

CIMB THAI BANK PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
(UNAUDITED)**

31 MARCH 2010

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders of CIMB THAI Bank Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 31 March 2010, and the related consolidated and separate statements of income, changes in shareholders' equity, and cash flows for the three-month period ended 31 March 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 issue a report on these interim financial statements based on my review.

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 financial statements are free of material misstatement. A review is limited primarily to inquiries of 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.

Based on my review, nothing has come to my attention that causes me to believe that the interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying my report on the aforementioned interim financial statements, I draw attention to the matter discussed in Note 27 to the interim financial statements. 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 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 the other auditor, who expressed an unqualified opinion on 23 February 2010 but drew attention to the following matter: 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 might result in adjustments to the price and related interest, which were being examined and concluded by the Bank and TAMC. The consolidated and separate balance sheets as at 31 December 2009, presented for comparative purposes, are part of the financial statements that were audited by the other auditor, whose report was issued as stated above, and I have not performed any other auditing procedures subsequent to the date of that report, except for the retroactive adjustment due to the change in the accounting method for accounts receivable from sale of investments and accounts payable for purchase of investments from trade date accounting to settlement date accounting, as mentioned in Note 4 to the interim financial statement.

The consolidated and separate interim financial statements for the three-month period ended 31 March 2009 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, were reviewed by the other auditor who submitted an unqualified report on 12 May 2009 and drew attention to the following matter: 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 three-month period ended 31 March 2009, presented for comparative purposes, are part of the interim financial statements that were reviewed by the other auditor whose report was issued as stated above.

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

Bangkok
14 May 2010

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

		Consolidated financial statements		Separate financial statements	
		(Unaudited) 31 March 2010 Thousand Baht	(Audited) 31 December 2009 Thousand Baht (Restated)	(Unaudited) 31 March 2010 Thousand Baht	(Audited) 31 December 2009 Thousand Baht (Restated)
Notes					
Assets					
		2,102,879	2,821,772	2,101,932	2,820,537
Cash					
Interbank and money market items	5				
Domestic items					
Interest bearing		1,893,381	14,257,685	1,624,842	13,765,038
Non-interest bearing		656,089	724,042	590,921	656,207
Foreign items					
Interest bearing		1,134,575	290,098	1,134,575	290,098
Non-interest bearing		44,846	97,721	44,846	97,721
Interbank and money market items - net		3,728,891	15,369,546	3,395,184	14,809,064
Investments	6				
Short-term investments - net		4,562,967	5,121,282	4,540,248	4,928,253
Long-term investments - net		17,686,603	15,387,862	17,665,075	15,236,252
Investments in subsidiaries and associates - net		153,913	205,454	1,067,643	1,463,638
Investments - net		22,403,483	20,714,598	23,272,966	21,628,143
Loans and accrued interest receivables	7				
Loans		84,426,774	85,996,443	82,847,634	81,179,770
Accrued interest receivables		211,664	254,683	189,416	198,138
Total loans and accrued interest receivables		84,638,438	86,251,126	83,037,050	81,377,908
<u>Less</u> Allowance for doubtful debts	8	(4,713,041)	(7,943,673)	(4,270,681)	(4,237,132)
<u>Less</u> Revaluation allowance for debt restructuring	9	(10,656)	(8,819)	(10,656)	(8,819)
Loans and accrued interest receivables - net		79,914,741	78,298,634	78,755,713	77,131,957
Properties foreclosed - net	10	2,235,372	2,409,896	2,222,372	2,232,214
Customers' liability under acceptance		17,417	53,947	17,417	53,947
Premises and equipments - net		2,743,680	3,548,985	2,680,849	3,472,435
Intangible assets	11	452,192	427,225	441,838	412,094
Assets of disposal group classified as held for sales	12	1,006,562	-	395,995	-
Financial derivatives assets		1,913,947	1,592,032	1,913,947	1,592,032
Other assets		1,382,265	1,820,125	1,227,433	1,465,770
Total assets		117,901,429	127,056,760	116,425,646	125,618,193

The accompanying notes to interim consolidated and separate financial statements from page 12 to 51 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited

Balance sheets (Cont'd)

As at 31 March 2010 and 31 December 2009

	Consolidated financial statements		Separate financial statements	
	(Unaudited) 31 March 2010 Thousand Baht	(Audited) 31 December 2009 Thousand Baht (Restated)	(Unaudited) 31 March 2010 Thousand Baht	(Audited) 31 December 2009 Thousand Baht (Restated)
Notes				
Liabilities and shareholders' equity				
Deposits				
Deposits in Baht	82,290,018	88,320,067	82,284,502	88,345,548
Deposits in foreign currencies	140,331	78,696	140,331	78,696
Total deposits	82,430,349	88,398,763	82,424,833	88,424,244
Interbank and money market items				
Domestic items				
Interest bearing	3,822,766	9,183,075	4,983,522	9,106,511
Non-interest bearing	1,578,202	54,785	268,253	56,908
Foreign items				
Interest bearing	746,173	705,945	746,173	705,945
Non-interest bearing	276,851	3,571	276,851	3,571
Total interbank and money market items	6,423,992	9,947,376	6,274,799	9,872,935
Liability payable on demand	277,147	286,026	277,147	286,026
Borrowings	13			
Short-term borrowings	9,783,600	9,544,680	9,783,600	9,544,680
Long-term borrowings	5,510,319	5,598,756	5,413,593	5,503,187
Total borrowings	15,293,919	15,143,436	15,197,193	15,047,867
Bank's liability under acceptance	17,417	53,947	17,417	53,947
Accrued interest expenses	283,060	373,261	283,331	373,490
Provisions - Pension benefits to employees	553,643	524,228	553,643	523,648
Liabilities of disposal group classified as held for sales	12	-	-	-
Financial derivatives liabilities	1,358,497	1,182,962	1,358,497	1,182,962
Payable to clearing house/ securities business payable	232,273	417,094	-	-
Other liabilities	2,309,887	2,785,536	2,080,847	2,229,612
Total liabilities	109,606,248	119,112,629	108,467,707	117,994,731

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

		Consolidated financial statements		Separate financial statements	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2010	2009	2010	2009
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
	Notes		(Restated)		(Restated)
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	14				
Registered					
13,349,401,164 ordinary shares of Baht 0.50 each		6,674,701	6,674,701	6,674,701	6,674,701
Issued and paid-up share capital					
13,349,401,164 ordinary shares of Baht 0.50 each		6,674,701	6,674,701	6,674,701	6,674,701
Unrealised gain					
Revaluation surplus on assets	15	573,738	729,327	573,738	729,327
Revaluation surplus on change in value of investments	16	48,041	49,179	35,990	39,270
Retained earnings					
Appropriated - statutory reserve	17	-	-	-	-
Retained earnings		924,291	420,566	673,510	180,164
Equity attributable to the Bank's shareholders		8,220,771	7,873,773	7,957,939	7,623,462
Minority interest - equity attributable to minority shareholders of subsidiaries		74,410	70,358	-	-
Total shareholders' equity		8,295,181	7,944,131	7,957,939	7,623,462
Total liabilities and shareholders' equity		117,901,429	127,056,760	116,425,646	125,618,193
Off-balance sheet items - commitments					
	24				
Aval to bills and guarantees of loans		268,359	195,388	538,359	395,388
Liability under unmatured import bills		526,130	509,571	526,130	509,571
Letter of credits		2,606,602	2,313,070	2,606,602	2,313,070
Other commitments		253,732,352	197,093,973	253,732,415	197,094,037

CIMB THAI BANK Public Company Limited
Income statements (Unaudited)
For the three-month periods ended 31 March 2010 and 2009

		Consolidated financial statements		Separate financial statements	
		31 March 2010	31 March 2009	31 March 2010	31 March 2009
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest and dividend income					
Loans		1,212,221	1,509,988	1,233,279	1,535,008
Interbank and money market items		22,652	212,089	20,449	206,911
Hire purchase and finance lease income		163,197	152,688	-	-
Investments		226,484	459,548	226,474	452,707
Total interest and dividend income		1,624,554	2,334,313	1,480,202	2,194,626
Interest expenses					
Deposits		248,999	1,129,651	248,897	1,129,697
Interbank and money market items		15,198	39,251	13,065	45,908
Short-term borrowings		38,542	17,918	38,542	5,122
Long-term borrowings		76,753	60,982	75,596	60,981
Total interest expenses		379,492	1,247,802	376,100	1,241,708
Net interest and dividend income		1,245,062	1,086,511	1,104,102	952,918
Bad debt and doubtful accounts		(160,649)	(291,612)	(154,000)	(288,000)
Net interest and dividend income after bad debt and doubtful account		1,084,413	794,899	950,102	664,918
Non-interest income					
Gains on investments	19	2,169	196,350	2,075	190,346
Gains on sales of non- performing loans		1,884	46,633	408	14,800
Fees and charges					
Acceptances, aval and guarantees		24,695	20,956	24,695	20,956
Others		159,235	148,536	120,495	111,153
Gains on exchange/derivatives		59,428	30,430	59,395	32,772
Gains (losses) on properties foreclosed		-	-	8,352	13,018
Other income	20	311,980	88,206	303,253	26,659
Total non-interest incomes		559,391	531,111	518,673	409,704

CIMB THAI BANK Public Company Limited
Income statements (Unaudited) (Cont'd)
For the three-month periods ended 31 March 2010 and 2009

		Consolidated financial statements		Separate financial statements	
		31 March 2010	31 March 2009	31 March 2010	31 March 2009
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Non - interest expenses					
Personnel expenses		642,170	549,229	530,951	459,374
Contribution fee to the Deposit Protection Agency		102,000	159,000	102,000	159,000
Premises and equipment expenses		326,834	313,787	300,749	307,892
Taxes and duties		48,839	61,338	48,682	58,972
Fees and charges		84,189	119,257	58,490	93,842
Directors' remuneration	25	2,556	5,797	2,472	4,540
Impairment losses on intangible assets		11,222	-	11,222	-
Reserve for contingent liabilities		-	114,000	-	114,000
Reserve for off-balance sheet items		(3,000)	94,500	(3,000)	94,500
Other expenses		102,274	152,715	79,452	50,660
Total non-interest expenses		1,317,084	1,569,623	1,131,018	1,342,780
Income (loss) before corporate income tax		326,720	(243,613)	337,757	(268,158)
Corporate income tax	21	(3,936)	(15,433)	-	-
Net income (loss) from continuing operation		322,784	(259,046)	337,757	(268,158)
Profit for the period from discontinued operations	12	29,404	-	-	-
Net income (loss) for the periods		352,188	(259,046)	337,757	(268,158)
Net income (loss) attributable to:					
Equity holders of the Bank		348,136	(256,514)	337,757	(268,158)
Minority interests of the subsidiaries		4,052	(2,532)	-	-
		352,188	(259,046)	337,757	(268,158)
Earnings (loss) per share	22				
Basic earnings (loss) per share (Baht per share)					
Net income (loss) attributable to equity holders of the Bank		0.03	(0.03)	0.03	(0.04)
Weighted average number of ordinary shares (shares)		13,349,401,164	7,335,248,994	13,349,401,164	7,342,170,640

The accompanying notes to interim consolidated and separate financial statements from page 12 to 51 are an integral part of the interim financial statements

For the three-month periods ended 31 March 2010 and 2009

CIMB THAI BANK Public Company Limited
Statements of changes in shareholders' equity (Unaudited) (Cont'd)
For the three-month periods ended 31 March 2010 and 2009

	Separate financial statements					
	Issued and paid-up share capital	Share discounts	Revaluation surplus on assets	Revaluation surplus on change in value of investments	Statutory reserve	Retained earnings
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at 1 January 2009	25,030,127	(10,606,988)	748,815	55,778	6,053	(10,198,912)
Income (expenses) recognised directly in equity:						
Amortise revaluation surplus on assets	-	-	(4,644)	-	-	4,644
Decrease in fair value of investments	-	-	-	(66,425)	-	-
Net income (expenses) recognised directly in equity						
Net losses for the period	-	-	(4,644)	(66,425)	-	4,644
Total income (expenses) for the period						
Increase in ordinary shares	25,030,127	(22,493,740)	(4,644)	(66,425)	-	(263,514)
Decrease in ordinary shares	(43,385,553)	33,100,728	-	-	(6,053)	10,290,878
Balance as at 31 March 2009	6,674,701	-	744,171	(10,647)	-	(171,548)
Balance as at 1 January 2010	6,674,701	-	729,327	39,270	-	180,164
Income (expense) recognised directly in equity:						
Amortise revaluation surplus on assets	-	-	(1,426)	-	-	1,426
Revaluation surplus on Sathron building	-	-	(154,163)	-	-	154,163
Decrease in fair value of investments	-	-	-	(3,280)	-	-
Net income (expense) recognised directly in equity						
Net income for the period	-	-	(155,589)	(3,280)	-	155,589
Balance as at 31 March 2010	6,674,701	-	573,738	35,990	-	673,510

The accompanying notes to interim consolidated and separate financial statements from page 12 to 51 are an integral part of the interim financial statements

Total

5,034,873

-

(66,425)

(66,425)

(268,158)

(334,583)
2,536,387

-

7,236,677

7,623,462

-

-

(3,280)

(3,280)

337,757

7,957,939

CIMB THAI BANK Public Company Limited and its subsidiaries
Cash flow statements (Unaudited)
For the three-month periods ended 31 March 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities				
Net income (losses) before corporate income tax				
including discontinued operations	367,407	(243,613)	337,757	(268,158)
Adjustments to reconcile net incomes (losses)				
to cash flows from operating activities:				
Depreciation and amortisation	119,023	123,032	113,077	114,325
Bad debts and doubtful accounts	160,649	291,612	154,000	288,000
Reserve for off-balance sheet items (Reversal)	(3,000)	94,500	(3,000)	94,500
Provision for liabilities	31,528	18,341	29,996	18,341
Reserve for contingent liabilities	-	114,000	-	114,000
Losses on impairment of properties foreclosed	2,700	-	2,700	-
Impairment losses on investments	-	26,609	-	26,609
Unrealised (gains) losses on exchange				
and derivatives	(62,740)	305,306	(62,740)	305,306
Losses (gains) on property foreclosed	6,715	29,118	(8,352)	(13,018)
Unrealised gains on revaluation				
of investments	(539)	(6,707)	(539)	(3,087)
Gains on sale of investments	(2,861)	(213,489)	(1,383)	(212,944)
Reversal of impairment losses on				
investments in non- performing loans	-	(4,495)	-	-
Gains on investment in				
non-performing loans	(1,884)	(46,633)	(408)	(14,800)
Gains on disposal of premises and equipments	(289,138)	(4,404)	(289,969)	(4,341)
Provision for impairment of premises and equipments	1,591	-	1,591	-
Loss from write off intangible assets	9,397	-	8,523	-
Interest and dividend incomes	(1,624,554)	(2,334,313)	(1,480,202)	(2,194,626)
Interest expenses	379,492	1,247,802	376,100	1,241,708
Increase in accrued expenses	-	27,417	-	46,448
Losses form operations				
before changes in operating				
assets and liabilities	(906,214)	(575,917)	(822,849)	(461,737)
(Increase) decrease in operating assets				
Interbank and money market items	11,378,993	(6,346,359)	11,411,736	(6,196,703)
Investments held for trading	(1,678,984)	(88,074)	(1,678,984)	(90,102)
Loans	(1,966,050)	6,039,373	(1,857,734)	5,966,130
Properties foreclosed	9,305	126,828	18,484	48,922
Other assets	227,253	(14,408)	224,733	(39,133)
Increase (decrease) in operating liabilities				
Deposits	(5,968,414)	(15,489,766)	(5,999,411)	(15,450,041)
Interbank and money market items	(3,523,384)	(2,333,335)	(3,598,136)	(2,261,020)
Liability payable on demand	(8,879)	53,336	(8,879)	53,336
Other liabilities awaiting accounts transfer	-	(615,026)	-	(616,413)
Other liabilities	(236,346)	(107,655)	(148,648)	(155,980)
Cash flows used in operating activities	(2,672,720)	(19,351,003)	(2,459,688)	(19,202,741)
Cash received from interest incomes	1,441,299	1,885,764	1,262,593	1,751,615
Cash paid for interest expenses	(354,527)	(1,021,161)	(352,292)	(1,021,891)
Cash paid for tax	(15,219)	-	-	-
Net cash flows used in operating activities	(1,601,167)	(18,486,400)	(1,549,387)	(18,473,017)

The accompanying notes to interim consolidated and separate financial statements from page 12 to 51 are an integral part of the interim financial statements

CIMB THAI BANK Public Company Limited and its subsidiaries
Cash flow statements (Unaudited) (Cont'd)
For the three-month periods ended 31 March 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from investing activities				
(Increase) decrease in securities held for investments	(422,028)	14,639,138	(462,706)	14,319,137
Cash paid for purchases of premises and equipments	(53,799)	(16,222)	(53,799)	(13,095)
Proceeds from disposals of equipment	1,054,748	7,981	1,043,902	8,156
Cash paid for purchases of intangible assets	(57,579)	(48,423)	(57,579)	(45,793)
Dividend received	90,475	43,985	90,465	43,652
Interest received	145,545	413,849	145,545	406,961
Net cash flows from investing activities	757,362	15,040,308	705,828	14,719,018
Cash flows from financing activities				
Increase (decrease) in short-term borrowings	238,919	(3,029,025)	238,921	(2,583,033)
Increase in long-term borrowings	1,158	2,500,000	-	2,500,000
Cash received from capital increase	-	2,536,386	-	2,536,386
Proceeds from treasury stocks held by subsidiary	-	155,017	-	-
Interest expenses	(115,165)	(140,409)	(113,967)	(123,800)
Net cash flows from financing activities	124,912	2,021,969	124,954	2,329,553
Net decrease in cash and cash equivalents	(718,893)	(1,424,123)	(718,605)	(1,424,446)
Cash and cash equivalents at beginning of the period	2,821,772	4,631,711	2,820,537	4,630,352
Cash and cash equivalents at the end of the period	2,102,879	3,207,588	2,101,932	3,205,906
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Properties foreclosed received in settlement of debts	91,058	115,810	-	-

The accompanying notes to interim consolidated and separate financial statements from page 12 to 51 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 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 Audit Committee on 12 May 2010.

The interim consolidated and separate financial statements have been reviewed, not audited.

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” date 3 August 2008. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting” and additional notes are presented as required by the BOT and requirements of SEC issued under the Securities and Exchange Act., B.E. 2535.

The interim financial statements are prepared to provide information additional to that included in the financial statements for the year ended 31 December 2009. In order to not duplicate information previously reported, the interim financial statements should be read in conjunction with the latest annual financial statements.

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 statutory financial statements shall prevail.

The consolidated financial statements include the 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. 6.7 and 12.

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

These interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

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

Effective for the period beginning on or after 1 January 2011

TAS 24 (revised 2007)	Related Party Disclosure (formerly TAS 47)
TAS 40	Investment Property

Effective for the period beginning on or after 1 January 2012

TAS 20	Accounting for Government Grants and Disclosure for Government Assistance
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The management of the Bank has assessed that TAS 20 does not relevant to the business of the Bank and its subsidiaries, while TAS 24 (revised 2007) and TAS 40 are in the process of evaluating the effect of such standard on the financial statement for the year in which they are initially applied.

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current period.

4 Change in accounting policy

The Bank changed accounting method of accounts receivable from sale of investments and accounts payable for purchase of investments from trade date accounting to settlement date accounting. The Group adjusted consolidated and separated 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 additional disclose 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 to financial statement no. 24. The Group did not adjust consolidated and separated profit and loss statement as the impact to the three-month period was immaterial.

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

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5 Interbank and money market items (assets)

Consolidated financial statements						
	31 March 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	28	-	28	72	1,660	1,732
Commercial banks	358	1,087	1,445	198	12,326	12,524
Other banks	4	-	4	7	68	75
Finance, finance and securities, securities, and credit foncier companies	545	-	545	544	57	601
Other financial institutions	50	481	531	50	-	50
Total domestic items	985	1,568	2,553	871	14,111	14,982
<u>Add</u> Accrued interest receivables	-	1	1	-	2	2
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(2)	(2)
Domestic items - net	985	1,565	2,550	871	14,111	14,982
Foreign:						
US dollar	1,126	-	1,126	336	-	336
Yen	13	-	13	13	-	13
EURO	25	-	25	15	-	15
Other currencies	15	-	15	24	-	24
Foreign items - net	1,179	-	1,179	388	-	388
Domestic and foreign items - net	2,164	1,565	3,729	1,259	14,111	15,370
Separate financial statements						
	31 March 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	28	-	28	72	1,660	1,732
Commercial banks	18	1,097	1,115	40	12,000	12,040
Finance, finance and securities, securities, and credit foncier companies	545	-	545	544	56	600
Other financial institutions	50	481	531	50	-	50
Total domestic items	641	1,578	2,219	706	13,716	14,422
<u>Add</u> Accrued interest receivables	-	1	1	-	1	1
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(2)	(2)
Domestic items - net	641	1,575	2,216	706	13,715	14,421
Foreign:						
US dollar	1,126	-	1,126	336	-	336
Yen	13	-	13	13	-	13
EURO	25	-	25	15	-	15
Other currencies	15	-	15	24	-	24
Foreign items - net	1,179	-	1,179	388	-	388
Domestic and foreign items - net	1,820	1,575	3,395	1,094	13,715	14,809

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

As at 31 March 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 FIDE 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).

6 Investments

	Consolidated financial statements		Separate financial statements	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Value at cost method/equity method	22,838	21,225	25,064	23,579
<u>Add</u> Allowance for revaluation	52	54	36	38
<u>Less</u> Allowance for impairment	(486)	(565)	(1,827)	(1989)
Net book value	<u>22,404</u>	<u>20,714</u>	<u>23,273</u>	<u>21,628</u>

6 Investments (Cont'd)

6.1 Classified by types of investment

	Consolidated financial statements				Separate financial statements			
	31 March 2010		31 December 2009		31 March 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	1,559	1,559	405	404	1,559	1,559	380	379
Private sector debt securities	506	506	26	26	506	506	6	6
Domestic marketable equity securities	3	4	76	82	-	-	-	-
Total	2,068	2,069	507	512	2,065	2,065	386	385
<u>Add(less)</u> Allowance for revaluation	1	-	5	-	-	-	(1)	-
Securities held for trading - net	2,069	2,069	512	512	2,065	2,065	385	385
Available-for-sales securities								
Government and state enterprises securities	2,422	2,422	4,536	4,538	2,421	2,422	4,488	4,490
Private sector debt securities	54	53	55	54	54	53	54	53
Domestic marketable equity securities	27	19	27	17	-	-	-	-
Total	2,503	2,494	4,618	4,609	2,475	2,475	4,542	4,543
<u>Add</u> Allowance for revaluation	17	-	17	-	1	-	2	-
<u>Less</u> Allowance for impairment	(26)	-	(26)	-	(1)	-	(1)	-
Available-for-sales securities - net	2,494	2,494	4,609	4,609	2,475	2,475	4,543	4,543
Short-term investments - net	4,563	4,563	5,121	5,121	4,540	4,540	4,928	4,928

6 Investments (Cont'd)

6.1 Classified by types of investment (Cont'd)

	Consolidated financial statements				Separate financial statements			
	31 March 2010		31 December 2009		31 March 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	508	502	35	35	508	502	-	-
Private sector debt securities	-	-	38	39	-	-	-	-
Domestic marketable equity securities	2,523	2,559	2,571	2,597	2,512	2,549	2,512	2,544
Total	3,031	3,061	2,644	2,671	3,020	3,051	2,512	2,544
<u>Add</u> Allowance for revaluation	34	-	32	-	35	-	37	-
<u>Less</u> Allowance for impairment	(4)	-	(5)	-	(4)	-	(5)	-
Available-for-sales securities - net	<u>3,061</u>	<u>3,061</u>	<u>2,671</u>	<u>2,671</u>	<u>3,051</u>	<u>3,051</u>	<u>2,544</u>	<u>2,544</u>
Held-to-maturity debt securities								
Promissory notes issued by Thai Asset Management Corporation	800		800		800		800	
Government and state enterprises securities	8,748		6,660		8,748		6,660	
Overseas debt securities	3,787		3,887		3,787		3,887	
Total	13,335		11,347		13,335		11,347	
<u>Less</u> Allowance for impairment	(54)		(54)		(54)		(54)	
Held-to-maturity debt securities - net	<u>13,281</u>		<u>11,293</u>		<u>13,281</u>		<u>11,293</u>	
General investments								
Private sector debt securities	1		1		1		1	
Domestic non-marketable equity securities	657		666		657		665	
Overseas non-marketable equity securities	13		14		13		14	
Investments in receivables (Note 6.6)	1,075		1,213		1,027		1,085	
Total	1,746		1,894		1,698		1,765	
<u>Less</u> Allowance for impairment	(402)		(470)		(365)		(366)	
General investments - net	<u>1,344</u>		<u>1,424</u>		<u>1,333</u>		<u>1,399</u>	
Long-term investments - net	<u>17,686</u>		<u>15,388</u>		<u>17,665</u>		<u>15,236</u>	

6 Investments (Cont'd)

6.1 Classified by types of investment (Cont'd)

- (a) As of 31 March 2010, the Bank had foreign currency denominated debt investments in structured notes totalling USD 100 million or Baht 3,237 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 2-6 years and contain conditions related to interest to be received by the Bank and/or early repayment rights of the note issuers.

As at 31 March 2010, the estimated price of the notes quoted by arrangers is approximately 99.4 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. However, in view of the current financial turmoil and related uncertainties, the values of the notes may be affected by future impact of the economic and financial crisis.

- (b) As at 31 March 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 26 to the 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 31 March 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 2,540 million (31 December 2009:Baht 2,535 million), with the loss from revaluation amounting to Baht 40 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 31 March 2010 and 31 December 2009, the Bank has investments which are pledged as collateral, as mentioned in Note 22.1 to the financial statements.

6 Investments (Cont'd)

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

	Consolidated financial statements							
	31 March 2010				31 December 2009			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 Year Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 Year Million Baht	Over 5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities	2,422	508	-	2,930	4,536	32	3	4,571
Private sector debt securities	54	-	-	54	55	35	3	93
Total	2,476	508	-	2,984	4,591	67	6	4,664
<u>Add</u> Allowance for revaluation	1	(6)	-	(5)	2	-	1	3
<u>Less</u> Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sales securities-net	<u>2,476</u>	<u>502</u>	<u>-</u>	<u>2,978</u>	<u>4,592</u>	<u>67</u>	<u>7</u>	<u>4,666</u>
Held-to-maturity securities								
Promissory notes issued by TAMC	-	792	8	800	-	792	8	800
Government and state enterprises securities	-	8,748	-	8,748	-	6,505	155	6,660
Overseas debt securities	-	2,168	1,619	3,787	-	2,219	1,668	3,887
Total	-	11,708	1,627	13,335	-	9,516	1,831	11,347
<u>Less</u> Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Held-to-maturity securities - net	<u>-</u>	<u>11,654</u>	<u>1,627</u>	<u>13,281</u>	<u>-</u>	<u>9,462</u>	<u>1,831</u>	<u>11,293</u>
General investments								
Private sector debt securities	-	-	1	1	-	-	1	1
<u>Less</u> Allowance for impairment	-	-	(1)	(1)	-	-	(1)	(1)
General investments-net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt securities	<u>2,476</u>	<u>12,156</u>	<u>1,627</u>	<u>16,259</u>	<u>4,592</u>	<u>9,529</u>	<u>1,838</u>	<u>15,959</u>

6 Investments (Cont'd)

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

	Separate financial statements							
	31 March 2010				31 December 2009			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 Year Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 Year Million Baht	Over 5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities	2,422	508	-	2,930	4,488	-	-	4,488
Private sector debt securities	54	-	-	54	54	-	-	54
Total	2,476	508	-	2,984	4,542	-	-	4,542
<u>Add</u> Allowance for revaluation	1	(6)	-	(5)	2	-	-	2
<u>Less</u> Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sales securities-net	<u>2,476</u>	<u>502</u>	<u>-</u>	<u>2,978</u>	<u>4,543</u>	<u>-</u>	<u>-</u>	<u>4,543</u>
Held-to-maturity securities								
Promissory notes issued by TAMC	-	792	8	800	-	792	8	800
Government and state enterprises securities	-	8,748	-	8,748	-	6,505	155	6,660
Overseas debt securities	-	2,168	1,619	3,787	-	2,219	1,668	3,887
Total	-	11,708	1,627	13,335	-	9,516	1,831	11,347
<u>Less</u> Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Held-to-maturity securities-net	<u>-</u>	<u>11,654</u>	<u>1,627</u>	<u>13,281</u>	<u>-</u>	<u>9,462</u>	<u>1,831</u>	<u>11,293</u>
General investments								
Private sector debt securities	-	-	1	1	-	-	1	1
<u>Less</u> Allowance for impairment	-	-	(1)	(1)	-	-	(1)	(1)
General investments-net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt securities	<u>2,476</u>	<u>12,156</u>	<u>1,627</u>	<u>16,259</u>	<u>4,543</u>	<u>9,462</u>	<u>1,831</u>	<u>15,836</u>

6 Investments (Cont'd)

6.3 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 follow:

	Consolidated and separate financial statements	
	31 March 2010	31 December 2009
	Million Baht	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

6.4 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			
	31 March 2010		31 December 2009	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	255	252	264	264
<u>Less</u> Allowance for impairment	(3)		(3)	
General investments-net	252		261	

6 Investments (Cont'd)

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

As at 31 March 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							
31 March 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	3	-	-	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	17	1	(1)	17	1	(1)	-
	<u>73</u>	<u>51</u>	<u>(41)</u>	<u>73</u>	<u>51</u>	<u>(41)</u>	<u>10</u>

6.6 Investments in receivables

	Consolidated financial statements		Separate financial statements	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Investments in receivables	1,075	1,213	1,027	1,085
<u>Less</u> Allowance for impairment	<u>(190)</u>	<u>(258)</u>	<u>(154)</u>	<u>(154)</u>
Investments in receivables - net	<u>885</u>	<u>955</u>	<u>873</u>	<u>931</u>

6 Investments (Cont'd)

6.6 Investments in receivables (Cont'd)

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

	31 March 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)* %
<u>Consolidated financial statements</u>								
Total accumulated investments in receivables	14,730	24,916	7,075	19	14,730	24,916	7,075	19
Outstanding investments in receivables as at the balance sheet date	12,334	10,318	1,075		12,366	10,382	1,213	
<u>Separate financial statements</u>								
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	229	2,621	1,027		239	2,675	1,085	

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

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6 Investments (Cont'd)

6.7 Investments in subsidiary and associated companies

		Consolidated financial statements									
		Investment value								Dividend received for the three-month period ended 31 March	
Company name	Nature of business	Paid-up share capital		Percentage of holding		Cost method		Equity method			
		31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 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		

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6 Investments (Cont'd)

6.7 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 three-month ended 31 March	
		31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	2010	2009
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
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	100	-	235	-	-
Sathorn Asset Management Co., Ltd.	Asset management	25	25	100	100	-	25	-	200
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	-	200
Less Allowance for impairment						(1,402)	(1,563)		
Investments in subsidiary and associated companies - net						1,068	1,464		

The Board of Directors' meeting no. 4/2010 on 12 March 2010 approved 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 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. 24,999,993 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.

7 Loans and accrued interest receivables

	Consolidated financial statements		Separate financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht
Loans	84,427	85,996	82,848	81,180
Accrued interest receivables	212	255	190	198
Total loans and accrued interest receivables	84,639	86,251	83,038	81,378
<u>Less</u> Allowance for doubtful debts	(4,713)	(7,944)	(4,271)	(4,237)
<u>Less</u> Revaluation allowance for debt restructuring	(11)	(9)	(11)	(9)
Net book value	<u>79,915</u>	<u>78,298</u>	<u>78,756</u>	<u>77,132</u>

7.1 Classified by loan type

	Consolidated financial statements		Separate financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht
Bank overdrafts	5,681	5,671	5,685	5,655
Loans	54,264	57,439	54,264	54,786
Bills*	19,868	18,545	22,836	20,679
Hire purchase receivables*	3,938	3,592	-	-
Financial lease receivables*	256	256	-	-
Securities business receivables	357	432	-	-
Others	63	61	63	60
Total loans	84,427	85,996	82,848	81,180
<u>Add</u> Accrued interest receivables	212	255	190	198
Total loans and accrued interest receivables	84,639	86,251	83,038	81,378
<u>Less</u> Allowance for doubtful debts	(4,713)	(7,944)	(4,271)	(4,237)
<u>Less</u> Revaluation allowance for debt restructuring	(11)	(9)	(11)	(9)
Loans and accrued interest receivables - net	<u>79,915</u>	<u>78,298</u>	<u>78,756</u>	<u>77,132</u>

* Those amounts have been presented net from unearned interest income as at 31 March 2010 total of Baht 1,098 million (31 December 2009: Baht 979 million) and in separate financial statements Baht 2.4 million (31 December 2009: Baht 5 million).

7 Loans and accrued interest receivables (Cont'd)

7.2 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							
	31 March 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	60,173	21,212	1	266	58,190	19,810	1	247
Special mention	11,431	2,721	2	51	11,291	2,694	2	51
Sub-standard	1,781	962	100	995	2,532	1,119	100	1,142
Doubtful	1,298	424	100	463	1,111	318	100	358
Doubtful of loss	5,383	2,123	100	2,342	8,823	5,350	100	5,558
Total	80,066	27,442		4,117	81,947	29,291		7,356
General provision for further losses				154				146
Total				4,271				7,502

(1) For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with new BOT guidelines, 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							
	31 March 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	63,145	24,184	1	266	60,942	22,566	1	247
Special mention	11,431	2,722	2	51	11,291	2,694	2	51
Sub-standard	1,781	962	100	995	2,532	1,119	100	1,141
Doubtful	1,298	424	100	463	1,111	318	100	357
Doubtful of loss	5,383	2,123	100	2,342	5,502	2,195	100	2,404
Total	83,038	30,415		4,117	81,378	28,892		4,200
General provision for further losses				154				37
Total				4,271				4,237

(2) For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with new BOT guidelines, 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 31 March 2010, there were defaulted loans amounting to Baht 7,674 million (31 December 2009: Baht 7,658 million), for which the Bank has ceased accrual of interest income on accrual basis.

7 Loans and accrued interest receivables (Cont'd)

7.2 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	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Pass	282	356	-	-	-	-
Sub-standard debt	19	16	-	-	-	-
Doubtful debt	57	61	57	61	77	78
Total	358	433	57	61	77	78

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

As at 31 March 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	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Current or overdue less than 1 installment	3,489	3,105	35	30
Overdue 2 - 3 installments	396	427	8	9
Overdue 4 - 6 installments	34	44	26	30
Overdue 7 - 12 installments	25	22	25	22
Overdue more than 12 installments	266	268	266	268
Debtors under litigation	5	5	5	5
Total	4,215	3,871	365	364

7.3 Non-performing loans

As at 31 March 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	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Non-performing loans (principal only)				
Banking business	8,452	9,132	8,452	9,132
Asset management business	-	3,290	-	-
Other businesses	355	363	-	-

As at 31 March 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.

7 Loans and accrued interest receivables (Cont'd)

7.4 Hire purchase and finance lease receivables

As at 31 March 2010, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 3,850 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 31 March 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	1,975	2,898	70	368	5,311
Unearned finance income	(470)	(571)	(17)	(37)	(1,095)
Present value of minimum lease payments receivable	1,505	2,327	53	331	4,216
<u>Less</u> Allowance for doubtful accounts					(365)
Net receivables under hire purchase agreements and financial leases					<u>3,851</u>

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
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					<u>3,507</u>

7.5 Troubled debt restructuring

During for the three-month period ended 31 March 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	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Number of debtors	1,085	4,672	1,085	4,656
Debt balances (Million Baht)	1,397	2,367	1,397	2,323

7 Loans and accrued interest receivables (Cont'd)

7.5 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 three-month period ended 31 March 2010					
	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt Restructuring Million Baht
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht		
Modification of terms of payments	1,085	1,397	1,374 - Land and land with premises - Others	-	24
Total	1,085	1,397	1,374	-	24
Loans and accrued interest receivables as at 31 March 2010	189,630	84,638	-		
Consolidated financial statements					
For the year ended 31 December 2009					
	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt Restructuring Million Baht
	Number of debtors	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	2,282	-	85
Loans and accrued interest receivables as at 31 December 2009	197,203		86,251		
Separate financial statements					
For the three-month period ended 31 March 2010					
	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt Restructuring Million Baht
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht		
Modification of terms of payments	1,085	1,397	1,374 - Land and land with premises - Others	-	24
Total	1,085	1,397	1,374	-	24
Loans and accrued interest receivables as at 31 March 2010	134,162	83,037	-		

7 Loans and accrued interest receivables (Cont'd)

7.5 Troubled debt restructuring (Cont'd)

Separate financial statements					
For the year ended 31 December 2009					
	Debt balances			Type of assets transferred	Loss on troubled debt restructuring Million Baht
	Number of debtors	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 three-month period ended 31 March 2010			For the year ended 31 December 2009		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	290	250	227	1,534	1,152	1,067
5 - 10 years	788	1,130	1,130	3,106	964	964
10 - 15 years	2	7	7	15	189	189
More than 15 years	5	10	10	17	62	62
Total	1,085	1,397	1,374	4,672	2,367	2,282

Separate financial statements						
Period of debts restructuring contracts	For the three-month period ended 31 March 2010			For the year ended 31 December 2009		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	290	250	227	1,526	1,139	1,054
5 - 10 years	788	1,130	1,130	3,101	934	934
10 - 15 years	2	7	7	13	189	189
More than 15 years	5	10	10	16	61	61
Total	1,085	1,397	1,374	4,656	2,323	2,238

7 Loans and accrued interest receivables (Cont'd)

7.5 Troubled debt restructuring (Cont'd)

Supplemental information for the three-month period ended 31 March 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 three-month period ended 31 March 2010	For the year ended 31 December 2009	For the three-month period ended 31 March 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 periods (Hair cut loss)	-	151	-	136
Cash settlement by debtors				
Principal	233	1,203	233	1,193
Interest	99	390	98	371

As at 31 March 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	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
	Million Baht	Million baht	Million Baht	Million Baht
Number of debtors	8,084	7,608	8,081	7,591
Debt balances after restructuring	3,712	3,241	3,687	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 31 March 2010, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 11 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 31 March 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 43 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.

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8 Allowance for doubtful debts

Consolidated financial statements									
31 March 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	Security 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	-	-	-	-	-	154	154	6	160
Reversal of bad debts	-	-	-	-	-	80	80	-	80
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	4	4	-	4
<u>Less</u> Bad debts written off	-	-	(194)	-	(2)	-	(196)	(6)	(202)
Reversal of allowance made for settled debts	-	-	-	-	-	(6)	(6)	-	(6)
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	19	-	48	106	(60)	(113)	-	-	-
Transfer to assets of disposal group classified as held for sales	-	-	(1)	(1)	(3,154)	(109)	(3,265)	-	(3,265)
Balance as at 31 March 2010	266	51	995	463	2,342	154	4,271	442	4,713

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	Security 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

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8 Allowance for doubtful debts (Cont'd)

Separate financial statements							
31 March 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	-	-	-	-	-	154	154
Reversal of bad debts	-	-	-	-	-	80	80
Transferred from allowance made for sold NPLs to subsidiary allowance for debt restructuring	-	-	-	-	-	4	4
<u>Less</u> Bad debts written off	-	-	(194)	-	(2)	-	(196)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(6)	(6)
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	19	-	48	106	(60)	(113)	-
Balance as at 31 March 2010	266	51	995	463	2,342	154	4,271

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
Transferred from revaluation allowance for subsidiary	-	-	-	-	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

9 Revaluation allowance for debt restructuring

	Consolidated financial statements		Separate financial statements	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Balance - beginning of the period/year	9	20	9	20
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	6	4	6	4
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(4)	(15)	(4)	(15)
Balance - end of the period/year	11	9	11	9

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

10 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		Separate financial statements	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
Cost	2,853	3,046	2,836	2,852
<u>Less</u> Allowance for impairment	(618)	(636)	(614)	(620)
Book value	2,235	2,410	2,222	2,232
Immovable	2,843	3,027	2,836	2,852
Movable	10	19	-	-
Total	2,853	3,046	2,836	2,852
<u>Less</u> Allowance for impairment	(618)	(636)	(614)	(620)
Properties foreclosed - net	2,235	2,410	2,222	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.

11 Intangible assets

Consolidated financial statements						
	Amortising period	Balance as at 31 December 2009 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off/ amortisation Million Baht	Balance as at 31 March 2010 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	56	(27)	(374)	83
Computer software	5 - 10 years	386	3	22	(19)	392
License Fee	5 years	6	-	-	(1)	5
Total		820	59	(5)	(394)	480
<u>Less</u> Allowance for impairment		(393)				(28)
Net intangible assets		427				452
Separate financial statements						
	Amortising period	Balance as at 31 December 2009 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off/ amortisation Million Baht	Balance as at 31 March 2010 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	55	(27)	(374)	82
Computer software	5 - 10 years	373	2	27	(18)	384
License Fee	10 years	4	-	-	-	4
Total		805	57	-	(392)	470
<u>Less</u> Allowance for impairment		(393)				(28)
Net intangible assets		412				442

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

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

	For the three-month ended 31 March 2010 Million Baht
Operating cash flows	(19)
Investing cash flows	109
Financing cash flows	-
Total cash flows	90

b) Assets of disposal group classified as held for sale

	31 March 2010 Million Baht
Interbank and money market	259
Investment - net	265
Property foreclose - net	159
Other assets	324
Total	1,007

c) Liabilities of disposal group classified as held for sale

	31 March 2010 Million Baht
Unearned premium records	145
Loss reserve and claims outstanding	60
Premium received in advance	73
Other liabilities	148
Total	426

d) Cumulative income or expense recognised directly in equity relating to disposal group classified as held for sale

	For the three-month ended 31 March 2010 Million Baht
Revenue	64
Expense	(23)
Profit before tax of discontinued operations	41
Tax	(11)
Profit after tax of discontinued operations	(30)

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13 Borrowings

	Consolidated financial statements					
	31 March 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	-	1,619	1,619	-	1,668	1,668
Subordinated debentures of USD 40 million, maturing in 2017	-	1,295	1,295	-	1,335	1,335
Non-interest bearing subordinated debentures of Baht 120 million, maturing in 2014	95	-	95	95	-	95
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	639	5,414	6,053	639	5,503	6,142
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.10% per annum	310	-	310	380	-	380
Bills of exchange maturing in 2010, coupon rate of 1.10-1.50% per annum	8,929	-	8,929	8,620	-	8,620
	9,239	-	9,239	9,000	-	9,000
Total	9,878	5,414	15,292	9,639	5,503	15,142
<u>Less</u> Current portion of long-term borrowings	(9,782)	-	(9,782)	(9,544)	-	(9,544)
Long-term borrowings - net	96	5,414	5,510	95	5,503	5,598
Separate financial statements						
	31 March 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	-	1,619	1,619	-	1,668	1,668
Subordinated debentures of USD 40 million, maturing in 2017	-	1,295	1,295	-	1,335	1,335
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	544	5,414	5,958	544	5,503	6,047
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.10% per annum	310	-	310	380	-	380
Bills of exchange maturing in 2010, coupon rate of 1.10 - 1.50% per annum	8,929	-	8,929	8,620	-	8,620
	9,239	-	9,239	9,000	-	9,000
Total	9,783	5,414	15,197	9,544	5,503	15,047
<u>Less</u> Current portion of long-term borrowings	(9,783)	-	(9,783)	(9,544)	-	(9,544)
Long-term borrowings - net	-	5,414	5,414	-	5,503	5,503

13 Borrowings (Cont'd)

- a) As at 31 March 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.

14 Share capital

The registered, issued and paid up capital is as follows:

	Ordinary Shares	
	No of Shares	Baht
As at 31 March 2010	13,349,401,164	6,674,700,582
As at 31 December 2009	13,349,401,164	6,674,700,582

As at 31 March 2010, registered ordinary shares was 13,349,401,164 shares at Baht 0.50 each (31 December 2009: 13,349,401,164 shares at Baht 0.50 each). All shares were issued and paid up.

The Board of Director' meeting no. 5/2010 on 25 March 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. The Bank expected the deal will be completed within June 2010.

15. 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.

	Consolidated and separate financial statements	
	31 March 2010	31 December 2009
	Million Baht	Million Baht
Balance - beginning of period	729	749
<u>Less</u> Amortisation	(155)	(20)
Balance - end of period	574	729

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

16 Revaluation surplus (deficit) on investments

	Separate financial statements	
	31 March 2010	31 December 2009
	Million Baht	Million Baht
Revaluation surplus on investments:		
Debt securities	1	3
Equity securities	41	37
Total	42	40
Revaluation deficit on investments:		
Debt securities	(6)	(1)
Equity securities	-	-
Total	(6)	(1)
Revaluation surplus on investments - net	36	39

17 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.

18 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 were as follows:

	31 March 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	-		-	
Deficit unappropriated	(288)		(444)	
Total	6,387	6.10	6,231	6.00
<u>Tier II</u>				
Revaluation surplus on assets	377		459	
Reserve for loan classified as pass	243		226	
Long-term subordinated debentures	3,193		3,030	
Hybrid securities	2,500		2,500	
Revaluation surplus on capital securities available-for-sale	16		16	
Total	6,329		6,231	
Total Tier I and Tier II capital funds	12,716		12,462	
<u>Less</u> Revaluation deficit on capital securities available-for-sale	-		-	
Total capital funds	12,716	12.14	12,462	11.99

19 Gains (losses) on investments

Gains (losses) on investments as presented in the income statements for three-month periods ended 31 March 2010 and 2009 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Unrealised gains on revaluation of investments	1	7	1	3
Allowance for impairment of investments	-	(27)	-	(27)
Reverse allowance for impairment of investment in non-performing loans	-	4	-	-
Realised gains (losses) on securities trading				
Trading securities	-	(1)	-	1
Available-for-sale securities	1	145	1	145
General investments	-	68	-	68
Gains (losses) on investments	<u>2</u>	<u>196</u>	<u>2</u>	<u>190</u>

20 Other income

During this period, the Bank sold its office building on Sathorn Road. The profit resulted from this transaction amounting to Baht 298 million was presented in other income.

21 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.

22 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.

23 Encumbrance of assets

23.1 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	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht
Utilities usage	9	9	9	9
Guarantees on loans	45	45	-	-
Others	-	14	-	-
Total	54	68	9	9

23.2 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 31 March 2010 and 31 December 2009, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and separate financial statements			
	31 March 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

24 Commitments and contingent liabilities

24.1 Commitments

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

	Separate financial statements					
	31 March 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⁾	518	-	518	374	-	374
Guarantees on loans	5	16	21	5	16	21
Liability under unmatured import bills	-	526	526	-	510	510
Letters of credits	42	2,565	2,607	23	2,290	2,313
Other commitments:						
Other guarantees ⁽¹⁾	6,497	256	6,753	6,070	405	6,475
Forward and spot contracts						
- Bought	-	12,483	12,483	-	10,619	10,619
- Sold	-	12,399	12,399	-	9,663	9,663
Cross currency and interest rate						
- Bought	5,567	1,077	6,644	5,567	1,111	6,678
- Sold	1,205	4,989	6,194	1,205	5,142	6,347
Interest rate swap contracts						
- Fixed rate payer	39,457	7,589	47,046	23,443	7,712	31,155
- Floating rate payer	35,577	6,942	42,519	21,118	7,712	28,830
- Fixed rate payee	32,237	6,942	39,179	20,278	7,712	27,990
- Floating rate payee	42,797	7,589	50,386	24,283	7,712	31,995
Range accrual swap contract						
- Payer	1,398	-	1,398	1,418	-	1,418
- Payee	1,398	-	1,398	1,418	-	1,418
Undrawn bank overdrafts	7,995	-	7,995	7,932	-	7,932
Investment						
- Bought	10,100	-	10,100	13,287	-	13,287
- Sold	9,238	-	9,238	13,287	-	13,287
Total	194,031	63,373	257,404	139,708	60,604	200,312

⁽¹⁾ As at 31 March 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.

24 Commitments and contingent liabilities (Cont'd)

24.2 Contingent liabilities

- (a) As at 31 March 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	
	31 March 2010 Million Baht	31 March 2010 Million Baht
Sum claimed in cases where the Bank and its subsidiaries are direct defendants	805	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	9	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.	24,643	24,594
Total	25,457	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 31 March 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 14 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 31 March 2010, the Bank and its subsidiaries recognised provisions for contingent loss from legal cases of approximately Baht 38 million (31 December 2009: Baht 53 million), respectively. The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

- (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 27 to the financial statements.
- (c) On 21 January 2008, a subsidiary was sued in a labour suit, claiming compensation of approximately Baht 47 million. On 10 July 2008, the Company attended settlement negotiations for the above case for which compensation of approximately Baht 7 million was claimed. As at 31 March 2010, the case has yet to be concluded which the settlement negotiations are ongoing and the examination of witnesses is in process.

24 Commitments and contingent liabilities (Cont'd)

24.3 Commitments under long-term leases

As at 31 March 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:

<u>Lease periods</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2010 Million Baht	31 December 2009 Million Baht	31 March 2010 Million Baht	31 December 2009 Million Baht
1 - 3 years	325	359	285	304
4 - 5 years	20	22	20	22
6 - 10 years	17	19	17	19
11 - 30 years	11	12	11	12

24.4 Other commitments

As at 31 March 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 31 March 2010, the Bank is obligated to pay a further Baht 178 million and USD 0.14 million, respectively under such agreements (31 December 2009: Baht 216 million and USD 0.19 million).

25 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.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Subsidiary companies				
Revenue:				
Interest income	-	-	22	32
Premises and equipments income	-	-	-	3
Fees income	-	-	16	15
Other income	-	-	4	3
Expenses:				
Interest expenses	-	1	-	1
Premises and equipments expenses	-	-	-	22
Other expenses	-	-	-	4

25 Related party transactions (Cont'd)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Related companies				
Revenue:				
Interest income	1	6	1	1
Fees income	-	9	-	9

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 three-month period ended 31 March 2010 of Baht 9 million (2009: Baht 3 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 31 March 2010, the Bank has receivable fee from such subsidiary to Baht 5 million (31 December 2009: 3 million).

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 three-month period ended 31 March 2010 were Baht 0.3 million (2009: nil), while there is no related commission fees for the same period (2009: nil).

Directors' remuneration represents the benefits paid to the Bank's and its subsidiaries' directors in accordance with Section 90 of the Public Company Limited Act, excluding salary and related benefits payable to directors who hold executive positions.

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

	Consolidated financial statements				
	31 March 2010				
	Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits	Borrowings
	Million Baht	Million Baht	Million Baht	Million Baht	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	-	1	-
		123	-	1	2,500
<u>Related persons</u>					
	-	-	-	63	-
		-	-	63	-

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25 Related party transactions (Cont'd)

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	-	340	2,500		
<u>Related persons</u>							
	-	-	-	64	-		
		-	-	64	-		
Separate financial statements							
31 March 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
<u>Subsidiary companies</u>							
CIMB Securities (Thailand) Co., Ltd. (Formerly known as “BT Securities Co., Ltd.”)	56	56	-	2	106	-	3
BT Leasing Co., Ltd.	2,420	2,500	-	-	31	-	4
BT Asset Management Co., Ltd.	-	-	-	-	15	-	(1)
BT Business Consulting Co., Ltd.	4	4	-	-	-	-	(2)
BT Insurance Co., Ltd.	-	-	-	8	34	-	64
Sathorn Asset Management Co., Ltd.	-	-	-	16	13	-	(1)
Krung Thai Tanakit Finance Plc.	-	-	-	-	255	-	-
BT Worldlease Co., Ltd.	485	468	270	-	18	-	2
		3,028	270	26	472	-	69
<u>Associated company</u>							
	-	3	-	-	-	-	-
	-	3	-	-	-	-	-
<u>Related companies</u>							
CIMB Bank (L) Ltd.	-	-	-	-	2,500	-	-
Other Companies	124	123	-	-	331	-	-
		123	-	-	331	2,500	-
<u>Related persons</u>							
	-	-	-	-	63	-	-
	-	-	-	-	63	-	-

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25 Related party transactions (Cont'd)

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
<u>Subsidiary companies</u>							
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	-	-
		2,847	200	38	536	-	32
<u>Associated company</u>							
	-	-	3	-	-	-	-
		-	3	-	-	-	-
<u>Related companies</u>							
CIMB Bank (L.) Ltd.	-	-	-	-	-	2,500	-
Other Companies	126	125	-	-	340	-	-
		125	-	-	340	2,500	-
<u>Related persons</u>							
	-	-	-	-	64	-	-
		-	-	-	64	-	-

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

As at 31 March 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 13 d) to the interim financial statements.

As at 31 March 2010, the Bank has commitments in financial derivatives with related party company as follows:

	31 March 2010		
	Thai Baht	Foreign	Total
	Million Baht	currency	Million Baht
	Million Baht	Million Baht	Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payer	1,417	-	1,417
- Floating rate payer	500	-	500
- Fixed rate payee	500	-	500
- Floating rate payee	1,417	-	1,417
Range accrual swap contracts			
- Payer	1,398	-	1,398
- Payee	1,398	-	1,398
<u>Related company</u>			
Cross currency and interest rate			
- Bought	2,500	-	2,500
- Sold	-	2,293	2,293

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26 Financial information by segment

The Bank operates financial and banking business, where as 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 31 March 2010 and 31 December 2009 and for the three-month periods ended 31 March 2010 and 2009 are as follows:

For the three-month period ended 31 March 2010					
Bank business	Hire purchase	Asset	Other	Eliminations	Total
Million Baht	business	management	business	Million Baht	Million Baht
	Million Baht	business	Million Baht		
		Million Baht			
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	950	133	-	1	1,084
Non-interest incomes	519	17	-	46	554
Non-interest expenses	(1,131)	(106)	-	(74)	(1,310)
Corporate income tax	-	(4)	-	-	(4)
Profit for the period from discontinued operations	-	-	2	-	29
Net incomes (losses)	338	40	2	(27)	353

For the three-month period ended 31 March 2009					
Bank business	Hire purchase	Asset	Other	Eliminations	Total
Million Baht	business	management	business	Million Baht	Million Baht
	Million Baht	business	Million Baht		
		Million Baht			
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	665	111	14	7	794
Non-interest incomes	410	22	48	104	531
Non-interest expenses	(1,343)	(132)	(21)	(129)	(1,569)
Corporate income tax	-	-	(12)	(3)	(15)
Net incomes (losses)	(268)	1	29	(21)	(259)

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26 Financial information by segment (Cont'd)

	Bank business		Hire purchase business		Asset management business		Other business		Eliminations		Total	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 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	23,669	21,628	-	-	-	11	44	333	(1,258)	(1,258)	22,455	20,714
Loans and accrued interest receivable - Net (including interbank and money market items)	82,151	91,941	3,913	3,592	-	127	763	1,136	(3,183)	(3,128)	83,644	93,668
Land, premises and equipments - Net	2,681	3,472	22	22	-	-	40	55	-	-	2,743	3,549
Assets of disposal group classified as held for sales	-	-	-	-	516	-	713	-	(74)	-	1,155	-
Other assets	7,925	8,577	51	49	-	168	155	369	(227)	(37)	7,904	9,126
Total assets	116,426	125,618	3,986	3,663	516	306	1,715	1,893	(4,742)	(4,423)	117,901	127,057

27 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 31 March 2010 and 31 December 2009, The Bank and subsidiaries have loans transferred to TAMC are as follows:

	Consolidated and separate financial statements			
	31 March 2010		31 December 2009	
	Book value Million Baht	Transfer price Million Baht	Book value Million Baht	Transfer price Million Baht
Loans transferred to TAMC				
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 6.1)		800		800

The Bank is to receive payment in the form of non-transferable, 10-year promissory notes, avaled by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 31 March 2010, the Bank recognised interest receivable under these promissory notes amounting to Baht 72 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 31 March 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 31 March 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 573 million and interest amounting Baht 73 million. The Bank believes that these issues will not have a material impact on the transfer price of the loans and interest on TAMC note, since some of the original ownership documents and appraisal reports for the collateral have already been handed over to TAMC while, collateral for receivables that have a number of creditors, TAMC needs to contact the major creditors itself in order to move the issue forward. 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 above issues are still being investigated and finalised between the Bank and TAMC. 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.