

CIMB THAI BANK PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND BANK
FINANCIAL STATEMENTS**

30 JUNE 2013

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, which comprise the consolidated and bank statements of financial position as at 30 June 2013, and the related consolidated and bank statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the 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 audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit 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 referred to above present fairly, in all material respects, the consolidated and bank financial position of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited as at 30 June 2013, and consolidated and bank results of operations and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

Review Report

I have reviewed the consolidated and bank statements of comprehensive income for the three-month period ended 30 June 2013 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 review.

Scope of Review

I conducted my review 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 review, nothing has come to my attention that causes me to believe that the consolidated and bank statements of comprehensive income for the three-month period ended 30 June 2013 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
22 August 2013

CIMB Thai Bank Public Company Limited

Statements of Financial Position

As at 30 June 2013

	Notes	Consolidated			The Bank		
		30 June	31 December	1 January	30 June	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht	Baht	Baht	Baht	Baht	Baht
Assets							
Cash		2,631,356,060	3,132,947,660	3,122,846,554	2,627,763,116	3,130,139,363	3,120,642,155
Interbank and money market items, net	7	4,214,845,080	10,127,546,195	5,205,245,039	4,163,567,526	10,094,174,784	4,577,356,327
Derivative assets	8	6,734,806,229	2,474,146,798	2,526,862,210	6,734,806,229	2,474,146,798	2,526,862,210
Investments, net	9	47,128,728,596	40,323,332,324	32,543,164,312	47,128,728,596	40,323,332,324	32,492,273,880
Investments in subsidiaries, net	9	153,912,645	153,912,645	153,912,645	1,083,147,979	1,033,147,979	1,923,143,017
Loans and accrued interest receivables	10						
Loans		154,917,729,759	142,153,766,214	121,719,437,344	148,228,384,498	136,705,713,235	116,950,978,798
Accrued interest receivables		373,151,811	369,951,501	279,098,921	377,486,232	375,369,578	277,958,703
Total loans and accrued interest receivables		155,290,881,570	142,523,717,715	121,998,536,265	148,605,870,730	137,081,082,813	117,228,937,501
Less Deferred revenue		(3,840,369,269)	(3,307,156,919)	(2,429,980,354)	(2,898,044)	(2,786,485)	(3,173,910)
Less Allowance for doubtful debts	11	(3,520,702,119)	(3,396,411,721)	(3,345,515,853)	(3,153,492,403)	(3,085,180,004)	(3,094,393,744)
Less Revaluation allowance for debt restructuring	12	(27,068,749)	(15,823,467)	(10,958,714)	(27,068,749)	(15,823,467)	(10,958,714)
Loans and accrued interest receivables, net		147,902,741,433	135,804,325,608	116,212,081,344	145,422,411,534	133,977,292,857	114,120,411,133
Customers' liability under acceptance		110,132,412	35,752,402	69,927,687	110,132,412	35,752,402	69,927,687
Properties for sale, net	13	1,556,410,531	1,575,564,704	1,484,488,359	1,449,859,848	1,527,459,397	1,460,650,554
Premises and equipment, net	14	3,429,485,296	3,568,232,948	3,830,671,693	3,347,794,290	3,492,719,658	3,673,934,530
Intangible assets, net	15	371,323,999	427,876,223	470,613,974	365,788,952	422,091,055	443,258,237
Deferred tax assets	16	814,965,649	875,959,481	1,156,590,341	697,160,674	779,357,137	1,097,117,573
Accrued income from Thai Asset Management Corporation	49	2,354,020,580	2,354,020,580	1,009,565,667	2,354,020,580	2,354,020,580	1,009,565,667
Other assets, net	17	2,472,530,040	1,538,414,867	1,393,714,576	2,315,930,770	1,404,654,619	1,133,245,127
Total assets		219,875,258,550	202,392,032,435	169,179,684,401	217,801,112,506	201,048,288,953	167,648,388,097

Director _____ Director _____

CIMB Thai Bank Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 June 2013

	Notes	Consolidated			The Bank		
		30 June	31 December	1 January	30 June	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht	Baht	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity							
Liabilities							
Deposits	18	138,691,051,134	135,133,586,231	101,573,954,409	138,930,556,070	135,284,578,984	101,291,200,733
Interbank and money market items, net	19	10,957,930,184	11,309,672,672	4,786,952,067	9,207,930,184	10,359,672,672	4,549,969,313
Liability payable on demand		923,564,545	345,429,219	144,101,067	923,564,545	345,429,219	144,101,067
Financial liabilities designated at fair value through profit or loss	20	4,248,704,594	1,535,308,447	-	4,248,704,594	1,535,308,447	-
Derivative liabilities	8	6,527,960,550	2,002,403,000	2,270,622,392	6,527,960,550	2,002,403,000	2,270,622,392
Debt issued and borrowings	21	31,867,664,546	26,226,572,329	40,315,688,037	31,867,664,546	26,226,572,329	40,210,323,185
Bank's liability under acceptance		110,132,412	35,752,402	69,927,687	110,132,412	35,752,402	69,927,687
Provisions	22	1,474,267,735	1,429,732,358	1,506,655,509	1,448,588,597	1,407,123,231	1,455,869,720
Other liabilities	23	4,147,823,242	3,800,989,809	3,945,147,832	3,843,472,299	3,485,104,788	3,324,860,619
Total liabilities		198,949,098,942	181,819,446,467	154,613,049,000	197,108,573,797	180,681,945,072	153,316,874,716
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		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							
21,084,878,025 ordinary shares of Baht 0.50 each		10,542,439,013	10,542,439,013		10,542,439,013	10,542,439,013	
16,315,934,756 ordinary shares of Baht 0.50 each				8,157,967,378			8,157,967,378
Premium on share capital		3,867,738,430	3,867,738,430	1,483,266,796	3,867,738,430	3,867,738,430	1,483,266,796
Other reserves	25	989,965,129	1,088,776,857	1,080,266,795	989,965,129	1,088,776,857	1,065,668,970
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-	-	-
Retained earnings							
Appropriated - statutory reserve	26	246,100,000	187,500,000	129,500,000	246,100,000	187,500,000	129,500,000
Unappropriated		5,322,670,787	4,928,885,419	3,626,348,095	5,046,296,137	4,679,889,581	3,495,110,237
Attributable to owners of the Bank		20,926,159,608	20,572,585,968	14,477,349,064	20,692,538,709	20,366,343,881	14,331,513,381
Non-controlling interests		-	-	89,286,337	-	-	-
Total shareholders' equity		20,926,159,608	20,572,585,968	14,566,635,401	20,692,538,709	20,366,343,881	14,331,513,381
Total liabilities and shareholders' equity		219,875,258,550	202,392,032,435	169,179,684,401	217,801,112,506	201,048,288,953	167,648,388,097

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

	Notes	Consolidated		The Bank	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Interest income	31	2,933,920,325	2,485,423,399	2,602,547,656	2,239,072,286
Interest expenses	32	(1,362,568,943)	(1,238,027,696)	(1,342,678,147)	(1,221,818,104)
Net interest income		1,571,351,382	1,247,395,703	1,259,869,509	1,017,254,182
Fees and service income		312,606,520	226,600,957	270,827,179	208,386,059
Fees and service expenses		(44,728,199)	(40,219,006)	(63,963,250)	(55,608,090)
Net fee and service income	33	267,878,321	186,381,951	206,863,929	152,777,969
Gains on trading and foreign exchange transactions	34	148,271,925	111,880,714	148,271,925	111,880,714
Gains (losses) on financial liabilities designated at fair value through profit or loss	35	32,135,541	(3,132,319)	32,135,541	(3,132,319)
Gains (losses) on investments, net	36	10,399,069	(11,501,960)	10,399,069	(11,501,960)
Other operating income	37	38,515,510	38,037,009	22,219,972	61,228,187
Total operating income		2,068,551,748	1,569,061,098	1,679,759,945	1,328,506,773
Other operating expenses					
Employee expenses		772,279,562	694,385,216	664,034,374	595,377,671
Directors' remuneration		2,322,000	2,472,000	2,148,000	2,308,000
Premises and equipment expenses		323,207,176	336,475,943	289,583,429	304,369,689
Taxes and duties		83,612,925	84,724,593	79,673,434	82,096,250
Others		334,629,679	326,402,225	220,124,306	262,190,029
Total other operating expenses		1,516,051,342	1,444,459,977	1,255,563,543	1,246,341,639
Bad and doubtful debts and impairment losses	38	276,012,412	108,509,528	143,400,000	60,975,881
Profit from continuing operation before income tax expenses		276,487,994	16,091,593	280,796,402	21,189,253
Income tax expenses	39	(45,851,117)	8,981,747	(53,269,482)	11,919,130
Net profit from continuing operation		230,636,877	25,073,340	227,526,920	33,108,383
Profit after tax of discontinued operation	40	-	26,083,417	-	-
Net profit for the periods		230,636,877	51,156,757	227,526,920	33,108,383

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

	Note	Consolidated		The Bank	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Other comprehensive (expenses) income					
Changes in revaluation surplus		(7,043,152)	(10,551,384)	(7,043,152)	(10,551,384)
(Losses) gains on remeasuring available-for-sale investments		(97,352,764)	80,250,592	(97,352,764)	80,250,592
Income tax relating to components of other comprehensive income (expenses)		20,890,112	(13,939,842)	20,890,112	(13,939,842)
Total other comprehensive (expenses) income from continuing operation		(83,505,804)	55,759,366	(83,505,804)	55,759,366
Other comprehensive expenses on assets of disposal group classified as held for sales		-	(594,662)	-	-
Total other comprehensive (expenses) income		(83,505,804)	55,164,704	(83,505,804)	55,759,366
Total comprehensive income for the periods		147,131,073	106,321,461	144,021,116	88,867,749
Net profit attributable to:					
Equity holders of the Bank		230,636,877	49,291,807	227,526,920	33,108,383
Non-controlling interests		-	1,864,950	-	-
		230,636,877	51,156,757	227,526,920	33,108,383
Total comprehensive income attributable to:					
Equity holders of the Bank		147,131,073	104,456,511	144,021,116	88,867,749
Non-controlling interests		-	1,864,950	-	-
		147,131,073	106,321,461	144,021,116	88,867,749
Earnings per share for profit attributable to the equity holders of the Bank	42				
Basic earnings per share (Baht per share)		0.01	0.00	0.01	0.00
Weighted average number of ordinary shares (shares)		21,084,878,025	16,315,934,756	21,084,878,025	16,315,934,756

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

	Notes	Consolidated		The Bank	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Interest income	31	5,732,784,084	4,851,351,028	5,091,471,061	4,395,224,287
Interest expenses	32	(2,701,369,107)	(2,388,524,449)	(2,667,582,617)	(2,365,906,677)
Net interest income		3,031,414,977	2,462,826,579	2,423,888,444	2,029,317,610
Fees and service income		595,203,497	430,911,688	517,426,135	389,506,536
Fees and service expenses		(68,151,507)	(63,710,020)	(104,663,916)	(92,791,095)
Net fee and service income	33	527,051,990	367,201,668	412,762,219	296,715,441
Gains on tradings and foreign exchange transactions	34	248,244,337	231,145,640	248,244,337	231,145,640
Gains (losses) on financial instrument designated at fair value through profit or loss	35	39,466,667	(3,132,319)	39,466,667	(3,132,319)
Gains on investments	36	41,750,236	59,965,205	41,750,236	59,965,205
Other operating income	37	154,207,410	96,945,095	135,321,943	115,102,003
Total operating income		4,042,135,617	3,214,951,868	3,301,433,846	2,729,113,580
Other operating expenses					
Employee expenses		1,508,712,619	1,330,192,771	1,298,902,106	1,136,181,967
Directors' remuneration		4,644,000	4,644,000	4,296,000	4,396,000
Premises and equipment expenses		651,029,641	667,749,122	585,979,628	603,750,805
Taxes and duties		168,106,045	162,032,739	159,993,003	155,904,374
Others		565,315,346	460,758,630	367,735,319	341,523,897
Total other operating expenses		2,897,807,651	2,625,377,262	2,416,906,056	2,241,757,043
Bad and doubtful debts and impairment losses	38	489,308,364	248,662,015	261,300,000	157,975,881
Profit from continuing operation before income tax expenses		655,019,602	340,912,591	623,227,790	329,380,656
Income tax expenses	39	(111,326,056)	(60,507,440)	(106,913,056)	(56,255,292)
Net profit from continuing operation		543,693,546	280,405,151	516,314,734	273,125,364
Profit after tax of discontinued operation	40	-	54,148,490	-	-
Net profit for the periods		543,693,546	334,553,641	516,314,734	273,125,364

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

	Consolidated		The Bank	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Other comprehensive expenses				
Changes in revaluation surplus	(14,116,212)	(37,142,548)	(14,116,212)	(37,142,548)
(Losses) gains on remeasuring available-for-sale investments	(109,412,109)	6,642,109	(109,412,109)	6,642,109
Income tax relating to components of other comprehensive income	24,716,593	6,100,088	24,716,593	6,100,088
Total other comprehensive expenses				
from continuing operation	(98,811,728)	(24,400,351)	(98,811,728)	(24,400,351)
Other comprehensive income on assets of disposal group classified as held for sales	-	563,399	-	-
Total other comprehensive expenses	(98,811,728)	(23,836,952)	(98,811,728)	(24,400,351)
Total comprehensive income				
for the periods	444,881,818	310,716,689	417,503,006	248,725,013
Net profit attributable to:				
Equity holders of the Bank	543,693,546	330,417,970	516,314,734	273,125,364
Non-controlling interests	-	4,135,671	-	-
	543,693,546	334,553,641	516,314,734	273,125,364
Total comprehensive income attributable to:				
Equity holders of the Bank	444,881,818	306,581,018	417,503,006	248,725,013
Non-controlling interests	-	4,135,671	-	-
	444,881,818	310,716,689	417,503,006	248,725,013
Earnings per share for profit attributable				
to the equity holders of the Bank	42			
Basic earnings per share (Baht per share)	0.03	0.02	0.02	0.02
Weighted average number of ordinary shares (shares)	21,084,878,025	16,315,934,756	21,084,878,025	16,315,934,756

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

Consolidated													
Attributable to owners of the Bank													
Note			Other reserves		Other comprehensive income(expenses)			Total equity attributable to shareholders	Non-controlling interest	Total			
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Revaluation surplus (deficit) on change in value of investments	Income tax relating to components of other comprehensive income (expense)	on assets of disposal group classified as held for sales	Accretion of equity interests in subsidiary				Legal reserve	Retained earnings (deficits)	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2013	10,542,439,013	3,867,738,430	1,154,950,846	206,020,225	-	-	1,360,971,071	(42,753,751)	187,500,000	3,780,731,725	19,696,626,488	-	19,696,626,488
Impact of the adoption of TAS12 Income Tax	6	-	-	-	(272,194,214)	-	(272,194,214)	-	-	1,148,153,694	875,959,480	-	875,959,480
Restated balance	10,542,439,013	3,867,738,430	1,154,950,846	206,020,225	(272,194,214)	-	1,088,776,857	(42,753,751)	187,500,000	4,928,885,419	20,572,585,968	-	20,572,585,968
Dividend paid	-	-	-	-	-	-	-	-	-	(105,424,390)	(105,424,390)	-	(105,424,390)
Total comprehensive (expenses) income for the period	-	-	(14,116,212)	(109,412,109)	24,716,593	-	(98,811,728)	-	-	543,693,546	444,881,818	-	444,881,818
Appropriated - statutory reserve	26	-	-	-	-	-	-	-	58,600,000	(58,600,000)	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	14,116,212	14,116,212	-	14,116,212
Balance as at 30 June 2013	<u>10,542,439,013</u>	<u>3,867,738,430</u>	<u>1,140,834,634</u>	<u>96,608,116</u>	<u>(247,477,621)</u>	<u>-</u>	<u>989,965,129</u>	<u>(42,753,751)</u>	<u>246,100,000</u>	<u>5,322,670,787</u>	<u>20,926,159,608</u>	<u>-</u>	<u>20,926,159,608</u>
Balance as at 1 January 2012	8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	-	14,597,825	1,346,684,038	-	129,500,000	2,203,340,511	13,320,758,723	89,286,337	13,410,045,060
Impact of the adoption of TAS12 Income Tax	6	-	-	-	(266,417,243)	-	(266,417,243)	-	-	1,423,007,584	1,156,590,341	-	1,156,590,341
Restated balance	8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	(266,417,243)	14,597,825	1,080,266,795	-	129,500,000	3,626,348,095	14,477,349,064	89,286,337	14,566,635,401
Total comprehensive (expenses) income for the period	-	-	(37,142,548)	6,642,109	6,100,088	563,399	(23,836,952)	-	-	330,417,970	306,581,018	4,135,671	310,716,689
Appropriated - statutory reserve	26	-	-	-	-	-	-	-	41,500,000	(41,500,000)	-	-	-
Adjust an increase ordinary shares	-	-	-	-	-	-	-	-	-	-	-	(1,147,180)	(1,147,180)
Others	-	-	-	-	-	-	-	-	-	(375,948)	(375,948)	-	(375,948)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	37,142,548	37,142,548	-	37,142,548
Balance as at 30 June 2012	<u>8,157,967,378</u>	<u>1,483,266,796</u>	<u>1,172,638,379</u>	<u>128,947,395</u>	<u>(260,317,155)</u>	<u>15,161,224</u>	<u>1,056,429,843</u>	<u>-</u>	<u>171,000,000</u>	<u>3,952,032,665</u>	<u>14,820,696,682</u>	<u>92,274,828</u>	<u>14,912,971,510</u>

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

The Bank									
Other reserves									
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Revaluation surplus (deficit) on change in value of investments	Income tax relating to components of other comprehensive income (expense)	Total other reserves	Legal reserve	Retained earnings (deficits)	Total
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2013	10,542,439,013	3,867,738,430	1,154,950,846	206,020,225	-	1,360,971,071	187,500,000	3,628,338,231	19,586,986,745
Impact of the adoption of TAS12 Income Tax	6	-	-	-	(272,194,214)	(272,194,214)	-	1,051,551,350	779,357,136
Restated balance	10,542,439,013	3,867,738,430	1,154,950,846	206,020,225	(272,194,214)	1,088,776,857	187,500,000	4,679,889,581	20,366,343,881
Dividend paid	-	-	-	-	-	-	-	(105,424,390)	(105,424,390)
Total comprehensive (expenses) income for the period	-	-	(14,116,212)	(109,412,109)	24,716,593	(98,811,728)	-	516,314,734	417,503,006
Appropriated - statutory reserve	26	-	-	-	-	-	58,600,000	(58,600,000)	-
Transfer to retained earnings	-	-	-	-	-	-	-	14,116,212	14,116,212
Balance as at 30 June 2013	10,542,439,013	3,867,738,430	1,140,834,634	96,608,116	(247,477,621)	989,965,129	246,100,000	5,046,296,137	20,692,538,709
Balance as at 1 January 2012	8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	-	1,332,086,213	129,500,000	2,131,575,421	13,234,395,808
Impact of the adoption of TAS12 Income Tax	-	-	-	-	(266,417,243)	(266,417,243)	-	1,363,534,816	1,097,117,573
Restated balance	8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	(266,417,243)	1,065,668,970	129,500,000	3,495,110,237	14,331,513,381
Total comprehensive (expenses) income for the period	-	-	(37,142,548)	6,642,109	6,100,088	(24,400,351)	-	273,125,364	248,725,013
Appropriated - statutory reserve	26	-	-	-	-	-	41,500,000	(41,500,000)	-
Others	-	-	-	-	-	-	-	(375,948)	(375,948)
Transfer to retained earnings	-	-	-	-	-	-	-	37,142,548	37,142,548
Balance as at 30 June 2012	8,157,967,378	1,483,266,796	1,172,638,379	128,947,395	(260,317,155)	1,041,268,619	171,000,000	3,763,502,201	14,617,004,994

The accompanying notes to the interim financial statements from page 14 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 period ended 30 June 2013

	Consolidated		The Bank	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before corporate income tax from continuing operations	655,019,602	340,912,591	623,227,790	329,380,656
Profit before corporate income tax from discontinued operations	-	54,148,490	-	-
Profit before corporate income tax including discontinued operations	655,019,602	395,061,081	623,227,790	329,380,656
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:				
Depreciation and amortisation	254,551,198	272,430,726	241,514,657	248,676,653
Bad debts and doubtful accounts	489,308,364	260,686,134	261,300,000	170,000,000
Reversal of provision for off-balance sheet items	-	(10,716,171)	-	(10,716,171)
Share-based payment	(112,606)	917,817	(112,606)	917,817
Provision for liabilities	58,726,671	61,165,742	55,849,152	54,278,094
Losses on impairment of properties for sale	25,000,492	5,834,929	649,137	-
Impairment (reversal) losses on investments	8,983,624	(4,971,563)	8,983,624	(4,971,563)
Unrealised losses (gains) on exchange and derivatives	84,660,718	(47,726,749)	84,660,718	(47,726,742)
Realised gains of exchange rate on borrowings	-	(30,571,982)	-	(33,166,775)
Losses (gains) on properties for sale	135,664,764	90,250,799	(6,403,700)	4,792,119
Unrealised (gains) losses on revaluation of investments	9,406,905	(12,584,229)	9,406,905	(12,556,289)
Gains on sale of investments	(57,185,530)	(119,262,620)	(57,185,530)	(74,407,502)
Gains on disposal of premises and equipments	(1,841,026)	(1,447,306)	(367,480)	(198,888)
Losses from write off premises and equipments	2,679,074	1,900,024	2,664,419	1,900,016
Losses from write off leasehold	69,751	-	69,751	-
(Gains) losses from financial liabilities designated at fair value through profit or loss	(51,090,238)	3,132,319	(51,090,238)	3,132,319
Interest and dividend income	(5,816,515,087)	(4,881,688,853)	(5,175,202,064)	(4,459,027,671)
Interest expenses	2,326,662,130	2,102,644,261	2,292,875,640	2,080,026,489
Losses from operations before changes in operating assets and liabilities	(1,876,011,194)	(1,914,945,641)	(1,709,159,825)	(1,749,667,438)
(Increase) decrease in operating assets				
Interbank and money market items	5,942,773,306	(1,463,506,461)	5,960,679,449	(1,575,312,467)
Investments held for trading	(2,595,977,863)	(1,204,625,977)	(2,595,977,863)	(1,240,865,883)
Loans	(12,863,037,383)	(5,893,544,925)	(11,519,654,819)	(4,690,388,648)
Properties for sale	347,239,213	272,720,306	108,943,699	56,937,213
Other assets	(973,889,635)	(175,049,931)	(936,154,026)	(135,516,892)

The accompanying notes to the interim financial statements from page 14 to 102 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of cash flow (Cont'd)
For the six-month period ended 30 June 2013

	Consolidated		The Bank	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Increase (decrease) in operating liabilities				
Deposits	3,557,464,903	13,174,137,380	3,645,977,086	13,068,459,345
Interbank and money market items	(351,742,487)	8,314,638,870	(1,151,742,487)	8,256,367,527
Liability payable on demand	578,135,325	372,125,334	578,135,325	372,125,334
Short-term borrowings	5,630,768,917	(12,428,299,229)	5,630,768,917	(12,428,299,229)
Provisions	(14,191,294)	(118,339,453)	(14,383,787)	(117,711,964)
Other liabilities	349,648,611	314,605,807	325,922,596	(178,316,965)
Cash flows used in operating activities	(2,268,819,581)	(750,083,920)	(1,676,645,735)	(362,190,067)
Cash received from interest income	5,114,516,943	4,111,595,864	4,474,287,577	3,645,286,764
Cash paid for interest expenses	(2,321,344,222)	(2,251,028,618)	(2,287,834,695)	(2,228,767,233)
Cash paid for tax	(46,256,098)	(24,161,673)	-	-
Net cash flows provided by operating activities	478,097,042	1,086,321,653	509,807,147	1,054,329,464
Cash flows from investing activities				
Cash paid for purchases of available-for-sale securities	(16,469,858,429)	(6,096,364,630)	(16,469,858,429)	(6,096,364,630)
Proceeds from disposals of available-for-sale securities	8,621,198,141	5,745,740,851	8,621,198,141	5,745,740,851
Proceeds from maturity and principle payment of available-for-sale securities	735,000,000	50,000,000	735,000,000	50,000,000
Cash paid for purchases of held to maturities securities	(2,375,247,453)	(4,610,058,512)	(2,375,247,453)	(4,610,058,508)
Proceeds from disposals of held to maturities securities	2,349,358	806,163	2,349,358	806,163
Proceeds from maturity and principle payment of held to maturities securities	5,167,348,300	2,978,342,839	5,167,348,300	2,978,342,839
Proceeds from repayment of investment in receivable	13,351,768	322,193,651	13,351,768	322,193,651
Proceeds from disposals of general investments	3,093,403	14,989,262	3,093,403	14,989,262
Proceeds from maturity of general investments	16,245,000	24,035,891	16,245,000	24,035,891
Cash paid for purchases of investment in subsidiaries	-	-	(50,000,000)	(30,016,667)
Cash paid for purchases of premises and equipments	(74,290,131)	(179,206,601)	(55,798,202)	(156,237,770)
Proceeds from disposals of equipment	2,115,505	23,054,732	589,522	21,786,783
Cash paid for purchases of intangible assets	(11,888,241)	(56,178,202)	(11,348,939)	(51,027,747)
Proceeds from disposals of intangible assets	12,712,220	-	12,712,220	-
Dividend received	83,731,003	29,190,645	83,731,003	63,803,384
Interest received	645,875,304	516,602,062	645,875,304	516,602,062
Net cash flows used in investing activities	(3,628,264,252)	(1,236,851,849)	(3,660,759,004)	(1,205,404,436)

The accompanying notes to the interim financial statements from page 14 to 102 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of cash flow (Cont'd)
For the six-month period ended 30 June 2013

	Consolidated		The Bank	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Cash flows from financing activities				
Dividend paid	(105,424,390)	-	(105,424,390)	-
Cash paid for redemption subordinated debentures	(920,000,000)	(1,230,000,000)	(920,000,000)	(1,230,000,000)
Proceeds from issuance of structured bill of exchange	3,674,000,000	914,608,431	3,674,000,000	914,608,431
Net cash flows provided by (used in) financing activities	2,648,575,610	(315,391,569)	2,648,575,610	(315,391,569)
Net decrease in cash and cash equivalents	(501,591,600)	(465,921,765)	(502,376,247)	(466,466,541)
Cash and cash equivalents at beginning of the period	3,132,947,660	3,122,846,554	3,130,139,363	3,120,642,155
Cash and cash equivalents at the end of the period	2,631,356,060	2,656,924,789	2,627,763,116	2,654,175,614
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Properties for sales received in settlement of debts	463,160,709	322,548,729	-	-
Payable from purchase premises and equipments	7,683,395	14,648,570	7,683,395	13,515,341
Payable from purchase intangible assets	3,741,698	609,900	3,741,698	609,900
Changes in revaluation surplus in available-for-sale	109,412,110	(7,205,508)	109,412,110	6,642,109
Write-off loans and allowance for doubtful debts	423,102,123	298,941,288	251,071,758	223,170,454
Properties for sale received from premises and equipments	24,151,444	-	24,151,444	-
Revaluation surplus on assets	14,116,211	372,061	14,116,211	372,061
Customer's liabilities under acceptance transactions	74,380,009	39,366,848	74,380,009	39,366,848
Change in appropriate statutory reserve	58,600,000	41,500,000	58,600,000	41,500,000
Interest amortisation from premium or discount	6,406,258	54,036,479	6,406,258	54,036,479
Amortisation of effective interest rate	9,914,058	36,659,626	9,914,058	36,659,626

CIMB Thai Bank Public Company Limited
Notes to the interim financial statements
For the six-month period ended 30 June 2013

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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 (until 2 July 2012) debt collection, hire purchase and leasing businesses.

The consolidated and bank financial statements were authorised by the Board of Directors on 22 August 2013.

2 Accounting policies

2.1 Basis of preparation of interim consolidated and bank financial statements

The interim consolidated and bank financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholder equity and cash flow) have been 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 3 December 2010.

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

The preparation of financial statements in conformity with the GAAP requires the use of certain critical accounting estimates. It also requires management to exercise 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 consolidated and bank financial statements, are disclosed in note 4 to the interim financial statements.

The financial statements have been prepared by including the financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries. The financial statements for the year ended 31 December 2012 have been prepared with some changes related to subsidiaries during the year. Such change is disclosed in Notes 9.7 and 40 to the interim financial statements.

The Bank has prepared the financial statements for the benefit of the public, which presents its investment in subsidiaries under the cost method.

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

2 Accounting policies (Cont'd)

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

2.2 New/revised accounting standards and related interpretations which are effective on 1 January 2013 and are relevant to the Group are:

TAS 12	Income taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets

New interpretations which are effective on 1 January 2014 and are relevant to the Group are:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10	Interim Financial Reporting and Impairment

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

New accounting standards, amendment to accounting standards and relevant interpretations have no significant impact to the Group's operations except for accounting standard related to income tax which is disclosed in note 6 to the interim financial statements.

2.3 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 unless 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 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 a 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 Securities and Exchange Commission, dated 15 February 2001, regarding accounting for sub-standard loans.

2 Accounting policies (Cont'd)

2.3 Revenue recognition (Cont'd)

(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 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 unforeseen circumstances arise.

(d) Gains (losses) on sale of investments

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

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

Gains or losses on sale of properties 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 calculate hire-purchase income using the effective interest rate method over the period of contracts.

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

(h) Other income

Other income is recognised as income on an accrual basis.

2.4 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.

2 Accounting policies (Cont'd)

2.5 Investments

The Group classifies investments, other than investments in subsidiaries, associates and joint ventures, into 4 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 more than 3 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, and are classified as held-to-maturity and 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.

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. 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 gains (losses) on investment. Fair values are calculated on the following basis:

- For marketable debt securities, fair values are calculated by referencing 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 the risk-free yield curve, adjusted by the appropriate risk premium.
- For marketable equity securities, fair values are calculated by referencing the 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 weighted average carrying amount of the total holding of the investment.

2 Accounting policies (Cont'd)

2.6 Investments in receivables

Investments in receivables purchased from financial institutions are valued at acquisition cost net of any 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 any allowance for doubtful debt. 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 Bank of Thailand's provisioning guidelines.

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

Promissory notes received in connection with the transfer of non-performing loans to Thai Asset Management Corporation ("TAMC"), which are availed by the Financial Institutions Development Fund ("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 when the Bank receives allocation from TAMC, or when the gain or loss can be accurately estimated.

2.8 Investments in subsidiaries

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, 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 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 Group.

In the Bank's financial statements, investments in subsidiaries are reported 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.

2 Accounting policies (Cont'd)

2.9 Loans/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 debtors as well as BoT guidelines. In addition, the Bank takes into consideration the relationship of risks involved, value of collateral and the status of individual debtors including the relationship of allowance for doubtful debts against the loan balance through economic situations which may have an impact on customers' ability to pay.

(b) 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.

2.10 Troubled debt restructuring and associated losses

The Group records troubled debt restructuring transactions and related losses 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 any estimated selling expenses, or the amount of investments in receivables (including accrued interest income).

In the case 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") or Customer Loan Rate ("CLR") prevailing at the restructuring date.

Losses arising from restructuring, loss 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 MLR or CLR being quoted to the debtor at the end of the year.

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 the debt restructuring agreement is executed.

2.11 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 the whole amount in accordance with the notifications of the Bank of Thailand.

2 Accounting policies (Cont'd)

2.12 Premises, equipment and depreciation

Land and buildings comprise mainly offices and are shown at fair value based on evaluations every 5 years by external independent valuers, less subsequent depreciation for buildings. All other equipment 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 reliably. 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 increases in the carrying amount arising on the revaluation of property and plant. These are credited to other comprehensive income and shown 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 statement 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.

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

At the end of each reporting period, the assets' residual values and useful lives are reviewed, and adjusted if appropriate.

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.

2.13 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 of 5 and 10 years.

Costs associated with developing or maintaining computer software programmes are recognised as expenses as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group, and will likely 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 overhead.

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

2 Accounting policies (Cont'd)

2.13 Intangible assets (Cont'd)

(b) Other intangible assets

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

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leasehold rights

The Bank amortises the cost of leasehold rights on buildings, which are 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.

2.16 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 the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee substantially has 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 outstanding finance balance. The corresponding rental obligations and 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.

2.17 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

2 Accounting policies (Cont'd)

2.17 Foreign currency translation (Cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.18 Financial derivatives

The Bank regards its obligations under financial derivatives contracts as off-statements of financial position items. The accounting treatments for financial derivatives transactions depend on the purpose of the transactions 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) Hedging transactions

The Bank measures derivatives classified as hedging transactions according to the natures of items being hedged. The Bank designates certain derivatives as either:

(1) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(2) Cash flow hedge

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain and loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Amount accumulated in equity are recycled to the statement of comprehensive income in the periods in which the hedged item will affect the statement of comprehensive income.

(3) Net investment hedge

Hedges of net investment in foreign operations are accounted for similarly to cash flow hedges.

At the inception of the hedge, the Bank documents the relationship between hedging instruments and hedged items, as well as their risk management objective. The Bank also assesses the hedge effectiveness in offsetting changes in fair values or cash flows of hedged items on an ongoing basis both at the hedge inception and every financial reporting date.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 44 to the interim financial statements.

2 Accounting policies (Cont'd)

2.19 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.

2.20 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 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 a policy to pay post-employment benefits to employees under the labour law applicable in Thailand.

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

Liability in respect of employee benefits is measured using the projected unit-credit method, which is calculated by an independent actuary in accordance with actuarial techniques. The present value of the defined benefits obligations is determined by discounting estimated future cash flows based on government bond yields 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.

2.21 Provisions

The Group recognises provisions when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been 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 highly likely.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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.

2 Accounting policies (Cont'd)

2.22 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Bank's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 Share based payment

In March 2011, the Bank established an 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 payment reserve as the proportion of time of the vesting period. The reserve presents as other liabilities.

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.

2.24 Segment reporting

Operating segments are presented in respect of the Group's business segments and reported to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Management Committee as its chief operating decision-maker.

3 Financial risk management

3.1 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 its 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 its 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.

3.1.1 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.

3.1.1.1 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 the Risk Management Committee.

3.1.1.2 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.

3.1.1.3 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.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 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 an independent Credit Review 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 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, and derivative contracts.

3.1.3 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 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.

3.2 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

3 Financial risk management (Cont'd)

3.2 Fair value estimation (Cont'd)

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 the reporting period.

4 Critical accounting estimates, assumptions and judgements

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

The 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.

4 Critical accounting estimates, assumptions and judgements (Cont'd)

(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 than 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 a commitment on provision of post-retirement benefits and pension funds for employees. 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.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the 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 28 to the interim financial statement.

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6 Impact of the adoption of TAS12 Income Tax

The effect of the adoption of TAS12 Income tax to the consolidated and bank statements of financial position of the Group as at 31 December 2012 and 1 January 2012 are as follows;

	Consolidated		The Bank	
	31 December 2012	1 January 2012	31 December 2012	1 January 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Deferred tax assets Increase/(Decrease)	876	1,157	779	1,097
Other reserves Increase/(Decrease)	(272)	(266)	(272)	(266)
Retained earnings Increase/(Decrease)	1,148	1,423	1,052	1,363

The effect of the adoption of TAS12 Income tax to the consolidated and bank statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 are as follows:

	For the three-month period ended 30 June 2012		For the six-month period ended 30 June 2012	
	Consolidated Million Baht	The Bank Million Baht	Consolidated Million Baht	The Bank Million Baht
Income tax expenses Increase/(Decrease)	(21)	(12)	43	56
Income tax relating to the components of other comprehensive income Increase/(Decrease)	(14)	(14)	6	6
Basic earnings per share Increase/(Decrease)	-	-	-	-

7 Interbank and money market items, net (assets)

	Consolidated					
	30 June 2013			31 December 2012		
	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	1,540	-	1,540	2,239	-	2,239
Commercial banks	84	-	84	61	1,000	1,061
Other banks	2	-	2	9	4,300	4,309
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	1,259	1,259	-	1,352	1,352
Total domestic items	2,170	1,259	3,429	2,853	6,652	9,505
Add accrued interest receivables	-	-	-	-	1	1
Less allowance for doubtful debts	-	(4)	(4)	-	(34)	(34)
Domestic items, net	2,170	1,255	3,425	2,853	6,619	9,472
Foreign:						
US dollar	394	36	430	555	-	555
Yen	46	-	46	20	-	20
Euro	165	79	244	19	-	19
Other currencies	70	-	70	62	-	62
Foreign items, net	675	115	790	656	-	656
Domestic and foreign items, net	2,845	1,370	4,215	3,509	6,619	10,128

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

	The Bank					
	30 June 2013			31 December 2012		
	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	1,540	-	1,540	2,239	-	2,239
Commercial banks	35	-	35	36	1,000	1,036
Other banks	-	-	-	-	4,300	4,300
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	1,259	1,259	-	1,352	1,352
Total domestic items	2,119	1,259	3,378	2,819	6,652	9,471
<u>Add</u> accrued interest receivables	-	-	-	-	1	1
<u>Less</u> allowance for doubtful debts	-	(4)	(4)	-	(34)	(34)
Domestic items, net	2,119	1,255	3,374	2,819	6,619	9,438
Foreign:						
US dollar	394	36	430	555	-	555
Yen	46	-	46	20	-	20
Euro	165	79	244	19	-	19
Other currencies	70	-	70	62	-	62
Foreign items, net	675	115	790	656	-	656
Domestic and foreign items, net	2,794	1,370	4,164	3,475	6,619	10,094

As at 30 June 2013, the Bank had promissory notes of Baht 547 million (31 December 2012: Baht 547 million), that were issued by financial institutions which were ordered to be closed, and are avaled by the Financial Institution Development Fund (FIDF).

The FIDF recalled promissory notes amounting to Baht 544 million (31 December 2012: Baht 544 million) to cancel the aval as the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory notes 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 notes avaled by FIDF had been presented as assets and the related obligations were presented as liabilities in the same amount of Baht 544 million (31 December 2012: Baht 544 million).

8 Derivatives

8.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and the Bank					
	30 June 2013			31 December 2012		
	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	4,862	4,792	287,295	776	403	82,781
Interest rate	1,864	1,736	423,236	1,692	1,598	336,153
Total	6,726	6,528	710,531	2,468	2,001	418,934

8 Derivatives (Cont'd)

8.1 Trading derivatives (Cont'd)

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

	Consolidated and the Bank	
	30 June 2013 Proportion	31 December 2012 Proportion
Financial institutions	84	80
Companies in group	13	15
External parties	3	5
Total	<u>100</u>	<u>100</u>

8.2 Derivative for hedging

Fair value hedge

	Consolidated and the Bank					
	30 June 2013			31 December 2012		
	Fair value			Fair value		
	Asset	Liability	Notional	Asset	Liability	Notional
	Million	Million	amount	Million	Million	amount
	Baht	Baht	Million	Baht	Baht	Million
	Baht	Baht	Baht	Baht	Baht	Baht
Interest rate	9	-	652	6	1	676
Total	<u>9</u>	<u>-</u>	<u>652</u>	<u>6</u>	<u>1</u>	<u>676</u>

Fair value hedges are used to hedge the exposure to changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group enters into interest rate swaps to hedge against interest rate risk of loans, bill of exchange and negotiable certificate of deposit. The changes in fair value of the hedging instruments and hedged items are recognised in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the three-month and six-month periods ended 30 June 2013 and 2012 can be summarised as follows:

	Consolidated and the Bank			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Gains on hedging instruments, net	2	(1)	4	3
Losses on the hedged items, net	(2)	1	(3)	(3)

9 Investments, net

9.1 Classified by type of investment

	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Fair value Million Baht	Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	5,048	2,929
Private sector debt securities	830	357
Domestic marketable equity securities	-	-
Total securities held for trading	5,878	3,286
Available-for-sale securities		
Government and state enterprises securities	16,924	10,962
Private sector debt securities	1,954	908
Domestic marketable equity securities	2,770	2,732
Total available-for-sales securities	21,648	14,602
	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	18,514	21,538
Promissory notes issued by		
Thai Asset Management Corporation	230	282
Private sector debt securities	605	321
Investments in receivables (Note 9.6)	165	178
Total	19,514	22,319
<u>Less allowance for impairment</u>	<u>(117)</u>	<u>(117)</u>
Total held-to-maturity debt securities	19,397	22,202
	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	436	452
Overseas non-marketable equity securities	9	14
Total	445	466
<u>Less allowance for impairment</u>	<u>(239)</u>	<u>(233)</u>
Total general investments	206	233
Investments, net	47,129	40,323

- (a) As at 30 June 2013, 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 49 to the interim financial statements) amounting to Baht 230 million (31 December 2012: Baht 282 million). Such promissory notes are non-transferable and availed by the FIDF.
- (b) As at 30 June 2013, the Bank had an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million (31 December 2012: Baht 2,500 million) and it is presented at its fair value of Baht 2,705 million (31 December 2012: Baht 2,665 million), with the gain from revaluation amounting to Baht 205 million (31 December 2012: Baht 165 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 ten-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 2013 and 31 December 2012, the Bank had investments pledged as collateral, as mentioned in Note 43.1 to the interim financial statements.

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9 Investments, net (Cont'd)

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

	Consolidated and the Bank							
	30 June 2013				31 December 2012			
	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-sale securities								
Government and state enterprises securities	750	14,677	1,604	17,031	2,207	8,614	107	10,928
Private sector debt securities	191	1,383	379	1,953	188	414	299	901
Total	941	16,060	1,983	18,984	2,395	9,028	406	11,829
<u>Add</u> allowance for revaluation	1	(88)	(19)	(106)	-	37	4	41
Available-for-sale securities, net	942	15,972	1,964	18,878	2,395	9,065	410	11,870
Held-to-maturity securities								
Government and state enterprises securities	4,648	12,706	1,160	18,514	8,563	11,815	1,160	21,538
Promissory notes issued by TAMC	222	8	-	230	282	-	-	282
Private sector debt securities	72	322	211	605	301	20	-	321
Total	4,942	13,036	1,371	19,349	9,146	11,835	1,160	22,141
<u>Less</u> allowance for impairment	(53)	(2)	-	(55)	(55)	-	-	(55)
Held-to-maturity securities, net	4,889	13,034	1,371	19,294	9,091	11,835	1,160	22,086
Total debt securities	5,831	29,006	3,335	38,172	11,486	20,900	1,570	33,956

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 2013	31 December 2012
	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	(12)	(12)
Investments representing shareholdings in which the Group hold more than 10%, net	10	10

9 Investments ,net (Cont'd)

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 holds 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 2013		31 December 2012	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	210	206	226	223
Less allowance for impairment	(4)		(3)	
General investments, net	<u>206</u>		<u>223</u>	

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

As at 30 June 2013 and 31 December 2012, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and the Bank							
	30 June 2013				31 December 2012			
	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)	-	50	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	<u>70</u>	<u>43</u>	<u>(43)</u>	<u>-</u>	<u>70</u>	<u>43</u>	<u>(43)</u>	<u>-</u>

9.6 Investments in receivables

	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Million Baht	Million Baht
Investments in receivables	165	178
Less allowance for impairment	(62)	(62)
Investments in receivables, net	<u>103</u>	<u>116</u>

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9 Investments, net (Cont'd)

9.6 Investments in receivables (Cont'd)

As at 30 June 2013 and 31 December 2012, the outstanding balances of loan receivables can be summarised as follows:

	30 June 2013				31 December 2012			
	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 and 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	123	1,419	165	-	123	1,437	178	-

9.7 Investments in subsidiary, net

Company name	Nature of business	Type of securities	Percentage of holding		The Bank Cost method		
			30 June 2013	31 December 2012	30 June 2013	31 December 2012	
			%	%	Million Baht	Million Baht	
Subsidiaries - included in consolidated financial statements							
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	100	100	467	417	
Subsidiary - not included in consolidated financial statements							
Krung Thai Thanakit Finance Plc.	In process of liquidation	Common stock	99	99	562	562	
Total						1,770	1,720
Less allowance for impairment						(687)	(687)
Investments in subsidiary, net						1,083	1,033

Sale of investments in CIMB Securities (Thailand) Co.,Ltd.

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 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.

9 Investments, net (Cont'd)

9.7 Investments in subsidiary, net

Purchase of investments in ordinary shares in Worldlease Co.,Ltd.

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 a 75.04% share, from Baht 240 million to Baht 400 million. Worldlease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 30,016,667 on 27 April 2012. On 2 May 2012, Worldlease Co., Ltd. registered the capital increase with the Ministry of Commerce. After the registration, the registered capital of Worldlease Co., Ltd was Baht 400 million.

On 18 December 2012, the Bank bought investment in ordinary shares in Worldlease Co.,Ltd., which are all the remaining shares that the Bank did not own of 9,983,333 shares or 24.96% with a total consideration of Baht 140 million. The proportion of the Bank's shareholding in the company increased from 75.04% to 99.99% of the total issue and paid-up shares capital of the company.

On 6 February 2013, the Bank settled the increased capital in Worldlease Co., Ltd. Amounting to Baht 50 million. On 12 February 2013, Worldlease Co., Ltd. has registered its increase of share capital with Ministry of Commerce.

10 Loans and accrued interest receivables, net

10.1 Classified by loan type

	Consolidated		The Bank	
	30 June 2013 Million Baht	31 December 2012 Million Baht	30 June 2013 Million Baht	31 December 2012 Million Baht
Bank overdrafts	7,310	7,209	7,315	7,216
Loans	95,098	85,242	99,277	90,253
Bills	34,630	34,537	41,629	39,228
Hire-purchase receivables	17,856	15,137	-	-
Securities business receivables	-	-	-	-
Others	33	35	16	16
Total loans	154,927	142,160	148,237	136,713
Valuation reserve from hedging	(9)	(7)	(9)	(7)
Less deferred revenue	(3,840)	(3,307)	(3)	(3)
Total loans net of deferred revenue	151,078	138,846	148,225	136,703
Add accrued interest receivables	373	370	377	375
Total loans net of deferred revenue and accrued interest receivables	151,451	139,216	148,602	137,078
Less allowance for doubtful debts (Note 11)				
Minimum allowance for doubtful accounts required based on BOT's guidelines				
- Individual approach	(1,604)	(1,427)	(1,716)	(1,524)
- Collective approach	(479)	(408)	-	-
General provision for further losses	(1,438)	(1,561)	(1,437)	(1,561)
Less revaluation allowance for debt restructuring (Note 12)	(27)	(16)	(27)	(16)
Loans and accrued interest receivables, net	147,903	135,804	145,422	133,977

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

10.2 Classified by currency and residency of debtors

	Consolidated					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	144,197	286	144,483	132,817	304	133,121
US dollar	4,752	1,486	6,238	4,000	1,531	5,531
Other currencies	357	-	357	194	-	194
Total loans net of deferred revenue	149,306	1,772	151,078	137,011	1,835	138,846

	The Bank					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	141,344	286	141,630	130,674	304	130,978
US dollar	4,752	1,486	6,238	4,000	1,531	5,531
Other currencies	357	-	357	194	-	194
Total loans net of deferred revenue	146,453	1,772	148,225	134,868	1,835	136,703

10.3 Classified by types of business and loan classification

	Consolidated						
	30 June 2013						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	3,395	183	-	-	134	-	3,712
Manufacturing and commerce	49,633	2,589	39	493	834	-	53,588
Real estate and construction	11,956	783	90	6	68	-	12,903
Public utilities and services	16,458	923	125	8	648	-	18,162
Personal cash	7,108	282	269	3	8	-	7,670
Housing loans	29,211	445	241	155	496	-	30,548
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	14,019	14,019
Others	10,028	165	99	27	140	17	10,476
Total loans net of deferred revenue	127,789	5,370	863	692	2,328	14,036	151,078

	Consolidated						
	31 December 2012						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	3,168	3	-	-	11	-	3,182
Manufacturing and commerce	48,563	1,860	456	157	770	-	51,806
Real estate and construction	11,054	811	93	-	188	-	12,146
Public utilities and services	14,699	2,335	104	18	666	-	17,822
Personal cash	5,617	254	219	14	8	-	6,112
Housing loans	24,542	332	163	168	409	-	25,614
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	11,833	11,833
Others	9,933	145	75	36	122	20	10,331
Total loans net of deferred revenue	117,576	5,740	1,110	393	2,174	11,853	138,846

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 2013						
	Pass	Special	Sub-	Doubtful	Doubtful	Total
	Million Baht	mention	standard	Million Baht	of loss	Million Baht
	Million Baht					
Agricultural and mining	3,395	183	-	-	134	3,712
Manufacturing and commerce	49,633	2,589	39	493	834	53,588
Real estate and construction	11,956	783	90	6	68	12,903
Public utilities and services	16,458	923	125	8	648	18,162
Personal cash	7,108	282	269	3	8	7,670
Housing loans	29,211	445	241	155	496	30,548
Others	21,211	165	99	27	140	21,642
Total loans net of deferred revenue	<u>138,972</u>	<u>5,370</u>	<u>863</u>	<u>692</u>	<u>2,328</u>	<u>148,225</u>

The Bank						
31 December 2012						
	Pass	Special	Sub-	Doubtful	Doubtful	Total
	Million Baht	mention	standard	Million Baht	of loss	Million Baht
	Million Baht					
Agricultural and mining	3,168	3	-	-	11	3,182
Manufacturing and commerce	48,563	1,860	456	157	770	51,806
Real estate and construction	11,054	811	93	-	188	12,146
Public utilities and services	14,699	2,335	104	18	666	17,822
Personal cash	5,617	254	218	14	8	6,111
Housing loans	24,542	332	164	168	409	25,615
Others	19,643	145	75	36	122	20,021
Total loans net of deferred revenue	<u>127,286</u>	<u>5,740</u>	<u>1,110</u>	<u>393</u>	<u>2,174</u>	<u>136,703</u>

10.4 Classification of loans

The Group classified loans by type and/or based on the overdue date as summarised below.

(a) Loans of the Group

	Consolidated							
	30 June 2013				31 December 2012			
	Loans and	Balance		Allowance	Loans and	Balance		Allowance
accrued	after		provided	accrued	after		provided	
interest	collateral ⁽¹⁾	Minimum	in the	interest	collateral ⁽¹⁾	Minimum	accounts	
receivables	Million	Percentage	Million	receivables	Million	Percentage	Million	
Million	Baht	%	Baht	Million	Baht	%	Baht	
Baht	Baht	%	Baht	Baht	Baht	%	Baht	
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	140,280	53,553	1	535	128,127	52,064	1	518
- Special mention	6,891	3,151	2	65	7,064	2,753	2	57
- Sub-standard	1,110	584	100	564	1,316	544	100	524
- Doubtful	772	332	100	328	478	194	100	198
- Doubtful-of-loss	2,398	552	100	591	2,231	489	100	538
- General provision for further losses				1,438				1,561
Total	<u>151,451</u>	<u>58,172</u>		<u>3,521</u>	<u>139,216</u>	<u>56,044</u>		<u>3,396</u>

(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.

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

10.4 Classification of loans (Cont'd)

	The Bank							
	30 June 2013				31 December 2012			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts
Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht	
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	139,308	52,586	1	524	127,608	1	512	
- Special mention	5,407	1,668	2	33	5,780	2	29	
- Sub-standard	864	380	100	380	1,120	100	383	
- Doubtful	695	255	100	255	396	100	112	
- Doubtful-of-loss	2,328	482	100	523	2,174	100	488	
- General provision for further losses				1,438			1,561	
Total	148,602	55,371		3,153	137,078		3,085	

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BOT 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 2013, there were defaulted loans amounting to Baht 3,666 million (31 December 2012: Baht 3,117 million) for which the Bank has ceased accrual of interest income on accrual basis.

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

As at 30 June 2013 and 31 December 2012, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Current or overdue less than 1 installment	12,143	10,213	122	103
Overdue 2-3 installments	1,484	1,285	32	28
Overdue 4-6 installments	245	196	184	141
Overdue 7-12 installments	77	82	73	81
Overdue more than 12 installments	64	51	63	50
Debtors under litigation	5	5	5	5
Total	14,018	11,832	479	408

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

10.5 Non-performing loans

As at 30 June 2013 and 31 December 2012, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand and the Office of the Securities and Exchange Commission.

	Consolidated		The Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Non-performing loans (principal only)				
Banking business	3,883	3,678	3,883	3,678
Other businesses	388	334	-	-

As at 30 June 2013 and 31 December 2012, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT's, defining non-performing loans to be 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 BoT criteria have already been fulfilled.

10.6 Hire-purchase and finance lease receivables

As at 30 June 2013, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 13,539 million (31 December 2012: Baht 11,424 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	Consolidated as at 30 June 2013				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non - performing loans	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Gross investment in the lease	5,665	11,187	485	519	17,856
<u>Less</u> unearned finance income	(1,357)	(2,232)	(121)	(128)	(3,838)
Present value of minimum lease payments receivable	4,308	8,955	364	391	14,018
<u>Less</u> allowance for doubtful accounts					(479)
Net receivables under hire-purchase agreements and financial leases					<u>13,539</u>
	Consolidated as at 31 December 2012				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non - performing loans	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Gross investment in the lease	4,872	9,519	293	453	15,137
<u>Less</u> unearned finance income	(1,209)	(1,906)	(71)	(119)	(3,305)
Present value of minimum lease payments receivable	3,663	7,613	222	334	11,832
<u>Less</u> allowance for doubtful accounts					(408)
Net receivables under hire-purchase agreements and financial leases					<u>11,424</u>

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

10.7 Troubled debt restructuring

As at 30 June 2013 and 2012, 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	
	For the six-month periods ended 30 June	
	2013	2012
Number of debtors	622	1,335
Debt balances (Million Baht)	1,453	1,883

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 2013		
	Number of debtors	Debt balances	
Before restructuring Million Baht		After restructuring Million Baht	
Modification of terms of payments	622	1,453	1,453
Total	622	1,453	1,453

	Consolidated and the Bank		
	For the six-month period ended 30 June 2012		
	Number of debtors	Debt balances	
Before restructuring Million Baht		After restructuring Million Baht	
Modification of terms of payments	1,335	1,883	1,782
Total	1,335	1,883	1,782

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

Period of debts restructuring contracts	Consolidated and the Bank					
	For the six-month period ended 30 June 2013			For the six-month period ended 30 June 2012		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
Before restructuring Million Baht		After restructuring Million Baht	Before restructuring Million Baht		After restructuring Million Baht	
Not more than 5 years	75	1,092	1,092	335	724	623
5 - 10 years	514	239	239	959	438	438
10 - 15 years	11	77	77	10	618	618
More than 15 years	22	45	45	31	103	103
Total	622	1,453	1,453	1,335	1,883	1,782

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

10.7 Troubled debt restructuring (Cont'd)

Supplemental information relating to the restructured debts for the six-month periods ended 30 June 2013 and 2012 are as follows:

	Consolidated and the Bank	
	For the six-month periods	
	ended 30 June	
	2013	2012
	Million Baht	Million Baht
Loss on debt restructuring	11	102
Interest income	133	123

As at 30 June 2013 and 31 December 2012, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	Consolidated and the Bank	
	30 June	31 December
	2013	2012
Number of debtors	6,440	6,928
Debt balances after restructuring (Million Baht)	2,964	2,819

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 2013, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 27 million (31 December 2012: Baht 16 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 30 June 2013, the Bank may have to realise additional losses of about Baht 20 million (31 December 2012: Baht 20 million) 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. The Bank had already provided 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 2013								
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful -of-loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire- purchase receivables Million Baht	Grand total Million Baht
Balance as at 1 January 2013	415	29	383	112	488	1,561	2,988	408	3,396
<u>Add</u> addition(reversal) during the period	-	-	-	-	-	261	261	(48)	213
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	4	4	-	4
Transfer from interbank and Money market	-	-	-	-	-	30	30	-	30
Reversal of bad debts	-	-	-	-	-	39	39	-	39
<u>Less</u> bad debts written off	-	-	(228)	(22)	-	(1)	(251)	119	(132)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(15)	(15)	-	(15)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific change in classification,	(2)	4	226	164	36	(442)	(14)	-	(14)
Balance as at 30 June 2013	<u>413</u>	<u>33</u>	<u>381</u>	<u>254</u>	<u>524</u>	<u>1,437</u>	<u>3,042</u>	<u>479</u>	<u>3,521</u>
	Consolidated								
	31 December 2012								
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful -of-loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire- purchase receivables Million Baht	Grand total Million Baht
Balance as at 1 January 2012	342	41	420	325	492	1,403	3,023	322	3,345
<u>Add</u> addition during the year	-	-	-	-	-	1,086	1,086	237	1,323
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Transfer from Bangkok Commercial Asset Management Co., Ltd.	-	-	-	-	-	1	1	-	1
Reversal of bad debts	-	-	-	-	-	53	53	(10)	43
<u>Less</u> bad debts written off	-	-	(521)	(22)	(19)	-	(562)	(117)	(679)
Transfer to Sathorn Asset Management Co., Ltd.	-	-	(41)	(104)	(437)	-	(582)	-	(582)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(12)	(12)	-	(12)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	73	(12)	525	(87)	452	(977)	(26)	-	(26)
Transfer to assets of disposal group classified as held-for-sale	-	-	-	-	-	-	-	(24)	(24)
Balance as at 31 December 2012	<u>415</u>	<u>29</u>	<u>383</u>	<u>112</u>	<u>488</u>	<u>1,561</u>	<u>2,988</u>	<u>408</u>	<u>3,396</u>

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11 Allowance for doubtful debts (Cont'd)

	The Bank						
	30 June 2013						
	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 2013	512	29	383	112	488	1,561	3,085
<u>Add</u> addition during the period	-	-	-	-	-	261	261
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	4	4
Transfer from interbank and money market	-	-	-	-	-	30	30
Reversal of bad debts	-	-	-	-	-	39	39
<u>Less</u> bad debts written off	-	-	(228)	(22)	-	(1)	(251)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(15)	(15)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	13	4	226	164	36	(443)	-
Balance as at 30 June 2013	<u>525</u>	<u>33</u>	<u>381</u>	<u>254</u>	<u>524</u>	<u>1,436</u>	<u>3,153</u>

	The Bank						
	31 December 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 during the year	-	-	-	-	-	1,086	1,086
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	7	7
Transfer from Bangkok Commercial Asset Management Co., Ltd.	-	-	-	-	-	1	1
Reversal of bad debts	-	-	-	-	-	53	53
<u>Less</u> bad debts written off	-	-	(521)	(22)	(19)	-	(562)
Transfer to Sathorn Asset Management Co., Ltd.	-	-	(41)	(104)	(437)	-	(582)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(12)	(12)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	99	(12)	525	(87)	452	(977)	-
Balance as at 31 December 2012	<u>512</u>	<u>29</u>	<u>383</u>	<u>112</u>	<u>488</u>	<u>1,561</u>	<u>3,085</u>

12 Revaluation allowance for debt restructuring

	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Million Baht	Million Baht
Balance - beginning of the period/year	16	11
<u>Add</u> revaluation allowance transferred from allowance for doubtful debts	15	12
<u>Less</u> revaluation allowance transferred to allowance for doubtful debts	(4)	(7)
Balance - end of the period/year	<u>27</u>	<u>16</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 from debtors as a result of debt restructuring, 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 a merger and awaiting disposal.

	Consolidated			As at 30 June 2013 Million Baht
	As at 1 January 2013 Million Baht	Additions Million Baht	Disposals Million Baht	
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,012	2	(142)	1,872
Movable	71	462	(380)	153
Total	2,083	464	(522)	2,025
Others	18	24	-	42
Total properties for sale	2,101	488	(522)	2,067
<u>Less</u> allowance for impairment	(525)	(51)	65	(511)
Properties for sale, net	<u>1,576</u>	<u>437</u>	<u>(457)</u>	<u>1,556</u>

	Consolidated			As at 31 December 2012 Million Baht
	As at 1 January 2012 Million Baht	Additions Million Baht	Disposals Million Baht	
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,982	181	(151)	2,012
Movable	25	698	(652)	71
Total	2,007	879	(803)	2,083
Others	-	18	-	18
Total properties for sale	2,007	897	(803)	2,101
<u>Less</u> allowance for impairment	(523)	(68)	66	(525)
Properties for sale, net	<u>1,484</u>	<u>829</u>	<u>(737)</u>	<u>1,576</u>

13 Properties for sale, net (Cont'd)

	The Bank			
	As at			As at
	1 January	Additions	Disposals	30 June
	2013	Million Baht	Million Baht	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,012	2	(142)	1,872
Total	2,012	2	(142)	1,872
Others	18	24	-	42
Total properties for sale	2,030	26	(142)	1,914
<u>Less</u> allowance for impairment	(503)	-	39	(464)
Properties for sale, net	<u>1,527</u>	<u>26</u>	<u>(103)</u>	<u>1,450</u>

	The Bank			
	As at			As at
	1 January	Additions	Disposals	31 December
	2012	Million Baht	Million Baht	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,975	181	(144)	2,012
Total	1,975	181	(144)	2,012
Others	-	18	-	18
Total properties for sale	1,975	199	(144)	2,030
<u>Less</u> allowance for impairment	(514)	(2)	13	(503)
Properties for sale, net	<u>1,461</u>	<u>197</u>	<u>(131)</u>	<u>1,527</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											Net book value Million Baht
	Cost/appraisal value				Accumulated depreciation							
	As at 1 January 2013 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 30 June 2013 Million Baht	As at 1 January 2013 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 30 June 2013 Million Baht	Allowance for impairment Million Baht	
Land												
Cost	552	-	(6)	-	546	-	-	-	-	-	-	546
Revaluation surplus (revaluation in 2011)	853	-	(14)	-	839	-	-	-	-	-	-	839
Devaluation of asset (revaluation in 2011)	(38)	-	-	-	(38)	-	-	-	-	-	-	(38)
Buildings												
Cost	2,004	5	(25)	-	1,984	(1,038)	(47)	21	-	(1,064)	-	920
Revaluation surplus (revaluation in 2011)	1,947	-	(9)	-	1,938	(1,660)	(14)	7	-	(1,667)	-	271
Devaluation of asset (revaluation in 2011)	(90)	-	11	-	(79)	69	2	(9)	-	62	-	(17)
Equipment	3,169	78	-	(8)	3,239	(2,224)	(135)	-	5	(2,354)	(14)	871
Assets under installation and/or construction	38	33	-	(34)	37	-	-	-	-	-	-	37
Total	8,435	116	(43)	(42)	8,466	(4,853)	(194)	19	5	(5,023)	(14)	3,429

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14 Premises and equipment, net (Cont'd)

	Consolidated													Net book value Million Baht
	Cost/appraisal value					Accumulated depreciation								
	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2012 Million Baht	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2012 Million Baht	Allowance for impairment Million Baht	
Land														
Cost	563	-	-	(2)	(9)	552	-	-	-	-	-	-	-	
Revaluation surplus (revaluation in 2011)	877	-	-	(15)	(9)	853	-	-	-	-	-	-	-	
Devaluation of asset (revaluation in 2011)	(38)	-	-	-	-	(38)	-	-	-	-	-	-	-	
Buildings														
Cost	2,068	-	23	(8)	(79)	2,004	(980)	-	(102)	8	36	(1,038)	-	
Revaluation surplus (revaluation in 2011)	1,082	872	-	(6)	(1)	1,947	(748)	(872)	(45)	5	-	(1,660)	-	
Devaluation of asset (revaluation in 2011)	(78)	(12)	-	-	-	(90)	53	11	5	-	-	69	-	
Equipment	2,964	-	490	-	(285)	3,169	(2,167)	-	(276)	-	219	(2,224)	(14)	
Assets under installation and/or construction	249	-	81	-	(292)	38	-	-	-	-	-	-	-	
Total	7,687	860	594	(31)	(675)	8,435	(3,842)	(861)	(418)	13	255	(4,853)	(14)	

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14 Premises and equipment, net (Cont'd)

	The Bank											
	Cost/appraisal value					Accumulated depreciation					Allowance for impairment	Net book value
	As at 1 January 2013	Additions	Transfer to properties for sale	Disposals/ written off	As at 30 June 2013	As at 1 January 2013	Additions	Transfer to properties for sale	Disposals/ written off	As at 30 June 2013		
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
Land												
Cost	552	-	(6)	-	546	-	-	-	-	-	-	546
Revaluation surplus (revaluation in 2011)	853	-	(14)	-	839	-	-	-	-	-	-	839
Devaluation of asset (revaluation in 2011)	(38)	-	-	-	(38)	-	-	-	-	-	-	(38)
Buildings												
Cost	2,003	6	(25)	-	1,984	(1,037)	(47)	21	-	(1,063)	-	921
Revaluation surplus (revaluation in 2011)	1,947	-	(9)	-	1,938	(1,660)	(14)	7	-	(1,667)	-	271
Devaluation of asset (revaluation in 2011)	(90)	-	11	-	(79)	69	2	(9)	-	62	-	(17)
Equipment	3,013	65	-	(6)	3,072	(2,128)	(123)	-	3	(2,248)	(14)	810
Assets under installation and/or construction	23	27	-	(34)	16	-	-	-	-	-	-	16
Total	8,263	98	(43)	(40)	8,278	(4,756)	(182)	19	3	(4,916)	(14)	3,348

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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	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2012 Million Baht	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2012 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land														
Cost	563	-	-	(2)	(9)	552	-	-	-	-	-	-	-	552
Revaluation surplus (revaluation in year 2011)	877	-	-	(15)	(9)	853	-	-	-	-	-	-	-	853
Devaluation of asset (revaluation in year 2011)	(38)	-	-	-	-	(38)	-	-	-	-	-	-	-	(38)
Buildings														
Cost	1,994	-	19	(9)	(1)	2,003	(949)	-	(97)	8	1	(1,037)	-	966
Revaluation surplus (revaluation in year 2011)	1,082	872	-	(6)	(1)	1,947	(748)	(872)	(45)	5	-	(1,660)	-	287
Devaluation of asset (revaluation in year 2011)	(78)	(12)	-	-	-	(90)	53	11	5	-	-	69	-	(21)
Equipment	2,657	-	452	-	(96)	3,013	(1,963)	-	(248)	-	83	(2,128)	(14)	871
Assets under installation and/or construction	238	-	74	-	(289)	23	-	-	-	-	-	-	-	23
Total	7,295	860	545	(32)	(405)	8,263	(3,607)	(861)	(385)	13	84	(4,756)	(14)	3,493

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15 Intangible assets, net

	Consolidated					As at 30 June 2013 Million Baht
	Amortising period	As at 1 January 2013 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht	
Expenditures in connection with development and improvement of computer systems - under development	-	58	8	(24)	-	42
Computer software	5 - 10 years	370	4	11	(59)	326
Licence fee	5 years	-	3	-	-	3
Total		428	15	(13)	(59)	371
Less allowance for impairment		-				-
Net intangible assets		428				371

	Consolidated					As at 31 December 2012 Million Baht	
	Amortising period	As at 1 January 2012 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht		Written off Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	109	44	(87)	-	(8)	58
Computer software	5 - 10 years	359	55	87	(116)	(15)	370
Licence fee	5 years	3	-	-	(2)	(1)	-
Total		471	99	-	(118)	(24)	428
Less allowance for impairment		-					-
Net intangible assets		471					428

	The Bank					As at 30 June 2013 Million Baht
	Amortising period	As at 1 January 2013 Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Amorti- sation Million Baht	
Expenditures in connection with development and improvement of computer systems - under development	-	58	8	(24)	-	42
Computer software	5 - 10 years	364	4	11	(58)	321
Licence fee	5 years	-	3	-	-	3
Total		422	15	(13)	(58)	366
Less allowance for impairment		-				-
Net intangible assets		422				366

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15 Intangible assets, net (Cont'd)

	The Bank					
	Amortising period	As at 1 January 2012 Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Amortisation Million Baht	As at 31 December 2012 Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	103	41	(86)	-	58
Computer software	5 - 10 years	339	52	86	(113)	364
Licence fee	5 years	1	-	-	(1)	-
Total		443	93	-	(114)	422
Less allowance for impairment		-				-
Net intangible assets		443				422

16 Deferred income taxes

The gross movement of deferred income tax account is as follows:

	Consolidated		The Bank	
	30 June 2013 Million baht	31 December 2012 Million Baht	30 June 2013 Million baht	31 December 2012 Million Baht
Beginning of the period/year	876	1,157	779	1,097
Credited to profit or loss	(86)	(275)	(107)	(312)
Tax charged/(credited) directly to equity	25	(6)	25	(6)
End of the period/year	815	876	697	779

The movement in deferred tax assets and liabilities during the period is as follows:

	Consolidated			
	Provision Million Baht	Tax losses Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax assets, net				
At 1 January 2013	271	335	270	876
Charged/(credited) to profit or loss	11	(111)	14	(86)
Charged directly to equity	-	-	25	25
At 30 June 2013	282	224	309	815
At 1 January 2012	264	556	337	1,157
Credited to the income statement	7	(221)	(61)	(275)
Credited directly to equity	-	-	(6)	(6)
At 31 December 2012	271	335	270	876

16 Deferred income taxes (Cont'd)

	The Bank			
	Provision Million Baht	Tax losses Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax assets, net				
At 1 January 2013	270	335	174	779
Charged/(credited) to profit or loss	11	(111)	(7)	(107)
Charged directly to equity	-	-	25	25
As at 30 June 2013	<u>281</u>	<u>224</u>	<u>192</u>	<u>697</u>
At 1 January 2012	263	556	278	1,097
Credited to the income statement	7	(221)	(98)	(312)
Credited directly to equity	-	-	(6)	(6)
At 31 December 2012	<u>270</u>	<u>335</u>	<u>174</u>	<u>779</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 7,972 million (31 December 2012: Baht 8,525 million), to carry forward against future taxable income; these tax losses will expire in 2014.

17 Other assets, net

	Consolidated		The Bank	
	30 June 2013 Million baht	31 December 2012 Million Baht	30 June 2013 Million baht	31 December 2012 Million Baht
Accrued interest and dividend receivables	383	406	383	406
Credit support assets on derivatives	1,408	390	1,408	390
Leasehold rights	11	12	11	12
Advances	15	16	14	16
Others assets awaiting account transfer	178	265	178	265
Commission receivables	53	18	53	18
Withholding tax receivable	119	150	117	133
Marginal deposits	67	60	60	54
Account receivable revenue department	55	49	-	-
Prepaid expenses	81	55	69	51
Others	139	153	59	96
Total	<u>2,509</u>	<u>1,574</u>	<u>2,352</u>	<u>1,441</u>
Less allowance for impairment	(36)	(36)	(36)	(36)
Other assets, net	<u>2,473</u>	<u>1,538</u>	<u>2,316</u>	<u>1,405</u>

18 Deposits

18.1 Classified by type of deposits

	Consolidated		The Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
At call	2,845	1,893	2,848	1,905
Savings	39,685	40,157	39,905	40,285
Fixed	93,763	92,208	93,780	92,219
Negotiable certificate of deposit	2,398	876	2,398	876
Total deposits	138,691	135,134	138,931	135,285

18.2 Classified by currency and residency of depositors

	Consolidated					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	136,577	1,014	137,591	130,135	1,036	131,171
US dollar	1,081	-	1,081	3,950	-	3,950
Other currencies	19	-	19	13	-	13
Total	137,677	1,014	138,691	134,098	1,036	135,134

	The Bank					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	136,817	1,014	137,831	130,286	1,036	131,322
US dollar	1,081	-	1,081	3,950	-	3,950
Other currencies	19	-	19	13	-	13
Total	137,917	1,014	138,931	134,249	1,036	135,285

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19 Interbank and money market items (liabilities)

	Consolidated					
	30 June 2013			31 December 2012		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
The Bank of Thailand	-	569	569	-	612	612
Commercial banks	41	1,906	1,947	42	4,250	4,292
Other banks	116	3,800	3,916	119	1,000	1,119
Finance, finance and securities, securities, and credit foncier companies	2,303	408	2,711	1,614	306	1,920
Other financial institutions	431	241	672	587	1,260	1,847
Total domestic items	<u>2,891</u>	<u>6,924</u>	<u>9,815</u>	<u>2,362</u>	<u>7,428</u>	<u>9,790</u>
Foreign:						
US dollar	274	-	274	213	-	213
Other currencies	444	425	869	783	524	1,307
Total foreign items	<u>718</u>	<u>425</u>	<u>1,143</u>	<u>996</u>	<u>524</u>	<u>1,520</u>
Total domestic and foreign items	<u><u>3,609</u></u>	<u><u>7,349</u></u>	<u><u>10,958</u></u>	<u><u>3,358</u></u>	<u><u>7,952</u></u>	<u><u>11,310</u></u>

	The Bank					
	30 June 2013			31 December 2012		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
The Bank of Thailand	-	569	569	-	612	612
Commercial banks	41	156	197	42	3,300	3,342
Other banks	116	3,800	3,916	119	1,000	1,119
Finance, finance and securities, securities, and credit foncier companies	2,303	408	2,711	1,614	306	1,920
Other financial institutions	431	241	672	587	1,260	1,847
Total domestic items	<u>2,891</u>	<u>5,174</u>	<u>8,065</u>	<u>2,362</u>	<u>6,478</u>	<u>8,840</u>
Foreign:						
US dollar	274	-	274	213	-	213
Other currencies	444	425	869	783	524	1,307
Total foreign items	<u>718</u>	<u>425</u>	<u>1,143</u>	<u>996</u>	<u>524</u>	<u>1,520</u>
Total domestic and foreign items	<u><u>3,609</u></u>	<u><u>5,599</u></u>	<u><u>9,208</u></u>	<u><u>3,358</u></u>	<u><u>7,002</u></u>	<u><u>10,360</u></u>

20 Financial liabilities designated at fair value through profit or loss

	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Million Baht	Million Baht
Debentures	3,594	1,232
Bill of Exchange	655	303
Total	<u>4,249</u>	<u>1,535</u>

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

	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Proportion	Proportion
Financial institutions	15	20
External parties	85	80
Total	<u>100</u>	<u>100</u>

Financial liabilities designated at fair value through profit or loss are bills of exchange and debentures which will mature in 11 and 5 years respectively with embedded callable range accrual swap. The bills of exchange bear interest rate at 6.1% per annum with a payment of interest every six months. The debentures bear interest rate at between 0-5.2% per annum variable to reference index of THBFIX 6 month with a payment of interest every six months. The Bank entered into callable range accrual swaps with opposite conditions (back-to-back) with CIMB Bank Berhad, the parent company.

In addition, the Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 10-15 years. They bear interest rate at between 3.96-4.695% per annum. The Bank entered into interest rate swaps with other parties.

CIMB Thai Bank Public Company Limited
Notes to the interim financial statements
For the six-month period ended 30 June 2013

21 Debt issued and borrowings

	Consolidated and the Bank					
	30 June 2013			31 December 2012		
	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	62	2,514	2,576	-	2,566	2,566
Short term debentures						
Short term debentures maturing in 2013, coupon rate of 2.76% - 2.95% per annum	-	-	-	6,552	-	6,552
Short term debentures maturing in 2013, coupon rate of 2.6% - 3.0% per annum	15,890	-	15,890	-	-	-
Subordinated debentures						
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Subordinated debentures of Baht 3,000 million, maturing in 2021	3,000	-	3,000	2,322	678	3,000
Subordinated debentures of Baht 3,000 million, maturing in 2022	3,000	-	3,000	3,000	-	3,000
Structured debentures						
Structured debentures	129	-	129	-	-	-
	<u>22,625</u>	<u>2,514</u>	<u>25,139</u>	<u>12,418</u>	<u>3,244</u>	<u>15,662</u>
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.5% - 2.5% per annum	3,819	-	3,819	-	-	-
Bill of exchange maturing at call, coupon rate of 2.65% - 2.75% per annum	-	-	-	2,507	-	2,507
Bill of exchange maturing in 2013, coupon rate of 2.45% - 3.17% per annum	2,910	-	2,910	-	-	-
Bill of exchange maturing in 2013, coupon rate of 2.45 - 3.45% per annum	-	-	-	8,057	-	8,057
	<u>6,729</u>	<u>-</u>	<u>6,729</u>	<u>10,564</u>	<u>-</u>	<u>10,564</u>
Total	<u>29,354</u>	<u>2,514</u>	<u>31,868</u>	<u>22,982</u>	<u>3,244</u>	<u>26,226</u>
Less current portion of long-term borrowings	<u>(23,292)</u>	<u>-</u>	<u>(23,292)</u>	<u>(17,660)</u>	<u>-</u>	<u>(17,660)</u>
Long-term borrowings, net	<u>6,062</u>	<u>2,514</u>	<u>8,576</u>	<u>5,322</u>	<u>3,244</u>	<u>8,566</u>

- (a) As at 30 June 2013, the Bank had domestic subordinated debentures of Baht 544 million (31 December 2012: Baht 544 million) which had been transferred to the Bank since the merger date.
- (b) On 27 March 2009, the Bank issued 2,500,000 cumulative hybrid instruments with a face value of Baht 1,000 each and an issue 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 years 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 Bank of Thailand.

- (c) 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 for a total of Baht 3,000 million carrying a 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.

21 Debt issued and borrowings (Cont'd)

- (d) On 9 November 2012, the Bank issued unsecured subordinated debentures to financial institutions and high net worth investors. 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 4.80% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due on 9 November 2022. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

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) 1269/2555.

- (e) As at 30 June 2013, Bank issued short term debentures of Baht 15,890 million (31 December 2012: Baht 6,552 million) with fixed interest rates, interest will be paid on maturity date.
- (f) During the financial period, the Bank issued various unsecured structured debentures not designated at fair value through profit or loss amounted to Baht 129 million with embedded FX digital option (bullish CNH against USD). The structured debentures will mature in 6 months from respective issuance dates. The Bank will pay 6% per annum at maturity if USD/CNH spot fixing rate on observation date fall below or equal to 99.5% of initial USD/CNH spot fixing rate. In addition, the Bank will pay 0% per annum at maturity if USD/CNH spot fixing rate on observation date is higher than 99.5% of initial USD/CNH spot fixing rate. Investors have the option to early redeem the above structured debentures at market price after 3 months from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.

22 Provisions

	Consolidated		The Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Provision for contingent loss from legal cases	35	36	35	36
Reserve for off-statements of financial position items	282	282	282	282
Provision for employee benefits	1,137	1,092	1,112	1,069
Provision for putback option of sold debtors	20	20	20	20
Total provisions	1,474	1,430	1,449	1,407

Provision for employee benefits

As at 30 June 2013, the pension benefits were only provided to 501 employees (31 December 2012: 514 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	Consolidated		The Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Present value of post-employment benefit obligations	1,137	1,092	1,112	1,069
Provision for employee benefits	1,137	1,092	1,112	1,069

22 Provisions (Cont'd)

Movements of provision for pension funds are as follows:

	Consolidated		The Bank	
	30 June 2013 Million Baht	31 December 2012 Million Baht	30 June 2013 Million Baht	31 December 2012 Million Baht
Beginning balance before adjusted	1,092	1,058	1,069	1,007
Sale investment in subsidiary	-	(32)	-	-
Beginning balance after adjustment	1,092	1,026	1,069	1,007
Current service costs	39	80	37	75
Interest costs	19	35	19	34
<u>Less</u> pension benefits paid for the period/year	(13)	(49)	(13)	(47)
Ending balance	1,137	1,092	1,112	1,069

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	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Current service costs	20	20	19	19
Interest costs	9	8	9	8
Total	29	28	28	27

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Current service costs	39	40	37	37
Interest costs	19	17	19	17
Total	58	57	56	54

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

	For the six-month periods ended	
	2013	2012
Discount rate	3.5%	3.5%
Salary increase rate	5%	5% and 7%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2008	75.00% of Thai Mortality Ordinary Table 2008
Disability rate	10% of pre-retirement mortality rate	10% 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 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Credit support liabilities on derivatives	1,101	395	1,101	395
Amount due to Department of Alternative Energy Development and Efficiency	460	519	460	519
Other liabilities awaiting accounts transfer	276	366	276	366
Accrued interest	618	599	618	599
Deferred commission	315	340	315	340
Accrued expense	769	956	695	870
Others	609	626	378	396
Total	4,148	3,801	3,843	3,485

24 Share capital

	Consolidated and the Bank			
	30 June 2013		31 December 2012	
	Number	Amount	Number	Amount
	Million shares	Million Baht	Million shares	Million Baht
Registered				
Beginning of the period/year				
- Ordinary shares	26,106	13,053	16,316	8,158
Increase of registered capital	-	-	9,790	4,895
End of the period/year	26,106	13,053	26,106	13,053
Issued and paid up				
Beginning of the period/year				
- Ordinary shares	21,085	10,542	16,316	8,158
Issurance of new share	-	-	4,769	2,384
End of the period/year	21,085	10,542	21,085	10,542

On 12 April 2012, the Annual General Meeting of Shareholders No.18 approved an increase in the registered capital of the Bank from Baht 8,158 million to Baht 13,053 million by issuing 9,790 million of new ordinary shares with a par value of Baht 0.50 each and an offering price of Baht 1, resulting the Bank has 26,106 million ordinary shares. The Bank registered an increase in its capital with the Ministry of Commerce on 25 April 2012.

On 7 August 2012, the Bank has registered its increase of paid-up share capital with the Department of Business Development, the Ministry of Commerce. Therefore, the paid-up share capital are Baht 10,542 million which is 21,085 million ordinary shares with a par value of Baht 0.50.

25 Other reserves

	Consolidated		
	30 June 2013 Million Baht	31 December 2012 Million Baht	1 January 2012 Million Baht
Revaluation surplus on assets	1,141	1,155	1,210
Revaluation surplus on change in value of investments	96	206	136
Income tax relating to components of other comprehensive expenses	(247)	(272)	(266)
Total	990	1,089	1,080

	Consolidated and the Bank		
	30 June 2013 Million Baht	31 December 2012 Million Baht	1 January 2012 Million Baht
Revaluation surplus on assets	1,141	1,155	1,210
Revaluation surplus on change in value of investments	96	206	122
Income tax relating to components of other comprehensive expenses	(247)	(272)	(266)
Total	990	1,089	1,066

(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 2013 Million Baht	31 December 2012 Million Baht
Balance - beginning of the year	1,155	1,210
<u>Less amortisation</u>	(14)	(45)
Decrease from sale of office building	-	(10)
Balance - end of the year	<u>1,141</u>	<u>1,155</u>

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 and the Bank	
	30 June 2013 Million Baht	31 December 2012 Million Baht
Revaluation surplus on investments:		
Debt securities	17	46
Equity securities	205	165
Total	222	211
Revaluation deficit on investments:		
Debt securities	(124)	(5)
Equity securities	(2)	-
Total	(126)	(5)
Revaluation surplus on change in value of investments, net	96	206

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% of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This reserve cannot be used to pay dividend.

27 Dividend payment

On 12 April 2013, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2012 at the rate of Baht 0.005 per share, totalling Baht 105.42 million, which was paid on 10 May 2013.

28 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 comprise:

	30 June 2013⁽¹⁾	Total capital
	Million Baht	to risk assets
		%
Tier I		
Issued and paid up share capital	10,542	
Share premium	3,868	
Statutory reserve	246	
Unappropriated surplus	3,464	
Other reserves	1,051	
Total Tier I capital fund	19,171	10.17
Tier II		
Long-term subordinated debentures and hybrid securities	7,650	
Reserve for loan classified as pass	526	
Total Tier II capital fund	8,176	4.33
Total capital funds	27,347	14.50

⁽¹⁾ The BoT has announced the implementation of new international capital requirement standards under the Basel III regulatory framework, effective from 1 January 2013 for Bank basis.

	31 December 2012⁽²⁾	Total capital
	Million Baht	to risk assets
		%
Tier I		
Issued and paid up share capital	10,542	
Share premium	3,868	
Statutory reserve	188	
Unappropriated surplus	2,440	
Total Tier I capital fund	17,038	10.27
Tier II		
Revaluation surplus on assets	740	
Reserve for loan classified as pass	546	
Long-term subordinated debentures	2,500	
Hybrid securities	6,000	
Revaluation surplus on capital securities available-for-sale	74	
Total Tier II capital fund	9,860	5.94
Total capital funds	26,898	16.21

⁽²⁾ As at 31 December 2012, the Bank maintained capital fund under Basel II regulatory framework.

The Bank and its financial group will disclose capital maintenance information as at 30 June 2013 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 four months after the statements of financial position date.

29 Share-based payments

Equity Ownership Plan (EOP)

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

The eligibility of participation in the EOP shall be at the discretion of the Group Compensation Review Committee of CIMB Group, and is subject to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed of at market price and proceeds received will be donated to the CIMB Foundation in Malaysia on behalf of the employee. 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 awarding to the eligible employees of the Bank, was MYR 7.73 per share (31 December 2012: MYR 7.70 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 2013	31 December 2012
	units '000	units '000
Beginning of financial period/year	49	20
Awarded during financial period/year	47	56
Released during financial period/year	(21)	(27)
End of financial period/year	<u>75</u>	<u>49</u>

For the six-month period ended 30 June 2013, the Bank set up share-based payment reserves and expenses amounting to Baht 1.5 million (for the six-month period ended 30 June 2012: Baht 4 million).

30 Important positions and performance classified by type of domestic or foreign transactions

30.1 Position classified by type of transaction

	Consolidated					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	216,227	3,648	219,875	194,886	7,506	202,392
Interbank and money market items, net	3,425	790	4,215	9,472	656	10,128
Derivative assets	5,736	999	6,735	1,681	793	2,474
Investments, net and investments in subsidiaries, net	47,197	86	47,283	40,169	308	40,477
Loans to customers and accrued interest receivables, net	146,121	1,782	147,903	130,055	5,749	135,804
Deposits	137,677	1,014	138,691	134,098	1,036	135,134
Interbank and money market items	9,815	1,143	10,958	9,790	1,520	11,310
Derivative liabilities	5,643	885	6,528	1,201	801	2,002
Debt issued and borrowings	29,353	2,515	31,868	22,983	3,244	26,227

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

30.1 Position classified by type of transaction (Cont'd)

	The Bank					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	214,153	3,648	217,801	193,542	7,506	201,048
Interbank and money market items, net	3,374	790	4,164	9,438	656	10,094
Derivative assets	5,736	999	6,735	1,681	793	2,474
Investments, net and investments in subsidiaries, net	48,126	86	48,212	41,048	308	41,356
Loans to customers and accrued interest receivables, net	143,640	1,782	145,422	128,228	5,749	133,977
Deposits	137,917	1,014	138,931	134,249	1,036	135,285
Interbank and money market items	8,065	1,143	9,208	8,840	1,520	10,360
Derivative liabilities	5,643	885	6,528	1,201	801	2,002
Debt issued and borrowings	29,353	2,515	31,868	22,983	3,244	26,227

30.2 Performance classified by type of transaction

	Consolidated					
	For the three-month period ended 30 June 2013			For the three-month period ended 30 June 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	2,905	28	2,933	2,480	6	2,486
Interest expenses	(1,318)	(44)	(1,362)	(1,184)	(54)	(1,238)
Net interest incomes	1,587	(16)	1,571	1,296	(48)	1,248
Net fee and services income	268	-	268	186	-	186
Other operating incomes	230	-	230	135	-	135
Other operating expenses	(1,516)	-	(1,516)	(1,444)	-	(1,444)
Bad and doubtful debts and impairment losses	(276)	-	(276)	(109)	-	(109)
Profit (loss) from continuing operation before income tax expense	293	(16)	277	64	(48)	16

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

30.2 Performance classified by type of transaction (Cont'd)

	The Bank					
	For the three-month period ended 30 June 2013			For the three-month period ended 30 June 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	2,574	28	2,602	2,233	6	2,239
Interest expenses	(1,298)	(44)	(1,342)	(1,168)	(54)	(1,222)
Net interest incomes	1,276	(16)	1,260	1,065	(48)	1,017
Net fee and services income	207	-	207	153	-	153
Other operating incomes	213	-	213	158	-	158
Other operating expenses	(1,256)	-	(1,256)	(1,246)	-	(1,246)
Bad and doubtful debts and impairment losses	(143)	-	(143)	(61)	-	(61)
Profit (loss) from continuing operation before income tax expense	297	(16)	281	69	(48)	21

	Consolidated					
	For the six-month period ended 30 June 2013			For the six-month period ended 30 June 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	5,679	53	5,732	4,834	17	4,851
Interest expenses	(2,605)	(96)	(2,701)	(2,314)	(74)	(2,388)
Net interest incomes	3,074	(43)	3,031	2,520	(57)	2,463
Net fee and services income	527	-	527	367	-	367
Other operating incomes	484	-	484	385	-	385
Other operating expenses	(2,898)	-	(2,898)	(2,625)	-	(2,625)
Bad and doubtful debts and impairment losses	(489)	-	(489)	(249)	-	(249)
Profit (loss) from continuing operation before income tax expense	698	(43)	655	398	(57)	341

	The Bank					
	For the six-month period ended 30 June 2013			For the six-month period ended 30 June 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	5,038	53	5,091	4,378	17	4,395
Interest expenses	(2,571)	(96)	(2,667)	(2,292)	(74)	(2,366)
Net interest incomes	2,467	(43)	2,424	2,086	(57)	2,029
Net fee and services income	413	-	413	297	-	297
Other operating incomes	464	-	464	403	-	403
Other operating expenses	(2,417)	-	(2,417)	(2,242)	-	(2,242)
Bad and doubtful debts and impairment losses	(261)	-	(261)	(158)	-	(158)
Profit (loss) from continuing operation before income tax expense	666	(43)	623	386	(57)	329

31 Interest income

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	60	21	60	20
Investments and trading transactions	42	32	42	32
Investments in debt securities	276	324	276	324
Loans	2,098	1,764	2,224	1,863
Hire purchase and financial lease income	457	345	-	-
Others	1	-	1	-
Interest income	2,934	2,486	2,603	2,239

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	134	45	134	45
Investments and trading transactions	78	53	78	53
Investments in debt securities	538	564	538	564
Loans	4,089	3,529	4,340	3,733
Hire purchase and financial lease income	892	660	-	-
Others	2	-	1	-
Interest income	5,733	4,851	5,091	4,395

32 Interest expenses

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	836	748	837	748
Interbank and money market items	77	76	57	60
Contribution fee to the Deposit Protection Agency	3	3	3	3
Contribution fee to FIDF	186	176	186	176
Debt securities issued				
- Subordinated debentures	216	77	216	77
- Others	42	157	42	157
Others	3	1	2	1
Interest expenses	1,363	1,238	1,343	1,222

32 Interest expenses (Cont'd)

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	1,701	1,484	1,701	1,484
Interbank and money market items	134	115	100	93
Contribution fee to the Deposit Protection Agency	7	34	7	34
Contribution fee to FIDF	368	252	368	252
Debt securities issued				
- Subordinated debentures	391	122	391	122
- Others	98	379	98	379
Others	2	2	2	2
Interest expenses	<u>2,701</u>	<u>2,388</u>	<u>2,667</u>	<u>2,366</u>

33 Net fees and services income

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service income				
Acceptances, aval and guarantees	36	31	42	33
ATM and Debit card fees	31	33	31	33
Brokerage income	97	62	73	46
Management fee	30	21	30	21
Others	119	79	95	75
Fees and service income	<u>313</u>	<u>226</u>	<u>271</u>	<u>208</u>
Fees and service expenses				
Collection fees	(17)	(18)	(41)	(40)
ATM fees	(10)	(8)	(10)	(8)
Others	(18)	(14)	(13)	(7)
Fees and service expenses	<u>(45)</u>	<u>(40)</u>	<u>(64)</u>	<u>(55)</u>
Net fees and service income	<u>268</u>	<u>186</u>	<u>207</u>	<u>153</u>

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33 Net fees and services income (Cont'd)

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service income				
Acceptances, aval and guarantees	60	61	69	64
ATM and Debit card fees	64	61	64	61
Brokerage income	186	120	143	90
Management fee	47	47	47	47
Others	238	142	194	128
Fees and service income	595	431	517	390
Fees and service expenses				
Collection fees	(18)	(22)	(64)	(61)
ATM fees	(18)	(17)	(18)	(17)
Others	(32)	(25)	(22)	(15)
Fees and service expenses	(68)	(64)	(104)	(93)
Net fees and service income	527	367	413	297

34 Gains on tradings and foreign exchange transactions, net

	Consolidated and the Bank			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and foreign exchange rate derivatives	155	102	114	210
Interest rate derivatives	6	(24)	137	1
Debt securities	(13)	34	(3)	20
Gains on tradings and foreign exchange transactions	148	112	248	231

35 Gains (losses) on financial instrument designated at fair value through profit or loss

Gains (losses) on financial instruments designated at fair value through profit or loss consist of the following items:

	Consolidated and the Bank			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Net change in fair value				
Bills of exchange	53	1	56	1
Debentures	7	-	29	-
Interest expenses	(28)	(4)	(46)	(4)
Total	32	(3)	39	(3)

36 Gains on investments

	Consolidated and the Bank			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Gains (losses) on sales				
Available-for-sale	16	2	47	69
Held-to-maturity	2	-	3	1
General investments	1	(6)	1	(3)
Investment in subsidiaries	-	-	-	-
Gains (losses) on sales, net	19	(4)	51	67
Losses on impairment				
General investments	(9)	(7)	(9)	(7)
Losses on impairment, net	(9)	(7)	(9)	(7)
Gains (losses) on investments, net	10	(11)	42	60

37 Other operating income

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Gain on sale of premises and equipment	1	1	-	-
Losses on sale of properties for sale	-	-	(3)	(2)
Income from reversal of bad debts	6	2	-	-
Dividend income	4	6	4	39
Other income	28	29	21	24
Other operating income	39	38	22	61

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Gain on sale of premises and equipment	2	2	-	-
Gain on sale of properties for sale	-	-	6	-
Income from reversal of bad debts	10	4	-	-
Dividend income	84	30	84	64
Other income	58	61	45	51
Other operating income	154	97	135	115

38 Bad debts, doubtful debts and impairment losses

	Consolidated		The Bank	
	For three-month periods ended 30 June		For three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Held to maturity debt instruments (reversal)	-	(12)	-	(12)
Loss on debt restructuring (reversal)	(8)	5	(8)	5
Loans	284	116	151	68
Total	276	109	143	61

	Consolidated		The Bank	
	For six-month periods ended 30 June		For six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Held to maturity debt instruments (reversal)	-	(12)	-	(12)
Loss on debt restructuring	11	5	11	5
Loans	478	256	250	165
Total	489	249	261	158

39 Corporate income tax

	Consolidated		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax:				
Current tax on profits for the period	12	12	-	-
Total current tax	12	12	-	-
Deferred tax:				
Origination and reversal of temporary differences	(31)	(23)	(12)	(14)
Utilisation of tax losses	65	2	65	2
Total deferred tax	34	(21)	53	(12)
Total tax charge	46	(9)	53	(12)

39 Corporate income tax (Cont'd)

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax:				
Current tax on profits for the period	25	18	-	-
Total current tax	25	18	-	-
Deferred tax:				
Origination and reversal of temporary differences	(25)	41	(4)	55
Utilisation of tax losses	111	2	111	1
Total deferred tax	86	43	107	56
Total tax charge	111	61	107	56

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Bank as follows:

	Consolidated		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	276	16	281	21
Tax calculated at a tax rate of 20% (2012 - 23%)	53	14	56	5
Tax effect of:				
Income not subject to tax	(13)	(21)	(8)	(20)
Expenses not deductible for tax purpose	6	4	5	9
Effect of changes in tax rates	-	(6)	-	(6)
Total tax charge	46	(9)	53	(12)

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	655	341	623	329
Tax calculated at a tax rate of 20% (2012 - 23%)	128	89	125	76
Tax effect of:				
Income not subject to tax	(33)	(25)	(33)	(25)
Expenses not deductible for tax purpose	16	5	15	13
Effect of changes in tax rates	-	(8)	-	(8)
Total tax charge	111	61	107	56

The weighted average applicable tax rate was 17% (2012: 21%). The decrease is caused by a change in corporate income tax rate announced by the Government.

40 Operating result of disposal group classified as held-for-sale

Assets of disposal group classified as held-for-sale are investments in subsidiary that were approved to be sold by the Annual General Meeting for the year 2012 according to Note 9.7 to the interim financial statements.

a) Operating result of disposal group classified as held-for-sale

	Consolidated			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Revenue	-	159	-	329
Expense	-	(133)	-	(275)
Profit before tax of discontinued operations	-	26	-	54
Tax	-	-	-	-
Profit after tax of discontinued operations	-	26 ⁽¹⁾	-	54 ⁽¹⁾

⁽¹⁾ Profit after tax of discontinued operations is included in the consolidated income statements for three-month and six-month periods ended 30 June 2012.

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

	Consolidated	
	For the six-month periods ended 30 June	
	2013 Million Baht	2012 Million Baht
Operating cash flows	-	14
Investing cash flows	-	(14)
Financing cash flows	-	-
Total cash flows	-	-

41 Provident fund

The Group 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 - managed by Tisco Asset Management Company Limited - at rate of 3%-5% of their basic salaries, and the Bank and its subsidiaries contribute at rate of 5%, and disburse to staff when their employment is terminated under the terms and conditions of the fund. For the six-month period ended 30 June 2013, Baht 47 million was contributed to the fund by the Bank and its subsidiaries (for the six-month period ended 30 June 2012: Baht 44 million), of which the Bank contributed Baht 41 million (for the six-month period ended 30 June 2012: Baht 37 million).

42 Earnings per share

Earnings per share as presented in the consolidated and bank statements of comprehensive income are calculated by dividing net income for the period/year by the weighted average number of ordinary shares held by outside shareholders in issue during the period/year (Note 23).

There are no potential dilutive ordinary shares in issue for the six-month period ended 30 June 2013 and for the year ended 31 December 2012.

43 Encumbrance of assets

43.1 Assets used as collateral

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

	Consolidated and the Bank	
	30 June 2013	31 December 2012
	Million Baht	Million Baht
Securities sold under repurchase agreements	1,786	2,968
Utilities usage	7	7
Total	<u>1,793</u>	<u>2,975</u>

43.2 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 is obligated to dispose of 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 2013 and 31 December 2012, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and the Bank			
	30 June 2013		31 December 2012	
	Number	Cost Million Baht	Number	Cost Million Baht
2012 onwards	2	177	2	177
Assets subject to obligation	<u>2</u>	<u>177</u>	<u>2</u>	<u>177</u>

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44 Commitments and contingent liabilities

44.1 Commitments

As at 30 June 2013 and 31 December 2012, significant commitments of the Bank consist of:

	The Bank					
	30 June 2013			31 December 2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills ⁽¹⁾	1,415	-	1,415	814	-	814
Guarantees on loans	5	-	5	10	-	10
Total avals to bills and guarantees on loans	1,420	-	1,420	824	-	824
Liability under unmaturing import bills:						
Liability under unmaturing import bills	-	499	499	-	553	553
Letters of credit:						
Letters of credit	119	1,486	1,605	42	1,886	1,928
Other commitments:						
Forward and spot contracts						
- Bought	-	136,231	136,231	-	36,452	36,452
- Sold	-	115,696	115,696	-	33,774	33,774
Cross currency and interest rate swap contract						
- Bought	-	14,471	14,471	-	4,010	4,010
- Sold	-	17,398	17,398	-	6,684	6,684
Futures contracts						
- Bought	-	-	-	-	92	92
Interest rate swap contracts						
- Fixed rate payee	188,605	17,850	206,455	154,143	10,741	164,884
- Floating rate payee	189,801	31,897	221,698	160,447	14,428	174,875
Foreign exchange option						
- Call option sales contracts	-	1,281	1,281	-	540	540
- Put option sales contracts	-	495	495	-	227	227
- Call option purchase contracts	-	456	456	-	1,050	1,050
- Put option purchase contracts	-	1,267	1,267	-	44	44
Undrawn bank overdrafts	10,699	-	10,699	10,312	-	10,312
Investments						
- Bought	6,084	-	6,084	3,231	-	3,231
- Sold	8,901	-	8,901	3,081	-	3,081
Other commitments						
Other guarantees	8,963	866	9,829	9,087	794	9,881
Other commitments	413,053	337,908	750,961	340,301	108,836	449,137
Total commitments	414,592	339,893	754,485	341,167	111,275	452,442

⁽¹⁾ As at 30 June 2013, the Bank availed note payable of a subsidiary amounting to Baht 1,200 million (31 December 2012 : Baht 550 million).

44 Commitments and contingent liabilities (Cont'd)

44.2 Contingent liabilities

- (a) As at 30 June 2013 and 31 December 2012, 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 2013 Million Baht	31 December 2012 Million Baht
Sum claimed in cases where the Group is sole defendant	439	442
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	1,189	1,189
- Sum of claims that cannot be specifically attributed to the Group	24,589	24,591
Total	26,217	26,222

In the above court cases, 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 to the Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC of about Baht 959 million occurred before the merger of the Bank.

As at 30 June 2013, there were cases in which the court decided in favor of the plaintiffs, with sums claimed totalling Baht 25 million in cases where the Bank was the direct defendant, and 30 Baht million in cases where the Bank was co-defendant. However, the Bank is in the process of appealing the decisions (31 December 2012: Baht 9 million and Baht 32 million, respectively).

As at 30 June 2013, the Group recognised provisions for contingent losses from legal cases of approximately Baht 35 million (31 December 2012: Baht 36 million). The management concluded that such provisions were adequate to cover any possible losses 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 282 million (31 December 2012: Baht 282 million).

- (b) The Bank has commitments in respect of loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 49 to the interim financial statements.

44 Commitments and contingent liabilities (Cont'd)

44.3 Commitments under long-term leases

As at 30 June 2013 and 31 December 2012, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods longer than six months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated		The Bank	
	30 June 2013 Million Baht	31 December 2012 Million Baht	30 June 2013 Million Baht	31 December 2012 Million Baht
1 - 3 years	360	333	324	293
4 - 5 years	17	20	17	20
6 - 10 years	9	9	9	9
11 - 30 years	18	19	18	19
Total	404	381	368	341

44.4 Other commitments

As at 30 June 2013, the Bank had other commitments as it entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 30 June 2013, the Bank was obligated to pay a further Baht 92 million and USD 77.1 thousand under such agreements (31 December 2012: Baht 16 million and USD 2.3 thousand).

45 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 on agreed upon contracts. Below is a summary of those transactions.

45 Related-party transactions (Cont'd)

	Consolidated		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	126	99
Fee income	-	-	7	17
Dividend income	-	-	-	33
Expenses:				
Interest expense	-	1	-	5
Premises and equipments expenses	-	-	(3)	(7)
Other expenses	-	-	24	22
Ultimate parent company				
Revenue:				
Other income	(9)	-	(9)	-
Expenses:				
Interest expenses	(5)	9	(5)	9
Premises and equipments expenses	2	-	2	-
Other expenses	12	-	12	-
Related companies				
Revenue:				
Interest income	1	2	1	2
Fee income	18	7	18	7
Other income	(51)	-	(51)	-
Expenses:				
Interest expenses	44	41	44	41
Premises and equipments expenses	(3)	(3)	(3)	(3)
Fee expenses	41	34	41	34
Other expenses	7	-	7	-

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45 Related party transactions (Cont'd)

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	251	204
Fee income	-	-	11	27
Dividend income	-	-	-	33
Expenses:				
Interest expenses	1	2	1	6
Premises and equipments expenses	-	-	(5)	(11)
Fee expenses	-	-	-	1
Other expenses	-	-	46	39
Ultimate parent company				
Revenue:				
Other income	22	-	22	-
Expenses:				
Interest expenses	-	18	-	18
Premises and equipments expenses	3	-	3	-
Other expenses	92	-	92	-
Related companies				
Revenue:				
Interest income	2	3	2	3
Fee income	54	9	54	9
Expenses :				
Interest expense	82	79	82	79
Premises and equipments expenses	(4)	(3)	(4)	(3)
Fee expenses	45	44	45	44
Other expenses	7	-	7	-

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45 Related-party transactions (Cont'd)

The outstanding balances of significant related-party transactions as at 30 June 2013 and 31 December 2012 are as follows:

	Consolidated						
	30 June 2013						
	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.	-	-	-	-	-	-	263
	-	-	-	-	-	-	263
<u>Parent company</u>							
CIMB Bank Berhad	-	-	74	400	59	-	357
	-	-	74	400	59	-	357
<u>Companies under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	305	2	2,514	380
CIMB Bank Plc, Cambodia	-	-	-	-	6	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	1	-	-
PT Bank CIMB Niaga Tbk.	-	-	-	-	1	-	-
CIMB-GK Securities (Thailand) Co., Ltd.	-	-	-	-	88	-	-
	-	-	-	305	98	2,514	380
<u>Related companies</u>							
Other companies	109	107	-	-	-	-	-
	109	107	-	-	-	-	-
<u>Related persons</u>							
	12	13	-	-	140	-	1
	12	13	-	-	140	-	1
Consolidated							
31 December 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.	-	-	-	-	-	-	262
	-	-	-	-	-	-	262
<u>Parent company</u>							
CIMB Bank Berhad	-	-	152	245	-	678	422
	-	-	152	245	-	678	422
<u>Companies under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	385	-	2,566	45
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	4
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	69
Sathorn Asset Management Co., Ltd.	-	-	-	1	48	-	24
CIMB-GK Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	75
	-	-	1	386	48	2,566	217
<u>Related companies</u>							
Other companies	116	111	-	-	2	-	-
	116	111	-	-	2	-	-
<u>Related persons</u>							
	2	3	-	-	97	-	-
	2	3	-	-	97	-	-

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45 Related-party transactions (Cont'd)

	The Bank						
	30 June 2013						
	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>							
Center Auto Lease Co., Ltd.	9,041	9,754	-	-	66	-	-
CT Coll Co., Ltd.	6	5	-	1	34	-	8
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	263
World Lease Co., Ltd.	1,460	1,429	1,200	-	139	-	9
	10,507	11,188	1,200	1	239	-	280
<u>Parent company</u>							
CIMB Bank Berhad	-	-	74	400	59	-	357
	-	-	74	400	59	-	357
<u>Companies under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	305	2	2,514	380
CIMB Bank Plc, Cambodia	-	-	-	-	6	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	1	-	-
PT Bank CIMB Niaga Tbk.	-	-	-	-	1	-	-
CIMB-GK Securities (Thailand) Co., Ltd.	-	-	-	-	88	-	-
	-	-	-	305	98	2,514	380
<u>Related companies</u>							
Other Companies	109	107	-	-	-	-	-
	109	107	-	-	-	-	-
<u>Related persons</u>							
	12	13	-	-	140	-	1
	12	13	-	-	140	-	1
The Bank							
31 December 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>							
Center Auto Lease Co., Ltd.	7,320	8,063	-	1	72	-	-
CT Coll Co., Ltd.	5	6	-	-	27	-	8
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	262
World Lease Co., Ltd.	1,306	1,645	550	1	52	-	1
	8,631	9,714	550	2	151	-	271
<u>Parent company</u>							
CIMB Bank Berhad	-	-	152	245	-	678	422
	-	-	152	245	-	678	422
<u>Companies under common control</u>							
CIMB Bank (L) Ltd.	-	-	-	385	-	2,566	45
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	4
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	69
Sathorn Asset Management Co., Ltd.	-	-	-	1	48	-	24
CIMB-GK Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	75
	-	-	1	386	48	2,566	217
<u>Related companies</u>							
Other Companies	116	111	-	-	2	-	-
	116	111	-	-	2	-	-
<u>Related persons</u>							
	2	3	-	-	97	-	-
	2	3	-	-	97	-	-

As at 30 June 2013, the Bank availed notes payable of a subsidiary amounting to Baht 1,200 million (31 December 2012: Baht 550 million).

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

45 Related-party transactions (Cont'd)

As at 30 June 2013 and 31 December 2012, the Bank had commitments in financial derivatives with related-party companies as follows:

	30 June 2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payee	37,523	84	37,607
- Floating rate payee	48,754	4,750	53,504
Forward and spot contracts			
- Bought	-	1,344	1,344
- Sold	-	72	72
Cross currency and interest rate swap contracts			
- Sold	-	2,152	2,152
Foreign exchange option			
- Put option purchase contracts	-	4	4
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Bought	-	24	24
- Sold	-	1	1
31 December 2012			
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payee	21,526	-	21,526
- Floating rate payee	33,988	4,420	38,408
Forward and spot contracts			
- Bought	-	841	841
- Sold	-	60	60
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Sold	-	2,855	2,855
Forward and spot contracts			
- Sold	-	22	22

46 Director and management remuneration

The Bank has not extended extraordinary monetary and/or non-monetary benefits to Bank directors and executives at the level of executive vice president and higher, as well as to financial controllers. The benefits were beyond those normally granted, such as director's fees, director's bonuses (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	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	63	40	58	50
Long-term employee benefits	2	2	2	2
Share-based payment (note 29 b.)	1	4	1	4
Director and management remuneration	<u>66</u>	<u>46</u>	<u>61</u>	<u>56</u>

	Consolidated		The Bank	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	143	136	132	125
Long-term employee benefits	4	5	4	5
Share-based payment (note 29 b.)	2	4	2	4
Director and management remuneration	<u>149</u>	<u>145</u>	<u>138</u>	<u>134</u>

The details of share based payment are as follows

	Consolidated and The Bank	
	30 June 2013	30 June 2012
	thousand units	thousand units
Shares of CIMB Group Holdings Berhad	47	57

47 Financial information by segment

Business segment reporting is consisted of :

Consumer banking

Consumer banking provides financial services to individuals and commercial customers. The products include consumer sales & distribution, retail financial services, commercial banking, personal financing, and group insurance business.

Wholesale banking

Wholesale banking comprises of investment banking, corporate banking, and treasury market.

- Investment banking service provides financial advisory, trade securities transactions, and asset management businesses.
- Corporate banking, treasury and market is responsible for corporate lending and deposit taking, transaction banking, treasury and market activities.

Others

Other services comprise of all middle and back office processes, cost centers and nonprofit generating divisions of companies whose results are not material to the Group.

Financial information presented in the consolidated financial statements as at 30 June 2013 and 31 December 2012 and for the three-month and six-month periods ended 30 June 2013 and 2012 are as follows:

	Consolidated			
	For the three-month period ended 30 June 2013			
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Total Million Baht
Net interest income	1,093	371	108	1,572
External	1,087	371	108	1,566
Inter-segment	6	-	-	6
Net fees and service income	220	69	(21)	268
Other operating income	49	152	28	229
Other operating expenses	(1,171)	(325)	(20)	(1,516)
Bad and doubtful debts and impairment losses	(337)	65	(4)	(276)
Income tax expenses	7	-	(53)	(46)
Net profit for the period	<u>(139)</u>	<u>332</u>	<u>38</u>	<u>231</u>

	Consolidated			
	For the three-month period ended 30 June 2012			
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Total Million Baht
Net interest income	888	334	26	1,248
External	882	334	26	1,242
Inter-segment	6	-	-	6
Net fees and service income	140	66	(20)	186
Other operating income	(1)	100	36	135
Other operating expenses	(954)	(322)	(168)	(1,444)
Bad and doubtful debts and impairment losses	(50)	51	(110)	(109)
Income tax expenses	(3)	-	12	9
Profit after tax of discontinued operation	26	-	-	26
Net profit for the period	<u>46</u>	<u>229</u>	<u>(224)</u>	<u>51</u>

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47 Financial information by segment (Cont'd)

	Consolidated			
	For the six-month period ended 30 June 2013			
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Total Million Baht
Net interest income	2,163	701	167	3,031
External	2,154	701	167	3,022
Inter-segment	9	-	-	9
Net fees and service income	432	118	(23)	527
Other operating income	90	231	163	484
Other operating expenses	(2,220)	(636)	(42)	(2,898)
Bad and doubtful debts and impairment losses	(701)	130	82	(489)
Income tax expenses	(4)	-	(107)	(111)
Net profit for the period	(240)	544	240	544

	Consolidated			
	For the six-month period ended 30 June 2012			
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Total Million Baht
Net interest income	1,758	623	82	2,463
External	1,751	623	82	2,456
Inter-segment	7	-	-	7
Net fees and service income	275	116	(24)	367
Other operating income	36	209	140	385
Other operating expenses	(1,823)	(617)	(185)	(2,625)
Bad and doubtful debts and impairment losses	(415)	(90)	256	(249)
Income tax expenses	(4)	-	(56)	(60)
Profit after tax of discontinued operation	54	-	-	54
Net profit for the period	(119)	241	213	335

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47 Financial information by segment (Cont'd)

	Bank business		Hire-purchase business		Other business		Eliminations		Consolidated	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	217,801	201,048	14,289	11,960	51	44	(12,266)	(10,660)	219,875	202,392
Interbank and money market items - net (assets)	4,165	10,094	256	158	34	27	(240)	(151)	4,215	10,128
Investments, net	47,129	40,323	-	-	-	-	-	-	47,129	40,323
Loans and accrued interest receivables, net	145,423	133,977	13,552	11,439	6	6	(11,078)	(9,618)	147,903	135,804
Deposits	138,931	135,285	-	-	-	-	(240)	(151)	138,691	135,134
Interbank and money market items (Liabilities)	9,208	10,360	12,928	10,653	6	6	(11,184)	(9,709)	10,958	11,310
Financial liabilities designated at fair value through profit or loss	4,249	1,535	-	-	-	-	-	-	4,249	1,535
Debt issued and borrowings	31,868	26,227	-	-	-	-	-	-	31,868	26,227

48 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, deposits, liabilities payable on-demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

48.1 Credit risk

As at 30 June 2013 and 31 December 2012, the Bank had the following off-balance statement of financial position. These are calculated according to the period to maturity starting from the contract dates given in the financial statements:

	Consolidated					
	Counting from 30 June 2013			Counting from 31 December 2012		
	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	185	30	215	234	30	264
Guarantees of loans	5	-	5	10	-	10
Liabilities under unmatured import bills	499	-	499	553	-	553
Letters of credit	1,605	-	1,605	1,928	-	1,928
Other guarantees	9,602	227	9,829	9,673	208	9,881

	The Bank					
	Counting from 30 June 2013			Counting from 31 December 2012		
	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	1,385	30	1,415	784	30	814
Guarantees of loans	5	-	5	10	-	10
Liabilities under unmatured import bills	499	-	499	553	-	553
Letters of credit	1,605	-	1,605	1,928	-	1,928
Other guarantees	9,602	227	9,829	9,673	208	9,881

48 Financial instruments (Cont'd)

48.2 Market risk

(a) Interest rate risk

As at 30 June 2013 and 31 December 2012, financial assets and liabilities classified by type of interest rate were as follows:

Descriptions	Consolidated			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
30 June 2013				
Financial assets				
Cash	-	-	2,631	2,631
Interbank and money market items, net	400	1,371	2,444	4,215
Investments, net	278	43,874	2,977	47,129
Investments in subsidiaries, net	-	-	154	154
Loans net of deferred revenue	95,356	55,720	1	151,077
Accrued income from Thai Asset Management Corporation	-	-	2,354	2,354
Total financial assets	96,034	100,965	10,561	207,560
Financial liabilities				
Deposits	36,402	99,444	2,845	138,691
Interbank and money market items	2,467	7,887	604	10,958
Liabilities payable on demand	-	-	924	924
Financial liabilities designated at fair value through profit or loss	4,249	-	-	4,249
Debt issued and borrowings	2,576	28,748	544	31,868
Total financial liabilities	45,694	136,079	4,917	186,690
31 December 2012				
Consolidated				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	3,133	3,133
Interbank and money market items, net	229	6,618	3,281	10,128
Investments, net	344	36,036	3,943	40,323
Investments in subsidiaries, net	-	-	154	154
Loans net of deferred revenue	87,553	51,291	2	138,846
Accrued income from Thai Asset Management Corporation	-	-	2,354	2,354
Total financial assets	88,126	93,945	12,867	194,938
Financial liabilities				
Deposits	36,385	96,857	1,892	135,134
Interbank and money market items	2,960	7,927	423	11,310
Liabilities payable on demand	-	-	345	345
Financial liabilities designated at fair value through profit or loss	1,535	-	-	1,535
Debt issued and borrowings	2,566	23,116	544	26,226
Total financial liabilities	43,446	127,900	3,204	174,550

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48 Financial instruments (Cont'd)

48.2 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 2013				
Financial assets				
Cash	-	-	2,628	2,628
Interbank and money market items, net	362	1,371	2,431	4,164
Investments, net	279	43,874	2,976	47,129
Investments in subsidiaries, net	-	-	1,083	1,083
Loans net of deferred revenue	95,345	52,880	-	148,225
Accrued income from Thai Asset Management Corporation	-	-	2,354	2,354
Total financial assets	95,986	98,125	11,472	205,583
Financial liabilities				
Deposits	36,621	99,461	2,849	138,931
Interbank and money market items	2,067	6,537	604	9,208
Liabilities payable on demand	-	-	924	924
Financial liabilities designated at fair value through profit or loss	4,249	-	-	4,249
Debt issued and borrowings	2,576	28,748	544	31,868
Total financial liabilities	45,513	134,746	4,921	185,180
31 December 2012				
Financial assets				
Cash	-	-	3,130	3,130
Interbank and money market items, net	193	6,618	3,283	10,094
Investments, net	344	36,036	3,943	40,323
Investments in subsidiaries, net	-	-	1,033	1,033
Loans net of deferred revenue	88,083	48,620	-	136,703
Accrued income from Thai Asset Management Corporation	-	-	2,354	2,354
Total financial assets	88,620	91,274	13,743	193,637
Financial liabilities				
Deposits	36,513	96,867	1,905	135,285
Interbank and money market items	2,560	7,377	423	10,360
Liabilities payable on demand	-	-	345	345
Financial liabilities designated at fair value through profit or loss	1,535	-	-	1,535
Debt issued and borrowings	2,566	23,116	544	26,226
Total financial liabilities	43,174	127,360	3,217	173,751

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48 Financial instruments (Cont'd)

48.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Transactions	Consolidated							Total Million Baht	Weighted average interest rates %
	30 June 2013								
	Repricing or maturity date								
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht				
Financial assets									
Interbank and money market items, net	29	1,342	-	-	-	-	1,371	3.25	
Investments, net	-	3,621	2,308	34,555	3,390	-	43,874	3.37	
Loans net of deferred revenue	253	24,035	14,314	15,409	1,709	-	55,720	7.72	
Total financial assets	282	28,998	16,622	49,964	5,099	-	100,965		
Financial liabilities									
Deposits	3,282	49,868	44,717	1,577	-	-	99,444	2.86	
Interbank and money market items	938	3,351	2,729	100	769	-	7,887	1.88	
Debt issued and borrowings	4,879	13,390	4,479	-	6,000	-	28,748	3.22	
Total financial liabilities	9,099	66,609	51,925	1,677	6,769	-	136,079		
Consolidated									
31 December 2012									
Repricing or maturity date									
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		Total Million Baht	Weighted average interest rates %	
Financial assets									
Interbank and money market items, net	-	6,618	-	-	-	-	6,618	2.85	
Investments, net	-	4,509	7,084	22,592	1,851	-	36,036	3.35	
Loans net of deferred revenue	173	23,624	13,550	11,302	2,642	-	51,291	7.51	
Total financial assets	173	34,751	20,634	33,894	4,493	-	93,945		
Financial liabilities									
Deposits	3,773	55,336	36,286	1,462	-	-	96,857	2.89	
Interbank and money market items	3,375	2,546	1,194	612	200	-	7,927	1.96	
Debt issued and borrowings	2,507	13,101	1,508	-	6,000	-	23,116	3.37	
Total financial liabilities	9,655	70,983	38,988	2,074	6,200	-	127,900		

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48 Financial instruments (Cont'd)

48.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

The Bank								
30 June 2013								
Transactions	Repricing or maturity date					No maturity	Total	Weighted average
	At call	0 - 3	3 - 12	1 - 5	Over 5			
	Million	months	months	years	years	Million	Million	%
	Baht	Million	Million	Million	Million	Million	Baht	
Financial assets								
Interbank and money market items, net	29	1,342	-	-	-	-	1,371	3.25
Investments, net	-	3,621	2,308	34,555	3,390	-	43,874	3.37
Loans net of deferred revenue	253	26,747	16,520	8,017	1,343	-	52,880	5.00
Total financial assets	282	31,710	18,828	42,572	4,733	-	98,125	
Financial liabilities								
Deposits	3,282	49,879	44,723	1,577	-	-	99,461	2.86
Interbank and money market items	938	2,639	2,191	-	769	-	6,537	2.00
Debt issued and borrowings	4,879	13,390	4,479	-	6,000	-	28,748	3.22
Total financial liabilities	9,099	65,908	51,393	1,577	6,769	-	134,746	

The Bank								
31 December 2012								
Transactions	Repricing or maturity date					No maturity	Total	Weighted average
	At call	0 - 3	3 - 12	1 - 5	Over 5			
	Million	months	months	years	years	Million	Million	%
	Baht	Million	Million	Million	Million	Million	Baht	
Financial assets								
Interbank and money market items, net	-	6,618	-	-	-	-	6,618	2.85
Investments, net	-	4,509	7,084	22,592	1,851	-	36,036	3.35
Loans net of deferred revenue	173	24,987	14,434	6,607	2,419	-	48,620	4.85
Total financial assets	173	36,114	21,518	29,199	4,270	-	91,274	
Financial liabilities								
Deposits	3,773	55,342	36,291	1,462	-	-	96,867	2.89
Interbank and money market items	3,375	1,996	1,194	612	200	-	7,377	2.49
Debt issued and borrowings	2,507	13,101	1,508	-	6,000	-	23,116	3.37
Total financial liabilities	9,655	70,439	38,993	2,074	6,200	-	127,360	

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).

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 the six-month period ended 30 June 2013 and for the year ended 31 December 2012, can be summarised as follows:

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48 Financial instruments (Cont'd)

48.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

	Consolidated					
	For the six-month period ended 30 June 2013			For the year ended 31 December 2012		
	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, net	6,740	135	4.03	5,375	141	2.61
Investments, net	41,560	616	2.99	37,078	1,228	3.31
Loans	144,327	4,981	6.96	124,058	8,799	7.09
Total performing financial assets	<u>192,627</u>	<u>5,732</u>		<u>166,511</u>	<u>10,168</u>	
<u>Performing financial liabilities</u>						
Deposits	134,212	1,701	2.56	117,861	3,159	2.68
Interbank and money market items	11,293	135	2.41	8,805	238	2.70
Financial liabilities designated at fair value through profit or loss	3,262	39	2.44	1,029	19	2.76
Debt issued and borrowings	29,166	489	3.38	26,814	932	3.47
Total performing financial liabilities	<u>177,933</u>	<u>2,364</u>		<u>154,509</u>	<u>4,348</u>	
The Bank						
	For the six-month period ended 30 June 2013			For the year ended 31 December 2012		
	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, net	9,163	134	2.96	7,888	140	1.77
Investments, net	42,482	699	3.32	38,086	1,378	3.33
Loans	141,679	4,341	6.18	122,221	7,804	6.39
Total performing financial assets	<u>193,324</u>	<u>5,174</u>		<u>168,195</u>	<u>9,322</u>	
<u>Performing financial liabilities</u>						
Deposits	132,317	1,702	2.59	115,916	3,160	2.73
Interbank and money market items	10,374	100	1.95	10,173	195	1.92
Financial liabilities designated at fair value through profit or loss	3,263	39	2.44	1,029	19	3.72
Debt issued and borrowings	29,166	489	3.38	26,783	930	3.48
Total performing financial liabilities	<u>175,120</u>	<u>2,330</u>		<u>153,901</u>	<u>4,304</u>	

48 Financial instruments (Cont'd)

48.2 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 2013 and 31 December 2012, 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 2013			31 December 2012		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	182.45	10.48	9.46	68.64	(0.51)	6.51
Forward						
- Forward contract	(200.02)	(10.80)	(8.25)	(70.41)	1.06	(4.59)
Total	(17.57)	(0.32)	1.21	(1.77)	0.55	1.92

* EURO and other currencies are stated in USD equivalents.

48.3 Liquidity risk

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 30 June 2013 and 31 December 2012 were as follows:

Descriptions	Consolidated				
	30 June 2013				
	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	2,628	-	-	3	2,631
Interbank and money market items, net	2,845	1,370	-	-	4,215
Investments, net	154	8,650	37,951	374	47,129
Investment in subsidiaries, net	-	-	-	154	154
Loans net of deferred revenue	11,875 ⁽¹⁾	45,029	94,173	-	151,077
Accrued income from Thai Asset Management Corporation	-	-	2,354	-	2,354
Total financial assets	17,502	55,049	134,478	531	207,560
Financial liabilities					
Deposits	42,530	94,585	1,576	-	138,691
Interbank and money market items	3,609	6,480	869	-	10,958
Liabilities payable on demand	924	-	-	-	924
Financial liabilities designated at fair value through profit or loss	-	-	4,249	-	4,249
Debt issued and borrowings	4,363	18,929	8,576	-	31,868
Total financial liabilities	51,426	119,994	15,270	-	186,690

⁽¹⁾ As at 30 June 2013, portions of loans classified as maturity-at-call in the consolidated and separated financial statements, of Baht 4,217 million and 3,883 million respectively, (31 December 2012: Baht 4,012 million and Baht 3,678 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

48 Financial instruments (Cont'd)

48.3 Liquidity risk (Cont'd)

Descriptions	Consolidated				
	31 December 2012				
	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	3,130	-	-	3	3,133
Interbank and money market items, net	3,509	6,619	-	-	10,128
Investments, net	120	15,343	24,444	416	40,323
Investment in subsidiaries, net	-	-	-	154	154
Loans net of deferred revenue	4,671 ⁽¹⁾	52,984	81,191	-	138,846
Accrued income from Thai Asset Management Corporation	-	-	2,354	-	2,354
Total financial assets	11,430	74,946	107,989	573	194,938
<u>Financial liabilities</u>					
Deposits	42,049	91,623	1,462	-	135,134
Interbank and money market items	3,358	7,140	812	-	11,310
Liabilities payable on demand	345	-	-	-	345
Financial liabilities designated at fair value through profit or loss	-	-	1,535	-	1,535
Debt issued and borrowings	3,051	14,610	8,566	-	26,227
Total financial liabilities	48,803	113,373	12,375	-	174,551

⁽¹⁾ As at 30 June 2013, portions of loans classified as maturity-at-call in the consolidated and separated financial statements, of Baht 4,217 million and 3,883 million respectively, (31 December 2012: Baht 4,012 million and Baht 3,678 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

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48 Financial instruments (Cont'd)

48.3 Liquidity risk (Cont'd)

Descriptions	The Bank				
	30 June 2013				
	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	2,628	-	-	-	2,628
Interbank and money market items, net	2,794	1,370	-	-	4,164
Investments, net	154	8,650	37,951	374	47,129
Investment in subsidiaries, net	-	-	-	1,083	1,083
Loans net of deferred revenue	11,882 ⁽¹⁾	49,947	86,396	-	148,225
Accrued income from Thai Asset Management Corporation	-	-	2,354	-	2,354
Total financial assets	17,458	59,967	126,701	1,457	205,583
Financial liabilities					
Deposits	42,753	94,601	1,577	-	138,931
Interbank and money market items	3,609	4,829	770	-	9,208
Liabilities payable on demand	924	-	-	-	924
Financial liabilities designated at fair value through profit or loss	-	-	4,249	-	4,249
Debt issued and borrowings	4,363	18,929	8,576	-	31,868
Total financial liabilities	51,649	118,359	15,172	-	185,180
Descriptions	The Bank				
	31 December 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	3,130	-	-	-	3,130
Interbank and money market items, net	3,475	6,619	-	-	10,094
Investments, net	120	15,343	24,444	416	40,323
Investment in subsidiaries, net	-	-	-	1,033	1,033
Loans net of deferred revenue	5,218 ⁽¹⁾	55,231	76,254	-	136,703
Accrued income from Thai Asset Management Corporation	-	-	2,354	-	2,354
Total financial assets	11,943	77,193	103,052	1,449	193,637
Financial liabilities					
Deposits	42,190	91,633	1,462	-	135,285
Interbank and money market items	3,358	6,190	812	-	10,360
Liabilities payable on demand	345	-	-	-	345
Financial liabilities designated at fair value through profit or loss	-	-	1,535	-	1,535
Debt issued and borrowings	3,051	14,610	8,566	-	26,227
Total financial liabilities	48,944	112,433	12,375	-	173,752

⁽¹⁾ As at 30 June 2013, portions of loans classified as maturity-at-call in the consolidated and separated financial statements, of Baht 4,217 million and 3,883 million respectively, (31 December 2012: Baht 4,012 million and Baht 3,678 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

48 Financial instruments (Cont'd)

48.4 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 2013		31 December 2012	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
<u>Financial assets</u>				
Cash	2,631	2,631	3,133	3,133
Interbank and money market items, net	4,215	4,215	10,128	10,128
Derivatives financial assets	6,735	6,735	2,474	2,474
Investments, net	47,129	47,241	40,323	40,496
Investment in subsidiaries, net	154	154	154	154
Loans to customers, net	147,903	147,903	135,804	135,804
Accrued income from Thai Asset Management Corporation	2,354	2,354	2,354	2,354
Total financial assets	211,121	211,233	194,370	194,543
<u>Financial liabilities</u>				
Deposits	138,691	138,691	135,134	135,134
Interbank and money market items	10,958	10,958	11,310	11,310
Liability payable on demand	924	924	345	345
Financial liabilities designated at fair value through profit or loss	4,249	4,249	1,535	1,535
Derivatives financial assets	6,528	6,528	2,002	2,002
Debt issued and borrowings	31,868	31,872	26,227	26,315
Total financial liabilities	193,218	193,222	176,553	176,641

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48 Financial instruments (Cont'd)

48.4 Fair value (Cont'd)

Description	The Bank			
	30 June 2013		31 December 2012	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	2,628	2,628	3,130	3,130
Interbank and money market items, net	4,164	4,164	10,094	10,094
Derivatives financial assets	6,735	6,735	2,474	2,474
Investments, net	47,129	47,241	40,323	40,496
Investment in subsidiaries, net	1,083	1,083	1,033	1,033
Loans to customers, net	145,422	145,422	133,977	133,977
Accrued income from Thai Asset Management Corporation	2,354	2,354	2,354	2,354
Total financial assets	209,515	209,627	193,385	193,558
Financial liabilities				
Deposits	138,931	138,931	135,285	135,285
Interbank and money market items	9,208	9,208	10,360	10,360
Liability payable on demand	924	924	345	345
Financial liabilities designated at fair value through profit or loss	4,249	4,249	1,535	1,535
Derivatives financial assets	6,528	6,528	2,002	2,002
Debt issued and borrowings	31,868	31,872	26,227	26,315
Total financial liabilities	191,708	191,712	175,754	175,842

48.5 Financial derivatives

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

As at 30 June 2013 and 31 December 2012, financial derivatives as classified by their maturities were as follows:

	Consolidated and the Bank					
	30 June 2013			31 December 2012		
	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	134,006	2,225	136,231	35,357	1,095	36,452
- Sold	115,634	62	115,696	33,621	153	33,774
Cross-currency and interest rate swap contracts						
- Bought	2,490	11,981	14,471	1,238	2,772	4,010
- Sold	2,152	15,246	17,398	-	6,684	6,684
Future contracts						
- Bought	-	-	-	92	-	92
Interest rate swap contracts						
- Fixed-rate payee	78,889	127,567	206,456	58,485	106,399	164,884
- Floating-rate payee	86,377	135,320	221,697	70,539	104,336	174,875
Exchange rate options						
- Call-option sales contract	1,281	-	1,281	539	-	539
- Put-option sales contract	495	-	495	227	-	227
- Call-option purchase contract	455	-	455	1,050	-	1,050
- Put-option purchase contract	1,267	-	1,267	44	-	44

48 Financial instruments (Cont'd)

48.5 Financial derivatives (Cont'd)

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures 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.

49 Agreement to transfer non-performing loans to TAMC

On 12 October 2001, the Bank entered into an agreement to transfer non-performing loans to TAMC in accordance with the Emergency Decree establishing TAMC.

As at 30 June 2013 and 31 December 2012, the Bank and subsidiaries had loans transferred to TAMC as follows:

Loans transferred to TAMC	Consolidated and the Bank			
	30 June 2013		31 December 2012	
	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		(25,167)		(25,115)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 9.1 (a))		230		282

The Bank is to receive payment in the form of non-transferable, ten-year promissory notes, avaled by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 30 June 2013, the Bank recognised interest receivable under these promissory notes amounting to Baht 33 million (31 December 2012 : 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 joined TAMC in sharing the gains and losses arising from TAMC's management of said loans, which is to be allocated at the end of the agreement starting from 1 July 2001. 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, while 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. 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, under the agreement to transfer CAP loans to TAMC, on 17 November 2006, the Bank transferred rights over future gain sharing to FIDF, although the Bank is still obligated to share losses with TAMC.

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

As at 30 June 2013, the Bank recorded an accrued income from TAMC amounting to Baht 2,354 million (31 December 2012: Baht 2,354 million).

As at 30 June 2013, the Bank's management believed that no significant future losses would be incurred.

Outstanding issues with TAMC

As at 30 June 2013, the Bank and TAMC had outstanding issues regarding the follow up of outstanding requisitions of original ownership documents and appraisal reports for collateral, and regarding the valuation of leasehold rights collateral with transfer prices totalling Baht 162 million and interest of Baht 23 million (31 December 2012: Baht 162 million and Baht 23 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 notes, since the Bank has given some of the original ownership documents and appraisal reports for 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 of Baht 54 million (31 December 2012: Baht 54 million) in the financial statements.

On 8 June 2013, TAMC has been dissolved according to the Emergency Decree establishing TAMC B.E. 2544. As a result, the outstanding issues with TAMC will be continually managed by the Ministry of Finance.

50 Subsequent event

After 27 June 2013 that the Board of Directors' meeting No. 7/2013 approved an increase in registered capital of Center Auto Lease Co., Ltd., from Baht 1,500 million to Baht 3,500 million. Center Auto Lease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 500 million on 23 July 2013. On 29 July 2013, Center Auto Lease Co., Ltd. registered the capital increase with the Ministry of Commerce.