, as well as other receivables such as overdue debtors and securities business receivables currently subject to legal proceedings, undergoing restructuring or settling in instalments.

Hire purchase receivables are stated at net realisable value from the contractual amounts net off unearned hire purchase incomes.

3 Accounting policies (Cont'd)

3.9 Allowance for doubtful accounts

(a) For loans of commercial banking business

The Bank provides allowances for doubtful accounts in accordance with the Notifications of the Bank of Thailand ("BoT") and adjusts the additional amount which is expected not to be collectible based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral.

The Bank set provision for normal loans (including restructured receivables) and special mention loans at minimum rate of 1% and 2%, respectively, of the loan balances (excluding accrued interest receivable), net of collateral value, as required by the BoT's guidelines. For non-performing loans, the provision has to set up at a rate of 100% of the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, based on the use of the discount rate and the time needed to dispose of collateral, in accordance with the BoT's guideline.

Amounts written off as bad debts, or bad debt recovery are deducted from or added to the allowance for doubtful accounts.

(b) For securities business receivables

A subsidiary provides allowance for doubtful debts based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Allowance is set aside for doubtful debts not fully covered by collateral and/or those expected not to be fully recoverable. Debt classifications and provisions are made in accordance with the guidelines of the Office of the Securities and Exchange Commission.

(c) For hire purchase receivables

Allowance for doubtful accounts for hire purchase receivables of the subsidiaries has been provided at a percentage of the amount of outstanding principal net of unearned income, based on the number of months overdue with reference to the classification of loans under BoT's guidelines. Allowance for doubtful accounts is set for normal and special mention loans at minimum rates of 1% and 2%, respectively, without deducting collateral value, and for non-performing receivables at 100% of the receivable balances after deducting collateral.

3.10 Troubled debt restructuring and losses from troubled debt restructuring

The Bank and its subsidiaries record troubled debt restructuring transactions and related losses with according to the notifications of the Bank of Thailand.

(a) For loans of banking business

In cases where the troubled debt restructuring involves modifications of the terms or relaxation of the repayment conditions, the Bank determines fair value of loans after restructuring based on the net present value of expected future cash flows, discounted by the Minimum Loan Rate (MLR) being quoted to the debtors at the restructuring date. The difference between the fair value of loans and outstanding balance of receivables at the restructuring date is accounted for as revaluation allowance for debt restructuring and included as expenses in the income statements.

The Bank adjusts the revaluation allowance for debt restructuring at the end of every period by re-calculating the net present value of expected cash flows, discounted by the Minimum Loan Rate (MLR) being quoted to the debtor at the end of the period.

Losses arising from debt restructuring through waiver of part of the principal or recorded accrued interest receivable after deduction the provided allowance (if any) will be charged against the income statements when debt restructuring agreement executed.

3 Accounting policies (Cont'd)

3.10 Troubled debt restructuring and losses from troubled debt restructuring (Cont'd)

(b) For margin loans of securities business

Under the subsidiary's accounting policy for troubled debt restructuring, if payment of debt is received through the transfer of property, financial instruments, or through share capital received from debtor on a debt to equity swap, the subsidiary records the assets received at their fair value. Losses arising from differences between the book value of the debt and the fair value of the assets and debt collection expenses are recorded as losses from debt restructuring and expense in the income statements.

In case where the troubled debt restructuring involves modifications of the terms or relaxation of the repayment conditions to the debtor, the subsidiary records the losses arising from the revaluation of the book value of the debtor, determined on the basis of the present value of the future cash flows to be received under the new conditions, and using the Minimum Loan Rate (MLR) in discounting, or the fair value of the collateral. Any amount by which the newly determined book value is lower than the previous book value, including interest receivables, is recorded as revaluation allowance for debt restructuring and increasing allowance for doubtful accounts and will be recognised as expenses for such year except that the allowance for doubtful accounts is adequate.

3.11 Properties/assets foreclosed

The Bank and its subsidiary, which is asset management company, have presented properties foreclosed at the lower of cost or net realisable value with reference to the latest available appraised value according to the notifications of the Bank of Thailand less estimated selling expenses.

For other subsidiaries assets foreclosed are presented at the lower of cost or net realisable value less estimated selling expenses.

3.12 Premises and equipment and depreciation

Lands and buildings are stated at reappraised value less accumulated depreciation and allowance for impairment (if any). Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

The Bank carries out an asset appraisal on land and buildings in accordance with the guidelines announced by the Bank of Thailand. The revaluation surplus on land and buildings presents in shareholders' equity. The Bank carried out the latest revaluation for its land and buildings in December 2005 and January 2006 and treated the appraised values (market value for the land and replacement cost less accumulated depreciation for the building) as fair values in presenting the assets on a revaluation basis. The revaluation will be reappraised every 5 years.

Depreciation of building and equipment is calculated by reference to their costs or reappraised value in cases where the assets have been revalued, on a straight-line basis over the following estimated useful lives.

Buildings	20 - 40 years
Equipment	5 and 10 years

No depreciation is determined for land and assets under construction.

3 Accounting policies (Cont'd)

3.13 Intangible assets

The Bank and its subsidiaries amortise intangible assets with finite lives on a systematic basis over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The Bank and its subsidiaries review the amortisation period and the amortisation method of such intangible assets at least at each financial year end. The amortisation expense is charged to the income statements.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Patents	5 years
Computer software	5 or 10 years

3.14 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Leasehold rights are amortised on a straight-line basis over the lease periods and are included as expenses in the income statements.

3.15 Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Bank and its subsidiaries, whether directly or indirectly, or which are under common control with the Bank and its subsidiaries.

In addition, related parties include associated companies and individuals which have directly or indirectly significant influence over the Bank and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Bank's and its subsidiaries' operations.

3.16 Foreign currencies

Foreign currency transactions are translated into Baht using the exchange rates on the transaction dates. Assets and liabilities in foreign currencies outstanding on the balance sheet date are translated into Baht using the exchange rates announced by the Bank of Thailand on the balance sheet date.

Exchange gains and losses are included in determining result of operation.

3.17 Financial derivatives

The Bank regards its obligations under financial derivatives contracts as off-balance sheet items. The accounting treatments for financial derivatives transactions depends on the purpose of the transaction as follows:

(a) Trading transactions

The Bank records its obligations under financial derivatives contracts originated for trading purposes at fair value. Gains/Losses arising from changes in value are included in income statement.

(b) Non-trading transactions

Derivatives classified as non-trading transactions are measured on basis equivalent to that used in measurement of the hedged underlying asset and liability, as follows:

(1) For foreign currency elements, the Bank measures its value in Baht by using the reference rates on the balance sheet date announced by the Bank of Thailand.

(2) Interest elements are recorded on an accrual basis.

3 Accounting policies (Cont'd)

3.18 Embedded derivatives

The Bank records embedded derivatives in investments in Structured Note and Structured Deposit in compliance with the Bank of Thailand's Notification as follows:

- (a) If the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristic and risk of host contract, the Bank will separately account the embedded derivative from the host contract and measure the embedded derivative at fair value including a gain/loss in the income statements. The host contract will be accounted for under the related accounting standards. In case of the Bank is unable to measure the embedded derivative separately, the Bank will designate the entire hybrid contract as at fair value (based on arranger's price) included in the income statements.
- (b) If the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Bank will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

3.19 Impairment of assets

At each reporting date, the Bank and its subsidiaries assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank and its subsidiaries realise loss on impairment when the asset's recoverable amount is less than the book value.

The Bank and its subsidiaries recognise impairment losses in the income statements.

At each reporting date, the Bank and its subsidiaries assess whether there is an indication that previously recognised impairment losses may not existed or may have decreased. If such indication exists, the Bank and its subsidiaries estimate the asset's recoverable amount and reverse the impairment loss recognised in prior periods for assets other than goodwill.

3.20 Pension fund

The Bank has a policy to pay pension benefits to employees with more than 10 years of service and who resign in accordance with the rules and conditions stipulated by the Bank. The Bank reserves pension funds and charged to expenses in the income statements based on the number of years of service by each employee. In the event that any employee resigns and is not entitled to receive pension benefits, the Bank will reverse the pension fund contributions already reserved for such employee and charge the amount against the income statements for the year in which he/she resigns.

Such pension benefits only provide to employees who are former employees of the Union Bank of Bangkok Public Company Limited.

3.21 Provident fund

The Bank and its employees have jointly established a provident fund scheme under the Provident Fund Act B.E. 2530, and the fund was registered with and approved by the Ministry of Finance on 29 December 1999. The employees contribute to the fund at rates of between 3 - 5 percent of their basic salaries and the Bank contributes at the rate of 5 percent, according to the following conditions:

1. Employees who had officially joined the Bank and applied for membership of the fund before 31 December 1999 will receive one hundred percent of the contributions and all benefits upon termination of this membership.

3 Accounting policies (Cont'd)

3.21 Provident fund (Cont'd)

2. For employees who officially joined the Bank and applied for membership of the fund since 1 January 2000, the Bank will make contributions and pay benefits from the fund according to the following conditions:

<u>Years of service</u>	<u>Percentage of contributions and benefits thereof</u> (Percent)
Less than 5 years	0
5 years or more	100

Some subsidiaries and their employees have jointly established a provident fund scheme under the Provident Fund Act B.E. 2530. The employees contribute to the fund at rates of 3 - 5 percent of their basic salaries and the subsidiaries contribute at the rate of 5 percent. The fund will be paid to the employees upon termination in accordance with the regulation of the provident fund.

3.22 Treasury stock

Treasury stock, which is the Bank's ordinary shares purchased by the subsidiary companies, is carried at cost and presented net in shareholders' equity in the consolidated balance sheets. Gains or losses on disposal of treasury stock are taken to "Premium on treasury stock" or "Retained earnings".

3.23 Provisions

The Bank recognises provisions in the balance sheet when the Bank has obligation as a result of past event and there is high probability that an outflow of economics benefit will be required to settle such obligation. The obligation should be reliable estimated.

3.24 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

4 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

4.1 Allowance for doubtful accounts for loans

Allowance for doubtful accounts for loans is intended to adjust the value of loans for probable credit losses. The management uses the Bank of Thailand's regulation regarding the provision of an allowance for doubtful accounts and judgment to establish reserves for estimated losses on outstanding loans when there is any doubt about the borrower's capacity to repay the principal and/or the interest. The allowances for loan losses are determined through a combination of specific reviews, period of default, statistical modeling and estimates, value of collateral and current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for loan losses and adjustments to the allowances may therefore be required in the future.

4 Significant accounting judgments and estimates (Cont'd)

4.2 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercised judgment, using a variety of valuation techniques or value estimated by an arranger. The input to the models used is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

4.3 Allowance for impairment of investments

The Bank and its subsidiaries treat available-for-sale equity investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

The Bank and its subsidiaries treat general investments as impaired when the management judges that the recoverable amount is less than the carrying amount. The management is required to make judgment to make estimates of expected return from such investment.

4.4 Allowance for impairment of property foreclosed

The Bank and its subsidiaries assess allowance for impairment of property foreclosed when net realisable value falls below the book value. The management uses judgment to estimate impairment losses, taking into consideration the latest appraised value of assets, the type and nature of the assets. However, the use of different estimates and assumptions could affect the amounts of the allowance for impairment. Therefore, allowance for impairment may be adjusted in the future.

4.5 Property, premise and equipment/Depreciation

In determining depreciation of premise and equipment, the management is required to make estimates of the useful lives and salvage values of the premise and equipment and to review estimate useful lives and salvage values when there are any changes.

4.6 Finance lease/Operating lease

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased assets have been transferred to the lessee. Leases that transfer substantially all the risks and rewards of ownership to the lessee are classified as financial leases. In the other hand, leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating lease.

4.7 Assessment of risk and rewards

When considering the recognition and derecognition of assets or liabilities, the management is required to use judgment in assessing risk and rewards. Although management uses its best knowledge of current events and actions in making such assessments, actual risks and rewards may ultimately differ.

4 Significant accounting judgments and estimates (Cont'd)

4.8 Loss reserve and outstanding claims

Part of loss reserve claims is estimated from claims advices from insured, based on estimates made by independent appraisers or the relevant officers of the subsidiary company, depending on the particular case. The estimated value of losses is derived from actual losses but not more than the sum insured of the related insurance policies. The other part is for losses incurred but not yet reported (IBNR) and is estimated based on statistical data and historical experience. However, actual results could differ from the estimates.

5 Change in accounting policy

The Bank changed accounting method of accounts receivable from investments and accounts payable for purchase of investments from trade date accounting to settlement date accounting in order to follow the accounting policy of the parent company. The Bank adjusted consolidated and separate balance sheet as at 31 December 2009 by reducing accounts receivable from sale of investments amounting to Baht 13,284,802,101 and reducing accounts payable from purchase of investments amounting to Baht 13,284,745,216. The Bank additionally disclosed commitment on purchase of investment amounting to Baht 13,287,000,000 and commitment on sale of investment amounting to Baht 13,287,000,000 in Note 32.1. The Bank did not adjust consolidated and separate profit and loss statement and consolidated and separate statement of cash flows as the impact to the six-month period was immaterial.

Besides, the Bank changed cost method of investment from Weighted Average to First-in, First-out in order to follow the accounting policy of the parent company. The Bank did not adjust comparative financial statements for the year ended 31 December 2009 due to the impact was immaterial.

6 Interbank and money market items (assets)

	Consolidated financial statements					
	30 June 2010			31 December 2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	584	-	584	72	1,660	1,732
Commercial banks	391	9,615	10,006	198	12,326	12,524
Other banks	4	-	4	7	68	75
Finance, finance and securities, securities, and credit foncier companies	544	57	601	544	57	601
Other financial institutions	-	406	406	50	-	50
Total domestic items	1,523	10,078	11,601	871	14,111	14,982
<u>Add</u> Accrued interest receivables	-	-	-	-	2	2
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(2)	(2)
Domestic items - net	1,523	10,074	11,597	871	14,111	14,982
Foreign:						
US dollar	361	584	945	336	-	336
Yen	3	-	3	13	-	13
EURO	9	-	9	15	-	15
Other currencies	27	-	27	24	-	24
Foreign items - net	400	584	984	388	-	388
Domestic and foreign items - net	1,923	10,658	12,581	1,259	14,111	15,370

6 Interbank and money market items (assets) (Cont'd)

	Separate financial statements					
	30 June 2010			31 December 2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	584	-	584	72	1,660	1,732
Commercial banks	17	9,625	9,642	40	12,000	12,040
Finance, finance and securities, securities, and credit foncier companies	544	56	600	544	56	600
Other financial institutions	-	408	408	50	-	50
Total domestic items	1,145	10,089	11,234	706	13,716	14,422
<u>Add</u> Accrued interest receivables	-	-	-	-	1	1
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(2)	(2)
Domestic items - net	1,145	10,085	11,230	706	13,715	14,421
Foreign:						
US dollar	361	584	945	336	-	336
Yen	3	-	3	13	-	13
EURO	9	-	9	15	-	15
Other currencies	27	-	27	24	-	24
Foreign items - net	400	584	984	388	-	388
Domestic and foreign items - net	1,545	10,669	12,214	1,094	13,715	14,809

As at 30 June 2010, the Bank has promissory notes of Baht 547 million (31 December 2009: Baht 547 million), that had been issued by finance companies which were ordered to be closed, and are avaled by the Financial Institution Development Fund ("the FIDF").

The FIDF recalls promissory notes amounting to Baht 544 million (31 December 2009: Baht 544 million) to cancel the aval since the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory note to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the balance sheet date such promissory note avaled by FIDF has been presented as assets and the related obligation has been presented as liabilities at the same amount Baht 544 million (31 December 2009: Baht 544 million).

7 Investments

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Value at cost method/equity method	21,976	21,225	24,194	23,579
<u>Add</u> Allowance for revaluation	126	54	109	38
<u>Less</u> Allowance for impairment	(516)	(565)	(1,847)	(1,989)
Net book value	21,586	20,714	22,456	21,628

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

7 Investments (Cont'd)

7.1 Classified by types of investment

	Consolidated financial statements				Separate financial statements			
	30 June 2010		31 December 2009		30 June 2010		31 December 2009	
	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht
Short-term investments:								
Securities held for trading								
Government and state enterprises securities	1,406	1,407	405	404	1,406	1,407	380	379
Private sector debt securities	1	1	26	26	1	1	6	6
Domestic marketable equity securities	3	4	76	82	-	-	-	-
Total	1,410	1,412	507	512	1,407	1,408	386	385
Add (less) Allowance for revaluation	2	-	5	-	1	-	(1)	-
Securities held for trading - net	1,412	1,412	512	512	1,408	1,408	385	385
Available-for-sales securities								
Government and state enterprises securities	2,289	2,290	4,536	4,538	2,289	2,290	4,488	4,490
Private sector debt securities	1	-	55	54	1	-	54	53
Domestic marketable equity securities	27	19	27	17	-	-	-	-
Total	2,317	2,309	4,618	4,609	2,290	2,290	4,542	4,543
Add Allowance for revaluation	18	-	17	-	1	-	2	-
Less Allowance for impairment	(26)	-	(26)	-	(1)	-	(1)	-
Available-for-sales securities - net	2,309	2,309	4,609	4,609	2,290	2,290	4,543	4,543
Held-to-maturity debt securities								
Government and state enterprises securities	1,000	-	-	-	1,000	-	-	-
Held-to-maturity debt securities - net	1,000	-	-	-	1,000	-	-	-
Short-term investments - net	4,721	5,121	5,121	5,121	4,698	4,928	4,928	4,928

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

7 Investments (Cont'd)

7.1 Classified by types of investment (Cont'd)

	Consolidated financial statements				Separate financial statements			
	30 June 2010		31 December 2009		30 June 2010		31 December 2009	
	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht
Long-term investments:								
Available-for-sales securities								
Government and state enterprises securities	1,512	1,516	35	35	1,512	1,516	-	-
Private sector debt securities	-	-	38	39	-	-	-	-
Domestic marketable equity securities	2,515	2,616	2,571	2,597	2,504	2,605	2,512	2,544
Total	4,027	4,132	2,644	2,671	4,016	4,121	2,512	2,544
Add Allowance for revaluation	106	-	32	-	106	-	37	-
Less Allowance for impairment	(1)	-	(5)	-	(1)	-	(5)	-
Available-for-sales securities - net	4,132	4,132	2,671	2,671	4,121	4,121	2,544	2,544
Held-to-maturity debt securities								
Promissory notes issued by Thai Asset Management Corporation (Note 37)	800		800		800		800	
Government and state enterprises securities	7,730		6,660		7,730		6,660	
Overseas debt securities	2,821		3,887		2,821		3,887	
Total	11,351		11,347		11,351		11,347	
Less Allowance for impairment	(54)		(54)		(54)		(54)	
Held-to-maturity debt securities - net	11,297		11,293		11,297		11,293	
General investments								
Private sector debt securities	1		1		1		1	
Domestic non-marketable equity securities	646		666		646		665	
Overseas non-marketable equity securities	13		14		13		14	
Investments in receivables (Note 7.6)	1,047		1,213		1,001		1,085	
Total	1,707		1,894		1,661		1,765	
Less Allowance for impairment	(425)		(470)		(388)		(366)	
General investments - net	1,282		1,424		1,273		1,399	
Long-term investments - net	16,711		15,388		16,691		15,236	

7 Investments (Cont'd)

7.1 Classified by types of investment (Cont'd)

- (a) As of 30 June 2010, the Bank had foreign currency denominated debt investments in structured notes totalling USD 70 million or Baht 2,271 million (31 December 2009: USD100 million or Baht 3,337 million), which have been classified as the held-to-maturity investments and are recorded under the cost method. Such notes were issued by foreign financial institutions and banks whose ratings were A or better. The notes have remaining lives of 1 and 6 years and contain conditions related to interest to be received by the Bank and/or early repayment rights of the note issuers.

As at 30 June 2010, the estimated price of the notes quoted by arrangers is approximately 99 percent (31 December 2009: 98 percent). The Bank has not set aside allowance for impairment on such investment because the Bank's management are confident that all notes will be recovered in full on the maturity date or when the issuer early redeems the notes.

- (b) As at 30 June 2010, held-to-maturity debt securities classified as long-term investments included promissory notes which were received from TAMC in settlement for non-performing loans transferred to TAMC (as already discussed in Note 37 to the interim financial statements) amounting to Baht 800 million (31 December 2009: Baht 800 million). Such promissory notes are non-transferable and avaled by the FIDF.
- (c) As at 30 June 2010, the Bank has an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million (31 December 2009: Baht 2,500 million) and it is presented at its fair value of Baht 2,603 million (31 December 2009: Baht 2,535 million), with the gain from revaluation amounting to Baht 103 million (31 December 2009: Baht 35 million) presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 40 (former number) concerning Accounting for Investment in Debt and Equity Securities. The investee fund was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a 10-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.
- (d) As at 30 June 2010 and 31 December 2009, the Bank has investments which are pledged as collateral, as mentioned in Note 31.1 to the interim financial statements.

7 Investments (Cont'd)

7.2 Classified by the remaining period to maturity of the debt securities

	Consolidated financial statements							
	30 June 2010				31 December 2009			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities	2,289	1,512	-	3,801	4,536	32	3	4,571
Private sector debt securities	1	-	-	1	55	35	3	93
Total	2,290	1,512	-	3,802	4,591	67	6	4,664
<u>Add</u> Allowance for revaluation	1	4	-	5	2	-	1	3
<u>Less</u> Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sales securities - net	2,290	1,516	-	3,806	4,592	67	7	4,666
Held-to-maturity securities								
Promissory notes issued by TAMC	-	800	-	800	-	792	8	800
Government and state enterprises securities	1,000	7,575	154	8,729	-	6,505	155	6,660
Overseas debt securities	-	2,172	649	2,821	-	2,219	1,668	3,887
Total	1,000	10,547	803	12,350	-	9,516	1,831	11,347
<u>Less</u> Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Held-to-maturity securities - net	1,000	10,493	803	12,296	-	9,462	1,831	11,293
General investments								
Private sector debt securities	-	-	1	1	-	-	1	1
<u>Less</u> Allowance for impairment	-	-	(1)	(1)	-	-	(1)	(1)
General investments - net	-	-	-	-	-	-	-	-
Total debt securities	3,290	12,009	803	16,102	4,592	9,529	1,838	15,959

7 Investments (Cont'd)

7.2 Classified by the remaining period to maturity of the debt securities (Cont'd)

	Separate financial statements							
	30 June 2010				31 December 2009			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities	2,289	1,512	-	3,801	4,488	-	-	4,488
Private sector debt securities	1	-	-	1	54	-	-	54
Total	2,290	1,512	-	3,802	4,542	-	-	4,542
Add Allowance for revaluation	1	4	-	5	2	-	-	2
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sales securities - net	2,290	1,516	-	3,806	4,543	-	-	4,543
Held-to-maturity securities								
Promissory notes issued by TAMC	-	800	-	800	-	792	8	800
Government and state enterprises securities	1,000	7,575	154	8,729	-	6,505	155	6,660
Overseas debt securities	-	2,172	649	2,821	-	2,219	1,668	3,887
Total	1,000	10,547	803	12,350	-	9,516	1,831	11,347
Less Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Held-to-maturity securities - net	1,000	10,493	803	12,296	-	9,462	1,831	11,293
General investments								
Private sector debt securities	-	-	1	1	-	-	1	1
Less Allowance for impairment	-	-	(1)	(1)	-	-	(1)	(1)
General investments - net	-	-	-	-	-	-	-	-
Total debt securities	3,290	12,009	803	16,102	4,543	9,462	1,831	15,836

7 Investments (Cont'd)

7.3 Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10%

The following are equity securities in which the Bank and its subsidiaries hold more than 10% of the paid-up share capital of the investee companies but those companies were not classified as subsidiaries and associated companies. The investments classified by industry are as follows:

	Consolidated and separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht
Commercial business	2	2
Property development	1	1
Public utilities and services	17	17
Bank and Finance	4	4
Total	24	24
<u>Less</u> Allowance for impairment	(10)	(10)
Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10% - net	14	14

7.4 Investments in investment units in which the Bank and its subsidiaries hold more than 10%

Investments in investment units in which the Bank and its subsidiaries hold more than 10% of the paid-up fund, which are not treated as subsidiaries and associated companies. The investments classified by type of fund are as follows:

	Consolidated and separate financial statements			
	30 June 2010		31 December 2009	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	246	243	264	264
<u>Less</u> Allowance for impairment	(3)		(3)	
General investments - net	243		261	

7 Investments (Cont'd)

7.5 Investments in companies having problems relating to financial position and operating results

As at 30 June 2010 and 31 December 2009, the Bank and its subsidiaries have the following investments in companies, which have problems relating to financial positions and operating results:

Consolidated and separate financial statements								
30 June 2010				31 December 2009				
Number of companies	Cost Million Baht	Allowance for Revaluation/ Impairment Million Baht	Book Value Million Baht	Number of companies	Cost Million Baht	Allowance for Revaluation/ Impairment Million Baht	Book Value Million Baht	
Listed companies under delisting conditions	2	-	-	3	-	-	-	-
Companies with problems regarding to business continuity and/or weak financial status and operating performance	53	50	(40)	53	50	(40)	10	
Defaulted debt securities	18	2	(2)	17	1	(1)	-	
	73	52	(42)	73	51	(41)	10	

7.6 Investments in receivables

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Investments in receivables	1,047	1,213	1,001	1,085
Less: Allowance for impairment	(213)	(258)	(177)	(154)
Investments in receivables - net	834	955	824	931

As at 30 June 2010 and 31 December 2009, the outstanding balances of loan receivables can be summarised as follows:

	30 June 2010				31 December 2009			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (Yield) * %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (Yield) * %
Consolidated financial statements								
Total accumulated investments in receivables	6,046	24,833	7,069	19	14,730	24,916	7,075	19
Outstanding investments in receivables as at the balance sheet date	369	4,194	1,047		12,366	10,382	1,213	
Separate financial statements								
Total accumulated investments in receivables	5,857	22,948	6,996		5,857	22,948	6,996	
Outstanding investments in receivables as at the balance sheet date	214	2,593	1,001		239	2,675	1,085	

* Excluded yield of investment in receivable of a subsidiary which the outstanding as at 30 June 2010 is Baht 47 million (31 December 2009: Baht 48 million).

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

7 Investments (Cont'd)

7.7 Investments in subsidiary and associated companies

		Consolidated financial statements									
		Investment value								Dividend received for the six-month periods ended 30 June	
Company name	Nature of business	Paid-up share capital		Percentage of holding		Cost method		Equity method			
		30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	2010	2009
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary - not included in consolidated financial statements											
Krung Thai Thanakit Finance Plc.	In process of liquidation	388	388	99	99	562	562	154	154	-	-
Associated company											
Worldclass Rent a Car Co., Ltd.	Car rental	380	380	20	20	-	61	-	61	-	-
Total						562	623	154	215		
Less Allowance for impairment						(304)	(314)	-	(10)	-	-
Investments in subsidiary and associated companies-net						258	309	154	205		

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

7 Investments (Cont'd)

7.7 Investments in subsidiary and associated companies (Cont'd)

		Separate financial statements							
Company name	Nature of business	Paid-up share capital		Percentage of holding		Investment value		Dividend received for the six- month periods ended 30 June	
		30 June 2010	31 December 2009	30 June 2010	31 December 2009	Cost method		2010	2009
		Million Baht	Million Baht	%	%	30 June 2010	31 December 2009		
Subsidiaries - included in consolidated financial statements									
BT Insurance Co., Ltd	Non-life insurance	300	300	100	100	-	236	-	-
CIMB Securities (Thailand) Co., Ltd. (Formerly known as "BT Securities Co., Ltd.")	Securities	500	500	100	100	1,175	1,175	-	-
BT Business Consulting Co., Ltd.	Consultancy services	33	33	100	100	32	32	-	-
BT Leasing Co., Ltd.	Leasing/ hire purchase	275	275	100	100	453	453	-	-
BT Asset Management Co., Ltd.	Fund manager	235	235	-	100	-	235	-	-
Sathorn Asset Management Co., Ltd.	Asset management	25	25	100	100	-	25	-	-
BT Worldlease Co., Ltd.	Hire purchase - motorcycles, motorcycle trading	240	240	75	75	248	248	-	-
Subsidiary - not included in consolidated financial statements									
Krung Thai Thanakit Finance Plc.	In process of liquidation	388	388	99	99	562	562	-	-
Associated company									
Worldclass Rent a Car Co., Ltd.	Car rental	380	380	20	20	-	61	-	-
Total						2,470	3,027		
Less Allowance for impairment						(1,402)	(1,563)	-	-
Investments in subsidiary and associated companies - net						1,068	1,464		

7 Investments (Cont'd)

7.7 Investments in subsidiary and associated companies (Cont'd)

The Board of Directors' meeting no. 4/2010 on 12 March 2010 and the 2009 annual general shareholder meeting on 29 April 2010 resolved that the Bank sells its investment in equity of BT Insurance Co., Ltd. 29,999,910 shares which was 99.99% of its paid-up capital to the acquirer outside the Group. Besides, the Board of Directors' meeting no. 5/2010 on 25 March 2010 and the 2009 annual general shareholder meeting on 29 April 2010 also approved changing in shareholding structure of the Bank by allowing the Bank to sell its investment in Sathorn Asset Management Co., Ltd. 24,999,993 shares which was 99.99% of its paid-up capital, BT Asset Management Co., Ltd. 23,999,993 shares which was 99.99% of its paid-up capital and World Class Rent a Car Co., Ltd. 760,000 shares which was 20% of its paid-up capital to companies in the same group assigned by the parent company.

As at 30 June 2010, the Bank sold its shares in Bank Thai Asset Management and record receivable from selling amounting to Baht 250 million. Gain from sales recognised in consolidated income statement at amount of Baht 218 million (separate income statement Baht 162 million).

Subsequent Event

On 23 July 2010, the Bank transferred shares of World Class Rent a Car Co., Ltd. and recorded the sale proceeds amounting to Baht 74 million. Gain from sale with an amount of Baht 23 million has been recognised in the income statement on the selling date.

8 Loans and accrued interest receivables

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Loans	88,402	85,996	86,838	81,180
Accrued interest receivables	204	255	179	198
Total loans and accrued interest receivables	88,606	86,251	87,017	81,378
<u>Less</u> Allowance for doubtful debts (Note 9)	(4,762)	(7,944)	(4,329)	(4,237)
<u>Less</u> Revaluation allowance for debt restructuring (Note 10)	(9)	(9)	(9)	(9)
Loans and accrued interest receivables	83,835	78,298	82,679	77,132

8 Loans And Accrued Interest Receivables (Cont'd)

8.1 Classified by loan type

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Bank overdrafts	5,768	5,671	5,772	5,655
Loans	58,562	57,439	58,562	54,786
Bills*	19,069	18,545	22,439	20,679
Hire purchase receivables*	4,348	3,592	-	-
Financial lease receivables*	256	256	-	-
Securities business receivables	334	432	-	-
Others	65	61	65	60
Total loans	88,402	85,996	86,838	81,180
Add Accrued interest receivables	204	255	179	198
Total loans and accrued interest receivables	88,606	86,251	87,017	81,378
Less Allowance for doubtful debts (Note 9)	(4,762)	(7,944)	(4,329)	(4,237)
Less Revaluation allowance for debt restructuring (Note 10)	(9)	(9)	(9)	(9)
Loans and accrued interest receivables - net	83,835	78,298	82,679	77,132

* Those amounts have been presented net from unearned interest income as at 30 June 2010 total of Baht 1,245 million (31 December 2009: Baht 979 million) and in separate financial statements Baht 2 million (31 December 2009: Baht 5 million).

8.2 Classified by remaining period of contract

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Not over 1 year*	35,996	37,706	35,130	33,473
Over 1 year	52,610	48,545	51,887	47,905
Total loans and accrued interest receivables	88,606	86,251	87,017	81,378

* Includes loans for which the debtors have been unable to comply with the agreement and of which the Bank has the right to demand payment at call.

8 Loans And Accrued Interest Receivables (Cont'd)

8.3 Classified by currency and residency of debtors

Consolidated financial statements						
	30 June 2010			31 December 2009		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	85,610	-	85,610	84,170	73	84,243
US dollar	2,900	-	2,900	1,943	-	1,943
Other currencies	96	-	96	65	-	65
Total loans and accrued interest receivables	88,606	-	88,606	86,178	73	86,251

Separate financial statements						
	30 June 2010			31 December 2009		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	84,021	-	84,021	79,370	-	79,370
US dollar	2,900	-	2,900	1,943	-	1,943
Other currencies	96	-	96	65	-	65
Total loans and accrued interest receivables	87,017	-	87,017	81,378	-	81,378

8.4 Classified by types of business and loan classification

Consolidated financial statements							
30 June 2010							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	346	218	-	19	61	-	644
Manufacturing and commerce	27,824	4,232	1,104	429	2,725	-	36,314
Real estate and construction	3,500	2,557	282	43	777	-	7,159
Public utilities and services	9,752	2,565	143	50	1,163	-	13,673
Personal cash	5,496	324	277	-	16	-	6,113
Housing loans	13,930	174	130	97	431	-	14,762
Hire purchase receivable and financial lease receivable	-	-	-	-	-	4,628	4,628
Others	4,696	64	39	46	133	335	5,313
Total loans and accrued interest receivables	65,544	10,134	1,975	684	5,306	4,963	88,606

8 Loans And Accrued Interest Receivables (Cont'd)

8.4 Classified by types of business and loan classification (Cont'd)

Consolidated financial statements							
31 December 2009							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	316	225	-	4	148	-	693
Manufacturing and commerce	22,355	4,684	1,487	471	6,101	-	35,098
Real estate and construction	4,622	2,840	411	237	879	-	8,989
Public utilities and services	9,319	2,858	158	173	1,064	-	13,572
Personal cash	6,449	374	337	-	20	-	7,180
Housing loans	10,860	226	88	146	387	-	11,707
Hire purchase receivable and financial lease receivable	-	-	-	-	-	3,871	3,871
Others	4,269	84	51	80	224	433	5,141
Total loans and accrued interest receivables	58,190	11,291	2,532	1,111	8,823	4,304	86,251

Separate financial statements						
30 June 2010						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	346	218	-	19	61	644
Manufacturing and commerce	27,824	4,232	1,104	429	2,725	36,314
Real estate and construction	3,500	2,557	282	43	777	7,159
Public utilities and services	9,756	2,565	143	50	1,163	13,677
Personal cash	5,496	324	277	-	16	6,113
Housing loans	13,930	174	130	97	431	14,762
Others	8,066	64	39	46	133	8,348
Total loans and accrued interest receivables	68,918	10,134	1,975	684	5,306	87,017

Separate financial statements						
31 December 2009						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	316	225	-	4	60	605
Manufacturing and commerce	22,322	4,684	1,487	471	3,238	32,202
Real estate and construction	4,622	2,840	411	237	715	8,825
Public utilities and services	9,318	2,858	158	173	1,057	13,564
Personal cash	6,449	374	337	-	20	7,180
Housing loans	10,858	226	88	146	323	11,641
Others	7,057	84	51	80	89	7,361
Total loans and accrued interest receivables	60,942	11,291	2,532	1,111	5,502	81,378

8 Loans And Accrued Interest Receivables (Cont'd)

8.5 Classification of loans

The Bank and its subsidiaries classified loans by loan classification and/or based on the over due date as summarised below.

a) Loans of the Bank and its subsidiaries

	Consolidated financial statements							
	30 June 2010				31 December 2009			
	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht
Pass	65,544	23,017	1	288	58,190	19,810	1	247
Special mention	10,134	1,843	2	34	11,291	2,694	2	51
Sub-standard	1,975	1,045	100	1,085	2,532	1,119	100	1,142
Doubtful	684	232	100	271	1,111	318	100	358
Doubtful of loss	5,306	2,044	100	2,256	8,823	5,350	100	5,558
Total	83,643	28,181		3,934	81,947	29,291		7,356
General provision for further losses				395				146
Total				4,329				7,502

⁽¹⁾ For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with BoT's notification No. Sor Nor Sor 31/2551, the debt balance after collateral is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

	Separate financial statements							
	30 June 2010				31 December 2009			
	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽²⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽²⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht
Pass	68,918	26,391	1	288	60,942	22,566	1	247
Special mention	10,134	1,843	2	34	11,291	2,694	2	51
Sub-standard	1,975	1,045	100	1,085	2,532	1,119	100	1,141
Doubtful	684	232	100	271	1,111	318	100	357
Doubtful of loss	5,306	2,044	100	2,256	5,502	2,195	100	2,404
Total	87,017	31,555		3,934	81,378	28,892		4,200
General provision for further losses				395				37
Total				4,329				4,237

⁽²⁾ For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with BoT's notification No. Sor Nor Sor 31/2551, the debt balance after collateral is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 30 June 2010, there were defaulted loans amounting to Baht 7,250 million (31 December 2009: Baht 7,658 million), for which the Bank has ceased accrual of interest income on accrual basis.

8 Loans and accrued interest receivables (Cont'd)

8.5 Classification of loans (Cont'd)

b) Securities business receivables of the subsidiary

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Pass	259	356	-	-	-	-
Sub-standard debt	19	16	-	-	-	-
Doubtful debt	57	61	57	61	64	78
Total	335	433	57	61	64	78

c) Hire-purchase receivables and financial lease receivables of the subsidiaries

As at 30 June 2010 and 31 December 2009, hire-purchase receivables and financial lease receivables of the subsidiaries are classified based on the over due date as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Current or overdue less than 1 installment	3,879	3,105	39	30
Overdue 2 - 3 installments	419	427	8	9
Overdue 4 - 6 installments	36	44	28	30
Overdue 7 - 12 installments	25	22	25	22
Overdue more than 12 installments	264	268	264	268
Debtors under litigation	5	5	5	5
Total	4,628	3,871	369	364

8.6 Non-performing loans

As at 30 June 2010 and 31 December 2009, the Bank and its subsidiaries had the following non-performing loans, according to the criteria set up by the BoT and the Office of the Securities and Exchange Commission:

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Non-performing loans (principal only)				
Banking business	7,958	9,132	7,958	9,132
Asset management business	-	3,290	-	-
Other businesses	355	363	-	-

As at 30 June 2010 and 31 December 2009, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT, defining non-performing loans to be the debts classified as sub-standard, doubtful and doubtful of loss and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with the BoT's criteria have already been fulfilled.

8 Loans and accrued interest receivables (Cont'd)

8.7 Hire purchase and finance lease receivables

As at 30 June 2010, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 4,259 million (31 December 2009 : Baht 3,507 million), and mostly comprise hire purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between 3 and 6 years and under most interest is charged at a fixed rate.

Consolidated financial statements as at 30 June 2010					
Amounts due under lease agreement					
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	2,087	3,270	144	370	5,871
<u>Less</u> Unearned finance income	(516)	(653)	(34)	(40)	(1,243)
Present value of minimum lease payments receivable	1,571	2,617	110	330	4,628
<u>Less</u> Allowance for doubtful accounts					(369)
Net receivables under hire purchase agreements and financial leases					4,259

Consolidated financial statements as at 31 December 2009					
Amounts due under lease agreement					
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	1,893	2,551	22	379	4,845
<u>Less</u> Unearned finance income	(529)	(404)	(1)	(40)	(974)
Present value of minimum lease payments receivable	1,364	2,147	21	339	3,871
<u>Less</u> Allowance for doubtful accounts					(364)
Net receivables under hire purchase agreements and financial leases					3,507

8.8 Troubled debt restructuring

During for the six-month period ended 30 June 2010 and for the year ended 31 December 2009, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below:

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Number of debtors	1,935	4,672	1,935	4,656
Debt balances (Million Baht)	2,220	2,367	2,220	2,323

8 Loans and accrued interest receivables (Cont'd)

8.8 Troubled debt restructuring (Cont'd)

The restructured debtors referred to above can be classified by method of troubled debt restructuring as described below.

Consolidated financial statements					
For the six-month period ended 30 June 2010					
Number of debtors	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt restructuring Million Baht
	Before restructuring Million Baht	After restructuring Million Baht			
Modification of terms of payments	1,934	2,186	2,162 - Land and land with premises	-	24
Combination of methods	1	34	10 - Land and land with premises	24	-
			- Others	-	-
Total	1,935	2,220		24	24
Loans and accrued interest receivables as at 30 June 2010	201,411	88,606			

Consolidated financial statements					
For the year ended 31 December 2009					
Number of debtors	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt restructuring Million Baht
	Before restructuring Million Baht	After restructuring Million Baht			
Modification of terms of payments	4,672	2,367	2,282 -	-	85
Total	4,672	2,367		-	85
Loans and accrued interest receivables as at 31 December 2009	197,203	86,251			

Separate financial statements					
For the six-month period ended 30 June 2010					
Number of debtors	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt restructuring Million Baht
	Before restructuring Million Baht	After restructuring Million Baht			
Modification of terms of payments	1,934	2,186	2,162 - Land and land with premises	-	24
Combination of methods	1	34	10 - Land and land with premises	24	-
			- Others	-	-
Total	1,935	2,220		24	24
Loans and accrued interest receivables as at 30 June 2010	142,369	87,017			

8 Loans and accrued interest receivables (Cont'd)

8.8 Troubled debt restructuring (Cont'd)

Separate financial statements					
For the year ended 31 December 2009					
	Number of debtors	Debt balances		Type of assets transferred	Loss on troubled debt restructuring
		Before restructuring Million Baht	After restructuring Million Baht		
Modification of terms of payments	4,656	2,323	2,238	-	85
Total	4,656	2,323	2,238	-	85
Loans and accrued interest receivables as at 31 December 2009	143,263	81,378			

The debts restructured by means of modification of the term of repayment and combination of methods referred to above can be classified by the term of repayment under the restructuring agreements as follows:

Consolidated financial statements						
Period of debts restructuring contracts	For the six-month period ended 30 June 2010			For the year ended 31 December 2009		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring Million Baht	After restructuring Million Baht		Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	532	509	485	1,534	1,152	1,067
5 - 10 years	1,376	1,316	1,292	3,106	964	964
10 - 15 years	8	365	365	15	189	189
More than 15 years	19	30	30	17	62	62
Total	1,935	2,220	2,172	4,672	2,367	2,282

Separate financial statements						
Period of debts restructuring contracts	For the six-month period ended 30 June 2010			For the year ended 31 December 2009		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring Million Baht	After restructuring Million Baht		Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	532	509	485	1,526	1,139	1,054
5 - 10 years	1,376	1,316	1,292	3,101	934	934
10 - 15 years	8	365	365	13	189	189
More than 15 years	19	30	30	16	61	61
Total	1,935	2,220	2,172	4,656	2,323	2,238

8 Loans and accrued interest receivables (Cont'd)

8.8 Troubled debt restructuring (Cont'd)

Supplemental information for the six-month period ended 30 June 2010 and for the year ended 31 December 2009 relating to the restructured debts is as follow:

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended 30 June 2010	For the year ended 31 December 2009	For the six-month period ended 30 June 2010	For the year ended 31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht
Losses on debt restructuring due to debtors being able to comply with debt restructuring conditions during the period/year	3	151	3	136
Cash settlement by debtors				
Principal	558	1,203	557	1,193
Interest	196	390	195	371

As at 30 June 2010 and 31 December 2009, the troubled debtors for which the Bank and its subsidiaries completed their debt restructuring can be summarised as follow:

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Number of debtors (Number)	7,830	7,608	7,827	7,591
Debt balances after restructuring (Million Baht)	4,179	3,241	4,154	3,173

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 30 June 2010, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 9 million (31 December 2009: Baht 9 million) for which the Bank had provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 30 June 2010 the Bank may have to realise additional losses from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements approximately Baht 44 million (31 December 2009: Baht 40 million). The Bank had already provided as a provision for such losses, which is presented as part of the allowance for doubtful debts in the balance sheet.

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

9 Allowance for doubtful debts

Consolidated financial statements									
30 June 2010									
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire purchase receivables Million Baht	Grand total Million Baht
Balance as at 31 December 2009	247	51	1,142	358	5,558	146	7,502	442	7,944
<u>Add</u> Addition	-	-	-	-	-	332	332	2	334
Reversal of bad debts	-	-	-	-	-	-	-	-	-
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	130	130	-	130
Reversal of allowance made for settled debts	-	-	-	-	-	4	4	-	4
<u>Less</u> Bad debts written off	-	-	(359)	-	(9)	-	(368)	(11)	(379)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(4)	(4)	-	(4)
Transfer to allowance for interbank and money market	-	-	-	-	-	(2)	(2)	-	(2)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	41	(17)	302	(87)	(138)	(101)	-	-	-
Transfer to assets of disposal group classified as held for sales	-	-	-	-	(3,155)	(110)	(3,265)	-	(3,265)
Balance as at 30 June 2010	288	34	1,085	272	2,256	395	4,329	433	4,762

Consolidated financial statements									
31 December 2009									
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire purchase receivables Million Baht	Grand total Million Baht
Balance as at 31 December 2008	261	112	1,273	886	5,803	166	8,501	472	8,973
<u>Add</u> Addition	-	-	-	-	-	1,145	1,145	29	1,174
Reversal of bad debts	-	-	-	-	-	151	151	-	151
Allowance made for returned NPLs	-	-	-	-	33	-	33	-	33
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	15	15	-	15
<u>Less</u> Bad debts written off	-	-	(475)	(51)	(1,801)	(5)	(2,332)	(53)	(2,385)
Reversal of allowance made for settled debts	-	-	-	-	(7)	-	(7)	(6)	(13)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(4)	(4)	-	(4)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(14)	(61)	344	(477)	1,530	(1,322)	-	-	-
Balance as at 31 December 2009	247	51	1,142	358	5,558	146	7,502	442	7,944

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

9 Allowance for doubtful debts (Cont'd)

Separate financial statements							
30 June 2010							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 31 December 2009	247	51	1,141	357	2,404	37	4,237
<u>Add</u> Addition	-	-	-	-	-	332	332
Reversal of bad debts	-	-	-	-	-	-	-
Transferred from revaluations	-	-	-	-	-	-	-
allowance for debt restructuring	-	-	-	-	-	130	130
Reversal of allowance made for settled debts	-	-	-	-	-	4	4
<u>Less</u> Bad debts written off	-	-	(359)	-	(9)	-	(368)
Transfer to revaluation allowance	-	-	-	-	-	-	-
for debt restructuring	-	-	-	-	-	(4)	(4)
Transfer to allowance for interbank and	-	-	-	-	-	-	-
money market	-	-	-	-	-	(2)	(2)
Increase (decrease) due to change in							
classification or collateral value/transfer							
general provision to specific provision	41	(17)	303	(86)	(139)	(102)	-
Balance as at 30 June 2010	288	34	1,085	271	2,256	395	4,329

Separate financial statements							
31 December 2009							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 31 December 2008	249	112	1,243	802	2,693	150	5,249
<u>Add</u> Addition	-	-	-	-	-	1,145	1,145
Reversal of bad debts	-	-	-	-	-	151	151
Transferred from revaluation	-	-	-	-	-	-	-
allowance for debt restructuring	-	-	-	-	-	15	15
Reversal of allowances made for settled debts	-	-	-	-	13	-	13
<u>Less</u> Bad debts written off	-	-	(475)	(51)	(1,801)	(5)	(2,332)
Transfer to revaluation allowance	-	-	-	-	-	-	-
for debt restructuring	-	-	-	-	-	(4)	(4)
Increase (decrease) due to change in							
classification or collateral value/transfer							
general provision to specific provision	(2)	(61)	373	(394)	1,499	(1,415)	-
Balance as at 31 December 2009	247	51	1,141	357	2,404	37	4,237

10 Revaluation allowance for debt restructuring

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Balance - beginning of the period/year	9	20	9	20
Add Revaluation allowance transferred from allowance for doubtful debts	4	4	4	4
Less Revaluation allowance transferred to allowance for doubtful debts	(4)	(15)	(4)	(15)
Balance - end of the period/year	9	9	9	9

The write-off transactions and/or the adjustments of revaluation allowance for debt restructuring are transferred to allowance for doubtful debts.

11 Properties foreclosed

Properties foreclosed represent properties foreclosed from debtors as a result of debt restructuring, or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, or unused assets transferred as a result of merger and awaiting disposal.

	Consolidated financial statements				
	For the six-month periods ended 30 June 2010				
	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals Million Baht	Transfer to assets held for sale Million Baht	Balance as at 30 June 2010 Million Baht
Immovable					
- Assessed by external appraiser	3,027	10	(87)	(167)	2,783
Movable	19	162	(168)	-	13
Total	3,046	172	(255)	(167)	2,796
Less Allowance for impairment	(636)	(66)	78	8	(616)
Properties foreclosed - net	2,410	106	(177)	(159)	2,180

	Consolidated financial statements				
	For the year ended 31 December 2009				
	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals Million Baht	Transfer to assets held for sale Million Baht	Balance as at 30 June 2010 Million Baht
Immovable					
- Assessed by external appraiser	3,204	55	(232)	-	3,027
Movable	41	429	(451)	-	19
Total	3,245	484	(683)	-	3,046
Less Allowance for impairment	(762)	(162)	288	-	(636)
Properties foreclosed - net	2,483	322	(395)	-	2,410

11 Properties foreclosed (Cont'd)

Separate financial statements			
For the six-month periods ended 30 June 2010			
Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals Million Baht	Balance as at 30 June 2010 Million Baht
Immovable			
- Assessed by external appraiser	2,852	10	(87)
			2,775
Total	2,852	10	(87)
			2,775
<u>Less</u> Allowance for impairment	(620)	(3)	12
			(611)
Properties foreclosed - net	2,232	7	(75)
			2,164

Separate financial statements			
For the year ended 31 December 2009			
Balance as at 31 December 2008 Million Baht	Additions Million Baht	Disposals Million Baht	Balance as at 31 December 2009 Million Baht
Immovable			
- Assessed by external appraiser	3,017	53	(218)
			2,852
Total	3,017	53	(218)
			2,852
<u>Less</u> Allowance for impairment	(740)	-	120
			(620)
Properties foreclosed - net	2,277	53	(98)
			2,232

The Bank provides allowance for impairment of properties foreclosed by reference to appraisal value. The Bank appraise or review the fair value of properties foreclosed annually in accordance with the Notification of the Bank of Thailand. However, the actual selling price may differ from the appraisal value. In addition, the Bank is subject to restrictions on the allowable periods it may hold such properties, as stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowable periods, the Bank has to set aside additional provision in accordance with the Bank of Thailand guidelines. The Bank's management believes that the carrying value of such properties is suitable to the current situation and the current disposal plan of its properties foreclosed.

CIMB THAI Bank Public Company Limited

Notes to interim consolidated and separate financial statements

For the six-month period ended 30 June 2010 and 2009

12 Premises and equipments

	Consolidated financial statement											
	Cost				Accumulated depreciation							
	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	Transfer to assets held for sale Million Baht	Balance as at 30 June 2010 Million Baht	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	Transfer to assets held for sale Million Baht	Balance as at 30 June 2010 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	804	-	(237)	-	567	-	-	-	-	-	-	567
Revaluation surplus (Revaluation in year 2006)	470	-	(18)	-	452	-	-	-	-	-	-	452
Devaluation of asset (Revaluation in year 2006)	(88)	-	-	-	(88)	-	-	-	-	-	-	(88)
Buildings												
Cost	2,818	20	(731)	-	2,107	(1,227)	(45)	369	-	(903)	-	1,204
Revaluation surplus (Revaluation in year 2006)	456	-	(276)	-	180	(196)	(3)	139	-	(60)	-	120
Devaluation of asset (Revaluation in year 2006)	(177)	-	-	-	(177)	68	9	-	-	77	-	(100)
Equipments	2,401	117	(265)	(28)	2,225	(1,806)	(145)	175	23	(1,753)	(12)	460
Assets under installation and under construction	35	62	(24)	-	73	-	-	-	-	-	-	73
Total	6,719	199	(1,551)	(28)	5,339	(3,161)	(184)	683	23	(2,639)	(12)	2,688

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

12 Premises and equipments (Cont'd)

	Separate financial statement									
	Cost				Accumulated depreciation					
	Balance as at 31 December 2009		Disposals/ written off	Balance as at 30 June 2010	Balance as at 31 December 2009		Disposals/ written off	Balance as at 30 June 2010	Allowance for impairment	Net book value
	Million Baht	Additions Million Baht	Million Baht	Million Baht	Million Baht	Additions Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land										
Cost	804	-	(237)	567	-	-	-	-	-	567
Revaluation surplus (Revaluation in year 2006)	470	-	(18)	452	-	-	-	-	-	452
Devaluation of asset (Revaluation in year 2006)	(88)	-	-	(88)	-	-	-	-	-	(88)
Buildings										
Cost	2,772	20	(732)	2,060	(1,204)	(43)	369	(878)	-	1,182
Revaluation surplus (Revaluation in year 2006)	456	-	(276)	180	(196)	(3)	139	(60)	-	120
Devaluation of asset (Revaluation in year 2006)	(177)	-	-	(177)	68	9	-	77	-	(100)
Equipment	2,142	103	(237)	2,008	(1,597)	(134)	158	(1,573)	(12)	423
Assets under installation and under construction	32	60	(22)	70	-	-	-	-	-	70
Total	6,411	183	(1,522)	5,072	(2,929)	(171)	666	(2,434)	(12)	2,626

The Bank and its subsidiaries have some portion of equipments which already been fully depreciated. The cost of those fixed assets as at 30 June 2010 was Baht 1,188 million (31 December 2010: Baht 1,098 million) for separate financial statement: Baht 1,056 million (31 December 2010: Baht 972 million).

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

13 Intangible assets

Consolidated financial statements								
		Balance as at 31 December 2009 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Balance as at 30 June 2010 Million Baht
	Amortising period							
Expenditures in connection with development and improvement of computer systems - under development	-	428	72	(38)	(374)	-	(32)	56
Computer software	5 - 10 years	386	9	38	-	(40)	-	393
License Fee	5 years	6	-	-	-	(1)	-	5
Total		820	81	-	(374)	(41)	(32)	454
Less Allowance for impairment		(393)						(28)
Net intangible assets		427						426

Separate financial statements								
	Amortising period	Balance as at 31 December 2009 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Balance as at 30 June 2010 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	72	(43)	(374)	-	(27)	56
Computer software	5 - 10 years	373	8	43	-	(39)	-	385
License Fee	5 years	4	-	-	-	(1)	-	3
Total		805	80	-	(374)	(40)	(27)	444
Less Allowance for impairment		(393)						(28)
Net intangible assets		412						416

14. Assets of disposal group classified as held for sale and discontinued operations

Assets of disposal group classified as held for sale and discontinued operations is the investment in subsidiaries and associates that approved by the Bank to sell the shareholding according to the Note 7.7 as the following details.

Name	Separate financial statements	
	Cost method	
	30 June 2010 Million Baht	31 December 2009 Million Baht
Subsidiary - included in consolidated financial statements		
BT Insurance Co., Ltd.	236	-
Sathorn Asset Management Co., Ltd.	25	-
Associated company		
Worldclass Rent a Car Co., Ltd.	61	-
Less allowance for impairment	(10)	-
Investment in asset of disposal group classified as held for sale and discontinued operations	312	-

14. Assets of disposal group classified as held for sale and discontinued operations (Cont'd)

The details of statement of cash flow, assets and liabilities of asset of disposal group classified as held for sale and discontinued operations in consolidated financial statements are shown as follows:

a) Cash flows of assets of disposal group classified as held for sale and discontinued operations

	Consolidated financial statements	
	For the six-month periods ended	
	30 June 2010 Million Baht	30 June 2009 Million Baht
Operating cash flows	85	-
Investing cash flows	(49)	-
Financing cash flows	-	-
Total cash flows	36	-

b) Assets of disposal group classified as held for sale

	Consolidated financial statements	
	Balance as at	
	30 June 2010 Million Baht	31 December 2009 Million Baht
Interbank and money market	196	-
Investment - net	441	-
Property foreclose - net	159	-
Other assets	177	-
Total	973	-

c) Liabilities of disposal group classified as held for sale

	Consolidated financial statements	
	Balance as at	
	30 June 2010 Million Baht	31 December 2009 Million Baht
Unearned premium records	162	-
Loss reserve and claims outstanding	86	-
Premium received in advance	82	-
Other liabilities	89	-
Total	419	-

14. Assets of disposal group classified as held for sale and discontinued operations (Cont'd)

d) Operating result of disposal group classified as held for sale

		Consolidated financial statements (Unaudited)	
		For the three-month periods ended	
		30 June 2010	30 June 2009
		Million Baht	Million Baht
Revenue		123	-
Expense		(104)	-
Profit before tax of discontinued operations		19	-
Tax		45	-
Profit after tax of discontinued operations		64	-

		Consolidated financial statements	
		For the six-month periods ended	
		30 June 2010	30 June 2009
		Million Baht	Million Baht
Revenue		187	-
Expense		(127)	-
Profit before tax of discontinued operations		60	-
Tax		34	-
Profit after tax of discontinued operations		94	-

15 Other assets

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht
Accrued interest receivables	298	196	295	195
Credit support assets on derivative	402	331	402	331
Leasehold right	196	208	188	201
Advances	83	134	82	127
Receivable from sale investment	250	-	250	-
Others assets awaiting accounts transfer	211	431	211	431
Receivable from Clearing House	172	206	-	-
Other	319	461	264	325
Total	1,931	1,967	1,692	1,610
Less Allowance for impairment	(130)	(147)	(130)	(144)
Other assets - net	1,801	1,820	1,562	1,466

16 Deposits

16.1 Classified by type of deposits

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
At call	1,419	1,785	1,419	1,790
Savings	23,138	22,430	23,133	22,412
Fixed				
- Less than 6 months	50,663	50,765	50,676	50,775
- 6 months and up to 1 year	16,514	6,290	16,522	6,304
- Over 1 year	1,024	6,807	1,024	6,821
Negotiable certificate of deposit	345	322	345	322
Total deposits	93,103	88,399	93,119	88,424

16.2 Classified by the remaining period of contracts

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Not over 1 year*	92,070	81,581	92,086	81,592
Over 1 year	1,033	6,818	1,033	6,832
Total	93,103	88,399	93,119	88,424

* Included expired contracts

16.3 Classified by currency and residency of depositors

	Consolidated financial statements					
	30 June 2010			31 December 2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	92,363	499	92,862	87,651	669	88,320
US dollar	230	-	230	79	-	79
Other currencies	11	-	11	-	-	-
Total	92,604	499	93,103	87,730	669	88,399

	Separate financial statements					
	30 June 2010			31 December 2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	92,379	499	92,878	87,676	669	88,345
US dollar	230	-	230	79	-	79
Other currencies	11	-	11	-	-	-
Total	92,620	499	93,119	87,755	669	88,424

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

17 Interbank and money market items (liabilities)

	Consolidated financial statements					
	30 June 2010			31 December 2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	13	13	-	22	22
Commercial banks	13	770	783	6	5,700	5,706
Other banks	1	950	951	1	2,600	2,601
Finance, finance and securities, securities, credit foncier companies	304	422	726	223	70	293
Other financial institutions	300	1,648	1,948	308	308	616
Total domestic items	618	3,803	4,421	538	8,700	9,238
Foreign:						
US dollar	394	-	394	91	-	91
Other currencies	402	427	829	193	425	618
Total foreign items	796	427	1,223	284	425	709
Total domestic and foreign items	1,414	4,230	5,644	822	9,125	9,947
Separate financial statements						
	30 June 2010			31 December 2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	13	13	-	22	22
Commercial banks	12	500	512	6	5,500	5,506
Other banks	1	950	951	1	2,600	2,601
Finance, finance and securities, securities, credit foncier companies	402	422	824	332	70	402
Other financial institutions	301	1,648	1,949	324	309	633
Total domestic items	716	3,533	4,249	663	8,501	9,164
Foreign:						
US dollar	394	-	394	91	-	91
Other currencies	402	427	829	193	425	618
Total foreign items	796	427	1,223	284	425	709
Total domestic and foreign items	1,512	3,960	5,472	947	8,926	9,873

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

18 Borrowings

	Consolidated financial statements					
	30 June 2010			31 December 2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Hybrid instrument						
Hybrid securities of Baht 2,500 million maturing in 2019	-	2,500	2,500	-	2,500	2,500
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,622	1,622	-	1,668	1,668
Subordinated debentures of USD 40 million, maturing in 2017	-	1,298	1,298	-	1,335	1,335
Non-interest bearing subordinated debentures of Baht 120 million, maturing in 2014	98	-	98	95	-	95
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	642	5,420	6,062	639	5,503	6,142
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.00%-1.05% per annum	150	-	150	380	-	380
Bills of exchange maturing in 2010, coupon rate of 1.00-1.50% per annum	10,211	-	10,211	8,620	-	8,620
	10,361	-	10,361	9,000	-	9,000
Total	11,003	5,420	16,423	9,639	5,503	15,142
Less Current portion of long-term borrowings	(10,905)	-	(10,905)	(9,544)	-	(9,544)
Long-term borrowings - net	98	5,420	5,518	95	5,503	5,598
Separate financial statements						
	30 June 2010			31 December 2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Hybrid instrument						
Hybrid securities of Baht 2,500 million maturing in 2019	-	2,500	2,500	-	2,500	2,500
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,622	1,622	-	1,668	1,668
Subordinated debentures of USD 40 million, maturing in 2017	-	1,298	1,298	-	1,335	1,335
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	544	5,420	5,964	544	5,503	6,047
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.00% - 1.05% per annum	150	-	150	380	-	380
Bills of exchange maturing in 2010, coupon rate of 1.00 - 1.50% per annum	10,211	-	10,211	8,620	-	8,620
	10,361	-	10,361	9,000	-	9,000
Total	10,905	5,420	16,325	9,544	5,503	15,047
Less Current portion of long-term borrowings	(10,905)	-	(10,905)	(9,544)	-	(9,544)
Long-term borrowings - net	-	5,420	5,420	-	5,503	5,503

18 Borrowings (Cont'd)

- a) As at 30 June 2010, the Bank has domestic subordinated debentures of Baht 544 Million (31 December 2009: Baht 544 million) which transferred to the Bank since the merger date.
- b) On 16 February 2007, the Bank issued unsecured 400 units of a subordinated debenture with a face value of USD 100,000 each to overseas investors, at a price of USD 100,000 per unit, or for a total of USD 40 million. The notes have a tenor of 10 years, maturing on 20 February 2017, with an early redemption call option in the year 2012. They bear interest at the 6-month LIBOR US dollar deposit rate plus 350 basis points from year 1 - 5 and, at the 6-month LIBOR US dollar deposit rate plus 525 basis points from year 6 onwards. Interest is due on 20 February and 20 August every year (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date after 5 years.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the BoT.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank, within 120 days after the issue date.

The related expenses of Baht 23 million were recorded as a deferred expense and are amortised to expenses over the term of the debenture.

- c) On 17 July 2006, the Bank issued 50 unsecured and subordinated debentures with a face value of USD 1 million each to overseas investors, at a price of USD 1 million per unit, or for a total of USD 50 million. The notes have a tenor of 10 years, maturing on 17 July 2016, with an early redemption call option in the year 2011. They bear interest at the 6-month LIBOR US dollar deposits rate plus 350 basis points for the first 5 years, and at the 6-month LIBOR US dollar deposits rate plus 525 basis points after the optional redemption date in 2011. Interest is due every 17 July and 17 January (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date after 5 years.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the BoT.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank unless such obligations rank junior to or pari passu with the debentures.

The related expenses of Baht 38 million were recorded as a deferred expense and are amortised to expenses over the term of the debenture.

- d) On 27 March 2009, the Bank issued 2,500,000 Cumulative hybrid instruments with a face value of Baht 1,000 each, or a total of Baht 2,500 million. The debentures have a tenor of 10 years, maturing on 27 March 2019, with an early redemption call option 5 years after the issue date. They bear interest at 5.25% p.a. for the first 5 years, and 6.75% p.a. for year 6-10. Interest is due every 27 March and 27 September (under the specified conditions).

There is a call option in the following two cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the debentures cannot be counted as Hybrid Tier II Debt of the Bank.

In both cases, early redemption must be pre-approved by the BoT.

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

19 Other liabilities

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Credit support liabilities on derivative	428	258	428	258
Amount due to Department of Alternative Energy Development and Efficiency	521	380	521	380
Other liabilities awaiting accounts transfer	491	676	482	670
Unearned premium reserves	-	142	-	-
Reserve for off-balance sheet items	309	317	309	306
Provisions for contingent loss from legal cases	108	123	108	123
Accrued Expense	431	232	395	160
Others	304	658	154	333
Total	2,592	2,786	2,397	2,230

20 Share capital

The registered, share capital is as follows:

	Ordinary Shares	
	Number of Shares	Baht
As at 30 June 2010	16,315,934,756	8,157,967,378
As at 31 December 2009	13,349,401,164	6,674,700,582

Issued and paid-up capital is as follows:

	Ordinary Shares	
	Number of Shares	Baht
As at 30 June 2010	13,349,401,164	6,674,700,582
As at 31 December 2009	13,349,401,164	6,674,700,582

As at 30 June 2010, registered ordinary shares was 16,315,934,756 shares at Baht 0.50 each (31 December 2009: 13,349,401,164 shares at Baht 0.50 each).

Capital Increase

On 3 September 2008, the Extraordinary General Meeting of Shareholders No.2/2008 approved an increase in the registered capital, from Baht 25,030,127,182.50 to Baht 50,060,254,365 by issuing 6,674,700,582 new ordinary shares with a par value of Baht 3.75 each.

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved amendments of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2008 to change the previously stipulated offering price of not lower than Baht 0.66 to an offering price of Baht 0.38. The tendered share accepted by the offeror at completion of the offer period totaled 6,674,700,582 shares of Baht 2,536.38 million. As the result, on 18 March 2009, CIMB holds 12,435,069,760 shares, or equivalent to 93.15 percent of total issued and outstanding shares of the Bank.

The Bank registered an increased capital on 23 March 2009, after the registration of the capital increase, the registered capital and paid up capital is Baht 50,060,254,365 and share discount is Baht 33,100,728,672.96 (13,349,401,164 ordinary shares at 3.75 per share).

20 Share capital (Cont'd)

The Meeting of the General Meeting of Shareholders for the year 2010 on 29 April 2010 approved additional registered capital amounting to Baht 1,483,266,796 which will increase the current registered share from Baht 6,674,700,582 to Baht 8,157,967,378 by issuing additional ordinary shares 2,966,533,592 shares. The par value Baht 0.5 per share would offer to the existing shareholders at the ratio of two new shares for nine existing shares at price of Baht 1 per share. As at 3 June 2010, the Bank has registered the additional ordinary shares to the Department of Business Development. The Bank also expected the deal will be completed within September 2010.

Capital Reduction

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved the transfer of Baht 6,053,483.70 from the Bank's legal reserve to offset its deficit and a decrease of the registered capital by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share. The premium arising from the capital reduction exercise was used to offset the share discount and the deficit respectively. After such capital reduction, the registered share capital of the Bank will be reduced from Baht 50,060,254,365 to Baht 6,674,700,582.

On 12 March 2009, the Bank obtained approval from the BoT for the reduction of its capital from Baht 50,060,254,365 to Baht 6,674,700,582.

On 30 March 2009, the Bank transferred Baht 6,053,483.70 from the legal reserve to offset deficit and registered a capital reduction by means of reducing the par value of shares from of Baht 3.75 to Baht 0.50. The premium arising from the capital reduction exercise and the transfer of legal reserve being credited against the share discount of Baht 33,100,728,672.96 and the deficit of Baht 10,290,878,593.74.

Treasury stock - Bank's ordinary shares held by its subsidiaries

As at 31 December 2008, CIMB Securities (Thailand) Company limited (formerly known as "BT Securities Company Limited") and Krung Thai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, hold 124,589,637 of the Bank's ordinary shares. Investment in the Bank's ordinary shares is presented as treasury stock in the consolidated financial statements, and amounts to approximately Baht 460 million. The investments are recorded under the cost method, as a deduction item in shareholders' equity.

In January 2009, CIMB Securities (Thailand) Company limited (formerly known as "BT Securities Company Limited") and KrungThai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, sold ordinary shares of such treasury stock to CIMB Bank Berhad under the tender offer scheme at a price of Baht 2.10 per share, for a total of Baht 262 million. The loss on sale of such ordinary shares Baht 199 million are recorded directly against the Bank's deficit.

21 Revaluation surplus

This represents surplus arising from revaluation of land and premises. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets and transferred directly to retained earnings.

	Consolidated and separate financial statements	
	30 June 2010	31 December 2009
	Million Baht	Million Baht
Balance - beginning of period	729	749
Less Amortisation	(157)	(20)
Balance - end of period	<u>572</u>	<u>729</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

22 Revaluation surplus (deficit) on investments

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Revaluation surplus on investments:				
Debt securities	5	3	5	3
Equity securities	119	50	103	37
Total	124	53	108	40
Revaluation deficit on investments:				
Debt securities	-	(1)	-	(1)
Equity securities	-	(3)	-	-
Total	-	(4)	-	(1)
Revaluation surplus on investments - net	124	49	108	39

23 Statutory reserve

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside a statutory reserve of at least 5 percent of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. This reserve cannot be used to pay dividend.

24 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551. The capital funds comprises:

	30 June 2009 Million Baht	Total capital to risk assets %	31 December 2009 Million Baht	Total capital to risk assets %
<u>Tier I</u>				
Issued and paid up share capital	6,675		6,675	
Share discount	-		-	
Statutory reserve	3		-	
Deficit unappropriated	177		(444)	
Total	6,855	6.34	6,231	6.00
<u>Tier II</u>				
Revaluation surplus on assets	377		459	
Reserve for loan classified as pass	267		226	
Long-term subordinated debentures	3,337		3,030	
Hybrid securities	2,500		2,500	
Revaluation surplus on capital securities available-for-sale	46		16	
Total	6,527		6,231	
Total Tier I and Tier II capital funds	13,382		12,462	
<u>Less</u> Revaluation deficit on capital securities available-for-sale	-		-	
Total capital funds	13,382	12.37	12,462	11.99

The Bank will disclose capital maintenance information as at 30 June 2010 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks on its website at www.cimbthai.com within in 4 months after the balance sheet date.

25 Gains (losses) on investments

Gains (losses) on investments as presented in the income statements for six-month and three-month periods ended 30 June 2010 and 2009 consisted of the following:

	Consolidated financial statements (Unaudited)		Separate financial statements (Unaudited)	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Unrealised gains on revaluation of investments	1	13	1	-
Allowance for impairment of investments	(23)	(13)	(23)	(13)
Reverse allowance for impairment of investment in non-performing loans	-	4	-	-
Realised gains (losses) on securities trading				
Trading securities	16	(11)	16	(2)
Available-for-sale securities	14	212	6	210
General investments	1	52	1	52
Gain on sale investment from subsidiary (Note 33)	218	-	162	-
Realised gains from investment in non-performing loans	3	33	5	10
Gains (losses) on investments	230	286	168	257

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Unrealised gains on revaluation of investments	2	20	2	3
Allowance for impairment of investments	(23)	(40)	(23)	(40)
Reverse allowance for impairment of investment in non-performing loans	-	4	-	-
Realised gains (losses) on securities trading				
Trading securities	16	(12)	16	(1)
Available-for-sale securities	15	357	7	355
General investments	1	120	1	120
Gain on sale investment from subsidiary (Note 33)	218	-	162	-
Realised gains from investment in non-performing loans	5	79	5	25
Gains (losses) on investments	234	528	170	462

26 Other income

	Consolidated financial statements (Unaudited)		Separate financial statements (Unaudited)	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Gain on sales of properties foreclosed	8	2	8	2
Loss on sales of premises and equipments	(12)	-	(12)	-
Loss on sales of non-performing loans	(30)	-	(30)	-
Other income	22	40	24	18
Total	(12)	42	(10)	20

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Gain on sales of properties foreclosed	17	14	17	14
Gain on sale of office building	298	-	298	-
(Loss) gain on sales of premises and equipments	(20)	5	(20)	5
(Loss) gain on sales of non-performing loans	(30)	3	(30)	(3)
Other income	35	43	36	37
Total	300	65	301	59

27 Corporate income tax

No corporate income tax was payable for the period, after adding back certain non-deductible expenses and provisions for tax computation purposes and deducting tax exempted income to the profit/loss for the period, since the tax losses brought forward by the Bank exceeded net income for the period.

The corporate income tax presented in the consolidated financial statements is the corporate income tax of the Bank's subsidiaries.

28 Pension fund

The Bank has a policy to pay pension benefits to employees with more than 10 years of service and who resign in accordance with the rules and conditions stipulated by the Bank. Pension funds are reserved and charged to expenses in the statement of income based on number of years of service of each employee. In the event that any employee resigns and is not entitled to receive pension benefits, the Bank will reverse the pension fund contributions already reserved for such employee and charge the amount against the statements of income for the year in which he/she resigns. Such pension benefits are only provided to employees who are former employees of the Union Bank of Bangkok Public Company Limited. As at 30 June 2010, there were 643 employees (31 December 2009: 684 employees) to whom the Bank had such obligations, and the accrued benefits to these employees amounted to Baht 553 million (31 December 2009: Baht 524 million).

29 Provident fund

The Bank, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund at rate of 3 - 5 percent of their basic salaries and the Bank and its subsidiaries contribute at rate of 5 percent and pay to staff when resign under the terms and conditions as specify in the term and condition of provident funds. The fund, which is managed by Tisco Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. For the six-month periods ended 30 June 2010 amounts of Baht 39 million was contributed to the fund by the Bank and its subsidiaries (30 June 2009: Baht 40 million) and the Bank only was contributed by Baht 34 million (30 June 2009: Baht 33 Million).

30 Earnings (Losses) per share

Earnings (Losses) per share as presented in the consolidated income statements is basic earnings (losses) per share which is calculated by dividing net incomes (losses) for the periods by the weighted average number of ordinary shares held by outside shareholders in issue during the periods (net of treasury stocks held by subsidiaries in consolidated financial statements).

Earnings (Losses) per share as presented in the separate income statements is the basic earnings (losses) per share which is calculated by dividing the net incomes (losses) for the periods by weighted average number of ordinary shares held by outside shareholders in issue during the periods.

There are no potential dilutive ordinary shares in issue for the six-month periods ended 30 June 2010 and 2009.

31 Encumbrance of assets

31.1 Assets used as collateral

The Bank and its subsidiaries placed assets such as cash at banks, government and state enterprises bonds as collateral against the following:

	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
Utilities usage	9	9	9	9
Guarantees on loans	45	45	-	-
Others	36	14	-	-
Total	90	68	9	9

31.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities obtained as a result of debt restructuring, under the debt restructuring agreements. The Bank obligated to dispose off the investment after agreed periods, which range from 1 year to 20 years commencing from the date of the debt restructuring agreements.

As at 30 June 2010 and 31 December 2009, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and separate financial statements			
	30 June 2010		31 December 2009	
	Number of company	Cost Million Baht	Number of company	Cost Million Baht
2010	1	8	1	8
2011 onwards	2	-	2	-
Total	3	8	3	8

32 Commitments and contingent liabilities

32.1 Commitments

As at 30 June 2010 and 31 December 2009, significant commitments of the Bank consist of:

	Separate financial statements					
	30 June 2010			31 December 2009		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht	Thai Baht Million Baht (Restated)	Foreign currency Million Baht	Total Million Baht (Restated)
Avals to bills ⁽¹⁾	486	-	486	374	-	374
Guarantees on loans	5	17	22	5	16	21
Liability under unmatured import bills	-	423	423	-	510	510
Letters of credits	180	1,704	1,884	23	2,290	2,313
Forward and spot contracts						
- Bought	-	25,776	25,776	-	10,619	10,619
- Sold	-	24,832	24,832	-	9,663	9,663
Cross currency and interest rate						
- Bought	4,990	593	5,583	5,567	1,111	6,678
- Sold	628	4,513	5,141	1,205	5,142	6,347
Interest rate swap contracts						
- Fixed rate payer	48,457	7,842	56,299	23,443	7,712	31,155
- Floating rate payer	43,941	7,576	51,517	21,118	7,712	28,830
- Fixed rate payee	42,441	7,576	50,017	20,278	7,712	27,990
- Floating rate payee	49,957	7,842	57,799	24,283	7,712	31,995
Range accrual swap contract						
- Payer	-	-	-	1,418	-	1,418
- Payee	-	-	-	1,418	-	1,418
Undrawn bank overdrafts	8,231	-	8,231	7,932	-	7,932
Investment						
- Bought	12,236	-	12,236	13,287	-	13,287
- Sold	12,066	-	12,066	13,287	-	13,287
Other commitments:						
Other guarantees ⁽¹⁾	6,514	207	6,721	6,070	405	6,475
Total	230,132	88,901	319,033	139,708	60,604	200,312

- ⁽¹⁾ As at 30 June 2010, the Bank has issued bank guarantees for associated and subsidiaries amounting to Baht 3 million (31 December 2009: Baht 3 million) and avaled notes payable of a subsidiary amounting to Baht 270 million (31 December 2009: Baht 200 million). The aval of the subsidiary has been eliminated from the consolidated financial statements.

32 Commitments and contingent liabilities (Cont'd)

32.2 Contingent liabilities

- (a) As at 30 June 2010 and 31 December 2009, the Bank and its subsidiaries had the following contingent liabilities in connection with court cases in which the Bank or its subsidiaries have been sued as defendants in the Court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Bank and its subsidiaries once they are finalised:

	Consolidated and separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht
Sum claimed in cases where the Bank and its subsidiaries are direct defendants	816	776
Sum claimed in cases where the Bank and its subsidiaries are co-defendants with others		
- Sum of claims that can be specifically attributed to the Bank and its subsidiaries	100	10
- Sum of claims that cannot be specifically attributed to the Bank and its subsidiaries and for which the total sum claimed is therefore presented.	24,584	24,594
Total	25,500	25,380

In the above court cases, a sum of Baht 24,500 million relates to claims against the Bank in cases where it is co-defendants with TAMC and other banks. The plaintiffs lodged the claims in respect of transfers of non-performing loans from various banks to TAMC. However, the Bank believes that the outcomes of the cases will not cause material loss because the transfers were made in accordance of Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC amounting to approximately Baht 959 million, occurred before the merger of the Bank.

As at 30 June 2010, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 9 million in cases where the Bank is the direct defendant and Baht 13 million in cases where the Bank is the co-defendant with others. However, the Bank is in the process of appealing the decisions (31 December 2009: Baht 9 million and Baht 25 million, respectively).

As at 30 June 2010, the Bank and its subsidiaries recognised provisions for contingent loss from legal cases of approximately Baht 108 million (31 December 2009: Baht 123 million), respectively. The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases. In addition, the Bank and subsidiaries recognised reserve for off-balance sheet items related to guarantees which the Bank or its subsidiaries have been sued as defendants by Baht 116 million (31 December 2009: Baht 15 million).

- (b) The Bank has commitments in respect of the loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 37 to the interim financial statements.

32 Commitments and contingent liabilities (Cont'd)

32.3 Commitments under long-term leases

As at 30 June 2010 and 31 December 2009, the Bank and its subsidiaries had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated financial statements		Separate financial statements	
	30 June 2010 Million Baht	31 December 2009 Million Baht	30 June 2010 Million Baht	31 December 2009 Million Baht
1 - 3 years	290	359	252	304
4 - 5 years	20	22	20	22
6 - 10 years	16	19	16	19
11 - 30 years	11	12	11	12
Total	337	412	299	357

32.4 Other commitments

As at 30 June 2010, the Bank has other commitments as the Bank entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 30 June 2010, the Bank is obligated to pay a further Baht 148 million and USD 0.22 million, respectively under such agreements (31 December 2009: Baht 216 million and USD 0.19 million).

33 Related party transactions

During the periods, the Bank had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Bank and those companies. Below is a summary of those transactions.

	Consolidated financial statements		Separate financial statements	
	(Unaudited)		(Unaudited)	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Parent company				
Upfront fee income-derivatives contract	-	117	-	117
Subsidiary and affiliated companies				
Revenue:				
Interest income	-	-	36	29
Fees income	-	-	11	12
Other income	-	-	5	9
Expenses:				
Interest expenses	-	-	1	-
Premises and equipments expenses	-	-	-	10
Fees expenses	-	-	-	1
Related companies				
Revenue:				
Interest income	1	2	1	7
Fees income	-	16	-	16
Gain on sale investment of subsidiary	218	-	162	-
Expenses:				
Interest expenses	-	52	-	52

33 Related party transactions (Cont'd)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Parent company				
Upfront fee income-derivatives contract	-	117	-	117
Subsidiary and affiliated companies				
Revenue:				
Interest income	-	-	58	61
Fees income	-	-	27	27
Other income	-	-	9	12
Expenses:				
Interest expenses	-	-	1	1
Premises and equipments expenses	-	-	-	13
Fees expenses	-	-	-	1
Other expenses	-	-	-	3
Related companies				
Revenue:				
Interest income	2	8	2	8
Fees income	-	25	-	25
Gain on sale investment of subsidiary	218	-	162	-
Expenses:				
Interest expenses	-	52	-	52

During the year 2010, the Bank has charged asset management fees to Sathorn Asset Management Company Limited (a subsidiary) under the amendment of the Collection Agency Agreement dated 2 March 2010. The fee between 1 January 2010 to 31 December 2010 will be at a rate of 20% (31 December 2009: 20%) of the total debt collected and the amount received from the disposal of properties foreclosed, before any charges and related expenses. The fee for the six-month period ended 30 June 2010 of Baht 14 million (2009: Baht 15 million) are recorded as other fees and charges in the income statement and the outstanding amounts were presented under the caption of other assets in the balance sheet. This transaction was eliminated from the consolidated financial statements. As at 30 June 2010, the Bank has receivable fee from such subsidiary of Baht 2 million (31 December 2009: 3 million).

As at 30 June 2010, the Bank sold the shareholding in Bank Thai Asset Management Company Limited to CIMB Principle Asset Management Berhad which is the Company under the same control as the Bank. The gain from selling of shares is recorded in the separate financial statement amounting to Baht 162 million and in the consolidated financial statement amounting to Baht 218 million as already discussed in Note 25 to the interim financial statements.

In addition, the Bank and a subsidiary conducted securities trading through another subsidiary engaged in the securities business. The volumes of such trades for the six-month period ended 30 June 2010 were Baht 8 million (2009: Baht 449 million), while there were commission fees of Baht 0.02 million for the six-month period ended 30 June 2010 (2009: Baht 1.12 million).

33 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 30 June 2010 and 31 December 2009 are as follows:

Consolidated financial statements					
30 June 2010					
	Average loans outstanding Million Baht	Outstanding Loans/ Investments in receivables Million Baht	Obligations Million Baht	Deposits Million Baht	Borrowings Million Baht
<u>Subsidiary company</u>					
Krung Thai Tanakit Finance Plc.	-	-	-	255	-
	-	-	-	255	-
<u>Associated company</u>					
	-	-	3	-	-
	-	-	3	-	-
<u>Related companies</u>					
CIMB Bank (L) Ltd.	-	-	-	-	2,500
Other Companies	124	123	-	47	-
	124	123	-	47	2,500
<u>Related persons</u>					
	-	-	-	37	-
	-	-	-	37	-
Consolidated financial statements					
31 December 2009					
	Average loans outstanding Million Baht	Outstanding Loans/ Investments in receivables Million Baht	Obligations Million Baht	Deposits Million Baht	Borrowings Million Baht
<u>Subsidiary company</u>					
Krung Thai Tanakit Finance Plc.	-	-	-	254	-
	-	-	-	254	-
<u>Related companies</u>					
CIMB Bank (L) Ltd.	-	-	-	-	2,500
Other Companies	152	152	-	340	-
	152	152	-	340	2,500
<u>Associated company</u>					
	-	-	3	-	-
	-	-	3	-	-
<u>Related persons</u>					
	-	-	-	64	-
	-	-	-	64	-

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

33 Related party transactions (Cont'd)

Separate financial statements							
30 June 2010							
Average loans outstanding Million Baht	Outstanding Loans/ Investments in receivables Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht	
Subsidiary companies							
CIMB Securities (Thailand) Co., Ltd. (Formerly known as "BT Securities Co., Ltd.")	56	55	-	2	99	-	3
BT Leasing Co., Ltd.	2,577	2,800	-	-	31	-	4
BT Business Consulting Co., Ltd.	4	4	-	-	-	-	(2)
BT Insurance Co., Ltd.	-	-	-	8	85	-	55
Sathorn Asset Management Co., Ltd.	-	-	-	12	21	-	(1)
Krung Thai Tanakit Finance Plc.	-	-	-	-	255	-	-
BT Worldlease Co., Ltd.	512	570	270	-	25	-	2
	3,149	3,429	270	22	516	-	61
Associated company							
	-	-	3	-	-	-	-
	-	-	3	-	-	-	-
Related companies							
CIMB Bank (L) Ltd.	-	-	-	-	-	2,500	-
Other Companies	124	123	-	-	47	-	-
	124	123	-	-	47	2,500	-
Related persons							
	-	-	-	-	37	-	-
	-	-	-	-	37	-	-

Separate financial statements							
31 December 2009							
Average loans outstanding Million Baht	Outstanding Loans/ Investments in receivables Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht	
Subsidiary companies							
CIMB Securities (Thailand) Co., Ltd. (Formerly known as "BT Securities Co., Ltd.")	42	55	-	2	109	-	1
BT Leasing Co., Ltd.	2,245	2,260	-	-	31	-	-
BT Asset Management Co., Ltd.	-	-	-	1	17	-	1
BT Business Consulting Co., Ltd.	5	4	-	-	1	-	-
BT Insurance Co., Ltd.	-	-	-	20	57	-	18
Sathorn Asset Management Co., Ltd.	-	-	-	15	30	-	12
Krung Thai Tanakit Finance Plc.	-	-	-	-	254	-	-
BT Worldlease Co., Ltd.	576	528	200	-	37	-	-
	2,868	2,847	200	38	536	-	32
Associated company							
	-	-	3	-	-	-	-
	-	-	3	-	-	-	-
Related companies							
CIMB Bank (L) Ltd.	-	-	-	-	-	2,500	-
Other Companies	126	125	-	-	340	-	-
	126	125	-	-	340	2,500	-
Related persons							
	-	-	-	-	64	-	-
	-	-	-	-	64	-	-

The Bank pays interest on deposits made by related parties at the normal rates granted to general depositors.

33 Related party transactions (Cont'd)

As at 30 June 2010, the Bank has liabilities amounting to Baht 2,500 million as a result of the issue of hybrid instruments, which were offered to an affiliated company, as already discussed in Notes 18 d) to the interim financial statements.

As at 30 June 2010 and 31 December 2009, the Bank has commitments in financial derivatives with related parties company as follows:

30 June 2010			
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payer	500	876	1,376
- Floating rate payer	1,375	-	1,375
- Fixed rate payee	1,375	-	1,375
- Floating rate payee	500	876	1,376
Range accrual swap contracts			
- Payer	-	-	-
- Payee	-	-	-
<u>Related company</u>			
Cross currency and interest rate			
- Bought	2,500	-	2,500
- Sold	-	2,298	2,298
31 December 2009			
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payer	1,458	-	1,458
- Floating rate payer	500	-	500
- Fixed rate payee	500	-	500
- Floating rate payee	1,458	-	1,458
Range accrual swap contracts			
- Payer	1,418	-	1,418
- Payee	1,418	-	1,418
<u>Related company</u>			
Cross currency and interest rate			
- Bought	2,500	-	2,500
- Sold	-	2,363	2,363

34 Director and management remuneration

The Bank has not extended extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, except for ordinary benefits to the directors and executives such as directors' fee, directors' bonus (if any) and income tax, executives' salary and bonus (if any).

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

35 Financial information by segments

The Bank operates financial and banking business, whereas its subsidiaries' business involve securities business, fund manager business, non-life insurance business, consultancy service business, asset management business, hire purchase and leasing business which are not the same business segment as the Bank.

Financial information presented in the consolidated financial statements as at 30 June 2010 and 31 December 2009 and for the three-month and six-month periods ended 30 June 2010 and 2009 are as follows:

For the three-month period ended 30 June 2010 (Unaudited)						
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	910	130	-	16	-	1,056
Non-interest incomes	465	14	-	53	33	565
Non-interest expenses	(1,124)	(113)	-	(72)	1	(1,308)
Corporate income tax	-	(9)	-	-	-	(9)
Profit for the period from discontinued operations	-	-	49	(7)	22	64
Net incomes (losses)	251	22	49	(10)	56	368
For the six-month period ended 30 June 2010						
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,860	263	-	17	-	2,140
Non-interest incomes	983	31	-	99	5	1,118
Non-interest expenses	(2,254)	(220)	-	(147)	3	(2,618)
Corporate income tax	-	(12)	-	-	-	(12)
Profit for the period from discontinued operations	-	-	51	(7)	49	93
Net incomes (losses)	589	62	51	(38)	(37)	721
For the three-month period ended 30 June 2009 (Unaudited)						
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	383	111	7	12	(2)	511
Non-interest incomes	450	23	43	138	(21)	633
Non-interest expenses	(1,120)	(125)	(17)	(135)	23	(1,374)
Corporate income tax	-	-	(10)	(7)	-	(17)
Net incomes (losses)	(287)	9	23	8	-	(247)
For the six-month period ended 30 June 2009						
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,048	222	21	19	(4)	1,306
Non-interest incomes	860	45	91	243	(76)	1,163
Non-interest expenses	(2,464)	(257)	(37)	(264)	80	(2,942)
Corporate income tax	-	-	(22)	(11)	-	(33)
Net incomes (losses)	(556)	10	53	(13)	-	(506)

CIMB THAI Bank Public Company Limited
Notes to interim consolidated and separate financial statements
For the six-month period ended 30 June 2010 and 2009

35 Financial information by segments (Cont'd)

	Bank business		Hire purchase business		Asset management business		Other business		Eliminations		Total	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
		(Restated)										(Restated)
Investments - net	22,456	21,628	-	-	-	11	44	333	(914)	(1,258)	21,586	20,714
Loans and accrued interest receivable - net (including interbank and money market items)	94,893	91,941	4,337	3,592	-	127	771	1,136	(3,584)	(3,128)	96,417	93,668
Land, premises and equipments - net	2,625	3,472	22	22	-	-	40	55	-	-	2,687	3,549
Receivable from sales of investment	250	-	-	-	-	-	-	-	-	-	250	-
Assets of disposal group classified as held for sales	313	-	-	-	342	-	695	-	(377)	-	973	-
Other assets	8,041	8,577	59	49	-	168	229	369	(22)	(37)	8,307	9,126
Total assets	128,578	125,618	4,418	3,663	342	306	1,779	1,893	(4,896)	(4,423)	130,221	127,057

36 Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No.32 (revise 2007) (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, loans, investments, deposit, liability payable on demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

36.1 Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers, clients or counter parties failed to discharge their contractual obligations.

The Bank credit risk management processes are implemented under a credit risk management policy, and have been structured in order to maintain checks and balances and clear segregation of responsibilities between the marketing, credit approval, inspection and risk management functions. The Bank manages credit risk at the customer standalone risk level and the portfolio level, developing different and appropriate credit risk rating tools to measure the risk at each level. For corporate customers and small-medium enterprise customers, risk grading tools and an SME Filter, respectively, have been developed to grade customer credit risk levels. For individual retail customers, with multi-purpose credit, whether uncollateralised (personal cash) or collateralised (mortgage power), including home loans, the Bank has developed a credit scoring system for use in risk evaluation.

In respect of the credit review and approval process, the Bank has appointed a Credit Committee to consider the granting of credit facilities at different levels, based on the credit limit, focusing on borrowers' ability to make repayment, the type of credit, the financial status of the borrower, the economic situation and the status of the borrowers' industry. Furthermore, the Bank has established a Credit Review Unit, which is an independent unit, to ensure that the credit approval process is transparent and effective.

The maximum credit risk exposure is the carrying value of the financial assets after deducting by allowance for losses as stated in the balance sheet, and the risk of off-balance sheet commitments e.g. loan guarantees and other guarantees, derivative contracts.

As at 30 June 2010 and 31 December 2009, the Bank had the following off-balance sheet commitments as summarised by the period to maturity, counting from the balance sheet dates, of the contracts:

Consolidated financial statements						
Counting from 30 June 2010						
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht			
Aval to bills	216	-	216			
Guarantees of loans	22	-	22			
Liabilities under unmatured import bills	414	9	423			
Letters of credit	1,884	-	1,884			
Other guarantees	6,572	149	6,721			

Separate financial statements						
	Counting from 30 June 2010			Counting from 31 December 2009		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	486	-	486	374	-	374
Guarantees of loans	22	-	22	21	-	21
Liabilities under unmatured import bills	414	9	423	510	-	510
Letters of credit	1,884	-	1,884	2,313	-	2,313
Other guarantees	6,572	149	6,721	6,276	199	6,475

36 Financial instruments (Cont'd)

36.2 Market risk

Market risk is the risk that the Bank may suffer loss as a result of changes in the value of positions taken, both on and off balance sheet, due to movements in interest rates, foreign exchange rates, equity prices and commodity prices.

The Bank has a Market Risk Management Unit, which is responsible for assessment of market risk, and uses tools and systems that are widely accepted as efficient to help measure, monitor and manage market risk. This supports the Bank in ensuring that market risk is monitored and managed effectively, preventing the occurrence of unacceptable levels of market risk, and enabling the Bank to take action to adjust market risk to appropriate levels in a timely manner.

a) Interest rate risk

Interest rate risk is the risk that changes in market interest rates which may lead to changes in the value of financial instruments, and fluctuations in revenue and the values which of financial assets and liabilities.

Interest rate risk arises from interest rate structure and the characteristics and structure of the Bank's assets, liabilities and capital. The Bank has set risk limits for interest rate risk under the banking accounts, with consent from the Assets and Liabilities Committee (ALCO), in order to manage risk at an appropriate level, while interest rate risk limits for the trading accounts are approved by the Risk Management Committee.

As at 30 June 2010 and 31 December 2009, financial assets and liabilities classified by types of interest rate are as follows:

Consolidated financial statements				
30 June 2010				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<u>Financial Assets</u>				
Cash	-	-	2,039	2,039
Interbank and money market items	251	10,931	1,403	12,585
Investments	4,072 ⁽¹⁾	11,929	6,270	22,271
Loans	54,506	33,379	517	88,402
<u>Financial Liabilities</u>				
Deposits	23,127	68,547	1,429	93,103
Interbank and money market items	1,022	4,230	392	5,644
Liabilities payable on demand	-	-	509	509
Borrowings	2,920	12,959	544	16,423
Separate financial statements				
30 June 2010				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<u>Financial Assets</u>				
Cash	-	-	2,039	2,039
Interbank and money market items	277	10,616	1,324	12,217
Investments	4,072 ⁽¹⁾	11,929	8,193	24,195
Loans	54,890	31,595	353	86,838
<u>Financial Liabilities</u>				
Deposits	23,122	68,567	1,430	93,119
Interbank and money market items	1,116	3,960	396	5,472
Liabilities payable on demand	-	-	509	509
Borrowings	2,920	12,861	544	16,325

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,001 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

36 Financial instruments (Cont'd)

36.2 Market risk (Cont'd)

a) Interest rate risk

Descriptions	Separate financial statements			
	31 December 2009			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,821	2,821
Interbank and money market items	346	13,710	754	14,810
Investments	6,222 ⁽¹⁾	8,545	8,812	23,579
Loans	53,406	27,487	287	81,180
Financial Liabilities				
Deposits	23,819	62,805	1,800	88,424
Interbank and money market items	887	8,925	61	9,873
Liabilities payable on demand	-	-	286	286
Borrowings	3,003	11,500	544	15,047

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,085 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

With respect to financial instruments that carry fixed interest rates, the periods from the balance sheet date to the repricing or maturity date (whichever is the earlier) are presented below:

Consolidated financial statements as at 30 June 2010								
Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates Percent
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money market items	270	10,661	-	-	-	-	10,931	1.15
Investments	1	-	1,299	10,474	155	-	11,929	3.18
Loans	1,031	10,484	11,467	3,982	1,334	5,081	33,379	5.56
Financial liabilities								
Deposits	-	24,615	42,899	1,033	-	-	68,567	1.37
Interbank and money market items	1,216	2,736	276	2	-	-	4,230	1.32
Borrowings	150	8,545	1,556	208	2,500	-	12,959	2.10

Separate financial statements as at 30 June 2010								
Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates Percent
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money market items	-	10,616	-	-	-	-	10,616	1.16
Investments	1	-	1,299	10,474	155	-	11,929	3.18
Loans	721	10,190	10,905	3,474	1,224	5,081	31,595	5.64
Financial liabilities								
Deposits	-	24,626	42,908	1,033	-	-	68,567	1.37
Interbank and money market items	1,216	2,466	276	2	-	-	3,960	1.17
Borrowings	150	8,545	1,556	110	2,500	-	12,861	2.07

36 Financial instruments (Cont'd)

36.2 Market risk (Cont'd)

a) Interest rate risk (Cont'd)

Separate financial statements as at 31 December 2009								
Transactions	Repricing or maturity date					No maturity	Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years			
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Percent
Financial assets								
Interbank and money market items	50	13,660	-	-	-	-	13,710	1.21
Investments	1	1,002	100	7,055	387	-	8,545	3.32
Loans	530	8,533	9,680	1,605	1,352	5,787	27,487	6.02
Financial liabilities								
Deposits	-	29,333	28,058	5,414	-	-	62,805	1.51
Interbank and money market items	-	8,795	128	2	-	-	8,925	1.22
Borrowings	380	8,321	299	-	2,500	-	11,500	2.15

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition is discontinued (presented before deducting allowance for doubtful account losses).

In addition, the average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the six-month periods ended 30 June 2010 and for the year ended 31 December 2009, can be summarised as follows:

	Consolidated financial statements		
	30 June 2010		
	Average balances	Interest and dividend	Average rate
	Million Baht	Million Baht	(%)
Performing financial assets			
Interbank and money market items	6,520	42	1.29
Investments	22,957	414	3.64
Loans	85,241	2,400	5.68
Performing financial liabilities			
Deposits	86,045	469	1.10
Interbank and money market items	5,788	29	1.00
Borrowings	15,732	224	2.87

	Separate financial statements					
	30 June 2010			31 December 2009		
	Average balances	Interest and dividend	Average rate	Average balances	Interest and dividend	Average rate
	Million Baht	Million Baht	(%)	Million Baht	Million Baht	(%)
Performing financial assets						
Interbank and money market items	4,744	37	1.58	26,021	416	1.60
Investments	25,354	413	3.29	29,711	1,402	4.72
Loans	83,687	2,456	5.92	79,454	5,572	7.01
Performing financial liabilities						
Deposits	84,703	469	1.12	115,944	2,511	2.17
Interbank and money market items	5,130	28	1.08	6,189	132	2.13
Borrowings	15,205	221	2.94	7,321	343	4.68

36 Financial instruments (Cont'd)

36.2 Market risk (Cont'd)

b) Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues and the value of financial assets and liabilities.

The Bank's Treasury and Trading Division is responsible for managing foreign currency positions within risk limits set by Risk Management Committee.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 30 June 2010 and 31 December 2009, the Bank has the following net foreign currency positions categorised by major foreign currencies:

	(Unit: Equivalent to million USD)					
	Consolidated and separate financial statements					
	30 June 2010			31 December 2009		
	USD	EURO*	Other Currencies*	USD	EURO*	Other Currencies*
Spot	89.82	0.48	1.42	73.01	2.43	1.83
Forward						
- Forward contract	(84.18)	(5.85)	(1.72)	(88.62)	(1.61)	(2.60)
Total	5.64	(5.37)	(0.30)	(15.61)	0.82	(0.77)

* EURO and other currencies are stated in USD equivalents.

c) Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenues and the value of financial assets.

36 Financial instruments (Cont'd)

36.3 Liquidity risk

Liquidity risk is the risk that by the Bank will be unable to pay its debts and obligations when due because of an inability to convert assets into cash, or because of its failure to procure enough funds.

The Treasury group of the Bank is responsible for liquidity management, including procurement of both short-term and long-term sources of funds, and debt security investment management. The overall liquidity risk management is under the responsibility of the Asset and Liability Management Committee, who monitor and control risk, using tools to manage liquidity risk, such as minimum liquidity asset requirements, liquidity gap, liquidity ratio and liquidity risk limits.

The period to maturity, counting from the balance sheet date, of financial instruments outstanding as at 30 June 2010 and 31 December 2009 are as follows:

Consolidated financial statements					
Counting from 30 June 2010					
Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<u>Financial Assets</u>					
Cash	2,039	-	-	-	2,039
Interbank and money market items	1,923	10,662	-	-	12,585
Investments	44 ⁽¹⁾	4,695	13,350	4,182	22,271
Loans	8,806 ⁽²⁾	31,410	48,186	-	88,402
<u>Financial Liabilities</u>					
Deposits	24,555	67,515	1,033	-	93,103
Interbank and money market items	1,414	4,228	2	-	5,644
Liabilities payable on demand	509	-	-	-	509
Borrowings	694	10,211	5,518	-	16,423
Separate financial statements					
Counting from 30 June 2010					
Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<u>Financial Assets</u>					
Cash	2,039	-	-	-	2,039
Interbank and money market items	1,546	10,616	55	-	12,217
Investments	2 ⁽¹⁾	4,695	15,363	4,135	24,195
Loans	8,929 ⁽²⁾	30,391	47,518	-	86,838
<u>Financial Liabilities</u>					
Deposits	24,552	67,534	1,033	-	93,119
Interbank and money market items	1,512	3,958	2	-	5,472
Liabilities payable on demand	509	-	-	-	509
Borrowings	694	10,211	5,420	-	16,325

⁽¹⁾ Investments classified as maturity at call of Baht 2 million are investment in defaulted debt securities.

⁽²⁾ A part of loans classified as maturity at call of Baht 7,958 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

36 Financial instruments (Cont'd)

36.3 Liquidity risk (Cont'd)

Descriptions	Separate financial statements				
	Counting from 31 December 2009				
	At call	Less than	More than	No	Total
	Million	1 year	1 year	maturity	
	Baht	Million	Million	Million	Million
		Baht	Baht	Baht	Baht
<u>Financial Assets</u>					
Cash	2,821	-	-	-	2,821
Interbank and money market items	1,094	13,661	55	-	14,810
Investments	1 ⁽¹⁾	4,927	13,848	4,803	23,579
Loans	9,808 ⁽²⁾	28,288	43,084	-	81,180
<u>Financial Liabilities</u>					
Deposits	24,201	57,391	6,832	-	88,424
Interbank and money market items	947	8,924	2	-	9,873
Liabilities payable on demand	286	-	-	-	286
Borrowings	924	8,620	5,503	-	15,047

⁽¹⁾ Investments classified as maturity at call of Baht 1 million are investment in defaulted debt securities.

⁽²⁾ A part of loans classified as maturity at call of Baht 9,132 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

36.4 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. The Bank has estimated the fair value of financial instruments as follows:

(a) Financial assets

Determination of the fair value is dependent upon the characteristics of the financial instrument. The fair values of most financial assets, including cash, interbank and money market items, securities purchased under resale agreements, and loans, are presented at the amount stated in the balance sheets. The fair value of these financial assets is approximated at their respective carrying values since the values of such financial instruments are predominantly subject to market interest rates. Financial instruments with standard terms and conditions which are traded on an active and liquid market, such as investments, have their fair value determined by the quoted market prices.

(b) Financial liabilities

The fair values of financial liabilities, including borrowings and deposits, interbank and money market items, liabilities payable on demand, and borrowings, are considered to approximate their respective carrying values for the same reasons as detailed for financial assets above.

Differences between the book values and the fair values of financial instruments of the Bank are estimated to be immaterial. Further to this, book values and fair values of structured note is mentioned in Note 7.1 (a) to the interim financial statements.

36 Financial instruments (Cont'd)

36.5 Financial derivatives

The Bank engages in financial derivatives activities as required in the normal course of business of the Bank to meet its clients' needs and to manage the risks of the Bank arising from fluctuations in foreign exchange rates and interest rates.

As at 30 June 2010 and 31 December 2009, financial derivatives as classified by their maturities are as follows:

	Consolidated and separate financial statements					
	30 June 2010			31 December 2009		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	25,339	437	25,776	10,157	462	10,619
- Sold	24,740	92	24,832	9,663	-	9,663
Foreign currency swap contracts						
- Bought	1,293	4,290	5,583	-	6,678	6,678
- Sold	1,221	3,920	5,141	-	6,347	6,347
Interest rate swap contracts						
- Fixed rate payer	14,474	41,825	56,299	7,718	23,437	31,155
- Floating rate payer	10,825	40,692	51,517	6,340	22,490	28,830
- Fixed rate payee	9,825	40,192	50,017	3,500	24,490	27,990
- Floating rate payee	15,474	42,325	57,799	10,558	21,437	31,995
Range Accrual contracts						
- Payer	-	-	-	-	1,418	1,418
- Payee	-	-	-	-	1,418	1,418

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

37 Agreement to transfer non-performing loans to TAMC

On 12 October 2001, the Bank entered into an agreement to transfer non-performing loans to Thai Asset Management Corporation ("TAMC") in accordance with the Emergency Decree establishing TAMC.

As at 30 June 2010 and 31 December 2009, The Bank and subsidiaries have loans transferred to TAMC are as follows:

	Consolidated and separate financial statements			
	30 June 2010		31 December 2009	
Loans transferred to TAMC	Book value Million Baht	Transfer price Million Baht	Book value Million Baht	Transfer price Million Baht
CAP	82,342	21,932	82,342	21,932
NON CAP	15,774	3,465	15,774	3,465
Total	98,116	25,397	98,116	25,397
Less TAMC notes which have been redeemed by TAMC		(24,597)		(24,597)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 7.1)		800		800

The Bank is to receive payment in the form of non-transferable, 10-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 30 June 2010, the Bank recognised interest receivable under these promissory notes amounting to Baht 73 million (31 December 2009 : Baht 91 million).

Share of the unrealised gain and losses arising from management of the non-performing loans

Under the agreement to transfer non-performing loans to TAMC, the Bank also has joint together with TAMC share the gains and losses arising from TAMC's management of the non-performing loans, which is to be allocated at the end of the agreement, starting from 1 July 2001. In the case of losses, the Bank is liable for all initial losses up to 20 percent of the transfer price. Further losses of up to another 20 percent of the transfer price are to be shared equally between the Bank and TAMC, whilst TAMC is liable for all remaining losses thereafter. According to the agreement, expenses of TAMC and the interest expenses of promissory notes issued by TAMC will be included in the calculation of the gain/loss sharing. In case of gains, initial profits of up to 20 percent of the transfer price are to be shared equally between the Bank and TAMC. Further gains which, when combined with the initial portion, do not exceed the difference between the book value of the transferred non-performing assets and their transfer price, belong to the Bank. All remaining gains will belong to TAMC. For loan debtors transferred at no cost, collections received after deducting debt management expenses will belong to the Bank.

However, on 17 November 2006, the Bank has transferred rights over future gain sharing under the agreement to transfer CAP loans to TAMC to FIDF, although the Bank is still obligated to share losses with TAMC.

As at 30 June 2010, the amount of such gains/losses cannot be reasonably estimated, and the Bank has therefore not recognised any gains/losses that may occur as a result of the above obligations in its accounts. However, the Bank's management believes that no significant future losses will be incurred.

Outstanding issues with TAMC

As of 30 June 2010, the Bank and TAMC had outstanding issues regarding the follow up of outstanding requisitions of original ownership documents and appraisal reports for collateral, and regarding the valuation of leasehold rights collateral with transfer prices totalling Baht 197 million and interest amounting Baht 19 million. The Bank believes that these issues will not have a material impact on the transfer price adjustment of the loans and interest on TAMC note, since the Bank has handed some of the original ownership documents and appraisal reports for the collateral to TAMC.

With respect to the outstanding issue of the valuation of leasehold rights, the Bank believes that the transferable leaseholds can be appraised or revalued. The Bank's management believes that there will not be a material impact to the transfer price and relevant interest. However, for conservative reasons, the Bank has recorded allowance for impairment of the TAMC Promissory Notes amounting to Baht 54 million in the interim financial statements.