

CIMB THAI BANK PUBLIC COMPANY LIMITED

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

31 MARCH 2015

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 2015, 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".

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Ltd.

Bangkok
14 May 2015

CIMB Thai Bank Public Company Limited

Statements of Financial Position

As at 31 March 2015

| | Notes | Consolidated | | The Bank | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 31 March | 31 December | 31 March | 31 December |
| | | 2015 | 2014 | 2015 | 2014 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Assets | | | | | |
| Cash | | 2,729,302 | 3,989,622 | 2,726,509 | 3,987,737 |
| Interbank and money market items, net | 8 | 9,240,930 | 6,522,690 | 9,174,552 | 6,453,200 |
| Derivative assets | 9 | 11,647,515 | 10,803,916 | 11,647,515 | 10,803,916 |
| Investments, net | 10 | 59,132,807 | 55,253,273 | 59,132,807 | 55,253,273 |
| Investments in subsidiaries, net | 11 | - | - | 1,324,921 | 1,324,921 |
| Loans and accrued interest receivables | 12 | | | | |
| Loans | | 194,899,872 | 194,610,261 | 188,320,961 | 188,334,023 |
| Accrued interest receivables | | 718,501 | 455,305 | 784,581 | 459,213 |
| | | <u>195,618,373</u> | <u>195,065,566</u> | <u>189,105,542</u> | <u>188,793,236</u> |
| <u>Less</u> deferred revenue | | (4,670,011) | (4,642,328) | (143,374) | (163,150) |
| <u>Less</u> allowance for doubtful debts | 13 | (6,649,294) | (5,979,009) | (6,134,116) | (5,447,517) |
| <u>Less</u> revaluation allowance for debt restructuring | 14 | (67,314) | (68,351) | (67,314) | (68,351) |
| | | <u>184,231,754</u> | <u>184,375,878</u> | <u>182,760,738</u> | <u>183,114,218</u> |
| Loans and accrued interest receivables, net | | | | | |
| Customers' liability under acceptance | | 103,709 | 68,889 | 103,709 | 68,889 |
| Properties for sale, net | | 1,648,526 | 1,826,292 | 1,564,791 | 1,582,424 |
| Premises and equipment, net | | 3,043,365 | 3,071,759 | 2,978,227 | 3,002,336 |
| Intangible assets, net | | 359,172 | 361,802 | 353,635 | 355,964 |
| Deferred tax assets | 15 | 1,012,429 | 957,065 | 827,413 | 752,636 |
| Receivable from Thai Asset Management Corporation | 38 | - | 3,572,458 | - | 3,572,458 |
| Other assets, net | 16 | 3,550,066 | 3,365,142 | 3,375,882 | 3,196,066 |
| | | <u>276,699,575</u> | <u>274,168,786</u> | <u>275,970,699</u> | <u>273,468,038</u> |
| Total assets | | | | | |

Director _____ Director _____

The notes to interim financial information from page 10 to 51 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 2015

| | Notes | Consolidated | | The Bank | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 31 March | 31 December | 31 March | 31 December |
| | | 2015 | 2014 | 2015 | 2014 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Liabilities and shareholders' equity | | | | | |
| Liabilities | | | | | |
| Deposits | | 185,353,260 | 183,894,651 | 185,648,762 | 184,105,740 |
| Interbank and money market items | | 21,128,382 | 18,304,767 | 21,066,582 | 18,230,367 |
| Liability payable on demand | | 681,554 | 344,291 | 681,554 | 344,291 |
| Financial liabilities designated at fair value | | | | | |
| through profit or loss | 17 | 5,896,612 | 7,693,133 | 5,896,612 | 7,693,133 |
| Derivative liabilities | 9 | 11,069,120 | 10,396,602 | 11,069,120 | 10,396,602 |
| Debt issued and borrowings | 18 | 22,736,924 | 24,512,208 | 22,736,924 | 24,512,208 |
| Bank's liability under acceptance | | 103,709 | 68,889 | 103,709 | 68,889 |
| Provisions | 19 | 1,477,605 | 1,471,526 | 1,425,571 | 1,420,435 |
| Other liabilities | | 5,516,655 | 4,892,162 | 5,153,549 | 4,556,104 |
| Total liabilities | | 253,963,821 | 251,578,229 | 253,782,383 | 251,327,769 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 21,084,878,025 ordinary shares | | | | | |
| of Baht 0.50 each | | | | | |
| | | 10,542,439 | 10,542,439 | 10,542,439 | 10,542,439 |
| 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 | 20 | 891,382 | 887,620 | 903,696 | 899,934 |
| Accretion of equity interests in subsidiary | | (42,754) | (42,754) | - | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | | | | | |
| | 21 | 341,300 | 341,300 | 341,300 | 341,300 |
| Unappropriated | | | | | |
| | | 7,135,649 | 6,994,214 | 6,533,143 | 6,488,858 |
| Total shareholders' equity | | 22,735,754 | 22,590,557 | 22,188,316 | 22,140,269 |
| Total liabilities and shareholders' equity | | 276,699,575 | 274,168,786 | 275,970,699 | 273,468,038 |

The notes to interim financial information from page 10 to 51 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 2015

| | Notes | Consolidated | | The Bank | |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | 2015 Thousand Baht | 2014 Thousand Baht | 2015 Thousand Baht | 2014 Thousand Baht |
| Interest income | 24 | 3,646,818 | 3,354,058 | 3,270,440 | 2,978,908 |
| Interest expenses | 25 | (1,732,540) | (1,498,929) | (1,731,648) | (1,491,827) |
| Net interest income | | 1,914,278 | 1,855,129 | 1,538,792 | 1,487,081 |
| Fees and service income | | 464,548 | 362,055 | 380,263 | 283,963 |
| Fees and service expenses | | (54,696) | (42,910) | (71,046) | (66,357) |
| Net fee and service income | 26 | 409,852 | 319,145 | 309,217 | 217,606 |
| Gains on tradings and foreign exchange transactions | 27 | 596,301 | 237,099 | 596,301 | 237,099 |
| (Losses) gains on financial liabilities designated at fair value through profit or loss | 28 | (156,983) | 44,717 | (156,983) | 44,717 |
| Gains on investments | 29 | 139,553 | 200,452 | 139,553 | 200,452 |
| Other operating income | 30 | 60,562 | 41,636 | 41,528 | 26,044 |
| Total operating income | | 2,963,563 | 2,698,178 | 2,468,408 | 2,212,999 |
| Other operating expenses | | | | | |
| Employee expenses | | 985,482 | 879,044 | 870,429 | 758,655 |
| Directors' remuneration | | 2,404 | 2,034 | 2,320 | 1,860 |
| Premises and equipment expenses | | 336,719 | 343,231 | 305,397 | 314,122 |
| Taxes and duties | | 112,432 | 100,138 | 108,291 | 94,897 |
| Others | | 344,792 | 353,116 | 183,776 | 175,904 |
| Total other operating expenses | | 1,781,829 | 1,677,563 | 1,470,213 | 1,345,438 |
| Bad and doubtful debts and impairment losses | 31 | 1,021,785 | 469,566 | 958,300 | 356,000 |
| Profit before income tax expenses | | 159,949 | 551,049 | 39,895 | 511,561 |
| Income tax expenses | 32 | (29,348) | (110,183) | (6,444) | (111,067) |
| Net profit for the periods | | 130,601 | 440,866 | 33,451 | 400,494 |

The notes to interim financial information from page 10 to 51 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 2015

| | Consolidated | | The Bank | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Note | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Other comprehensive income (expenses) | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Changes in revaluation surplus | (13,542) | (6,106) | (13,542) | (6,106) |
| Remeasurements of post-employment benefit obligations | - | (18,079) | - | (16,573) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 2,708 | 4,837 | 2,708 | 4,536 |
| Total items that will not be reclassified subsequently to profit or loss | (10,834) | (19,348) | (10,834) | (18,143) |
| Items that will be reclassified subsequently to profit or loss | | | | |
| Gains on remeasuring available-for-sale investments | 12,251 | 12,353 | 12,251 | 12,353 |
| Losses arising from translating the financial statement of a foreign operation | (9,817) | - | (9,817) | - |
| Gains on cash flow hedges | 18,265 | - | 18,265 | - |
| Income tax relating to items that will be reclassified subsequently to profit or loss | (6,103) | (2,470) | (6,103) | (2,470) |
| Total items that will be reclassified subsequently to profit or loss | 14,596 | 9,883 | 14,596 | 9,883 |
| Total other comprehensive income (expenses) | 3,762 | (9,465) | 3,762 | (8,260) |
| Total comprehensive income for the periods | 134,363 | 431,401 | 37,213 | 392,234 |
| Net profit attributable to: | | | | |
| Shareholders of the Bank | 130,601 | 440,866 | 33,451 | 400,494 |
| Non-controlling interests | - | - | - | - |
| | 130,601 | 440,866 | 33,451 | 400,494 |
| Total comprehensive income attributable to: | | | | |
| Shareholders of the Bank | 134,363 | 431,401 | 37,213 | 392,234 |
| Non-controlling interests | - | - | - | - |
| | 134,363 | 431,401 | 37,213 | 392,234 |
| Earnings per share for profit attributable to the shareholders of the Bank | 33 | | | |
| Basic earnings per share (Baht per share) | 0.01 | 0.02 | 0.00 | 0.02 |
| 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 51 are an integral part of the interim financial information.

| Consolidated | | | | | | | | | | | | | |
|--|-------------------|------------------|------------------|---------------------|-----------------|---------------------|------------------|---------------------|----------------|------------------|----------------|------------------|-------------------|
| Attributable to owners of the Bank | | | | | | | | | | | | | |
| Other reserves | | | | | | | | | | | | | |
| Note | Issued and | Share | Revaluation | Remeasurements | Revaluation | Losses arising from | Losses on | Income tax relating | Total | Accretion of | Legal | Retained | Total |
| | paid-up | premium | surplus on | of post-employment | surplus | translating the | cash flow | to components of | other reserves | equity interests | reserve | earnings | |
| | share capital | | assets | benefit obligations | (deficit) on | of a foreign | hedges | other comprehensive | | in subsidiary | | | |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | change in value | operation | Thousand Baht | expense | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| | 10,542,439 | 3,867,738 | 1,095,164 | - | 278,877 | 7,338 | (149,627) | (244,883) | 986,869 | (42,754) | 341,300 | 6,992,657 | 22,688,249 |
| Impact of the adoption of TAS19 (revised 2014) employee benefits | 4 | - | - | (124,061) | - | - | - | 24,812 | (99,249) | - | - | 1,557 | (97,692) |
| Restated balance | 10,542,439 | 3,867,738 | 1,095,164 | (124,061) | 278,877 | 7,338 | (149,627) | (220,071) | 887,620 | (42,754) | 341,300 | 6,994,214 | 22,590,557 |
| Total comprehensive (expenses) income for the period | - | - | (13,542) | - | 12,251 | (9,817) | 18,265 | (3,395) | 3,762 | - | - | 130,601 | 134,363 |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | 10,834 | 10,834 |
| Balance as at 31 March 2015 | 10,542,439 | 3,867,738 | 1,081,622 | (124,061) | 291,128 | (2,479) | (131,362) | (223,466) | 891,382 | (42,754) | 341,300 | 7,135,649 | 22,735,754 |
| 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 |
| Impact of the adoption of TAS19 (revised 2014) employee benefits | 4 | - | - | (51,745) | - | - | - | 10,349 | (41,396) | - | - | 1,002 | (40,394) |
| Restated balance | 10,542,439 | 3,867,738 | 1,119,426 | (51,745) | 38,144 | - | - | (221,165) | 884,660 | (42,754) | 272,000 | 6,265,595 | 21,789,678 |
| Total comprehensive (expenses) income for the period | - | - | (6,106) | (18,079) | 12,353 | - | - | 2,367 | (9,465) | - | - | 440,866 | 431,401 |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | 6,106 | 6,106 |
| Balance as at 31 March 2014 | 10,542,439 | 3,867,738 | 1,113,320 | (69,824) | 50,497 | - | - | (218,798) | 875,195 | (42,754) | 272,000 | 6,712,567 | 22,227,185 |

CIMB Thai Bank Public Company Limited

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

For the three-month period ended 31 March 2015

| The Bank | | | | | | | | | | | | | |
|--|---|--------------------------------|--|--|--|---|---|---|---------------------------------------|--------------------------------|------------------------------------|-------------------|---------------|
| Other reserves | | | | | | | | | | | | | |
| Note | Issued and paid-up share capital Thousand Baht | Share premium Thousand Baht | Revaluation surplus on assets Thousand Baht | Remeasurements of post-employment benefit obligations Thousand Baht | Revaluation surplus (deficit) on change in value of investments Thousand Baht | Losses arising from translating the financial statement of a foreign operation Thousand Baht | Losses on cash flow hedges Thousand Baht | Income tax relating to components of other comprehensive expense Thousand Baht | Total other reserves Thousand Baht | Legal reserve Thousand Baht | Retained earnings Thousand Baht | Total | |
| | | | | | | | | | | | | Thousand Baht | Thousand Baht |
| Balance as at 1 January 2015 | 10,542,439 | 3,867,738 | 1,095,164 | - | 278,877 | 7,338 | (149,627) | (244,883) | 986,869 | 341,300 | 6,488,689 | 22,227,035 | |
| Impact of the adoption of TAS19 (revised 2014) employee benefits | 4 | - | - | (108,668) | - | - | - | 21,733 | (86,935) | - | 169 | (86,766) | |
| Restated balance | 10,542,439 | 3,867,738 | 1,095,164 | (108,668) | 278,877 | 7,338 | (149,627) | (223,150) | 899,934 | 341,300 | 6,488,858 | 22,140,269 | |
| Total comprehensive (expenses) income for the period | - | - | (13,542) | - | 12,251 | (9,817) | 18,265 | (3,395) | 3,762 | - | 33,451 | 37,213 | |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | 10,834 | 10,834 | |
| Balance as at 31 March 2015 | 10,542,439 | 3,867,738 | 1,081,622 | (108,668) | 291,128 | (2,479) | (131,362) | (226,545) | 903,696 | 341,300 | 6,533,143 | 22,188,316 | |
| 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 | |
| Impact of the adoption of TAS19 (revised 2014) employee benefits | 4 | - | - | (42,374) | - | - | - | 8,475 | (33,899) | - | - | (33,899) | |
| Restated balance | 10,542,439 | 3,867,738 | 1,119,426 | (42,374) | 38,144 | - | - | (223,039) | 892,157 | 272,000 | 5,807,903 | 21,382,237 | |
| Total comprehensive (expenses) income for the period | - | - | (6,106) | (16,573) | 12,353 | - | - | 2,066 | (8,260) | - | 400,494 | 392,234 | |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | 6,106 | 6,106 | |
| Balance as at 31 March 2014 | 10,542,439 | 3,867,738 | 1,113,320 | (58,947) | 50,497 | - | - | (220,973) | 883,897 | 272,000 | 6,214,503 | 21,780,577 | |

The notes to interim financial information from page 10 to 51 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 2015

| | Consolidated | | The Bank | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Cash flows from operating activities | | | | |
| Profit before income tax expenses | 159,949 | 551,049 | 39,895 | 511,561 |
| Adjustments to reconcile net incomes before income tax to cash in (out) flows from operating activities: | | | | |
| Depreciation and amortisation | 123,981 | 125,374 | 117,579 | 122,005 |
| Bad debts and doubtful accounts | 1,021,785 | 469,566 | 958,300 | 356,000 |
| Share-based payment | (4,513) | (1,593) | (4,513) | (1,593) |
| Provision for liabilities | 42,594 | 34,448 | 41,651 | 32,493 |
| (Reversal of) losses on impairment of properties for sale | (86,604) | (10,286) | 122 | 204 |
| Unrealised (gains) on exchange rate and derivatives | (352,871) | (35,141) | (352,871) | (35,141) |
| Losses (gains) on properties for sale | 214,266 | 162,635 | (3,574) | 2,289 |
| Unrealised (gains) losses on revaluation of investments | (2,298) | 21,282 | (2,298) | 21,282 |
| (Gains) on sale of investments | (188,207) | (282,297) | (188,207) | (282,297) |
| (Gains) on disposal of premises and equipment | (2,194) | (1,280) | (1,632) | (945) |
| Losses from write off premises and equipment | 1,337 | 2,581 | 1,337 | 2,581 |
| Losses (gains) on financial instrument designated at fair value through profit or loss | 156,983 | (44,717) | 156,983 | (44,717) |
| Interest and dividend (income) | (3,661,773) | (3,357,616) | (3,285,395) | (2,982,466) |
| Interest expenses | 1,473,786 | 1,276,376 | 1,472,894 | 1,269,273 |
| Losses from operations | | | | |
| before changes in operating assets and liabilities | (1,103,779) | (1,089,619) | (1,049,729) | (1,029,471) |
| (Increase) decrease in operating assets | | | | |
| Interbank and money market items | (2,707,583) | 22,401,805 | (2,710,695) | 22,435,875 |
| Investments held for trading | 628,087 | 2,834,181 | 628,087 | 2,834,181 |
| Loans | (975,220) | (1,374,987) | (320,663) | (1,637,654) |
| Properties for sale | 373,648 | 231,327 | 25,085 | 9,250 |
| Receivable from Thai Asset Management Corporation | 3,380,057 | - | 3,380,057 | - |
| Other assets | (96,713) | 1,216,401 | (91,830) | 1,176,740 |
| Increase (decrease) in operating liabilities | | | | |
| Deposits | 1,458,609 | (425,156) | 1,543,022 | (224,244) |
| Interbank and money market items | 2,823,615 | (7,341,409) | 2,836,215 | (6,828,809) |
| Liability payable on demand | 337,263 | 173,311 | 337,263 | 173,311 |
| Short-term borrowings | (1,520,700) | (1,025,103) | (1,520,700) | (1,025,103) |
| Provisions | (36,513) | (25,647) | (36,513) | (25,679) |
| Other liabilities | 367,316 | (2,573,072) | 343,561 | (2,443,492) |
| Cash flows provided by operating activities | 2,928,087 | 13,002,032 | 3,363,160 | 13,414,905 |
| Cash received from interest income | 2,958,886 | 2,789,962 | 2,520,337 | 2,364,190 |
| Cash paid for interest expenses | (1,450,317) | (1,314,015) | (1,449,377) | (1,306,367) |
| Cash paid for income tax | (385) | (1,247) | - | - |
| Net cash flows provided by operating activities | 4,436,271 | 14,476,732 | 4,434,120 | 14,472,728 |

The notes to interim financial information from page 10 to 51 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 2015

| | Consolidated | | The Bank | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Cash flows from investing activities | | | | |
| Cash paid for purchases of available-for-sale securities | (15,615,362) | (32,392,060) | (15,615,362) | (32,392,060) |
| Proceeds from disposals of available-for-sale securities | 8,520,860 | 21,309,017 | 8,520,860 | 21,309,017 |
| Cash paid for purchases of held-to-maturity securities | (1,757,146) | (3,023,237) | (1,757,146) | (3,023,237) |
| Proceeds from maturity of held-to-maturity securities | 4,458,256 | 670,000 | 4,458,256 | 670,000 |
| Proceeds from repayment of investment in receivable | 3,755 | 4,595 | 3,755 | 4,595 |
| Proceeds from disposals of general investments | 6,025 | 382 | 6,025 | 382 |
| Proceeds from maturity of general investments | 7,500 | 7,500 | 7,500 | 7,500 |
| Cash paid for purchases of premises and equipment | (24,949) | (18,318) | (22,710) | (13,122) |
| Proceeds from disposals of premises and equipment | 3,548 | 2,117 | 2,541 | 1,638 |
| Cash paid for purchases of intangible assets | (12,379) | (7,091) | (12,357) | (7,091) |
| Dividend received | 14,644 | 3,558 | 14,644 | 3,558 |
| Interest received | 568,932 | 549,873 | 568,921 | 549,873 |
| Net cash flows used in investing activities | (3,826,316) | (12,893,664) | (3,825,073) | (12,888,947) |
| 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 and debentures | 1,680,000 | 3,026,000 | 1,680,000 | 3,026,000 |
| Cash paid for redemption of structured bills of exchange and debentures | (3,541,000) | (2,399,000) | (3,541,000) | (2,399,000) |
| Net cash flows used in financing activities | (1,861,000) | (1,873,000) | (1,861,000) | (1,873,000) |
| (Losses) from foreign currency translation differences | (9,275) | - | (9,275) | - |
| Net decrease in cash and cash equivalents | (1,260,320) | (289,932) | (1,261,228) | (289,219) |
| Cash and cash equivalents at beginning of the periods | 3,989,622 | 3,328,748 | 3,987,737 | 3,324,657 |
| Cash and cash equivalents at the end of the periods | 2,729,302 | 3,038,816 | 2,726,509 | 3,035,438 |

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 | 44,945 | 14,440 | 44,945 | 14,440 |
| Payable from purchase of intangible assets | 13,467 | 15,029 | 13,467 | 15,029 |
| Interest amortisation from premium or discount | 61,300 | 1,122 | 61,300 | 1,122 |

The notes to interim financial information from page 10 to 51 are an integral part of the interim financial information.

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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 hire-purchase, leasing business and debt collection business.

The interim consolidated and bank financial information was authorised by the Audit Committee on 14 May 2015.

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 2014), “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 2014.

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 2014 except as described in Note 3 to the interim financial information.

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 (Cont'd)

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

1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.

a) Financial reporting standards, which have a significant changes :

| | |
|-------------------------|---|
| TAS 1 (revised 2014) | Presentation of financial statements |
| TAS 16 (revised 2014) | Property, plant and equipment |
| TAS 19 (revised 2014) | Employee benefits |
| TAS 27 (revised 2014) | Separate financial statements |
| TAS 28 (revised 2014) | Investments in associates and joint ventures |
| TAS 34 (revised 2014) | Interim financial reporting |
| TFRS 10 | Consolidated financial statements |
| TFRS 11 | Joint arrangements |
| TFRS 12 | Disclosure of interests in other entities |
| TFRS 13 | Fair value measurement |
| TFRIC 14 (revised 2014) | TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction |
| TFRIC 20 | Stripping costs in the production phase of a surface mine |

Management evaluates that the new financial reporting standards, revised accounting standards and revised financial reporting standards have no significant impact to the Group's interim financial information being presented except TAS 1 (revised 2014), TAS 19 (revised 2014) and TFRS 13.

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 19 (revised 2014), the key changes is actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss. The significant impact to the Group is described in Note 4 to the interim financial information.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group's interim financial information, except for disclosures.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

| | |
|-----------------------|--|
| TAS 2 (revised 2014) | Inventories |
| TAS 7 (revised 2014) | Statement of cash flows |
| TAS 8 (revised 2014) | Accounting policies, changes in accounting estimates and errors |
| TAS 10 (revised 2014) | Events after the reporting period |
| TAS 11 (revised 2014) | Construction contracts |
| TAS 12 (revised 2014) | Income taxes |
| TAS 17 (revised 2014) | Leases |
| TAS 18 (revised 2014) | Revenue |
| TAS 20 (revised 2014) | Accounting for government grants & disclosure of government assistance |
| TAS 21 (revised 2014) | The effects of changes in foreign exchange rates |

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group. (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows: (Cont'd)

| | |
|-------------------------|--|
| TAS 23 (revised 2014) | Borrowing costs |
| TAS 24 (revised 2014) | Related party disclosures |
| TAS 26 (revised 2014) | Accounting and reporting by retirement benefit plans |
| TAS 29 (revised 2014) | Financial reporting in hyperinflationary economies |
| TAS 33 (revised 2014) | Earnings per share |
| TAS 36 (revised 2014) | Impairment of assets |
| TAS 37 (revised 2014) | Provisions, contingent liabilities and contingent assets |
| TAS 38 (revised 2014) | Intangible assets |
| TAS 40 (revised 2014) | Investment property |
| TFRS 2 (revised 2014) | Share-based payment |
| TFRS 3 (revised 2014) | Business combinations |
| TFRS 5 (revised 2014) | Non-current asset held for sale and discontinued operations |
| TFRS 6 (revised 2014) | Exploration for and evaluation of mineral resources |
| TFRS 8 (revised 2014) | Operating segments |
| TSIC 10 (revised 2014) | Government assistance - No specific relation to operating activities |
| TSIC 15 (revised 2014) | Operating leases - Incentives |
| TSIC 25 (revised 2014) | Income taxes - changes in the tax status of an entity or its shareholders |
| TSIC 27 (revised 2014) | Evaluating the substance of transactions involving the legal form of a lease |
| TSIC 29 (revised 2014) | Service concession arrangements: Disclosures |
| TSIC 31 (revised 2014) | Revenue - barter transactions involving advertising services |
| TSIC 32 (revised 2014) | Intangible assets - Web site costs |
| TFRIC 1 (revised 2014) | Changes in existing decommissioning, restoration and similar liabilities |
| TFRIC 4 (revised 2014) | Determining whether an arrangement contains a lease |
| TFRIC 5 (revised 2014) | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| TFRIC 7 (revised 2014) | Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies |
| TFRIC 10 (revised 2014) | Interim financial reporting and impairment |
| TFRIC 12 (revised 2014) | Service concession arrangements |
| TFRIC 13 (revised 2014) | Customer loyalty programmes |
| TFRIC 15 (revised 2014) | Agreements for the construction of real estate |
| TFRIC 17 (revised 2014) | Distributions of non-cash assets to owners |
| TFRIC 18 (revised 2014) | Transfers of assets from customers |

2) New financial reporting standard which is effective on 1 January 2016.

TFRS4 (revised 2014) Insurance contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

3 New accounting policy

Employee benefits

The accounting policies for employee benefits used in the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2014, except changes by the revised accounting standard which is relevant to recognition of actuarial gains and losses in other comprehensive income in the period in which they arise. The effects of the change in accounting policies are shown in Note 4 to the interim financial information.

4 Impact of the adoption of TAS 19 (revised 2014) Employee Benefits

The effect of the adoption of TAS 19 (revised 2014) Employee benefits to the consolidated and bank statements of financial position as at 31 December 2014 is as follows:

| | 31 December 2014 | |
|------------------------------|--------------------------------------|----------------------------------|
| | Consolidated Million Baht | The Bank Million Baht |
| Deferred tax assets increase | 25 | 22 |
| Provisions increase | 123 | 108 |
| Other reserves decrease | (99) | (87) |
| Retained earnings increase | 2 | 0.2 |

The effect of the adoption of TAS 19 (revised 2014) Employee benefits to the consolidated and bank statements of comprehensive income for the three-month period ended 31 March 2014 is as follows:

| | For the three-month period ended 31 March 2014 | |
|--|---|----------------------------------|
| | Consolidated Million Baht | The Bank Million Baht |
| Employee expenses decrease | (0.14) | (0.04) |
| Remeasurements of post-employment benefit obligations decrease | (18) | (17) |
| Income tax relating to the components of other comprehensive income (expenses) increase | 4 | 3 |

5 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 2014.

CIMB Thai Bank Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
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6 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 information as at 31 March 2015 and 31 December 2014 and for the three-month periods ended 31 March 2015 and 2014 are as follows:

| | Consolidated | | | | |
|--|---|---|------------------------------------|--|-----------------------------------|
| | For the three-month period ended 31 March 2015 | | | | |
| | Consumer banking Million Baht | Wholesale banking Million Baht | Others Million Baht | Eliminations Million Baht | Total Million Baht |
| Net interest income | | | | | |
| External | 1,537 | 322 | 55 | - | 1,914 |
| Net fees and service income | 342 | 90 | (22) | - | 410 |
| Other operating income | 74 | 407 | 159 | - | 640 |
| Other operating expenses | (1,346) | (397) | (39) | - | (1,782) |
| Bad and doubtful debts and impairment losses | (618) | (121) | (284) | 1 | (1,022) |
| Income tax expenses | (23) | - | (6) | - | (29) |
| Net profit (loss) for the period | (34) | 301 | (137) | 1 | 131 |

| | 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 (loss) for the period | (96) | 258 | 261 | 18 | 441 |

CIMB Thai Bank Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2015

6 Financial information by segments (Cont'd)

| | <u>Bank business</u> | | <u>Hire-purchase business</u> | | <u>Other businesses</u> | | <u>Eliminations</u> | | <u>Consolidated</u> | |
|-------------------------------------|----------------------|-------------------------|-------------------------------|-------------------------|-------------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|
| | <u>31 March 2015</u> | <u>31 December 2014</u> | <u>31 March 2015</u> | <u>31 December 2014</u> | <u>31 March 2015</u> | <u>31 December 2014</u> | <u>31 March 2015</u> | <u>31 December 2014</u> | <u>31 March 2015</u> | <u>31 December 2014</u> |
| | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> | <u>Million Baht</u> |
| Total assets | 275,971 | 273,468 | 19,586 | 19,284 | 113 | 116 | (18,970) | (18,699) | 276,700 | 274,169 |
| Interbank and money market | | | | | | | | | | |
| Items, net (assets) | 9,175 | 6,453 | 278 | 202 | 84 | 79 | (296) | (211) | 9,241 | 6,523 |
| Investments, net | 59,133 | 55,253 | - | - | - | - | - | - | 59,133 | 55,253 |
| Loans and accrued | | | | | | | | | | |
| interest receivables, net | 182,761 | 183,114 | 18,793 | 18,388 | 8 | 7 | (17,330) | (17,133) | 184,232 | 184,376 |
| Deposits | 185,649 | 184,106 | - | - | - | - | (296) | (211) | 185,353 | 183,895 |
| Interbank and money market | | | | | | | | | | |
| items (liabilities) | 21,066 | 18,230 | 17,492 | 17,369 | 8 | 7 | (17,438) | (17,301) | 21,128 | 18,305 |
| Financial liabilities designated at | | | | | | | | | | |
| fair value through profit or loss | 5,897 | 7,693 | - | - | - | - | - | - | 5,897 | 7,693 |
| Debt issued and borrowings | 22,737 | 24,512 | - | - | - | - | - | - | 22,737 | 24,512 |

7 Fair value

7.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2015.

| | Consolidated and the Bank | | | |
|---|----------------------------------|---------------------------------|---------------------------------|-------------------------------|
| | Level 1 Million Baht | Level 2 Million Baht | Level 3 Million Baht | Total Million Baht |
| Assets | | | | |
| Securities held for trading | - | 6,159 | - | 6,159 |
| Available-for-sale securities | 711 | 30,596 | - | 31,307 |
| Derivative assets | - | 11,648 | - | 11,648 |
| Total assets | 711 | 48,403 | - | 49,114 |
| Liabilities | | | | |
| Financial liabilities designated at fair value through profit or loss | - | 5,897 | - | 5,897 |
| Derivatives liabilities | - | 11,069 | - | 11,069 |
| Total liabilities | - | 16,966 | - | 16,966 |

7.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

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8 Interbank and money market items (assets)

| | Consolidated | | | | | |
|---|----------------------------|-------------------------|--------------------------|----------------------------|-------------------------|--------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | 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 | 625 | - | 625 | 2,648 | - | 2,648 |
| Commercial banks | 67 | - | 67 | 116 | 959 | 1,075 |
| Other banks | 9 | - | 9 | 10 | - | 10 |
| Finance, finance and securities, securities, and credit foncier companies | 544 | - | 544 | 544 | - | 544 |
| Other financial institutions | - | 583 | 583 | 30 | 825 | 855 |
| Total domestic items | 1,245 | 583 | 1,828 | 3,348 | 1,784 | 5,132 |
| <u>Add</u> Accrued interest receivables | - | 1 | 1 | - | - | - |
| <u>Less</u> Allowance for doubtful debts | - | (4) | (4) | - | (3) | (3) |
| Domestic items, net | 1,245 | 580 | 1,825 | 3,348 | 1,781 | 5,129 |
| Foreign: | | | | | | |
| US dollar | 343 | 6,537 | 6,880 | 698 | - | 698 |
| Yen | 27 | - | 27 | 48 | - | 48 |
| Euro | 32 | - | 32 | 56 | - | 56 |
| Other currencies | 477 | - | 477 | 592 | - | 592 |
| Foreign items, net | 879 | 6,537 | 7,416 | 1,394 | - | 1,394 |
| Domestic and foreign items, net | 2,124 | 7,117 | 9,241 | 4,742 | 1,781 | 6,523 |
| The Bank | | | | | | |
| | 31 March 2015 | | | 31 December 2014 | | |
| | At call Million Baht | Term Million Baht | Total Million Baht | At call Million Baht | Term Million Baht | Total Million Baht |
| | 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 | 625 | - | 625 | 2,648 | - | 2,648 |
| Commercial banks | 9 | - | 9 | 15 | 1,000 | 1,015 |
| Finance, finance and securities, securities, and credit foncier companies | 544 | - | 544 | 544 | - | 544 |
| Other financial institutions | - | 583 | 583 | 30 | 825 | 855 |
| Total domestic items | 1,178 | 583 | 1,761 | 3,237 | 1,825 | 5,062 |
| <u>Add</u> Accrued interest receivables | - | 1 | 1 | - | - | - |
| <u>Less</u> Allowance for doubtful debts | - | (4) | (4) | - | (3) | (3) |
| Domestic items, net | 1,178 | 580 | 1,758 | 3,237 | 1,822 | 5,059 |
| Foreign: | | | | | | |
| US dollar | 343 | 6,537 | 6,880 | 698 | - | 698 |
| Yen | 27 | - | 27 | 48 | - | 48 |
| Euro | 33 | - | 33 | 56 | - | 56 |
| Other currencies | 477 | - | 477 | 592 | - | 592 |
| Foreign items, net | 880 | 6,537 | 7,417 | 1,394 | - | 1,394 |
| Domestic and foreign items, net | 2,058 | 7,117 | 9,175 | 4,631 | 1,822 | 6,453 |

As at 31 March 2015, the Bank has promissory notes of Baht 544 million (31 December 2014: Baht 544 million), that were issued by financial institutions which were ordered to be closed, and are availed by the Financial Institution Development Fund (“the FIDF”).

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

The FIDF recalls promissory notes amounting to Baht 544 million (31 December 2014: 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 availed by FIDF has been presented as assets and the related obligation has been presented as liabilities at the same amount Baht 544 million (31 December 2014: Baht 544 million).

9 Derivatives

9.1 Trading derivatives

Fair value and notional amount classified by type of risk.

| | Consolidated and the Bank | | | | | |
|--------------------------|------------------------------|--------------------------|------------------------------------|------------------------------|-------|------------------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | Fair value | | Notional amount Million Baht | Fair value | | Notional amount Million Baht |
| Asset Million Baht | Liability Million Baht | Asset Million Baht | | Liability Million Baht | | |
| Exchange rate | 4,942 | 5,240 | 834,861 | 4,698 | 5,079 | 714,137 |
| Interest rate | 6,663 | 5,175 | 889,100 | 6,074 | 4,917 | 794,882 |
| Commodity | 11 | 10 | 509 | - | - | - |
| Total | 11,616 | 10,425 | 1,724,470 | 10,772 | 9,996 | 1,509,019 |

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

| | Consolidated and the Bank | |
|------------------------|---------------------------|------------------|
| | 31 March 2015 | 31 December 2014 |
| | Proportion (%) | Proportion (%) |
| Financial institutions | 94 | 93 |
| Companies in Group | 4 | 5 |
| External parties | 2 | 2 |
| Total | 100 | 100 |

9.2 Derivative for hedging

9.2.1 Fair value hedge

| | Consolidated and the Bank | | | | | |
|--------------------------|------------------------------|--------------------------|------------------------------------|------------------------------|---|------------------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | Fair value | | Notional amount Million Baht | Fair value | | Notional amount Million Baht |
| Asset Million Baht | Liability Million Baht | Asset Million Baht | | Liability Million Baht | | |
| Interest rate | 32 | - | 557 | 32 | - | 571 |
| Total | 32 | - | 557 | 32 | - | 571 |

9 Derivatives (Cont'd)

9.2 Derivative for hedging (Cont'd)

9.2.1 Fair value hedge (Cont'd)

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 Bank recognises gains (losses) from changes in fair value of derivatives, derivative from hedging and hedged items in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the three-month periods ended 31 March 2015 and 2014 can be summarised as follows:

| | Consolidated and the Bank | |
|-----------------------------------|---|---------------------|
| | For the three-month periods ended 31 March | |
| | 2015 | 2014 |
| | Million Baht | Million Baht |
| Gains on hedging instruments, net | 2 | 3 |
| Losses on the hedged items, net | (2) | (3) |

9.2.2 Cash flow hedge

| | Consolidated and the Bank | | | | | |
|---------------|----------------------------------|------------------|-----------------|-------------------------|------------------|-----------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | 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 |
| Exchange rate | - | 503 | | - | 247 | |
| Interest rate | - | 141 | | - | 153 | |
| Total | - | 644 | 7,556 | - | 400 | 7,862 |

Cash flow hedges are used to protect against exposure to variability in future cash flows attributable to movements in foreign exchange rates and interest rates of financial assets and financial liabilities. The Bank hedges cash flows from subordinated debentures against foreign exchange rates risk and interest rates risk using Cross Currency and Interest Rate Swap contract with CIMB Bank Berhad and other parties.

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 31 March 2015 and 31 December 2014 can be summarised as follows:

| | Consolidated and the Bank | | |
|--------------|----------------------------------|---------------------|---------------------|
| | 31 March 2015 | | |
| | 3 months | More than | More than |
| | or less | 3 months | 1 year |
| | Million Baht | to 1 year | to 5 years |
| | Million Baht | Million Baht | Million Baht |
| Cash outflow | - | 197 | 4,203 |

9 Derivatives (Cont'd)

9.2 Derivative for hedging (Cont'd)

9.2.2 Cash flow hedge (Cont'd)

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 31 March 2015 and 31 December 2014 can be summarised as follows: (Cont'd)

| | Consolidated and the Bank | | |
|--------------|--|--|---|
| | 31 December 2014 | | |
| | 3 months or less Million Baht | More than 3 months to 1 year Million Baht | More than 1 year to 5 years Million Baht |
| Cash outflow | 106 | 105 | 4,616 |

10 Investments, net

Classified by types of investment

| | Consolidated and the Bank | |
|---|--|---|
| | 31 March 2015 Fair value Million Baht | 31 December 2014 Fair value Million Baht |
| Securities held for trading | | |
| Government and state enterprises securities | 4,843 | 4,777 |
| Private sector debt securities | 1,316 | 1,968 |
| Total securities held for trading | 6,159 | 6,745 |
| Available-for-sale securities | | |
| Government and state enterprises securities | 26,522 | 20,648 |
| Private sector debt securities | 4,074 | 2,771 |
| Domestic marketable equity securities | 711 | 683 |
| Total available-for-sales securities | 31,307 | 24,102 |
| | Cost/ Amortised Cost Million Baht | Cost/ Amortised Cost Million Baht |
| Held-to-maturity debt securities | | |
| Government and state enterprises securities | 20,736 | 23,731 |
| Promissory notes issued by Thai Asset Management Corporation | - | 8 |
| Private sector debt securities | 760 | 481 |
| Investments in receivables | 101 | 104 |
| Total | 21,597 | 24,324 |
| <u>Less</u> Allowance for impairment | (62) | (62) |
| Total held-to-maturity debt securities | 21,535 | 24,262 |

10 Investments, net (Cont'd)

Classified by types of investment (Cont'd)

| | Consolidated and the Bank | |
|---|----------------------------------|------------------------------|
| | Cost Million Baht | Cost Million Baht |
| General investments | | |
| Domestic non-marketable equity securities | 346 | 359 |
| Overseas non-marketable equity securities | 9 | 9 |
| Total | 355 | 368 |
| <u>Less</u> Allowance for impairment | (223) | (224) |
| Total general investments | 132 | 144 |
| Investments, net | 59,133 | 55,253 |

- (a) As at 31 December 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 38 to the interim financial information) amounting to Baht 8 million. Such promissory notes are non-transferable and avaled by the FIDF.
- (b) As at 31 March 2015 and 31 December 2014, the Bank had investments pledged as collateral, as mentioned in Note 34.1 to the interim financial information.

11 Investments in subsidiary, net

| Company name | Nature of business | Type of securities | Percentage of holding | | The Bank Cost method | |
|--------------------------------------|--|-------------------------------|------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | | | 31 March 2015 | 31 December 2014 | 31 March 2015 | 31 December 2014 |
| | | | % | % | Million Baht | Million Baht |
| 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 and motorcycle trading | Common stock | 100 | 100 | 467 | 467 |
| CT Coll Co., Ltd. | Debt collection | Common stock | 100 | 100 | 38 | 38 |
| Total | | | | | 1,708 | 1,708 |
| <u>Less</u> Allowance for impairment | | | | | (383) | (383) |
| Investments in subsidiary, net | | | | | 1,325 | 1,325 |

12 Loans and accrued interest receivables, net

12.1 Classified by loan type

| | Consolidated | | The Bank | |
|---|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| | 31 March 2015 Million Baht | 31 December 2014 Million Baht | 31 March 2015 Million Baht | 31 December 2014 Million Baht |
| Bank overdrafts | 7,472 | 7,683 | 7,480 | 7,690 |
| Loans | 133,675 | 130,700 | 138,190 | 134,140 |
| Bills | 29,750 | 32,663 | 42,665 | 46,518 |
| Hire-purchase receivables | 23,994 | 23,554 | - | - |
| Others | 25 | 25 | 2 | 1 |
| Total loans | 194,916 | 194,625 | 188,337 | 188,349 |
| Valuation reserve from hedging | (16) | (15) | (16) | (15) |
| <u>Less</u> Deferred revenue | <u>(4,670)</u> | <u>(4,642)</u> | <u>(143)</u> | <u>(163)</u> |
| Total loans net of deferred revenue | 190,230 | 189,968 | 188,178 | 188,171 |
| <u>Add</u> Accrued interest receivables | <u>718</u> | <u>455</u> | <u>784</u> | <u>459</u> |
| Total loans net of deferred revenue and accrued interest receivables | 190,948 | 190,423 | 188,962 | 188,630 |
| <u>Less</u> Allowance for doubtful debts (Note 13) | | | | |
| Minimum allowance for doubtful accounts required based on BoT's guidelines | | | | |
| - Individual approach | (4,093) | (3,762) | (3,578) | (3,231) |
| General provision for further losses | (2,556) | (2,217) | (2,556) | (2,217) |
| <u>Less</u> Revaluation allowance for debt restructuring (Note 14) | <u>(67)</u> | <u>(68)</u> | <u>(67)</u> | <u>(68)</u> |
| Loans and accrued interest receivables, net | 184,232 | 184,376 | 182,761 | 183,114 |

12.2 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 2015 | | | | 31 December 2014 | | | |
| 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 | 174,947 | 54,246 | 1 | 543 | 176,240 | 62,925 | 1 | 561 |
| - Special mention | 8,864 | 3,399 | 2 | 54 | 7,817 | 3,961 | 2 | 55 |
| - Sub-standard | 1,404 | 783 | 100 | 782 | 1,764 | 1,120 | 100 | 1,118 |
| - Doubtful | 1,880 | 1,141 | 100 | 1,102 | 1,072 | 606 | 100 | 572 |
| - Doubtful-of-loss | 3,853 | 1,390 | 100 | 1,612 | 3,530 | 1,234 | 100 | 1,456 |
| General provision for further losses | | | 2,556 | | | | 2,217 | |
| Total | 190,948 | 60,959 | 6,649 | 190,423 | 69,846 | | 5,979 | |

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

12.2 Classification of loans (Cont'd)

(a) Debtors and loans of the Group (Cont'd)

| | The Bank | | | | | | | |
|---|--|---|--------------------|------------------------------------|--|---|--------------------|------------------------------------|
| | 31 March 2015 | | | | 31 December 2014 | | | |
| | 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 | 175,813 | 63,073 | 1 | 630 | 177,381 | 64,073 | 1 | 640 |
| - Special mention | 6,663 | 1,767 | 2 | 21 | 5,539 | 1,683 | 2 | 19 |
| - Sub-standard | 1,201 | 617 | 100 | 617 | 1,525 | 921 | 100 | 922 |
| - Doubtful | 1,645 | 906 | 100 | 906 | 826 | 359 | 100 | 359 |
| - Doubtful-of-loss | 3,640 | 1,177 | 100 | 1,404 | 3,359 | 1,064 | 100 | 1,291 |
| General provision for further losses | | | | 2,556 | | | | 2,217 |
| Total | 188,962 | 67,540 | | 6,134 | 188,630 | 68,100 | | 5,448 |

(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 2015, the Group and the Bank had defaulted loans amounting to Baht 6,886 million and Baht 6,235 million, respectively, (31 December 2014: Baht 5,773 million and Baht 5,117 million, respectively) were ceased recognition of interest income.

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

As at 31 March 2015 and 31 December 2014, 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 2015 | 31 December 2014 | 31 March 2015 | 31 December 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Current or overdue less than 1 installment | 16,615 | 16,141 | 88 | 94 |
| Overdue 2 - 3 installments | 2,201 | 2,278 | 33 | 37 |
| Overdue 4 - 6 installments | 203 | 238 | 164 | 196 |
| Overdue 7 - 12 installments | 234 | 247 | 196 | 213 |
| Overdue more than 12 installments | 209 | 166 | 204 | 160 |
| Debtors under litigation | 5 | 5 | 5 | 5 |
| Total | 19,467 | 19,075 | 690 | 705 |

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

12.3 Non-performing loans

As at 31 March 2015 and 31 December 2014, 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 2015 Million Baht | 31 December 2014 Million Baht | 31 March 2015 Million Baht | 31 December 2014 Million Baht |
| Non-performing loans (principal only) | | | | |
| Banking business | 6,483 | 5,698 | 6,483 | 5,698 |
| Other businesses | 651 | 657 | - | - |

As at 31 March 2015 and 31 December 2014, 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.

12.4 Hire purchase and finance lease receivables

As at 31 March 2015, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 18,777 million (31 December 2014: Baht 18,370 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 2015 | | | | |
|---|-------------------------------------|-----------------------------|------------------------------|--|-----------------------|
| | 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 | 7,583 | 15,041 | 541 | 829 | 23,994 |
| Less: Unearned finance income | (1,497) | (2,728) | (123) | (179) | (4,527) |
| Present value of minimum lease payments receivable | 6,086 | 12,313 | 418 | 650 | 19,467 |
| Less: Allowance for doubtful accounts | | | | | (690) |
| Net receivables under hire-purchase agreements and financial leases | | | | | 18,777 |
| | Consolidated as at 31 December 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 | 6,983 | 15,241 | 593 | 737 | 23,554 |
| Less: Unearned finance income | (1,104) | (3,084) | (133) | (158) | (4,479) |
| Present value of minimum lease payments receivable | 5,879 | 12,157 | 460 | 579 | 19,075 |
| Less: Allowance for doubtful accounts | | | | | (705) |
| Net receivables under hire-purchase agreements and financial leases | | | | | 18,370 |

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

12.5 Troubled debt restructuring

As at 31 March 2015 and 2014, 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 2015 | 31 March 2014 |
| Number of debtors (Number) | 405 | 1,107 |
| Debt balances (Million Baht) | 278 | 386 |

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 2015 | | |
| | Number of debtors | Debt balances | |
| Before restructuring Million Baht | | After restructuring Million Baht | |
| Modification of terms of payments | 405 | 278 | 278 |
| Total | 405 | 278 | 278 |

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

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:

| Period of debts restructuring contracts | Consolidated and the Bank | | | | | |
|--|---|---|--|---|---|-----|
| | For the three-month period ended 31 March 2015 | | | For the three-month period ended 31 March 2014 | | |
| | 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 | 23 | 37 | 37 | 64 | 41 | 41 |
| 5 - 10 years | 329 | 100 | 100 | 973 | 223 | 223 |
| 10 - 15 years | 9 | 29 | 29 | 9 | 11 | 11 |
| More than 15 years | 44 | 112 | 112 | 61 | 111 | 111 |
| Total | 405 | 278 | 278 | 1,107 | 386 | 386 |

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

12.5 Troubled debt restructuring (Cont'd)

Supplemental information relating to the restructured debts for the three-month periods ended 31 March 2015 and 2014 are as follows:

| | Consolidated and the Bank | |
|----------------------------|------------------------------------|---------------------|
| | For the three-month periods | |
| | ended 31 March | |
| | 2015 | 2014 |
| | Million Baht | Million Baht |
| Loss on debt restructuring | - | 10 |
| Interest income | 82 | 55 |

As at 31 March 2015 and 31 December 2014, the troubled debtors for which the Group completed their debt restructuring can be summarised as follow:

| | Consolidated and the Bank | |
|--|----------------------------------|-------------------------|
| | 31 March 2015 | 31 December 2014 |
| Number of debtors (Number) | 6,802 | 7,191 |
| Debt balances after restructuring (Million Baht) | 3,425 | 3,432 |

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 2015, the Bank has losses from the revaluation of restructured debts (PV Loss) of Baht 67 million (31 December 2014: Baht 68 million) for which the Bank provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 31 March 2015 the Bank may have to realise additional losses of approximately Baht 0.5 million (31 December 2014: Baht 0.5 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.

CIMB Thai Bank Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2015

13 Allowance for doubtful debts

| | Consolidated | | | | | | | | |
|---|-------------------------|----------------|-----------------|-----------------|-----------------|------------------|----------------|--------------------|----------------|
| | 31 March 2015 | | | | | | | | |
| | Pass | Special | Sub- | Doubtful | Doubtful | General | Total | Hire- | Grand |
| | Million | ment | standard | Million | -of-loss | provision | Million | purchase | total |
| | Baht | Million | Million | Million | Million | for | Baht | releasables | Million |
| | Baht | Baht | Baht | Baht | Baht | losses | Baht | Baht | Baht |
| | Baht | Baht | Baht | Baht | Baht | Million | Baht | Baht | Baht |
| Balance as at 1 January 2015 | 467 | 19 | 921 | 359 | 1,291 | 2,217 | 5,274 | 705 | 5,979 |
| <u>Add</u> Addition during the period | - | - | - | - | - | 958 | 958 | 65 | 1,023 |
| Transfer from revaluation allowance for debt restructuring | - | - | - | - | - | 4 | 4 | - | 4 |
| Reversal of bad debts | - | - | - | - | - | 50 | 50 | - | 50 |
| <u>Less</u> Bad debts written off | - | - | (4) | - | (316) | (3) | (323) | (80) | (403) |
| Transfer to revaluation allowance for debt restructuring | - | - | - | - | - | (3) | (3) | - | (3) |
| Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision | (12) | 2 | (300) | 547 | 429 | (667) | (1) | - | (1) |
| Balance as at 31 March 2015 | <u>455</u> | <u>21</u> | <u>617</u> | <u>906</u> | <u>1,404</u> | <u>2,556</u> | <u>5,959</u> | <u>690</u> | <u>6,649</u> |
| | Consolidated | | | | | | | | |
| | 31 December 2014 | | | | | | | | |
| | Pass | Special | Sub- | Doubtful | Doubtful | General | Total | Hire- | Grand |
| | Million | ment | standard | Million | -of-loss | provision | Million | purchase | total |
| | Baht | Million | Million | Million | Million | for | Baht | releasables | Million |
| | Baht | Baht | Baht | Baht | Baht | losses | Baht | Baht | Baht |
| | Baht | Baht | Baht | Baht | Baht | Million | Baht | Baht | 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 year | - | - | - | - | - | 1,702 | 1,702 | 455 | 2,157 |
| Transfer from revaluation allowance for debt restructuring | - | - | - | - | - | 6 | 6 | - | 6 |
| Reversal of bad debts | - | - | - | - | - | 141 | 141 | - | 141 |
| <u>Less</u> Bad debts written off | - | - | (86) | (2) | (1,177) | (10) | (1,275) | (245) | (1,520) |
| Transfer to revaluation allowance for debt restructuring | - | - | - | - | - | (41) | (41) | - | (41) |
| Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance | (4) | (11) | 538 | (122) | 1,853 | (2,282) | (28) | - | (28) |
| Balance as at 31 December 2014 | <u>467</u> | <u>19</u> | <u>921</u> | <u>359</u> | <u>1,291</u> | <u>2,217</u> | <u>5,274</u> | <u>705</u> | <u>5,979</u> |

CIMB Thai Bank Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2015

13 Allowance for doubtful debts (Cont'd)

| | The Bank | | | | | | |
|--|----------------------------------|---|---|--------------------------------------|--|---|-----------------------------------|
| | 31 March 2015 | | | | | | |
| | 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 2015 | 640 | 19 | 921 | 360 | 1,291 | 2,217 | 5,448 |
| <u>Add</u> Addition during the period | - | - | - | - | - | 958 | 958 |
| Transfer from revaluations allowance for debt restructuring | - | - | - | - | - | 4 | 4 |
| Reversal of bad debts | - | - | - | - | - | 50 | 50 |
| <u>Less</u> Bad debts written off | - | - | (4) | - | (316) | (3) | (323) |
| Transfer to revaluations allowance for debt restructuring | - | - | - | - | - | (3) | (3) |
| Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision | (10) | 2 | (300) | 546 | 429 | (667) | - |
| Balance as at 31 March 2015 | <u>630</u> | <u>21</u> | <u>617</u> | <u>906</u> | <u>1,404</u> | <u>2,556</u> | <u>6,134</u> |

| | The Bank | | | | | | |
|--|----------------------------------|---|---|--------------------------------------|--|---|-----------------------------------|
| | 31 December 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 year | - | - | - | - | - | 1,702 | 1,702 |
| Transfer from revaluations allowance for debt restructuring | - | - | - | - | - | 6 | 6 |
| Reversal of bad debts | - | - | - | - | - | 141 | 141 |
| <u>Less</u> Bad debts written off | - | - | (86) | (1) | (1,177) | (10) | (1,274) |
| Transfer to revaluations allowance for debt restructuring | - | - | - | - | - | (41) | (41) |
| Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance | 24 | (11) | 538 | (122) | 1,853 | (2,282) | - |
| Balance as at 31 December 2014 | <u>640</u> | <u>19</u> | <u>921</u> | <u>360</u> | <u>1,291</u> | <u>2,217</u> | <u>5,448</u> |

14 Revaluation allowance for debt restructuring

| | Consolidated and the Bank | |
|--|---|--|
| | 31 March 2015 Million Baht | 31 December 2014 Million Baht |
| Balance - beginning of the period/year | 68 | 33 |
| <u>Add</u> Revaluation allowance transferred from allowance for doubtful debts | 3 | 41 |
| <u>Less</u> Revaluation allowance transferred to allowance for doubtful debts | (4) | (6) |
| Balance - end of the period/year | <u>67</u> | <u>68</u> |

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

15 Deferred income taxes

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

| | Consolidated | | The Bank | |
|--------------------------------------|---|--|---|--|
| | 31 March 2015 Million Baht | 31 December 2014 Million Baht | 31 March 2015 Million Baht | 31 December 2014 Million Baht |
| Beginning of the period/year | 957 | 1,059 | 752 | 926 |
| Charged/(credited) to profit or loss | 61 | (98) | 81 | (169) |
| Tax credited directly to equity | (6) | (4) | (6) | (5) |
| End of the period/year | <u>1,012</u> | <u>957</u> | <u>827</u> | <u>752</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 2015 | 295 | - | 955 | 1,250 |
| Charged to profit or loss | 1 | - | 59 | 60 |
| Charged directly to equity | - | - | 4 | 4 |
| At 31 March 2015 | <u>296</u> | <u>-</u> | <u>1,018</u> | <u>1,314</u> |
| At 1 January 2014 | 282 | 95 | 933 | 1,310 |
| (Credited)/charged to profit or loss | (1) | (95) | 1 | (95) |
| Charged directly to equity | 14 | - | 21 | 35 |
| At 31 December 2014 | <u>295</u> | <u>-</u> | <u>955</u> | <u>1,250</u> |

| | Consolidated | | | |
|--------------------------------------|---|---|---|-------------------------------|
| | Fair value gain from investment Million Baht | Gain from revaluation of assets Million Baht | Temporary differences Million Baht | Total Million Baht |
| Deferred tax liabilities | | | | |
| At 1 January 2015 | 67 | 220 | 6 | 293 |
| Charged/(credited) to profit or loss | 2 | (3) | - | (1) |
| Tax charge directly to equity | 10 | - | - | 10 |
| At 31 March 2015 | <u>79</u> | <u>217</u> | <u>6</u> | <u>302</u> |
| At 1 January 2014 | 27 | 224 | - | 251 |
| Charged/(credited) to profit or loss | 2 | (4) | 6 | 4 |
| Tax charge directly to equity | 38 | - | - | 38 |
| At 31 December 2014 | <u>67</u> | <u>220</u> | <u>6</u> | <u>293</u> |

15 Deferred income taxes (Cont'd)

| | The Bank | | | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Provision | Tax losses | Temporary | Total |
| | Million Baht | Million Baht | differences | Million Baht |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Deferred tax assets | | | | |
| At 1 January 2015 | 285 | - | 760 | 1,045 |
| Charged to profit or loss | 1 | - | 79 | 80 |
| Charged directly to equity | - | - | 4 | 4 |
| As at 31 March 2015 | <u>286</u> | <u>-</u> | <u>843</u> | <u>1,129</u> |
| At 1 January 2014 | 279 | 95 | 803 | 1,177 |
| Credited to profit or loss | (7) | (95) | (63) | (165) |
| Charged directly to equity | 13 | - | 20 | 33 |
| As at 31 December 2014 | <u>285</u> | <u>-</u> | <u>760</u> | <u>1,045</u> |

| | The Bank | | | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Fair value | Gain from | Temporary | Total |
| | gain from | revaluation | differences | Million Baht |
| | investment | of assets | Million Baht | Million Baht |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Deferred tax liabilities | | | | |
| At 1 January 2015 | 67 | 220 | 6 | 293 |
| Charged/(credited) to profit or loss | 2 | (3) | - | (1) |
| Tax charged directly to equity | 10 | - | - | 10 |
| As at 31 March 2015 | <u>79</u> | <u>217</u> | <u>6</u> | <u>302</u> |
| At 1 January 2014 | 27 | 224 | - | 251 |
| Charged/(credited) to profit or loss | 2 | (4) | 6 | 4 |
| Tax charged directly to equity | 38 | - | - | 38 |
| As at 31 December 2014 | <u>67</u> | <u>220</u> | <u>6</u> | <u>293</u> |

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16 Other assets, net

| | Consolidated | | The Bank | |
|---|--------------------------|-----------------------------|--------------------------|-----------------------------|
| | 31 March 2015 | 31 December 2014 | 31 March 2015 | 31 December 2014 |
| | Million baht | Million Baht | Million baht | Million Baht |
| Accrued interest and dividend receivables | 335 | 439 | 335 | 439 |
| Credit support assets on derivatives | 2,217 | 2,011 | 2,217 | 2,011 |
| Leasehold rights | 4 | 4 | 4 | 4 |
| Advances | 17 | 17 | 17 | 17 |
| Others assets awaiting account transfer | 92 | 106 | 92 | 106 |
| Commission receivables | 109 | 52 | 109 | 52 |
| Withholding tax receivable | 100 | 82 | 96 | 80 |
| Marginal deposits | 88 | 86 | 80 | 80 |
| Prepaid expenses | 106 | 101 | 105 | 98 |
| Others | 518 | 503 | 357 | 345 |
| Total | 3,586 | 3,401 | 3,412 | 3,232 |
| Less Allowance for impairment | (36) | (36) | (36) | (36) |
| Other assets, net | 3,550 | 3,365 | 3,376 | 3,196 |

17 Financial liabilities designated at fair value through profit or loss

| | Consolidated and the Bank | |
|-------------------|----------------------------------|-----------------------------|
| | 31 March 2015 | 31 December 2014 |
| | Million Baht | Million Baht |
| Debentures | 1,281 | 3,790 |
| Bills of Exchange | 4,616 | 3,903 |
| Total | 5,897 | 7,693 |

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

| | Consolidated and the Bank | |
|-----------------------|----------------------------------|-----------------------------|
| | 31 March 2015 | 31 December 2014 |
| | Proportion (%) | Proportion (%) |
| Financial institution | 74 | 46 |
| External parties | 26 | 54 |
| Total | 100 | 100 |

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

As at 31 March 2015 and 31 December 2014, financial liabilities designated at fair value through profit or loss consisted of:

- The Bank issued bills of exchange which will mature in 11 years with embedded callable range accrual swap. The bills of exchange bear interest rate at 6.10% per annum (31 December 2014: 6.10% per annum) 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.
- As at 31 December 2014, the Bank issued debentures which will mature in 5 years with embedded callable range accrual swap. The debentures bear interest rate at between 0 - 4.30% 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.
- The Bank issued debentures which will mature in 5 years with embedded callable range accrual swap. The debentures bear interest rate at between 0 - 4.30% per annum (31 December 2014: 0 - 5.00% per annum) variable to reference index of THBFIX 6 month with a payment of interest every six months. The Bank entered into interest rate swaps with other parties.
- As at 31 December 2014, the Bank issued debentures which will mature in 5 years with embedded callable inverse floater derivatives. The debentures bear interest rate at 6.60% per annum minus reference index of THBFIX 6 month with a payment of interest every six months.
- The Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 7 - 15 years. They bear interest rate at between 3.77 - 5.18% per annum (31 December 2014: 3.77 - 5.18% per annum) with a payment of interest every six months. The Bank entered into interest rate swaps with other parties.
- 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 - 6.07% per annum (31 December 2014: 0 - 6.50% 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.

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18 Debt issued and borrowings

| | Consolidated and the Bank | | | | | |
|---|-----------------------------|----------------------------|--------------------------|-----------------------------|----------------------------|--------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| Short term debentures | | | | | | |
| Short term debentures maturing in 2015, coupon rate of 2.15% - 2.57% per annum | 11,665 | - | 11,665 | 12,863 | - | 12,863 |
| Subordinated debentures | | | | | | |
| Subordinated debentures maturing in 2003 | 544 | - | 544 | 544 | - | 544 |
| Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum | - | 3,514 | 3,514 | - | 3,770 | 3,770 |
| 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 | 372 | - | 372 | 313 | - | 313 |
| | <u>18,581</u> | <u>3,514</u> | <u>22,095</u> | <u>19,720</u> | <u>3,770</u> | <u>23,490</u> |
| Fixed-rate notes | | | | | | |
| Bill of exchange maturing at call, coupon rate of 1.50% -1.60% per annum | 642 | - | 642 | 1,022 | - | 1,022 |
| | <u>642</u> | <u>-</u> | <u>642</u> | <u>1,022</u> | <u>-</u> | <u>1,022</u> |
| Total | 19,223 | 3,514 | 22,737 | 20,742 | 3,770 | 24,512 |
| <u>Less</u> Current portion of long-term borrowings | <u>(13,223)</u> | <u>-</u> | <u>(13,223)</u> | <u>(14,742)</u> | <u>-</u> | <u>(14,742)</u> |
| Long-term borrowings, net | <u>6,000</u> | <u>3,514</u> | <u>9,514</u> | <u>6,000</u> | <u>3,770</u> | <u>9,770</u> |

- (a) As at 31 March 2015, the Bank had short term debentures of Baht 11,665 million (31 December 2014: Baht 12,863 million) with fixed interest rates, interest will be paid on maturity date.
- (b) As at 31 March 2015, the Bank had structured debentures of Baht 372 million (31 December 2014: Baht 313 million) as follows:
- As at 31 March 2015, the Bank issued various unsecured structured debentures amounted to Baht 55 million (31 December 2014: Baht 124 million) with embedded FX digital bullish CNH against USD. The structured debentures will mature in 6 months from respective issuance dates. The Bank will pay 5% per annum at maturity if USD/CNH spot fixing rate on observation date fall below or equal to 99.75% 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 99.75% of initial USD/CNH spot fixing rate. Investors have the option to early redeem the above structured debentures at market price after 90 days from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.
 - As at 31 March 2015, the Bank issued various unsecured structured debentures amounted to Baht 150 million (31 December 2014: Baht 149 million) with embedded FX digital bullish CNH against USD. The structured debentures will mature in 1 year from respective issuance dates. The Bank will pay 7% per annum at maturity if USD/CNH spot fixing rate on observation date fall below or equal to 99.00% 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 99.00% of initial USD/CNH spot fixing rate. Investors have the option to early redeem the above structured debentures at market price after 6 months from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.
 - As at 31 March 2015, the Bank issued various unsecured structured debentures (Maxi Precious Shark Fin Bearish Gold Derivatives Debentures) of Baht 167 million (31 December 2014: Baht 40 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying (closing gold price in the morning. "GOLD-A.M.FIX"), Investors have the option to early redeem the above structured debentures after 90 days from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.

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19 Provisions

| | Consolidated | | The Bank | |
|--|----------------------|-------------------------|----------------------|-------------------------|
| | 31 March 2015 | 31 December 2014 | 31 March 2015 | 31 December 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Provision for contingent loss from legal cases | 32 | 33 | 32 | 33 |
| Reserve for off-statements of financial position items | 192 | 192 | 192 | 192 |
| Provision for employee benefits | 1,254 | 1,247 | 1,202 | 1,195 |
| Total provisions | 1,478 | 1,472 | 1,426 | 1,420 |

20 Other reserves

| | Consolidated | |
|---|----------------------|-------------------------|
| | 31 March 2015 | 31 December 2014 |
| | Million Baht | Million Baht |
| Revaluation surplus on assets | 1,082 | 1,095 |
| Revaluation surplus on change in value of investments | 291 | 279 |
| Remeasurements of post-employment benefit obligations | (124) | (124) |
| Foreign currency translation | (3) | 7 |
| Deficit from measuring fair value of hedging instrument for cash flow hedge | (131) | (149) |
| Income tax relating to components of other reserves | (224) | (220) |
| Total | 891 | 888 |

| | The Bank | |
|---|----------------------|-------------------------|
| | 31 March 2015 | 31 December 2014 |
| | Million Baht | Million Baht |
| Revaluation surplus on assets | 1,082 | 1,095 |
| Revaluation surplus on change in value of investments | 291 | 279 |
| Remeasurements of post-employment benefit obligations | (109) | (109) |
| Foreign currency translation | (3) | 7 |
| Deficit from measuring fair value of hedging instrument for cash flow hedge | (131) | (149) |
| Income tax relating to components of other reserves | (226) | (223) |
| Total | 904 | 900 |

(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 2015 | 31 December 2014 |
| | Million Baht | Million Baht |
| Balance - beginning of the period/year | 1,095 | 1,119 |
| <u>Less</u> Amortisation | (13) | (24) |
| Balance - end of the period/year | 1,082 | 1,095 |

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

20 Other reserves (Cont'd)

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

| | Consolidated and the Bank | |
|--|----------------------------------|-------------------------|
| | 31 March 2015 | 31 December 2014 |
| | Million Baht | Million Baht |
| Revaluation surplus on investments: | | |
| Debt securities | 253 | 236 |
| Equity securities | 125 | 91 |
| Total | 378 | 327 |
| Revaluation deficit on investments: | | |
| Debt securities | (34) | - |
| Equity securities | (53) | (48) |
| Total | (87) | (48) |
| Revaluation surplus on change in value of investments, net | 291 | 279 |

21 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.

22 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 2015 | Total capital to risk assets | 31 December 2014 | Total capital to risk assets |
|---|----------------------|-------------------------------------|-------------------------|-------------------------------------|
| | Million Baht | % | Million Baht | % |
| Tier I | | | | |
| Issued and paid up share capital | 10,542 | | 10,542 | |
| Share premium | 3,868 | | 3,868 | |
| Statutory reserve | 341 | | 341 | |
| Unappropriated surplus | 6,159 | | 6,158 | |
| Other reserves | 799 | | 737 | |
| Deduction on Tier I capital fund | (950) | | (682) | |
| Total Tier I capital fund | 20,759 | 9.49 | 20,964 | 9.91 |
| Tier II | | | | |
| Long-term subordinated debentures and hybrid securities | 10,020 | | 10,070 | |
| Reserve for loan classified as pass | 630 | | 641 | |
| Total Tier II capital fund | 10,650 | 4.87 | 10,711 | 5.07 |
| Total capital funds | 31,409 | 14.35 | 31,675 | 14.98 |

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

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

23.1 Position classified by type of transaction

| | Consolidated | | | | | |
|----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| Total assets | 266,537 | 10,163 | 276,700 | 270,122 | 4,047 | 274,169 |
| Interbank and money | | | | | | |
| market items , net | 1,825 | 7,416 | 9,241 | 5,129 | 1,394 | 6,523 |
| Derivative assets | 10,570 | 1,078 | 11,648 | 9,876 | 928 | 10,804 |
| Investments, net and | | | | | | |
| investments in subsidiaries, net | 59,047 | 86 | 59,133 | 55,126 | 127 | 55,253 |
| Loans to customers and accrued | | | | | | |
| interest receivables, net | 182,649 | 1,583 | 184,232 | 182,777 | 1,599 | 184,376 |
| Deposits | 183,166 | 2,187 | 185,353 | 182,297 | 1,598 | 183,895 |
| Interbank and money | | | | | | |
| market items | 19,932 | 1,196 | 21,128 | 15,300 | 3,005 | 18,305 |
| Derivative liabilities | 8,407 | 2,662 | 11,069 | 8,679 | 1,718 | 10,397 |
| Debt issued and borrowings | 19,223 | 3,514 | 22,737 | 20,742 | 3,770 | 24,512 |

| | The Bank | | | | | |
|----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| Total assets | 265,808 | 10,163 | 275,971 | 269,421 | 4,047 | 273,468 |
| Interbank and money | | | | | | |
| market items, net | 1,759 | 7,416 | 9,175 | 5,060 | 1,393 | 6,453 |
| Derivative assets | 10,570 | 1,078 | 11,648 | 9,876 | 928 | 10,804 |
| Investments, net and | | | | | | |
| investments in subsidiaries, net | 60,371 | 86 | 60,457 | 56,451 | 127 | 56,578 |
| Loans to customers and accrued | | | | | | |
| interest receivables, net | 181,178 | 1,583 | 182,761 | 181,515 | 1,599 | 183,114 |
| Deposits | 183,462 | 2,187 | 185,649 | 182,508 | 1,598 | 184,106 |
| Interbank and money | | | | | | |
| market items | 19,870 | 1,196 | 21,066 | 15,225 | 3,005 | 18,230 |
| Derivative liabilities | 8,407 | 2,662 | 11,069 | 8,679 | 1,718 | 10,397 |
| Debt issued and borrowings | 19,223 | 3,514 | 22,737 | 20,742 | 3,770 | 24,512 |

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

23.2 Performance classified by types of transaction

| | Consolidated | | | | | |
|--|---|-------------------------------------|-----------------------------------|---|-------------------------------------|-----------------------------------|
| | For the three-month period ended 31 March 2015 | | | For the three-month period ended 31 March 2014 | | |
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| Interest incomes | 3,606 | 41 | 3,647 | 3,330 | 24 | 3,354 |
| Interest expenses | (1,660) | (73) | (1,733) | (1,547) | 48 | (1,499) |
| Net interest income (expenses) | 1,946 | (32) | 1,914 | 1,783 | 72 | 1,855 |
| Net fee and services income | 410 | - | 410 | 319 | - | 319 |
| Other operating incomes | 640 | - | 640 | 524 | - | 524 |
| Other operating expenses | (1,782) | - | (1,782) | (1,677) | - | (1,677) |
| Bad debt, doubtful bad debt and impairment loss | (1,022) | - | (1,022) | (470) | - | (470) |
| Profit (loss) before income tax expense | 192 | (32) | 160 | 479 | 72 | 551 |

| | The Bank | | | | | |
|--|---|-------------------------------------|-----------------------------------|---|-------------------------------------|-----------------------------------|
| | For the three-month period ended 31 March 2015 | | | For the three-month period ended 31 March 2014 | | |
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| Interest incomes | 3,230 | 41 | 3,271 | 2,955 | 24 | 2,979 |
| Interest expenses | (1,659) | (73) | (1,732) | (1,540) | 48 | (1,492) |
| Net interest income (expenses) | 1,571 | (32) | 1,539 | 1,415 | 72 | 1,487 |
| Net fee and services income | 309 | - | 309 | 218 | - | 218 |
| Other operating incomes | 620 | - | 620 | 508 | - | 508 |
| Other operating expenses | (1,470) | - | (1,470) | (1,345) | - | (1,345) |
| Bad debt, doubtful bad debt and impairment loss | (958) | - | (958) | (356) | - | (356) |
| Profit (loss) before income tax expense | 72 | (32) | 40 | 440 | 72 | 512 |

24 Interest income

| | Consolidated | | The Bank | |
|--|---|------------------------------|---|------------------------------|
| | For the three-month periods ended 31 March | | For the three-month periods ended 31 March | |
| | 2015 Million Baht | 2014 Million Baht | 2015 Million Baht | 2014 Million Baht |
| Interbank and money market items | 34 | 69 | 34 | 69 |
| Investments and trading transactions | 27 | 53 | 27 | 53 |
| Investments in debt securities | 367 | 318 | 367 | 318 |
| Loans | 2,663 | 2,367 | 2,840 | 2,538 |
| Hire purchase and financial lease income | 554 | 546 | - | - |
| Others | 2 | 1 | 2 | 1 |
| Interest incomes | 3,647 | 3,354 | 3,270 | 2,979 |

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25 Interest expenses

| | Consolidated | | The Bank | |
|--|---|---------------------|---|---------------------|
| | For the three-month periods ended 31 March | | For the three-month periods ended 31 March | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Deposits | 1,147 | 944 | 1,147 | 944 |
| Interbank and money market item | 104 | 115 | 103 | 108 |
| Contribution fees to the Deposit Protection Agency | 5 | 4 | 5 | 4 |
| Contribution fees to FIDF | 254 | 219 | 254 | 219 |
| Debt securities issued | | | | |
| - Subordinated debentures | 141 | 20 | 141 | 20 |
| - Others | 76 | 191 | 76 | 191 |
| Others | 6 | 6 | 6 | 6 |
| Interest expenses | <u>1,733</u> | <u>1,499</u> | <u>1,732</u> | <u>1,492</u> |

26 Net fees and service income

| | Consolidated | | The Bank | |
|----------------------------------|---|---------------------|---|---------------------|
| | For the three-month periods ended 31 March | | For the three-month periods ended 31 March | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Fees and service incomes | | | | |
| Acceptances, aval and guarantees | 27 | 28 | 27 | 30 |
| ATM and Debit card fees | 27 | 30 | 27 | 30 |
| Insurance brokerage income | 180 | 140 | 129 | 86 |
| Management fee | 37 | 21 | 37 | 21 |
| Others | 194 | 143 | 160 | 117 |
| Fees and service income | <u>465</u> | <u>362</u> | <u>380</u> | <u>284</u> |
| Fees and service expenses | | | | |
| Collection fees | (12) | (9) | (36) | (40) |
| ATM fees | (11) | (11) | (11) | (11) |
| Others | (32) | (23) | (24) | (15) |
| Fees and service expenses | <u>(55)</u> | <u>(43)</u> | <u>(71)</u> | <u>(66)</u> |
| Net fees and service income | <u>410</u> | <u>319</u> | <u>309</u> | <u>218</u> |

27 Gains on trading and foreign exchange transactions

| | Consolidated and the Bank | |
|--|---|---------------------|
| | For the three-month periods ended 31 March | |
| | 2015 | 2014 |
| | Million Baht | Million Baht |
| Gains (loss) on tradings and foreign exchange transactions | | |
| Foreign currencies and foreign exchange rate derivatives | (471) | 2 |
| Interest rate derivatives | 1,016 | 174 |
| Debt securities | 51 | 61 |
| Gains on tradings and foreign exchange transactions | <u>596</u> | <u>237</u> |

28 (Losses) gains on financial liabilities designated at fair value through profit or loss

(Losses) 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 | |
| | 2015 | 2014 |
| | Million Baht | Million Baht |
| Net change in fair value | | |
| Bills of exchange | (145) | 79 |
| Debentures | 19 | 5 |
| Interest expenses | (31) | (39) |
| Total | <u>(157)</u> | <u>45</u> |

29 Gains on investments

| | Consolidated and the Bank | |
|----------------------|---|---------------------|
| | For the three-month periods ended 31 March | |
| | 2015 | 2014 |
| | Million Baht | Million Baht |
| Gains on sales | | |
| Available-for-sale | 138 | 200 |
| General investment | 2 | - |
| Gains on investments | <u>140</u> | <u>200</u> |

30 Other operating income

| | Consolidated | | The Bank | |
|---|---|---------------------|---|---------------------|
| | For the three-month periods ended 31 March | | For the three-month periods ended 31 March | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Gain on sales of premises and equipment | 2 | 1 | 2 | 1 |
| Gain on sales of properties for sales | - | - | 4 | - |
| Bad debt recovery | 16 | 10 | - | - |
| Dividend income | 15 | 4 | 15 | 4 |
| Other income | 28 | 27 | 21 | 21 |
| Other operating income | <u>61</u> | <u>42</u> | <u>42</u> | <u>26</u> |

31 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 | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Loss on debt restructuring | - | 10 | - | 10 |
| Loans | 1,022 | 460 | 958 | 346 |
| Total | 1,022 | 470 | 958 | 356 |

32 Corporate income tax

| | Consolidated | | The Bank | |
|---|---|---------------------|---|---------------------|
| | For the three-month periods ended 31 March | | For the three-month periods ended 31 March | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Current tax: | | | | |
| Current tax on profits for the period | 90 | 19 | 87 | - |
| Total current tax | 90 | 19 | 87 | - |
| Deferred tax: | | | | |
| Origination and reversal of temporary differences | (61) | 20 | (81) | 40 |
| Utilisation of tax losses | - | 71 | - | 71 |
| Total deferred tax | (61) | 91 | (81) | 111 |
| Total tax charge | 29 | 110 | 6 | 111 |

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 | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Profit before tax | 160 | 551 | 40 | 512 |
| Tax calculated at a tax rate of 20% | 32 | 106 | 8 | 102 |
| Tax effect of: | | | | |
| Income not subject to tax | (4) | (2) | (3) | (2) |
| Expenses not deductible for tax purpose | 1 | 10 | 1 | 11 |
| Effect of changes in tax rates | - | (4) | - | - |
| Total tax charge | 29 | 110 | 6 | 111 |

The weighted average applicable tax rate in the consolidated and bank financial information as at 31 March 2015 was 18% and 16% respectively, (31 March 2014 : 20% and 22% respectively).

33 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 2015 and for the year ended 31 December 2014.

34 Encumbrance of assets

34.1 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 2015 Million Baht | 31 December 2014 Million Baht |
| Securities sold under repurchase agreements | 3,881 | - |
| Utilities usage | 8 | 7 |
| Total | <u>3,889</u> | <u>7</u> |

34.2 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 2015 and 31 December 2014, 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 2015, the properties foreclosed had net book value of Baht 392 million (31 December 2014: Baht 392 million).

As at 31 March 2015 and 31 December 2014, the investments subject to such obligations are as follows:

| Year of maturity | Consolidated and the Bank | | | |
|------------------------------|----------------------------------|------------------------------|-------------------------|------------------------------|
| | 31 March 2015 | | 31 December 2014 | |
| | Number | Cost Million Baht | Number | Cost Million Baht |
| 2014 onwards | 3 | 392 | 3 | 392 |
| Assets subject to obligation | <u>3</u> | <u>392</u> | <u>3</u> | <u>392</u> |

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35 Commitments and contingent liabilities

35.1 Commitments

As at 31 March 2015 and 31 December 2014, significant commitments of the Bank consist of:

| | Consolidated and the Bank | | | | | |
|--|--------------------------------------|-------------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|
| | 31 March 2015 | | | 31 December 2014 | | |
| | 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 | 154 | - | 154 | 96 | - | 96 |
| Guarantees of loans | 5 | - | 5 | 5 | - | 5 |
| Total avals to bills and guarantees of loans | 159 | - | 159 | 101 | - | 101 |
| Liability under unmatured import bills: | | | | | | |
| Liability under unmatured import bills | 33 | 424 | 457 | 13 | 592 | 605 |
| Letters of credit: | | | | | | |
| Letters of credit | 33 | 1,069 | 1,102 | 69 | 1,610 | 1,679 |
| Other commitments: | | | | | | |
| Forward and spot contracts | | | | | | |
| - Bought | - | 362,889 | 362,889 | - | 308,427 | 308,427 |
| - Sold | - | 299,224 | 299,224 | - | 260,867 | 260,867 |
| Cross currency and interest rate swap contract | | | | | | |
| - Bought | - | 64,146 | 64,146 | - | 56,243 | 56,243 |
| - Sold | - | 108,671 | 108,671 | - | 89,874 | 89,874 |
| Interest rate swap contracts | | | | | | |
| - Fixed rate payee | 393,562 | 34,602 | 428,164 | 350,389 | 28,231 | 378,620 |
| - Floating rate payee | 350,608 | 115,765 | 466,373 | 324,717 | 92,017 | 416,734 |
| Foreign exchange option | | | | | | |
| - Call option sales contracts | - | 369 | 369 | - | 33 | 33 |
| - Put option sales contracts | - | 2,459 | 2,459 | - | 2,477 | 2,477 |
| - Call option purchase contracts | - | 4,430 | 4,430 | - | 4,046 | 4,046 |
| - Put option purchase contracts | - | 229 | 229 | - | 33 | 33 |
| Swaption | | | | | | |
| - Sold | 100 | - | 100 | 100 | - | 100 |
| Commodity | | | | | | |
| - Bought | - | 509 | 509 | - | - | - |
| Investments | | | | | | |
| - Bought | 7,292 | - | 7,292 | 2,640 | - | 2,640 |
| - Sold | 9,235 | - | 9,235 | 4,126 | - | 4,126 |
| Undrawn bank overdrafts | 16,659 | - | 16,659 | 16,961 | - | 16,961 |
| Other guarantees | 8,036 | 321 | 8,357 | 8,030 | 366 | 8,396 |
| Other commitments | 785,492 | 993,614 | 1,779,106 | 706,963 | 842,614 | 1,549,577 |
| Total commitments | 785,717 | 995,107 | 1,780,824 | 707,146 | 844,816 | 1,551,962 |

35 Commitments and contingent liabilities (Cont'd)

35.2 Contingent liabilities

As at 31 March 2015 and 31 December 2014, 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 2015 Million Baht | 31 December 2014 Million Baht |
| Sum claimed in cases where the Group is sole defendant | 303 | 305 |
| Sum claimed in cases where the Group is co-defendant | | |
| - Sum of claims that can be specifically attributed to the Group | 430 | 328 |
| - Sum of claims that cannot be specifically attributed to the Group | 24,578 | 24,578 |
| Total | 25,311 | 25,211 |

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 2015, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 12 million in cases where the Bank is the direct defendant and Baht 20 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 2014: Baht 15 million and Baht 20 million, respectively).

As at 31 March 2015, the Group recognised provisions for contingent loss from legal cases of approximately Baht 32 million (31 December 2014: Baht 33 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 192 million (31 December 2014: Baht 192 million) for off-statement of financial position items related to guarantees for which the Bank or its subsidiaries have been sued as defendants.

35.3 Commitments under long-term leases

As at 31 March 2015 and 31 December 2014, 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 2015 Million Baht | 31 December 2014 Million Baht | 31 March 2015 Million Baht | 31 December 2014 Million Baht |
| 1 - 3 years | 357 | 363 | 297 | 299 |
| 4 - 5 years | 5 | 6 | 5 | 6 |
| 6 - 10 years | 12 | 15 | 12 | 15 |
| 11 - 30 years | - | 2 | - | 2 |
| Total | 374 | 386 | 314 | 322 |

35 Commitments and contingent liabilities (Cont'd)

35.4 Other commitments

As at 31 March 2015, 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 89.2 million, MYR 1,851 thousand and AUD 99 thousand under such agreements (31 December 2014: Baht 81.8 million and MYR 469 thousand).

36 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 | |
| | 2015 Million Baht | 2014 Million Baht | 2015 Million Baht | 2014 Million Baht |
| Subsidiaries | | | | |
| Revenue: | | | | |
| Interest income | - | - | 178 | 171 |
| Fees income | - | - | 1 | 3 |
| Expenses: | | | | |
| Fees expenses | - | - | 24 | - |
| Premises and equipments expenses | - | - | (3) | (1) |
| Other expenses | - | - | - | 31 |
| Parent company | | | | |
| Revenue: | | | | |
| Other income | 131 | 87 | 131 | 87 |
| Expenses: | | | | |
| Fees expenses | 6 | - | 6 | - |
| Premises and equipments expenses | 1 | 1 | 1 | 1 |
| Other expenses | 263 | 119 | 263 | 119 |
| Related companies | | | | |
| Revenue: | | | | |
| Fees income | 43 | 18 | 43 | 18 |
| Other income | - | 25 | - | 25 |
| Expenses: | | | | |
| Interest expenses | 3 | (53) | 3 | (53) |
| Fees expenses | 27 | 18 | 27 | 18 |
| Premises and equipments expenses | (2) | (1) | (2) | (1) |
| Other expenses | - | 1 | - | 1 |

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36 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 31 March 2015 and 31 December 2014 are as follows:

| | Consolidated | | | | | | |
|--|--|---|-----------------------------|------------------------------|--------------------------|-------------------------------|---|
| | 31 March 2015 | | | | | | |
| | 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>Parent company</u> | | | | | | | |
| CIMB Bank Berhad | - | - | 132 | 7,512 | - | 8 | 1,034 |
| | - | - | 132 | 7,512 | - | 8 | 1,034 |
| <u>Companies under common control</u> | | | | | | | |
| CIMB Bank (L) Ltd. | - | - | - | - | - | - | 72 |
| CIMB Bank Plc, Cambodia | - | - | - | - | - | - | 3 |
| CIMB ISLAMIC Bank Berhad | - | - | - | - | - | - | 8 |
| CIMB NIAGA | - | - | - | - | - | - | 1 |
| CIMB-Principal Asset Management Co., Ltd. | - | - | - | - | - | - | 231 |
| Sathorn Asset Management Co., Ltd. | - | - | - | 2 | 223 | - | 14 |
| | - | - | - | 2 | 223 | - | 329 |
| <u>Related persons</u> | | | | | | | |
| | 20 | 19 | - | - | 511 | - | 2 |
| | 20 | 19 | - | - | 511 | - | 2 |
| | Consolidated | | | | | | |
| | 31 December 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>Parent company</u> | | | | | | | |
| CIMB Bank Berhad | - | - | 133 | 834 | - | - | 1,099 |
| | - | - | 133 | 834 | - | - | 1,099 |
| <u>Companies under common control</u> | | | | | | | |
| CIMB Bank (L) Ltd. | - | - | - | - | - | - | 28 |
| CIMB Bank Plc, Cambodia | - | - | - | - | - | - | 2 |
| CIMB ISLAMIC Bank Berhad | - | - | - | - | - | - | 11 |
| CIMB NIAGA | - | - | - | 1 | - | - | 1 |
| CIMB-Principal Asset Management Co., Ltd. | - | - | - | - | - | - | 107 |
| Sathorn Asset Management Co., Ltd. | - | - | - | 2 | 39 | - | 10 |
| | - | - | - | 3 | 39 | - | 159 |
| <u>Related persons</u> | | | | | | | |
| | 23 | 24 | - | - | 377 | - | 1 |
| | 23 | 24 | - | - | 377 | - | 1 |

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36 Related party transactions (Cont'd)

| | The Bank | | | | | | |
|--|--|---|-----------------------------|------------------------------|--------------------------|-------------------------------|---|
| | 31 March 2015 | | | | | | |
| | 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. | 14,810 | 14,874 | - | - | 128 | - | - |
| World Lease Co., Ltd. | 2,614 | 2,622 | - | 1 | 84 | - | - |
| CT Coll Co., Ltd. | 8 | 8 | - | 2 | 84 | - | 19 |
| | <u>17,432</u> | <u>17,504</u> | <u>-</u> | <u>3</u> | <u>296</u> | <u>-</u> | <u>19</u> |
| <u>Parent company</u> | | | | | | | |
| CIMB Bank Berhad | - | - | 132 | 7,512 | - | 8 | 1,034 |
| | <u>-</u> | <u>-</u> | <u>132</u> | <u>7,512</u> | <u>-</u> | <u>8</u> | <u>1,034</u> |
| <u>Companies under common control</u> | | | | | | | |
| CIMB Bank (L) Ltd. | - | - | - | - | - | - | 72 |
| CIMB Bank Plc, Cambodia | - | - | - | - | - | - | 3 |
| CIMB ISLAMIC Bank Berhad | - | - | - | - | - | - | 8 |
| CIMB NIAGA | - | - | - | - | - | - | 1 |
| CIMB-Principal Asset Management Co., Ltd. | - | - | - | - | - | - | 231 |
| Sathorn Asset Management Co., Ltd. | - | - | - | 2 | 223 | - | 14 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>2</u> | <u>223</u> | <u>-</u> | <u>329</u> |
| <u>Related persons</u> | | | | | | | |
| | 20 | 19 | - | - | 511 | - | 2 |
| | <u>20</u> | <u>19</u> | <u>-</u> | <u>-</u> | <u>511</u> | <u>-</u> | <u>2</u> |
| The Bank | | | | | | | |
| 31 December 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 companies</u> | | | | | | | |
| Center Auto Lease Co., Ltd. | 13,603 | 14,630 | - | 1 | 70 | - | - |
| World Lease Co., Ltd. | 2,938 | 2,669 | - | 1 | 62 | - | - |
| CT Coll Co., Ltd. | 7 | 7 | - | - | 79 | - | 27 |
| | <u>16,548</u> | <u>17,306</u> | <u>-</u> | <u>2</u> | <u>211</u> | <u>-</u> | <u>27</u> |
| <u>Parent company</u> | | | | | | | |
| CIMB Bank Berhad | - | - | 133 | 834 | - | - | 1,099 |
| | <u>-</u> | <u>-</u> | <u>133</u> | <u>834</u> | <u>-</u> | <u>-</u> | <u>1,099</u> |
| <u>Companies under common control</u> | | | | | | | |
| CIMB Bank (L) Ltd. | - | - | - | - | - | - | 28 |
| CIMB Bank Plc, Cambodia | - | - | - | - | - | - | 2 |
| CIMB ISLAMIC Bank Berhad | - | - | - | - | - | - | 11 |
| CIMB NIAGA | - | - | - | 1 | - | - | 1 |
| CIMB-Principal Asset Management Co., Ltd. | - | - | - | - | - | - | 107 |
| Sathorn Asset Management Co., Ltd. | - | - | - | 2 | 39 | - | 10 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>3</u> | <u>39</u> | <u>-</u> | <u>159</u> |
| <u>Related persons</u> | | | | | | | |
| | 23 | 24 | - | - | 377 | - | 1 |
| | <u>23</u> | <u>24</u> | <u>-</u> | <u>-</u> | <u>377</u> | <u>-</u> | <u>1</u> |

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

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36 Related party transactions (Cont'd)

As at 31 March 2015 and 31 December 2014, the Bank has commitments in financial derivatives with related parties as follows :

| | 31 March 2015 | | |
|---|----------------------------------|---------------------------------|-------------------------------|
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| <u>Parent company</u> | | | |
| Interest rate swap contracts | | | |
| - Fixed rate payee | 17,850 | 88 | 17,938 |
| - Floating rate payee | 36,760 | 4,138 | 40,898 |
| Forward and spot contracts | | | |
| - Bought | - | 947 | 947 |
| - Sold | - | 94 | 94 |
| Cross currency and interest rate swap contracts | | | |
| - Bought | - | 4,202 | 4,202 |
| Foreign exchange option | | | |
| - Put option sales contracts | - | 39 | 39 |
| - Call option purchase contracts | - | 35 | 35 |
| Swaption | | | |
| - Sold | 100 | - | 100 |
| Commodity | | | |
| - Bought | - | 254 | 254 |
| <u>Company under common control</u> | | | |
| Forward and spot contracts | | | |
| - Bought | - | 19 | 19 |
| - Sold | - | 8 | 8 |
| | 31 December 2014 | | |
| | Domestic Million Baht | Foreign Million Baht | Total Million Baht |
| <u>Parent company</u> | | | |
| Interest rate swap contracts | | | |
| - Fixed rate payee | 32,485 | 89 | 32,574 |
| - Floating rate payee | 34,991 | 4,417 | 39,408 |
| Forward and spot contracts | | | |
| - Bought | - | 988 | 988 |
| - Sold | - | 116 | 116 |
| Cross currency and interest rate swap contracts | | | |
| - Bought | - | 4,467 | 4,467 |
| Foreign exchange option | | | |
| - Put option sales contracts | - | 22 | 22 |
| - Call option purchase contracts | - | 24 | 24 |
| Swaption | | | |
| - Sold | 100 | - | 100 |
| <u>Company under common control</u> | | | |
| Forward and spot contracts | | | |
| - Bought | - | 24 | 24 |

37 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 | |
| | 2015 | 2014 | 2015 | 2014 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Short-term employee benefits | 151 | 126 | 139 | 119 |
| Long-term employee benefits | 4 | 3 | 4 | 3 |
| Share based payment | 4 | 1 | 4 | 1 |
| Director and management remuneration | <u>159</u> | <u>130</u> | <u>147</u> | <u>123</u> |

38 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 2015 and 31 December 2014, the Group have transferred loans to TAMC as follows:

| Loans transferred to TAMC | Consolidated and the Bank | | | |
|--|----------------------------------|-----------------------|-------------------------|-----------------------|
| | 31 March 2015 | | 31 December 2014 | |
| | Book value | Transfer price | Book value | Transfer price |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| CAP | 82,487 | 21,932 | 82,487 | 21,932 |
| NON CAP | 15,774 | 3,465 | 15,774 | 3,465 |
| Total | <u>98,261</u> | <u>25,397</u> | <u>98,261</u> | <u>25,397</u> |
| <u>Less</u> TAMC notes which have been redeemed by TAMC | | <u>(25,397)</u> | | <u>(25,389)</u> |
| Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 10 (a)) | | <u>-</u> | | <u>8</u> |

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

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

As at 31 December 2014, the Bank recorded receivable from TAMC amounting to 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.

During the period, according to the memorandum of gain (loss) sharing no. KorKorMor. 64/2558 between the Comptroller General's Department, FIDF and the Bank, in February 2015, the Comptroller General's Department agreed to pay the outstanding balance of Baht 3,572 million by settlement in cash amounting to Baht 3,370 million and promissory notes issued by Bangkok Commercial Asset Management Co., Ltd. amounting to Baht 202 million. The Bank received the money and the promissory notes on 20 February 2015 and 23 February 2015, respectively.

39 Subsequent events

Dividend payment

On 10 April 2015, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2014 at the rate of Baht 0.0075 per share, totaling Baht 158 million, which was paid on 8 May 2015.

Increase in the Bank's registered capital

On 10 April 2015, the Annual General Meeting of Shareholders approved an increase in the Bank's registered capital totaling Baht 3,162,731,704 from Baht 10,542,439,012 to Baht 13,705,170,716 with a par value of Baht 0.50 per share.