

CIMB THAI BANK PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED
AND BANK FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2014

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of CIMB Thai Bank Public Company Limited

I have reviewed the accompanying consolidated and bank statements of financial position as at 31 March 2014, the related consolidated and bank statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to interim financial information 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 this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

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

Bangkok
12 May 2014

CIMB Thai Bank Public Company Limited

Statements of Financial Position

As at 31 March 2014

	Notes	Consolidated		The Bank	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Cash		3,038,816	3,328,748	3,035,438	3,324,657
Interbank and money market items, net	5	10,978,759	33,555,652	10,898,140	33,509,102
Derivative assets	6	6,705,041	9,100,648	6,705,041	9,100,648
Investments, net	7	64,180,556	53,324,962	64,180,556	53,324,962
Investments in subsidiaries, net	8	10,523	10,523	1,335,444	1,335,444
Loans and accrued interest receivables	9				
Loans		176,726,322	175,844,356	170,375,662	168,952,845
Accrued interest receivables		632,808	453,533	692,484	462,587
Total loans and accrued interest receivables		177,359,130	176,297,889	171,068,146	169,415,432
<u>Less</u> deferred revenue		(4,870,568)	(4,757,283)	(230,640)	(255,171)
<u>Less</u> allowance for doubtful debts	10	(5,467,095)	(5,263,613)	(5,062,265)	(4,913,546)
<u>Less</u> revaluation allowance for debt restructuring	11	(42,966)	(33,422)	(42,966)	(33,422)
Loans and accrued interest receivables, net		166,978,501	166,243,571	165,732,275	164,213,293
Customers' liability under acceptance		45,173	57,651	45,173	57,651
Properties for sale, net		1,713,482	1,706,019	1,620,076	1,597,877
Premises and equipment, net		3,246,052	3,349,094	3,159,028	3,264,147
Intangible assets, net		334,915	343,053	329,576	337,319
Deferred tax assets	12	956,329	1,048,636	805,644	917,961
Receivable from Thai Asset Management Corporation	35	3,572,458	3,572,458	3,572,458	3,572,458
Other assets, net	13	2,642,251	4,020,545	2,473,375	3,806,402
Total assets		264,402,856	279,661,560	263,892,224	278,361,921

Director _____ Director _____

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2014

	Notes	Consolidated		The Bank	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and shareholders' equity					
Liabilities					
Deposits		151,707,516	152,132,672	152,048,290	152,272,534
Interbank and money market items		37,524,853	44,866,262	37,412,653	44,241,462
Liability payable on demand		678,179	504,867	678,179	504,867
Financial liabilities designated at fair value					
through profit or loss	14	6,358,870	5,856,747	6,358,870	5,856,747
Derivative liabilities	6	7,039,082	9,651,786	7,039,082	9,651,786
Debt issued and borrowings	15	34,096,295	37,706,592	34,096,295	37,706,592
Bank's liability under acceptance		45,173	57,651	45,173	57,651
Provisions	16	1,410,760	1,401,821	1,379,927	1,373,071
Other liabilities		3,260,225	5,653,090	3,006,063	5,281,075
Total liabilities		242,120,953	257,831,488	242,064,532	256,945,785
Shareholders' equity					
Share capital					
Registered					
26,105,495,608 ordinary shares					
of Baht 0.50 each		13,052,748	13,052,748	13,052,748	13,052,748
Issued and paid-up share capital					
21,084,878,025 ordinary shares					
of Baht 0.50 each		10,542,439	10,542,439	10,542,439	10,542,439
Premium on share capital		3,867,738	3,867,738	3,867,738	3,867,738
Other reserves	17	931,054	926,056	931,054	926,056
Accretion of equity interests in subsidiary		(42,754)	(42,754)	-	-
Retained earnings					
Appropriated - statutory reserve	18	272,000	272,000	272,000	272,000
Unappropriated		6,711,426	6,264,593	6,214,461	5,807,903
Total shareholders' equity		22,281,903	21,830,072	21,827,692	21,416,136
Total liabilities and shareholders' equity		264,402,856	279,661,560	263,892,224	278,361,921

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2014

		Consolidated		The Bank	
		2014	2013	2014	2013
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest income	21	3,354,058	2,798,864	2,978,908	2,488,923
Interest expenses	22	(1,498,929)	(1,338,800)	(1,491,827)	(1,324,904)
Net interest income		1,855,129	1,460,064	1,487,081	1,164,019
Fees and service income		362,055	282,597	283,963	246,599
Fees and service expenses		(42,910)	(23,423)	(66,357)	(40,701)
Net fee and service income	23	319,145	259,174	217,606	205,898
Gains on tradings and foreign exchange transactions	24	237,099	99,972	237,099	99,972
Gains on financial liabilities designated at fair value through profit or loss	25	44,717	7,332	44,717	7,332
Gains on investments	26	200,452	31,351	200,452	31,351
Other operating income	27	41,636	115,691	26,044	113,102
Total operating income		2,698,178	1,973,584	2,212,999	1,621,674
Other operating expenses					
Employee expenses		879,183	736,433	758,697	634,868
Directors' remuneration		2,034	2,322	1,860	2,148
Premises and equipment expenses		343,231	327,822	314,122	296,396
Taxes and duties		100,138	84,493	94,897	80,320
Others		353,116	230,686	175,904	147,611
Total other operating expenses		1,677,702	1,381,756	1,345,480	1,161,343
Bad and doubtful debts and impairment losses	28	469,566	213,296	356,000	117,900
Profit before income tax expenses		550,910	378,532	511,519	342,431
Income tax expenses	29	(110,183)	(65,475)	(111,067)	(53,643)
Net profit for the periods		440,727	313,057	400,452	288,788

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 31 March 2014

		Consolidated		The Bank	
		2014	2013	2014	2013
	Note	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other comprehensive income (expenses)					
Changes in revaluation surplus		(6,106)	(7,073)	(6,106)	(7,073)
Gains (losses) on remeasuring available-for-sale investments		12,353	(12,059)	12,353	(12,059)
Income tax relating to components of other comprehensive (expenses) income		(1,249)	3,826	(1,249)	3,826
Total other comprehensive income (expenses)		4,998	(15,306)	4,998	(15,306)
Total comprehensive income for the periods		445,725	297,751	405,450	273,482
Net profit attributable to:					
Shareholders of the Bank		440,727	313,057	400,452	288,788
Non-controlling interests		-	-	-	-
		440,727	313,057	400,452	288,788
Total comprehensive income attributable to:					
Shareholders of the Bank		445,725	297,751	405,450	273,482
Non-controlling interests		-	-	-	-
		445,725	297,751	405,450	273,482
Earnings per share for profit attributable to the shareholders of the Bank	30				
Basic earnings per share (Baht per share)		0.02	0.01	0.02	0.01
Weighted average number of ordinary shares (shares)		21,084,878,025	21,084,878,025	21,084,878,025	21,084,878,025

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statements of changes in shareholders' equity (Unaudited)
For the three-month period ended 31 March 2014

	Consolidated									
	Attributable to owners of the Bank									
	Other reserves									
	Issued and paid-up share capital Thousand Baht	Share premium Thousand Baht	Revaluation surplus on assets Thousand Baht	Revaluation surplus (deficit) on change in value of investments Thousand Baht	Income tax relating to components of other comprehensive expense Thousand Baht	Total other reserves Thousand Baht	Accretion of equity interests in subsidiary Thousand Baht	Legal reserve Thousand Baht	Retained earnings Thousand Baht	Total Thousand Baht
Balance as at 1 January 2014	10,542,439	3,867,738	1,119,426	38,144	(231,514)	926,056	(42,754)	272,000	6,264,593	21,830,072
Total comprehensive (expenses)										
income for the period	-	-	(6,106)	12,353	(1,249)	4,998	-	-	440,727	445,725
Transfer to retained earnings	-	-	-	-	-	-	-	-	6,106	6,106
Balance as at 31 March 2014	<u>10,542,439</u>	<u>3,867,738</u>	<u>1,113,320</u>	<u>50,497</u>	<u>(232,763)</u>	<u>931,054</u>	<u>(42,754)</u>	<u>272,000</u>	<u>6,711,426</u>	<u>22,281,903</u>
Balance as at 1 January 2013	10,542,439	3,867,738	1,154,951	206,020	-	1,360,971	(42,754)	187,500	3,780,732	19,696,626
Impact of the adoption of TAS12 Income Tax	-	-	-	-	(272,194)	(272,194)	-	-	1,148,153	875,959
Restated balance	10,542,439	3,867,738	1,154,951	206,020	(272,194)	1,088,777	(42,754)	187,500	4,928,885	20,572,585
Total comprehensive (expenses)										
income for the period	-	-	(7,073)	(12,059)	3,826	(15,306)	-	-	313,057	297,751
Transfer to retained earnings	-	-	-	-	-	-	-	-	7,073	7,073
Balance as at 31 March 2013	<u>10,542,439</u>	<u>3,867,738</u>	<u>1,147,878</u>	<u>193,961</u>	<u>(268,368)</u>	<u>1,073,471</u>	<u>(42,754)</u>	<u>187,500</u>	<u>5,249,015</u>	<u>20,877,409</u>

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statements of changes in shareholders' equity (Unaudited) (Cont'd)
For the three-month period ended 31 March 2014

	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 expense	Total other reserves	Legal reserve	Retained earnings	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at 1 January 2014	10,542,439	3,867,738	1,119,426	38,144	(231,514)	926,056	272,000	5,807,903	21,416,136
Total comprehensive (expenses) income for the period	-	-	(6,106)	12,353	(1,249)	4,998	-	400,452	405,450
Transfer to retained earnings	-	-	-	-	-	-	-	6,106	6,106
Balance as at 31 March 2014	10,542,439	3,867,738	1,113,320	50,497	(232,763)	931,054	272,000	6,214,461	21,827,692
Balance as at 1 January 2013	10,542,439	3,867,738	1,154,951	206,020	-	1,360,971	187,500	3,628,338	19,586,986
Impact of the adoption of TAS12 Income Tax	-	-	-	-	(272,194)	(272,194)	-	1,051,552	779,358
Restated balance	10,542,439	3,867,738	1,154,951	206,020	(272,194)	1,088,777	187,500	4,679,890	20,366,344
Total comprehensive (expenses) income for the period	-	-	(7,073)	(12,059)	3,826	(15,306)	-	288,788	273,482
Transfer to retained earnings	-	-	-	-	-	-	-	7,073	7,073
Balance as at 31 March 2013	10,542,439	3,867,738	1,147,878	193,961	(268,368)	1,073,471	187,500	4,975,751	20,646,899

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statement of Cash flows (Unaudited)
For the three-month period ended 31 March 2014

	Consolidated		The Bank	
	2014	2013	2014	2013
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities				
Profit before income tax expenses	550,910	378,532	511,519	342,431
Adjustments to reconcile net incomes before income tax to cash in (out) flows from operating activities:				
Depreciation and amortisation	125,374	127,231	122,005	120,855
Bad debts and doubtful accounts	469,566	213,296	356,000	117,900
Share-based payment	(1,593)	525	(1,593)	525
Provision for liabilities	34,587	29,363	32,535	27,925
(Reversal of) losses on impairment of properties for sale	(10,286)	9,870	204	-
Unrealised (gains) losses on exchange rate and derivatives	(35,141)	520,997	(35,141)	520,997
Losses (gains) on properties for sale	162,635	55,178	2,289	(9,442)
Unrealised losses (gains) on revaluation of investments	21,282	(1,068)	21,282	(1,068)
Gains on sale of investments	(282,297)	(39,770)	(282,297)	(39,770)
Gains on disposal of premises and equipment	(1,280)	(1,254)	(945)	(355)
Losses from write off premises and equipments	2,581	13	2,581	2
Gains on financial instrument designated at fair value through profit or loss	(44,717)	(7,331)	(44,717)	(7,331)
Interest and dividend income	(3,357,616)	(2,878,368)	(2,982,466)	(2,568,428)
Interest expenses	1,276,376	1,153,447	1,269,273	1,139,551
Losses from operations				
before changes in operating assets and liabilities	(1,089,619)	(439,339)	(1,029,471)	(356,208)
(Increase) decrease in operating assets				
Interbank and money market items	22,401,805	(603,412)	22,435,875	(595,382)
Investments held for trading	2,834,181	(3,053,846)	2,834,181	(3,053,846)
Loans	(1,374,988)	(4,922,149)	(1,637,654)	(3,912,747)
Properties for sale	231,327	147,272	9,250	26,887
Other assets	1,216,401	62,848	1,176,740	78,852
Increase (decrease) in operating liabilities				
Deposits	(425,156)	681,996	(224,244)	728,853
Interbank and money market items	(7,341,409)	(1,139,999)	(6,828,809)	(1,789,999)
Liability payable on demand	173,311	353,164	173,311	353,164
Short-term borrowings	(1,025,103)	2,054,263	(1,025,103)	2,054,263
Provisions	(25,647)	(8,108)	(25,679)	(8,204)
Other liabilities	(2,573,071)	(151,396)	(2,443,492)	(188,799)
Cash flows provided by (used in) operating activities	13,002,032	(7,018,706)	13,414,905	(6,663,166)
Cash received from interest income	2,789,962	2,335,486	2,364,190	1,991,056
Cash paid for interest expenses	(1,314,015)	(1,027,772)	(1,306,367)	(1,014,099)
Cash paid for income tax	(1,247)	(12,567)	-	-
Net cash flows provided by (used in) operating activities	14,476,732	(5,723,559)	14,472,728	(5,686,209)

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Statement of Cash flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2014

	Consolidated		The Bank	
	2014	2013	2014	2013
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from investing activities				
Cash paid for purchases of available-for-sale securities	(32,392,060)	(5,297,015)	(32,392,060)	(5,297,015)
Proceeds from disposals of available-for-sale securities	21,309,017	6,553,356	21,309,017	6,553,356
Proceeds from maturity of available-for-sale securities	-	100,000	-	100,000
Cash paid for purchases of held-to-maturity securities	(3,023,237)	(2,355,223)	(3,023,237)	(2,355,223)
Proceeds from maturity of held-to-maturity securities	670,000	4,442,631	670,000	4,442,631
Proceeds from repayment of investment in receivable	4,595	8,269	4,595	8,269
Proceeds from disposals of general investments	382	1,571	382	1,571
Proceeds from maturity of general investments	7,500	8,745	7,500	8,745
Cash paid for increase in capital of subsidiaries	-	-	-	(50,000)
Cash paid for purchases of premises and equipment	(18,318)	(42,428)	(13,122)	(29,076)
Proceeds from disposals of premises and equipment	2,117	1,481	1,638	549
Cash paid for purchases of intangible assets	(7,091)	(8,959)	(7,091)	(8,420)
Proceeds from disposals of intangible assets	-	12,712	-	12,712
Dividend received	3,558	79,504	3,558	79,504
Interest received	549,873	463,450	549,873	463,450
Net cash flows (used in) provided by investing activities	(12,893,664)	3,968,094	(12,888,947)	3,931,053
Cash flows from financing activities				
Cash paid for redemption of subordinated debentures	(2,500,000)	-	(2,500,000)	-
Proceeds from issuance of structured bills of exchange	3,026,000	1,614,000	3,026,000	1,614,000
Cash paid for redemption of structured bills of exchange	(2,399,000)	-	(2,399,000)	-
Net cash flows (used in) provided by financing activities	(1,873,000)	1,614,000	(1,873,000)	1,614,000
Net decrease in cash and cash equivalents	(289,932)	(141,465)	(289,219)	(141,156)
Cash and cash equivalents at beginning of the periods	3,328,748	3,132,948	3,324,657	3,130,139
Cash and cash equivalents at the end of the periods	3,038,816	2,991,483	3,035,438	2,988,983
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Properties for sale received in premises and equipment	37,992	-	37,992	-
Payable from purchase of premises and equipment	14,440	14,445	14,440	14,445
Payable from purchase of intangible assets	15,029	279	15,029	279

The notes to interim financial information from page 10 to 49 are an integral part of the interim financial information.

CIMB Thai Bank Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2014

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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 Bank’s registered office is as follows:

44 Langsuan Road, Lumpini, Patumwan, Bangkok.

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 and CIMB Group Holdings Berhad, which is the ultimate parent company of CIMB Group.

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

The interim consolidated and bank financial information was authorised by the Audit Committee on 12 May 2014.

This interim consolidated and bank financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim consolidated and bank financial information are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (“SEC”). The primary financial information (i.e., statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission and the Notification of the Bank of Thailand (“BoT”), no. SorNorSor 11/2553 The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group dated on 3 December 2010. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 (revised 2012), “Interim Financial Reporting” and additional notes are presented as required by the BoT and requirements of SEC issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2013.

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

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

The following amendments and related interpretations are effective for the periods beginning on or after 1 January 2014 and are relevant to the Group.

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 21 (revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (revised 2012)	Related party disclosures
TAS 28 (revised 2012)	Investments in associates
TAS 31 (revised 2012)	Interest in joint ventures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based payment
TFRS 3 (revised 2012)	Business combinations
TFRS 5 (revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 10	Interim financial reporting and impairment
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

The Company's management has determined that such revised accounting standards, revised financial reporting standards, and related interpretations will not significantly impact the financial information being presented.

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

4 Financial information by segments

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 and personal financing.

Wholesale banking

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

- Investment banking service provides financial advisory, trade securities transactions, and asset management businesses.
- Corporate banking and treasury and market are 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 31 March 2014 and 31 December 2013 and for the three-month periods ended 31 March 2014 and 2013 are as follows:

Consolidated					
For the three-month period ended 31 March 2014					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income					
External	1,298	402	155	-	1,855
Inter-segment	(2)	-	-	2	-
Net fees and service income	253	86	(18)	(2)	319
Other operating income	112	271	141	-	524
Other operating expenses	(1,274)	(372)	(31)	-	(1,677)
Bad and doubtful debts and impairment losses	(484)	(129)	125	18	(470)
Income tax expenses	1	-	(111)	-	(110)
Net profit for the period	(96)	258	261	18	441

Consolidated					
For the three-month period ended 31 March 2013					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income					
External	1,071	330	59	-	1,460
Inter-segment	(3)	-	-	3	-
Net fees and service income	215	49	(2)	(3)	259
Other operating income	50	79	125	-	254
Other operating expenses	(1,059)	(311)	(12)	-	(1,382)
Bad and doubtful debts and impairment losses	(363)	60	86	4	(213)
Income tax expenses	(12)	-	(53)	-	(65)
Net profit for the period	(101)	207	203	4	313

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4 Financial information by segments (Cont'd)

	Bank business		Hire-purchase business		Other business		Eliminations		Consolidated	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	263,892	278,362	18,366	17,129	85	77	(17,940)	(15,906)	264,403	279,662
Interbank and money market Items, net (assets)	10,898	33,509	358	130	64	57	(341)	(140)	10,979	33,556
Investments, net	64,181	53,325	-	-	-	-	-	-	64,181	53,325
Loans and accrued interest receivables, net	165,732	164,213	17,502	16,449	6	6	(16,261)	(14,424)	166,979	166,244
Deposits	152,048	152,273	-	-	-	-	(340)	(140)	151,708	152,133
Interbank and money market items (liabilities)	37,413	44,241	16,471	15,179	6	6	(16,365)	(14,560)	37,525	44,866
Financial liabilities designated at fair value through profit or loss	6,359	5,857	-	-	-	-	-	-	6,359	5,857
Debt issued and borrowings	34,096	37,707	-	-	-	-	-	-	34,096	37,707

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5 Interbank and money market items (assets)

	Consolidated					
	31 March 2014			31 December 2013		
	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	3,032	-	3,032	3,829	-	3,829
Commercial banks	80	6,000	6,080	70	24,735	24,805
Other banks	10	-	10	6	2,000	2,006
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	789	-	789	684	1	685
Total domestic items	4,455	6,000	10,455	5,133	26,736	31,869
<u>Add</u> Accrued interest receivables	-	2	2	-	11	11
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(3)	(3)
Domestic items, net	4,455	5,998	10,453	5,133	26,744	31,877
Foreign:						
US dollar	252	39	291	1,067	137	1,204
Yen	53	-	53	54	-	54
Euro	11	84	95	191	151	342
Other currencies	87	-	87	79	-	79
Foreign items, net	403	123	526	1,391	288	1,679
Domestic and foreign items, net	4,858	6,121	10,979	6,524	27,032	33,556

	The Bank					
	31 March 2014			31 December 2013		
	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	3,032	-	3,032	3,829	-	3,829
Commercial banks	9	6,000	6,009	28	24,735	24,763
Other banks	-	-	-	1	2,000	2,001
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	789	-	789	684	1	685
Total domestic items	4,374	6,000	10,374	5,086	26,736	31,822
<u>Add</u> Accrued interest receivables	-	2	2	-	11	11
<u>Less</u> Allowance for doubtful debts	-	(4)	(4)	-	(3)	(3)
Domestic items, net	4,374	5,998	10,372	5,086	26,744	31,830
Foreign:						
US dollar	252	39	291	1,067	137	1,204
Yen	53	-	53	54	-	54
Euro	11	84	95	191	151	342
Other currencies	87	-	87	79	-	79
Foreign items, net	403	123	526	1,391	288	1,679
Domestic and foreign items, net	4,777	6,121	10,898	6,477	27,032	33,509

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

As at 31 March 2014, the Bank has promissory notes of Baht 547 million (31 December 2013: Baht 547 million), that were issued by financial institutions which were ordered to be closed, and are avaled by the Financial Institution Development Fund ("the FIDF").

The FIDF recalls promissory notes amounting to Baht 544 million (31 December 2013: Baht 544 million) to cancel the aval since the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory note to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the statements of financial position date such promissory note avaled by FIDF has been presented as assets and the related obligation has been presented as liabilities at the same amount Baht 544 million (31 December 2013: Baht 544 million).

6 Derivatives

6.1 Trading derivatives

Fair value and notional amount classified by type of risk.

	Consolidated and the Bank					
	31 March 2014			31 December 2013		
	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	3,825	4,235	434,518	6,287	7,010	320,054
Interest rate	2,862	2,804	634,887	2,791	2,635	543,805
Commodity	-	-	-	7	7	322
Total	6,687	7,039	1,069,405	9,085	9,652	864,181

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

	Consolidated and the Bank	
	31 March 2014 Proportion (%)	31 December 2013 Proportion (%)
Financial institutions	88	87
Companies in group	10	11
External parties	2	2
Total	100	100

6 Derivatives (cont'd)

6.2 Derivative for hedging

Fair value hedge

	Consolidated and the Bank					
	31 March 2014			31 December 2013		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Interest rate	18	-	613	16	-	626
Total	18	-	613	16	-	626

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 periods ended 31 March 2014 and 2013 can be summarised as follows:

	Consolidated and the Bank	
	For the three-month periods ended	
	31 March	
	2014	2013
	Million Baht	Million Baht
Gains on hedging instruments, net	3	2
Losses on the hedged items, net	(3)	(1)

7 Investments, net

Classified by types of investment

	Consolidated and the Bank	
	31 March	31 December
	2014	2013
	Fair value	Fair value
	Million Baht	Million Baht
Securities held for trading		
Government and state enterprises securities	6,032	9,011
Private sector debt securities	1,414	1,215
Total securities held for trading	7,446	10,226
Available-for-sale securities		
Government and state enterprises securities	34,615	23,494
Private sector debt securities	2,696	2,530
Domestic marketable equity securities	605	594
Total available-for-sales securities	37,916	26,618

7 Investments, net (Cont'd)

Classified by types of investment (Cont'd)

	Consolidated and the Bank	
	31 March 2014 Cost/ Amortised Cost Million Baht	31 December 2013 Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	18,025	15,605
Promissory notes issued by Thai Asset Management Corporation	8	8
Private sector debt securities	532	604
Investments in receivables	148	153
Total	18,713	16,370
<u>Less</u> Allowance for impairment	(62)	(64)
Total held-to-maturity debt securities	18,651	16,306
	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	383	390
Overseas non-marketable equity securities	9	9
Total	392	399
<u>Less</u> Allowance for impairment	(224)	(224)
Total general investments	168	175
Investments, net	64,181	53,325

- (a) As at 31 March 2014, 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 35 to the interim financial information) amounting to Baht 8 million (31 December 2013: Baht 8 million). Such promissory notes are non-transferable and avaled by the FIDF.
- (b) As at 31 March 2014 and 31 December 2013, the Bank had investments pledged as collateral, as mentioned in Note 31.1 to the interim financial information.

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8 Investments in subsidiary, net

Company name	Nature of business	Type of securities	Percentage of holding		The Bank	
			31 March 2014 %	31December 2013 %	Cost method	
					31 March 2014 Million Baht	31 December 2013 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 of automobile	Common stock	100	100	1,203	1,203
World Lease Co., Ltd.	Hire-purchase of motorcycle	Common stock	100	100	467	467
Subsidiary - not included in consolidated financial statements						
Krung Thai Thanakit Finance Plc.	In process of liquidation	Common stock	99	99	10	10
Total					1,718	1,718
Less Allowance for impairment					(383)	(383)
Investments in subsidiary, net					1,335	1,335

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

On 6 February 2013, the Bank settled the increased in capital of 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.

An increase in registered capital of Center Auto Lease Co., Ltd.

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.

A payback from Krung Thai Thanakit Finance Plc.

On 20 September 2013, Krung Thai Thanakit Finance Plc's shareholder meeting approved a payback to shareholder 1,076,976,000 registered ordinary shares of Baht 0.2321 each, or a total of Baht 250 million. CIMB Thai's portion is 1,067,229,773 shares or Baht 248 million.

9 Loans and accrued interest receivables, net

9.1 Classified by loan type

	Consolidated		The Bank	
	31 March 2014 Million Baht	31 December 2013 Million Baht	31 March 2014 Million Baht	31 December 2013 Million Baht
Bank overdrafts	7,483	7,547	7,488	7,564
Loans	115,158	111,508	119,942	114,441
Bills	31,366	35,333	42,942	46,943
Hire-purchase receivables	22,696	21,432	-	-
Others	35	35	16	16
Total loans	176,738	175,855	170,388	168,964
Valuation reserve from hedging	(12)	(11)	(12)	(11)
<u>Less</u> Deferred revenue	(4,870)	(4,757)	(231)	(255)
Total loans net of deferred revenue	171,856	171,087	170,145	168,698
<u>Add</u> Accrued interest receivables	633	454	692	462
Total loans net of deferred revenue and accrued interest receivables	172,489	171,541	170,837	169,160
<u>Less</u> Allowance for doubtful debts (Note 10)				
Minimum allowance for doubtful accounts required based on BoT's guidelines				
- Individual approach	(2,911)	(2,563)	(2,506)	(2,213)
General provision for further losses	(2,556)	(2,701)	(2,556)	(2,701)
<u>Less</u> Revaluation allowance for debt restructuring (Note 11)	(43)	(33)	(43)	(33)
Loans and accrued interest receivables, net	<u>166,979</u>	<u>166,244</u>	<u>165,732</u>	<u>164,213</u>

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

9.2 Classification of loans

The Group's loans by loan classification and/or based on the overdue date are summarised below.

(a) Debtors and loans of the Group

	Consolidated							
	31 March 2014				31 December 2013			
	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's guidelines								
- Pass	160,180	61,196	1	578	158,670	61,640	1	600
- Special mention	6,823	3,656	2	70	7,945	3,607	2	71
- Sub-standard	1,540	872	100	869	1,239	625	100	622
- Doubtful	900	481	100	465	1,281	628	100	583
- Doubtful-of-loss	3,046	947	100	929	2,406	685	100	687
General provision for further losses				2,556				2,701
Total	172,489	67,152		5,467	171,541	67,185		5,264

	The Bank							
	31 March 2014				31 December 2013			
	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's guidelines								
- Pass	161,285	62,308	1	622	158,745	61,721	1	616
- Special mention	4,565	1,397	2	26	5,911	1,573	2	30
- Sub-standard	1,305	690	100	690	1,036	469	100	469
- Doubtful	742	323	100	323	1,135	483	100	483
- Doubtful-of-loss	2,940	841	100	845	2,333	612	100	615
General provision for further losses				2,556				2,701
Total	170,837	65,559		5,062	169,160	64,858		4,914

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

As at 31 March 2014, the Group and the Bank had defaulted loans amounting to Baht 5,153 million and Baht 4,655 million, respectively, (31 December 2013: Baht 4,593 million and Baht 4,172 million, respectively) were ceased recognition of interest income.

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

9.2 Classification of loans (Cont'd)

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

As at 31 March 2014 and 31 December 2013, hire-purchase receivables and financial lease receivables of the subsidiaries are classified based on the overdue date as follows:

	Debt balance, net unearned income		Allowance for doubtful accounts	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	Million Baht	Million Baht	Million Baht	Million Baht
Current or overdue less than 1 installment	15,300	14,474	120	130
Overdue 2 - 3 installments	2,258	2,034	44	40
Overdue 4 - 6 installments	235	203	178	153
Overdue 7 - 12 installments	157	146	141	100
Overdue more than 12 installments	101	68	80	67
Debtors under litigation	5	5	5	5
Total	18,056	16,930	568	495

9.3 Non-performing loans

As at 31 March 2014 and 31 December 2013, the Group had the following non-performing loans, according to the criteria set up by the BoT and the Office of the Securities and Exchange Commission:

	Consolidated		The Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	Million Baht	Million Baht	Million Baht	Million Baht
Non-performing loans (principal only)				
Banking business	4,981	4,498	4,981	4,498
Other businesses	498	421	-	-

As at 31 March 2014 and 31 December 2013, the above non-performing loans under BoT criteria were presented in accordance with the notification of the BoT, 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 the BoT criteria have already been fulfilled.

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

9.4 Hire purchase and finance lease receivables

As at 31 March 2014, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 17,488 million (31 December 2013: Baht 16,435 million), and mostly comprise hire purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between 3 and 6 years and interest is mostly charged at a fixed rate.

Consolidated as at 31 March 2014					
Amounts due under lease agreement					
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	6,918	14,255	872	651	22,696
<u>Less</u> Unearned finance income	(1,530)	(2,750)	(207)	(153)	(4,640)
Present value of minimum lease payments receivable	5,388	11,505	665	498	18,056
<u>Less</u> Allowance for doubtful accounts					(568)
Net receivables under hire-purchase agreements and financial leases					<u>17,488</u>
Consolidated as at 31 December 2013					
Amounts due under lease agreement					
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	6,648	13,542	691	551	21,432
<u>Less</u> Unearned finance income	(1,534)	(2,668)	(170)	(130)	(4,502)
Present value of minimum lease payments receivable	5,114	10,874	521	421	16,930
<u>Less</u> Allowance for doubtful accounts					(495)
Net receivables under hire-purchase agreements and financial leases					<u>16,435</u>

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

9.5 Troubled debt restructuring

As at 31 March 2014 and 2013, the Bank has 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	
	31 March	
	2014	2013
Number of debtors (Number)	1,107	512
Debt balances (Million Baht)	386	751

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

	Consolidated and the Bank		
	For the three-month period ended 31 March 2014		
	Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Modification of terms of payments	1,107	386	386
Total	1,107	386	386

	Consolidated and the Bank		
	For the three-month period ended 31 March 2013		
	Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Modification of terms of payments	512	751	751
Total	512	751	751

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

	Consolidated and the Bank					
	For the three-month period ended 31 March 2014			For the three-month period ended 31 March 2013		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Period of debts restructuring contracts						
Not more than 5 years	64	41	41	70	379	379
5 - 10 years	973	223	223	424	240	240
10 - 15 years	9	11	11	10	111	111
More than 15 years	61	111	111	8	21	21
Total	1,107	386	386	512	751	751

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

9.5 Troubled debt restructuring (Cont'd)

Supplemental information relating to the restructured debts for the three-month periods ended 31 March 2014 and 2013 are as follows:

	Consolidated and the Bank	
	For the three-month periods ended 31 March	
	2014	2013
	Million Baht	Million Baht
Loss on debt restructuring	10	19
Interest income	55	59

As at 31 March 2014 and 31 December 2013, the troubled debtors for which the Group completed their debt restructuring can be summarised as follow:

	Consolidated and the Bank	
	31 March 2014	31 December 2013
Number of debtors (Number)	7,221	6,876
Debt balances after restructuring (Million Baht)	3,034	3,224

In cases where the troubled debt restructuring involves modifications of the terms and repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 31 March 2014, the Bank has losses from the revaluation of restructured debts (PV Loss) of Baht 43 million (31 December 2013: Baht 33 million) for which the Bank provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 31 March 2014 the Bank may have to realise additional losses of approximately Baht 0.4 million (31 December 2013: Baht 0.4 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 has already made a provision for such losses, which is presented as part of the allowance for doubtful debts in the statements of financial position.

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10 Allowance for doubtful debts

Consolidated									
31 March 2014									
	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	Hire- purchase receivables Million Baht	Grand total Million Baht
Balance as at 1 January 2014	471	30	469	483	615	2,701	4,769	495	5,264
<u>Add</u> Addition during the period	-	-	-	-	-	356	356	132	488
Reversal of bad debts	-	-	-	-	-	25	25	-	25
<u>Less</u> Bad debts written off	-	-	(5)	(1)	(214)	(3)	(223)	(59)	(282)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(10)	(10)	-	(10)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	(12)	(4)	226	(159)	444	(513)	(18)	-	(18)
Balance as at 31 March 2014	459	26	690	323	845	2,556	4,899	568	5,467

Consolidated									
31 December 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	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 during the year	-	-	-	-	-	2,367	2,367	424	2,791
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Transfer from interbank and money market	-	-	-	-	-	30	30	-	30
Reversal of bad debts	-	-	-	-	-	86	86	-	86
<u>Less</u> Bad debts written off	-	(20)	(498)	(51)	(63)	(5)	(637)	(337)	(974)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(24)	(24)	-	(24)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	56	21	584	422	190	(1,321)	(48)	-	(48)
Balance as at 31 December 2013	471	30	469	483	615	2,701	4,769	495	5,264

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10 Allowance for doubtful debts (Cont'd)

	The Bank						
	31 March 2014						
	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 2014	616	30	469	483	615	2,701	4,914
<u>Add</u> Addition during the period	-	-	-	-	-	356	356
Reversal of bad debts	-	-	-	-	-	25	25
<u>Less</u> Bad debts written off	-	-	(5)	(1)	(214)	(3)	(223)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(10)	(10)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	6	(4)	226	(159)	444	(513)	-
Balance as at 31 March 2014	622	26	690	323	845	2,556	5,062

	The Bank						
	31 December 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
Add Addition during the year	-	-	-	-	-	2,367	2,367
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	7	7
Transfer from interbank and money market	-	-	-	-	-	30	30
Reversal of bad debts	-	-	-	-	-	86	86
Less Bad debts written off	-	(20)	(498)	(51)	(63)	(5)	(637)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(24)	(24)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	104	21	584	422	190	(1,321)	-
Balance as at 31 December 2013	616	30	469	483	615	2,701	4,914

11 Revaluation allowance for debt restructuring

Consolidated and the Bank		
	31 March 2014 Million Baht	31 December 2013 Million Baht
Balance - beginning of the period/year	33	16
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	10	24
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	-	(7)
Balance - end of the period/year	43	33

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

12 Deferred income taxes

The gross movement and the deferred income tax account is as follows:

	Consolidated		The Bank	
	31 March 2014 Million Baht	31 December 2013 Million Baht	31 March 2014 Million Baht	31 December 2013 Million Baht
Beginning of the period/year	1,049	876	918	779
(Credited)/charged to profit or loss	(92)	132	(111)	98
Tax (credited)/charged directly to equity	(1)	41	(1)	41
End of the period/year	<u>956</u>	<u>1,049</u>	<u>806</u>	<u>918</u>

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				
At 1 January 2014	271	95	934	1,300
Charged/(credited) to profit or loss	7	(71)	(28)	(92)
Credited directly to equity	-	-	(11)	(11)
At 31 March 2014	<u>278</u>	<u>24</u>	<u>895</u>	<u>1,197</u>
At 1 January 2013	270	335	544	1,149
Charged/(credited) to profit or loss	1	(240)	371	132
Charged directly to equity	-	-	19	19
At 31 December 2013	<u>271</u>	<u>95</u>	<u>934</u>	<u>1,300</u>
Consolidated				
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Total Million Baht	
Deferred tax liabilities				
At 1 January 2014	27	224	251	
Credited directly to equity	(9)	(1)	(10)	
At 31 March 2014	<u>18</u>	<u>223</u>	<u>241</u>	
At 1 January 2013	42	231	273	
Credited directly to equity	(15)	(7)	(22)	
At 31 December 2013	<u>27</u>	<u>224</u>	<u>251</u>	

12 Deferred income taxes (Cont'd)

	The Bank			
	Provision Million Baht	Tax losses Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax assets				
At 1 January 2014	271	95	803	1,169
Charged/(credited) to profit or loss	1	(71)	(41)	(111)
Credited directly to equity	-	-	(11)	(11)
As at 31 March 2014	<u>272</u>	<u>24</u>	<u>751</u>	<u>1,047</u>
At 1 January 2013	270	335	447	1,052
Charged/(credited) to profit or loss	1	(240)	337	98
Charged directly to equity	-	-	19	19
As at 31 December 2013	<u>271</u>	<u>95</u>	<u>803</u>	<u>1,169</u>

	The Bank		
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Total Million Baht
Deferred tax liabilities			
At 1 January 2014	27	224	251
Credited directly to equity	(9)	(1)	(10)
As at 31 March 2014	<u>18</u>	<u>223</u>	<u>241</u>
At 1 January 2013	42	231	273
Credited directly to equity	(15)	(7)	(22)
As at 31 December 2013	<u>27</u>	<u>224</u>	<u>251</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 120 million (31 December 2013: Baht 483 million), to carry forward against future taxable income; these tax losses will expire in 2014.

13 Other assets, net

	Consolidated		The Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	Million baht	Million Baht	Million baht	Million Baht
Accrued interest and dividend receivables	275	447	275	447
Credit support assets on derivatives	1,707	2,798	1,707	2,798
Leasehold rights	9	9	9	9
Advances	19	19	18	17
Others assets awaiting account transfer	104	164	104	164
Commission receivables	50	55	50	55
Withholding tax receivable	104	91	100	89
Marginal deposits	84	120	77	113
Account receivable revenue department	43	64	-	-
Prepaid expenses	94	59	92	54
Others	189	231	77	96
Total	2,678	4,057	2,509	3,842
Less Allowance for impairment	(36)	(36)	(36)	(36)
Other assets, net	2,642	4,021	2,473	3,806

14 Financial liabilities designated at fair value through profit or loss

	Consolidated and the Bank	
	31 March 2014	31 December 2013
	Million Baht	Million Baht
Debentures	5,320	5,000
Bills of Exchange	1,039	857
Total	6,359	5,857

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

	Consolidated and the Bank	
	31 March 2014	31 December 2013
	Proportion (%)	Proportion (%)
Financial institution	17	14
External parties	83	86
Total	100	100

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 0-5.05% 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 3.96-5.12% per annum. The Bank entered into interest rate swaps with other parties.

14 Financial liabilities designated at fair value through profit or loss (Cont'd)

In 2014, the Bank issued accreting structured bills of exchange embedded callable range accrual swap. The maturity date is 10 years. They bear interest rate at between 0 - 6.50% per annum variable to reference index of THBFX 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.

15 Debt issued and borrowings

	Consolidated and the Bank					
	31 March 2014			31 December 2013		
	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	2,525	2,587
Short term debentures						
Short term debentures maturing in 2014, coupon rate of 2.10% - 2.99% per annum	25,124	-	25,124	20,702	-	20,702
Subordinated debentures						
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Subordinated debentures of Baht 3,000 million, maturing in 2021, coupon rate of 5.35% per annum	3,000	-	3,000	3,000	-	3,000
Subordinated debentures of Baht 3,000 million, maturing in 2022, coupon rate of 4.80% per annum	3,000	-	3,000	3,000	-	3,000
Structured debentures						
Structured debentures	138	-	138	108	-	108
	<u>31,806</u>	<u>-</u>	<u>31,806</u>	<u>27,416</u>	<u>2,525</u>	<u>29,941</u>
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.75% - 2.95% per annum	2,290	-	2,290	4,265	-	4,265
Bill of exchange maturing in 2014, coupon rate of 2.00% - 2.75% per annum	-	-	-	3,501	-	3,501
	<u>2,290</u>	<u>-</u>	<u>2,290</u>	<u>7,766</u>	<u>-</u>	<u>7,766</u>
Total	<u>34,096</u>	<u>-</u>	<u>34,096</u>	<u>35,182</u>	<u>2,525</u>	<u>37,707</u>
Less Current portion of long-term borrowings	<u>(28,096)</u>	<u>-</u>	<u>(28,096)</u>	<u>(29,120)</u>	<u>-</u>	<u>(29,120)</u>
Long-term borrowings, net	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>6,062</u>	<u>2,525</u>	<u>8,587</u>

- (a) On 27 March 2014, the Bank exercised its option to early redeem all cumulative hybrid instruments amounting to Baht 2,500 million, maturing on 27 March 2019, which the Bank was able to early redeem (under the specified conditions). This early redemption was approved by BoT notification For Kor Kor (02) 53/2557 The approval of redemption of cumulative hybrid instruments.
- (b) As at 31 March 2014, the Bank had short term debentures of Baht 25,124 million (31 December 2013: Baht 20,702 million) with fixed interest rates, interest will be paid on maturity date.
- (c) As at 31 March 2014, the Bank had unsecured structured debentures not designated at fair value through profit or loss amounted to Baht 138 million (31 December 2013: Baht 108 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.

16 Provisions

	Consolidated		The Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	Million Baht	Million Baht	Million Baht	Million Baht
Provision for contingent loss from legal cases	35	35	35	35
Reserve for off-statements of financial position items	282	282	282	282
Provision for employee benefits	1,074	1,065	1,043	1,036
Provision for putback option of sold debtors	20	20	20	20
Total provisions	1,411	1,402	1,380	1,373

17 Other reserves

	Consolidated and the Bank	
	31 March 2014	31 December 2013
	Million Baht	Million Baht
Revaluation surplus on assets	1,113	1,119
Revaluation surplus on change in value of investments	51	38
Income tax relating to components of other reserves	(233)	(231)
Total	931	926

(a) Revaluation surplus on assets

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

	Consolidated and the Bank	
	31 March 2014	31 December 2013
	Million Baht	Million Baht
Balance - beginning of the period/year	1,119	1,155
<u>Less</u> Amortisation	(6)	(36)
Balance - end of the period/year	1,113	1,119

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

17 Other reserves (Cont'd)

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

	Consolidated and the Bank	
	31 March 2014	31 December 2013
	Million Baht	Million Baht
Revaluation surplus on investments:		
Debt securities	92	134
Total	92	134
Revaluation deficit on investments:		
Debt securities	(6)	(49)
Equity securities	(35)	(47)
Total	(41)	(96)
Revaluation surplus on change in value of investments, net	51	38

18 Statutory reserve

Under Public Limited Companies 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.

19 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 Banking Business Act B.E. 2551. The capital funds comprise:

	31 March 2014	Total capital	31 December 2013	Total capital
	Million Baht	to risk assets	Million Baht	to risk assets
		%		%
Tier I				
Issued and paid up share capital	10,542		10,542	
Share premium	3,868		3,868	
Statutory reserve	272		272	
Unappropriated surplus	5,020		5,020	
Other reserves	839		835	
Deferred tax assets	(872)		(918)	
Total Tier I capital fund	19,669	9.94	19,619	9.91
Tier II				
Long-term subordinated debentures and hybrid securities	6,000		7,650	
Reserve for loan classified as pass	623		619	
Total Tier II capital fund	6,623	3.34	8,269	4.17
Total capital funds	26,292	13.28	27,888	14.08

The Bank has maintained capital fund under BoT notification of international capital requirement standards under the Basel III regulatory framework.

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

20.1 Position classified by type of transaction

	Consolidated					
	31 March 2014			31 December 2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	261,389	3,014	264,403	274,979	4,683	279,662
Interbank and money market items , net	10,454	525	10,979	31,876	1,680	33,556
Derivative assets	5,838	867	6,705	7,763	1,338	9,101
Investments, net and investments in subsidiaries, net	64,104	87	64,191	53,249	87	53,336
Loans to customers and accrued interest receivables, net	165,444	1,535	166,979	164,665	1,579	166,244
Deposits	150,290	1,418	151,708	150,788	1,345	152,133
Interbank and money market items	35,828	1,697	37,525	43,712	1,154	44,866
Derivative liabilities	5,737	1,302	7,039	8,139	1,513	9,652
Debt issued and borrowings	34,096	-	34,096	35,182	2,525	37,707

	The Bank					
	31 March 2014			31 December 2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	260,878	3,014	263,892	273,679	4,683	278,362
Interbank and money market items, net	10,373	525	10,898	31,830	1,679	33,509
Derivative assets	5,838	867	6,705	7,763	1,338	9,101
Investments, net and investments in subsidiaries, net	65,429	87	65,516	54,573	87	54,660
Loans to customers and accrued interest receivables, net	164,197	1,535	165,732	162,634	1,579	164,213
Deposits	150,630	1,418	152,048	150,928	1,345	152,273
Interbank and money market items	35,716	1,697	37,413	43,087	1,154	44,241
Derivative liabilities	5,737	1,302	7,039	8,139	1,513	9,652
Debt issued and borrowings	34,096	-	34,096	35,182	2,525	37,707

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

20.2 Performance classified by types of transaction

	Consolidated					
	For the three-month period ended 31 March 2014			For the three-month period ended 31 March 2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	3,330	24	3,354	2,774	25	2,799
Interest expenses	(1,547)	48	(1,499)	(1,288)	(51)	(1,339)
Net interest incomes	1,783	72	1,855	1,486	(26)	1,460
Net fee and services income	319	-	319	259	-	259
Other operating incomes	524	-	524	254	-	254
Other operating expenses	(1,677)	-	(1,677)	(1,382)	-	(1,382)
Impairment loss	(470)	-	(470)	(213)	-	(213)
Profit (loss) before income tax expense	479	72	551	404	(26)	378

	The Bank					
	For the three-month period ended 31 March 2014			For the three-month period ended 31 March 2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest incomes	2,955	24	2,979	2,464	25	2,489
Interest expenses	(1,540)	48	(1,492)	(1,274)	(51)	(1,325)
Net interest incomes	1,415	72	1,487	1,190	(26)	1,164
Net fee and services income	218	-	218	206	-	206
Other operating incomes	508	-	508	251	-	251
Other operating expenses	(1,345)	-	(1,345)	(1,161)	-	(1,161)
Impairment loss	(356)	-	(356)	(118)	-	(118)
Profit (loss) before income tax expense	440	72	512	368	(26)	342

21 Interest income

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Interbank and money market items	69	75	69	75
Investments and trading transactions	53	36	53	36
Investments in debt securities	318	262	318	262
Loans	2,367	1,992	2,538	2,116
Hire purchase and financial lease income	546	434	-	-
Others	1	-	1	-
Interest incomes	3,354	2,799	2,979	2,489

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22 Interest expenses

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	944	865	944	865
Interbank and money market item	115	57	108	43
Contribution fees to the Deposit Protection Agency	4	3	4	3
Contribution fees to FIDF	219	182	219	182
Debt securities issued				
- Subordinated debentures	20	113	20	113
- Others	191	118	191	118
Others	6	1	6	1
Interest expenses	<u>1,499</u>	<u>1,339</u>	<u>1,492</u>	<u>1,325</u>

23 Net fees and service income

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service incomes				
Acceptances, aval and guarantees	28	24	30	27
ATM and Debit card fees	30	33	30	33
Insurance brokerage income	140	89	86	70
Management fee	21	17	21	17
Others	143	119	117	100
Fees and service income	<u>362</u>	<u>282</u>	<u>284</u>	<u>247</u>
Fees and service expenses				
Collection fees	(9)	(1)	(40)	(23)
ATM fees	(11)	(8)	(11)	(9)
Others	(23)	(14)	(15)	(9)
Fees and service expenses	<u>(43)</u>	<u>(23)</u>	<u>(66)</u>	<u>(41)</u>
Net fees and service income	<u>319</u>	<u>259</u>	<u>218</u>	<u>206</u>

24 Gains on trading and foreign exchange transactions

	Consolidated and the Bank	
	For the three-month periods ended 31 March	
	2014	2013
	Million Baht	Million Baht
Gains (loss) on tradings and foreign exchange transactions		
Foreign currencies and foreign exchange rate derivatives	2	(41)
Interest rate derivatives	174	131
Debt securities	61	10
Gains on tradings and foreign exchange transactions	<u>237</u>	<u>100</u>

25 Gains on financial liabilities designated at fair value through profit or loss

Gains on financial liabilities designated at fair value through profit or loss consist of following items

	Consolidated and the Bank	
	For the three-month periods ended 31 March	
	2014	2013
	Million Baht	Million Baht
Net change in fair value		
Bills of exchange	79	3
Debentures	5	22
Interest expenses	(39)	(18)
Total	45	7

26 Gains on investments

	Consolidated and the Bank	
	For the three-month periods ended 31 March	
	2014	2013
	Million Baht	Million Baht
Gains on sales		
Available-for-sale	200	31
Gains on investments	200	31

27 Other operating income

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Gain on sales of premises and equipment	1	1	1	-
Gain on sales of properties for sales	-	-	-	9
Bad debt recovery	10	4	-	-
Dividend income	4	80	4	80
Other income	27	31	21	24
Other operating income	42	116	26	113

28 Bad debts, doubtful debts and impairment losses

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Loss on debt restructuring	10	19	10	19
Loans	460	194	346	99
Total	470	213	356	118

29 Corporate income tax

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax:				
Current tax on profits for the period	19	14	-	-
Total current tax	19	14	-	-
Deferred tax:				
Origination and reversal of temporary differences	20	6	40	9
Utilisation of tax losses	71	45	71	45
Total deferred tax	91	51	111	54
Total tax charge	110	65	111	54

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 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	551	379	512	342
Tax calculated at a tax rate of 20%	106	75	102	68
Tax effect of:				
Income not subject to tax	(2)	(13)	(2)	(17)
Expenses not deductible for tax purpose	10	3	11	3
Effect of changes in tax rates	(4)	-	-	-
Total tax charge	110	65	111	54

The weighted average applicable tax rate in the consolidated and bank financial information as at 31 March 2014 was 20% and 22% respectively, (31 December 2013 : -6% and -8% respectively).

29 Corporate income tax (Cont'd)

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated					
	For the three-month period ended 31 March 2014			For the three-month period ended 31 March 2013		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains (losses):						
Land and buildings	(24)	(5)	(19)	(9)	(2)	(7)
Properties for sale	18	4	14	2	-	2
Available-for-sale financial asset	12	2	10	(12)	(2)	(10)
Other comprehensive income (expenses)	6	1	5	(19)	(4)	(15)
Current tax		19			14	
Deferred tax		91			51	
		110			65	

	The Bank					
	For the three-month period ended 31 March 2014			For the three-month period ended 31 March 2013		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains (losses):						
Land and buildings	(24)	(5)	(19)	(9)	(2)	(7)
Properties for sale	18	4	14	2	-	2
Available-for-sale financial asset	12	2	10	(12)	(2)	(10)
Other comprehensive income (expenses)	6	1	5	(19)	(4)	(15)
Current tax		-			-	
Deferred tax		111			54	
		111			54	

In addition, deferred income tax of Baht 1.2 million (31 March 2013: Baht 1.4 million) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

30 Earnings per share

Earnings per share as presented in the consolidated and bank statements of comprehensive income are basic earnings per share which is calculated by dividing net income for the period by the weighted average number of ordinary shares in issue during the period.

There are no potential dilutive ordinary shares in issue for the three-month period ended 31 March 2014 and for the year ended 31 December 2013.

31 Encumbrance of assets

31.1 Assets used as collateral

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

	Consolidated and the Bank	
	31 March 2014	31 December 2013
	Million Baht	Million Baht
Securities sold under repurchase agreements	29,518	36,436
Utilities usage	7	7
Total	<u>29,525</u>	<u>36,443</u>

31.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities of one company 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 31 March 2014 and 31 December 2013, the investment had net book value net of allowance for impairment of Baht 1.

Moreover, the Bank has obligated properties foreclosed, which have sales restriction conditions within 3 years from the debt restructuring agreement dates. As at 31 March 2014, the properties foreclosed had net book value of Baht 392 million (31 December 2013: Baht 392 million).

As at 31 March 2014 and 31 December 2013, the investments subject to such obligations are as follows:

Year of maturity	Consolidated and the Bank			
	31 March 2014		31 December 2013	
	Number	Cost Million Baht	Number	Cost Million Baht
2013 onwards	3	392	3	392
Assets subject to obligation	<u>3</u>	<u>392</u>	<u>3</u>	<u>392</u>

32 Commitments and contingent liabilities

32.1 Commitments

As at 31 March 2014 and 31 December 2013, significant commitments of the Bank consist of:

	The Bank					
	31 March 2014			31 December 2013		
	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⁾	448	-	448	993	-	993
Guarantees of loans	5	-	5	5	-	5
Total avals to bills and guarantees of loans	453	-	453	998	-	998
Liability under unmaturred import bills:						
Liability under unmaturred import bills	-	369	369	-	569	569
Letters of credit:						
Letters of credit	32	1,461	1,493	22	2,591	2,613
Other commitments:						
Forward and spot contracts						
- Bought	-	190,000	190,000	-	132,662	132,662
- Sold	-	159,185	159,185	-	120,208	120,208
Cross currency and interest rate swap contract						
- Bought	-	29,757	29,757	-	22,038	22,038
- Sold	-	47,083	47,083	-	36,863	36,863
Interest rate swap contracts						
- Fixed rate payee	305,295	16,847	322,142	254,347	17,351	271,698
- Floating rate payee	268,631	50,681	319,312	231,952	46,608	278,560
Foreign exchange option						
- Put option sales contracts	-	3,834	3,834	-	4,121	4,121
- Call option purchase contracts	-	4,659	4,659	-	4,145	4,145
- Put option purchase contracts	-	-	-	-	16	16
Commodity						
- Bought	-	-	-	-	161	161
- Sold	-	-	-	-	161	161
Undrawn bank overdrafts	16,239	-	16,239	15,894	-	15,894
Investments						
- Bought	5,754	-	5,754	2,907	-	2,907
- Sold	4,895	-	4,895	3,677	-	3,677
Other commitments						
Other guarantees	9,036	959	9,995	9,112	929	10,041
Other commitments	609,850	503,005	1,112,855	517,889	385,263	903,152
Total commitments	610,335	504,835	1,115,170	518,909	388,423	907,332

⁽¹⁾ As at 31 December 2013, the Bank avaled notes payable of a subsidiary amounting to Baht 500 million.

32 Commitments and contingent liabilities (Cont'd)

32.2 Contingent liabilities

As at 31 March 2014 and 31 December 2013, the Group had the following contingent liabilities in connection with court cases in which the Group have been sued as defendants in 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	
	31 March 2014 Million Baht	31 December 2013 Million Baht
Sum claimed in cases where the Group is sole defendant	570	577
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	24,589
Total	26,348	26,355

In the above court cases, a sum of Baht 24,500 million relates to claims against the Bank in cases where it is co-defendant 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 these cases will not cause material loss because the transfers were made in accordance with the Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC amounting to approximately Baht 959 million, occurred before the merger of the Bank.

As at 31 March 2014, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 20 million in cases where the Bank is the direct defendant and Baht 30 million in cases where the Bank is a co-defendant with others. However, the Bank is in the process of appealing the decisions (31 December 2013: Baht 20 million and Baht 30 million, respectively).

As at 31 March 2014, the Group recognised provisions for contingent loss from legal cases of approximately Baht 35 million (31 December 2013: Baht 35 million). The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

In addition, the Group recognised reserves of Baht 282 million (31 December 2013: Baht 282 million) for off-statement of financial position items related to guarantees for which the Bank or its subsidiaries have been sued as defendants.

32 Commitments and contingent liabilities (Cont'd)

32.3 Commitments under long-term leases

As at 31 March 2014 and 31 December 2013, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated		The Bank	
	31 March 2014 Million Baht	31 December 2013 Million Baht	31 March 2014 Million Baht	31 December 2013 Million Baht
1 - 3 years	378	319	339	278
4 - 5 years	2	5	2	5
6 - 10 years	22	22	22	22
11 - 30 years	80	81	80	81
Total	<u>482</u>	<u>427</u>	<u>443</u>	<u>386</u>

32.4 Other commitments

As at 31 March 2014, the Bank has other commitments in the form of various agreements relating to computer system and software development. The Bank is obligated to pay a further Baht 63 million and USD 2.3 thousand under such agreements (31 December 2013: Baht 92 million and USD 77.3 thousand).

33 Related party transactions

During the period, the Group had significant business transactions with its related parties. These transactions were concluded on commercial terms and based on contracts. Below is a summary of those transactions.

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	171	125
Fees income	-	-	3	4
Expenses:				
Interest expenses	-	1	-	1
Premises and equipments expenses	-	-	(1)	(2)
Other expenses	-	-	31	22
Parent company				
Revenue:				
Other income	87	31	87	31
Expenses:				
Interest expenses	-	5	-	5
Premises and equipments expenses	1	1	1	1
Other expenses	119	80	119	80
Related companies				
Revenue:				
Interest income	-	1	-	1
Fees income	18	36	18	36
Other income	25	51	25	51
Expenses:				
Interest expenses	(53)	38	(53)	38
Fees expenses	18	4	18	4
Premises and equipments expenses	(1)	(1)	(1)	(1)
Other expenses	1	-	1	-

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33 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 31 March 2014 and 31 December 2013 are as follows:

Consolidated						
31 March 2014						
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.	-	-	-	-	-	13
-	-	-	-	-	-	13
<u>Parent company</u>						
CIMB Bank Berhad	-	135	595	-	-	944
-	-	135	595	-	-	944
<u>Companies under common control</u>						
CIMB Bank (L) Ltd.	-	-	-	-	-	63
CIMB Bank Plc, Cambodia	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	11
CIMB NIAGA	-	-	-	-	-	1
CIMB-Principal Asset Management Co., Ltd.	-	1	-	-	-	100
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	618
Sathorn Asset Management Co., Ltd.	-	-	1	207	-	19
-	-	1	1	207	-	813
<u>Related persons</u>						
22	22	-	-	122	-	1
22	22	-	-	122	-	1
Consolidated						
31 December 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.	-	-	-	-	-	13
-	-	-	-	-	-	13
<u>Parent company</u>						
CIMB Bank Berhad	-	78	493	-	-	451
-	-	78	493	-	-	451
<u>Companies under common control</u>						
CIMB Bank (L) Ltd.	-	-	187	-	2,525	267
CIMB NIAGA	-	-	1	-	-	-
CIMB-Principal Asset Management Co., Ltd.	-	1	-	-	-	45
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	923
Sathorn Asset Management Co., Ltd.	-	-	1	95	-	34
-	-	1	189	95	2,525	1,269
<u>Related persons</u>						
14	23	-	-	107	-	-
14	23	-	-	107	-	-

CIMB Thai Bank Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
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33 Related party transactions (Cont'd)

The Bank							
31 March 2014							
	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
Subsidiary companies							
Center Auto Lease Co., Ltd.	12,758	13,131	-	-	106	-	-
CT Coll Co., Ltd.	6	6	-	1	64	-	11
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	13
World Lease Co., Ltd.	2,966	3,287	-	-	171	-	-
	15,730	16,424	-	1	341	-	24
Parent company							
CIMB Bank Berhad	-	-	135	595	-	-	944
	-	-	135	595	-	-	944
Companies under common control							
CIMB Bank (L) Ltd.	-	-	-	-	-	-	63
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	11
CIMB NIAGA	-	-	-	-	-	-	1
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	100
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	618
Sathorn Asset Management Co., Ltd.	-	-	-	1	207	-	19
	-	-	1	1	207	-	813
Related persons	22	22	-	-	122	-	1
	22	22	-	-	122	-	1

The Bank							
31 December 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
Subsidiary companies							
Center Auto Lease Co., Ltd.	9,822	11,701	-	1	13	-	-
CT Coll Co., Ltd.	6	6	-	-	56	-	10
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	13
World Lease Co., Ltd.	2,023	2,862	500	1	70	-	-
	11,851	14,569	500	2	139	-	23
Parent company							
CIMB Bank Berhad	-	-	78	493	-	-	451
	-	-	78	493	-	-	451
Companies under common control							
CIMB Bank (L) Ltd.	-	-	-	187	-	2,525	267
CIMB NIAGA	-	-	-	1	-	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	45
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	923
Sathorn Asset Management Co., Ltd.	-	-	-	1	95	-	34
	-	-	1	189	95	2,525	1,269
Related persons	14	23	-	-	107	-	-
	14	23	-	-	107	-	-

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

33 Related party transactions (Cont'd)

As at 31 March 2014 and 31 December 2013, the Bank has commitments in financial derivatives with related parties as follows :

31 March 2014			
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payee	48,680	88	48,768
- Floating rate payee	49,068	4,798	53,866
Forward and spot contracts			
- Bought	-	1,312	1,312
- Sold	-	237	237
<u>Related company</u>			
Forward and spot contracts			
- Bought	-	186	186
- Sold	-	1	1
31 December 2013			
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate payee	44,845	89	44,934
- Floating rate payee	37,242	4,937	42,179
Forward and spot contracts			
- Bought	-	1,410	1,410
- Sold	-	121	121
Commodity			
- Bought	-	81	81
- Sold	-	81	81
<u>Related company</u>			
Cross currency and interest rate swap contracts			
- Sold	-	2,268	2,268
Forward and spot contracts			
- Bought	-	116	116
- Sold	-	4	4

34 Director and management remuneration

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

	Consolidated		The Bank	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	126	80	119	74
Long-term employee benefits	3	2	3	2
Share based payment	1	1	1	1
Director and management remuneration	130	83	123	77

35 Agreement to transfer non-performing loans to TAMC

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

As at 31 March 2014 and 31 December 2013, the Group have transferred loans to TAMC as follows:

	Consolidated and the Bank			
	31 March 2014		31 December 2013	
	Book value	Transfer price	Book value	Transfer price
Loans transferred to TAMC	Million Baht	Million Baht	Million Baht	Million Baht
Debtors who are compensated under the CAP agreement (CAP)	82,487	21,932	82,487	21,932
Debtors who are not compensated under the CAP agreement (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		(25,389)		(25,389)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 7 (a))		8		8

The Bank is to receive payment in the form of non-transferable, 10-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 31 March 2014, the Bank recognised interest receivable under these promissory notes amounting to Baht 0.5 million (31 December 2013 : Baht 0.4 million).

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

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.

As at 31 March 2014, the Bank recorded receivable from TAMC amounting to Baht 3,572 million (31 December 2013: Baht 3,572 million). The Bank received a confirmation letter issued by Ploenchit Capital Limited, who was appointed as an assets manager to TAMC during its termination on 27 December 2013.

As at 31 March 2014, the Bank's management believed that no significant future losses would be incurred.

36 Subsequent events

Dividend payment

On 11 April 2014, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2013 at the rate of Baht 0.01 per share, totaling Baht 210.84 million, which was paid on 9 May 2014.

Decrease in the Bank's registered capital

On 11 April 2014, the Annual General Meeting of Shareholders approved a decrease in the Bank's registered capital from THB 13,052,747,804 to THB 10,542,439,013 by cancelling 5,020,617,583 unsold and unoffered registered ordinary shares with a par value of THB 0.50 per share, totaling THB 2,510,308,791.

CIMB Thai - Vientiane Branch ("Vientiane branch")

The Bank has received a temporary banking license for CIMB Thai - Vientiane Branch ("Vientiane branch") from the Bank of the Lao PDR ("BOL") on 3 December 2013. The Bank now proceeds with seeking a permanent banking license from the BOL.

To receive a permanent banking license from the BOL, the Bank opened an account with BOL to make a deposit of LAK 100,000 million or Baht 402.98 million for registered capital on 3 April 2014.