

CIMB THAI BANK PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

30 JUNE 2011



AUDITOR'S REPORT

To the Shareholders of CIMB Thai Bank Public Company Limited

Audit Report

1. I have audited the accompanying consolidated and separate statements of financial position as at 30 June 2011 and 31 December 2010, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity, and cash flows for the six-month period ended 30 June 2011 and 2010 of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to express an opinion on these interim financial statements based on my audits.
2. I conducted my audits in accordance with generally accepted auditing standards. These standards require that I plan and perform the audits to obtain a reasonable assurance as to whether the interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall interim financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.
3. In my opinion, the interim consolidated and separate financial statements referred above present fairly, in all material respects, the consolidated and separate financial positions as at 30 June 2011 and 31 December 2010, and the consolidated and separate results of operation and cash flows for the six-month period ended 30 June 2011 and 2010 of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Review Report

4. I have reviewed the consolidated and separate statements of comprehensive income for the three-month periods ended 30 June 2011 and 2010 of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information in these interim statements of comprehensive income. My responsibility is to issue a report on these interim statements of comprehensive income based on my reviews.
5. I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the reviews to obtain a moderate assurance as to whether the interim statements of comprehensive income are free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.
6. Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and separate statements of comprehensive income referred above do not present fairly, in all material respects, the consolidated and separate results of operation for the three-month periods ended 30 June 2011 and 2010 of the Bank and its subsidiaries, and of the Bank, respectively, in accordance with generally accepted accounting principles.

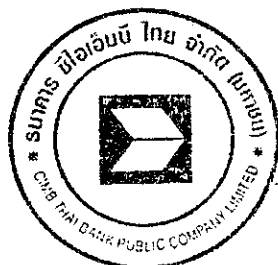
A handwritten signature in black ink, appearing to read 'Boonlert Kamolchanokkul', written in a cursive style.

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

Bangkok
22 August 2011

CIMB Thai Bank Public Company Limited
Statements of financial position
As at 30 June 2011 and 31 December 2010

	Notes	Consolidated financial statements		Separate financial statements	
		30 June 2011 Baht	31 December 2010 Baht	30 June 2011 Baht	31 December 2010 Baht
Assets					
Cash		2,543,306,235	2,744,520,360	2,541,165,720	2,743,015,913
Interbank and money market items - net	7	11,898,212,223	15,248,077,722	11,519,782,297	14,836,152,719
Derivatives assets		2,066,718,737	2,476,285,116	2,066,718,737	2,476,285,116
Investments - net	8	22,632,615,460	21,477,643,326	22,568,795,619	21,397,458,528
Investments in subsidiaries - net	8	153,912,645	153,912,645	1,323,143,017	1,323,143,017
Loans and accrued interest receivables	9				
Loans		103,874,165,724	95,508,372,467	99,999,580,725	92,165,374,507
Accrued interest receivables		204,603,661	178,492,539	204,379,292	177,764,475
Total loans and accrued interest receivables		104,078,769,385	95,686,865,006	100,203,960,017	92,343,138,982
<u>Less</u> Deferred revenue		(2,166,968,374)	(1,670,228,020)	(3,306,719)	(4,506,847)
<u>Less</u> Allowance for doubtful debts	10	(2,663,246,302)	(2,604,898,631)	(2,468,682,507)	(2,423,693,217)
<u>Less</u> Revaluation allowance for debt restructuring	11	(14,435,454)	(8,557,353)	(14,435,454)	(8,557,353)
Loans and accrued interest receivables - net		99,234,119,255	91,403,181,002	97,717,535,337	89,906,381,565
Customers' liability under acceptance		59,133,730	61,479,078	59,133,730	61,479,078
Properties for sale - net	12	1,795,791,114	2,049,010,878	1,776,726,703	2,032,605,522
Premises and equipments - net	13	2,878,074,234	2,838,342,565	2,762,260,624	2,756,058,828
Intangible assets - net	14	423,639,913	451,672,035	404,549,383	442,481,697
Other assets - net	16	1,085,637,849	1,571,027,155	813,670,932	1,227,641,589
Total assets		144,771,161,395	140,475,151,882	143,553,482,099	139,202,703,572



Director

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Director

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The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited

Statements of financial position (Cont'd)

As at 30 June 2011 and 31 December 2010

	Notes	Consolidated financial statements		Separate financial statements	
		30 June 2011 Baht	31 December 2010 Baht	30 June 2011 Baht	31 December 2010 Baht
Liabilities and shareholders' equity					
Liabilities					
Deposits	17	97,341,139,715	94,656,137,087	97,242,999,803	94,539,999,094
Interbank and money market items-net	18	4,297,969,000	3,611,685,400	4,074,790,795	3,417,325,728
Liability payable on demand		350,361,018	250,634,382	350,361,018	250,634,382
Derivatives liabilities		1,605,697,584	1,941,104,710	1,605,697,584	1,941,104,710
Debt issued and borrowings	19	23,882,850,023	22,654,284,285	23,780,045,031	22,553,936,806
Bank's liability under acceptance		59,133,730	61,479,078	59,133,730	61,479,078
Provisions	20	1,462,033,654	1,002,755,749	1,418,165,485	1,002,755,749
Other liabilities	21	3,838,052,405	4,361,237,496	3,312,731,264	3,741,243,147
Total liabilities		132,837,237,129	128,539,318,187	131,843,924,710	127,508,478,694
Shareholders' equity					
Share capital	22				
Registered					
16,315,934,756 ordinary shares of Baht 0.50 each		8,157,967,378	8,157,967,378	8,157,967,378	8,157,967,378
Issued and paid-up share capital					
16,315,934,756 ordinary shares of Baht 0.50 each		8,157,967,378	8,157,967,378	8,157,967,378	8,157,967,378
Premium on share capital		1,483,266,796	1,483,266,796	1,483,266,796	1,483,266,796
Other reserves	23	656,590,761	727,401,873	638,610,562	707,628,508
Retained earnings					
Appropriated - statutory reserve	24	103,500,000	63,500,000	103,500,000	63,500,000
Unappropriated		1,447,014,104	1,421,426,993	1,326,212,653	1,281,862,196
Equity attributable to the Bank's shareholders		11,848,339,039	11,853,563,040	11,709,557,389	11,694,224,878
Non-controlling interest		85,585,227	82,270,655	-	-
Total shareholders' equity		11,933,924,266	11,935,833,695	11,709,557,389	11,694,224,878
Total liabilities and shareholders' equity		144,771,161,395	140,475,151,882	143,553,482,099	139,202,703,572

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

13 to 99 are an integral part of the

CIMB Thai Bank Public Company Limited

Statements of comprehensive income (unaudited)

For the three-month periods ended 30 June 2011 and 2010

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		Baht	Baht	Baht	Baht
Interest incomes	28	1,907,812,493	1,546,158,102	1,748,179,996	1,424,249,382
Interest expenses	29	(756,316,745)	(443,835,753)	(752,786,824)	(440,342,823)
Net interest income		1,151,495,748	1,102,322,349	995,393,172	983,906,559
Fees and service incomes	30	322,809,406	199,476,326	195,756,732	140,733,753
Fees and service expenses	30	(27,366,978)	(22,858,047)	(14,483,607)	(18,032,735)
Net fee and service incomes		295,442,428	176,618,279	181,273,125	122,701,018
Gains on tradings and foreign exchange transactions	31	53,614,609	172,423,563	38,764,038	172,019,372
Gains on investments, net	32	90,613,412	231,432,660	89,979,041	169,532,155
Other operating incomes	33	27,389,881	8,074,401	45,098,742	7,487,343
Total operating incomes		1,618,556,078	1,690,871,252	1,350,508,118	1,455,646,447
Other operating expenses					
Employee expenses		691,568,587	615,566,328	530,707,401	504,598,850
Directors' remuneration		2,172,000	2,556,000	2,088,000	2,472,000
Premises and equipment expenses		293,073,698	310,158,699	253,976,646	279,710,279
Taxes and duties		72,054,361	50,754,788	69,521,445	49,009,768
Others		193,341,480	202,861,086	192,759,838	167,695,095
Total other operating expenses		1,252,210,126	1,181,896,901	1,049,053,330	1,003,485,992
Bad and doubtful debts and impairment losses	34	95,394,562	196,115,974	68,000,000	201,000,000
Profit from continuing operation before income tax expenses		270,951,390	312,858,377	233,454,788	251,160,455
Income tax expenses	35	(14,085,485)	(8,454,660)	-	-
Net profit from continuing operation		256,865,905	304,403,717	233,454,788	251,160,455
Profit after tax of discontinued operation		-	64,386,387	-	-
Net profit for the periods		256,865,905	368,790,104	233,454,788	251,160,455

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited

Statements of comprehensive income (unaudited) (Cont'd)

For the three-month periods ended 30 June 2011 and 2010

	Note	Consolidated financial statements		Separate financial statements	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
Other comprehensive incomes (expenses)					
Changes in revaluation surplus		(2,329,856)	(1,282,975)	(2,329,856)	(1,282,975)
(Losses) gain on remeasuring available-for-sale investments		(33,956,046)	72,308,084	(33,190,048)	72,034,431
Total other comprehensive (expenses) income from continuing operation		(36,285,902)	71,025,109	(35,519,904)	70,751,456
Other comprehensive income on assets of disposal group classified as held for sales		-	3,248,712	-	-
Total other comprehensive (expenses) income		(36,285,902)	74,273,821	(35,519,904)	70,751,456
Total comprehensive income for the periods		220,580,003	443,063,925	197,934,884	321,911,911
Net profit attributable to:					
Equity holders of the Bank		254,800,595	365,849,317	233,454,788	251,160,455
Non-controlling interests		2,065,310	2,940,787	-	-
		256,865,905	368,790,104	233,454,788	251,160,455
Total comprehensive income attributable to:					
Equity holders of the Bank		218,514,591	440,123,118	197,934,884	321,911,911
Non-controlling interests		2,065,412	2,940,807	-	-
		220,580,003	443,063,925	197,934,884	321,911,911
Earnings per share for profit attributable to the equity holders of the Bank					
	37				
Basic earnings per share (Baht per share)		0.02	0.03	0.01	0.02
Weighted average number of ordinary shares (shares)		16,315,934,756	13,349,401,164	16,315,934,756	13,349,401,164

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited
Statements of comprehensive income
For the six-month periods ended 30 June 2011 and 2010

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		Baht	Baht	Baht	Baht
Interest incomes	28	3,655,161,336	3,061,418,652	3,347,891,964	2,814,144,868
Interest expenses	29	(1,374,085,109)	(925,327,144)	(1,366,815,712)	(918,442,789)
Net interest income		2,281,076,227	2,136,091,508	1,981,076,252	1,895,702,079
Fees and service incomes	30	559,389,687	386,175,762	343,568,346	273,069,260
Fees and service expenses	30	(55,475,043)	(46,657,176)	(32,767,345)	(37,951,826)
Net fee and service incomes		503,914,644	339,518,586	310,801,001	235,117,434
Gains on tradings and foreign exchange transactions	31	175,988,517	232,432,611	152,665,069	231,901,568
Gains on investments	32	90,019,875	234,132,781	88,710,504	170,914,933
Other operating incomes	33	157,197,618	381,356,260	168,028,083	422,865,894
Total operating incomes		3,208,196,881	3,323,531,746	2,701,280,909	2,956,501,908
Other operating expenses					
Employee expenses		1,381,975,925	1,245,402,358	1,080,525,977	1,023,211,865
Directors' remuneration		4,344,000	5,112,000	4,176,000	4,944,000
Premises and equipment expenses		579,019,221	640,507,338	506,242,768	581,401,589
Taxes and duties		132,670,392	103,475,098	127,328,744	100,263,758
Others		385,929,640	332,849,887	343,080,754	302,762,843
Total other operating expenses		2,483,939,178	2,327,346,681	2,061,354,243	2,012,584,055
Bad and doubtful debts and impairment losses	34	161,170,803	356,606,150	123,000,000	355,000,000
Profit from continuing operation before income tax expenses		563,086,900	639,578,915	516,926,666	588,917,853
Income tax expenses	35	(21,724,853)	(12,390,823)	-	-
Net profit from continuing operation		541,362,047	627,188,092	516,926,666	588,917,853
Profit after tax of discontinued operation		-	93,789,865	-	-
Net profit for the periods		541,362,047	720,977,957	516,926,666	588,917,853

The accompanying notes to interim consolidated and separate financial statements from page

13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited

Statements of comprehensive income (Cont'd)

For the six-month periods ended 30 June 2011 and 2010

	Note	Consolidated financial statements		Separate financial statements	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
Other comprehensive incomes (expenses)					
Changes in revaluation surplus		(3,598,109)	(156,871,639)	(3,598,109)	(156,871,639)
(Losses) gain on remeasuring available-for-sale investments		(67,775,573)	71,155,940	(65,982,407)	68,754,043
Total other comprehensive (expenses) income from continuing operation		(71,373,682)	(85,715,699)	(69,580,516)	(88,117,596)
Other comprehensive income on assets of disposal group classified as held for sales		-	3,262,498	-	-
Total other comprehensive expenses		(71,373,682)	(82,453,201)	(69,580,516)	(88,117,596)
Total comprehensive income for the period		469,988,365	638,524,756	447,346,150	500,800,257
Net profit attributable to:					
Equity holders of the Bank		536,388,954	713,985,677	516,926,666	588,917,853
Non-controlling interests		4,973,093	6,992,280	-	-
		541,362,047	720,977,957	516,926,666	588,917,853
Total comprehensive income attributable to:					
Equity holders of the Bank		465,015,272	631,533,110	447,346,150	500,800,257
Non-controlling interests		4,973,093	6,991,646	-	-
		469,988,365	638,524,756	447,346,150	500,800,257
Earnings per share for profit attributable to the equity holders of the Bank					
	37				
Basic earnings per share (Baht per share)		0.03	0.05	0.03	0.04
Weighted average number of ordinary shares (shares)		16,315,934,756	13,349,401,164	16,315,934,756	13,349,401,164

The accompanying notes to interim consolidated and separate financial statements from page

13 to 99 are an integral part of the interim financial

statements

CIMB Thai Bank Public Company Limited

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2011 and 2010

Consolidated financial statements												
Attributable to owners of the Bank												
Other reserves												
Notes	Issued and paid-up share capital Baht	Share premium Baht	Revaluation surplus on assets Baht	Revaluation surplus (deficit) on change in value of investments Baht	Other Baht	Other comprehensive income on assets of disposal group classified as held for sales Baht	Total other reserves Baht	Legal reserve Baht	Retained earnings (deficits) Baht	Total equity attributable to owners of the Bank Baht	Non-controlling interest Baht	Total Baht
Balance as at 1 January 2010	6,674,700,582	-	729,326,917	49,179,146	-	-	778,506,063	-	420,566,556	7,873,773,201	70,357,816	7,944,131,017
Total comprehensive income (expenses) for the period	-	-	(156,871,639)	71,155,940	-	3,262,498	(82,453,201)	-	713,985,677	631,532,476	6,992,280	638,524,756
Appropriated - statutory reserve	24	-	-	-	-	-	-	3,500,000	(3,500,000)	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	156,871,639	156,871,639	14,886	156,886,525
Balance as at 30 June 2010	<u>6,674,700,582</u>	<u>-</u>	<u>572,455,278</u>	<u>120,335,086</u>	<u>-</u>	<u>3,262,498</u>	<u>696,052,862</u>	<u>3,500,000</u>	<u>1,287,923,872</u>	<u>8,662,177,316</u>	<u>77,364,982</u>	<u>8,739,542,298</u>
Balance as at 1 January 2011	8,157,967,378	1,483,266,796	566,608,876	160,792,997	-	-	727,401,873	63,500,000	1,421,426,993	11,853,563,040	82,270,655	11,935,833,695
Impact of the adoption of TAS 19 Employee Benefits	6	-	-	-	-	-	-	-	(474,399,952)	(474,399,952)	(1,658,521)	(476,058,473)
Restated balance	<u>8,157,967,378</u>	<u>1,483,266,796</u>	<u>566,608,876</u>	<u>160,792,997</u>	<u>-</u>	<u>-</u>	<u>727,401,873</u>	<u>63,500,000</u>	<u>947,027,041</u>	<u>11,379,163,088</u>	<u>80,612,134</u>	<u>11,459,775,222</u>
Total comprehensive income (expenses) for the period	-	-	(3,598,109)	(67,775,573)	-	-	(71,373,682)	-	536,388,954	465,015,272	4,973,093	469,988,365
Appropriated - statutory reserve	24	-	-	-	-	-	-	40,000,000	(40,000,000)	-	-	-
Share-based payment	-	-	-	-	562,570	-	562,570	-	-	562,570	-	562,570
Transfer to retained earnings	-	-	-	-	-	-	-	-	3,598,109	3,598,109	-	3,598,109
Balance as at 30 June 2011	<u>8,157,967,378</u>	<u>1,483,266,796</u>	<u>563,010,767</u>	<u>93,017,424</u>	<u>562,570</u>	<u>-</u>	<u>656,590,761</u>	<u>103,500,000</u>	<u>1,447,014,104</u>	<u>11,848,339,039</u>	<u>85,585,227</u>	<u>11,933,924,266</u>

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited

Statements of changes in shareholders' equity (Cont'd)

For the six-month periods ended 30 June 2011 and 2010

Separate financial statements									
Other reserves									
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Revaluation surplus (deficit) on change in value of investments	Other	Total other reserves	Legal reserve	Retained earnings (deficits)	Total
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2010	6,674,700,582	-	729,326,917	39,270,465	-	768,597,382	-	180,163,963	7,623,461,927
Total comprehensive income (expenses) for the period	-	-	(156,871,639)	68,754,043	-	(88,117,596)	-	588,917,853	500,800,257
Appropriated - statutory reserve	24	-	-	-	-	-	3,500,000	(3,500,000)	-
Transfer to retained earnings		-	-	-	-	-		156,871,639	156,871,639
Balance as at 30 June 2010	<u>6,674,700,582</u>	<u>-</u>	<u>572,455,278</u>	<u>108,024,508</u>	<u>-</u>	<u>680,479,786</u>	<u>3,500,000</u>	<u>922,453,455</u>	<u>8,281,133,823</u>
Balance as at 1 January 2011	8,157,967,378	1,483,266,796	566,608,876	141,019,632	-	707,628,508	63,500,000	1,281,862,196	11,694,224,878
Impact of the adoption of TAS 19 Employee Benefits	6	-	-	-	-	-	-	(436,174,318)	(436,174,318)
Restated balance	8,157,967,378	1,483,266,796	566,608,876	141,019,632	-	707,628,508	63,500,000	845,687,878	11,258,050,560
Total comprehensive income (expenses) for the period	-	-	(3,598,109)	(65,982,407)	-	(69,580,516)	-	516,926,666	447,346,150
Appropriated - statutory reserve	24	-	-	-	-	-	40,000,000	(40,000,000)	-
Share-based payment		-	-	-	562,570	562,570	-	-	562,570
Transfer to retained earnings		-	-	-	-	-	-	3,598,109	3,598,109
Balance as at 30 June 2011	<u>8,157,967,378</u>	<u>1,483,266,796</u>	<u>563,010,767</u>	<u>75,037,225</u>	<u>562,570</u>	<u>638,610,562</u>	<u>103,500,000</u>	<u>1,326,212,653</u>	<u>11,709,557,389</u>

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited
Statements of cash flow
For the six-month periods ended 30 June 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before corporate income tax from continuing operations	563,086,900	639,578,915	516,926,666	588,917,853
Profit before corporate income tax from discontinued operations	-	60,316,208	-	-
Profit before corporate income tax including discontinued operations	563,086,900	699,895,123	516,926,666	588,917,853
Adjustments to reconcile net incomes before income tax to cash in (out) flows from operating activities:				
Depreciation and amortisation	197,803,694	238,659,976	184,471,450	225,733,063
Bad debts and doubtful accounts	161,170,803	333,764,895	123,000,000	332,000,000
Reserve for off-balance sheet items	3,325,000	3,000,000	3,325,000	3,000,000
Share-based payment	562,570	-	562,570	-
Contingent liabilities	-	700,000	-	700,000
Provision for liabilities	54,329,569	29,438,146	50,345,376	29,438,146
Losses on impairment of properties for sale	1,336,827	65,957,446	-	2,700,000
Impairment losses on investments	-	27,986,355	-	23,000,000
Unrealised loss (gains) on exchange and derivatives	156,497,908	(127,309,302)	156,497,908	(127,309,302)
Realised losses of exchange rate on investments	-	23,662,500	-	23,662,500
Losses on properties for sale	101,079,241	-	45,468,616	-
Unrealised loss (gains) on revaluation of investments	3,967,105	(2,695,198)	4,374,527	(1,554,961)
Gains on sale of investments	(96,834,966)	(257,095,110)	(73,835,971)	(191,922,495)
Gains on disposal of premises and equipments	(74,738,122)	(276,640,266)	(74,196,434)	(278,100,479)
Impairment of premises and equipments	-	6,978,431	-	6,978,431
Loss from write off premises and equipments	830,281	827,159	830,281	823,781
Impairment of intangible assets	-	(365,263,522)	-	(365,263,522)
Loss from write off intangible assets	-	373,786,556	-	373,786,556
Interest and dividend incomes	(3,754,659,068)	(3,154,792,198)	(3,446,447,736)	(2,906,522,933)
Interest expenses	1,188,985,109	721,326,978	1,181,715,712	714,442,789
Losses from operations before changes in operating assets and liabilities	(1,493,257,149)	(1,657,812,031)	(1,326,962,035)	(1,545,490,573)
(Increase) decrease in operating assets				
Interbank and money market items	3,348,734,735	2,589,222,519	3,316,005,392	2,591,958,634
Investments held for trading	(1,078,847,941)	(1,013,749,595)	(1,116,825,969)	(998,714,011)
Loans	(8,260,645,626)	(6,145,002,879)	(7,970,700,761)	(5,912,947,633)
Properties for sale	336,251,343	176,949,801	164,371,963	74,735,283
Other assets	541,696,008	208,681,533	479,266,424	185,429,001
Increase (decrease) in operating liabilities				
Deposits	2,677,521,957	4,704,390,963	2,695,520,037	4,694,457,632
Interbank and money market items	686,283,600	(4,341,724,826)	657,465,068	(4,438,923,779)
Liability payable on demand	99,726,636	222,745,962	99,726,636	222,745,962
Payable to clearing house/securities business payable	-	(102,891,583)	-	-
Short-term borrowings	1,139,890,536	1,398,778,858	1,139,890,536	1,398,778,858
Provisions	(68,817,426)	(13,597,882)	(68,817,426)	(15,110,000)
Other liabilities	(536,794,510)	183,885,142	(445,887,098)	127,168,482
Cash flows used in operating activities	(2,608,257,837)	(3,790,124,018)	(2,376,947,233)	(3,615,912,144)
Cash received from interest incomes	3,393,684,067	2,762,309,724	3,085,145,267	2,513,483,568
Cash paid for interest expenses	(1,094,765,799)	(688,214,703)	(1,090,008,239)	(684,041,928)
Cash (paid) refund for tax	(19,139,403)	21,082,835	-	-
Net cash flows used in operating activities	(328,478,972)	(1,694,946,162)	(381,810,205)	(1,786,470,504)

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 are an integral part of the interim financial statements

CIMB Thai Bank Public Company Limited
Statements of cash flow (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Cash flows from investing activities				
Cash paid for purchases of available-for-sale securities	(2,239,913,568)	(4,502,403,528)	(2,239,913,568)	(4,298,503,957)
Proceeds from disposals of available-for-sale securities	-	2,626,700,293	-	2,515,508,406
Proceeds from maturity and principle payment of available-for-sale securities	1,769,000,000	2,553,651,637	1,769,000,000	2,553,651,637
Cash paid for purchases of held to maturities securities	(781,425,871)	(2,103,164,712)	(781,425,871)	(2,103,164,712)
Proceeds from maturity and principle payment of held to maturities securities	1,000,000,000	977,400,003	1,000,000,000	977,400,003
Cash paid for purchases of investment in subsidiaries and associates	-	(2,200,000)	-	(5,000,000)
Proceeds from repayment of investment in receivable	71,022,328	88,835,410	71,022,328	89,895,420
Cash paid for purchases of general investments	-	(448,510)	-	(448,510)
Proceeds from disposals of general investments	14,717,276	2,709,371	14,717,276	2,709,371
Proceeds from maturity of general investments	21,254,915	17,490,000	21,254,915	17,490,000
Proceeds from disposals of investment in subsidiaries and associates	31,579,041	-	31,579,041	-
Cash paid for purchases of premises and equipments	(266,589,121)	(82,713,997)	(223,353,379)	(74,837,180)
Proceeds from disposals of equipment	186,778,709	1,076,335,270	186,090,693	1,068,049,327
Cash paid for purchases of intangible assets	(18,740,692)	(61,813,815)	(7,651,292)	(60,083,154)
Dividend received	99,497,732	99,183,986	98,555,771	98,188,506
Interest received	240,084,098	223,696,217	240,084,098	223,696,218
Net cash flows from investing activities	127,264,847	913,257,625	179,960,012	1,004,551,375
Cash flows from financing activities				
Increase in long-term borrowings	-	2,340,488	-	-
Interest paid	-	(2,535,810)	-	-
Net cash flows from financing activities	-	(195,322)	-	-
Net decrease in cash and cash equivalents	(201,214,125)	(781,883,859)	(201,850,193)	(781,919,129)
Cash and cash equivalents at beginning of the period	2,744,520,360	2,821,772,139	2,743,015,913	2,820,537,268
Cash and cash equivalents at the end of the period	2,543,306,235	2,039,888,280	2,541,165,720	2,038,618,139
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Properties fore sales received in settlement of debts	235,418,887	161,942,968	3,933,000	-
Payable from purchase premises and equipments	34,130,212	21,807,046	31,546,714	21,807,046
Payable from purchase intangible assets	1,403,803	19,974,508	1,403,803	19,974,508
Changes in revaluation surplus in available-for-sale	67,775,572	74,418,438	65,982,407	68,754,043
Write-off loans and allowance for doubtful debts	242,754,949	449,914,573	217,942,528	367,646,602
Properties for sale received from auction	8,810,915	9,747,225	8,810,915	9,747,225
Transfer assets to assets of disposal group classified as held for sales	-	973,357,136	-	312,590,385
Transfer liabilities to liabilities of disposal group classified as held for sales	-	419,730,362	-	-
Receivable from disposal of investment in subsidiary	-	249,999,930	-	249,999,930
Adjustment of brought forward retained earnings due to the adoption of TAS 19 Employee Benefit	476,058,295	-	436,174,318	-
Receivable from disposal of properties for sale	41,160,325	-	41,160,325	-
Customer's liabilities under acceptance transactions	2,345,348	33,415,829	2,345,348	33,415,829

The accompanying notes to interim consolidated and separate financial statements from page 13 to 99 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 CIMB Group is CIMB Group Holdings Berhad (formerly known as “Bumiputra - Commerce Holdings Berhad”).

All subsidiaries were incorporated as limited companies under Thai laws, and all operate in Thailand, engaging mainly in securities business, debt collection business, hire purchase and leasing business.

The consolidated and separate financial statements were authorised by the Board of directors on 22 August 2011.

2 Basis of preparation of consolidated and separate financial statements

The consolidated and separate financial statements (“the 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”) under the Securities and Exchange Act B.E. 2535. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, statement of changes in shareholders’ equity and statements of cash flow) are prepared in the format as required by the Notification of the Bank of Thailand (“BoT”), no. SorNorSor 11/2553, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated on 3 December 2010.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

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

The consolidated financial statements include the separate financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010, with no structural changes related to subsidiaries occurring during the period. Those changes occurred during the year ended 31 December 2010 reported in Note 8.7 and 15 to the financial statements.

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

The major comparative figures have been reclassified as necessary to conform with the presentation according to the Notification of the BoT, no. SorNorSor 11/2553, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated on 3 December 2010 which is mandatory for the accounting periods beginning on or after 1 January 2011.

2 Basis of preparation of consolidated and separate financial statements (Cont'd)

Statements of financial position

Certain accounts in the statements of financial position as at 31 December 2010 have been reclassified in order to be comparable to the presentation in the statements of financial position as at 30 June 2011. The significant transactions are shown as follows.

1. Investments in subsidiaries in the separate financial statements amounting to Baht 1,323 million was reclassified from Investments - net to Investments in subsidiaries - net.
2. Bills of exchange held by the financial institutions in the consolidated and the separate financial statements amounting to Baht 2,262 million was reclassified from Interbank and money market items to Debt issued and borrowings.
3. Prepaid interest of fixed deposits in the consolidated and the separate financial statements amounting to Baht 7 million was reclassified from Other assets to Deposits.
4. Provision for litigation and off-balance sheet items in the consolidated and the separate financial statements amounting to Baht 458 million was reclassified from Other liabilities to Provisions.
5. Deferred revenue in the consolidated financial statement amounting to Baht 1,694 million and in the separate financial statements amounting to Baht 5 million was reclassified from Loans to Deferred revenue.
6. Leasehold improvement in the consolidated financial statements and separate financial statements amounting to Baht 171 million and Baht 158 million, respectively, was classified from Other assets to Property plant and equipments - net

Statements of comprehensive income

Certain accounts in the statements of comprehensive income for the six-month periods ended 30 June 2010 have been reclassified in order to be comparable to the presentation in the statement of comprehensive income for the six-month period ended 30 June 2011. The significant transactions are shown as follows.

1. Interest and dividend income from investments in the consolidated and separate financial statement amounting to Baht 98 million and fee and service income from subsidiaries in the separate financial statement amounting to Baht 23 million were reclassified from interest and dividend income from Investments and fees and charges-others to Other operating incomes.
2. Gain of trading securities in the consolidated and separate financial statements amounting to Baht 17 million was reclassified from Other operating income to Gain on trading and foreign exchange transaction.
3. Premium income and inward reinsurance in the consolidated financial statements amounting to Baht 26 million was reclassified from Other operating income to Fee and service income.
4. Loss of impairment of investment in the consolidated and separate financial statements amounting to Baht 23 million was reclassified from Investment-net to Bad debt and doubtful accounts.
5. Fee and services expenses for contract staffs and professional fee in consolidated financial statements and separate financial amounting to Baht 136 million and Baht 127 million, respectively, were reclassified from personnel expenses and fee and service expenses to other operating expenses.
6. Appraisal expense and properties foreclosed expenses in the separate financial statement amounting to Baht 12 million was reclassified from premise and equipment expenses to other expenses.
7. Telephone and fax expenses in the separate financial statements amounting to Baht 17 million was reclassified from other expenses to premise and equipment expenses.
8. Contribution fee to the Deposit Protection Agency in the consolidated and separate financial statements amounting to Baht 204 million was reclassified from contribution fee to the Deposit Protection Agency to interest expenses.
9. Commission expenses from hire purchase contracts in the consolidated financial statement amounting to Baht 39 million was reclassified from fee and change expenses to interest income.

3 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

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

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

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

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Bank has not early adopted them:

Effective for the periods beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue-Barter Transactions Involving Advertising Service

3 Accounting policies (Cont'd)

3.1 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards (Cont'd)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

The new accounting standards, amendments to accounting standards and new interpretation are mandatory for the accounting periods beginning on or after 1 January 2013, but the Bank has not early adopted them as the following:

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Bank has assessed that TAS 2 (Revised 2009), TAS 11 (Revised 2009), TAS 20 (Revised 2009) TAS 29, TAS 31 (Revised 2009) TAS 40 (Revised 2009) and TFRS 3 (Revised 2009), TFRS 6, TSIC 10, TFRIC15, TSIC 31 are not relevant to the main business of the Bank and subsidiaries. For other accounting standards, they are in the process of evaluating the effect of such standards to the financial statement for the year initially applied. New accounting standards which may impact significantly to the financial statement are shown as follows;

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Bank and subsidiaries will apply this standard from 1 January 2013 retrospectively with an expectation to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

3.2 Revenue recognition

(a) Interest and discount on loans

Interest income is recognised on an accrual basis. The Bank discontinues recognition of overdue accrued interest income more than three months since the due date or there is uncertainty of collectability, and a collection basis is applied. The Bank also reverses interest income on such loans in order to comply with the Bank of Thailand's notification. The Bank continues its income recognition on the accrual basis when the entire amount of the principle and overdue interest has been paid.

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

3 Accounting policies (Cont'd)

3.2 Revenue recognition (Cont'd)

(b) Interest on margin loans

Interest on margin loans is recognised as income on the time proportion basis except for interest income from certain securities business receivables, which is recognised on a collection basis in accordance with an announcement of the office of the Securities and Exchange Commission, dated 15 February 2001, regarding the accounting for sub-standard loans.

(c) Interest and dividends on investments

Interest income from investments is recognised on a time proportion basis using the effective interest method. Dividend income from investments is recognised when the right to receive payment is established.

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

(d) Gains (losses) on sale of investments

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

(e) Gains (losses) on sale of properties for sale

Gains or losses on sale of properties for sale are recognised as income or expenses in statements of comprehensive income when the significant risks and rewards of ownership of properties for sale have been transferred to the buyer.

(f) Brokerage fees

Brokerage income is recognised when the underlying transaction is contracted.

(g) Income from hire-purchase contracts

The subsidiaries recognise hire-purchase income, using the effective interest rate method over the period of contracts.

The subsidiaries recognise hire-purchase income on the same basis as used for interest income on loan.

(h) Other income

Other income is recognised as income on an accrual basis.

3 Accounting policies (Cont'd)

3.3 Expense recognition

(a) Interest expenses

Interests on borrowings and deposits are recognised as expenses on an accrual basis.

(b) Commission fee under hire purchase agreements

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

(c) Other expense

Other expense is recognised as expense on an accrual basis.

3.4 Investments

The Bank and its subsidiaries classify investments, other than investments in subsidiaries, associates and joint venture, into four categories: 1. Trading investments, 2. Held-to-maturity investments, 3. Available-for-sale investments and 4. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not over than three months. Trading investments are traded in active markets and included in short-term investment.

(2) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the statements of financial position date, in which case they are included in short-term investment.

(3) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in long-term investment, except for maturities within 12 months from the statements of financial position date which are classified as short-term investment.

(4) General investments are investments in non-marketable equity securities.

Purchases and sales of investments are recognised on the settlement date. Cost of investment includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value.

3 Accounting policies (Cont'd)

3.4 Investments (Cont'd)

Trading and available-for-sale investments are presented in the statements of financial position at fair value less allowance for impairment, if any. In the statements of comprehensive incomes, the unrealised gains and losses of trading investments are recognised in the gains (losses) on investment in the statements of comprehensive incomes. Unrealised gain and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments are included in the statements of comprehensive income as the gains (losses) on investment. Fair value are calculated on the following basis:

- For marketable debt securities, fair values are calculated by referencing to the last bid prices on the last business day of the period. The rates are announced by the Thai Bond Market Association (Thai BMA). Fair values of other debt securities are calculated by referencing to the risk-free yield curve, adjusted by the appropriate risk premium.
- For marketable equity securities, fair values are calculated by referencing to last bid prices quoted on the Stock Exchange of Thailand on the last business day of the period.

Held-to-maturity investments are carried at amortised cost using the effective yield method.

General investments are carried at cost less impairment.

The Bank and its subsidiaries test for impairment when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive incomes.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of comprehensive incomes. When disposing of part of the Bank and subsidiaries' holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the First-in, First-out carrying amount of the total holding of the investment.

3.5 Investments in receivables

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

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

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

3 Accounting policies (Cont'd)

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

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

3.7 Investments in subsidiary

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. When assessing whether the Bank controls another entity, the Bank considers the existence and effect of voting rights that are currently exercisable or convertible, including potential voting right which held by other entities. The Bank consolidated financial statement of subsidiaries from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases.

The Bank applies the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Bank’s share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statements of comprehensive income.

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Bank.

In the Bank’s separate financial statements investments in subsidiaries are reported by using the cost method

A list of the Bank’s principal subsidiaries and the financial effects of acquisitions and disposals of subsidiaries are shown in Note 8.7.

3 Accounting policies (Cont'd)

3.8 Loans/securities business receivables/hire purchase receivables and allowance for doubtful accounts

- (a) For loans of commercial banking business

Loans are generally stated at the principal amounts outstanding. The allowance for doubtful accounts is provided for risks of losses incurred on loans. The allowance is increased by provisions charged to expense or recoveries and decreased by write-offs. The allowance is based on the management's review and assessment of the status of individual debtor as well as the Bank of Thailand's guidelines. In addition, the Bank takes into consideration the relationship of risks involved, value of collateral and the status of individual debtor including the relationship of allowance for doubtful debts against the loan balance through the economic situation which may have impact on the customers' ability to pay.

- (b) For securities business receivables

Receivables from clearing house and payables to clearing house

Receivables from clearing house comprises the net balance receivables from Thailand Securities Depository (TSD) in respect of securities trades settled through clearing house of TSD and the net receivable from Thailand Clearing House (TCH) including amounts pledged with TCH as security for derivatives trading.

Payables to clearing house comprise the net balance payable to Thailand Securities Depository (TSD) in relation to securities trades settled through clearing house of TSD and the net payable to Thailand Clearing House (TCH).

As at 15 February 2010 and onward, receivables from and payables to clearing House of Thailand securities Depository (TSD) in relation to securities trades will be settled through Thailand clearing House (TCH).

Securities business receivables and allowance for doubtful accounts

Securities business receivables and derivative business receivables are the net balances after deducting allowance for doubtful accounts and include interest receivables.

Securities business receivables comprise cash accounts, margin accounts, guarantee deposits receivable, as well as other receivables such as overdue cash accounts receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

Allowance for doubtful accounts is determined based on the announcement of the Office of the Securities and Exchange Commission's Notification dated 15 February 2001, regarding the accounting for sub-standard loans. The announcement requires the subsidiary categorise its loan portfolio into 3 categories subject to different minimum levels of provisioning. The announcement also imposes policies regarding collateral valuation for the purpose of setting allowance for doubtful accounts. Moreover, management also considers the financial position of each debtor which is based on management's experience and opinion.

- (c) For hire purchase receivables

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

Allowance for doubtful accounts is set in accordance with the Bank of Thailand's guidelines.

3 Accounting policies (Cont'd)

3.9 Troubled debt restructuring and losses from troubled debt restructuring

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

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

In case that the debt restructuring involves modification of terms of receivables, the fair value of investments in receivables after restructuring is based on the net present value of the expected future cash flows, discounted by the Minimum Loan Rate (MLR) prevailing at the restructuring date.

Losses arising from restructuring, net off allowance for doubtful accounts, are recorded as revaluation allowance for debt restructuring and recognised as expense in the statements of comprehensive incomes when incurred.

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

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

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

3.10 Properties for sale

Properties for sale consists of immovable and movable assets are stated at the lower of cost or net realisable value less estimated selling expenses of the acquisition assets. Where the carrying value of for sale assets incurred impairment, the Bank and its subsidiaries will recognise the provision for impairment of for sale assets in total.

The Bank and its subsidiaries will recognise gain (loss) on sales of for sale assets as income or expenses in whole amount in accordance with the notifications of the Bank of Thailand.

3.11 Premises and equipment and depreciation

Land and buildings comprise mainly offices and condominiums and are shown at appraisal value, based on every 5 years valuations by external independent valuers, less subsequent depreciation for buildings. All other equipments is stated at cost less accumulated depreciation.

The Bank and its subsidiaries record increase in the carrying amount arising on revaluation of property and plant are credited to the revaluation surplus on assets (included in unrealised gain) in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statements of comprehensive incomes. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive incomes) and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

3 Accounting policies (Cont'd)

3.11 Premises and equipment and depreciation (Cont'd)

Depreciation is calculated on the straight line basis to write off the cost or the revalued amount, of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings	20 - 40 years
Equipments	5 years and 10 years

Residual value and the estimated useful life of the assets are revised in every reporting statements of financial position date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank and subsidiaries. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit. On disposal of revalued assets, the related revaluation reserve amounts are transferred to retained earnings.

3.12 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 5 years and 10 years

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Bank and subsidiaries and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets are amortised using the straight-line basis over their useful lives.

(b) Other intangible assets

Expenditure on acquired licences is capitalised and amortised using the straight-line basis over their useful lives, generally over 5 years. Intangible assets are not revalued.

3 Accounting policies (Cont'd)

3.13 Impairment of assets

Property, plant and equipment and other non-current assets which are not financial assets, including goodwill and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment at statements of financial position date, assets are grouped at the lowest level for which there is separately identifiable cash flows. As at the date in statement of financial position, the Bank and its subsidiaries have to reverse the loss on impairment of assets that the Bank and its subsidiaries recognised in the previous period except goodwill when the assessment of the recoverable amount is changed after the Bank and its subsidiaries recognised loss on impairment.

3.14 Leasehold rights

The cost of leasehold right on building for the period of 2 - 30 years, which is presented as other assets, is amortised as an operating expense on a straight-line method over the life of the agreement.

3.15 Leases

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of comprehensive incomes on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

3.16 Related party transactions

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

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

3.17 Foreign currency translation

Items included in the financial statements of the Bank and its subsidiaries are measured using Thai Baht. The interim consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statements of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statements of comprehensive incomes.

3 Accounting policies (Cont'd)

3.18 Financial derivatives

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

(a) Trading transactions

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

(b) Non-trading transactions

The Bank measures derivatives classified as non-trading transactions on basis equivalent to that used in measurement of the hedged underlying asset and liability as follows:

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

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

3.19 Embedded derivatives

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

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

(b) If the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Bank will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

3.20 Employee benefits and pension fund

The Bank has policy to pay post employment benefits to employee under the labour law applicable in Thailand.

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

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

3 Accounting policies (Cont'd)

3.21 Provident fund

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

3.22 Provisions

The Bank and its subsidiaries recognise provisions when the Bank and subsidiaries has a present legal or constructive obligation as a result of past events, it is probable that an economic outflow of resources will be required to settle the obligation and the obligation is reliably estimated.

Where the Bank and subsidiaries expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3.23 Income tax

The Bank and its subsidiaries calculate income tax base on the taxable profits determined in accordance with tax legislation.

3.24 Share-based payment

The Bank operates share based compensation plans, which include options and shares, granted to employees of the Bank. For entitlements granted to employees under Management Equity Scheme ("MES") before 1 January 2011 to which TFRS 2 has not been applied, the Bank does not account in the financial statements but disclose as the requirement of the standard in note 26.

In March 2011, the Bank established Equity Ownership Plan, "EOP". At the grant date, the Bank records prepayment for the whole amount with fair value refers to market price on the same day of the ordinary shares of CIMB Group Holding Berhad, which is the parent company of CIMB Group, and registers in the stock market in Malaysia multiplies with the number of shares granted to the employees. The Bank paid the amount to the related company in Malaysia which will purchase, own the shares until the transfer date on behalf of the Bank and other companies in the group.

At the end of each reporting period, the Bank sets up share-base payment reserve as the proportion of time of the vesting period. The reserve presents as part of other reserves.

The Bank reverses prepayment againsts share-base payment reserve with the preset amount when the related company in Malaysia transfers those ordinary shares to the employees at the end of vesting period.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Bank and its subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Allowance for doubtful accounts for loans

The Bank and its subsidiaries considers an allowance for doubtful accounts to reflect impairment of loans relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Bank and subsidiaries' assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

(b) Fair value of financial derivative instruments

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

(c) Impairment of investments

Investments are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recovered. In determining the impairment losses, management believed that estimation are reasonable.

(d) Allowance for impairment of property for sale

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

(e) Building, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Bank and subsidiaries' building, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(f) Provision for post retirement benefits and pension fund

The Bank has commitment on provision for post retirement benefits and pension fund to employee on reaching retirement age. The present value of employee benefit liabilities recognised in the statement of financial position is determined on the present value of estimated future cash outflows for staff that is nearly reach retirement age. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future and discount rate. Any changes in these assumptions will impact the net year cost recorded for employee benefits.

5 Capital risk management

The Bank and subsidiaries' objectives when managing capital are to safeguard the Bank and its subsidiaries' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Bank and subsidiaries may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking business B.E.2551. The Bank's capital fund is presented in Note 25.

6 Impact of the adoption of TAS 19 Employee Benefits

According to TAS 19 Employee Benefits, the Bank and its subsidiaries set provision for pension fund which comprises of post employment benefits under the labour law applicable in Thailand and pension benefits to employee with more than 10 years of service and who resign in accordance with the rules and conditions stipulated by the Bank.

The liability in respect of employee's benefits is measured, using the projected unit credit method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yield on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and others. Actuarial gains or losses will be recognised in the statement of comprehensive incomes in the period to which they are related.

The Bank adjusted consolidated and separate statement of financial position as at 1 January 2011 by increasing provision for employee benefits amounting to Baht 474 million and Baht 436 million, respectively, and reducing beginning retained earning with the same amount. The Bank also adjusted the employee benefit expenses amounted to Baht 54 million and Baht 50 million in consolidated and separate statements of comprehensive incomes for the six-month periods ended 30 June 2011 and Baht 27 million and Baht 25 million in consolidated and separate statements of comprehensive income for the three-month period ended 30 June 2011, respectively, as detailed in Note 20 to the interim financial statements.

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7 Interbank and money market items (assets)

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	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	1,706	-	1,706	635	2,300	2,935
Commercial banks	565	7,625	8,190	538	3,017	3,555
Other banks	7	-	7	4	6,875	6,879
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	1	545
Other financial institutions	50	315	365	-	432	432
Total domestic items	2,872	7,940	10,812	1,721	12,625	14,346
Add Accrued interest receivables	-	1	1	-	2	2
Less Allowance for doubtful debts	-	(2)	(2)	-	(4)	(4)
Domestic items - net	2,872	7,939	10,811	1,721	12,623	14,344
Foreign:						
US dollar	1,024	1	1,025	833	42	875
Yen	1	-	1	6	-	6
EURO	34	-	34	8	-	8
Other currencies	27	-	27	15	-	15
Foreign items - net	1,086	1	1,087	862	42	904
Domestic and foreign items - net	3,958	7,940	11,898	2,583	12,665	15,248
Separate financial statements						
	30 June 2011			31 December 2010		
	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	1,706	-	1,706	635	2,300	2,935
Commercial banks	14	7,580	7,594	23	3,000	3,023
Other banks	-	-	-	-	6,875	6,875
Finance, finance and securities, securities, and credit foncier companies	544	226	770	544	125	669
Other financial institutions	50	315	365	-	432	432
Total domestic items	2,314	8,121	10,435	1,202	12,732	13,934
Add Accrued interest receivables	-	2	2	-	2	2
Less Allowance for doubtful debts	-	(4)	(4)	-	(4)	(4)
Domestic items - net	2,314	8,119	10,433	1,202	12,730	13,932
Foreign:						
US dollar	1,024	1	1,025	833	42	875
Yen	1	-	1	6	-	6
EURO	34	-	34	8	-	8
Other currencies	27	-	27	15	-	15
Foreign items	1,086	1	1,087	862	42	904
Domestic and foreign items - net	3,400	8,120	11,520	2,064	12,772	14,836

As at 30 June 2011, the Bank has promissory notes of Baht 547 million (31 December 2010: Baht 547 million), that had been issued by financial institutions which were ordered to be closed, and are avaled by the Financial Institution Development Fund (“the FIDF”).

The FIDF recalls promissory notes amounting to Baht 544 million (31 December 2010: 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.

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

As of the statements of financial position date such promissory note availed 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 2010: Baht 544 million).

8 Investments - net

8.1 Classified by types of investment

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Fair Value Million Baht	Fair Value Million Baht	Fair Value Million Baht	Fair Value Million Baht
Securities held for trading				
Government and state enterprises securities	606	80	606	80
Private sector debt securities	580	5	580	5
Domestic marketable equity securities	35	50	-	-
Total Securities held for trading	1,221	135	1,186	85
Available-for-sales securities				
Government and state enterprises securities	5,747	5,539	5,747	5,539
Private sector debt securities	139	-	139	-
Domestic marketable equity securities	2,758	2,705	2,738	2,683
Total Available-for-sales securities	8,644	8,244	8,624	8,222
	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities				
Government and state enterprises securities	8,928	9,181	8,928	9,181
Promissory notes issued by				
Thai Asset Management Corporation	800	800	800	800
Private sector debt securities	552	552	552	552
Overseas debt securities	1,537	1,508	1,537	1,508
Investments in receivables (Note 8.6)	770	841	725	796
Total	12,587	12,882	12,542	12,837
<u>Less</u> Allowance for impairment	(187)	(187)	(150)	(150)
Total Held-to-maturity debt securities	12,400	12,695	12,392	12,687
	Cost Million Baht	Cost Million Baht	Cost Million Baht	Cost Million Baht
General Investments				
Domestic non - marketable equity securities	566	603	566	603
Overseas non - marketable equity securities	14	13	14	13
Total	580	616	580	616
<u>Less</u> Allowance for impairment	(213)	(213)	(213)	(213)
Total General investments	367	403	367	403
Investments -net	22,633	21,477	22,569	21,397

8 Investments - net (Cont'd)

8.1 Classified by types of investment (Cont'd)

- (a) As of 30 June 2011, the Bank had foreign currency denominated debt investment in structured note totaling USD 50 million or Baht 1,537 million (31 December 2010: USD 50 million or Baht 1,508 million), which has been classified as the held-to-maturity investments and is recorded under the cost method. Such note was issued by a foreign bank whose rating was A or better. The note has remaining life of less than 1 year and contains conditions related to interest to be received by the Bank and/or early repayment rights of the note issuer.

As at 30 June 2011, the estimated price of the notes quoted by arrangers is approximately 100.38 percent (31 December 2010: 98 percent). The Bank has not set aside any allowance for impairment on such investment because the Bank's management are confident that all notes will be recovered in full on the maturity date or when the issuer early redeems the notes.

- (b) As at 30 June 2011, 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 45 to the interim financial statements) amounting to Baht 800 million (31 December 2010: Baht 800 million). Such promissory notes are non-transferable and avaled by the FIDF.
- (c) As at 30 June 2011, 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 2010: Baht 2,500 million) and it is presented at its fair value of Baht 2,670 million (31 December 2010: Baht 2,683 million), with the gain from revaluation amounting to Baht 170 million (31 December 2010: Baht 183 million) presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 105 concerning Accounting for Investment in Debt and Equity Securities. The investee fund was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a 10-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.
- (d) As at 30 June 2011 and 31 December 2010, the Bank has investments which are pledged as collateral, as mentioned in Note 38.1 to the interim financial statements.

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8 Investments - net (Cont'd)

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

	Consolidated and separate financial statements							
	30 June 2011				31 December 2010			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities	852	4,612	377	5,841	2,622	2,959	-	5,581
Private sector debt securities	50	90	-	140	-	-	-	-
Total	902	4,702	377	5,981	2,622	2,959	-	5,581
<u>Add</u> Allowance for revaluation	(2)	(93)	-	(95)	(4)	(38)	-	(42)
Available-for-sales securities - net	900	4,609	377	5,886	2,618	2,921	-	5,539
Held-to-maturity securities								
Promissory notes issued by TAMC	509	291	-	800	481	319	-	800
Government and state enterprises securities	4,048	4,632	248	8,928	4,561	4,466	154	9,181
Private sector debt securities	1	550	1	552	1	550	1	552
Overseas debt securities	1,537	-	-	1,537	1,508	-	-	1,508
Total	6,095	5,473	249	11,817	6,551	5,335	155	12,041
<u>Less</u> Allowance for impairment	(35)	(20)	(1)	(56)	(34)	(21)	(1)	(56)
Held-to-maturity securities - net	6,060	5,453	248	11,761	6,517	5,314	154	11,985
Total debt securities	6,960	10,062	625	17,647	9,135	8,235	154	17,524

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

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

	Consolidated and separate financial statements	
	30 June 2011	31 December 2010
	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	(11)	(11)
Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10% - net	13	13

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8 Investments - net (Cont'd)

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

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

	Consolidated and separate financial statements			
	30 June 2011		31 December 2010	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	279	276	229	226
Less Allowance for impairment	(3)		(3)	
General investments - net	276		226	

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

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries have the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and separate financial statements							
	30 June 2011			31 December 2010				
	Number of companies	Cost Million Baht	Allowance for Revaluation/ Impairment Million Baht	Book Value Million Baht	Number of companies	Cost Million Baht	Allowance for Revaluation/ Impairment Million Baht	Book Value Million Baht
Listed companies under delisting conditions	2	-	-	-	2	-	-	-
Companies with problems regarding to business continuity and/or weak financial status and operating performance	51	42	(42)	-	51	42	(42)	-
Defaulted debt securities	18	2	(2)	-	18	2	(2)	-
	71	44	(44)	-	71	44	(44)	-

8.6 Investments in receivables

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
Investments in receivables (Note 8.1)	770	841	725	796
Less Allowance for impairment	(131)	(131)	(94)	(94)
Investments in receivables - net	639	710	631	702

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8 Investments - net (Cont'd)

8.6 Investments in receivables (Cont'd)

As at 30 June 2011 and 31 December 2010, the outstanding balances of loan receivables can be summarised as follows:

	30 June 2011			Estimated rate of return (Yield)* %	31 December 2010			Estimated rate of return (Yield)* %
	Number of debtors	Principal Million Baht	Purchase price Million Baht		Number of debtors	Principal Million Baht	Purchase price Million Baht	
Consolidated financial statements								
Total accumulated investments in receivables	6,046	24,833	7,069	19	6,036	24,833	7,069	19
Outstanding investments in receivables as at the statements of financial position date	323	3,638	770		353	3,733	841	
Separate financial statements								
Total accumulated investments in receivables	5,857	22,948	6,996	19	5,857	22,948	6,996	19
Outstanding investments in receivables as at the statements of financial position date	171	2,061	725		199	2,136	796	

* Excluded yield of investment in receivable of a subsidiary which the outstanding as at 30 June 2011 is Baht 45 million (31 December 2010: Baht 45 million).

8.7 Investments in subsidiary - net

Company name	Nature of business	Type of securities	Percentage of holding		Separate financial statements	
			30 June 2011	31 December 2010	Cost method	
			%	%	30 June 2011	31 December 2010
					Million Baht	Million Baht
Subsidiaries - included in consolidated financial statements						
CIMB Securities (Thailand) Co., Ltd. CT Coll Co., Ltd. (Formerly known as "BT Business Consulting Co., Ltd.")	Securities	Common stock	100	100	1,175	1,175
Center Auto Lease Co., Ltd. (Formerly known as "BT Leasing Co., Ltd.")	Debt collection	Common stock	100	100	38	38
World Lease Co., Ltd. (Formerly known as "BT Worldlease Co., Ltd.")	Leasing/hire purchase Hire purchase - motorcycles motorcycle trading	Common stock	100	100	703	703
World Lease Co., Ltd. (Formerly known as "BT Worldlease Co., Ltd.")	motorcycle trading	Common stock	75	75	248	248
Subsidiary - not included in consolidated financial statements						
Krung Thai Thanakit Finance Plc.	In process of liquidation	Common stock	99	99	562	562
Total					2,726	2,726
Less Allowance for impairment					(1,403)	(1,403)
Investments in subsidiary and associated companies - net					1,323	1,323

8 Investments - net (Cont'd)

8.7 Investments in subsidiary - net (Cont'd)

The Board of Directors' meeting no. 4/2010 on 12 March 2010 and the 2009 annual general shareholder meeting on 29 April 2010 resolved that the Bank sells its investment in equity of BT Insurance Co., Ltd. 29,999,910 shares which was 99.99% of its paid-up capital to the acquirer outside the Group. Besides, the Board of Directors' meeting no. 5/2010 on 25 March 2010 and the 2009 annual general shareholder meeting 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. (which later on changed the name to CIMB-Principal Asset Management Co., Ltd.) 23,999,993 shares which was 99.99% of its paid-up capital. The meeting also approved the sales of World Class Rent a Car Co., Ltd. 760,000 shares which was 20% of its paid-up capital to other shareholders of World Class Rent a Car Co., Ltd.

As at 4 May 2010, the Bank increased its investment in BT Asset Management Co., Ltd. (which later on changed its name to CIMB-Principal Asset Management Co., Ltd.) amounting to Baht 5 million.

As at 30 June 2010, the Bank sold its shares in BT Asset Management Co., Ltd (which later on changed the name to CIMB-Principal Asset Management Co., Ltd.). The Bank received cash from selling the shares amounted to Baht 250 million. Gain from sales recognised in consolidated statements of comprehensive income at amount of Baht 218 million (separate statements of comprehensive income Baht 162 million).

On 23 July 2010, the Bank sold the shareholding in World Class Rent a Car Co., Ltd. to other shareholders of World Class Rent a Car Co., Ltd. Gain from sale amounting to Baht 22 million is recognised in the consolidated and separate statements of comprehensive incomes for the year ended 31 December 2010.

On 29 September 2010, the Board of directors of BT Leasing Co., Ltd. which is the Bank's subsidiary and The Board of Directors' meeting no. 13/2553 on 24 November 2010 approved for raising its capital amounting to Baht 1,000 million. On 29 November 2010, the Bank settled the capital to BT Leasing Co., Ltd. Amounting to Baht 250 million.

As at 7 October 2010, the Bank increased its investment in BT Business Consulting Co., Ltd. (which later on changed the name to CT Coll Co., Ltd.) amounting to Baht 5.5 million.

On 4 November 2010, the Bank sold the shareholding in BT Insurance Co., Ltd. The Bank received cash from selling the shares amounted to Baht 392 million. Gain on sale recognised in consolidated statement of comprehensive income at amount of Baht 21 million (separate statement of comprehensive income Baht 98 million). However, after reassessment the fair value of the Company, the Bank received additional proceeds amounting to Baht 89 million in June 2011 and recognised in the consolidated and separate statements of comprehensive income.

On 23 December 2010, the Bank sold the shareholding in Sathorn Asset Management Co., Ltd. The Bank received cash from selling the shares amounted to Baht 229 million. Loss from sale recognised in consolidated statements of comprehensive income at amount of Baht 84 million (gain in separate statement of comprehensive income Baht 204 million).

On 11 January 2011, BT Business Consulting Co., Ltd. which is a subsidiary registered changed its name to CT Coll Co., Ltd.

On 3 February 2011, BT Leasing Co., Ltd. which is a subsidiary registered changed its name to Center Auto Lease Co., Ltd.

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9 Loans and accrued interest receivables - net

9.1 Classified by loan type

	Consolidated financial statements		Separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Bank overdrafts	6,303	6,057	6,303	6,063
Loans	62,394	57,688	66,073	60,921
Bills	25,107	23,804	27,562	25,124
Hire purchase receivables	9,624	7,509	-	-
Securities business receivables	384	393	-	-
Others	62	57	62	57
Total loans	103,874	95,508	100,000	92,165
<u>Less</u> Deferred revenue	(2,167)	(1,670)	(4)	(4)
Total loans net of deferred revenue	101,707	93,838	99,996	92,161
<u>Add</u> Accrued interest receivables	205	178	204	178
Total loans net of deferred revenue and accrued interest receivables	101,912	94,016	100,200	92,339
<u>Less</u> Allowance for doubtful debts (Note 10)				
Minimum allowance for doubtful accounts required based on the BoT's guidelines				
- Individual Approach	(1,576)	(1,514)	(1,562)	(1,470)
- Collective Approach	(180)	(136)	-	-
General provision for further losses	(908)	(954)	(907)	(954)
<u>Less</u> Revaluation allowance for debt restructuring (Note 11)	(14)	(9)	(14)	(9)
Loans and accrued interest receivables - net	99,234	91,403	97,718	89,906

9.2 Classified by currency and residency of debtors

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	Domestic Million Baht	Overseas Million Baht	Total Million Baht	Domestic Million Baht	Overseas Million Baht	Total Million Baht
Baht	97,389	-	97,389	88,669	-	88,669
US dollar	4,125	-	4,125	4,987	-	4,987
Other currencies	193	-	193	182	-	182
Total loans net of deferred revenue	101,707	-	101,707	93,838	-	93,838

	Separate financial statements					
	30 June 2011			31 December 2010		
	Domestic Million Baht	Overseas Million Baht	Total Million Baht	Domestic Million Baht	Overseas Million Baht	Total Million Baht
Baht	95,678	-	95,678	86,992	-	86,992
US dollar	4,125	-	4,125	4,987	-	4,987
Other currencies	193	-	193	182	-	182
Total loans net of deferred revenue	99,996	-	99,996	92,161	-	92,161

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9 Loans and accrued interest receivables - net (Cont'd)

9.3 Classified by types of business and loan classification

	Consolidated financial statements						
	30 June 2011						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	1,748	18	-	-	11	-	1,777
Manufacturing and commerce	34,481	3,736	637	486	436	-	39,776
Real estate and construction	5,345	974	201	6	289	-	6,815
Public utilities and services	11,777	3,104	183	16	166	-	15,246
Personal cash	5,292	271	212	-	12	-	5,787
Housing loans	17,647	213	133	100	151	-	18,244
Hire purchase receivable and financial lease receivable	-	-	-	-	-	7,461	7,461
Others	5,945	122	50	47	53	384	6,601
Total loans net of deferred revenue	82,235	8,438	1,416	655	1,118	7,845	101,707

	Consolidated financial statements						
	31 December 2010						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	713	39	-	2	11	-	765
Manufacturing and commerce	33,553	4,202	820	39	411	-	39,025
Real estate and construction	3,742	1,182	142	137	269	-	5,472
Public utilities and services	11,901	2,228	129	16	160	-	14,434
Personal cash	5,486	258	230	-	19	-	5,993
Housing loans	15,947	182	106	86	63	-	16,384
Hire purchase receivable and financial lease receivable	-	-	-	-	-	5,844	5,844
Others	5,332	84	48	33	31	393	5,921
Total loans net of deferred revenue	76,674	8,175	1,475	313	964	6,237	93,838

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9 Loans and accrued interest receivables - net (Cont'd)

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

	Separate financial statements					Total Million Baht
	30 June 2011					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	
Agricultural and mining	1,748	18	-	-	11	1,777
Manufacturing and commerce	34,481	3,736	637	486	436	39,776
Real estate and construction	5,345	974	201	6	289	6,815
Public utilities and services	11,777	3,104	182	16	166	15,245
Personal cash	5,292	271	212	-	12	5,787
Housing loans	17,647	213	134	100	151	18,245
Others	12,079	122	50	47	53	12,351
Total loans net of deferred revenue	88,369	8,438	1,416	655	1,118	99,996

	Separate financial statements					Total Million Baht
	31 December 2010					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	
Agricultural and mining	713	38	-	2	11	764
Manufacturing and commerce	33,553	4,202	820	39	411	39,025
Real estate and construction	3,742	1,182	142	137	269	5,472
Public utilities and services	11,907	2,228	129	16	160	14,440
Personal cash	5,486	258	230	-	19	5,993
Housing loans	15,947	182	106	86	63	16,384
Others	9,885	85	49	33	31	10,083
Total loans net of deferred revenue	81,233	8,175	1,476	313	964	92,161

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9 Loans and accrued interest receivables - net (Cont'd)

9.4 Classification of loans

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

(a) Loans of the Bank and its subsidiaries

	Consolidated financial statements							
	30 June 2011				31 December 2010			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts
Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht	
Minimum allowance for doubtful accounts based on the BoT's guidelines								
- Pass	90,615	34,365	1	358	82,402	30,578	1	357
- Special mention	7,908	2,324	2	52	8,702	2,434	2	43
- Sub-standard	1,507	534	100	531	1,540	727	100	725
- Doubtful	742	302	100	359	390	82	100	145
- Doubtful of loss	1,140	256	100	452	982	172	100	380
- General provision for further losses				912				954
Total	101,912	37,781		2,664	94,016	33,993		2,604
	Separate financial statements							
	30 June 2011				31 December 2010			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht
Minimum allowance for doubtful accounts based on the BoT's guidelines								
- Pass	89,780	33,842	1	339	81,388	29,884	1	323
- Special mention	7,224	1,640	2	38	8,197	1,928	2	34
- Sub-standard	1,419	478	100	478	1,477	691	100	691
- Doubtful	659	276	100	276	313	60	100	59
- Doubtful of loss	1,118	234	100	431	964	154	100	363
- General provision for further losses				907				954
Total	100,200	36,470		2,469	92,339	32,717		2,424

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

As at 30 June 2011, there were defaulted loans amounting to Baht 2,298 million (31 December 2010: Baht 2,239 million) for which the Bank has ceased accrual of interest income on accrual basis.

9 Loans and accrued interest receivables - net (Cont'd)

9.4 Classification of loans (Cont'd)

(b) Securities business receivables of the subsidiary

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Pass	312	319	-	-	-	-
Sub-standard debt	16	19	-	-	-	-
Doubtful debt	56	55	56	55	61	63
Total	384	393	56	55	61	63

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

As at 30 June 2011 and 31 December 2010, hire-purchase receivables and financial lease receivables of the subsidiaries are classified based on the over due date as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
Current or overdue less than 1 installment	6,657	5,254	66	52
Overdue 2 - 3 installments	684	506	14	10
Overdue 4 - 6 installments	71	44	52	34
Overdue 7 - 12 installments	27	22	27	22
Overdue more than 12 installments	22	13	21	13
Debtors under litigation	-	5	-	5
Total	7,461	5,844	180	136

9.5 Non-performing loans

As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries had the following non-performing loans, according to the criteria set up by the BoT and the Office of the Securities and Exchange Commission:

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
Non-performing loans (principal only)				
Banking business	3,190	2,753	3,190	2,753
Other businesses	142	100	-	-

As at 30 June 2011 and 31 December 2010, 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.

9 Loans and accrued interest receivables - net (Cont'd)

9.6 Hire purchase and finance lease receivables

As at 30 June 2011, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 7,280 million (31 December 2010: Baht 5,708 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 interest is mostly charged at a fixed rate.

	Consolidated financial statements as at 30 June 2011				
	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	3,069	6,126	263	166	9,624
<u>Less</u> Unearned finance income	(793)	(1,260)	(63)	(47)	(2,163)
Present value of minimum lease payments receivable					7,461
<u>Less</u> Allowance for doubtful accounts					(180)
Net receivables under hire purchase agreements and financial leases					<u>7,280</u>

	Consolidated financial statements as at 31 December 2010				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	2,409	4,533	477	114	7,533
<u>Less</u> Unearned finance income	(637)	(915)	(107)	(30)	(1,689)
Present value of minimum lease payments receivable	1,772	3,618	370	84	5,844
<u>Less</u> Allowance for doubtful accounts					(136)
Net receivables under hire purchase agreements and financial leases					<u>5,708</u>

9.7 Troubled debt restructuring

As at 30 June 2011 and 31 December 2010, 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 and separate financial statements	
	30 June 2011	31 December 2010
Number of debtors (Number)	1,106	3,473
Debt balances (Million Baht)	1,099	2,725

9 Loans and accrued interest receivables - net (Cont'd)

9.7 Troubled debt restructuring (Cont'd)

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

Consolidated and separate financial statements				
For the six-month period ended 30 June 2011				
	Number of debtors	Debt balances		Loss on troubled debt restructuring Million Baht
		Before restructuring Million Baht	After restructuring Million Baht	
Modification of terms of payments	1,106	1,099	1,099	-
Total	1,106	1,099	1,099	-

Consolidated and separate financial statements				
For the year ended 31 December 2010				
	Number of debtors	Debt balances		Loss on troubled debt restructuring Million Baht
		Before restructuring Million Baht	After restructuring Million Baht	
Modification of terms of payments	3,473	2,725	2,681	43
Total	3,473	2,725	2,681	43

9 Loans and accrued interest receivables - net (Cont'd)

9.7 Troubled debt restructuring (Cont'd)

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

Period of debts restructuring contracts	Consolidated and separate financial statements					
	For the six-month period ended 30 June 2011			For the year ended 31 December 2010		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring Million Baht	After restructuring Million Baht		Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	258	161	161	1,157	749	705
5 - 10 years	834	912	912	2,238	1,804	1,804
10 - 15 years	2	6	6	22	78	78
More than 15 years	12	20	20	56	94	94
Total	1,106	1,099	1,099	3,473	2,725	2,681

Supplemental information for the six-month periods ended 30 June 2011 and for the year ended 31 December 2010 relating to the restructured debts is as follow:

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June 2011 Million Baht	For the year ended 31 December 2010 Million Baht	For the six-month periods ended 30 June 2011 Million Baht	For the year ended 31 December 2010 Million Baht
Losses on debt restructuring due to debtors being able to comply with debt restructuring conditions during the period/year	79	407	79	407
Cash settlement by debtors				
Principal	288	1,526	287	1,524
Interest	128	353	127	351

As at 30 June 2011 and 31 December 2010, the troubled debtors for which the Bank and its subsidiaries completed their debt restructuring can be summarised as follow:

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Number of debtors (Number)	7,849	8,193	7,847	8,190
Debt balances after restructuring (Million Baht)	2,912	3,172	2,890	3,148

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 30 June 2011, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 14 million (31 December 2010: Baht 9 million) for which the Bank had provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 30 June 2011 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 20 million (31 December 2010: Baht 43 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 statements of financial position.

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10 Allowance for doubtful debts

Consolidated financial statements									
30 June 2011									
	Pass Million Baht	Special Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire purchase receivables Million Baht	Grand total Million Baht
Balance as at 31 December 2010	323	34	691	59	363	935	2,405	199	2,604
<u>Add</u> Addition	-	-	-	-	-	94	94	71	165
Reversal of bad debts	-	-	-	-	-	139	139	-	139
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	3	3	-	3
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	6	6	-	6
<u>Less</u> Bad debts written off	-	-	(167)	-	(51)	-	(218)	(26)	(244)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(8)	(8)	-	(8)
Increase (decrease) due to change in classification or collateral value or transfer general provision to specific provision	16	4	(46)	217	119	(310)	-	(1)	(1)
Balance as at 30 June 2011	<u>339</u>	<u>38</u>	<u>478</u>	<u>276</u>	<u>431</u>	<u>859</u>	<u>2,421</u>	<u>243</u>	<u>2,664</u>
Consolidated financial statements									
31 December 2010									
	Pass Million Baht	Special Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire purchase receivables Million Baht	Grand total Million Baht
Balance as at 31 December 2009	247	51	1,142	358	5,558	146	7,502	442	7,944
<u>Add</u> Addition	-	-	-	-	-	757	757	58	815
Reversal of bad debts	-	-	-	-	-	252	252	-	252
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	24	-	24	-	24
<u>Less</u> Bad debts written off	-	(6)	(632)	-	(319)	(24)	(981)	(287)	(1,268)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(7)	(7)	-	(7)
Reversal of allowance made for settled debts for interbank	(11)	-	-	-	(87)	-	(98)	(14)	(112)
Reversal of allowance for sold Non Performing Loan	-	-	(3)	(7)	(1,871)	-	(1,881)	-	(1,881)
Increase (decrease) due to change in classification or collateral value or transfer general provision to specific provision	87	(11)	184	(292)	116	(84)	-	-	-
Write-off from disposal of subsidiary	-	-	-	-	(3,058)	(110)	(3,168)	-	(3,168)
Balance as at 31 December 2010	<u>323</u>	<u>34</u>	<u>691</u>	<u>59</u>	<u>363</u>	<u>935</u>	<u>2,405</u>	<u>199</u>	<u>2,604</u>

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10 Allowance for doubtful debts (Cont'd)

	Separate financial statements						
	30 June 2011						
	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 2010	323	34	691	59	363	954	2,424
<u>Add</u> Addition	-	-	-	-	-	123	123
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	3	3
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	6	6
Reversal of bad debts	-	-	-	-	-	139	139
<u>Less</u> Bad debts written off	-	-	(167)	-	(51)	-	(218)
Transfer to revaluations allowance for debt restructuring classification or collateral value or transfer general provision to specific	-	-	-	-	-	(8)	(8)
	16	4	(46)	217	119	(310)	-
Balance as at 30 June 2011	339	38	478	276	431	907	2,469

	Separate financial statements						
	31 December 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 Decmber 2009	247	51	1,141	357	2,404	37	4,237
<u>Add</u> Addition	-	-	-	-	-	775	775
Reversal of bad debts	-	-	-	-	-	252	252
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	7	7
Reversal of allowance made for settled debts	-	-	-	-	24	-	24
<u>Less</u> Bad debts written off	-	(6)	(632)	-	(319)	(24)	(981)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(7)	(7)
Transfer to allowance for interbank	-	-	-	-	-	(2)	(2)
Reversal of allowance for sold Non Performing Loan	-	-	(3)	(7)	(1,871)	-	(1,881)
Increase (decrease) due to change in classification or collateral value or transfer general provision to specific provision	76	(11)	185	(291)	125	(84)	-
Balance as at 31 December 2010	323	34	691	59	363	954	2,424

11 Revaluation allowance for debt restructuring

	Consolidated and separate financial statements	
	30 June 2011	31 December 2010
	Million Baht	Million Baht
Balance - beginning of the period/year	9	9
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	8	7
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(3)	(7)
Balance - end of the period/year	14	9

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

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12 Properties for sale - net

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

	Consolidated financial statements			
	For the six-month period ended 30 June 2011			
	Balance as at 31 December 2010 Million Baht	Additions Million Baht	Disposals Million Baht	Balance as at 30 June 2011 Million Baht
Immovable				
- Assessed by external appraiser	2,645	4	(282)	2,367
Movable	15	231	(227)	19
Total	2,660	235	(509)	2,386
<u>Less</u> Allowance for impairment	(611)	(1)	22	(590)
Properties for sale - net	2,049	234	(487)	1,796

	Consolidated financial statements				
	For the year ended 31 December 2010				
	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals Million Baht	Write-off from disposal of subsidiary Million Baht	Balance as at 31 December 2010 Million Baht
Immovable					
- Assessed by external appraiser	3,027	13	(229)	(166)	2,645
Movable	19	361	(365)	-	15
Total	3,046	374	(594)	(166)	2,660
<u>Less</u> Allowance for impairment	(636)	(146)	158	13	(611)
Properties for sale - net	2,410	228	(436)	(153)	2,049

	Separate financial statements			
	For the six-month period ended 30 June 2011			
	Balance as at 31 December 2010 Million Baht	Additions Million Baht	Disposals Million Baht	Balance as at 30 June 2011 Million Baht
Immovable				
- Assessed by external appraiser	2,638	4	(282)	2,360
Total	2,638	4	(282)	2,360
<u>Less</u> Allowance for impairment	(605)	-	22	(583)
Properties for sale - net	2,033	4	(260)	1,777

	Separate financial statements			
	For the year ended 31 December 2010			
	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals Million Baht	Balance as at 31 December 2010 Million Baht
Immovable				
- Assessed by external appraiser	2,852	13	(227)	2,638
Total	2,852	13	(227)	2,638
<u>Less</u> Allowance for impairment	(620)	(3)	18	(605)
Properties for sale - net	2,232	10	(209)	2,033

12 Properties for sale - net (Cont'd)

The Bank provides allowance for impairment of properties for sale by reference to appraisal value. The Bank appraise or review the fair value of properties for sale 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 for sale.

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13 Premises and equipments - net

Consolidated financial statement

	Cost/ Appraisal Value				Accumulated depreciation							Allowance for impairment	Net book value
	Balance as at 31 December 2009	Additions	Disposals/ written off	Transfer to asset held for sale	Balance as at 31 December 2010	Balance as at 31 December 2009	Additions	Disposals/ written off	Transfer to asset held for sale	Balance as at 31 December 2010			
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
Land													
Cost	804	-	(237)	(4)	563	-	-	-	-	-	-	-	563
Revaluation surplus (Revaluation in year 2006)	470	-	(17)	(3)	450	-	-	-	-	-	-	-	450
Devaluation of asset (Revaluation in year 2006)	(88)	-	-	-	(88)	-	-	-	-	-	-	-	(88)
Buildings													
Cost	2,818	71	(731)	(13)	2,145	(1,227)	(95)	369	10	(943)	-	-	1,202
Revaluation surplus (Revaluation in year 2006)	456	-	(276)	-	180	(196)	(6)	139	-	(63)	-	-	117
Devaluation of asset (Revaluation in year 2006)	(177)	-	-	-	(177)	68	17	-	-	85	-	-	(92)
Equipments	2,717	185	(293)	-	2,609	(1,934)	(270)	231	-	(1,973)	(18)	-	618
Assets under installation and under construction	32	117	(81)	-	68	-	-	-	-	-	-	-	68
Total	7,032	373	(1,635)	(20)	5,750	(3,289)	(354)	739	10	(2,894)	(18)	-	2,828

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13 Premises and equipments - net (Cont'd)

Consolidated financial statement

	Cost/ Appraisal Value			Accumulated depreciation			Balance as at 30 June 2011 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht	
	Balance as at 31 December 2010 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	Balance as at 30 June 2011 Million Baht	Balance as at 31 December 2010 Million Baht	Additions Million Baht				Disposals/ written off Million Baht
Land										
Cost	563	-	-	563	-	-	-	-	563	
Revaluation surplus (Revaluation in year 2006)	450	-	-	450	-	-	-	-	450	
Devaluation of asset (Revaluation in year 2006)	(88)	-	-	(88)	-	-	-	-	(88)	
Buildings										
Cost	2,145	66	(179)	2,032	(943)	(53)	68	(928)	1,104	
Revaluation surplus (Revaluation in year 2006)	180	-	(2)	178	(63)	(3)	1	(65)	113	
Devaluation of asset (Revaluation in year 2006)	(177)	-	2	(175)	85	8	(1)	92	(83)	
Equipments	2,609	109	(23)	2,695	(1,973)	(101)	10	(2,064)	614	
Assets under installation and under construction	68	243	(106)	205	-	-	-	-	205	
Total	5,750	418	(308)	5,860	(2,894)	(149)	78	(2,965)	2,878	

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13 Premises and equipments - net (Cont'd)

Separate financial statement

	Cost/ Appraisal Value				Accumulated depreciation							Allowance for impairment	Net book value
	Balance as at 31 December 2009	Additions	Disposals/ written off	Transfer to asset held for sale	Balance as at 31 December 2010	Balance as at 31 December 2009	Additions	Disposals/ written off	Transfer to asset held for sale	Balance as at 31 December 2010			
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
Land													
Cost	804	-	(237)	(4)	563	-	-	-	-	-	-	563	
Revaluation surplus (Revaluation in year 2006)	470	-	(17)	(3)	450	-	-	-	-	-	-	450	
Devaluation of asset (Revaluation in year 2006)	(88)	-	-	-	(88)	-	-	-	-	-	-	(88)	
Buildings													
Cost	2,772	68	(730)	(13)	2,097	(1,240)	(92)	369	10	(917)	-	1,180	
Revaluation surplus (Revaluation in year 2006)	456	-	(276)	-	180	(196)	(6)	139	-	(63)	-	117	
Devaluation of asset (Revaluation in year 2006)	(177)	-	-	-	(177)	68	17	-	-	85	-	(92)	
Equipments	2,444	147	(232)	-	2,359	(1,720)	(248)	185	-	(1,783)	(18)	558	
Assets under installation and under construction	32	115	(79)	-	68	-	-	-	-	-	-	68	
Total	6,713	330	1,571	(20)	5,452	(3,052)	(326)	693	10	(2,678)	(18)	2,756	

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13 Premises and equipments - net (Cont'd)

	Separate financial statement									
	Cost/ Appraisal Value			Accumulated depreciation						
	Balance as at 31 December 2010 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	Balance as at 30 June 2011 Million Baht	Balance as at 31 December 2010 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	Balance as at 30 June 2011 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land										
Cost	563	-	-	563	-	-	-	-	-	563
Revaluation surplus (Revaluation in year 2006)	450	-	-	450	-	-	-	-	-	450
Devaluation of asset (Revaluation in year 2006)	(88)	-	-	(88)	-	-	-	-	-	(88)
Buildings										
Cost	2,097	54	(180)	1,971	(917)	(51)	68	(900)	-	1,071
Revaluation surplus (Revaluation in year 2006)	180	-	(2)	178	(63)	(3)	1	(65)	-	113
Devaluation of asset (Revaluation in year 2006)	(177)	-	2	(175)	85	8	(1)	92	-	(83)
Equipments	2,359	80	(17)	2,422	(1,783)	(90)	3	(1,870)	(17)	535
Assets under installation and under construction	68	238	(105)	201	-	-	-	-	-	201
Total	5,452	372	(302)	5,522	(2,678)	(136)	71	2,743	(17)	2,762

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14 Intangible assets - net

Consolidated financial statements								
	Amortising period	Balance as at 31 December 2009 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Balance as at 31 December 2010 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	122	(78)	(382)	-	(30)	60
Computer software	5 - 10 years	386	33	78	(86)	(5)	-	406
License Fee	5 years	6	-	-	-	(2)	-	4
Total		820	155	-	(468)	(7)	(30)	470
<u>Less</u> Allowance for impairment		(393)						(19)
Net intangible assets		427						451

Consolidated financial statements								
	Amortising period	Balance as at 31 December 2010 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Balance as at 30 June 2011 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	60	15	(39)	-	-	-	36
Computer software	5 - 10 years	406	5	39	(19)	(47)	-	384
License Fee	5 years	4	-	-	-	(1)	-	3
Total		470	20	-	(19)	(48)	-	423
<u>Less</u> Allowance for impairment		(19)						-
Net intangible assets		451						423

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14 Intangible assets - net (Cond't)

		Separate financial statements						
	Amortising period	Balance as at 31 December 2009 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Balance as at 31 December 2010 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	121	(77)	(382)	-	(30)	60
Computer software	5 - 10 years	373	32	77	-	(83)	-	399
License Fee	5 years	4	-	-	-	(2)	-	2
Total		805	153	-	(382)	(85)	(30)	461
Less Allowance for impairment		(393)						(19)
Net intangible assets		412						442

		Separate financial statements						
	Amortising period	Balance as at 31 December 2010 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Balance as at 30 June 2011 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	60	5	(38)	-	-	-	27
Computer software	5 - 10 years	399	4	38	(19)	(46)	-	376
License Fee	5 years	2	-	-	-	(1)	-	1
Total		461	9	-	(19)	(47)	-	404
Less Allowance for impairment		(19)						-
Net intangible assets		442						404

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

Assets of disposal group classified as held for sale and discontinued operations is the operation of subsidiaries that were approved by the committee meeting and ordinary shareholders' meeting to sell the shareholding according to the Note 8.7

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

(a) Cash flows of discontinued operations

	Consolidated financial statements	
	For the six-month period ended 30 June 2011 Million Baht	For the six-month period ended 30 June 2010 Million Baht
Operating cash flows	-	85
Investing cash flows	-	(49)
Financing cash flows	-	-
Total cash flows	-	36

(b) Operating result of discontinued operations

	Consolidated financial statements	
	For the three-month period ended 30 June 2011 Million Baht	For the three-month period ended 30 June 2010 Million Baht
Revenue	-	123
Expense	-	(104)
Profit before tax of discontinued operations	-	19
Tax	-	45
Profit after tax of discontinued operations	-	64

	Consolidated financial statements	
	For the six-month period ended 30 June 2011 Million Baht	For the six-month period ended 30 June 2010 Million Baht
Revenue	-	187
Expense	-	(127)
Profit before tax of discontinued operations	-	60
Tax	-	34
Profit after tax of discontinued operations	-	94

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16 Other assets - net

	Consolidated financial statements		Separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Accrued interest and dividend receivables	171	139	171	139
Credit support assets on derivatives	182	211	182	211
Leasehold right	17	19	17	19
Advances	12	9	12	9
Others assets awaiting accounts transfer	158	213	158	213
Receivable from Clearing House	-	217	-	-
Commission receivables	34	493	34	493
Withholding tax receivable	113	80	113	77
Others	436	227	164	104
Total	1,123	1,608	851	1,265
<u>Less</u> Allowance for impairment	<u>(37)</u>	<u>(37)</u>	<u>(37)</u>	<u>(37)</u>
Other assets - net	1,086	1,571	814	1,228

17 Deposits

17.1 Classified by type of deposits

	Consolidated financial statements		Separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
At call	3,007	1,682	2,832	1,699
Savings	23,033	31,203	23,109	31,070
Fixed	70,978	61,404	70,979	61,404
Negotiable certificate of deposit	323	367	323	367
Total deposits	97,341	94,656	97,243	94,540

17.2 Classified by currency and residency of depositors

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	95,870	681	96,551	93,356	587	93,943
US dollar	780	-	780	702	-	702
Other currencies	10	-	10	11	-	11
Total	96,660	681	97,341	94,069	587	94,656

17 Deposits (Cont'd)

17.2 Classified by currency and residency of depositors (Cont'd)

	Separate financial statements					
	30 June 2011			31 December 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	95,772	681	96,453	93,240	587	93,827
US dollar	780	-	780	702	-	702
Other currencies	10	-	10	11	-	11
Total	96,562	681	97,243	93,953	587	94,540

18 Interbank and money market items (liabilities)

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	-	-	-	6	6
Commercial banks	78	967	1,045	17	870	887
Other banks	1	-	1	2	-	2
Finance, finance and securities, securities, credit foncier companies	319	201	520	314	204	518
Other financial institutions	290	27	317	296	498	794
Total domestic items	688	1,195	1,883	629	1,578	2,207
Foreign:						
US dollar	1,022	615	1,637	570	-	570
Other currencies	315	463	778	397	438	835
Total foreign items	1,337	1,078	2,415	967	438	1,405
Total domestic and foreign items	2,025	2,273	4,298	1,596	2,016	3,612

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18 Interbank and money market items (liabilities) (Cont'd)

	Separate financial statements					
	30 June 2011			31 December 2010		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	-	-	-	6	6
Commercial banks	78	642	720	17	600	617
Other banks	1	-	1	2	-	2
Finance, finance and securities, securities, credit foncier companies	421	201	622	390	204	594
Other financial institutions	290	27	317	296	497	793
Total domestic items	790	870	1,660	705	1,307	2,012
Foreign:						
US dollar	1,022	615	1,637	570	-	570
Other currencies	315	463	778	397	438	835
Total foreign items	1,337	1,078	2,415	967	438	1,405
Total domestic and foreign items	2,127	1,948	4,075	1,672	1,745	3,417

19 Debt issued and borrowings

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	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	-	2,538	2,538	-	2,529	2,529
Subordinated debentures						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,585	1,585	-	1,542	1,542
Subordinated debentures of USD 40 million, maturing in 2017	-	1,263	1,263	-	1,229	1,229
Non-interest bearing subordinated debentures of Baht 120 million, maturing in 2014	103	-	103	100	-	100
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	647	5,386	6,033	644	5,300	5,944
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.10% - 1.65% per annum	-	-	-	2,400	-	2,400
Bill of exchange maturing in 2011, coupon rate of 1.30% - 1.75% per annum	-	-	-	14,310	-	14,310
Bill of exchange maturing at call, coupon rate of 2.65% - 2.72% per annum	122	-	122	-	-	-
Bill of exchange maturing at in 2011, coupon rate of 1.85% - 3.25% per annum	17,724	-	17,724	-	-	-
Bill of exchange maturing at in 2012, coupon rate of 2.25% per annum	4	-	4	-	-	-
	17,850	-	17,850	16,710	-	16,710
Total	18,497	5,386	23,883	17,354	5,300	22,654
Less Current portion of long-term borrowings	(18,394)	-	(18,394)	(17,254)	-	(17,254)
Long-term borrowings - net	103	5,386	5,489	100	5,300	5,400

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19 Debt issued and borrowings (Cont'd)

	Separate financial statements					
	30 June 2011			31 December 2010		
	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	-	2,538	2,538	-	2,529	2,529
Subordinated debentures						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,585	1,585	-	1,542	1,542
Subordinated debentures of USD 40 million, maturing in 2017	-	1,263	1,263	-	1,229	1,229
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	<u>544</u>	<u>5,386</u>	<u>5,930</u>	<u>544</u>	<u>5,300</u>	<u>5,844</u>
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.10% - 1.65% per annum	-	-	-	2,400	-	2,400
Bill of exchange maturing at in 2011, coupon rate of 1.30% - 1.75% per annum	-	-	-	14,310	-	14,310
Bill of exchange maturing at call, coupon rate of 2.65% - 2.72% per annum	122	-	122	-	-	-
Bill of exchange maturing at in 2011, coupon rate of 1.85% - 3.25% per annum	17,724	-	17,724	-	-	-
Bill of exchange maturing at in 2012, coupon rate of 2.25% per annum	4	-	4	-	-	-
	<u>17,850</u>	<u>-</u>	<u>17,850</u>	<u>16,710</u>	<u>-</u>	<u>16,710</u>
Total	18,394	5,386	23,780	17,254	5,300	22,554
Less Current portion of long-term borrowings	(18,394)	-	(18,394)	(17,254)	-	(17,254)
Long-term borrowings - net	<u>-</u>	<u>5,386</u>	<u>5,386</u>	<u>-</u>	<u>5,300</u>	<u>5,300</u>

- (a) As at 30 June 2011, the Bank has domestic subordinated debentures of Baht 544 Million (31 December 2010: 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.

19 Debt issued and borrowings (Cont'd)

- (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.

- (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.

20 Provisions

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
Provisions for contingent loss from legal cases	106	108	106	108
Reserve for off-statements of financial position items	316	316	316	316
Provision for pension fund	1,006	545	962	545
Provision for putback option of sold debtors	34	34	34	34
Total provisions	1,462	1,003	1,418	1,003

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20 Provisions (Cont'd)

Provision for employee benefits

As at 30 June 2011, the pension benefits only provided to employees who are former employees of the Union Bank of Bangkok Public Company Limited 557 employees (31 December 2010: 605 employees) which are unfunded obligations. The pension benefits is a part of provision for pension fund as follows:

	30 June 2011	
	Consolidated financial statement Million Baht	Separate financial statement Million Baht
Present value of post-employment benefit obligations	1,006	962
Provision for pension fund	1,006	962

Movements of provision for pension fund are as follows:

	30 June 2011	
	Consolidated financial statement Million Baht	Separate financial statement Million Baht
Beginning balance before adjusted	545	545
Adjustment	476	436
Beginning balance after adjusted	1,021	981
Current service costs	32	29
Interest costs	22	21
<u>Less</u> Benefits paid for the period	(69)	(69)
Ending balance	1,006	962

Expenses for pension fund were recognised in the statements of comprehensive income as follows:

	For the three-month period ended 30 June 2011	
	Consolidated financial statement Million Baht	Separate financial statement Million Baht
Current service cost	16	15
Interest costs	11	10
Total	27	25

	For the six-month period ended 30 June 2011	
	Consolidated financial statement Million Baht	Separate financial statement Million Baht
Current service cost	32	29
Interest costs	22	21
Total	54	50

Significant assumptions used in the actuarial calculation are summarised as follows:

	2011
Discount rate	4.75%
Salary increase rate	5.00% and 7.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 1997
Disability rate	10.00% of pre-retirement mortality rate
Pre-retirement withdrawal rate	From Thai Withdrawal Table
Retirement age	60 years old

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21 Other liabilities

	Consolidated financial statements		Separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Credit support liabilities on derivative	694	1,228	694	1,228
Amount due to Department of Alternative Energy				
Development and Efficiency	591	548	591	548
Other liabilities awaiting accounts transfer	567	554	567	554
Securities business payable	310	383	-	-
Deferred commission	437	437	437	437
Accrued Expense	610	684	517	562
Others	629	527	507	412
Total	3,838	4,361	3,313	3,741

22 Share capital

The registered share capital is as follows:

	Ordinary Shares	
	Number of Shares	Baht
As at 30 June 2011	16,315,934,756	8,157,967,378
As at 31 December 2010	16,315,934,756	8,157,967,378

As at 30 June 2011, registered ordinary shares were 16,315,934,756 shares at Baht 0.50 each (31 December 2010: 16,315,934,756 shares at Baht 0.50 each).

Capital Increase

On 29 April 2010, the General Meeting of Shareholders No.16 approved an increase in the registered capital, from Baht 6,674,700,582 to Baht 8,157,967,378 by issuing 2,966,533,592 new ordinary shares with a par value of Baht 0.50 each and an offering price of Baht 1. The tendered share accepted by the offeror at completion of the offer period totaled Baht 2,966.53 million. As the result, on 15 October 2010 CIMB Bank Berhad holds 15,198,418,595 shares, or equivalent to 93.15 percent of total issued and outstanding shares of the Bank.

On 21 October 2010, the Bank registered an increased capital. After the registration of the capital increase, the registered capital and paid up capital is Baht 8,157,967,378 and share premium is Baht 1,483,266,796.

23 Other reserves

	Consolidated financial statements		Separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Revaluation surplus on assets	563	567	563	567
Revaluation surplus on change in value of investments	93	160	75	141
Share - based payment	1	-	1	-
Total	657	727	639	708

23 Other reserves (Cont'd)

(a) Revaluation surplus

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

	Consolidated and separate financial statements	
	30 June 2011	31 December 2010
	Million Baht	Million Baht
Balance - beginning of the period/year	567	729
<u>Less</u> Amortisation	(3)	(5)
Decrease from sale of office building	(1)	(157)
Balance - end of the period/year	<u>563</u>	<u>567</u>

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

(b) Revaluation surplus (deficit) on change in value of investments

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
Revaluation surplus on investments:				
Debt securities	-	3	-	3
Equity securities	188	202	170	183
Total	<u>188</u>	<u>205</u>	<u>170</u>	<u>186</u>
Revaluation deficit on investments:				
Debt securities	(95)	(45)	(95)	(45)
Total	<u>(95)</u>	<u>(45)</u>	<u>(95)</u>	<u>(45)</u>
Revaluation surplus on change in value of investments - net	<u>93</u>	<u>160</u>	<u>75</u>	<u>141</u>

24 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.

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25 Capital funds

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

	30 June 2011 Million Baht	Total capital to risk assets %	31 December 2010 Million Baht	Total capital to risk assets %
<u>Tier I</u>				
Issued and paid up share capital	8,158		8,158	
Share premium	1,483		1,483	
Statutory reserve	104		64	
Surplus (deficit) unappropriated	805		862	
Total Tier I capital fund	10,550	8.43	10,567	9.04
<u>Tier II</u>				
Revaluation surplus on assets	371		373	
Reserve for loan classified as pass	341		300	
Long-term subordinated debentures	3,337		3,337	
Hybrid securities	2,500		2,500	
Revaluation surplus on capital securities available-for-sale	76		82	
Total Tier II capital fund	6,625		6,592	
Total Tier II and Tier I capital funds	17,175		17,159	
<u>Less</u> Revaluation deficit on capital securities available-for-sale	-		-	
Total capital funds	17,175	13.72	17,159	14.69

The Bank and its financial group will disclose capital maintenance information as at 30 June 2011 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision on its website at www.cimbthai.com within in 4 months after the statements of financial position date.

26 Share based payments

a) Management Equity Scheme (“MES”)

The scheme was launched on 1 March 2004 as a performance linked compensation whereby a substantial shareholders of CIMB Group Holding Berhad which is the parent company of CIMB Group. The eligibility for participation in the Scheme shall be at the discretion of the Nomination and Remuneration Committee of CIMB Group. Entitlements of eligible members of the Scheme are non-assignable and non-transferable whereby the Nomination and Remuneration Committee of CIMB Group Holding Berhad administers the Scheme on behalf of the substantial shareholders. The entitlements granted vest in proportions over the various exercise periods and will expire on 28 February 2012.

The weighted average fair value of entitlements granted, determined using the Binomial Valuation Model was RM 4.89 each at grant date which the basic inputs were as follows:.

Expected volatility	32.00%
Expected dividend yield	1.43%
Expected option life	1.75 years
Weighted average share price at grant date	RM 6.65
Weighted average risk-free interest rate	3.01%

The volatility measured as the standard deviation of on daily share price returns was based on statistical analysis of daily prices over the last two years.

Details of the movement in the number of entitlements outstanding are as follows:

	Entitlements 30 June 2011 (units'000)	Entitlements 31 December 2010 (units'000)	Exercise price RM* per stock
Beginning of financial period/year	284	-	RM 1.74
Granted during financial period/year	-	300	RM 1.74
Exercised during financial period/year	(12)	(16)	RM 1.74
End of financial year	<u>272</u>	<u>284</u>	RM 1.74

* RM = Ringgit Malaysia

The weighted average share price at the time of exercise was RM 8.18 (2010: RM 7.40). The weighted average remaining contractual life is 8 months (2010: 1.2 years).

Out of the unexercised entitlements of 272,000 (2010: 284,000), 182,000 (2010: 104,000 shares) entitlements are exercisable at the end of the reporting period.

26 Share based payments (Cont'd)

b) Equity Ownership Plan (“EOP”)

The EOP was introduced in March 2011 where the Bank will grant ordinary shares of CIMB Group Holding Berhad, the parent company of CIMB Group to the eligible employees.

The eligibility of participation in the EOP shall be at the discretion of the Group Compensation Review Committee of CIMB Group which subjects to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed at market price and proceeds received will be donated to CIMB Foundation in Malaysia on behalf of the employees. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the designated beneficiary.

The weighted average fair value of shares which were purchased over a period of 10 trading days before award to the eligible employees of the Bank was RM 8.27 per ordinary share.

Movement in the number of ordinary shares under the EOP are as follows:

	Number of ordinary shares under the EOP As at 30 June 2011 (units'000)
Beginning of financial year	-
Awarded during financial year	<u>26</u>
End of financial year	<u><u>26</u></u>

For the six-month period ended 30 June 2011, the Bank set up share based payment reserve and expenses amounting to Baht 0.6 million.

27 Important position and performance classified by type of domestic or foreign transactions

27.1 Position classified by type of transaction

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	140,024	4,748	144,772	135,613	4,862	140,475
Interbank and money market item - net	10,811	1,087	11,898	14,344	904	15,248
Investments - net and investments in subsidiaries - net	20,691	2,095	22,786	19,566	2,065	21,631
Loans to customers and accrued interest receivables - net	99,234	-	99,234	91,403	-	91,403
Deposits	96,660	681	97,341	94,069	587	94,656
Interbank and money market item - net	1,883	2,415	4,298	2,206	1,406	3,612
Debt issued and borrowings	18,496	5,387	23,883	17,354	5,300	22,654

	Separate financial statements					
	30 June 2011			31 December 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	138,806	4,748	143,554	134,341	4,862	139,203
Interbank and money market item - net	10,433	1,087	11,520	13,932	904	14,836
Investments - net and investments in subsidiaries - net	21,797	2,095	23,892	20,655	2,065	22,720
Loans to customers and accrued interest receivables - net	97,718	-	97,718	89,906	-	89,906
Deposits	96,562	681	97,243	93,953	587	94,540
Interbank and money market item - net	1,660	2,415	4,075	2,012	1,405	3,417
Debt issued and borrowings	18,394	5,386	23,780	17,254	5,300	22,554

27.2 Performance classified by types of transaction

	Consolidated financial statements					
	For the three-month period ended 30 June 2011			For the three-month period ended 30 June 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	1,889	19	1,908	1,449	97	1,546
Interest expenses	(713)	(43)	(756)	(401)	(43)	(444)
Net interest incomes	1,176	(24)	1,152	1,048	54	1,102
Net fee and services income	295	-	295	177	-	177
Other operating incomes	172	-	172	412	-	412
Other operating expenses	(1,348)	-	(1,348)	(1,378)	-	(1,378)
Profit (loss) from continuing operation before income tax expense	295	(24)	271	259	54	313

27 Important position and performance classified by type of domestic or foreign transactions (Cont'd)

27.2 Performance classified by types of transaction (Cont'd)

	Separate financial statements					
	For the three-month period			For the three-month period		
	ended 30 June 2011			ended 30 June 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	1,729	19	1,748	1,327	97	1,424
Interest expenses	(710)	(43)	(753)	(398)	(42)	(440)
Net interest incomes	1,019	(24)	995	929	55	984
Net fee and services income	181	-	181	123	-	123
Other operating incomes	174	-	174	349	-	349
Other operating expenses	(1,117)	-	(1,117)	(1,205)	-	(1,205)
Profit (loss) from continuing operation before income tax expense	257	(24)	233	196	55	251

	Consolidated financial statements					
	For the six-month period			For the six-month period		
	ended 30 June 2011			ended 30 June 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	3,621	34	3,655	2,907	154	3,061
Interest expenses	(1,282)	(92)	(1,374)	(841)	(84)	(925)
Net interest incomes	2,339	(58)	2,281	2,066	70	2,136
Net fee and services income	504	-	504	340	-	340
Other operating incomes	423	-	423	848	-	848
Other operating expenses	(2,645)	-	(2,645)	(2,684)	-	(2,684)
Profit from continuing operation before income tax expense	621	(58)	563	570	70	640

	Separate financial statements					
	For the six-month period			For the six-month period		
	ended 30 June 2011			ended 30 June 2010		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	3,314	34	3,348	2,659	155	2,814
Interest expenses	(1,275)	(92)	(1,367)	(834)	(84)	(918)
Net interest incomes	2,039	(58)	1,981	1,825	71	1,896
Net fee and services income	311	-	311	235	-	235
Other operating incomes	409	-	409	826	-	826
Other operating expenses	(2,184)	-	(2,184)	(2,368)	-	(2,368)
Profit (loss) from continuing operation before income tax expense	575	(58)	517	518	71	589

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28 Interest incomes

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Interbank and money market items	85	17	85	17
Investments and trading transactions	10	11	10	11
Investments in debt securities	118	173	118	173
Loans	1,451	1,190	1,535	1,223
Hire purchase and financial lease income	244	155	-	-
Interest incomes	1,908	1,546	1,748	1,424

	Consolidated financial statements		Separate financial statements	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Interbank and money market items	146	38	146	37
Investments and trading transactions	15	18	15	18
Investments in debt securities	222	302	222	302
Loans	2,807	2,403	2,964	2,456
Hire purchase and financial lease income	464	299	-	-
Others	1	1	1	1
Interest incomes	3,655	3,061	3,348	2,814

29 Interest expenses

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Deposits	423	220	423	220
Interbank and money market items	21	17	19	14
Contribution fee to the Deposit Protection Agency	91	102	91	102
Debt securities issued				
- Subordinated debentures	76	78	75	77
- Others	144	30	144	30
Others	1	(3)	1	(3)
Interest expenses	756	444	753	440

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29 Interest expenses (Cont'd)

	Consolidated financial statements		Separate financial statements	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Interest on Deposits	755	469	755	469
Interbank and money market items	47	32	42	27
Contribution fee to the Deposit Protection Agency	185	204	185	204
Debt securities issued				
- Subordinated debentures	160	155	158	153
- Others	225	68	225	68
Others	2	(3)	2	(3)
Interest expenses	<u>1,374</u>	<u>925</u>	<u>1,367</u>	<u>918</u>

30 Net fees and service income

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Fees and service incomes				
Acceptances, aval and guarantees	22	22	24	22
ATM and Debit card fees	30	30	30	30
Insurance brokerage income	112	67	34	22
Management fee	41	11	41	11
Others	118	70	67	56
Fees and service incomes	<u>323</u>	<u>200</u>	<u>196</u>	<u>141</u>
Fees and service expenses				
Collection fees	-	(5)	-	(5)
ATM fees	(8)	(8)	(8)	(8)
Others	(20)	(10)	(7)	(5)
Fees and service expenses	<u>(28)</u>	<u>(23)</u>	<u>(15)</u>	<u>(18)</u>
Net fees and service income	<u>295</u>	<u>176</u>	<u>181</u>	<u>123</u>

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30 Net fees and service income (Cont'd)

	Consolidated financial statements		Separate financial statements	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Fees and service incomes				
Acceptances, aval and guarantees	44	46	47	46
ATM and Debit card fees	56	56	56	56
Insurance brokerage income	211	121	63	34
Management fee	54	18	54	18
Others	194	145	124	119
Fees and service incomes	<u>559</u>	<u>386</u>	<u>344</u>	<u>273</u>
Fees and service expenses				
Collection fees	(4)	(12)	(4)	(12)
ATM fees	(15)	(16)	(15)	(16)
Others	(36)	(18)	(14)	(10)
Fees and service expenses	<u>(55)</u>	<u>(46)</u>	<u>(33)</u>	<u>(38)</u>
Net fees and service income	<u>504</u>	<u>340</u>	<u>311</u>	<u>235</u>

31 Gains on tradings and foreign exchange transactions

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and Foreign exchange rate derivatives	153	28	153	28
Interest rate swap contracts	(78)	132	(93)	132
Debt securities	(19)	16	(19)	16
Others	(2)	(4)	(2)	(4)
Gains on tradings and foreign exchange transactions	<u>54</u>	<u>172</u>	<u>39</u>	<u>172</u>

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31 Gains on tradings and foreign exchange transactions (Cont'd)

	Consolidated financial statements		Separate financial statements	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and Foreign exchange rate derivatives	238	(22)	238	(22)
Interest rate swap contracts	(37)	243	(60)	243
Debt securities	(19)	17	(19)	17
Others	(6)	(6)	(6)	(6)
Gains on tradings and foreign exchange transactions	<u>176</u>	<u>232</u>	<u>153</u>	<u>232</u>

32 Gains on investments

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Gains on sales				
Available-for-sale	1	8	-	8
Held-to-maturity	-	5	-	-
Investment in subsidiaries and associates	90	218	90	162
Gain on investments	<u>91</u>	<u>231</u>	<u>90</u>	<u>170</u>
	Consolidated financial statements		Separate financial statements	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Gains (losses) on sales				
Available-for-sale	-	9	-	9
Held-to-maturity	1	7	-	-
General investments	(1)	-	(1)	-
Investment in subsidiaries and associates	90	218	90	162
Gain on investments	<u>90</u>	<u>234</u>	<u>89</u>	<u>171</u>

33 Other operating incomes

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Gain on sale of office building	-	-	71	-
Losses on premises and equipment	-	-	-	(12)
(Losses) gains on sale of properties for sale	(5)	-	(46)	8
Income from reversal of bad debts	3	1	-	-
Loss on sale of non-performing loan	-	-	-	(30)
Dividend income	9	8	8	7
Other incomes	20	(1)	12	34
Other operating incomes	<u>27</u>	<u>8</u>	<u>45</u>	<u>7</u>

	Consolidated financial statements		Separate financial statements	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Gain on sale of office building	-	290	71	290
(Losses) gains on premises and equipment	-	(11)	3	(12)
(Losses) gains on sales of properties for sales	-	(19)	(45)	12
Gains on sales of properties for sales	-	4	-	4
Income from reversal of bad debts	6	4	-	-
Loss on sale of non-performing loan	-	(30)	-	(30)
Dividend income	99	99	98	98
Other incomes	52	44	41	60
Other operating incomes	<u>157</u>	<u>381</u>	<u>168</u>	<u>422</u>

34 Bad debts, doubtful debts and impairment losses

	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2011 Million Baht	2010 Million Baht	2011 Million Baht	2010 Million Baht
Held to maturity debt instruments	-	23	-	23
Loans	95	173	68	178
Total	<u>95</u>	<u>196</u>	<u>68</u>	<u>201</u>

34 Bad debts, doubtful debts and impairment losses (Cont'd)

	Consolidated		Separate	
	financial statements		financial statements	
	For six-month periods		For six-month periods	
	ended 30 June		ended 30 June	
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
Held to maturity debt instruments	-	23	-	23
Loans	161	334	123	332
Total	161	357	123	355

35 Corporate income tax

No corporate income tax was payable for the year, 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.

36 Provident fund

The Bank, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund at rate of 3 - 5 percent of their basic salaries and the Bank and its subsidiaries contribute at rate of 5 percent and pay to staff when resign under the terms and conditions as specify in the term and condition of provident funds. The fund, which is managed by Tisco Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. For the six-month periods ended 30 June 2011 amounts of Baht 41 million was contributed to the fund by the Bank and its subsidiaries (30 June 2010: Baht 42 million) and the Bank only was contributed by Baht 33 million (30 June 2010: Baht 34 Million).

37 Earnings per share

Earnings per share as presented in the consolidated statements of comprehensive incomes is basic earnings per share which is calculated by dividing net incomes for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period (Note 22).

Earnings per share as presented in the separate statements of comprehensive incomes is the basic earnings per share which is calculated by dividing the net incomes for the period by weighted average number of ordinary shares held by outside shareholders in issue during the period (Note 22).

There are no potential dilutive ordinary shares in issue for the six-month periods ended 30 June 2011 and 2010.

38 Encumbrance of assets

38.1 Assets used as collateral

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

	Consolidated financial statements		Separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Utilities usage	6	6	6	6
Guarantees on loans	45	45	-	-
Total	51	51	6	6

38.2 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 10 years commencing from the date of the debt restructuring agreements.

As at 30 June 2011 and 31 December 2010, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and separate financial statements			
	30 June 2011		31 December 2010	
	Number	Cost Million Baht	Number	Cost Million Baht
2011	-	-	1	-
2012 onwards	1	-	1	-
Assets subject to obligation	1	-	2	-

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39 Commitments and contingent liabilities

39.1 Commitments

As at 30 June 2011 and 31 December 2010, significant commitments of the Bank consist of:

	Separate financial statements					
	30 June 2011			31 December 2010		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
Aval to bills and guarantees of loans:						
Avals to bills ⁽¹⁾	418	-	418	828	-	828
Guarantees on loans	10	29	39	5	16	21
Total aval to bills and guarantees of loans	428	29	457	833	16	849
Liability under unmaturred import bills:						
Liability under unmaturred import bills	-	475	475	-	603	603
Letters of credits:						
Letters of credits	273	2,868	3,141	319	1,543	1,862
Other commitments:						
Forward and spot contracts						
- Bought	-	32,687	32,687	-	18,141	18,141
- Sold	-	31,455	31,455	-	19,129	19,129
Cross currency and interest rate						
- Bought	4,290	1,537	5,827	4,990	2,059	7,049
- Sold	1,620	3,715	5,335	2,248	4,194	6,442
Interest rate swap contracts						
- Fixed rate payer	81,262	10,369	91,631	62,380	9,513	71,893
- Floating rate payer	73,071	11,621	84,692	58,724	11,844	70,568
- Fixed rate payee	71,564	10,084	81,648	58,391	10,035	68,426
- Floating rate payee	82,768	11,907	94,675	62,713	11,322	74,035
Foreign exchange option						
- Call option sales contracts	-	58	58	-	-	-
- Put option purchase contracts	-	91	91	-	-	-
Undrawn bank overdrafts	9,083	-	9,083	8,772	-	8,772
Investment						
- Bought	18,396	-	18,396	18,200	-	18,200
- Sold	18,684	-	18,684	18,025	-	18,025
Other commitments:						
Other guarantees	7,709	906	8,615	7,233	165	7,398
Other commitments	368,447	114,430	482,877	301,676	86,402	388,078
Total commitments	369,148	117,802	486,950	302,828	88,564	391,392

⁽¹⁾ As at 30 June 2011, the Bank avaled note payable of a subsidiary amounting to Baht 225 million (31 December 2010 : Baht 270 million).

39 Commitments and contingent liabilities (Cont'd)

39.2 Contingent liabilities

- (a) As at 30 June 2011 and 31 December 2010, the Bank and its subsidiaries had the following contingent liabilities in connection with court cases in which the Bank or its subsidiaries have been sued as defendants in the Court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Bank and its subsidiaries once they are finalised:

	Consolidated and separate financial statements	
	30 June 2011 Million Baht	31 December 2010 Million Baht
Sum claimed in cases where the Bank and its subsidiaries are direct defendants	572	836
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	253	95
- Sum of claims that cannot be specifically attributed to the Bank and its subsidiaries and for which the total sum claimed is therefore presented.	26,461	24,592
Total	27,286	25,523

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

As at 30 June 2011, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 40 million in cases where the Bank is the direct defendant and Baht 13 million in cases where the Bank is the co-defendant with others. However, the Bank is in the process of appealing the decisions (31 December 2010: Baht 9 million and Baht 13 million, respectively).

As at 30 June 2011, the Bank and its subsidiaries recognised provisions for contingent loss from legal cases of approximately Baht 106 million (31 December 2010: Baht 108 million), respectively. The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases. In addition, the Bank and subsidiaries recognised reserve for off-balance sheet items related to guarantees which the Bank or its subsidiaries have been sued as defendants by Baht 284 million (31 December 2010: Baht 110 million).

- (b) The Bank has commitments in respect of the loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 45 to the interim financial statements.

39 Commitments and contingent liabilities (Cont'd)

39.3 Commitments under long-term leases

As at 30 June 2011 and 31 December 2010, 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>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
1 - 3 years	355	311	277	269
4 - 5 years	18	18	16	17
6 - 10 years	13	14	13	14
11 - 30 years	8	10	8	10
Commitments under long-term leases	<u>394</u>	<u>353</u>	<u>314</u>	<u>310</u>

39.4 Other commitments

As at 30 June 2011, the Bank has other commitments as the Bank entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 30 June 2011, the Bank is obligated to pay a further Baht 53 million and USD 0.04 million under such agreements (31 December 2010: Baht 170 million and USD 0.09 million).

40 Related party transactions

During the years, the Bank and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon contracts. Below is a summary of those transactions.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month periods ended 30June</u>		<u>For the three-month periods ended 30June</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Subsidiaries				
Revenue:				
Interest income	-	-	90	36
Fees income	-	-	3	11
Other incomes	-	-	-	5
Expenses:				
Interest expenses	-	-	-	1
Premises and equipments expenses	-	-	(6)	-
Fees expenses	-	-	21	-
Related companies				
Revenue:				
Interest income	-	1	-	1
Gain on sale investment in subsidiaries	-	218	-	162
Expenses:				
Interest expenses	1	-	1	-
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the six-month periods ended 30June</u>		<u>For the six-month periods ended 30June</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Subsidiaries				
Revenue:				
Interest income	-	-	167	58
Fees income	-	-	6	27
Other incomes	-	-	-	9
Expenses:				
Interest expenses	1	-	1	1
Premises and equipments expenses	-	-	(9)	-
Fees expenses	-	-	28	-
Related companies				
Revenue:				
Interest income	1	2	1	2
Gain on sale investment in subsidiaries	-	218	-	162
Expenses :				
Interest expense	2	-	2	-

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40 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 30 June 2011 and 31 December 2010 are as follows:

	Consolidated financial statements				
	30 June 2011				
	Average loans outstanding Million Baht	Outstanding Loans Million Baht	Obligations Million Baht	Deposits Million Baht	Borrowings Million Baht
<u>Subsidiary company</u>					
Krung Thai Tanakit Finance Plc.	-	-	-	257	-
	-	-	-	257	-
<u>Company under common control</u>					
CIMB Bank (L) Ltd.	-	-	-	-	2,500
	-	-	-	-	2,500
<u>Related companies</u>					
Other Companies	123	122	-	97	-
	123	122	-	97	-
<u>Related persons</u>					
	-	1	-	52	-
	-	1	-	52	-
Consolidated financial statements					
31 December 2010					
	Average loans outstanding Million Baht	Outstanding Loans Million Baht	Obligations Million Baht	Deposits Million Baht	Borrowings Million Baht
<u>Subsidiary company</u>					
Krung Thai Tanakit Finance Plc.	-	-	-	256	-
	-	-	-	256	-
<u>Company under common control</u>					
CIMB Bank (L) Ltd.	-	-	-	-	2,500
	-	-	-	-	2,500
<u>Related companies</u>					
Other Companies	165	123	1	604	-
	165	123	1	604	-
<u>Related persons</u>					
	-	-	-	28	-
	-	-	-	28	-

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40 Related party transactions (Cont'd)

	Separate financial statements						
	30 June 2011						
	Average loans outstanding Million Baht	Outstanding Loans Million Baht	Other commitments 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.	160	226	-	1	6	-	1
Center Auto Lease Co., Ltd. (Formerly known as BT Leasing Co., Ltd.)	4,651	5,129	-	-	60	-	-
CT Coll Co., Ltd. (Formerly known as BT Business Consulting Co., Ltd.)	-	-	-	-	5	-	6
Krung Thai Tanakit Finance Plc. World Lease Co., Ltd. (Formerly known as "BT Worldlease Co., Ltd.")	-	-	-	-	257	-	-
	931	1,005	225	-	24	-	-
	5,742	6,360	225	1	352	-	7
<u>Company under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	-	-	2,500	-
	-	-	-	-	-	2,500	-
<u>Related companies</u>							
Other Companies	123	122	-	-	97	-	-
	123	122	-	-	97	-	-
<u>Related persons</u>							
	-	1	-	-	52	-	-
	-	1	-	-	52	-	-
	Separate financial statements						
	31 December 2010						
	Average loans outstanding Million Baht	Outstanding Loans 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	79	125	-	2	76	-	1
Center Auto Lease Co., Ltd. (Formerly known as BT Leasing Co., Ltd.)	3,019	3,763	-	-	31	-	-
CT Coll Co., Ltd. (Formerly known as BT Business Consulting Co., Ltd.)	4	-	-	-	2	-	-
Krung Thai Tanakit Finance Plc. World Lease Co., Ltd. (Formerly known as "BT Worldlease Co., Ltd.")	-	-	-	-	256	-	-
	596	790	270	-	28	-	-
	3,698	4,678	270	2	393	-	1
<u>Company under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	-	-	2,500	-
	-	-	-	-	-	2,500	-
<u>Related companies</u>							
Other Companies	165	123	1	-	604	-	-
	165	123	1	-	604	-	-
<u>Related persons</u>							
	-	-	-	-	28	-	-
	-	-	-	-	28	-	-

As at 30 June 2011, the Bank avaled notes payable of a subsidiary amounting to Baht 225 million (31 December 2010: Baht 270 million).

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

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40 Related party transactions (Cont'd)

As at 30 June 2011 and 31 December 2010, the Bank has commitments in financial derivatives with related parties company as follows:

	30 June 2011		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payer	11,739	3,580	15,319
- Floating rate payer	5,678	1,537	7,215
- Fixed rate payee	5,175	-	5,175
- Floating rate payee	12,242	5,117	17,359
Forward and spot contracts			
- Bought	-	436	436
- Sold	-	393	393
<u>Option contract</u>			
- Call option sales contracts	-	18	18
- Put option purchase contracts	-	18	18
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Bought	2,500	-	2,500
- Sold	-	2,178	2,178
	31 December 2010		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payer	4,567	3,119	7,686
- Floating rate payer	3,359	1,809	5,168
- Fixed rate payee	2,815	-	2,815
- Floating rate payee	5,111	4,928	10,039
Forward and spot contract			
- Bought	-	391	391
- Sold	-	385	385
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Bought	2,500	-	2,500
- Sold	-	2,135	2,135

41 Director and management remuneration

The Bank has extended extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, including financial controller, except for ordinary benefits to the directors and executives such as directors' fee, directors' bonus (if any), income tax, executives' salary and bonus (if any) and share-based payment.

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	59	55	46	47
Long-term employee benefits	2	-	2	-
Share-based payment (note 26 b.)	1	-	1	-
Director and management remuneration	<u>62</u>	<u>55</u>	<u>49</u>	<u>47</u>

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	150	127	110	91
Long-term employee benefits	52	-	52	-
Share-based payment (note 26 b.)	1	-	1	-
Director and management remuneration	<u>203</u>	<u>127</u>	<u>163</u>	<u>91</u>

The detail of share-based payment is as follows

	Consolidated and separate financial statements	
	30 June	
	2011	2010
	Thousand units	Thousand units
Share options of CIMB Group Holding Berhad	262	274
Share of CIMB Group Holding Berhad	26	-

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42 Financial information by segments

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

Financial information presented in the consolidated financial statements as at 30 June 2011 and 31 December 2010 and for the three-month and six-month periods ended 30 June 2011 and 2010 are as follows:

	For the three-month period ended 30 June 2011				
	Bank business Million Baht	Hire purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest incomes	1,748	245	5	(90)	1,908
Interest expenses	(753)	(91)	(4)	92	(756)
Net interest income	995	154	1	2	1,152
Net fees and service income	181	32	104	(22)	295
Other operating income	146	8	18	-	172
Other operating expenses	(1,021)	(142)	(111)	21	(1,253)
Bad and doubtful debts and impairment losses	(68)	(44)	2	15	(95)
Income tax expenses	-	(13)	(1)	-	(14)
Net profit(loss) for the period	<u>233</u>	<u>(5)</u>	<u>13</u>	<u>16</u>	<u>257</u>
	For the three-month period ended 30 June 2010				
	Bank business Million Baht	Hire purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest incomes	1,424	155	3	(36)	1,546
Interest expenses	(440)	(39)	(2)	37	(444)
Net interest income	984	116	1	1	1,102
Net fees and service income	123	25	44	(15)	177
Other operating income	349	(11)	7	50	395
Other operating expenses	(1,004)	(91)	(69)	(1)	(1,165)
Bad and doubtful debts and impairment losses	(201)	(9)	14	-	(196)
Income tax expenses	-	(9)	-	-	(9)
Profit after tax of discontinued operation	-	-	65	-	65
Net profit(loss) for the period	<u>251</u>	<u>21</u>	<u>62</u>	<u>35</u>	<u>369</u>

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42 Financial information by segments (Cont'd)

	For the six-month period ended 30 June 2011				
	Bank business Million Baht	Hire purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest incomes	3,348	465	9	(167)	3,655
Interest expenses	(1,367)	(170)	(7)	170	(1,374)
Net interest income	1,981	295	2	3	2,281
Net fees and service income	311	59	165	(31)	504
Other operating income	381	14	29	-	423
Other operating expenses	(2,033)	(277)	(202)	29	(2,484)
Bad and doubtful debts and impairment losses	(123)	(71)	2	31	(161)
Income tax expenses	-	(21)	(1)	-	(22)
Net profit(loss) for the period	517	(1)	(5)	32	541
	For the six-month period ended 30 June 2010				
	Bank business Million Baht	Hire purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest incomes	2,814	299	6	(58)	3,061
Interest expenses	(918)	(64)	(4)	61	(925)
Net interest income	1,896	235	2	3	2,136
Net fees and service income	235	49	85	(29)	340
Other operating income	826	(22)	9	35	848
Other operating expenses	(2,013)	(172)	(140)	(2)	(2,327)
Bad and doubtful debts and impairment losses	(355)	(16)	14	-	(357)
Income tax expenses	-	(12)	-	-	(12)
Profit after tax of discontinued operation	-	-	93	-	93
Net profit(loss) for the period	589	62	63	7	721

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42 Financial information by segments (Cont'd)

	Bank business		Hire purchase business		Other business		Eliminations		Consolidated financial statement	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	143,554	139,203	7,520	5,894	1,380	1,353	(7,682)	(5,975)	144,772	140,475
Interbank and money market items - net (Assets)	11,520	14,836	120	77	674	596	(416)	(261)	11,898	15,248
Investments - net	22,569	21,397	-	-	64	80	-	-	22,633	21,477
Loans and accrued interest receivables - net	97,718	89,906	7,280	5,708	324	330	(6,088)	(4,541)	99,234	91,403
Deposits	97,243	94,540	-	-	188	177	(90)	(61)	97,341	94,656
Interbank and money market items -net (Liabilities)	4,075	3,417	6,459	4,829	225	125	(6,461)	(4,759)	4,298	3,612
Debt issued and borrowings	23,780	22,554	-	-	103	100	-	-	23,883	22,654

43 Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No.107 (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, loans, investments, deposit, liability payable on demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

43.1 Credit risk

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

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

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

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

As at 30 June 2011 and 31 December 2010, the Bank had the following off-statements of financial position commitments as summarised by the period to maturity, counting from the statements of financial position dates, of the contracts:

	Consolidated financial statements					
	Counting from 30 June 2011			Counting from 31 December 2010		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	193	-	193	558	-	558
Guarantees of loans	39	-	39	21	-	21
Liabilities under						
unmatured import bills	475	-	475	603	-	603
Letters of credit	3,087	54	3,141	1,862	-	1,862
Other guarantees	8,494	121	8,615	7,282	116	7,398

43 Financial instruments (Cont'd)

43.1 Credit risk (Cont'd)

	Separate financial statements					
	Counting from 30 June 2011			Counting from 31 December 2010		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	418	-	418	828	-	828
Guarantees of loans	39	-	39	21	-	21
Liabilities under unmatured import bills	475	-	475	603	-	603
Letters of credit	3,087	54	3,141	1,862	-	1,862
Other guarantees	8,494	121	8,615	7,282	116	7,398

43.2 Market risk

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

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

(a) Interest rate risk

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

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

43 Financial instruments (Cont'd)

43.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

As at 30 June 2011 and 31 December 2010, financial assets and liabilities classified by types of interest rate are as follows:

Descriptions	Consolidated financial statements			
	30 June 2011			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,543	2,543
Interbank and money market items	1,382	7,976	2,540	11,898
Investments	2,914	15,307	4,412	22,633
Investments in subsidiaries	-	-	154	154
Loans net of deferred revenue	65,311	36,091	305	101,707
Total financial assets	69,607	59,374	9,954	138,935
Financial Liabilities				
Deposits	23,010	71,502	2,829	97,341
Interbank and money market items	1,075	2,173	1,050	4,298
Liabilities payable on demand	-	-	350	350
Debt issued and borrowings	5,387	17,952	544	23,883
Total financial liabilities	29,472	91,627	4,773	125,872
Consolidated financial statements				
31 December 2010				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,745	2,745
Interbank and money market items	854	12,676	1,718	15,248
Investments	2,955	13,398	5,124	21,477
Investment in subsidiaries	-	-	154	154
Loans net of deferred revenue	59,964	33,653	221	93,838
Total financial assets	63,773	59,727	9,962	133,462
Financial Liabilities				
Deposits	24,697	68,267	1,692	94,656
Interbank and money market items	1,025	2,016	571	3,612
Liabilities payable on demand	-	-	251	251
Debt issued and borrowings	5,300	16,810	544	22,654
Total financial liabilities	31,022	87,093	3,058	121,173

43 Financial instruments (Cont'd)

43.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Descriptions	Separate financial statements			
	30 June 2011			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,541	2,541
Interbank and money market items	1,162	7,930	2,428	11,520
Investments	2,914	15,307	4,348	22,569
Investments in subsidiaries	-	-	1,323	1,323
Loans net of deferred revenue	66,090	33,760	146	99,996
Total financial assets	70,166	56,997	10,786	137,949
Financial Liabilities				
Deposits	22,898	71,502	2,843	97,243
Interbank and money market items	1,075	1,948	1,052	4,075
Liabilities payable on demand	-	-	350	350
Debt issued and borrowings	5,386	17,849	545	23,780
Total financial liabilities	29,359	91,299	4,790	125,448
Separate financial statements				
31 December 2010				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,743	2,743
Interbank and money market items	595	12,630	1,611	14,836
Investment	2,955	13,398	5,044	21,397
Investment in subsidiaries	-	-	1,323	1,323
Loans net deferred revenue	60,514	31,572	75	92,161
Total financial assets	64,064	57,600	10,796	132,460
Financial Liabilities				
Deposits	24,563	68,267	1,710	94,540
Interbank and money market items	1,097	1,746	574	3,417
Liabilities payable on demand	-	-	251	251
Debt issued and borrowings	5,300	16,710	544	22,554
Total financial liabilities	30,960	86,723	3,079	120,762

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43 Financial instruments (Cont'd)

43.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Consolidated financial statements as at 30 June 2011								
Transactions	Repricing or maturity date					Total Million Baht	Weighted average interest rates Percent	
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			No maturity Million Baht
Financial assets								
Interbank and money market items	95	7,880	1	-	-	-	7,976	2.98
Investments	-	2,851	1,854	9,967	635	-	15,307	3.33
Loans net of deferred revenue	143	12,807	13,903	6,292	1,548	1,398	36,091	7.00
Total financial assts	238	23,538	15,758	16,259	2,183	1,398	59,374	
Financial liabilities								
Deposits	200	26,816	43,443	1,043	-	-	71,502	2.58
Interbank and money market items	-	1,995	176	2	-	-	2,173	1.43
Debt issued and borrowings	122	13,860	3,867	103	-	-	17,952	2.88
Total financial liabilities	322	42,670	47,487	1,148	-	-	91,627	
Consolidated financial statements as at 31 December 2010								
Transactions	Repricing or maturity date					Total Million Baht	Weighted average interest rates Percent	
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			No maturity Million Baht
Financial assets								
Interbank and money market items	-	10,676	2,000	-	-	-	12,676	1.88
Investments	-	-	5,223	8,021	154	-	13,398	3.19
Loans net of deferred revenue	987	11,893	12,701	5,082	1,672	1,318	33,653	6.23
Total financial assts	987	22,569	19,924	13,103	1,826	1,318	59,727	
Financial liabilities								
Deposits	6,496	29,704	31,099	968	-	-	68,267	1.72
Interbank and money market items	-	1,939	75	2	-	-	2,016	2.06
Debt issued and borrowings	2,400	11,477	2,832	101	-	-	16,810	1.87
Total financial liabilities	8,896	43,120	34,006	1,071	-	-	87,093	

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43 Financial instruments (Cont'd)

43.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Transactions	Separate financial statements as at 30 June 2011						Total Million Baht	Weighted average interest rates Percent
	Repricing or maturity date							
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money market items	50	7,880	-	-	-	-	7,930	2.99
Investments	-	2,851	1,854	9,967	635	-	15,307	2.78
Loans net of deferred revenue	143	12,569	13,865	4,437	1,348	1,398	33,760	5.14
Total financial assts	193	23,300	15,719	14,404	1,983	1,398	56,997	
Financial liabilities								
Deposits	200	26,816	43,443	1,043	-	-	71,502	2.58
Interbank and money market items	-	1,770	176	2	-	-	1,948	1.18
Debt issued and borrowings	122	13,860	3,867	-	-	-	17,849	2.87
Total financial liabilities	322	42,446	47,486	1,045	-	-	91,299	
Transactions	Separate financial statements as at 31 December 2010						Total Million Baht	Weighted average interest rates Percent
	Repricing or maturity date							
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money market items	-	10,630	2,000	-	-	-	12,630	1.88
Investments	-	-	5,223	8,021	154	-	13,398	3.19
Loans net of deferred revenue	987	11,651	12,149	4,167	1,300	1,318	31,572	4.59
Total financial assts	987	22,281	19,372	12,188	1,454	1,318	57,600	
Financial liabilities								
Deposits	6,496	29,704	31,099	968	-	-	68,267	2.00
Interbank and money market items	-	1,569	175	2	-	-	1,746	1.83
Debt issued and borrowings	2,400	11,478	2,832	-	-	-	16,710	1.85
Total financial liabilities	8,896	42,751	34,106	970	-	-	86,723	

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

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43 Financial instruments (Cont'd)

43.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

In addition, the average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the six-month periods ended 30 June 2011 and 31 December 2010, can be summarised as follows:

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items	9,485	147	3.13	7,819	136	1.73
Investments	23,542	336	2.88	23,657	796	3.36
Loans	98,051	3,273	6.73	88,446	5,445	6.16
Total performing financial assets	<u>131,078</u>	<u>3,756</u>		<u>119,922</u>	<u>6,377</u>	
<u>Performing financial liabilities</u>						
Deposits	90,194	756	1.69	85,921	1,021	1.19
Interbank and money market items	4,620	49	2.14	6,410	151	2.36
Debt issued and borrowings	23,282	385	3.33	17,085	482	2.82
Total performing financial liabilities	<u>118,096</u>	<u>1,190</u>		<u>109,416</u>	<u>1,654</u>	
	Separate financial statements					
	30 June 2011			31 December 2010		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items	9,203	146	3.20	7,295	129	1.77
Investments	23,514	335	2.87	23,222	784	3.37
Loans	96,152	2,965	6.22	86,865	5,066	5.83
Total performing financial assets	<u>128,869</u>	<u>3,446</u>		<u>117,598</u>	<u>5,979</u>	
<u>Performing financial liabilities</u>						
Deposits	90,106	755	1.69	85,913	1,021	1.19
Interbank and money market items	4,519	42	1.90	6,255	82	1.31
Debt issued and borrowings	23,162	383	3.33	16,964	475	2.80
Total performing financial liabilities	<u>117,787</u>	<u>1,180</u>		<u>109,132</u>	<u>1,578</u>	

43 Financial instruments (Cont'd)

43.2 Market risk (Cont'd)

(b) Foreign exchange risk

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

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

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 30 June 2011 and 31 December 2010, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

	Consolidated and separate financial statements					
	30 June 2011			31 December 2010		
	USD	EURO*	Other Currencies*	USD	EURO*	Other Currencies*
Spot	24.01	5.11	5.55	77.79	3.04	5.64
Forward						
- Forward contract	(18.85)	(5.20)	(5.39)	(92.07)	(3.30)	(8.12)
Total	<u>5.16</u>	<u>(0.09)</u>	<u>0.16</u>	<u>(14.28)</u>	<u>(0.26)</u>	<u>(2.48)</u>

* EURO and other currencies are stated in USD equivalents.

(c) Equity position risk

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

43.3 Liquidity risk

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

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

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43 Financial instruments (Cont'd)

43.3 Liquidity risk (Cont'd)

The period to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 30 June 2011 and 31 December 2010 are as follows:

Descriptions	Consolidated financial statements				
	Counting from 30 June 2011				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial Assets					
Cash	2,541	-	-	2	2,543
Interbank and money market items	3,733	7,940	225	-	11,898
Investments	64	7,960	13,544	1,065	22,633
Investment in subsidiaries	-	-	-	154	154
Loans net of deferred revenue	3,451	38,174	60,082	-	101,707
Total financial asset	9,789	54,073	73,851	1,221	138,935
Financial Liabilities					
Deposits	26,039	70,259	1,043	-	97,341
Interbank and money market items	1,800	2,271	227	-	4,298
Liabilities payable on demand	350	-	-	-	350
Debt issued and borrowings	667	17,727	5,489	-	23,883
Total financial liabilities	28,856	90,257	6,759	-	125,872
Descriptions	Consolidated financial statements				
	Counting from 31 December 2010				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial Assets					
Cash	2,743	-	-	2	2,745
Interbank and money market items	2,555	12,693	-	-	15,248
Investments	80	9,138	11,155	1,104	21,477
Investment in subsidiaries	-	-	-	154	154
Loans net of deferred revenue	3,008	36,433	54,397	-	93,838
Total financial assets	8,386	58,264	65,552	1,260	133,462
Financial Liabilities					
Deposits	32,885	60,803	968	-	94,656
Interbank and money market items	1,596	2,014	2	-	3,612
Liabilities payable on demand	251	-	-	-	251
Debt issued and borrowings	2,945	14,309	5,400	-	22,654
Total financial liabilities	37,677	77,126	6,370	-	121,173

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43 Financial instruments (Cont'd)

43.3 Liquidity risk (Cont'd)

Descriptions	Separate financial statements				
	Counting from 30 June 2011				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<u>Financial Assets</u>					
Cash	2,541	-	-	-	2,541
Interbank and money market items	3,400	7,895	225	-	11,520
Investments	-	7,960	13,544	1,065	22,569
Investment in subsidiaries	-	-	-	1,323	1,323
Loans net of deferred revenue	3,632 ⁽¹⁾	37,714	57,979	-	99,996
Total financial assets	10,244	53,569	71,748	2,388	137,949
<u>Financial Liabilities</u>					
Deposits	25,941	70,259	1,043	-	97,243
Interbank and money market items	2,127	1,946	2	-	4,075
Liabilities payable on demand	350	-	-	-	350
Debt issued and borrowings	667	17,727	5,386	-	23,780
Total financial liabilities	29,085	89,932	6,431	-	125,448
Descriptions	Separate financial statements				
	Counting from 31 December 2010				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<u>Financial Assets</u>					
Cash	2,743	-	-	-	2,743
Interbank and money market items	2,064	12,648	124	-	14,836
Investments	-	9,138	11,155	1,104	21,397
Investment in subsidiaries	-	-	-	1,323	1,323
Loans net of deferred revenue	3,632 ⁽¹⁾	35,467	53,062	-	92,161
Total financial assets	8,439	57,253	64,341	2,427	132,460
<u>Financial Liabilities</u>					
Deposits	32,769	60,803	968	-	94,540
Interbank and money market items	1,671	1,744	2	-	3,417
Liabilities payable on demand	251	-	-	-	251
Debt issued and borrowings	2,945	14,309	5,300	-	22,554
Total financial liabilities	37,636	76,856	6,270	-	120,762

⁽¹⁾ As at 30 June 2011, a part of loans classified as maturity at call of Baht 3,190 million (31 December 2010: Baht 2,753 million) are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

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43 Financial instruments (Cont'd)

43.4 Fair value

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

Description	Consolidated financial statements			
	30 June 2011		31 December 2010	
	Book Value Million baht	Fair Value Million baht	Book Value Million baht	Fair Value Million baht
Financial Assets				
Cash	2,543	2,543	2,745	2,745
Interbank and money market items - net	11,898	11,898	15,248	15,248
Derivatives	2,067	2,067	2,476	2,476
Investments - net	22,633	22,581	21,477	21,467
Loans to customers - net	99,234	99,234	91,403	91,403
Total financial assets	138,375	138,323	133,349	133,339
Financial Liabilities				
Deposits	97,341	97,341	94,656	94,656
Interbank and money market items - net	4,298	4,298	3,612	3,612
Liability payable on demand	350	350	251	251
Derivatives	1,606	1,606	1,941	1,941
Debt issued and borrowings	23,883	23,883	22,654	22,654
Total financial liabilities	127,478	127,478	123,114	123,114
Description	Separate financial statements			
	30 June 2011		31 December 2010	
	Book Value Million baht	Fair Value Million baht	Book Value Million baht	Fair Value Million baht
Financial Assets				
Cash	2,541	2,541	2,743	2,743
Interbank and money market items - net	11,520	11,520	14,836	14,836
Derivatives	2,067	2,067	2,476	2,476
Investments - net	22,569	22,518	21,397	21,387
Loans to customers - net	97,718	97,718	89,906	89,906
Total financial assets	136,415	136,364	131,359	131,348
Financial Liabilities				
Deposits	97,243	97,243	94,540	94,540
Interbank and money market items - net	4,075	4,075	3,417	3,417
Liability payable on demand	350	350	251	251
Derivatives	1,606	1,606	1,941	1,941
Debt issued and borrowings	23,780	23,780	22,554	22,554
Total financial liabilities	127,054	127,054	122,703	122,703

43 Financial instruments (Cont'd)

43.5 Financial derivatives

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

As at 30 June 2011 and 31 December 2010, financial derivatives as classified by their maturities are as follows:

	Consolidated and separate financial statements					
	30 June 2011			31 December 2010		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	32,249	438	32,687	17,626	515	18,141
- Sold	30,624	831	31,455	18,352	777	19,129
Foreign currency swap contracts						
- Bought	1,790	4,037	5,827	3,041	4,008	7,049
- Sold	1,537	3,798	5,335	2,687	3,755	6,442
Interest rate swap contracts						
- Fixed rate payer	40,710	50,921	91,631	21,450	50,443	71,893
- Floating rate payer	30,425	54,266	84,691	19,992	50,576	70,568
- Fixed rate payee	28,425	53,223	81,648	18,522	49,904	68,426
- Floating rate payee	42,710	51,965	94,675	22,050	51,985	74,035
Exchange rate options						
- Call option sales contract	58	-	58	-	-	-
- Put option purchase contract	91	-	91	-	-	-

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

44 Derivatives

44.1 Fair value and notional amount classified by type of risk

	Separate financial statements					
	30 June 2011			31 December 2010		
	Fair value		Notional amount Million Baht	Fair value		Notional amount Million Baht
Asset Million Baht	Liability Million Baht	Liability Million Baht		Asset Million Baht		
Exchange rate	293	408	64,292	576	733	37,270
Interest rate	1,149	1,159	352,646	1,063	1,050	284,922
Foreign currency swap and interest rate	625	39	11,162	837	158	13,491
Total	2,067	1,606	428,100	2,476	1,941	335,683

44 Derivatives (Cont'd)

44.2 Proportion of derivative transactions classified by type of counterparty and considering notional amount

	Consolidated and separate financial statements	
	30 June 2011	31 December 2010
	Proportion	Proportion
Financial institutions	0.77	0.77
Companies in group	0.12	0.09
External parties	0.11	0.14
Total	<u>1.00</u>	<u>1.00</u>

45 Agreement to transfer non-performing loans to TAMC

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

As at 30 June 2011 and 31 December 2010, The Bank and subsidiaries have loans transferred to TAMC are as follows:

	Consolidated and separate financial statements			
	30 June 2011		31 December 2010	
	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	<u>98,116</u>	25,397	<u>98,116</u>	25,397
Less TAMC notes which have been redeemed by TAMC		<u>(24,597)</u>		<u>(24,597)</u>
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 8.1 (b))		<u>800</u>		<u>800</u>

The Bank is to receive payment in the form of non-transferable, 10-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 30 June 2011, the Bank recognised interest receivable under these promissory notes amounting to Baht 40 million (31 December 2010 : Baht 35 million).

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

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

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

As at 30 June 2011, the Bank’s management believes that no significant future losses will be incurred.

45 Agreement to transfer non-performing loans to TAMC (Cont'd)

Outstanding issues with TAMC

As of 30 June 2011, 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 totaling Baht 162 million and interest amounting Baht 18 million. The Bank believes that these issues will not have a material impact on the transfer price adjustment of the loans and interest on TAMC note, since the Bank has handed some of the original ownership documents and appraisal reports for the collateral to TAMC.

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

46. Subsequent event

Subordinated debentures

- a) On 14 July 2011, the Bank issued a 10 year unsecured subordinated debentures with a bond holder's representative. The subscription unit is Baht 1,000 each at 3,000,000 units for an aggregate amount of Baht 3 billion carrying constant interest rate of 5.35% per annum with a payment of interest every 6 months to individual and institution investors. The debenture has a tenor of 10 years and is due on 14 July 2021 according to the prospectus. The Bank may exercise its right to pre-redeem the debenture subject to approval by the Bank of Thailand under the conditions stated in prospectus.

The Bank has an approval from Bank of Thailand to count the subordinated debenture as tier 2 capital according to the correspondence For Kor Kor (02) 808/2554

- b) On 18 July 2011, the Bank recalled unsecured subordinated debentures amounted to USD 50 million, floating rate, which is due in 2016. The Bank has an approval from Bank of Thailand according to the BOT's notification Tor Por Tor. For Kor Kor (21) 812/B.E.2554 about the pre-redemption of unsecured subordinated debenture.

Capital increase

According to the Board of Director Meetings No. 5/2011 on 25 May 2011 and No. 6/2011 on 29 June 2011 of CIMB Securities (Thailand) Co., Ltd, the Board of Director concurred to request the Extraordinary General Meeting of Shareholders No. 2/2011 on 26 August 2011 to increase the Company's registered capital from Baht 500,000,000 to Baht 1,800,000,000 by issuing new ordinary shares of 130,000,000 shares with a par value per share of Baht 10.