

CIMB THAI BANK PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND BANK
FINANCIAL STATEMENTS**

30 JUNE 2012

AUDITOR'S REPORT

To the Shareholders of CIMB Thai Bank Public Company Limited

Audit Report

I have audited the interim consolidated and bank financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries and of CIMB Thai Bank Public Company Limited, respectively, which comprise the consolidated and bank statements of financial position as at 30 June 2012 and 31 December 2011, and the related consolidated and bank statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Financial Statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these interim financial statements based on my audits. I conducted my audits in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the interim consolidated and bank financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively, referred to above present fairly, in all material respects, the consolidated and bank financial position as at 30 June 2012 and 31 December 2011, and the consolidated and bank results of operations and cash flows for six-month periods ended 30 June 2012 and 2011 in accordance with Thai Financial Reporting Standards.

Review Report

I have reviewed the consolidated and bank statements of comprehensive income for the three-month periods ended 30 June 2012 and 2011 of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively. Management is responsible for the preparation and presentation of these consolidated and bank statements of comprehensive income in accordance with Thai Financial Reporting Standards. My responsibility is to express a conclusion on these consolidated and bank statements of comprehensive income based on my reviews.

Scope of Review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the consolidated and bank statements of comprehensive income for the three-month periods ended 30 June 2012 and 2011 are not prepared, in all material respects, in accordance with Thai Financial Reporting Standards.

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

Bangkok
27 August 2012

CIMB Thai Bank Public Company Limited
Statements of Financial Position
As at 30 June 2012 and 31 December 2011

	Notes	Consolidated		The Bank	
		30 June	31 December	30 June	31 December
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Assets					
Cash		2,656,924,789	3,122,846,554	2,654,175,614	3,120,642,155
Interbank and money market items - 1	7	6,193,563,371	5,205,245,039	6,154,740,750	4,577,356,327
Derivative assets	8	2,354,259,681	2,526,862,210	2,354,259,681	2,526,862,210
Investments - net	9	35,456,264,423	32,543,164,312	35,456,264,423	32,492,273,880
Investments in subsidiaries - net	9.7	153,912,645	153,912,645	893,381,379	1,923,143,017
Loans and accrued interest receivable	10				
Loans		126,166,971,201	121,719,437,344	121,476,123,979	116,950,978,798
Accrued interest receivables		396,135,385	279,098,921	408,399,580	277,958,703
Total loans and accrued interest receivables		126,563,106,586	121,998,536,265	121,884,523,559	117,228,937,501
Less Deferred revenue		(2,894,309,249)	(2,429,980,354)	(3,236,686)	(3,173,910)
Less Allowance for doubtful debts	11	(3,300,066,464)	(3,345,515,853)	(3,068,666,889)	(3,094,393,744)
Less Revaluation allowance for debt restructuring	12	(8,105,612)	(10,958,714)	(8,105,612)	(10,958,714)
Loans and accrued interest receivables - net		120,360,625,261	116,212,081,344	118,804,514,372	114,120,411,133
Customers' liability under acceptance		30,560,839	69,927,687	30,560,839	69,927,687
Properties for sale - net	13	1,430,644,204	1,484,488,359	1,398,158,372	1,460,650,554
Premises and equipment - net	14	3,698,947,426	3,830,671,693	3,627,464,352	3,673,934,530
Intangible assets - net	15	445,687,974	470,613,974	440,078,417	443,258,237
Assets of disposal group classified as held for sales	16	2,228,434,570	-	1,059,778,305	-
Accrued income from Thai Asset Management Corporation	47	1,009,565,667	1,009,565,667	1,009,565,667	1,009,565,667
Other assets - net	17	1,358,154,751	1,393,714,576	1,314,811,265	1,133,245,127
Total assets		177,377,545,601	168,023,094,060	175,197,753,436	166,551,270,524

Director _____ Director _____

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 31 December 2011

	Notes	Consolidated		The Bank	
		30 June	31 December	30 June	31 December
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Liabilities					
Deposits	18	114,230,320,987	101,573,954,409	114,359,660,079	101,291,200,733
Interbank and money market items - 1	19	13,101,590,936	4,786,952,067	12,806,336,840	4,549,969,313
Liability payable on demand		516,226,401	144,101,067	516,226,401	144,101,067
Financial liabilities designated at fair value					
through profit or loss	20	917,740,749	-	917,740,749	-
Derivative liabilities	8	2,084,660,346	2,270,622,392	2,084,660,346	2,270,622,392
Debt issued and borrowings	21	26,482,197,555	40,315,688,037	26,482,197,555	40,210,323,185
Bank's liability under acceptance		30,560,839	69,927,687	30,560,839	69,927,687
Provisions	22	1,402,714,116	1,506,655,509	1,380,822,410	1,455,869,720
Liabilities of disposal group classified					
as held for sales	16	1,572,169,256	-	-	-
Other liabilities	23	3,244,908,623	3,944,270,222	3,047,710,166	3,323,983,009
Total liabilities		163,583,089,808	154,612,171,390	161,625,915,385	153,315,997,106
Shareholders' equity					
Share capital	24				
Registered					
26,105,495,608 ordinary shares					
of Baht 0.50 each		13,052,747,804		13,052,747,804	
16,315,934,756 ordinary shares					
of Baht 0.50 each			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	25	1,318,542,424	1,347,561,648	1,303,381,200	1,332,963,823
Retained earnings					
Appropriated - statutory reserve	26	171,000,000	129,500,000	171,000,000	129,500,000
Unappropriated		2,571,404,367	2,203,340,511	2,456,222,677	2,131,575,421
Attributable to owners of the Bank		13,702,180,965	13,321,636,333	13,571,838,051	13,235,273,418
Non-controlling interests		92,274,828	89,286,337	-	-
Total shareholders' equity		13,794,455,793	13,410,922,670	13,571,838,051	13,235,273,418
Total liabilities and shareholders' equity		177,377,545,601	168,023,094,060	175,197,753,436	166,551,270,524

The accompanying notes to the interim financial statements from page 13 to 102 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 30 June 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Interest income	30	2,485,423,399	1,903,087,737	2,239,072,286	1,748,179,996
Interest expenses	31	(1,238,027,696)	(754,712,203)	(1,221,818,104)	(752,786,824)
Net interest income		1,247,395,703	1,148,375,534	1,017,254,182	995,393,172
Fees and service income		226,600,957	225,485,824	208,386,059	195,756,732
Fees and service expenses		(40,219,006)	(19,235,610)	(55,608,090)	(14,483,607)
Net fee and service income	32	186,381,951	206,250,214	152,777,969	181,273,125
Gains on trading and foreign exchange transactions	33	111,880,714	38,764,038	111,880,714	38,764,038
Losses on financial liabilities designated at fair value through profit or loss	34	(3,132,319)	-	(3,132,319)	-
(Losses) gains on investments, net	35	(11,501,960)	89,979,041	(11,501,960)	89,979,041
Other operating income	36	38,037,009	25,548,959	61,228,187	45,098,742
Total operating income		1,569,061,098	1,508,917,786	1,328,506,773	1,350,508,118
Other operating expenses					
Employee expenses		694,385,216	616,160,751	595,377,671	530,707,401
Directors' remuneration		2,472,000	2,172,000	2,308,000	2,088,000
Premises and equipment expenses		336,475,943	282,109,111	304,369,689	253,976,646
Taxes and duties		84,724,593	71,852,835	82,096,250	69,521,445
Others		326,402,225	184,621,440	262,190,029	192,759,838
Total other operating expenses		1,444,459,977	1,156,916,137	1,246,341,639	1,049,053,330
Bad and doubtful debts and impairment lo	37	108,509,528	97,588,492	60,975,881	68,000,000
Profit from continuing operation before income tax expenses		16,091,593	254,413,157	21,189,253	233,454,788
Income tax expenses	38	(11,643,783)	(14,085,485)	-	-
Net profit from continuing operation		4,447,810	240,327,672	21,189,253	233,454,788
Profit after tax of discontinued operation		26,083,417	16,538,233	-	-
Net profit for the periods		30,531,227	256,865,905	21,189,253	233,454,788

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 2011

	Note	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Other comprehensive income (expenses)					
Changes in revaluation surplus		(10,551,384)	(2,329,856)	(10,551,384)	(2,329,856)
Gains (losses) on remeasuring available-for-sale investments		80,250,592	(33,189,972)	80,250,592	(33,190,048)
Total other comprehensive income (expenses) from continuing operation		69,699,208	(35,519,828)	69,699,208	(35,519,904)
Other comprehensive expenses on assets of disposal group classified as held for sales		(594,662)	(766,074)	-	-
Total other comprehensive income (expenses)		69,104,546	(36,285,902)	69,699,208	(35,519,904)
Total comprehensive income for the periods		99,635,773	220,580,003	90,888,461	197,934,884
Net profit attributable to:					
Equity holders of the Bank		28,666,277	254,800,595	21,189,253	233,454,788
Non-controlling interests		1,864,950	2,065,310	-	-
		30,531,227	256,865,905	21,189,253	233,454,788
Total comprehensive income attributable to:					
Equity holders of the Bank		97,770,823	218,514,591	90,888,461	197,934,884
Non-controlling interests		1,864,950	2,065,412	-	-
		99,635,773	220,580,003	90,888,461	197,934,884
Earnings per share for profit attributable to the equity holders of the Bank 40					
Basic earnings per share (Baht per share)		0.00	0.02	0.00	0.01
Weighted average number of ordinary shares (shares)		16,315,934,756	16,315,934,756	16,315,934,756	16,315,934,756

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Interest income	30	4,851,351,028	3,646,381,382	4,395,224,287	3,347,891,964
Interest expenses	31	(2,388,524,449)	(1,371,067,012)	(2,365,906,677)	(1,366,815,712)
Net interest income		2,462,826,579	2,275,314,370	2,029,317,610	1,981,076,252
Fees and service income		430,911,688	399,383,875	389,506,536	343,568,346
Fees and service expenses		(63,710,020)	(41,274,924)	(92,791,095)	(32,767,345)
Net fee and service income	32	367,201,668	358,108,951	296,715,441	310,801,001
Gains on tradings and foreign exchange transactions	33	231,145,640	152,665,069	231,145,640	152,665,069
Losses on financial instrument designated at fair value through profit or loss	34	(3,132,319)	-	(3,132,319)	-
Gains on investments	35	59,965,205	88,710,504	59,965,205	88,710,504
Other operating income	36	96,945,095	153,656,409	115,102,003	168,028,083
Total operating income		3,214,951,868	3,028,455,303	2,729,113,580	2,701,280,909
Other operating expenses					
Employee expenses		1,330,192,771	1,241,333,712	1,136,181,967	1,080,525,977
Directors' remuneration		4,644,000	4,344,000	4,396,000	4,176,000
Premises and equipment expenses		667,749,122	557,896,942	603,750,805	506,242,768
Taxes and duties		162,032,739	132,310,792	155,904,374	127,328,744
Others		460,758,630	367,498,836	341,523,897	343,080,754
Total other operating expenses		2,625,377,262	2,303,384,282	2,241,757,043	2,061,354,243
Bad and doubtful debts and impairment lo	37	248,662,015	163,364,733	157,975,881	123,000,000
Profit from continuing operation before income tax expenses		340,912,591	561,706,288	329,380,656	516,926,666
Income tax expenses	38	(18,128,154)	(21,724,853)	-	-
Net profit from continuing operation		322,784,437	539,981,435	329,380,656	516,926,666
Profit after tax of discontinued operation		54,148,490	1,380,612	-	-
Net profit for the periods		376,932,927	541,362,047	329,380,656	516,926,666

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 2011

	Note	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Other comprehensive income (expenses)					
Changes in revaluation surplus		(37,142,548)	(3,598,109)	(37,142,548)	(3,598,109)
Gains (losses) on remeasuring available-for-sale investments		6,642,109	(65,982,228)	6,642,109	(65,982,407)
Total other comprehensive expenses from continuing operation					
		(30,500,439)	(69,580,337)	(30,500,439)	(69,580,516)
Other comprehensive income (expenses) on assets of disposal group classified as held for sales		563,399	(1,793,345)	-	-
Total other comprehensive expenses					
		(29,937,040)	(71,373,682)	(30,500,439)	(69,580,516)
Total comprehensive income for the periods					
		346,995,887	469,988,365	298,880,217	447,346,150
Net profit attributable to:					
Equity holders of the Bank		372,797,256	536,388,954	329,380,656	516,926,666
Non-controlling interests		4,135,671	4,973,093	-	-
		376,932,927	541,362,047	329,380,656	516,926,666
Total comprehensive income attributable to:					
Equity holders of the Bank		342,860,216	465,015,272	298,880,217	447,346,150
Non-controlling interests		4,135,671	4,973,093	-	-
		346,995,887	469,988,365	298,880,217	447,346,150
Earnings per share for profit attributable to the equity holders of the Bank 40					
Basic earnings per share (Baht per share)		0.02	0.03	0.02	0.03
Weighted average number of ordinary shares (shares)		16,315,934,756	16,315,934,756	16,315,934,756	16,315,934,756

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 2011

Consolidated												
Attributable to owners of the Bank												
Notes	Issued and paid-up share capital Baht	Share premium Baht	Other reserves			Other comprehensive income (expense) 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
			Revaluation surplus on assets Baht	Revaluation surplus on assets Baht	Revaluation surplus on assets Baht							
Balance as at 1 January 2012	8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	877,610	14,597,825	1,347,561,648	129,500,000	2,203,340,511	13,321,636,333	89,286,337	13,410,922,670
Total comprehensive income (expenses)												
for the period	-	-	(37,142,548)	6,642,109	-	563,399	(29,937,040)	-	372,797,256	342,860,216	4,135,671	346,995,887
Appropriated - statutory reserve	26	-	-	-	-	-	-	41,500,000	(41,500,000)	-	-	-
Share-based payment	-	-	-	-	917,816	-	917,816	-	-	917,816	-	917,816
Adjust an increase ordinary shares	-	-	-	-	-	-	-	-	-	-	(1,147,180)	(1,147,180)
Transfer to retained earnings	-	-	-	-	-	-	-	-	36,766,600	36,766,600	-	36,766,600
Balance as at 30 June 2012	8,157,967,378	1,483,266,796	1,172,638,379	128,947,395	1,795,426	15,161,224	1,318,542,424	171,000,000	2,571,404,367	13,702,180,965	92,274,828	13,794,455,793
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	22	-	-	-	-	-	-	-	(474,399,952)	(474,399,952)	(1,658,521)	(476,058,473)
Restated balance	8,157,967,378	1,483,266,796	566,608,876	160,792,997	-	-	727,401,873	63,500,000	947,027,041	11,379,163,088	80,612,134	11,459,775,222
Total comprehensive income (expenses)												
for the period	-	-	(3,598,109)	(65,982,228)	-	(1,793,345)	(71,373,682)	-	536,388,954	465,015,272	4,973,093	469,988,365
Appropriated - statutory reserve	26	-	-	-	-	-	-	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	8,157,967,378	1,483,266,796	563,010,767	94,810,769	562,570	(1,793,345)	656,590,761	103,500,000	1,447,014,104	11,848,339,039	85,585,227	11,933,924,266

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 2011

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	Total other reserves Baht	Legal reserve Baht	Retained earnings (deficits) Baht	Total Baht
Balance as at 1 January 2012	8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	877,610	1,332,963,823	129,500,000	2,131,575,421	13,235,273,418
Total comprehensive income (expenses) for the period	-	-	(37,142,548)	6,642,109	-	(30,500,439)	-	329,380,656	298,880,217
Appropriated - statutory reserve 26	-	-	-	-	-	-	41,500,000	(41,500,000)	-
Share-based payment	-	-	-	-	917,816	917,816	-	-	917,816
Transfer to retained earnings	-	-	-	-	-	-	-	36,766,600	36,766,600
Balance as at 30 June 2012	8,157,967,378	1,483,266,796	1,172,638,379	128,947,395	1,795,426	1,303,381,200	171,000,000	2,456,222,677	13,571,838,051
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 Bene 22	-	-	-	-	-	-	-	(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 26	-	-	-	-	-	-	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	8,157,967,378	1,483,266,796	563,010,767	75,037,225	562,570	638,610,562	103,500,000	1,326,212,653	11,709,557,389

The accompanying notes to the interim financial statements from page 13 to 102 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 2012 and 2011

	Consolidated		The Bank	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before corporate income tax from continuing operations	340,912,591	561,706,288	329,380,656	516,926,666
Profit before corporate income tax from discontinued operations	54,148,490	1,380,612	-	-
Profit before corporate income tax including discontinued operations	395,061,081	563,086,900	329,380,656	516,926,666
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:				
Depreciation and amortisation	272,430,726	197,803,694	248,676,653	184,471,450
Bad debts and doubtful accounts	260,686,134	161,170,803	170,000,000	123,000,000
(Reversal) provision for off-balance sheet items	(10,716,171)	3,325,000	(10,716,171)	3,325,000
Share-based payment	917,817	562,570	917,817	562,570
Provision for liabilities	61,165,742	54,329,569	54,278,094	50,345,376
Losses on impairment of properties for sale	5,834,929	1,336,827	-	-
Reversal of impairment losses on investments	(4,971,563)	-	(4,971,563)	-
Unrealised (gains) losses on exchange and derivative	(47,726,749)	156,497,908	(47,726,742)	156,497,908
Realised gains of exchange rate on borrowings	(30,571,982)	-	(33,166,775)	-
Losses on properties for sale	90,250,799	101,079,241	4,792,119	45,468,616
Unrealised (gains) loss on revaluation of investments	(12,584,229)	3,967,105	(12,556,289)	4,374,527
Gains on sale of investments	(119,262,620)	(96,834,966)	(74,407,502)	(73,835,971)
Gains on disposal of premises and equipments	(1,447,306)	(74,738,122)	(198,888)	(74,196,434)
Loss from write off premises and equipments	1,900,024	830,281	1,900,016	830,281
Loss from financial liabilities designated at fair value through profit or loss	3,132,319	-	3,132,319	-
Interest and dividend income	(4,881,688,853)	(3,754,659,068)	(4,459,027,671)	(3,446,447,736)
Interest expenses	2,102,644,261	1,188,985,109	2,080,026,489	1,181,715,712
Losses from operations before changes in operating assets and liabilities	(1,914,945,641)	(1,493,257,149)	(1,749,667,438)	(1,326,962,035)
(Increase) decrease in operating assets				
Interbank and money market items	(1,463,506,461)	3,348,734,735	(1,575,312,467)	3,316,005,392
Investments held for trading	(1,204,625,977)	(1,078,847,941)	(1,240,865,883)	(1,116,825,969)
Loans	(5,893,544,925)	(8,260,645,626)	(4,690,388,648)	(7,970,700,761)
Properties for sale	272,720,306	336,251,343	56,937,213	164,371,963
Other assets	(175,049,931)	541,696,008	(135,516,892)	479,266,424
Increase (decrease) in operating liabilities				
Deposits	13,174,137,380	2,677,521,957	13,068,459,345	2,695,520,037
Interbank and money market items	8,314,638,870	686,283,600	8,256,367,527	657,465,068
Liability payable on demand	372,125,334	99,726,636	372,125,334	99,726,636
Short-term borrowings	(12,428,299,229)	1,139,890,536	(12,428,299,229)	1,139,890,536
Provisions	(118,339,453)	(68,817,426)	(117,711,964)	(68,817,426)
Other liabilities	314,605,807	(536,794,510)	(178,316,965)	(445,887,098)
Cash flows used in operating activities	(750,083,920)	(2,608,257,837)	(362,190,067)	(2,376,947,233)
Cash received from interest income	4,111,595,864	3,393,684,067	3,645,286,764	3,085,145,267
Cash paid for interest expenses	(2,251,028,618)	(1,094,765,799)	(2,228,767,233)	(1,090,008,239)
Cash paid for tax	(24,161,673)	(19,139,403)	-	-
Net cash flows provided by (used in) operating	1,086,321,653	(328,478,972)	1,054,329,464	(381,810,205)

The accompanying notes to the interim financial statements from page statements.

13 to 102 are an integral part of the interim financial

CIMB Thai Bank Public Company Limited
Statements of cash flow (Cont'd)
For the six-month periods ended 30 June 2012 and 2011

	Consolidated		The Bank	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from investing activities				
Cash paid for purchases of available-for-sale securities	(6,096,364,630)	(2,239,913,568)	(6,096,364,630)	(2,239,913,568)
Proceeds from disposals of available-for-sale securities	5,745,740,851	-	5,745,740,851	-
Proceeds from maturity and principle payment of available-for-sale securities	50,000,000	1,769,000,000	50,000,000	1,769,000,000
Cash paid for purchases of held to maturity securities	(4,610,058,512)	(781,425,871)	(4,610,058,508)	(781,425,871)
Proceeds from disposals of held to maturity securities	806,163	-	806,163	-
Proceeds from maturity and principle payment of held to maturity securities	2,978,342,839	1,000,000,000	2,978,342,839	1,000,000,000
Proceeds from repayment of investment in receivables	322,193,651	71,022,328	322,193,651	71,022,328
Proceeds from disposals of general investments	14,989,262	14,717,276	14,989,262	14,717,276
Proceeds from maturity of general investments	24,035,891	21,254,915	24,035,891	21,254,915
Cash paid for purchases of investment in subsidiaries and associates	-	-	(30,016,667)	-
Proceeds from disposals of investment in subsidiaries and associates	-	31,579,041	-	31,579,041
Cash paid for purchases of premises and equipment	(179,206,601)	(266,589,121)	(156,237,770)	(223,353,379)
Proceeds from disposals of equipment	23,054,732	186,778,709	21,786,783	186,090,693
Cash paid for purchases of intangible assets	(56,178,202)	(18,740,692)	(51,027,747)	(7,651,292)
Dividend received	29,190,645	99,497,732	63,803,384	98,555,771
Interest received	516,602,062	240,084,098	516,602,062	240,084,098
Net cash flows (used in) provided by investing activities	(1,236,851,849)	127,264,847	(1,205,404,436)	179,960,012
Cash flows from financing activities				
Cash paid for redemption subordinated debentures	(1,230,000,000)	-	(1,230,000,000)	-
Proceeds from issuance of structured bill of exchange	914,608,431	-	914,608,431	-
Net cash flows used in financing activities	(315,391,569)	-	(315,391,569)	-
Net decrease in cash and cash equivalents	(465,921,765)	(201,214,125)	(466,466,541)	(201,850,193)
Cash and cash equivalents at beginning of the period	3,122,846,554	2,744,520,360	3,120,642,155	2,743,015,913
Cash and cash equivalents at the end of the period	2,656,924,789	2,543,306,235	2,654,175,614	2,541,165,720

Supplemental disclosure of cash flows information

Non-cash transaction:

Properties for sale received in settlement of debt	322,548,729	235,418,887	-	3,933,000
Payable from purchase premises and equipment	14,648,570	34,130,212	13,515,341	31,546,714
Payable from purchase intangible assets	609,900	1,403,803	609,900	1,403,803
Changes in revaluation surplus in available-for-sale securities	(7,205,508)	67,775,572	6,642,109	65,982,407
Write-off loans and allowance for doubtful debt	298,941,288	242,754,949	223,170,454	217,942,528
Properties for sale received from auction	-	8,810,915	-	8,810,915
Transfer other provision to allowance for doubtful debt	897,269	-	897,269	-
Revaluation surplus on assets	372,061	-	372,061	-
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	762,850	41,160,325	762,850	41,160,325
Customer's liabilities under acceptance transactions	39,366,848	2,345,348	39,366,848	2,345,348
Change in appropriate statutory reserve	41,500,000	66,000,000	41,500,000	66,000,000
Interest amortisation from premium or discount	54,036,479	26,242,284	54,036,479	26,242,284
Amortisation of effective interest rate	36,659,626	7,037,611	36,659,626	2,020,237

The accompanying notes to the interim financial statements from page 13 to 102 are an integral part of the interim financial statements.

1 General information

CIMB Thai Bank Public Company Limited (“the Bank”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The Bank has operated as a commercial bank in Thailand since 8 March 1949. The address of the Company’s registered office is as follows:

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. CIMB Group Holdings Berhad is the parent company of the CIMB Group.

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 interim consolidated and bank financial statements were authorised by the Board of Directors on 27 August 2012.

2 Basis of preparation of interim consolidated and bank financial statements

The interim consolidated and bank financial statements (“the interim financial statements”) are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (“SEC”) under the Securities and Exchange Act B.E. 2535. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholders’ equity and 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 interim consolidated and bank financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of interim financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim consolidated and bank financial statements are disclosed in note 5 to the interim financial statements.

The interim consolidated financial statements have been prepared by including the Bank’s interim financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries. The interim consolidated financial statements for the six-month periods ended 30 June 2012 have been prepared with some structural changes related to subsidiaries during the period. The Bank has reclassified investment in CIMB Securities (Thailand) Co., Ltd., from investment in subsidiary to assets of disposal group classified as held for sales. Such change is disclosed in Note 9.7 and 16 to the interim financial statements.

The Bank prepares the interim bank financial statements for the benefit of public, which present investment in subsidiaries under cost method.

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

3 Accounting policies

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

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

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

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
TFRS 8	Operating Segments
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 has assessed that TAS 20 (revised 2009) and TSIC10 are not relevant to the main business of the Group. For other new accounting standards, amendments to accounting standards and new interpretations, 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.

TFRS 8: The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities 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 by 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 Group 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 Accounting policies (Cont'd)

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 principal 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.

(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.

3 Accounting policies (Cont'd)

3.2 Revenue recognition (Cont'd)

(h) Other income

Other income is recognised as income on an accrual basis.

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 Group classifies 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 statement 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 statement of financial position at fair value less allowance for impairment, (if any). In the statements of comprehensive income, the unrealised gains and losses of trading investments are recognised in the gains (losses) on investment in the statements of comprehensive income. 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 Group tests 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 income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of comprehensive income. When disposing of part of the Group's 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 Group determines 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 non-controlling 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 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 9.7 to the interim financial statements.

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 income.

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 Group records 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 income 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 income when debt restructuring agreement is executed.

3.10 Properties for sale

Properties for sale consisting 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 Group will recognise the provision for impairment of for sale assets in total.

The Group 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 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliable. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The Group records 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 income. Each period the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) 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
Equipment	5 years and 10 years

Residual value and the estimated useful life of the assets are revised in every reporting statement 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.

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 Group 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 Group has to reverse the loss on impairment of assets that the Group recognised in the previous period except goodwill when the assessment of the recoverable amount is changed after the Group recognised loss on impairment.

3.14 Leasehold rights

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

3.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

3.16 Foreign currency translation

Items included in the financial statements of the Group are measured using Thai Baht. The interim consolidated financial statements are presented in Thai Baht.

The Group translates foreign currency transactions 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 income.

3 Accounting policies (Cont'd)

3.17 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 depend 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 income.

(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.

3.18 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognised at fair value and derecognised when extinguished.

Measurement is initially at fair value, Day 1 Profit from fair value will be amortised as income using straight-line method until maturity or at early termination. Changes in the fair value of financial liabilities designated at fair value through profit or loss are recognised in the statements of comprehensive income as gain or loss on financial liabilities designated at fair value through profit loss.

3.19 Employee benefits and pension fund

Defined contribution plan

The Group 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 Group. Contributions to the provident fund are charged to the statements of comprehensive income in the year to which they relate.

Defined benefit plan

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

According to TAS 19 Employee Benefits, the Group set provision for pension fund which comprises of post employment benefits under the labour law applicable in Thailand and pension fund.

3 Accounting policies (Cont'd)

3.19 Employee benefits and pension fund (Cont'd)

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 income in the period to which they are related.

3.20 Provisions

The Group recognise provisions when the Group 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 Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Bank adjusted consolidated and bank 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.21 Income tax

The Group calculates income tax based on the taxable profits determined in accordance with tax legislation.

3.22 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 28 to the interim financial statement.

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 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on The Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out under policies approved by the Board of Directors. The Group's Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

4.1.1 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.

4.1.1.1 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.

4.1.1.2 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.

4.1.1.3 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.

4 Financial risk management (Cont'd)

4.1 Financial risk factors (Cont'd)

4.1.2 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 Rating, 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.

4.1.3 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.

4 Financial risk management (Cont'd)

4.2 Accounting for derivative financial instruments and hedging activities

The Bank is party to derivative financial instruments, which mainly comprise foreign currency forward contracts, interest rate swap agreements, future contracts, and exchange rate options. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 46.5 to the interim financial statements.

4.3 Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Group has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

When there is infrequent activity in a market, the market is not well established or small volumes are traded relative to the number of trading units of a financial instrument to be valued, quoted market prices may not be indicative of the fair value of the instrument. In these circumstances, as well as when a quoted market price is not available, estimation techniques may be used to determine the fair value with sufficient reliability to satisfy the Group. Techniques that are well established in financial markets include reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. In applying discounted cash flow analysis, an enterprise uses a discount rate equal to the prevailing market rate of interest for financial instruments having substantially the same terms and characteristics, including the creditworthiness of the debtor, the remaining term over which the contractual interest rate is fixed, the remaining term for repayment of the principal and the currency in which payments are to be made.

The fair value of publicly traded derivatives and trading and available-for-sale investments is based on quoted market prices at the end of the reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the end of reporting period.

5 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 Group makes 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 Group 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 Group's 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 recoverable. In determining the impairment losses, management believed that estimations are reasonable.

(d) Allowance for impairment of property for sale

The Group assesses 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. 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. 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.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's 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 Group 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 27 to the interim financial statement.

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7 Interbank and money market items - net (assets)

	Consolidated					
	30 June 2012			31 December 2011		
	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	1,707	-	1,707	1,401	-	1,401
Commercial banks	56	-	56	602	45	647
Other banks	7	-	7	6	-	6
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	1,329	1,329	-	561	561
Total domestic items	2,314	1,329	3,643	2,553	606	3,159
<u>Add</u> Accrued interest receivables	-	2	2	-	-	-
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(3)	(3)
Domestic items - net	2,314	1,327	3,641	2,553	603	3,156
Foreign:						
US dollar	2,464	-	2,464	1,942	-	1,942
Yen	56	-	56	17	-	17
EURO	-	-	-	28	-	28
Other currencies	32	-	32	62	-	62
Foreign items - net	2,552	-	2,552	2,049	-	2,049
Domestic and foreign items - net	4,866	1,327	6,193	4,602	603	5,205
	The Bank					
	30 June 2012			31 December 2011		
	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	1,707	-	1,707	1,401	-	1,401
Commercial banks	24	-	24	26	-	26
Other banks	1	-	1	-	-	-
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	1,329	1,329	-	561	561
Total domestic items	2,276	1,329	3,605	1,971	561	2,532
<u>Add</u> Accrued interest receivables	-	2	2	-	-	-
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(4)	(4)
Domestic items - net	2,276	1,327	3,603	1,971	557	2,528
Foreign:						
US dollar	2,464	-	2,464	1,942	-	1,942
Yen	56	-	56	17	-	17
EURO	-	-	-	28	-	28
Other currencies	32	-	32	62	-	62
Foreign items - net	2,552	-	2,552	2,049	-	2,049
Domestic and foreign items - net	4,828	1,327	6,155	4,020	557	4,577

As at 30 June 2012, the Bank has promissory notes of Baht 547 million (31 December 2011: 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 2011: 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.

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

However, the Bank has not yet returned the promissory note to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the 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 2011: Baht 544 million).

8 Trading derivatives

8.1 Fair value and notional amount classified by type of risk

	Consolidated and the Bank					
	30 June 2012			31 December 2011		
	Fair value			Fair value		
Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	
Exchange rate	718	437	83,194	1,023	767	55,973
Interest rate	1,636	1,648	248,254	1,504	1,504	227,376
Total	2,354	2,085	331,448	2,527	2,271	283,349

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

	Consolidated and the Bank	
	30 June 2012 Proportion	31 December 2011 Proportion
Financial institutions	81	85
Companies in group	7	7
External parties	12	8
Total	100	100

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9 Investments - net

9.1 Classified by types of investment

	Consolidated		The Bank	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	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	3,444	2,130	3,444	2,130
Private sector debt securities	-	48	-	48
Domestic marketable equity securities	-	26	-	-
Total Securities held for trading	3,444	2,204	3,444	2,178
Available-for-sales securities				
Government and state enterprises securities	8,517	8,229	8,517	8,229
Private sector debt securities	264	195	264	195
Domestic marketable equity securities	2,700	2,662	2,700	2,645
Total Available-for-sales securities	11,481	11,086	11,481	11,069
	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	19,392	17,489	19,392	17,489
Promissory notes issued by Thai Asset Management Corporation	440	469	440	469
Private sector debt securities	362	592	362	592
Investments in receivables (Note 9.6)	196	569	196	524
Total	20,390	19,119	20,390	19,074
<u>Less</u> Allowance for impairment	(118)	(173)	(118)	(136)
Total Held-to-maturity debt securities	20,272	18,946	20,272	18,938
	Cost Million Baht	Cost Million Baht	Cost Million Baht	Cost Million Baht
General investments				
Domestic non - marketable equity securities	472	514	472	514
Overseas non - marketable equity securities	14	14	14	14
Total	486	528	486	528
<u>Less</u> Allowance for impairment	(227)	(221)	(227)	(221)
Total General investments	259	307	259	307
Investments –net	35,456	32,543	35,456	32,492

9 Investments - net (Cont'd)

9.1 Classified by types of investment (Cont'd)

- (a) As at 30 June 2012, 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 47 to the interim financial statements) amounting to Baht 440 million (31 December 2011: Baht 469 million). Such promissory notes are non-transferable and availed by the FIDF.
- (b) As at 30 June 2012, 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 2011: Baht 2,500 million) and it is presented at its fair value of Baht 2,635 million (31 December 2011: Baht 2,578 million), with the gain from revaluation amounting to Baht 135 million (31 December 2011: Baht 78 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.
- (c) As at 30 June 2012 and 31 December 2011, the Bank has investments which are pledged as collateral, as mentioned in Note 41.1 to the interim financial statements.

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

	Consolidated and the Bank							
	30 June 2012				31 December 2011			
	Periods remaining				Periods remaining			
1 year	1 - 5	Over	Total	1 year	1 - 5	Over	Total	
Million	years	5 years	Million	Million	years	5 years	Million	
Baht	Million	Million	Baht	Baht	Million	Million	Baht	
Available-for-sales securities								
Government and state enterprises securities	2,779	5,636	107	8,522	1,504	4,938	1,742	8,184
Private sector debt securities	55	173	35	263	50	110	35	195
Total	2,834	5,809	142	8,785	1,554	5,048	1,777	8,379
Less Allowance for revaluation	(3)	(1)	-	(4)	3	(2)	44	45
Available-for-sales securities - net	2,831	5,808	142	8,781	1,557	5,046	1,821	8,424
Held-to-maturity securities								
Promissory notes issued by TAMC	411	29	-	440	336	133	-	469
Government and state enterprises securities	7,193	11,854	345	19,392	3,851	13,140	498	17,489
Private sector debt securities	341	21	-	362	291	301	-	592
Total	7,945	11,904	345	20,194	4,478	13,574	498	18,550
Less Allowance for impairment	(52)	(4)	-	(56)	(40)	(16)	-	(56)
Held-to-maturity securities - net	7,893	11,900	345	20,138	4,438	13,558	498	18,494
Total debt securities	10,724	17,708	487	28,919	5,995	18,604	2,319	26,918

9 Investments - net (Cont'd)

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

The following are equity securities in which the Group holds 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 the Bank	
	30 June 2012	31 December 2011
	Million Baht	Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and Finance	4	4
Total	22	22
<u>Less</u> Allowance for impairment	(11)	(11)
Investments representing shareholdings in which the Group hold more than 10% - net	11	11

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

Investments in investment units in which the Group 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 the Bank			
	30 June 2012		31 December 2011	
	Cost	Fair value	Cost	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
General investments				
Investment in property funds	244	241	261	258
<u>Less</u> Allowance for impairment	(3)		(3)	
General investments - net	241		258	

9 Investments - net (Cont'd)

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

As at 30 June 2012 and 31 December 2011, the Group has the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and the Bank						
	30 June 2012			31 December 2011			
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	-	-	-
Business continuity and/or weak financial status and operating performance	50	42	(42)	51	42	(42)	-
Defaulted debt securities	18	1	(1)	18	2	(2)	-
	<u>70</u>	<u>43</u>	<u>(43)</u>	<u>71</u>	<u>44</u>	<u>(44)</u>	<u>-</u>

9.6 Investments in receivables

	Consolidated		The Bank	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Investments in receivables (Note 9.1)	196	569	196	524
Less Allowance for impairment	(62)	(117)	(62)	(80)
Investments in receivables - net	<u>134</u>	<u>452</u>	<u>134</u>	<u>444</u>

As at 30 June 2012 and 31 December 2011, the outstanding balances of loan receivables can be summarised as follows:

	30 June 2012				31 December 2011			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (Yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (Yield)* %
Consolidated								
Total accumulated investments in receivables	5,857	22,948	6,996	19	6,046	24,833	7,069	19
Outstanding investments in receivables as at the statements of financial position date	147	1,523	202	-	306	3,411	569	-
The Bank								
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	147	1,523	202	-	155	1,860	524	-

* Excluded yield of investment in receivable of a subsidiary which the outstanding as at 31 December 2011 is Baht 45 million.

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9 Investments - net (Cont'd)

9.7 Investments in subsidiary - net

Company name	Nature of business	Type of securities	Percentage of holding		The Bank		
			30 June 2012	31 December 2011	30 June 2012	31 December 2011	
			%	%	Million Baht	Million Baht	
Subsidiaries - included in consolidated financial statements							
CIMB Securities (Thailand) Co., Ltd.	Securities	Common stock	-	100	-	1,775	
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38	
Center Auto Lease Co., Ltd.	Leasing/hire purchase	Common stock	100	100	703	703	
World Lease Co., Ltd.	Hire purchase and motorcycles motorcycle trading	Common stock	75	75	278	248	
Subsidiary - not included in consolidated financial information							
Krung Thai Thanakit Finance Plc.	In process of liquidation	Common stock	99	99	562	562	
Total						1,581	3,326
Less Allowance for impairment						(688)	(1,403)
Investments in subsidiary - net						893	1,923

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.

The Board of Directors meeting No. 6/2011 on 24 June 2011 approved increase registered capital of CIMB Securities (Thailand) Co.,Ltd. from Baht 500,000,000 to Baht 1,800,000,000; and then the Extraordinary General Meeting No. 2/2011 dated on 26 August 2011 approved the increase of capital amounting Baht 1,300,000,000 by issuing new ordinary shares with a par value of Baht 10 per share.

On 7 September 2011, CIMB Securities (Thailand) Co., Ltd. increased its registered ordinary shares amounting Baht 600,000,000 to the total registered and paid up share capital amounting Baht 1,100,000,000 and registered with Ministry of Commerce on 7 September 2011.

On 12 April 2012, the Annual General Meeting of Shareholders No.18 resolved that the Bank sell its investment in equity of CIMB Securities (Thailand) Co., Ltd. 109,999,993 shares which was 99.99% of the registered capital to CIMB Securities International Pte Ltd., a wholly owned subsidiary of CIMB Group Sdn Bhd. On 30 June 2012, the Bank classified investment in CIMB Securities (Thailand) Co., Ltd. as assets of disposal group classified as held for sales.

On 19 April 2012, the Board of Directors' meeting No. 5/2012 approved an increase in registered capital of Worldlease Co., Ltd., in which the Bank has 75.04% shareholding, from Baht 240,000,000 to Baht 400,000,000. Worldlease Co., Ltd. called for 25% paid up capital and the Bank settled the increased capital amount to Baht 30,016,667 on 27 April 2012. Worldlease Co., Ltd. registered the capital increase with Ministry of Commerce on 2 May 2012. After the registration, the registered capital of Worldlease Co., Ltd is Baht 400,000,000.

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10 Loans and accrued interest receivables - net

10.1 Classified by loan type

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Bank overdrafts	6,760	6,702	6,766	6,702
Loans	72,798	68,584	78,291	72,171
Bills	33,310	34,470	36,336	38,005
Hire purchase receivables	13,202	11,137	-	-
Securities business receivables	-	751	-	-
Others	101	76	87	73
Total loans	126,171	121,720	121,480	116,951
Valuation reserve from hedging	(4)	(1)	(4)	(1)
<u>Less</u> Deferred revenue	<u>(2,894)</u>	<u>(2,430)</u>	<u>(3)</u>	<u>(3)</u>
Total loans net of deferred revenue	123,273	119,289	121,473	116,947
<u>Add</u> Accrued interest receivables	<u>396</u>	<u>279</u>	<u>408</u>	<u>278</u>
Total loans net of deferred revenue and accrued interest receivables	123,669	119,568	121,881	117,225
<u>Less</u> Allowance for doubtful debts (Note 11)				
Minimum allowance for doubtful accounts required based on the BoT's guidelines				
- Individual Approach	(1,925)	(1,681)	(2,011)	(1,691)
- Collective Approach	(317)	(261)	-	-
General provision for further losses	(1,058)	(1,403)	(1,058)	(1,403)
<u>Less</u> Revaluation allowance for debt restructuring (Note 12)	<u>(8)</u>	<u>(11)</u>	<u>(8)</u>	<u>(11)</u>
Loans and accrued interest receivables - net	120,361	116,212	118,804	114,120

10.2 Classified by currency and residency of debtors

	Consolidated					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	118,288	-	118,288	113,291	326	113,617
US dollar	4,616	-	4,616	5,479	-	5,479
Other currencies	369	-	369	193	-	193
Total loans net of deferred revenue	123,273	-	123,273	118,963	326	119,289

	The Bank					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	116,488	-	116,488	110,949	326	111,275
US dollar	4,616	-	4,616	5,479	-	5,479
Other currencies	369	-	369	193	-	193
Total loans net of deferred revenue	121,473	-	121,473	116,621	326	116,947

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

10.3 Classified by types of business and loan classification

	Consolidated						
	30 June 2012						
	Pass	Special	Sub-	Doubtful	Doubtful	Securities	Total
	Million	mention	standard	Million	of loss	and hire	Million
	Baht	Million	Million	Million	Million	purchase	Baht
	Baht	Baht	Baht	Baht	Baht	receivables	Baht
	Million	Million	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Agricultural and mining	2,392	12	-	-	11	-	2,415
Manufacturing and commerce	41,958	3,082	303	357	986	-	46,686
Real estate and construction	9,360	930	90	37	338	-	10,755
Public utilities and services	14,862	1,944	108	5	744	-	17,663
Personal cash	5,026	246	202	2	8	4	5,488
Housing loans	20,725	336	269	142	321	2	21,795
Hire purchase receivable and financial lease receivable	-	-	-	-	-	10,310	10,310
Others	7,757	161	63	54	117	9	8,161
Total loans net of deferred revenue	102,080	6,711	1,035	597	2,525	10,325	123,273

	Consolidated						
	31 December 2011						
	Pass	Special	Sub-	Doubtful	Doubtful	Securities	Total
	Million	mention	standard	Million	of loss	and hire	Million
	Baht	Million	Million	Million	Million	purchase	Baht
	Baht	Baht	Baht	Baht	Baht	receivables	Baht
	Million	Million	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Agricultural and mining	2,278	12	-	-	11	-	2,301
Manufacturing and commerce	42,269	3,740	234	546	747	-	47,536
Real estate and construction	8,867	817	145	120	251	-	10,200
Public utilities and services	15,193	1,232	697	29	173	-	17,324
Personal cash	4,980	318	211	3	9	-	5,521
Housing loans	18,441	359	151	135	211	-	19,297
Hire purchase receivable and financial lease receivable	-	-	-	-	-	8,710	8,710
Others	7,334	95	88	44	86	753	8,400
Total loans net of deferred revenue	99,362	6,573	1,526	877	1,488	9,463	119,289

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

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

	The Bank					
	30 June 2012					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	2,392	12	-	-	11	2,415
Manufacturing and commerce	41,958	3,082	303	357	986	46,686
Real estate and construction	9,360	930	90	37	338	10,755
Public utilities and services	14,862	1,944	108	5	744	17,663
Personal cash	5,026	246	202	2	8	5,484
Housing loans	20,725	336	269	142	321	21,793
Others	16,282	161	63	54	117	16,677
Total loans net of deferred revenue	110,605	6,711	1,035	597	2,525	121,473

	The Bank					
	31 December 2011					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	2,278	12	-	-	11	2,301
Manufacturing and commerce	42,269	3,740	234	546	747	47,536
Real estate and construction	8,867	817	145	120	251	10,200
Public utilities and services	15,193	1,232	697	29	173	17,324
Personal cash	4,980	318	211	3	9	5,521
Housing loans	18,440	359	151	135	211	19,296
Others	14,456	95	88	44	86	14,769
Total loans net of deferred revenue	106,483	6,573	1,526	877	1,488	116,947

10.4 Classification of loans

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

(a) Loans of the Group

	Consolidated							
	30 June 2012				31 December 2011			
	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on the BoT's guidelines								
- Pass	111,375	44,406	1	442	107,720	41,660	1	416
- Special mention	7,885	2,608	2	54	7,684	2,653	2	62
- Sub-standard	1,169	626	100	611	1,669	524	100	514
- Doubtful	675	344	100	348	984	375	100	435
- Doubtful of loss	2,565	739	100	787	1,511	473	100	515
- General provision for further losses				1,058				1,403
Total	123,669	48,723		3,300	119,568	45,685		3,345

(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.

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

10.4 Classification of loans (Cont'd)

	The Bank							
	30 June 2012				31 December 2011			
	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on the BoT's guidelines								
- Pass	110,958	43,994	1	438	106,721	41,342	1	413
- Special mention	6,760	1,483	2	30	6,609	1,579	2	41
- Sub-standard	1,039	517	100	522	1,528	420	100	420
- Doubtful	599	269	100	269	879	325	100	325
- Doubtful of loss	2,525	699	100	752	1,488	450	100	492
- General provision for further losses				1,058				1,403
Total	121,881	46,962		3,069	117,225	44,116		3,094

(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 2012, there were defaulted loans amounting to Baht 3,716 million (31 December 2011: Baht 3,447 million) for which the Bank has ceased accrual of interest income on accrual basis.

(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 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Pass	-	682	-	-	-	-
Sub-standard debt	-	17	-	-	-	-
Doubtful debt	-	55	-	55	-	61
Total	-	754	-	55	-	61

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

10.4 Classification of loans (Cont'd)

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

As at 30 June 2012 and 31 December 2011, 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 2012	31 December 2011	30 June 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Current or overdue less than 1 installment	8,940	7,439	89	74
Overdue 2 - 3 installments	1,125	1,075	25	22
Overdue 4 - 6 installments	130	123	89	93
Overdue 7 - 12 installments	75	50	74	49
Overdue more than 12 installments	35	18	34	18
Debtors under litigation	5	5	5	5
Total	10,310	8,710	316	261

10.5 Non-performing loans

As at 30 June 2012 and 31 December 2011, the Group 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		The Bank	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Non-performing loans (principal only)				
Banking business	4,157	3,891	4,157	3,891
Other businesses	242	219	-	-

As at 30 June 2012 and 31 December 2011, 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.

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

10.6 Hire purchase and finance lease receivables

As at 30 June 2012, subsidiaries have receivables under hire purchase agreements and financial leases amount to Baht 9,994 million (31 December 2011: Baht 8,449 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 as at 30 June 2012				
	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	4,163	8,409	288	342	13,202
<u>Less</u> Unearned finance income	(1,039)	(1,694)	(70)	(89)	(2,892)
Present value of minimum lease payments receivable	3,124	6,715	218	253	10,310
<u>Less</u> Allowance for doubtful accounts					(316)
Net receivables under hire purchase agreements and financial leases					<u>9,994</u>
	Consolidated as at 31 December 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	3,487	7,119	268	263	11,137
<u>Less</u> Unearned finance income	(862)	(1,433)	(65)	(67)	(2,427)
Present value of minimum lease payments receivable	2,625	5,686	203	196	8,710
<u>Less</u> Allowance for doubtful accounts					(261)
Net receivables under hire purchase agreements and financial leases					<u>8,449</u>

10.7 Troubled debt restructuring

As at 30 June 2012 and 31 December 2011, 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 the Bank	
	30 June 2012	31 December 2011
Number of debtors (Number)	1,335	2,090
Debt balances (Million Baht)	1,883	1,579

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

10.7 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 the Bank			
	For the six-month period ended 30 June 2012			
	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	1,335	1,883	1,782	102
Total	1,335	1,883	1,782	102

	Consolidated and the Bank			
	For the year ended 31 December 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	2,090	1,579	1,578	1
Total	2,090	1,579	1,578	1

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:

	Consolidated and the Bank					
	For the six-month period ended 30 June 2012			For the year ended 31 December 2011		
	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
Period of debts restructuring contracts						
Not more than 5 years	335	724	623	490	460	459
5 - 10 years	959	438	438	1,563	1,061	1,061
10 - 15 years	10	618	618	11	26	26
More than 15 years	31	103	103	26	32	32
Total	1,335	1,883	1,782	2,090	1,579	1,578

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

10.7 Troubled debt restructuring (Cont'd)

As at 30 June 2012 and 31 December 2011, the troubled debtors for which the Bank and its subsidiaries completed their debt restructuring can be summarised as follow:

	Consolidated		The Bank	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Number of debtors (Number)	7,382	7,411	7,382	7,409
Debt balances after restructuring (Million Baht)	3,082	2,807	3,082	2,786

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 2012, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 8 million (31 December 2011: Baht 11 million) for which the Bank had provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 30 June 2012 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 121 million (31 December 2011: Baht 20 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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11 Allowance for doubtful debts

	Consolidated								
	30 June 2012								
	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 Million Baht	Grand total Million Baht
Balance as at 1 January 2012	342	41	420	325	492	1,403	3,023	322	3,345
<u>Add</u> Addition	-	-	-	-	-	170	170	103	273
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	3	3	-	3
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	1	1	-	1
Reversal of bad debts	-	-	-	-	-	24	24	(10)	14
<u>Less</u> Bad debts written off	-	-	(216)	(6)	-	-	(222)	(75)	(297)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(1)	(1)	-	(1)
Increase (decrease) due to change in classification or collateral value or transfer general provision to specific provision	11	(11)	318	(50)	260	(542)	(14)	-	(14)
Transfer to Assets of disposal group classified as held for sale	-	-	-	-	-	-	-	(24)	(24)
Balance as at 30 June 2012	<u>353</u>	<u>30</u>	<u>522</u>	<u>269</u>	<u>752</u>	<u>1,059</u>	<u>2,984</u>	<u>316</u>	<u>3,300</u>
	Consolidated								
	31 December 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 Million Baht	Grand total Million Baht
Balance as at 1 January 2011	305	33	691	60	362	955	2,406	199	2,605
<u>Add</u> Addition during the year	(53)	-	-	-	-	942	889	188	1,077
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	3	3	-	3
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	7	7	-	7
Transfer from investment in account receivable	-	-	-	-	-	14	14	-	14
Reversal of bad debts	-	-	-	-	-	299	299	-	299
<u>Less</u> Bad debts written off	-	(139)	(390)	(1)	(60)	-	(590)	(63)	(653)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(5)	(5)	-	(5)
Increase (decrease) due to change in collateral value or transfer general provision to specific provision	90	147	119	266	190	(812)	-	(2)	(2)
Balance as at 31 December 2011	<u>342</u>	<u>41</u>	<u>420</u>	<u>325</u>	<u>492</u>	<u>1,403</u>	<u>3,023</u>	<u>322</u>	<u>3,345</u>

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11 Allowance for doubtful debts (Cont'd)

	The Bank						
	30 June 2012						
	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 1 January 2012	413	41	420	325	492	1,403	3,094
<u>Add</u> Addition	-	-	-	-	-	170	170
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	3	3
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	1	1
Reversal of bad debts	-	-	-	-	-	24	24
<u>Less</u> Bad debts written off	-	-	(216)	(6)	-	-	(222)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(1)	(1)
Increase (decrease) due to change in classification or collateral value or transfer general provision to specific provision	25	(11)	318	(50)	260	(542)	-
Balance as at 30 June 2012	<u>438</u>	<u>30</u>	<u>522</u>	<u>269</u>	<u>752</u>	<u>1,058</u>	<u>3,069</u>

	The Bank						
	31 December 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 1 January 2011	323	34	691	59	363	954	2,424
<u>Add</u> Addition during the year	-	-	-	-	-	942	942
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	3	3
Transfer from allowance for sold Non Performing Loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	7	7
Reversal of bad debts	-	-	-	-	-	299	299
Reversal of investment in account receivable	-	-	-	-	-	14	14
<u>Less</u> Bad debts written off	-	(139)	(390)	(1)	(60)	-	(590)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(5)	(5)
Increase (decrease) due to change in classification or collateral value or transfer general provision to specific provision	90	146	119	267	189	(811)	-
Balance as at 31 December 2011	<u>413</u>	<u>41</u>	<u>420</u>	<u>325</u>	<u>492</u>	<u>1,403</u>	<u>3,094</u>

12 Revaluation allowance for debt restructuring

	Consolidated and the Bank	
	30 June 2012	31 December 2011
	Million Baht	Million Baht
Balance - beginning of the period/year	11	9
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	-	5
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(3)	(3)
Balance - end of the period/year	<u>8</u>	<u>11</u>

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

13 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				
	As at 30 June 2012				
	As at 1 January 2012	Additions	Disposals	Transfer to asset held for sale	As at 30 June 2012
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Immovable					
- Assessed by external appraiser	1,982	-	(73)	(7)	1,902
Movable	25	323	(301)	-	47
Total	2,007	323	(374)	(7)	1,949
<u>Less</u> Allowance for impairment	(523)	(25)	29	-	(519)
Properties for sale - net	<u>1,484</u>	<u>298</u>	<u>(345)</u>	<u>(7)</u>	<u>(1,430)</u>

	Consolidated			
	As at 31 December 2011			
	As at 1 January 2011	Additions	Disposals	As at 31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Immovable				
- Assessed by external appraiser	2,645	4	(667)	1,982
Movable	15	521	(511)	25
Total	2,660	525	(1,178)	2,007
<u>Less</u> Allowance for impairment	(611)	(22)	110	(523)
Properties for sale - net	<u>2,049</u>	<u>503</u>	<u>(1,068)</u>	<u>1,484</u>

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13 Properties for sale - net (Cont'd)

	The Bank		
	As at ended 30 June 2012		
	as at		as at
	1 January	Disposals	30 June
	2012	2012	2012
	Million Baht	Million Baht	Million Baht
Immovable			
- Assessed by external appraiser	1,975	(73)	1,902
Total	1,975	(73)	1,902
<u>Less</u> Allowance for impairment	(514)	10	(504)
Properties for sale - net	<u>1,461</u>	<u>(63)</u>	<u>1,398</u>

	The Bank			
	As at 31 December 2011			
	as at			as at
	1 January	Additions	Disposals	31 December
	2011	2011	2011	
	Million Baht	Million Baht	Million Baht	Million Baht
Immovable				
- Assessed by external appraiser	2,638	4	(667)	1,975
Total	2,638	4	(667)	1,975
<u>Less</u> Allowance for impairment	(605)	-	91	(514)
Properties for sale - net	<u>2,033</u>	<u>4</u>	<u>(576)</u>	<u>1,461</u>

The Bank provides allowance for impairment of properties for sale by reference to appraisal value. The Bank appraises or reviews 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 subjected 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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14 Premises and equipment - net

Consolidated

	Cost/ Appraisal Value						Accumulated depreciation								Net book value
	As at 1 January 2012	Adjustment	Additions	Disposals/ written off	Transfer to assets held for sales	As at 30 June 2012	As at 1 January 2012	Adjustment	Additions	Disposals/ written off	Transfer to assets held for sales	As at 30 June 2012	Allowance for impairment		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Land															
Cost	563	-	-	(10)	-	553	-	-	-	-	-	-	-	553	
Revaluation surplus (Revaluation in year 2011)	877	-	-	(9)	-	868	-	-	-	-	-	-	-	868	
Devaluation of asset (Revaluation in year 2011)	(38)	-	-	-	-	(38)	-	-	-	-	-	-	-	(38)	
Buildings															
Cost	2,068	-	16	(1)	(78)	2,005	(980)	-	(53)	-	35	(998)	-	1,007	
Revaluation surplus (Revaluation in year 2011)	1,082	872	-	(1)	-	1,953	(748)	(872)	(27)	-	-	(1,647)	-	306	
Devaluation of asset (Revaluation in year 2011)	(78)	(11)	-	-	-	(89)	53	11	2	-	-	66	-	(23)	
Equipment	2,964	-	382	(21)	(178)	3,147	(2,167)	-	(136)	18	134	(2,151)	(14)	982	
Assets under installation and under construction	249	-	55	(259)	(1)	44	-	-	-	-	-	-	-	44	
Total	7,687	861	453	(301)	(257)	8,443	(3,842)	(861)	(214)	18	169	(4,730)	(14)	3,699	

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14 Premises and equipment - net (Cont'd)

	Consolidated									
	Cost/ Appraisal Value				Accumulated depreciation					
	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 31 December 2011 Million Baht	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 31 December 2011 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land										
Cost	563	-	-	563	-	-	-	-	-	563
Revaluation surplus (Revaluation in year 2011)	450	427	-	877	-	-	-	-	-	877
Devaluation of asset (Revaluation in year 2011)	(88)	50	-	(38)	-	-	-	-	-	(38)
Buildings										
Cost	2,145	103	(180)	2,068	(943)	(105)	68	(980)	-	1,088
Revaluation surplus (Revaluation in year 2011)	180	904	(2)	1,082	(63)	(686)	1	(748)	-	334
Devaluation of asset (Revaluation in year 2011)	(177)	97	2	(78)	85	(31)	(1)	53	-	(25)
Equipment	2,609	395	(40)	2,964	(1,973)	(215)	21	(2,167)	(14)	783
Assets under installation and under construction	68	431	(250)	249	-	-	-	-	-	249
Total	5,750	2,407	(470)	7,687	(2,894)	(1,037)	89	(3,842)	(14)	3,831

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14 Premises and equipment - net (Cont'd)

	The Bank											
	Cost/ Appraisal Value					Accumulated depreciation						
	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 30 June 2012 Million Baht	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 30 June 2012 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	563	-	-	(10)	553	-	-	-	-	-	-	553
Revaluation surplus (Revaluation in year 2011)	877	-	-	(9)	868	-	-	-	-	-	-	868
Devaluation of asset (Revaluation in year 2011)	(38)	-	(88)	88	(38)	-	-	-	-	-	-	(38)
Buildings												
Cost	1,994	-	13	(1)	2,006	(949)	-	(49)	-	(998)	-	1,008
Revaluation surplus (Revaluation in year 2011)	1,082	872	-	(1)	1,953	(748)	(872)	(27)	-	(1,647)	-	306
Devaluation of asset (Revaluation in year 2011)	(78)	(11)	-	-	(90)	53	11	2	-	66	-	(23)
Equipment	2,657	-	365	(19)	3,003	(1,963)	-	(119)	16	(2,066)	(14)	922
Assets under installation and under construction	238	-	49	(257)	31	-	-	-	-	-	-	31
Total	7,295	861	339	(209)	8,286	(3,607)	861	(193)	16	(4,645)	(14)	3,627

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14 Premises and equipment - net (Cont'd)

	The Bank									
	Cost/ Appraisal Value				Accumulated depreciation					
	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 31 December 2011 Million Baht	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 31 December 2011 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land										
Cost	563	-	-	563	-	-	-	-	-	563
Revaluation surplus (Revaluation in year 2011)	450	427	-	877	-	-	-	-	-	877
Devaluation of asset (Revaluation in year 2011)	(88)	50	-	(38)	-	-	-	-	-	(38)
Buildings										
Cost	2,097	77	(180)	1,994	(917)	(100)	68	(949)	-	1,045
Revaluation surplus (Revaluation in year 2011)	180	904	(2)	1,082	(63)	(686)	1	(748)	-	334
Devaluation of asset (Revaluation in year 2011)	(177)	97	2	(78)	85	(31)	(1)	53	-	(25)
Equipment	2,359	326	(28)	2,657	(1,783)	(190)	10	(1,963)	(14)	680
Assets under installation and under construction	68	407	(237)	238	-	-	-	-	-	238
Total	5,452	2,288	(445)	7,295	(2,678)	(1,007)	78	(3,607)	(14)	3,674

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15 Intangible assets - net

Consolidated						
	As at 1 January 2012	Increase	Transfer in/(out)	Written off	Transfer to Assets held for sale	As at 30 June 2012
Amortising period	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	109	29	(71)	-	59
Computer software	5 - 10 years	359	27	71	(56)	386
License fee	5 years	3	-	-	(1)	1
Total		471	56	-	(57)	446
Less Allowance for impairment		-				-
Net intangible assets		471				446

Consolidated						
	As at 1 January 2011	Increase	Transfer in/(out)	Written off	Amortisation	As at 31 December 2011
Amortising period	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	60	98	(49)	-	109
Computer software	5 - 10 years	406	22	49	(19)	359
License fee	5 years	4	-	-	(1)	3
Total		470	120	-	(19)	471
Less Allowance for impairment		(19)				-
Net intangible assets		451				471

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15 Intangible assets - net (Cont'd)

	Amortising period	The Bank				As at 30 June 2012 Million Baht
		As at 1 January 2012 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	
Expenditures in connection with development and improvement of computer systems - under development	-	103	26	(70)	-	59
Computer software	5 - 10 years	339	26	70	(54)	381
License fee	5 years	1	-	-	(1)	-
Total		443	52	-	(55)	440
Less Allowance for impairment		-				-
Net intangible assets		443				440

	Amortising period	The Bank				As at 31 December 2011 Million Baht
		As at 1 January 2011 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Written off Million Baht	
Expenditures in connection with development and improvement of computer systems - under development	-	60	81	(38)	-	103
Computer software	5 - 10 years	399	17	38	(19)	339
License Fee	5 years	2	-	-	(1)	1
Total		461	98	-	(19)	443
Less Allowance for impairment		(19)				-
Net intangible assets		442				443

16 Assets of disposal group classified as held for sale

Assets of disposal group classified as held for sale is the investment in subsidiary that was approved to be sold by the Annual General Meeting no.18 on 12 April 2012 according to the Note 9.7 to the interim financial statement.

	The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht
Subsidiary		
CIMB Securities Co., Ltd.	1,060	-
Asset of disposal group classified as held for sale	<u>1,060</u>	<u>-</u>

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

a) Assets of disposal group classified as held for sale

	Consolidated financial statements	
	30 June 2012 Million Baht	31 December 2011 Million Baht
Interbank and money market	477	-
Investment - net	60	-
Property for sale - net	7	-
Other assets	1,684	-
Total	<u>2,228</u>	<u>-</u>

b) Liabilities of disposal group classified as held for sale

	Consolidated financial statements	
	30 June 2012 Million Baht	31 December 2011 Million Baht
Deposits	518	-
Other liabilities	1,054	-
Total	<u>1,572</u>	<u>-</u>

16 Assets of disposal group classified as held for sale (Cont'd)

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

	Consolidated financial statements	
	For the three-month periods ended	
	30 June 2012 Million Baht	30 June 2011 Million Baht
Revenue	159	110
Expense	(133)	(94)
Profit before tax of discontinued operations	26	16
Tax	-	-
Profit after tax of discontinued operations	26	16⁽¹⁾

	Consolidated financial statements	
	For the six-month periods ended	
	30 June 2012 Million Baht	30 June 2011 Million Baht
Revenue	329	179
Expense	(275)	(178)
Profit before tax of discontinued operations	54	1
Tax	-	-
Profit after tax of discontinued operations	54	1⁽¹⁾

⁽¹⁾ Profit after tax of discontinued operation included in the interim consolidated income statements for three-month and six-month periods ended 30 June 2011.

d) Revaluation surplus on assets held for sale

This represents surplus arising from revaluation of investment on assets of disposal group classified as held for sale. The surplus is not amortised.

	Consolidated	
	30 June 2012 Million Baht	31 December 2011 Million Baht
Balance - beginning of period/year	14	-
<u>Add</u> Transfer from Revaluation surplus on change in value of investments	1	-
Balance end of period/year	15	-

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

e) Cash flows of assets of disposal group classified as held for sale

	Consolidated financial statements	
	For the six-month periods ended	
	30 June 2012 Million Baht	30 June 2011 Million Baht
Operating cash flows	14	34
Investing cash flows	(14)	(34)
Financing cash flows	-	-
Total cash flows	-	-

17 Other assets - net

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Accrued interest and dividend receivables	305	258	305	258
Credit support assets on derivatives	475	331	475	331
Leasehold right	14	15	14	15
Advances	18	18	18	18
Others assets awaiting accounts transfer	220	277	220	277
Commission receivables	19	13	19	13
Withholding tax receivable	111	93	111	93
Receivables from clearing house	-	129	-	-
Marginal deposits	57	-	52	45
Others	176	297	138	120
Total	1,395	1,431	1,352	1,170
<u>Less</u> Allowance for impairment	(37)	(37)	(37)	(37)
Other assets - net	1,358	1,394	1,315	1,133

18 Deposits

18.1 Classified by type of deposits

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
At call	2,064	2,220	2,077	1,883
Savings	29,593	31,332	29,703	31,381
Fixed	82,298	67,748	82,305	67,753
Negotiable certificate of deposit	275	274	275	274
Total deposits	114,230	101,574	114,360	101,291

18 Deposits (Cont'd)

18.2 Classified by currency and residency of depositors

	Consolidated					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	111,939	1,018	112,957	100,451	757	101,208
US dollar	1,225	-	1,225	357	-	357
Other currencies	48	-	48	9	-	9
Total	113,212	1,018	114,230	100,817	757	101,574

	The Bank					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	112,069	1,018	113,087	100,168	757	100,925
US dollar	1,225	-	1,225	357	-	357
Other currencies	48	-	48	9	-	9
Total	113,342	1,018	114,360	100,534	757	101,291

19 Interbank and money market items - net (liabilities)

	Consolidated					
	30 June 2012			31 December 2011		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	41	41	-	-	-
Commercial banks	869	1,115	1,984	14	1,000	1,014
Other banks	70	6,000	6,070	53	400	453
Finance, finance and securities, securities, and credit foncier companies	433	202	635	336	2	338
Other financial institutions	594	39	633	308	32	340
Total domestic items	1,966	7,397	9,363	711	1,434	2,145
Foreign:						
US dollar	2,349	223	2,572	1,641	-	1,641
Other currencies	615	552	1,167	534	467	1,001
Total foreign items	2,964	775	3,739	2,175	467	2,642
Total domestic and foreign items	4,930	8,172	13,102	2,886	1,901	4,787

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19 Interbank and money market items - net (liabilities) (Cont'd)

	The Bank					
	30 June 2012			31 December 2011		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	41	41	-	-	-
Commercial banks	33	1,250	1,283	14	500	514
Other banks	70	6,000	6,070	53	400	453
Finance, finance and securities, securities, and credit foncier companies	838	202	1,040	599	2	601
Other financial institutions	594	39	633	308	32	340
Total domestic items	1,535	7,532	9,067	974	934	1,908
Foreign:						
US dollar	2,349	223	2,572	1,641	-	1,641
Other currencies	615	552	1,167	534	467	1,001
Total foreign items	2,964	775	3,739	2,175	467	2,642
Total domestic and foreign items	4,499	8,307	12,806	3,149	1,401	4,550

20 Financial liabilities designated at fair value through profit or loss

	Consolidated and the Bank
	30 June 2012
	Million Baht
Bill of Exchange	918
Total	918

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

	Consolidated and the Bank
	30 June 2012
	Proportion (%)
External parties	100
Total	100

Financial liabilities designated at fair value through profit and loss are bills of exchange which will mature in five years with embedded callable range accrual swap. The Bank entered into callable range accrual swaps with opposite conditions (back-to-back) with CIMB Bank Berhad which is its parent company. The fair value presented above is the net fair value of both transactions. (Note 34)

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21 Debt issued and borrowings

	Consolidated					
	30 June 2012			31 December 2011		
	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	-	2,556	2,556	-	2,547	2,547
Subordinated debentures						
Subordinated debentures of USD 40 million, maturing in 2017	-	-	-	-	1,309	1,309
Non-interest bearing subordinated debentures of Baht 120 million, maturing in 2014	-	-	-	106	-	106
Subordinated debentures of Baht 3,000 million, maturing in 2021	2,322	678	3,000	2,322	678	3,000
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	<u>2,866</u>	<u>3,234</u>	<u>6,100</u>	<u>2,972</u>	<u>4,534</u>	<u>7,506</u>
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 2.60% -3.07% per annum	1,092	-	1,092	-	-	-
Bill of exchange maturing at call, coupon rate of 2.85% -3.52% per annum	-	-	-	1,480	-	1,480
Bill of exchange maturing in 2012, coupon rate of 2.25% - 4.15% per annum	-	-	-	31,330	-	31,330
Bill of exchange maturing in 2012, coupon rate of 2.40% -3.55% per annum	19,106	-	19,106	-	-	-
Bill of exchange maturing in 2013, coupon rate of 3.30% per annum	184	-	184	-	-	-
	<u>20,382</u>	<u>-</u>	<u>20,382</u>	<u>32,810</u>	<u>-</u>	<u>32,810</u>
Total	23,248	3,234	26,482	35,782	4,534	40,316
Less Current portion of long-term borrowings	(20,926)	-	(20,926)	(33,354)	-	(33,354)
Long-term borrowings - net	<u>2,322</u>	<u>3,234</u>	<u>5,556</u>	<u>2,428</u>	<u>4,534</u>	<u>6,962</u>

	The Bank					
	30 June 2012			31 December 2011		
	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	-	2,556	2,556	-	2,547	2,547
Subordinated debentures						
Subordinated debentures of USD 40 million, maturing in 2017	-	-	-	-	1,309	1,309
Subordinated debentures of Baht 3,000 million, maturing in 2021	2,322	678	3,000	2,322	678	3,000
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	<u>2,866</u>	<u>3,234</u>	<u>6,100</u>	<u>2,866</u>	<u>4,534</u>	<u>7,400</u>
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 2.60% -3.07% per annum	1,092	-	1,092	-	-	-
Bill of exchange maturing at call, coupon rate of 2.85% -3.52% per annum	-	-	-	1,480	-	1,480
Bill of exchange maturing in 2012, coupon rate of 2.25% - 4.15% per annum	-	-	-	31,330	-	31,330
Bill of exchange maturing in 2012, coupon rate of 2.40% -3.55% per annum	19,106	-	19,106	-	-	-
Bill of exchange maturing in 2013, coupon rate of 3.30% per annum	184	-	184	-	-	-
	<u>20,382</u>	<u>-</u>	<u>20,382</u>	<u>32,810</u>	<u>-</u>	<u>32,810</u>
Total	23,248	3,234	26,482	35,676	4,534	40,210
Less Current portion of long-term borrowings	(20,926)	-	(20,926)	(33,354)	-	(33,354)
Long-term borrowings - net	<u>2,322</u>	<u>3,234</u>	<u>5,556</u>	<u>2,322</u>	<u>4,534</u>	<u>6,856</u>

21 Debt issued and borrowings (Cont'd)

- (a) As at 30 June 2012, the Bank has domestic subordinated debentures of Baht 544 Million (31 December 2011: 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.

On 21 February 2012, the Bank exercised its option to early redeem all the unsecured subordinated debentures amounting to USD 40 million, maturing on 20 February 2017, with an early redemption call option in 2012. This early redemption was approved by the BoT notification Tor Por Tor. For Kor Kor (21) 102/2555 about the pre-redemption of unsecured subordinated debenture.

- (c) On 27 March 2009, the Bank issued 2,500,000 Cumulative hybrid instruments with a face value of Baht 1,000 each and issued price 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.

- (d) On 14 July 2011, the Bank issued unsecured subordinated debentures with a bond holder's representative. The subscription unit is at 3,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 3,000 million carrying constant interest rate of 5.35% per annum with a payment of interest every six 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 early redeem the debenture after 5 years 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.

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22 Provisions

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Provisions for contingent loss from legal cases	37	107	37	107
Reserve for off-statements of financial position items	290	297	290	297
Provision for assets damaged from flood	6	11	6	11
Provision for employee benefits	1,051	1,058	1,029	1,007
Provision for putback option of sold debtors	19	34	19	34
Total provisions	1,403	1,507	1,381	1,456

Provision for employee benefits

As at 30 June 2012, the pension benefits only provided to employees who are former employees of the Union Bank of Bangkok Public Company Limited 528 employees (31 December 2011: 542 employees) which are unfunded obligations. The pension benefits is a part of provision for employee benefits as follows:

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Present value of post-employment benefit obligations	1,051	1,058	1,029	1,007
Provision for employee benefits	1,051	1,058	1,029	1,007

Movements of provision for pension fund are as follows:

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Beginning balance before adjusted	1,058	545	1,007	545
Transfer to asset of disposal group classified as held for sale	(32)	-	-	-
Adjustment to the beginning balance	-	476	-	436
Beginning balance after adjustment	1,026	1,021	1,007	981
Current service costs	40	66	37	57
Interest costs	17	45	17	43
<u>Less</u> Pension Benefits paid for the period/year	(32)	(71)	(32)	(71)
<u>Less</u> Employees transferred between the Bank and subsidiaries	-	(3)	-	(3)
Ending balance	1,051	1,058	1,029	1,007

Expenses for employee benefits were recognised in the statements of comprehensive income as follows:

	Consolidated		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Current service cost	20	15	19	15
Interest costs	8	11	8	10
Total	28	26	27	25

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22 Provisions (Cont'd)

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Current service cost	40	30	37	29
Interest costs	17	22	17	21
Total	57	52	54	50

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

	For the six-month periods ended 30 June	
	2012	2011
Discount rate	3.50%	4.75%
Salary increase rate	5.00% and 7.00%	5.00% and 7.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2008	75.00% of Thai Mortality Ordinary Table 1997
Disability rate	10.00% of pre-retirement mortality rate	10.00% of pre-retirement mortality rate
Pre-retirement withdrawal rate	From Thai Withdrawal Table	From Thai Withdrawal Table
Retirement age	60 years old	60 years old

23 Other liabilities

	Consolidated		The Bank	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Credit support liabilities on derivative	289	333	289	333
Amount due to Department of Alternative Energy Development and Efficiency	588	622	588	622
Other liabilities awaiting accounts transfer	314	298	314	298
Securities business payable	-	325	-	-
Accrued interest	542	657	542	657
Deferred commission	364	388	364	388
Accrued expense	739	944	672	804
Others	409	377	279	222
Total	3,245	3,944	3,048	3,324

24 Share capital

The registered share capital is as follows:

	Ordinary Shares	
	Number of Shares	Baht
As at 30 June 2012	26,105,495,608	13,052,747,804
As at 31 December 2011	16,315,934,756	8,157,967,378

As at 30 June 2012, registered ordinary shares were 26,105,495,608 shares at Baht 0.50 each (31 December 2011: 16,315,934,756 shares at Baht 0.50 each).

On 12 April 2012, the Annual General Meeting of Shareholders No. 18 approved an increase in the registered capital of the Bank from Baht 8,157,967,378 to Baht 13,052,747,804 by issuing 9,789,560,852 new ordinary shares with a par value of THB 0.50 per share. The Bank registered an increase in its capital with Ministry of Commerce on 25 April 2012. After the registration, the registered capital is Baht 13,052,747,804.

25 Other reserves

	Consolidated		The Bank	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht
Revaluation surplus on assets	1,173	1,210	1,173	1,210
Revaluation surplus on change in value of investments	128	137	128	122
Revaluation surplus on assets held for sale	16	-	-	-
Share-based payment	2	1	2	1
Total	1,319	1,348	1,303	1,333

(a) Revaluation surplus on assets

This represents surplus on assets 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 the Bank	
	30 June 2012	31 December 2011
	Million Baht	Million Baht
Balance - beginning of the period/year	1,210	567
<u>Add</u> Increase revaluation	-	649
<u>Less</u> Amortisation	(27)	(5)
Decrease from sale of office building	(10)	(1)
Balance - end of the period/year	1,173	1,210

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

25 Other reserves (Cont'd)

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

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Revaluation surplus on investments:				
Debt securities	14	68	14	68
Equity securities	135	92	135	77
Total	149	160	149	145
Revaluation deficit on investments:				
Debt securities	(19)	(23)	(19)	(23)
Equity securities	(2)	-	(2)	-
Total	(21)	(23)	(21)	(23)
Revaluation surplus on change in value of investments – net	128	137	128	122

26 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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27 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 2012 Million Baht	Total capital to risk assets %	31 December 2011 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	171		130	
Unappropriated surplus	2,090		1,300	
Total Tier I capital fund	<u>11,902</u>	7.93	<u>11,071</u>	7.65
<u>Tier II</u>				
Revaluation surplus on assets	760		368	
Reserve for loan classified as pass	438		413	
Long-term subordinated debentures	3,000		4,429	
Hybrid securities	2,500		2,500	
Revaluation surplus on capital securities available-for-sale	60		35	
Total Tier II capital fund	<u>6,758</u>	4.50	<u>7,745</u>	5.35
Total	18,660		18,816	
<u>Less</u> Revaluation deficit on capital securities available-for-sale	<u>-</u>		<u>-</u>	
Total capital funds	<u><u>18,660</u></u>	12.43	<u><u>18,816</u></u>	13.00

The Bank and its financial group will disclose capital maintenance information as at 30 June 2012 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 4 months after the statements of financial position date.

28 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 the scheme expire on 31 May 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 2012 units'000	Entitlements 31 December 2011 units'000	Exercise price RM* per stock
Beginning of financial period/year	250	284	RM 1.74
Granted during financial period/year	-	-	RM 1.74
Exercised during financial period/year	(250)	(34)	RM 1.74
End of financial year	-	250	RM 1.74

* RM = Ringgit Malaysia

The weighted average share price at the time of exercise was RM 7.19 in 2012 (2011: RM 7.34).

For 2011, The weighted average remaining contractual life was 2 months. Out of the unexercised entitlements of 250,000 shares, entitlements are exercisable at the end of the reporting period.

28 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 Holding Berhad 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 granted in this financial period which were purchased over a period of 10 trading days before award to the eligible employees of the Bank was RM 7.70 per share (2011: RM 8.27 per 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 2012 units'000	31 December 2011 units'000
Beginning of financial period/year	20	-
Awarded during financial period/year	57	26
Released during financial period/year	(7)	(6)
End of financial period/year	<u>70</u>	<u>20</u>

For the six-month period ended 30 June 2012, the Bank set up share based payment reserve and expenses amounting to Baht 4 million (for the six-month period ended 30 June 2011: Baht 1.8 million).

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

29.1 Position classified by type of transaction

	Consolidated					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	174,517	2,861	177,378	164,430	3,593	168,023
Interbank and money market item - net	3,641	2,552	6,193	3,156	2,049	5,205
Investments - net and investments in subsidiaries - net	35,302	308	35,610	32,139	558	32,697
Loans to customers and accrued interest receivables - net	120,361	-	120,361	115,889	323	116,212
Deposits	113,212	1,018	114,230	100,817	757	101,574
Interbank and money market item - net	9,363	3,739	13,102	2,145	2,642	4,787
Debt issued and borrowings	23,248	3,234	26,482	35,782	4,534	40,316

	The Bank					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	172,337	2,861	175,198	162,958	3,593	166,551
Interbank and money market item - net	3,602	2,552	6,154	2,528	2,049	4,577
Investments - net and investments in subsidiaries - net	36,042	308	36,350	33,857	558	34,415
Loans to customers and accrued interest receivables - net	118,805	-	118,805	113,797	323	114,120
Deposits	113,342	1,018	114,360	100,534	757	101,291
Interbank and money market item - net	9,067	3,739	12,806	1,908	2,642	4,550
Debt issued and borrowings	23,248	3,234	26,482	35,676	4,534	40,210

29.2 Performance classified by types of transaction

	Consolidated					
	For the three-month period ended 30 June 2012			For the three-month period ended 30 June 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	2,480	6	2,486	1,884	19	1,903
Interest expenses	(1,184)	(54)	(1,238)	(712)	(43)	(755)
Net interest incomes	1,296	(48)	1,248	1,172	(24)	1,148
Net fee and services income	186	-	186	206	-	206
Other operating incomes	135	-	135	154	-	154
Other operating expenses	(1,553)	-	(1,553)	(1,254)	-	(1,254)
Profit (loss) from continuing operation before income tax expense	64	(48)	16	278	(24)	254

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

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

	The Bank					
	For the three-month period ended 30 June 2012			For the three-month period ended 30 June 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	2,233	6	2,239	1,729	19	1,748
Interest expenses	(1,168)	(54)	(1,222)	(710)	(43)	(753)
Net interest incomes	1,065	(48)	1,017	1,019	(24)	995
Net fee and services income	153	-	153	181	-	181
Other operating incomes	158	-	158	174	-	174
Other operating expenses	(1,307)	-	(1,307)	(1,117)	-	(1,117)
Profit (loss) from continuing operation before income tax expense	69	(48)	21	257	(24)	233

	Consolidated					
	For the six-month period ended 30 June 2012			For the six-month period ended 30 June 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	4,840	11	4,851	3,612	34	3,646
Interest expenses	(2,314)	(74)	(2,388)	(1,279)	(92)	(1,371)
Net interest incomes	2,526	(63)	2,463	2,333	(58)	2,275
Net fee and services income	367	-	367	358	-	358
Other operating incomes	385	-	385	395	-	395
Other operating expenses	(2,874)	-	(2,874)	(2,466)	-	(2,466)
Profit (loss) from continuing operation before income tax expense	404	(63)	341	620	(58)	562

	The Bank					
	For the six-month period ended 30 June 2012			For the six-month period ended 30 June 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	4,384	11	4,395	3,314	34	3,348
Interest expenses	(2,292)	(74)	(2,366)	(1,275)	(92)	(1,367)
Net interest incomes	2,092	(63)	2,029	2,039	(58)	1,981
Net fee and services income	297	-	297	311	-	311
Other operating incomes	403	-	403	409	-	409
Other operating expenses	(2,400)	-	(2,400)	(2,184)	-	(2,184)
Profit (loss) from continuing operation before income tax expense	392	(63)	329	575	(58)	517

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30 Interest income

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	21	83	20	85
Investments and trading transactions	32	10	32	10
Investments in debt securities	324	118	324	118
Loans	1,763	1,448	1,863	1,535
Hire purchase and financial lease income	345	244	-	-
Interest income	2,485	1,903	2,239	1,748

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	45	142	45	146
Investments and trading transactions	53	15	53	15
Investments in debt securities	564	222	564	222
Loans	3,529	2,802	3,733	2,964
Hire purchase and financial lease income	660	464	-	-
Others	-	1	-	1
Interest income	4,851	3,646	4,395	3,348

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31 Interest expenses

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	748	423	748	423
Interbank and money market items	76	21	60	19
Contribution fee to the Deposit Protection Agency	3	91	3	91
Contribution fee to FIDF	176	-	176	-
Debt securities issued				
- Subordinated debentures	77	75	77	75
- Others	157	144	157	144
Others	1	1	1	1
Interest expenses	1,238	755	1,222	753

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	1,484	755	1,484	755
Interbank and money market items	116	46	93	42
Contribution fee to the Deposit Protection Agency	34	185	34	185
Contribution fee to FIDF	252	-	252	-
Debt securities issued				
- Subordinated debentures	122	158	122	158
- Others	379	225	379	225
Others	2	2	2	2
Interest expenses	2,389	1,371	2,366	1,367

32 Net fees and service income

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service income				
Acceptances, aval and guarantees	31	22	33	24
ATM and Debit card fees	33	30	33	30
Brokerage income	62	50	46	34
Management fee	21	41	21	41
Others	79	82	75	67
Fees and service income	226	225	208	196
Fees and service expenses				
Collection fees	-	-	-	-
ATM fees	(8)	(8)	(8)	(8)
Others	(32)	(11)	(47)	(7)
Fees and service expenses	(40)	(19)	(55)	(15)
Net fees and service income	186	206	153	181

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32 Net fees and service income (Cont'd)

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service income				
Acceptances, aval and guarantees	61	44	64	47
ATM and Debit card fees	61	56	61	56
Brokerage income	120	92	90	63
Management fee	47	54	47	54
Others	142	153	128	124
Fees and service income	<u>431</u>	<u>399</u>	<u>390</u>	<u>344</u>
Fees and service expenses				
Collection fees	(1)	(4)	(1)	(4)
ATM fees	(17)	(15)	(17)	(15)
Others	(46)	(22)	(75)	(14)
Fees and service expenses	<u>(64)</u>	<u>(41)</u>	<u>(93)</u>	<u>(33)</u>
Net fees and service income	<u>367</u>	<u>358</u>	<u>297</u>	<u>311</u>

33 Gains on tradings and foreign exchange transactions

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and foreign exchange rate derivatives	102	153	102	153
Interest rate derivatives	(24)	(93)	(24)	(93)
Debt securities	34	(19)	34	(19)
Others	-	(2)	-	(2)
Gains on tradings and foreign exchange transactions	<u>112</u>	<u>39</u>	<u>112</u>	<u>39</u>

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and Foreign exchange rate derivatives	210	238	210	238
Interest rate derivatives	1	(60)	1	(60)
Debt securities	20	(19)	20	(19)
Others	-	(6)	-	(6)
Gains on tradings and foreign exchange transactions	<u>231</u>	<u>153</u>	<u>231</u>	<u>153</u>

34 Losses on financial instrument designated at fair value through profit or loss

Losses on financial instrument designated at fair value through profit or loss consist of following items

	Consolidated and the Bank	
	For the three-month period ended 30 June 2012 Million Baht	For the six-month period ended 30 June 2012 Million Baht
	Net change in fair value	
Bills of exchange	(1)	(1)
Interest expenses	4	4
Total	3	3

As the Bank entered into a callable range accrual swap with opposite conditions (back-to-back) (Note 20) with its parent company, the Bank had no gain or loss from changing in fair value. The change in fair value of the bills of exchange presented above is the amortisation of day-one profit.

35 Gains on investments

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Gains (losses) on sales				
Available-for-sale	2	-	2	-
General investments	(6)	-	(6)	-
Investment in subsidiaries and associates	-	90	-	90
Gains (losses) on sales - net	(4)	90	(4)	90
Losses on impairment				
General investments	(7)	-	(7)	-
Losses on impairment - net	(7)	-	(7)	-
Gains (losses) on investments - net	(11)	90	(11)	90

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Gains (losses) on sales				
Available-for-sale	69	-	69	-
Held-to-maturity	1	-	1	-
General investments	(3)	(1)	(3)	(1)
Investment in subsidiaries and associates	-	90	-	90
Gains on sale - net	67	89	67	89
Loss on impairment				
General investments	(7)	-	(7)	-
Loss on impairment - net	(7)	-	(7)	-
Gain on investments - net	60	89	60	89

36 Other operating income

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Gain on sale of office building	-	-	-	71
Gain on sale of premises and equipment	1	-	-	-
Losses on sale of properties for sale	-	(5)	(2)	(46)
Income from reversal of bad debts	2	3	-	-
Dividend income	6	9	39	8
Other income	29	19	24	12
Other operating income	38	26	61	45

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Gain on sale of office building	-	-	-	71
Gain on sale of premises and equipment	2	-	-	3
Losses on sale of properties for sale	-	-	-	(45)
Income from reversal of bad debts	4	6	-	-
Dividend income	30	99	64	98
Other income	61	49	51	41
Other operating income	97	154	115	168

37 Bad debts, doubtful debts and impairment losses

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Held to maturity debt instruments	(12)	-	(12)	-
Loans	121	97	73	68
Total	109	97	61	68

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Held to maturity debt instruments	(12)	-	(12)	-
Loans	261	163	170	123
Total	249	163	158	123

38 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.

39 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 2012 amounts of Baht 44 million was contributed to the fund by the Bank and its subsidiaries (30 June 2011: Baht 41 million) and the Bank only was contributed by Baht 37 million (30 June 2011: Baht 33 Million).

40 Earnings per share

Earnings per share as presented in the consolidated statements of comprehensive income is basic earnings per share which is calculated by dividing net income for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period (Note 24).

Earnings per share as presented in the Bank's statements of comprehensive income is the basic earnings per share which is calculated by dividing the net income for the period by weighted average number of ordinary shares held by outside shareholders in issue during the period (Note 24).

There are no potential dilutive ordinary shares in issue for the six-month period ended 30 June 2012 and for the year ended 31 December 2011.

41 Encumbrance of assets

41.1 Assets used as collateral

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

	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
Securities sold under repurchase agreements	2,539	-	2,539	-
Utilities usage	6	6	6	6
Guarantees on loans	-	45	-	-
Total	2,545	51	2,545	6

41 Encumbrance of assets (Cont'd)

41.2 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 2012 and 31 December 2011, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and the Bank			
	30 June 2012		31 December 2011	
	Number	Cost Million Baht	Number	Cost Million Baht
2012 onwards	1	-	1	-
Assets subject to obligation	1	-	1	-

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42 Commitments and contingent liabilities

42.1 Commitments

As at 30 June 2012 and 31 December 2011, significant commitments of the Bank consist of:

	The Bank					
	30 June 2012			31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Aval to bills and guarantees of loans:						
Avals to bills ⁽¹⁾	622	-	622	481	-	481
Guarantees on loans	10	52	62	10	30	40
Total aval to bills and guarantees of loans	632	52	684	491	30	521
Liability under unmaturred import bills:						
Liability under unmaturred import bills	-	467	467	-	578	578
Letters of credits:						
Letters of credits	237	2,781	3,018	234	1,833	2,067
Other commitments:						
Forward and spot contracts						
- Bought	-	41,166	41,166	-	24,770	24,770
- Sold	-	33,298	33,298	-	24,905	24,905
Cross currency and interest rate swap contract						
- Bought	-	2,607	2,607	-	2,583	2,583
- Sold	-	2,966	2,966	-	2,954	2,954
Futures contracts						
- Bought	-	1,591	1,591	-	1,268	1,268
- Sold	-	159	159	-	-	-
Interest rate swap contracts						
- Fixed rate payee	114,753	9,692	124,445	99,951	10,363	110,314
- Floating rate payee	112,545	11,303	123,848	103,532	12,262	115,794
Foreign exchange option						
- Call option sales contracts	-	723	723	-	148	148
- Put option sales contracts	-	879	879	-	304	304
- Call option purchase contracts	-	1,247	1,247	-	232	232
- Put option purchase contracts	-	308	308	-	77	77
Undrawn bank overdrafts	10,103	-	10,103	9,326	-	9,326
Investment						
- Bought	7,757	-	7,757	10,114	-	10,114
- Sold	7,777	-	7,777	10,019	-	10,019
Other commitments:						
Other guarantees	9,405	870	10,275	7,458	782	8,240
Other commitments	262,340	106,809	369,149	240,400	80,648	321,048
Total commitments	263,209	110,109	373,318	241,125	83,089	324,214

⁽¹⁾ As at 30 June 2012, the Bank avaled note payable of a subsidiary amounting to Baht 400 million (31 December 2011 : Baht 400 million).

42 Commitments and contingent liabilities (Cont'd)

42.2 Contingent liabilities

- (a) As at 30 June 2012 and 31 December 2011, the Group had the following contingent liabilities in connection with court cases in which the Group 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 Group once they are finalised:

	Consolidated and the Bank	
	30 June 2012	31 Decemeber 2011
	Million Baht	Million Baht
Sum claimed in cases where the Group is direct defendants	345	442
Sum claimed in cases where the Group is co-defendants with others		
- Sum of claims that can be specifically attributed to the Group	253	253
- Sum of claims that cannot be specifically attributed to the Group and for which the total sum claimed is therefore presented.	24,591	24,591
Total	25,189	25,286

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 2012, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totalling Baht 18 million in cases where the Bank is the direct defendant and Baht 20 million is cases where the Bank is the co-defendant with others. However, the Bank is in the process of appealing the decisions (31 December 2011: Baht 18 million and Baht 13 million, respectively).

As at 30 June 2012, the Group recognised provisions for contingent loss from legal cases of approximately Baht 36 million (31 December 2011: Baht 106 million), respectively. The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases. In addition, the Group recognised reserve for off - statement of financial position items related to guarantees which the Group have been sued as defendants by Baht 290 million (31 December 2011: Baht 284 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 47 to the interim financial statements.

42 Commitments and contingent liabilities (Cont'd)

42.3 Commitments under long-term leases

As at 30 June 2012 and 31 December 2011, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated		The Bank	
	30 June 2012 Million Baht	31 December 2011 Million Baht	30 June 2012 Million Baht	31 December 2011 Million Baht
1 - 3 years	273	407	227	312
4 - 5 years	23	18	22	16
6 - 10 years	12	6	12	6
11 - 30 years	7	7	7	7
Total	315	438	268	341

42.4 Other commitments

As at 30 June 2012, 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 2012, the Bank is obligated to pay a further Baht 20.4 million and USD 7,000 under such agreements (31 December 2011: Baht 15 million and USD 0.01 million).

43 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.

During the periods, the Group had significant business transactions with its related parties. These transactions have been conducted based agreed upon contracts. Below is a summary of those transactions.

	Consolidated		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	99	90
Fees income	-	-	17	3
Dividend income	-	-	33	-
Other income	-	-	-	-
Expenses:				
Interest expense	1	-	5	-
Premises and equipments expenses	-	-	(7)	(6)
Fees expenses	-	-	-	21
Other expenses	-	-	22	-
Ultimate parent company				
Expenses:				
Interest expenses	9	-	9	-
Related companies				
Revenue:				
Interest income	2	-	2	-
Fees income	7	-	7	-
Other income	-	-	-	-
Expenses:				
Interest expenses	41	1	41	1
Premises and equipments expenses	(3)	-	(3)	-
Fees expenses	34	-	34	-

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43 Related party transactions (Cont'd)

	Consolidated		The Bank	
	For the six-month periods ended 30June		For the six-month periods ended 30June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	204	167
Fees income	-	-	27	6
Dividend income	-	-	33	-
Other income	-	-	-	-
Expenses:				
Interest expenses	2	1	6	1
Premises and equipments expenses	-	-	(11)	(9)
Fees expenses	-	-	1	28
Other expenses	-	-	39	-
Ultimate parent company				
Expenses:				
Interest expenses	18	-	18	-
Related companies				
Revenue:				
Interest income	3	1	3	1
Fees income	9	-	9	-
Other income	-	-	-	-
Expenses :				
Interest expense	79	2	79	2
Premises and equipments expenses	(3)	-	(3)	-
Fees expenses	44	-	44	-

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43 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 30 June 2012 and 31 December 2011 are as follows:

Consolidated							
30 June 2012							
	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 company</u>							
Krung Thai Tanakit Finance Plc.	-	-	-	-	261	-	-
	-	-	-	-	261	-	-
<u>Holding company</u>							
CIMB Bank Berhad	-	-	-	183	-	678	569
	-	-	-	183	-	678	569
<u>Company under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	275	-	2,556	37
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	6	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	311	330	49
	-	-	-	276	317	2,886	86
<u>Related companies</u>							
Other companies	118	115	-	-	2	-	-
	118	115	-	-	2	-	-
<u>Related persons</u>							
	1	1	-	-	154	4	-
	1	1	-	-	154	4	-
Consolidated							
31 December 2011							
	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 company</u>							
Krung Thai Tanakit Finance Plc.	-	-	-	-	259	-	-
	-	-	-	-	259	-	-
<u>Holding company</u>							
CIMB Bank Berhad	-	-	-	244	-	678	182
	-	-	-	244	-	678	182
<u>Company under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	291	-	2,547	35
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	25	-	-
CIMB-Principal Global Bond Fund	-	-	-	4	-	428	1
Sathorn Asset Management Co., Ltd.	-	-	-	1	562	-	25
	-	-	1	296	587	2,975	61
<u>Related companies</u>							
Other companies	122	119	-	-	2	-	-
	122	119	-	-	2	-	-
<u>Related persons</u>							
	1	1	-	-	83	9	-
	1	1	-	-	83	9	-

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43 Related party transactions (Cont'd)

	The Bank						
	30 June 2012						
	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.	-	-	-	16	61	-	2
Center Auto Lease Co., Ltd.	6,991	7,265	-	-	57	-	-
CT Coll Co., Ltd.	3	5	-	-	12	-	8
Krung Thai Tanakit Finance Plc.	-	-	-	-	261	-	-
World Lease Co., Ltd.	1,042	1,267	400	1	61	-	-
	<u>8,036</u>	<u>8,537</u>	<u>400</u>	<u>17</u>	<u>452</u>	<u>-</u>	<u>10</u>
<u>Holding company</u>							
CIMB Bank Berhad	-	-	-	183	-	678	569
	<u>-</u>	<u>-</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>678</u>	<u>569</u>
<u>Company under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	275	-	2,556	37
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	6	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	311	330	49
	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>317</u>	<u>2,886</u>	<u>86</u>
<u>Related companies</u>							
Other Companies	118	115	-	-	2	-	-
	<u>118</u>	<u>115</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
<u>Related persons</u>							
	1	1	-	-	154	4	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>154</u>	<u>4</u>	<u>-</u>

	The Bank						
	31 December 2011						
	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.	190	-	-	-	94	-	1
Center Auto Lease Co., Ltd.	5,158	6,208	-	-	31	-	-
CT Coll Co., Ltd.	-	-	-	-	11	-	7
Krung Thai Tanakit Finance Plc.	-	-	-	-	259	-	-
World Lease Co., Ltd.	942	915	400	-	28	-	-
	<u>6,290</u>	<u>7,123</u>	<u>400</u>	<u>-</u>	<u>423</u>	<u>-</u>	<u>8</u>
<u>Holding company</u>							
CIMB Bank Berhad	-	-	-	244	-	678	182
	<u>-</u>	<u>-</u>	<u>-</u>	<u>244</u>	<u>-</u>	<u>678</u>	<u>182</u>
<u>Company under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	291	-	2,547	35
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	25	-	-
CIMB-Principal Global Bond Fund	-	-	-	4	-	428	1
Sathorn Asset Management Co., Ltd.	-	-	-	1	562	-	25
	<u>-</u>	<u>-</u>	<u>1</u>	<u>296</u>	<u>587</u>	<u>2,975</u>	<u>61</u>
<u>Related companies</u>							
Other Companies	122	119	-	-	2	-	-
	<u>122</u>	<u>119</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
<u>Related persons</u>							
	1	1	-	-	83	9	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>9</u>	<u>-</u>

As at 30 June 2012, the Bank availed notes payable of a subsidiary amounting to Baht 400 million (31 December 2011: Baht 400 million).

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

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43 Related party transactions (Cont'd)

As at 30 June 2012 and 31 December 2011, the Bank has commitments in financial derivatives with related parties company as follows:

	30 June 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payee	13,875	-	13,875
- Floating rate payee	15,061	4,624	19,685
Forward and spot contracts			
- Bought	-	1,877	1,877
- Sold	-	22	22
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Sold	-	2,967	2,967
Forward and spot contracts			
- Bought	-	1,607	1,607
- Sold	-	7	7
	31 December 2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payee	4,775	-	4,775
- Floating rate payee	5,658	4,828	10,486
Forward and spot contracts			
- Bought	-	402	402
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Sold	-	2,954	2,954
Forward and spot contracts			
- Bought	-	256	256
- Sold	-	95	95

44 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, as well as financial controller, other than 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		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	40	59	50	46
Long-term employee benefits	2	2	2	2
Share-based payment (note 28 b.)	4	1	4	1
Director and management remuneration	<u>46</u>	<u>62</u>	<u>56</u>	<u>49</u>

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	136	150	125	110
Long-term employee benefits	5	4	5	4
Share-based payment (note 28 b.)	4	1	4	1
Director and management remuneration	<u>145</u>	<u>155</u>	<u>134</u>	<u>115</u>

The detail of share-based payment is as follows

	Consolidated and The Bank	
	30 June	
	2012	2011
	Thousand units	Thousand units
Share options of CIMB Group Holding Berhad	-	262
Share of CIMB Group Holding Berhad	57	26

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45 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 2012 and 31 December 2011 and for the three-month and six-month periods ended 30 June 2012 and 2011 are as follows:

	For the three-month period ended 30 June 2012				
	Bank business Million Baht	Hire purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest income	2,239	346	-	(100)	2,485
Interest expenses	(1,222)	(121)	-	105	(1,238)
Net interest income	1,017	225	-	5	1,247
Net fees and service income	153	34	17	(18)	186
Other operating income	161	8	-	(33)	136
Other operating expenses	(1,249)	(180)	(13)	(3)	(1,445)
Bad and doubtful debts and impairment losses	(61)	(52)	-	5	(108)
Income tax expenses	-	(11)	(1)	-	(12)
Profit for the period from discontinued operations	-	-	11	15	26
Net profit(loss) for the period	<u>21</u>	<u>24</u>	<u>14</u>	<u>(29)</u>	<u>30</u>

	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 income	1,748	245	-	(90)	1,903
Interest expenses	(753)	(91)	-	89	(755)
Net interest income	995	154	-	(1)	1,148
Net fees and service income	181	31	16	(22)	206
Other operating income	145	9	-	-	154
Other operating expenses	(1,020)	(142)	(11)	17	(1,156)
Bad and doubtful debts and impairment losses	(68)	(44)	-	15	(97)
Income tax expenses	-	(13)	(1)	-	(14)
Profit for the period from discontinued operations	-	-	11	5	16
Net profit(loss) for the period	<u>233</u>	<u>(5)</u>	<u>15</u>	<u>14</u>	<u>257</u>

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45 Financial information by segments (Cont'd)

	For the six-month period ended 30 June 2012				
	Bank business Million Baht	Hire purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest income	4,395	661	-	(205)	4,851
Interest expenses	(2,366)	(234)	-	212	(2,388)
Net interest income	2,029	427	-	7	2,463
Net fees and service income	297	65	29	(24)	367
Other operating income	403	15	-	(33)	385
Other operating expenses	(2,242)	(352)	(25)	(6)	(2,625)
Bad and doubtful debts and impairment losses	(158)	(104)	-	13	(249)
Income tax expenses	-	(17)	(1)	-	(18)
Profit for the period from discontinued operations	-	-	31	23	54
Net profit(loss) for the period	329	34	34	(20)	377

	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 income	3,348	465	-	(167)	3,646
Interest expenses	(1,367)	(170)	-	166	(1,371)
Net interest income	1,981	295	-	(1)	2,275
Net fees and service income	311	59	19	(31)	358
Other operating income	381	14	-	-	395
Other operating expenses	(2,033)	(277)	(15)	22	(2,303)
Bad and doubtful debts and impairment losses	(123)	(71)	-	31	(163)
Income tax expenses	-	(21)	(1)	-	(22)
Profit for the period from discontinued operations	-	-	(9)	10	1
Net profit(loss) for the period	517	(1)	(6)	31	541

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45 Financial information by segments (Cont'd)

	Bank business		Hire purchase business		Other business		Eliminations		Consolidated	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	175,198	166,551	10,330	8,691	29	1,945	(8,179)	(9,164)	177,378	168,023
Interbank and money market items - net (Assets)	6,155	4,577	155	93	13	868	(130)	(333)	6,193	5,205
Investments - net	35,456	32,492	-	-	-	51	-	-	35,456	32,543
Loans and accrued interest receivables - net	118,804	114,120	10,003	8,451	6	693	(8,452)	(7,052)	120,361	116,212
Assets of disposal group classified as held for sales	-	-	-	-	2,635	-	(407)	-	2,228	-
Deposits	114,360	101,291	-	-	-	354	(130)	(71)	114,230	101,574
Interbank and money market items -net (Liabilities)	12,806	4,550	9,220	7,622	6	-	(8,930)	(7,385)	13,102	4,787
Financial liabilities designated at fair value through profit or loss	918	-	-	-	-	-	-	-	918	-
Debt issued and borrowings	26,482	40,210	-	-	-	106	-	-	26,482	40,316
Liabilities of disposal group classified as held for sales	-	-	-	-	1,588	-	(16)	-	1,572	-

46 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.

46.1 Credit risk

As at 30 June 2012 and 31 December 2011, 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					
	30 June 2012			31 December 2011		
	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	222	-	222	81	-	81
Guarantees of loans	62	-	62	40	-	40
Liabilities under unmatured import bills	467	-	467	578	-	578
Letters of credit	3,018	-	3,018	2,067	-	2,067
Other guarantees	9,860	415	10,275	8,098	141	8,240

	The Bank					
	30 June 2012			31 December 2011		
	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	622	-	622	481	-	481
Guarantees of loans	62	-	62	40	-	40
Liabilities under unmatured import bills	467	-	467	578	-	578
Letters of credit	3,018	-	3,018	2,067	-	2,067
Other guarantees	9,860	415	10,275	8,099	141	8,240

46 Financial instruments (Cont'd)

46.2 Market risk

(a) Interest rate risk

As at 30 June 2012 and 31 December 2011, financial assets and liabilities classified by types of interest rate are as follows:

Descriptions	Consolidated			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
30 June 2012				
Financial Assets				
Cash	-	-	2,657	2,657
Interbank and money market items	2,290	1,323	2,580	6,193
Investments	520	27,940	6,996	35,456
Investments in subsidiaries	-	-	154	154
Loans net of deferred revenue	79,460	43,430	383	123,273
Accrued income from Thai Asset Management Corporation	-	-	1,010	1,010
Total financial assets	82,270	72,693	13,780	168,743
Financial Liabilities				
Deposits	28,022	84,133	2,075	114,230
Interbank and money market items	1,616	8,809	2,677	13,102
Liabilities payable on demand	-	-	516	516
Financial liabilities designated at fair value through profit or loss	918	-	-	918
Debt issued and borrowings	2,556	23,381	545	26,482
Total financial liabilities	33,112	116,323	5,813	155,248
31 December 2011				
Financial Assets				
Cash	-	-	3,123	3,123
Interbank and money market items	2,094	603	2,508	5,205
Investments	859	23,593	8,091	32,543
Investments in subsidiaries	-	-	154	154
Loans net of deferred revenue	76,187	42,795	307	119,289
Accrued income from Thai Asset Management Corporation	-	-	1,010	1,010
Total financial assets	79,140	66,991	15,193	161,324
Financial Liabilities				
Deposits	23,170	76,528	1,876	101,574
Interbank and money market items	1,222	1,901	1,664	4,787
Liabilities payable on demand	-	-	144	144
Debt issued and borrowings	3,857	35,915	544	40,316
Total financial liabilities	28,249	114,344	4,228	146,821

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46 Financial instruments (Cont'd)

46.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Descriptions	The Bank			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
30 June 2012				
Financial Assets				
Cash	-	-	2,654	2,654
Interbank and money market items	2,262	1,323	2,570	6,155
Investments	520	27,940	6,996	35,456
Investments in subsidiaries	-	-	893	893
Loans net of deferred revenue	80,290	40,802	381	121,473
Accrued income from Thai Asset Management Corporation	-	-	1,010	1,010
Total financial assets	83,072	70,065	14,504	167,641
Financial Liabilities				
Deposits	28,132	84,140	2,088	114,360
Interbank and money market items	1,718	8,409	2,679	12,806
Liabilities payable on demand	-	-	516	516
Financial liabilities designated at fair value through profit or loss	918	-	-	918
Debt issued and borrowings	2,556	23,381	545	26,482
Total financial liabilities	33,324	115,930	5,828	155,082
31 December 2011				
The Bank				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	3,121	3,121
Interbank and money market items	1,597	557	2,423	4,577
Investments	859	23,593	8,040	32,492
Investments in subsidiaries	-	-	1,923	1,923
Loans net of deferred revenue	75,894	40,922	131	116,947
Accrued income from Thai Asset Management Corporation	-	-	1,010	1,010
Total financial assets	78,350	65,072	16,648	160,070
Financial Liabilities				
Deposits	22,864	76,533	1,894	101,291
Interbank and money market items	1,482	1,401	1,667	4,550
Liabilities payable on demand	-	-	144	144
Debt issued and borrowings	3,856	35,810	544	40,210
Total financial liabilities	28,202	113,744	4,249	146,195

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46 Financial instruments (Cont'd)

46.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Consolidated as at 30 June 2012								
Transactions	Repricing or maturity date					No maturity Million Baht	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			
Financial assets								
Interbank and money market items	-	1,323	-	-	-	-	1,323	3.43
Investments	-	965	6,405	19,748	822	-	27,940	3.08
Loans net of deferred revenue	84	21,178	11,286	8,584	2,298	-	43,430	7.80
Total financial assets	84	23,466	17,691	28,332	3,120	-	72,693	
Financial liabilities								
Deposits	1,560	55,689	26,055	829	-	-	84,133	3.22
Interbank and money market items	102	8,443	221	2	41	-	8,809	4.55
Debt issued and borrowings	1,092	16,673	2,616	-	3,000	-	23,381	3.38
Total financial liabilities	2,754	80,805	28,892	831	3,041	-	116,323	
Consolidated as at 31 December 2011								
Transactions	Repricing or maturity date					No maturity Million Baht	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			
Financial assets								
Interbank and money market items	-	602	-	-	-	1	603	3.41
Investments	-	550	907	19,582	2,554	-	23,593	3.08
Loans net of deferred revenue	400	12,963	17,431	8,233	1,710	2,058	42,795	6.74
Total financial assets	400	14,115	18,338	27,815	4,264	2,059	66,991	
Financial liabilities								
Deposits	8,506	40,566	26,560	896	-	-	76,528	3.36
Interbank and money market items	-	1,719	180	2	-	-	1,901	3.20
Debt issued and borrowings	1,480	26,106	5,224	105	3,000	-	35,915	3.78
Total financial liabilities	9,986	68,391	31,964	1,003	3,000	-	114,344	

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46 Financial instruments (Cont'd)

46.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Transactions	The Bank as at 30 June 2012						Total Million Baht	Weighted average interest rates Percent
	Repricing or maturity date					No maturity Million Baht		
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			
Financial assets								
Interbank and money market items	-	1,323	-	-	-	-	1,323	3.43
Investments	-	965	6,405	19,748	822	-	27,940	3.31
Loans net of deferred revenue	84	21,377	11,485	5,777	2,079	-	40,802	4.71
Total financial assets	84	23,665	17,890	25,525	2,901	-	70,065	
Financial liabilities								
Deposits	1,560	55,696	26,055	829	-	-	84,140	3.22
Interbank and money market items	102	8,043	221	2	41	-	8,409	2.89
Debt issued and borrowings	1,092	16,673	2,616	-	3,000	-	23,381	3.38
Total financial liabilities	2,754	80,412	28,892	831	3,041	-	115,930	
Transactions	The Bank as at 31 December 2011						Total Million Baht	Weighted average interest rates Percent
	Repricing or maturity date					No maturity Million Baht		
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			
Financial assets								
Interbank and money market items	-	557	-	-	-	-	557	3.50
Investments	-	550	907	19,582	2,554	-	23,593	3.27
Loans net of deferred revenue	400	13,388	18,612	4,958	1,506	2,058	40,922	5.38
Total financial assets	400	14,495	19,519	24,540	4,060	2,058	65,072	
Financial liabilities								
Deposits	8,505	40,572	26,560	896	-	-	76,533	3.36
Interbank and money market items	-	1,219	180	2	-	-	1,401	2.86
Debt issued and borrowings	1,480	26,106	5,224	-	3,000	-	35,810	3.77
Total financial liabilities	9,985	67,897	31,964	898	3,000	-	113,744	

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).

46 Financial instruments (Cont'd)

46.2 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 period ended 30 June 2012 and for the year ended 31 December 2011, can be summarised as follows:

	Consolidated					
	Six-month period ended 30 June 2012			Year ended 31 December 2011		
	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	4,162	45	2.15	8,171	266	3.26
Investments	34,379	617	3.60	26,908	889	3.30
Loans	118,174	4,189	7.11	104,937	7,155	6.82
Total performing financial assets	156,715	4,851		140,016	8,310	
<u>Performing financial liabilities</u>						
Deposits	105,977	1,484	2.81	94,670	2,017	2.13
Interbank and money market items	8,724	116	2.67	5,380	105	1.95
Financial liabilities designated at fair value through profit or loss	388	4	1.95	-	-	-
Debt issued and borrowings	29,716	500	3.38	27,367	948	3.46
Total performing financial liabilities	144,825	2,104		127,417	3,070	
The Bank						
	Six-month period ended 30 June 2012			Year ended 31 December 2011		
	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	4,273	44	2.08	8,009	267	3.34
Investments	35,634	681	3.83	26,878	888	3.30
Loans	116,438	3,733	6.43	102,733	6,467	6.30
Total performing financial assets	156,345	4,458		137,620	7,622	
<u>Performing financial liabilities</u>						
Deposits	106,079	1,485	2.81	94,519	2,014	2.13
Interbank and money market items	8,440	93	2.22	4,610	94	2.04
Financial liabilities designated at fair value through profit or loss	388	4	1.95	-	-	-
Debt issued and borrowings	29,720	500	3.38	27,247	943	3.46
Total performing financial liabilities	144,627	2,082		126,376	3,051	

46 Financial instruments (Cont'd)

46.2 Market risk (Cont'd)

(b) Foreign exchange risk

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 2012 and 31 December 2011 the Bank has the following net foreign currency positions categorised by major foreign currencies:

	(Unit: Equivalent to million USD)					
	Consolidated and the Bank					
	30 June 2012			31 December 2011		
	USD	EURO*	Other Currencies*	USD	EURO*	Other Currencies*
Spot	112.30	5.61	5.00	134.26	1.11	8.64
Forward						
- Forward contract	(98.80)	(5.40)	(4.69)	(131.33)	(0.42)	(8.46)
Total	13.50	0.21	0.31	2.93	0.69	0.18

* EURO and other currencies are stated in USD equivalents.

46 Financial instruments (Cont'd)

46.3 Liquidity risk

The period to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 30 June 2012 and 31 December 2011 are as follows:

	Consolidated				
	30 June 2012				
Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<u>Financial Assets</u>					
Cash	2,657	-	-	-	2,657
Interbank and money market items	4,866	1,327	-	-	6,193
Investments	131	11,638	23,227	460	35,456
Investment in subsidiaries	-	-	-	154	154
Loans net of deferred revenue	5,191 ⁽¹⁾	46,531	71,551	-	123,273
Accrued income from Thai Asset Management Corporation	-	-	1,010	-	1,010
Total financial asset	12,845	59,496	95,788	614	168,743
<u>Financial Liabilities</u>					
Deposits	31,657	81,744	829	-	114,230
Interbank and money market items	4,095	8,964	43	-	13,102
Liabilities payable on demand	516	-	-	-	516
Financial liabilities designated at fair value through profit or loss	-	-	918	-	918
Debt issued and borrowings	1,637	19,289	5,556	-	26,482
Total financial liabilities	37,905	109,997	7,346	-	155,248

⁽¹⁾ As at 30 June 2012, a part of loans classified as maturity at call in consolidated and separate financial statement of Baht 4,399 million and Baht 4,157 million, respectively (31 December 2011: Baht 4,110 million and Baht 3,891 million, respectively) 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.

46 Financial instruments (Cont'd)

46.3 Liquidity risk (Cont'd)

Descriptions	Consolidated				
	31 December 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	3,121	-	-	2	3,123
Interbank and money market items	4,602	602	-	1	5,205
Investments	183	6,710	24,831	819	32,543
Investment in subsidiaries	-	-	-	154	154
Loans net of deferred revenue	3,858 ⁽¹⁾	48,404	67,027	-	119,289
Accrued income from Thai Asset Management Corporation	-	-	1,010	-	1,010
Total financial assets	11,764	55,716	92,868	976	161,324
<u>Financial Liabilities</u>					
Deposits	33,552	67,126	896	-	101,574
Interbank and money market items	2,256	2,307	224	-	4,787
Liabilities payable on demand	144	-	-	-	144
Debt issued and borrowings	2,024	31,330	6,962	-	40,316
Total financial liabilities	37,976	100,763	8,082	-	146,821

⁽¹⁾ As at 30 June 2012, a part of loans classified as maturity at call in consolidated and separate financial statement of Baht 4,399 million and Baht 4,157 million, respectively (31 December 2011: Baht 4,110 million and Baht 3,891 million, respectively) 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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46 Financial instruments (Cont'd)

46.3 Liquidity risk (Cont'd)

Descriptions	The Bank				
	30 June 2012				
	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	2,654	-	-	-	2,654
Interbank and money market items	4,828	1,327	-	-	6,155
Investments	131	11,638	23,227	460	35,456
Investment in subsidiaries	-	-	-	893	893
Loans net of deferred revenue	6,033 ⁽¹⁾	46,930	68,510	-	121,473
Accrued income from Thai Asset Management Corporation	-	-	1,010	-	1,010
Total financial assets	13,646	59,895	92,747	1,353	167,641
Financial Liabilities					
Deposits	31,780	81,751	829	-	114,360
Interbank and money market items	4,499	8,264	43	-	12,806
Liabilities payable on demand	516	-	-	-	516
Financial liabilities designated at fair value through profit or loss	-	-	918	-	918
Debt issued and borrowings	1,637	19,289	5,556	-	26,482
Total financial liabilities	38,432	109,304	7,346	-	155,082
Descriptions	The Bank				
	31 December 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	3,121	-	-	-	3,121
Interbank and money market items	4,020	557	-	-	4,577
Investments	132	6,710	24,831	819	32,492
Investment in subsidiaries	-	-	-	1,923	1,923
Loans net of deferred revenue	4,272 ⁽¹⁾	49,397	63,278	-	116,947
Accrued income from Thai Asset Management Corporation	-	-	1,010	-	1,010
Total financial assets	11,545	56,664	89,119	2,742	160,070
Financial Liabilities					
Deposits	33,263	67,132	896	-	101,291
Interbank and money market items	3,149	1,399	2	-	4,550
Liabilities payable on demand	144	-	-	-	144
Debt issued and borrowings	2,024	31,330	6,856	-	40,210
Total financial liabilities	38,580	99,861	7,754	-	146,195

⁽¹⁾ As at 30 June 2012, a part of loans classified as maturity at call in consolidated and separate financial statement of Baht 4,399 million and Baht 4,157 million, respectively (31 December 2011: Baht 4,110 million and Baht 3,891 million, respectively) 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.

46 Financial instruments (Cont'd)

46.4 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			
	30 June 2012		31 December 2011	
	Book Value Million baht	Fair Value Million baht	Book Value Million baht	Fair Value Million baht
Financial Assets				
Cash	2,657	2,657	3,123	3,123
Interbank and money market items - net	6,193	6,193	5,205	5,205
Derivatives financial assets	2,354	2,354	2,527	2,527
Investments - net	35,456	35,519	32,543	32,642
Investment in subsidiaries - net	154	154	154	154
Loans to customers - net	120,361	120,361	116,212	116,212
Accrued income from Thai Asset Management Corporation	1,010	1,010	1,010	1,010
Total financial assets	168,185	168,248	160,774	160,873
Financial Liabilities				
Deposits	114,230	114,230	101,574	101,574
Interbank and money market items - net	13,102	13,102	4,787	4,787
Liability payable on demand	516	516	144	144
Financial liabilities designated at fair value through profit or loss	918	918	-	-
Derivatives financial assets	2,085	2,085	2,271	2,271
Debt issued and borrowings	26,482	26,542	40,316	40,423
Total financial liabilities	157,333	157,393	149,092	149,199
The Bank				
Description	30 June 2012		31 December 2011	
	Book Value Million baht	Fair Value Million baht	Book Value Million baht	Fair Value Million baht
Financial Assets				
Cash	2,654	2,654	3,121	3,121
Interbank and money market items - net	6,155	6,155	4,577	4,577
Derivatives financial assets	2,354	2,354	2,527	2,527
Investments - net	35,456	35,519	32,492	32,591
Investment in subsidiaries - net	893	893	1,923	1,923
Loans to customers - net	118,805	118,805	114,120	114,120
Accrued income from Thai Asset Management Corporation	1,010	1,010	1,010	1,010
Total financial assets	167,327	167,390	159,770	159,869
Financial Liabilities				
Deposits	114,360	114,230	101,291	101,291
Interbank and money market items - net	12,806	12,806	4,550	4,550
Liability payable on demand	516	516	144	144
Financial liabilities designated at fair value through profit or loss	918	918	-	-
Derivatives financial assets	2,085	2,085	2,271	2,271
Debt issued and borrowings	26,482	26,542	40,210	40,318
Total financial liabilities	157,167	157,227	148,466	148,574

46 Financial instruments (Cont'd)

46.5 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 2012 and 31 December 2011, financial derivatives as classified by their maturities are as follows:

	Consolidated and the Bank					
	30 June 2012			31 December 2011		
	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	39,813	1,353	41,166	24,368	402	24,770
- Sold	32,207	1,091	33,298	24,503	402	24,905
Cross currency and interest rate swap contracts						
- Bought	13	2,594	2,607	-	2,583	2,583
- Sold	-	2,966	2,966	-	2,954	2,954
Future contracts						
- Bought	1,591	-	1,591	1,268	-	1,268
- Sold	159	-	159	-	-	-
Interest rate swap contracts						
- Fixed rate payee	41,717	82,728	124,445	37,002	73,312	110,314
- Floating rate payee	41,160	82,688	123,848	48,529	67,265	115,794
Exchange rate options						
- Call option sales contract	723	-	723	148	-	148
- Put option sales contract	879	-	879	304	-	304
- Call option purchase contract	1,247	-	1,247	232	-	232
- Put option purchase contract	308	-	308	77	-	77

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.

47 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 2012 and 31 December 2011, the Bank and subsidiaries have loans transferred to TAMC as follows:

Loans transferred to TAMC	Consolidated			
	30 June 2012		31 December 2011	
	Book value Million Baht	Transfer price Million Baht	Book value Million Baht	Transfer price Million Baht
CAP	82,487	21,932	82,487	21,932
NON CAP	15,774	3,465	15,774	3,465
Total	98,261	25,397	98,261	25,397
Less TAMC notes which have been redeemed by TAMC		(24,957)		(24,928)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 9.1 (a))		440		469

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

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 2012, the Bank recognised interest receivable under these promissory notes amounting to Baht 37 million (31 December 2011 : 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 of 30 June 2012 and 31 December 2011, the Bank recorded gain sharing from TAMC for the NON CAP loans which were only those closed accounts that the Bank entitled to share gain with TAMC amounting to Baht 1,010 million, excluded gain which the Bank obliged to transfer to FIDF as mentioned above. The amount was recognised as gain sharing from the management of non-performing loans by TAMC in statement of comprehensive income and accrued income from TAMC in statement of financial position.

As at 30 June 2012, the Bank's management believes that no significant future losses will be incurred.

Outstanding issues with TAMC

As of 30 June 2012, 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 22 million. (31 December 2012: Baht 162 million and Baht 21 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 (31 December 2011: Baht 54 million) in the interim financial statements.

48 Subsequent events

On 2 July 2012, the Bank sold its shareholding in CIMB Securities (Thailand) Co., Ltd. The Bank received cash from selling stock amounting to Baht 1,117 million.

The Bank has registered its increase of paid-up share capital with the Department of Business Development, the Ministry of Commerce on 7 August 2012. Therefore, the paid-up share capital are Baht 10,542,439,012.50 comprising 21,084,878,025 ordinary shares with a par value of Baht 0.50.