

**CIMB THAI BANK PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND BANK  
FINANCIAL STATEMENTS**

**30 JUNE 2016**

## **AUDITOR'S REPORT**

To the Shareholders and Board of Directors of CIMB Thai Bank Public Company Limited

### **Audit report**

I have audited the interim consolidated and bank financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, which comprise the consolidated and bank statements of financial position as at 30 June 2016, and the related consolidated and bank statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month periods then ended, and a summary of significant accounting policies and other notes.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

### *Opinion*

In my opinion, the interim consolidated and bank financial statements referred to above present fairly, in all material respects, the consolidated and bank financial position of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited as at 30 June 2016, and consolidated and bank results of operations and cash flows for the six-month periods then ended in accordance with Thai Financial Reporting Standards.

### **Review Report**

I have reviewed the consolidated and bank statements of comprehensive income for the three-month period ended 30 June 2016 of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively. Management is responsible for the preparation and presentation of these consolidated and bank statements of comprehensive income in accordance with Thai Financial Reporting Standards. My responsibility is to express a conclusion on these consolidated and bank statements of comprehensive income based on my review.

### *Scope of Review*

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

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the consolidated and bank statements of comprehensive income for the three-month period ended 30 June 2016 are not prepared, in all material respects, in accordance with Thai Financial Reporting Standards.

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

Bangkok  
25 August 2016

CIMB Thai Bank Public Company Limited

Statements of Financial Position

As at 30 June 2016

	Notes	Consolidated		The Bank	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Assets</b>					
Cash		1,745,989,319	2,397,196,928	1,743,264,230	2,395,111,405
Interbank and money market items, net	6	6,720,201,441	14,292,801,636	6,656,231,012	14,229,670,008
Derivative assets	7	23,842,525,146	25,581,046,242	23,842,525,146	25,581,046,242
Investments, net	8	55,181,299,720	54,891,019,817	55,181,299,720	54,891,019,817
Investments in subsidiaries, net	8	-	-	1,324,920,707	1,324,920,707
Loans and accrued interest receivables	9				
Loans		207,286,195,963	203,552,832,710	199,632,769,337	196,736,743,351
Accrued interest receivables		588,717,732	520,569,785	590,950,072	524,470,027
Total loans and accrued interest receivables		207,874,913,695	204,073,402,495	200,223,719,409	197,261,213,378
<u>Less</u> Deferred revenue		(5,405,488,653)	(4,945,478,647)	(62,976,428)	(90,837,521)
<u>Less</u> Allowance for doubtful debts	10	(8,107,243,507)	(6,730,530,954)	(7,966,674,765)	(6,572,231,944)
<u>Less</u> Revaluation allowance for debt restructuring	11	(57,616,810)	(55,383,987)	(57,616,810)	(55,383,987)
Loans and accrued interest receivables, net		194,304,564,725	192,342,008,907	192,136,451,406	190,542,759,926
Customers' liability under acceptance		46,929,771	41,017,884	46,929,771	41,017,884
Properties for sale, net	12	1,390,591,777	1,194,255,368	1,301,322,037	1,109,004,276
Premises and equipment, net	13	2,524,326,117	2,769,718,388	2,471,673,523	2,714,361,639
Intangible assets, net	14	375,968,800	378,987,475	370,213,903	373,090,594
Deferred tax assets	15	1,214,688,453	1,040,358,204	1,017,305,777	862,314,440
Other assets, net	16	6,876,842,715	9,692,983,893	6,707,973,046	9,533,185,948
<b>Total assets</b>		<b>294,223,927,984</b>	<b>304,621,394,742</b>	<b>292,800,110,278</b>	<b>303,597,502,886</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**

**Statements of Financial Position (Cont'd)**

**As at 30 June 2016**

	Notes	Consolidated		The Bank	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity</b>					
<b>Liabilities</b>					
Deposits	17	166,310,251,956	170,217,136,926	166,526,904,534	170,502,086,949
Interbank and money market items, net	18	21,589,987,326	20,018,416,948	21,589,987,326	19,994,416,948
Liability payable on demand		570,584,149	320,768,448	570,584,149	320,768,448
Financial liabilities designated at fair value through profit or loss	19	18,874,382,003	16,039,533,025	18,874,382,003	16,039,533,025
Derivative liabilities	7	21,354,429,385	25,682,672,770	21,354,429,385	25,682,672,770
Debt issued and borrowings	20	29,036,873,732	33,994,659,909	29,036,873,732	33,994,659,909
Bank's liability under acceptance		46,929,771	41,017,884	46,929,771	41,017,884
Provisions	21	1,640,345,819	1,641,262,617	1,572,637,808	1,578,957,438
Other liabilities	22	7,723,522,881	9,557,915,819	7,214,539,972	9,126,765,983
<b>Total liabilities</b>		<b>267,147,307,022</b>	<b>277,513,384,346</b>	<b>266,787,268,680</b>	<b>277,280,879,354</b>
<b>Shareholders' equity</b>					
Share capital	23				
Registered					
24,774,731,679 ordinary shares of Baht 0.50 each		12,387,365,840		12,387,365,840	
27,410,341,432 ordinary shares of Baht 0.50 each			13,705,170,716		13,705,170,716
Issued and paid-up share capital					
24,774,731,679 ordinary shares of Baht 0.50 each		12,387,365,840	12,387,365,840	12,387,365,840	12,387,365,840
Premium on share capital		5,712,665,258	5,712,665,258	5,712,665,258	5,712,665,258
Other reserves	24	485,854,601	720,704,664	502,218,016	737,068,079
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	25	392,800,000	365,950,000	392,800,000	365,950,000
Unappropriated		8,140,689,014	7,964,078,385	7,017,792,484	7,113,574,355
<b>Total shareholders' equity</b>		<b>27,076,620,962</b>	<b>27,108,010,396</b>	<b>26,012,841,598</b>	<b>26,316,623,532</b>
<b>Total liabilities and shareholders' equity</b>		<b>294,223,927,984</b>	<b>304,621,394,742</b>	<b>292,800,110,278</b>	<b>303,597,502,886</b>

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Statements of Comprehensive Income (Unaudited)**  
**For the three-month period ended 30 June 2016**

	Notes	Consolidated		The Bank	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	30	3,672,343,089	3,621,170,264	3,201,764,865	3,236,817,110
Interest expenses	31	(1,186,729,623)	(1,578,028,440)	(1,186,909,502)	(1,577,489,098)
<b>Net interest income</b>		<b>2,485,613,466</b>	<b>2,043,141,824</b>	<b>2,014,855,363</b>	<b>1,659,328,012</b>
Fees and service income		458,127,384	426,363,172	316,968,261	344,371,495
Fees and service expenses		(53,900,352)	(74,142,584)	(62,533,541)	(86,609,191)
<b>Net fee and service income</b>	32	<b>404,227,032</b>	<b>352,220,588</b>	<b>254,434,720</b>	<b>257,762,304</b>
Gains on trading and foreign exchange transactions	33	480,901,695	188,689,803	480,901,695	188,689,803
(Losses) gains on financial liabilities designated at fair value through profit or loss	34	(410,422,214)	299,741,687	(410,422,214)	299,741,687
Gains on investments, net	35	124,924,451	170,577,989	124,924,451	170,577,989
Other operating income	36	88,076,182	60,436,746	154,966,379	120,700,236
<b>Total operating income</b>		<b>3,173,320,612</b>	<b>3,114,808,637</b>	<b>2,619,660,394</b>	<b>2,696,800,031</b>
<b>Other operating expenses</b>					
Employee expenses		980,915,856	926,994,510	840,442,615	796,216,981
Directors' remuneration		3,244,400	2,892,000	3,160,400	2,808,000
Premises and equipment expenses		320,163,745	360,737,139	288,168,863	329,681,016
Taxes and duties		113,225,465	128,710,546	108,335,391	124,812,469
Others		316,809,032	281,861,454	228,454,718	198,487,629
<b>Total other operating expenses</b>		<b>1,734,358,498</b>	<b>1,701,195,649</b>	<b>1,468,561,987</b>	<b>1,452,006,095</b>
Bad and doubtful debts and impairment losses	37	1,383,732,108	1,144,214,187	1,259,593,119	1,077,400,000
<b>Profit (losses) before income tax expenses</b>		<b>55,230,006</b>	<b>269,398,801</b>	<b>(108,494,712)</b>	<b>167,393,936</b>
Income tax expenses	38	(15,343,879)	(51,836,909)	32,486,003	(29,992,030)
<b>Net profit (losses) for the periods</b>		<b>39,886,127</b>	<b>217,561,892</b>	<b>(76,008,709)</b>	<b>137,401,906</b>

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Statements of Comprehensive Income (Unaudited) (Cont'd)**  
**For the three-month period ended 30 June 2016**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Note</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Other comprehensive expenses</b>				
<b>Items that will be reclassified</b>				
<b>subsequently to profit or loss</b>				
Losses on remeasuring				
available-for-sale investments	(359,999,904)	(22,543,031)	(359,999,904)	(22,543,031)
Gains arising from translating				
the financial statement of a foreign operation	7,982	14,552,977	7,982	14,552,977
Losses on cash flow hedges	(15,699,642)	(27,253,887)	(15,699,642)	(27,253,887)
Income tax relating to items that will be				
reclassified subsequently to profit or loss	75,139,909	9,959,384	75,139,909	9,959,384
<b>Total items that will be reclassified</b>				
<b>subsequently to profit or loss</b>	<b>(300,551,655)</b>	<b>(25,284,557)</b>	<b>(300,551,655)</b>	<b>(25,284,557)</b>
<b>Items that will not be reclassified</b>				
<b>subsequently to profit or loss</b>				
Changes in revaluation surplus	(23,643,759)	(62,058,870)	(23,643,759)	(62,058,870)
Income tax relating to items that will not be				
reclassified subsequently to profit or loss	4,728,752	12,411,774	4,728,752	12,411,774
<b>Total items that will not be reclassified</b>				
<b>subsequently to profit or loss</b>	<b>(18,915,007)</b>	<b>(49,647,096)</b>	<b>(18,915,007)</b>	<b>(49,647,096)</b>
<b>Total other comprehensive expenses</b>	<b>(319,466,662)</b>	<b>(74,931,653)</b>	<b>(319,466,662)</b>	<b>(74,931,653)</b>
<b>Total comprehensive (expenses) income</b>				
<b>for the periods</b>	<b>(279,580,535)</b>	<b>142,630,239</b>	<b>(395,475,371)</b>	<b>62,470,253</b>
<b>Net profit (losses) attributable to:</b>				
Equity holders of the Bank	39,886,127	217,561,892	(76,008,709)	137,401,906
Non-controlling interests	-	-	-	-
	<b>39,886,127</b>	<b>217,561,892</b>	<b>(76,008,709)</b>	<b>137,401,906</b>
<b>Total comprehensive (expenses) income</b>				
<b>attributable to:</b>				
Equity holders of the Bank	(279,580,535)	142,630,239	(395,475,371)	62,470,253
Non-controlling interests	-	-	-	-
	<b>(279,580,535)</b>	<b>142,630,239</b>	<b>(395,475,371)</b>	<b>62,470,253</b>
<b>Earnings per share for profit (losses) attributable</b>				
<b>to the equity holders of the Bank</b>	40			
Basic earnings per share (Baht per share)	0.00	0.01	(0.00)	0.01
Weighted average number of ordinary shares (shares)	24,774,731,679	21,084,878,025	24,774,731,679	21,084,878,025

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Statements of Comprehensive Income**  
**For the six-month period ended 30 June 2016**

	Notes	Consolidated		The Bank	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	30	7,351,419,590	7,267,987,943	6,433,543,732	6,507,256,872
Interest expenses	31	(2,475,515,134)	(3,310,568,060)	(2,475,593,477)	(3,309,136,805)
<b>Net interest income</b>		<b>4,875,904,456</b>	<b>3,957,419,883</b>	<b>3,957,950,255</b>	<b>3,198,120,067</b>
Fees and service income		850,250,503	890,911,156	587,818,655	724,634,082
Fees and service expenses		(111,061,622)	(128,838,955)	(130,003,502)	(157,654,975)
<b>Net fee and service income</b>	32	<b>739,188,881</b>	<b>762,072,201</b>	<b>457,815,153</b>	<b>566,979,107</b>
Gains on tradings and foreign exchange transactions	33	2,238,555,471	784,991,009	2,238,555,471	784,991,009
(Losses) gains on financial instrument designated at fair value through profit or loss	34	(1,958,371,154)	142,759,159	(1,958,371,154)	142,759,159
Gains on investments	35	435,080,356	310,131,164	435,080,356	310,131,164
Other operating income	36	157,518,793	120,998,856	200,145,173	162,228,196
<b>Total operating income</b>		<b>6,487,876,803</b>	<b>6,078,372,272</b>	<b>5,331,175,254</b>	<b>5,165,208,702</b>
<b>Other operating expenses</b>					
Employee expenses		1,964,679,997	1,912,476,544	1,686,770,255	1,666,645,541
Directors' remuneration		6,000,400	5,296,000	5,832,400	5,128,000
Premises and equipment expenses		649,412,823	697,456,230	586,286,760	635,078,312
Taxes and duties		225,578,755	241,142,942	215,549,079	233,103,717
Others		643,956,690	626,653,914	433,260,821	382,263,889
<b>Total other operating expenses</b>		<b>3,489,628,665</b>	<b>3,483,025,630</b>	<b>2,927,699,315</b>	<b>2,922,219,459</b>
Bad and doubtful debts and impairment losses	37	2,533,828,097	2,165,999,129	2,297,193,119	2,035,700,000
<b>Profit before income tax expenses</b>		<b>464,420,041</b>	<b>429,347,513</b>	<b>106,282,820</b>	<b>207,289,243</b>
Income tax expenses	38	(97,186,812)	(81,184,663)	(11,442,091)	(36,436,132)
<b>Net profit for the periods</b>		<b>367,233,229</b>	<b>348,162,850</b>	<b>94,840,729</b>	<b>170,853,111</b>

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.



**CIMB Thai Bank Public Company Limited**  
**Statements of Comprehensive Income (Cont'd)**  
**For the six-month period ended 30 June 2016**

	Note	Consolidated		The Bank	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Other comprehensive expenses</b>					
<b>Items that will be reclassified</b>					
<b>subsequently to profit or loss</b>					
Losses on remeasuring available-for-sale investments		(241,857,969)	(10,292,189)	(241,857,969)	(10,292,189)
(Losses) gains arising from translating the financial statement of a foreign operation		(4,742,069)	4,736,455	(4,742,069)	4,736,455
Losses on cash flow hedges		(18,229,663)	(8,989,116)	(18,229,663)	(8,989,116)
Income tax relating to items that will be reclassified subsequently to profit or loss		52,017,526	3,856,261	52,017,526	3,856,261
<b>Total items that will be reclassified</b> <b>subsequently to profit or loss</b>		<b>(212,812,175)</b>	<b>(10,688,589)</b>	<b>(212,812,175)</b>	<b>(10,688,589)</b>
<b>Items that will not be reclassified</b>					
<b>subsequently to profit or loss</b>					
Changes in revaluation surplus		(27,547,360)	(75,601,203)	(27,547,360)	(75,601,203)
Income tax relating to items that will not be reclassified subsequently to profit or loss		5,509,472	15,120,241	5,509,472	15,120,241
<b>Total items that will not be reclassified</b> <b>subsequently to profit or loss</b>		<b>(22,037,888)</b>	<b>(60,480,962)</b>	<b>(22,037,888)</b>	<b>(60,480,962)</b>
<b>Total other comprehensive expenses</b>		<b>(234,850,063)</b>	<b>(71,169,551)</b>	<b>(234,850,063)</b>	<b>(71,169,551)</b>
<b>Total comprehensive income (expenses)</b> <b>for the periods</b>		<b>132,383,166</b>	<b>276,993,299</b>	<b>(140,009,334)</b>	<b>99,683,560</b>
<b>Net profit attributable to:</b>					
Equity holders of the Bank		367,233,229	348,162,850	94,840,729	170,853,111
Non-controlling interests		-	-	-	-
		<b>367,233,229</b>	<b>348,162,850</b>	<b>94,840,729</b>	<b>170,853,111</b>
<b>Total comprehensive income (expenses)</b> <b>attributable to:</b>					
Equity holders of the Bank		132,383,166	276,993,299	(140,009,334)	99,683,560
Non-controlling interests		-	-	-	-
		<b>132,383,166</b>	<b>276,993,299</b>	<b>(140,009,334)</b>	<b>99,683,560</b>
<b>Earnings per share for profit attributable</b> <b>to the equity holders of the Bank</b>					
	40				
Basic earnings per share (Baht per share)		0.01	0.02	0.00	0.01
Weighted average number of ordinary shares (shares)		24,774,731,679	21,084,878,025	24,774,731,679	21,084,878,025

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited  
 Statements of Changes in Shareholders' Equity  
 For the six-month period ended 30 June 2016

Consolidated													
Attributable to owners of the Bank													
Other reserves													
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Remeasurements of post-employment benefit obligations	Revaluation surplus (deficit) on change in value of investments	Gains arising from translating the financial statement of a foreign operation	Losses on cash flow hedges	Income tax relating to components of other comprehensive expense	Total other reserves	Accretion of equity interests in subsidiary	Legal reserve	Retained earnings	Total
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Balance as at 1 January 2016</b>	12,387,365,840	5,712,665,258	969,952,859	(231,252,097)	291,736,776	36,302,019	(174,934,230)	(171,100,663)	720,704,664	(42,753,751)	365,950,000	7,964,078,385	27,108,010,396
Dividend paid	26	-	-	-	-	-	-	-	-	-	-	(185,810,488)	(185,810,488)
Total comprehensive (expenses) income for the period	-	-	(27,547,360)	-	(241,857,969)	(4,742,069)	(18,229,663)	57,526,998	(234,850,063)	-	-	367,233,229	132,383,166
Appropriated - statutory reserve	25	-	-	-	-	-	-	-	-	26,850,000	(26,850,000)	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	22,037,888	22,037,888	-
<b>Balance as at 30 June 2016</b>	<b>12,387,365,840</b>	<b>5,712,665,258</b>	<b>942,405,499</b>	<b>(231,252,097)</b>	<b>49,878,807</b>	<b>31,559,950</b>	<b>(193,163,893)</b>	<b>(113,573,665)</b>	<b>485,854,601</b>	<b>(42,753,751)</b>	<b>392,800,000</b>	<b>8,140,689,014</b>	<b>27,076,620,962</b>
<b>Balance as at 1 January 2015</b>	10,542,439,013	3,867,738,430	1,095,163,688	(124,060,792)	278,876,871	7,337,610	(149,627,279)	(220,070,498)	887,619,600	(42,753,751)	341,300,000	6,994,214,366	22,590,557,658
Dividend paid	26	-	-	-	-	-	-	-	-	-	-	(158,136,585)	(158,136,585)
Total comprehensive (expenses) income for the period	-	-	(75,601,203)	-	(10,292,189)	4,736,455	(8,989,116)	18,976,502	(71,169,551)	-	-	348,162,850	276,993,299
Appropriated - statutory reserve	25	-	-	-	-	-	-	-	-	16,100,000	(16,100,000)	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	60,480,962	60,480,962	-
<b>Balance as at 30 June 2015</b>	<b>10,542,439,013</b>	<b>3,867,738,430</b>	<b>1,019,562,485</b>	<b>(124,060,792)</b>	<b>268,584,682</b>	<b>12,074,065</b>	<b>(158,616,395)</b>	<b>(201,093,996)</b>	<b>816,450,049</b>	<b>(42,753,751)</b>	<b>357,400,000</b>	<b>7,228,621,593</b>	<b>22,769,895,334</b>

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited

Statements of Changes in Shareholders' Equity (Cont'd)

For the six-month period ended 30 June 2015

The Bank												
Other reserves												
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Remeasurements of post-employment benefit obligations	Revaluation surplus (deficit) on change in value of investments	Gains arising from translating the financial statement of a foreign operation	Losses on cash flow hedges	Income tax relating to components of other comprehensive expense	Total other reserves	Legal reserve	Retained earnings	Total
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Balance as at 1 January 2016</b>	12,387,365,840	5,712,665,258	969,952,859	(210,797,829)	291,736,776	36,302,019	(174,934,230)	(175,191,516)	737,068,079	365,950,000	7,113,574,355	26,316,623,532
Dividend paid	26	-	-	-	-	-	-	-	-	-	(185,810,488)	(185,810,488)
Total comprehensive (expenses) income for the period	-	-	(27,547,360)	-	(241,857,969)	(4,742,069)	(18,229,663)	57,526,998	(234,850,063)	-	94,840,729	(140,009,334)
Appropriated - statutory reserve	25	-	-	-	-	-	-	-	-	26,850,000	(26,850,000)	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	22,037,888	22,037,888
<b>Balance as at 30 June 2016</b>	<u>12,387,365,840</u>	<u>5,712,665,258</u>	<u>942,405,499</u>	<u>(210,797,829)</u>	<u>49,878,807</u>	<u>31,559,950</u>	<u>(193,163,893)</u>	<u>(117,664,518)</u>	<u>502,218,016</u>	<u>392,800,000</u>	<u>7,017,792,484</u>	<u>26,012,841,598</u>
<b>Balance as at 1 January 2015</b>	10,542,439,013	3,867,738,430	1,095,163,688	(108,667,513)	278,876,871	7,337,610	(149,627,279)	(223,149,153)	899,934,224	341,300,000	6,488,857,536	22,140,269,203
Dividend paid	26	-	-	-	-	-	-	-	-	-	(158,136,585)	(158,136,585)
Total comprehensive (expenses) income for the period	-	-	(75,601,203)	-	(10,292,189)	4,736,455	(8,989,116)	18,976,502	(71,169,551)	-	170,853,111	99,683,560
Appropriated - statutory reserve	25	-	-	-	-	-	-	-	-	16,100,000	(16,100,000)	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	60,480,962	60,480,962
<b>Balance as at 30 June 2015</b>	<u>10,542,439,013</u>	<u>3,867,738,430</u>	<u>1,019,562,485</u>	<u>(108,667,513)</u>	<u>268,584,682</u>	<u>12,074,065</u>	<u>(158,616,395)</u>	<u>(204,172,651)</u>	<u>828,764,673</u>	<u>357,400,000</u>	<u>6,545,955,024</u>	<u>22,142,297,140</u>

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Statements of Cash Flow**  
**For the six-month period ended 30 June 2016**

	Notes	Consolidated		The Bank	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expenses		464,420,041	429,347,513	106,282,820	207,289,243
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation	13, 14	222,963,567	250,015,688	210,719,081	237,202,226
Bad debts and doubtful accounts		2,533,828,097	2,165,999,129	2,297,193,119	2,035,700,000
Share-based payment	28	12,565,425	8,295,130	12,565,425	8,295,130
Provision for liabilities		74,053,260	68,060,783	68,650,428	65,412,340
Losses (gains) on impairment of properties for sale		2,810,522	(77,503,340)	1,388,641	122,050
Unrealised gains on exchange and derivatives		(2,349,845,325)	(358,348,414)	(2,349,845,325)	(358,348,414)
Losses (gains) on properties for sale		115,054,946	252,271,226	(74,079,114)	(81,950,894)
Unrealised losses on revaluation of investments		23,265,272	5,999,381	23,265,272	5,999,381
Gains on sale of investments		(499,428,880)	(379,494,617)	(499,428,880)	(379,494,617)
Gains on disposal of equipment		(10,177,238)	(2,268,704)	(9,758,959)	(1,285,316)
Losses from write-off premises and equipment		40,359,968	7,834,774	40,359,968	7,834,774
Losses from write off leasehold rights		1,606,584	-	1,606,584	-
Reversal of losses on impairment of premises and equipment		(10,033,744)	-	(10,033,744)	-
Losses (gains) from financial liabilities designated at fair value through profit or loss		1,958,371,154	(142,759,159)	1,958,371,154	(142,759,159)
Interest and dividend income		(7,361,170,798)	(7,300,314,702)	(6,485,644,171)	(6,539,894,593)
Interest expenses		1,976,477,805	2,804,592,848	1,976,556,147	2,803,161,593
<b>Losses from operations before changes in operating assets and liabilities</b>					
		(2,804,879,344)	(2,268,272,464)	(2,731,831,554)	(2,132,716,256)
<b>(Increase) decrease in operating assets</b>					
Interbank and money market items		7,571,681,225	(7,830,193,677)	7,572,520,026	(7,850,511,841)
Investments held for trading		(2,367,556,773)	1,453,753,544	(2,367,556,773)	1,453,753,544
Loans		(5,591,864,893)	(7,266,273,512)	(4,089,506,776)	(6,078,551,068)
Properties for sale		833,578,942	1,250,002,681	129,626,828	689,060,802
Other assets		2,682,105,763	2,557,795,060	2,707,993,923	2,561,176,906

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Statements of Cash Flow (Cont'd)**  
**For the six-month period ended 30 June 2016**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Increase (decrease) in operating liabilities</b>				
Deposits	(3,906,884,970)	(7,577,049,312)	(3,975,182,415)	(7,604,790,642)
Interbank and money market items	1,579,553,328	2,665,172,529	1,603,553,328	2,690,372,529
Liability payable on demand	249,815,701	365,284,155	249,815,701	365,284,155
Short-term borrowings	(5,082,462,461)	8,956,750,541	(5,082,462,461)	8,956,750,541
Provisions	(74,970,059)	(52,212,622)	(74,970,059)	(52,212,622)
Other liabilities	(1,594,110,950)	1,351,126,888	(1,618,648,008)	1,320,633,954
<b>Cash flows used in operating activities</b>	<b>(8,505,994,491)</b>	<b>(6,394,116,189)</b>	<b>(7,676,648,240)</b>	<b>(5,681,749,998)</b>
Cash received from interest income	6,606,401,795	6,378,448,256	5,690,193,839	5,618,926,783
Cash paid for interest expenses	(2,470,004,390)	(2,916,274,889)	(2,470,053,835)	(2,914,784,649)
Cash paid for tax	(174,363,084)	(71,021,891)	(139,416,747)	(29,538,377)
<b>Net cash flows used in operating activities</b>	<b>(4,543,960,170)</b>	<b>(3,002,964,713)</b>	<b>(4,595,924,983)</b>	<b>(3,007,146,241)</b>
<b>Cash flows from investing activities</b>				
Cash paid for purchases of available-for-sale securities	(25,795,158,977)	(22,197,382,100)	(25,795,158,977)	(22,197,382,100)
Proceeds from disposals of available-for-sale securities	24,726,569,790	15,461,648,814	24,726,569,790	15,461,648,814
Proceeds from maturity and principle payment of available-for-sale securities	1,250,000,000	-	1,250,000,000	-
Cash paid for purchases of held to maturities securities	(1,715,220,241)	(1,757,145,999)	(1,715,220,241)	(1,757,145,999)
Proceeds from maturity and principle payment of held to maturities securities	3,630,560,000	4,458,256,150	3,630,560,000	4,458,256,150
Proceeds from repayment of investment in receivable	739,961	14,021,672	739,961	14,021,672
Proceeds from disposals of general investments	942,262	6,025,064	942,262	6,025,064
Proceeds from decrease in capital of general investments	15,000,000	15,000,000	15,000,000	15,000,000
Cash paid for purchases of premises and equipment	(45,000,405)	(88,389,864)	(36,551,376)	(83,792,043)
Proceeds from disposals of equipment	18,163,986	4,978,286	17,736,475	3,572,533
Cash paid for purchases of intangible assets	(37,866,724)	(40,609,759)	(36,908,174)	(40,512,659)
Dividend received	9,751,209	32,326,759	52,100,438	32,326,759
Interest received	933,229,744	900,976,691	933,225,694	900,965,601
<b>Net cash flows provided by (used in) investing activities</b>	<b>2,991,710,605</b>	<b>(3,190,294,286)</b>	<b>3,043,035,852</b>	<b>(3,187,016,208)</b>

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Statements of Cash Flow (Cont'd)**  
**For the six-month period ended 30 June 2016**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(185,810,488)	(158,136,585)	(185,810,488)	(158,136,585)
Cash paid for redemption of structured debenture	(2,342,000,000)	(3,819,000,000)	(2,342,000,000)	(3,819,000,000)
Proceeds from issuance of structured bill of exchange	3,433,389,685	8,807,100,303	3,433,389,685	8,807,100,303
<b>Net cash flows provided by financing activities</b>	905,579,197	4,829,963,718	905,579,197	4,829,963,718
(Gains) losses from foreign currency translation differences	(4,537,241)	4,535,892	(4,537,241)	4,535,892
<b>Net decrease in cash and cash equivalents</b>	(651,207,609)	(1,358,759,389)	(651,847,175)	(1,359,662,839)
Cash and cash equivalents at beginning of the periods	2,397,196,928	3,989,621,938	2,395,111,405	3,987,736,777
<b>Cash and cash equivalents at the end of the periods</b>	<b>1,745,989,319</b>	<b>2,630,862,549</b>	<b>1,743,264,230</b>	<b>2,628,073,938</b>
<b>Supplemental disclosure of cash flows information</b>				
Non-cash transaction:				
Payable from purchase premises and equipment	16,190,894	14,432,227	16,190,894	14,432,227
Payable from purchase intangible assets	18,909,348	2,759,844	18,909,348	2,759,844
Properties for sale received from premises and equipment	105,526,180	-	105,526,180	-
Changes in revaluation surplus in available-for-sale securities	241,857,969	10,292,189	241,857,969	10,292,189
Interest amortisation from premium or discount	198,271,667	167,118,932	198,271,667	167,118,932

The accompanying notes to the interim financial statements from page 14 to 109 are an integral part of the interim financial statements.

**CIMB Thai Bank Public Company Limited**  
**Notes to the Interim Financial Statements**  
**For the six-month period ended 30 June 2016**

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## **1 General information**

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

44 Langsuan Road, Lumpini, Patumwan, Bangkok.

The Bank is listed on the Stock Exchange of Thailand. For reporting purposes, the Bank and its subsidiaries are referred to as the Group. Its parent company is CIMB Bank Berhad, which is a public company incorporated in Malaysia. CIMB Group Holdings Berhad is the parent company of the CIMB Group.

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

The Bank and its subsidiaries are referred to as the “Group”

The consolidated and bank financial statements were authorised by the Board of Directors on 25 August 2016.

## **2 Accounting policies**

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

### **2.1 Basis of preparation of interim consolidated and bank financial statements**

The interim consolidated and bank financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholder equity and cash flow) have been prepared in the format as required by the Notification of the Bank of Thailand (BoT) no. SorNorSor 21/2558, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated 4 December 2015.

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

The preparation of interim financial statements in conformity with Generally Accepted Accounting Principal in Thailand requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim consolidated and bank financial statements, are disclosed in Note 4 to the interim financial statements.

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

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

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, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group.

a) Financial reporting standards, which are relevant to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TFRS 2 (revised 2015)	Share-based payment
TFRS 8 (revised 2015)	Operating segments
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

Management evaluates that the revised accounting standards and financial reporting standards have no significant impact to the Group's interim financial statement being presented.

b) Financial reporting standards with minor changes and do not have impact to the Group.

There are 40 financial reporting standards with minor changes which the Group assesses that do not have impact to the Group.

**2 Accounting policies (Cont'd)**

**2.3 Revenue recognition**

(a) Interest and discount on loans

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

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

(b) Interest and dividends on investments

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

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

(c) Gains (losses) on sale of investments

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

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

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

(e) Income from hire-purchase contracts

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

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

(f) Other income

Other income is recognised as income on an accrual basis.

## **2 Accounting policies (Cont'd)**

### **2.4 Expense recognition**

(a) Interest expenses

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

(b) Commission fee under hire-purchase agreements

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

(c) Other expenses

Other expenses are recognised as expense on an accrual basis.

### **2.5 Investments**

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

(1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not more than 3 months. Trading investments are traded in active markets and included in short-term investment.

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

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

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

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

## **2 Accounting policies (Cont'd)**

### **2.5 Investments (Cont'd)**

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

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

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

General investments are carried at cost less impairment.

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

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of comprehensive income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### **2.6 Investments in receivables**

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

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

The Group determines allowance for impairment of investments in receivables based on the present value of expected future cash flows from collateral disposal or debt collection in accordance with the Bank of Thailand's provisioning guidelines.

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

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

## **2 Accounting policies (Cont'd)**

### **2.8 Investments in subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### **2.9 Loans/hire-purchase receivables and allowance for doubtful accounts**

#### **(a) For loans of commercial banking business**

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

#### **(b) For hire-purchase receivables**

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

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

## **2 Accounting policies (Cont'd)**

### **2.10 Troubled debt restructuring and associated losses**

The Group records troubled debt restructuring transactions and related losses according to the notifications of the Bank of Thailand.

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

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

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

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

The Group adjusts the revaluation allowance for debt restructuring at the end of every year by re-calculating the net present value of expected cash flows, discounted by the MLR or CLR being quoted to the debtor at the end of the year.

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

### **2.11 Properties for sale**

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

The Group will recognise gain (loss) on sales of properties for-sale as income or expenses in the whole amount in accordance with the notifications of the Bank of Thailand.

### **2.12 Premises, equipment and depreciation**

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

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

The Group records increases in the carrying amount arising on the revaluation of land and building. These are credited to other comprehensive income and shown the revaluation surplus on assets (included in unrealised gain) in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income each period the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

## **2 Accounting policies (Cont'd)**

### **2.12 Premises, equipment and depreciation (Cont'd)**

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

Buildings	20 - 40 years
Equipment	5 years and 10 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statements of comprehensive income.

On disposal of revalued assets, the related revaluation reserve amounts are transferred to retained earnings.

### **2.13 Intangible assets**

#### **(a) Computer software**

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

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of Identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### **(b) Other intangible assets**

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

## **2 Accounting policies (Cont'd)**

### **2.14 Impairment of assets**

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

### **2.15 Leasehold rights**

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

### **2.16 Leases**

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

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

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

### **2.17 Foreign currency translation**

#### **(a) Functional and presentation currency**

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

#### **(b) Transactions and balances**

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

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



**2 Accounting policies (Cont'd)**

**2.18 Financial derivatives**

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

(a) Trading transactions

The Group records its obligations under financial derivatives contracts originated for trading purposes at fair value. Gains/losses arising from changes in value are included in the statements of comprehensive income.

(b) Hedging transactions

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

(1) Fair value hedge

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

(2) Cash flow hedge

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

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset.

(3) Net investment in foreign operations hedge

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

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

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 45 to the financial statements.

## **2 Accounting policies (Cont'd)**

### **2.19 Embedded derivatives**

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

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

### **2.20 Financial liabilities at fair value through profit or loss**

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

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

### **2.21 Employee benefits and pension fund**

#### Defined contribution plan

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

#### Defined benefit plan

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

The Group set provisions for employee benefits which comprises post-employment benefits under the labour law applicable in Thailand and pension fund.

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

## **2 Accounting policies (Cont'd)**

### **2.22 Provisions**

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

Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is highly likely.

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

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

### **2.23 Current and deferred income taxes**

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

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

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

## **2 Accounting policies (Cont'd)**

### **2.24 Share based payment**

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

At the end of each reporting period, the Group sets up payment reserve as the proportion of time of the vesting period. The reserve presents as other liabilities.

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

### **2.25 Segment reporting**

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

## **3 Financial risk management**

### **Financial risk factors**

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

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

### **3.1 Market risk**

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

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

### **3 Financial risk management (Cont'd)**

#### **Financial risk factors (Cont'd)**

#### **3.1 Market risk (Cont'd)**

##### **3.1.1 Foreign exchange risk**

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

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

##### **3.1.2 Interest rate risk**

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

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

##### **3.1.3 Equity position risk**

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

#### **3.2 Credit risk**

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

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

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

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

**3 Financial risk management (Cont'd)**

**Financial risk factors (Cont'd)**

**3.3 Liquidity risk**

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

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

**4 Critical accounting estimates, assumptions and judgements**

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

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

**(a) Allowance for doubtful accounts for loans**

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

**(b) Fair value of financial derivative instruments**

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

**(c) Impairment of investments**

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

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

**(d) Allowance for impairment of property for sale**

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

**(e) Building, equipment and intangible assets**

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

**(f) Provision for post retirement benefits and pension fund**

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

**(g) Customer Loyalty Programmes**

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognised and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per points.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognised as fee income when the points are redeemed by customers.

**5 Capital risk management**

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

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

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 27 to the financial statements.

**6 Interbank and money market items, net (assets)**

	<b>Consolidated</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>
<b>Domestic:</b>						
Bank of Thailand and the Financial Institutions Development Fund	2,634	-	2,634	1,006	-	1,006
Commercial banks	76	-	76	78	-	78
Other banks	10	-	10	5	9,700	9,705
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	290	290	-	433	433
<b>Total domestic items</b>	<b>3,264</b>	<b>290</b>	<b>3,554</b>	<b>1,633</b>	<b>10,133</b>	<b>11,766</b>
<u>Add</u> Accrued interest receivables	-	-	-	-	-	-
<u>Less</u> Allowance for doubtful debts	-	(5)	(5)	-	(3)	(3)
<b>Domestic items, net</b>	<b>3,264</b>	<b>285</b>	<b>3,549</b>	<b>1,633</b>	<b>10,130</b>	<b>11,763</b>
<b>Foreign:</b>						
US dollar	2,391	88	2,479	1,842	-	1,842
Yen	16	-	16	-	-	-
Euro	23	-	23	41	-	41
Other currencies	367	285	652	647	-	647
<b>Total foreign items</b>	<b>2,797</b>	<b>373</b>	<b>3,170</b>	<b>2,530</b>	<b>-</b>	<b>2,530</b>
<u>Add</u> Accrued interest receivables	-	1	1	-	-	-
<b>Foreign items, net</b>	<b>2,797</b>	<b>374</b>	<b>3,171</b>	<b>2,530</b>	<b>-</b>	<b>2,530</b>
<b>Domestic and foreign items, net</b>	<b>6,061</b>	<b>659</b>	<b>6,720</b>	<b>4,163</b>	<b>10,130</b>	<b>14,293</b>



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

	<b>The Bank</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>
<b>Domestic:</b>						
Bank of Thailand and the Financial Institutions Development Fund	2,634	-	2,634	1,006	-	1,006
Commercial banks	22	-	22	19	-	19
Other banks	-	-	-	-	9,700	9,700
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	290	290	-	433	433
<b>Total domestic items</b>	<b>3,200</b>	<b>290</b>	<b>3,490</b>	<b>1,569</b>	<b>10,133</b>	<b>11,702</b>
<u>Add</u> Accrued interest receivables	-	-	-	-	1	1
<u>Less</u> Allowance for doubtful debts	-	(5)	(5)	-	(4)	(4)
<b>Domestic items, net</b>	<b>3,200</b>	<b>285</b>	<b>3,485</b>	<b>1,569</b>	<b>10,130</b>	<b>11,699</b>
<b>Foreign:</b>						
US dollar	2,391	88	2,479	1,842	-	1,842
Yen	16	-	16	-	-	-
Euro	23	-	23	41	-	41
Other currencies	367	285	652	648	-	648
<b>Total foreign items</b>	<b>2,797</b>	<b>373</b>	<b>3,170</b>	<b>2,531</b>	<b>-</b>	<b>2,531</b>
<u>Add</u> Accrued interest receivables	-	1	1	-	-	-
<b>Foreign items, net</b>	<b>2,797</b>	<b>374</b>	<b>3,171</b>	<b>2,531</b>	<b>-</b>	<b>2,531</b>
<b>Domestic and foreign items, net</b>	<b>5,997</b>	<b>659</b>	<b>6,656</b>	<b>4,100</b>	<b>10,130</b>	<b>14,230</b>

As at 30 June 2016, the Bank had promissory notes of Baht 544 million (31 December 2015: Baht 544 million), that were issued by financial institutions which were ordered to be closed, and are availed by the Financial Institution Development Fund (FIDF).

The FIDF recalled promissory notes amounting to Baht 544 million (31 December 2015: Baht 544 million) to cancel the aval as the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory notes to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As at the statements of financial position date, such promissory notes availed by FIDF had been presented as assets and the related obligations were presented as liabilities in the same amount of Baht 544 million (31 December 2015: Baht 544 million).

## 7 Derivatives

### 7.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and the Bank					
	30 June 2016			31 December 2015		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Exchange rate	12,201	11,948	1,236,078	19,767	20,638	1,097,811
Interest rate	11,380	8,431	1,572,796	5,382	3,804	1,167,113
Commodity	12	12	71	78	78	261
Credit	48	48	3,600	-	-	-
Total	23,641	20,439	2,812,545	25,227	24,520	2,265,185

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

	Consolidated and the Bank	
	30 June 2016	31 December 2015
	Proportion (%)	Proportion (%)
Financial institutions	88	92
Companies in the group	10	5
External parties	2	3
Total	100	100

### 7.2 Derivative for hedging

#### 7.2.1 Fair value hedge

	Consolidated and the Bank					
	30 June 2016			31 December 2015		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Interest rate	33	-	479	34	-	512
Total	33	-	479	34	-	512

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

**7 Derivatives (Cont'd)**

**7.2 Derivative for hedging (Cont'd)**

**7.2.1 Fair value hedge (Cont'd)**

The net gains (losses) arising from fair value hedges for the three-month and six-month periods ended 30 June 2016 and 2015 can be summarised as follows:

	<b>Consolidated and the Bank</b>			
	<b>For the three-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gains on hedging instruments, net	1	2	-	4
Losses on the hedged items, net	(2)	(2)	(1)	(4)

**7.2.2 Cash flow hedge**

	<b>Consolidated and the Bank</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>Fair value</b>			<b>Fair value</b>		
	<b>Asset</b>	<b>Liability</b>	<b>Notional amount</b>	<b>Asset</b>	<b>Liability</b>	<b>Notional amount</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Exchange rate	-	522		-	646	
Interest rate	169	393		320	517	
<b>Total</b>	<b>169</b>	<b>915</b>	<b>17,771</b>	<b>320</b>	<b>1,163</b>	<b>7,851</b>

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 Group 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 (see notes 20 (e) and 47).

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 30 June 2016 and 31 December 2015 can be summarised as follows:

	<b>Consolidated and the Bank</b>		
	<b>30 June 2016</b>		
	<b>3 months or less</b>	<b>More than 3 months to 1 year</b>	<b>More than 1 year to 5 years</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Cash inflow	4,980	-	-
Cash outflow	(97)	(234)	(10,164)
<b>Net cashflow</b>	<b>4,883</b>	<b>(234)</b>	<b>(10,164)</b>

**7 Derivatives (Cont'd)**

**7.2 Derivative for hedging (Cont'd)**

**7.2.2 Cash flow hedge (Cont'd)**

	<b>Consolidated and the Bank</b>		
	<b>31 December 2015</b>		
	<b>3 months or less Million Baht</b>	<b>More than 3 months to 1 year Million Baht</b>	<b>More than 1 year to 5 years Million Baht</b>
Cash outflow	95	94	3,938

**8 Investments, net**

**8.1 Classified by type of investment**

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016 Fair value Million Baht</b>	<b>31 December 2015 Fair value Million Baht</b>
<b>Securities held for trading</b>		
Government and state enterprises securities	5,318	2,042
Private sector debt securities	2,935	3,827
Total securities held for trading	8,253	5,869
<b>Available-for-sale securities</b>		
Government and state enterprises securities	20,942	22,144
Private sector debt securities	5,373	4,276
Domestic marketable equity securities	100	98
Total available-for-sales securities	26,415	26,518

**8 Investments, net (Cont'd)**

**8.1 Classified by type of investment (Cont'd)**

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Cost/ Amortised Cost Million Baht</b>	<b>Cost/ Amortised Cost Million Baht</b>
<b>Held-to-maturity debt securities</b>		
Government and state enterprises securities	19,804	21,276
Private sector debt securities	599	1,101
Investments in receivables (Note 8.6)	80	81
Total	20,483	22,458
<u>Less</u> Allowance for impairment	(60)	(59)
Total held-to-maturity debt securities	20,423	22,399
	<b>Cost Million Baht</b>	<b>Cost Million Baht</b>
<b>General investments</b>		
Domestic non-marketable equity securities	309	324
Overseas non-marketable equity securities	9	9
Total	318	333
<u>Less</u> Allowance for impairment	(228)	(228)
Total general investments	90	105
<b>Investments, net</b>	<b>55,181</b>	<b>54,891</b>

As at 30 June 2016 and 31 December 2015, the Bank had investments pledged as collateral, as mentioned in Note 41.1 to the financial statements.

**8 Investments, net (Cont'd)**

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

	<b>Consolidated and the Bank</b>							
	<b>30 June 2016</b>				<b>31 December 2015</b>			
	<b>Periods remaining</b>				<b>Periods remaining</b>			
	<b>1 year</b>	<b>1 - 5</b>	<b>Over</b>	<b>Total</b>	<b>1 year</b>	<b>1 - 5</b>	<b>Over</b>	<b>Total</b>
<b>Million</b>	<b>years</b>	<b>5 years</b>	<b>Million</b>	<b>Million</b>	<b>years</b>	<b>5 years</b>	<b>Million</b>	
<b>Baht</b>	<b>Million</b>	<b>Million</b>	<b>Baht</b>	<b>Baht</b>	<b>Million</b>	<b>Million</b>	<b>Baht</b>	
<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
<b>Available-for-sale securities</b>								
Government and state enterprises securities	1,469	15,055	4,442	20,966	4,093	14,413	3,420	21,926
Private sector debt securities	784	4,157	392	5,333	953	3,072	209	4,234
Total	2,253	19,212	4,834	26,299	5,046	17,485	3,629	26,160
<u>Add</u> Allowance for revaluation	5	8	3	16	19	214	27	260
Available-for-sale securities, net	2,258	19,220	4,837	26,315	5,065	17,699	3,656	26,420
<b>Held-to-maturity securities</b>								
Government and state enterprises securities	8,792	10,472	540	19,804	9,315	11,421	540	21,276
Private sector debt securities	236	363	-	599	560	536	5	1,101
Total	9,028	10,835	540	20,403	9,875	11,957	545	22,377
<u>Less</u> Allowance for impairment	-	-	-	-	-	-	-	-
Held-to-maturity securities, net	9,028	10,835	540	20,403	9,875	11,957	545	22,377
Total debt securities	11,286	30,055	5,377	46,718	14,940	29,656	4,201	48,797

**8.3 Investments representing shareholdings in which the Group holds more than 10%**

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

	<b>Consolidated and the Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
<u>Less</u> Allowance for impairment	(16)	(16)
Investments representing shareholdings in which the Group hold more than 10%, net	6	6

**8 Investments, net (Cont'd)**

**8.4 Investments in investment units in which the Group hold more than 10%**

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

	<b>Consolidated and the Bank</b>			
	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>General investments</b>				
Investment in property funds	120	115	135	128
<u>Less</u> Allowance for revaluation	(2)		(4)	
<u>Less</u> Allowance for impairment	(3)		(3)	
General investments, net	<u>115</u>		<u>128</u>	

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

As at 30 June 2016 and 31 December 2015, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	<b>Consolidated and the Bank</b>							
	<b>30 June 2016</b>				<b>31 December 2015</b>			
	<b>Number of companies</b>	<b>Cost Million Baht</b>	<b>Allowance for revaluation/impairment Million Baht</b>	<b>Book value Million Baht</b>	<b>Number of companies</b>	<b>Cost Million Baht</b>	<b>Allowance for revaluation/impairment Million Baht</b>	<b>Book value Million Baht</b>
Business continuity and/or weak financial status and operating performance	49	42	(42)	-	50	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	<u>67</u>	<u>43</u>	<u>(43)</u>	<u>-</u>	<u>68</u>	<u>43</u>	<u>(43)</u>	<u>-</u>

**8.6 Investments in receivables**

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Investments in receivables	80	81
<u>Less</u> Allowance for impairment	(60)	(59)
Investments in receivables, net	<u>20</u>	<u>22</u>

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**8 Investments, net (Cont'd)**

**8.6 Investments in receivables (Cont'd)**

As at 30 June 2016 and 31 December 2015, the outstanding balances of loan receivables can be summarised as follows:

	30 June 2016				31 December 2015			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %
<b>Consolidated and the Bank</b>								
Total accumulated investments in receivables	5,857	22,948	6,996	19	5,857	22,948	6,996	19
Outstanding investments in receivables as at the statements of financial position date	79	1,227	80	-	79	1,253	81	-

**8.7 Investments in subsidiary, net**

Company name	Nature of business	Type of securities	Percentage of holding		The Bank Cost method	
			30 June 2016 %	31 December 2015 %	30 June 2016 Million Baht	31 December 2015 Million Baht
<b>Subsidiaries - included in consolidated financial statements</b>						
Center Auto Lease Co., Ltd.	Leasing/hire-Purchase of automobile	Common stock	100	100	1,203	1,203
World Lease Co., Ltd.	Hire-purchase and motorcycles 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
Less Allowance for impairment					(383)	(383)
Investments in subsidiaries, net					1,325	1,325

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertaking included in the Group.



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**9 Loans and accrued interest receivables, net**

**9.1 Classified by loan type**

	Consolidated		The Bank	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Million Baht	Million Baht	Million Baht	Million Baht
Bank overdrafts (Note 43)	6,641	7,189	6,646	7,196
Loans (Note 43)	143,589	140,175	150,409	145,525
Bills (Note 43)	29,082	30,364	42,596	44,034
Hire-purchase receivables	27,968	25,817	-	-
Others	25	25	1	-
Total loans	207,305	203,570	199,652	196,755
Valuation reserve from hedging	(19)	(18)	(19)	(18)
<u>Less</u> Deferred revenue	(5,405)	(4,946)	(63)	(91)
Total loans net of deferred revenue	201,881	198,606	199,570	196,646
<u>Add</u> Accrued interest receivables	589	521	591	524
Total loans net of deferred revenue and accrued interest receivables	202,470	199,127	200,161	197,170
<u>Less</u> Allowance for doubtful debts (Note 10)				
Minimum allowance for doubtful accounts required based on BoT's guidelines				
- Individual approach	(4,906)	(4,151)	(4,766)	(3,993)
General provision for further losses	(3,201)	(2,579)	(3,201)	(2,579)
<u>Less</u> Revaluation allowance for debt restructuring (Note 11)	(58)	(55)	(58)	(55)
Loans and accrued interest receivables, net	194,305	192,342	192,136	190,543

**9.2 Classified by currency and residency of debtors**

	Consolidated					
	30 June 2016			31 December 2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	188,145	569	188,714	185,201	473	185,674
US dollar	9,793	1,906	11,699	9,686	1,423	11,109
Other currencies	1,468	-	1,468	1,823	-	1,823
Total loans net of deferred revenue	199,406	2,475	201,881	196,710	1,896	198,606
	The Bank					
	30 June 2016			31 December 2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	185,834	569	186,403	183,240	474	183,714
US dollar	9,793	1,906	11,699	9,686	1,423	11,109
Other currencies	1,468	-	1,468	1,823	-	1,823
Total loans net of deferred revenue	197,095	2,475	199,570	194,749	1,897	196,646

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

**9.3 Classified by types of business and loan classification**

	Consolidated						Total Million Baht
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Hire purchase receivables Million Baht	
Agricultural and mining	4,859	801	8	-	-	-	5,668
Manufacturing and commerce	42,241	3,765	1,999	1,614	1,476	-	51,095
Real estate and construction	12,762	703	14	140	9	-	13,628
Public utilities and services	24,980	3,114	218	5	564	-	28,881
Personal cash	11,323	483	187	-	77	-	12,070
Housing loans	53,063	973	449	609	740	-	55,834
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	22,626	22,626
Others	11,471	185	116	118	165	24	12,079
Total loans net of deferred revenue	160,699	10,024	2,991	2,486	3,031	22,650	201,881

	Consolidated						Total Million Baht
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Hire purchase receivables Million Baht	
Agricultural and mining	4,624	1,428	-	-	-	-	6,052
Manufacturing and commerce	43,880	5,125	909	1,206	1,291	-	52,411
Real estate and construction	14,888	903	-	-	9	-	15,800
Public utilities and services	19,827	4,484	38	5	564	-	24,918
Personal cash	10,394	479	125	-	182	-	11,180
Housing loans	50,923	943	611	603	257	-	53,337
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	20,962	20,962
Others	13,467	167	104	110	74	24	13,946
Total loans net of deferred revenue	158,003	13,529	1,787	1,924	2,377	20,986	198,606

	The Bank						Total Million Baht
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Hire purchase receivables Million Baht	
Agricultural and mining	4,859	801	8	-	-	-	5,668
Manufacturing and commerce	42,241	3,765	1,999	1,614	1,476	-	51,095
Real estate and construction	12,762	703	14	140	9	-	13,628
Public utilities and services	24,980	3,114	218	5	564	-	28,881
Personal cash	11,323	483	187	-	77	-	12,070
Housing loans	53,063	973	449	609	740	-	55,834
Others	31,810	185	116	118	165	-	32,394
Total loans net of deferred revenue	181,038	10,024	2,991	2,486	3,031	-	199,570

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

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

	<b>The Bank</b>					<b>Total</b>
	<b>31 December 2015</b>					
	<b>Pass</b>	<b>Special</b>	<b>Sub-</b>	<b>Doubtful</b>	<b>Doubtful</b>	
	<b>Million Baht</b>	<b>mention</b>	<b>standard</b>	<b>Million Baht</b>	<b>of loss</b>	<b>Million Baht</b>
		<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Agricultural and mining	4,624	1,428	-	-	-	6,052
Manufacturing and commerce	43,880	5,125	909	1,206	1,291	52,411
Real estate and construction	14,888	903	-	-	9	15,800
Public utilities and services	19,827	4,484	38	5	564	24,918
Personal cash	10,394	479	125	-	182	11,180
Housing loans	50,923	943	611	603	257	53,337
Others	32,493	167	104	110	74	32,948
Total loans net of deferred revenue	<u>177,029</u>	<u>13,529</u>	<u>1,787</u>	<u>1,924</u>	<u>2,377</u>	<u>196,646</u>

**9.4 Classification of loans**

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

**(a) Loans of the Group**

	<b>Consolidated</b>						
	<b>30 June 2016</b>				<b>31 December 2015</b>		
	<b>Loans and accrued interest receivables</b>	<b>Net amount used for set the allowance For doubtful account <sup>(1)</sup></b>	<b>Minimum percentage</b>	<b>Allowance provided in the accounts</b>	<b>Loans and accrued interest receivables</b>	<b>Net amount used for set the allowance For doubtful account <sup>(1)</sup></b>	<b>Allowance provided in the accounts</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>%</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Minimum allowance for doubtful accounts based on BOT guidelines							
- Pass	181,004	59,377	1	602	176,620	57,297	578
- Special mention	12,617	3,364	2	68	16,132	4,044	80
- Sub-standard	3,289	1,447	100	1,445	2,040	1,347	1,344
- Doubtful	2,518	1,535	100	1,535	1,951	940	940
- Doubtful-of-loss	3,042	1,253	100	1,256	2,384	1,193	1,209
General provision for further losses				<u>3,201</u>			<u>2,579</u>
Total	<u>202,470</u>	<u>66,976</u>		<u>8,107</u>	<u>199,127</u>	<u>64,821</u>	<u>6,730</u>

<sup>(1)</sup> 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 used for set the allowance for doubtful account 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.

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

**9.4 Classification of loans (Cont'd)**

**(a) Loans of the Group (Cont'd)**

	The Bank							
	30 June 2016				31 December 2015			
	Loans and accrued Interest receivables	Net amount used for set the allowance For doubtful account <sup>(1)</sup>	Minimum percentage	Allowance provided in the accounts	Loans and accrued Interest receivables	Net amount used for set the allowance For doubtful account <sup>(1)</sup>	Minimum percentage	Allowance provided in the accounts
Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht	
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	181,506	73,948	1	738	177,483	69,610	1	695
- Special mention	10,102	2,214	2	42	13,599	2,564	2	50
- Sub-standard	3,036	1,237	100	1,237	1,787	1,133	100	1,133
- Doubtful	2,486	1,503	100	1,503	1,924	913	100	913
- Doubtful-of-loss	3,031	1,242	100	1,246	2,377	1,186	100	1,202
General provision for further losses				3,201				2,579
<b>Total</b>	<b>200,161</b>	<b>80,144</b>		<b>7,967</b>	<b>197,170</b>	<b>75,406</b>		<b>6,572</b>

<sup>(1)</sup> 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 used for set the allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 30 June 2016, the Group and the Bank had defaulted loans amounting to Baht 7,062 million and Baht 6,766 million, respectively (31 December 2015: Baht 6,267 million and Baht 5,981 million, respectively), were ceased recognition of interest income.

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

As at 30 June 2016 and 31 December 2015, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Million Baht	Million Baht	Million Baht	Million Baht
Current or overdue less than 1 installment	19,816	18,143	67	73
Overdue 2-3 installments	2,515	2,533	26	31
Overdue 4-6 installments	252	253	208	212
Overdue 7-12 installments	32	26	32	26
Overdue more than 12 installments	6	2	6	2
Debtors under litigation	5	5	5	5
<b>Total</b>	<b>22,626</b>	<b>20,962</b>	<b>344</b>	<b>349</b>

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

**9.5 Non-performing loans**

As at 30 June 2016 and 31 December 2015, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand and the Office of the Securities and Exchange Commission.

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Non-performing loans (principal only)				
Banking business	8,508	6,088	8,508	6,088
Other businesses	295	287	-	-

As at 30 June 2016 and 31 December 2015, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT's, defining non-performing loans to be debts classified as sub-standard, doubtful and doubtful-of-loss, and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with BoT criteria have already been fulfilled.

**9.6 Hire-purchase and finance lease receivables**

As at 30 June 2016, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 22,282 million (31 December 2015: Baht 20,613 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	<b>Consolidated</b>				
	<b>30 June 2016</b>				
	<b>Amounts due under lease agreement</b>				
	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Non - performing loans</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gross investment in the lease	8,980	18,021	583	384	27,968
<b>Less</b> Unearned finance income	<b>(2,350)</b>	<b>(2,878)</b>	<b>(25)</b>	<b>(89)</b>	<b>(5,342)</b>
Present value of minimum lease payments receivable	6,630	15,143	558	295	22,626
<b>Less</b> Allowance for doubtful accounts					<b>(344)</b>
Net receivables under hire-purchase agreements and financial leases					<b>22,282</b>
	<b>Consolidated</b>				
	<b>31 December 2015</b>				
	<b>Amounts due under lease agreement</b>				
	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Non - performing loans</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gross investment in the lease	8,318	16,614	516	369	25,817
<b>Less</b> Unearned finance income	<b>(2,152)</b>	<b>(2,600)</b>	<b>(20)</b>	<b>(83)</b>	<b>(4,855)</b>
Present value of minimum lease payments receivable	6,166	14,014	496	286	20,962
<b>Less</b> Allowance for doubtful accounts					<b>(349)</b>
Net receivables under hire-purchase agreements and financial leases					<b>20,613</b>

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

**9.7 Troubled debt restructuring**

As at 30 June 2016 and 2015, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below:

	<b>Consolidated and the Bank</b>	
	<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
Number of debtors	1,016	660
Debt balances (Million Baht)	1,752	1,650

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

	<b>Consolidated and the Bank</b>		
	<b>For the six-month period ended 30 June 2016</b>		
	<b>Number of debtors</b>	<b>Debt balances</b>	
<b>Before restructuring Million Baht</b>		<b>After restructuring Million Baht</b>	
Transfer assets to pay off	1	144	-
Modification of terms of payments	1,015	1,608	1,608
<b>Total</b>	<b>1,016</b>	<b>1,752</b>	<b>1,608</b>

	<b>Consolidated and the Bank</b>		
	<b>For the six-month period ended 30 June 2015</b>		
	<b>Number of debtors</b>	<b>Debt balances</b>	
<b>Before restructuring Million Baht</b>		<b>After restructuring Million Baht</b>	
Modification of terms of payments	660	1,650	1,644
<b>Total</b>	<b>660</b>	<b>1,650</b>	<b>1,644</b>

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

<b>Period of debts restructuring contracts</b>	<b>Consolidated and the Bank</b>					
	<b>For the six-month period ended 30 June 2016</b>			<b>For the six-month period ended 30 June 2015</b>		
	<b>Number of debtors</b>	<b>Debt balances</b>		<b>Number of debtors</b>	<b>Debt balances</b>	
<b>Before restructuring Million Baht</b>		<b>After restructuring Million Baht</b>	<b>Before restructuring Million Baht</b>		<b>After restructuring Million Baht</b>	
Not more than 5 years	113	570	426	50	756	750
5 - 10 years	543	512	512	515	670	670
10 - 15 years	27	51	51	17	41	41
More than 15 years	333	619	619	78	183	183
<b>Total</b>	<b>1,016</b>	<b>1,752</b>	<b>1,608</b>	<b>660</b>	<b>1,650</b>	<b>1,644</b>

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

**9.7 Troubled debt restructuring (Cont'd)**

Supplemental information relating to the restructured debts for the six-month periods ended 30 June 2016 and 2015 are as follows:

	<b>Consolidated and the Bank</b>	
	<b>For the six-month periods</b>	
	<b>ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Interest income	161	137

As at 30 June 2016 and 31 December 2015, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	<b>Consolidated and the Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
Number of debtors	6,008	5,976
Debt balances after restructuring (Million Baht)	4,196	4,452

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 30 June 2016, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 58 million (31 December 2015: Baht 55 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 31 December 2015, the Bank may have to realise additional losses of about Baht 11 million from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements. The Bank had already provided a provision for such losses, which is presented as part of the allowance for doubtful debts in the statements of financial position.

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**10 Allowance for doubtful debts**

<b>Consolidated</b>									
<b>30 June 2016</b>									
	<b>Pass Million Baht</b>	<b>Special mention Million Baht</b>	<b>Sub- standard Million Baht</b>	<b>Doubtful Million Baht</b>	<b>Doubtful -of-loss Million Baht</b>	<b>General provision for further losses Million Baht</b>	<b>Total Million Baht</b>	<b>Hire- purchase receivables Million Baht</b>	<b>Grand total Million Baht</b>
Balance as at 1 January 2016	504	50	1,133	913	1,202	2,579	6,381	349	6,730
<u>Add</u> Addition during the period	-	-	-	-	-	2,294	2,294	250	2,544
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Bad debt recoveries	-	-	-	-	-	90	90	-	90
Transfer from interbank and money items	-	-	-	-	-	2	2	-	2
<u>Less</u> Bad debts written off	-	(11)	(4)	-	(943)	(29)	(987)	(255)	(1,242)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(11)	(11)	-	(11)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	30	3	108	590	987	(1,731)	(13)	-	(13)
Balance as at 30 June 2016	<u>534</u>	<u>42</u>	<u>1,237</u>	<u>1,503</u>	<u>1,246</u>	<u>3,201</u>	<u>7,763</u>	<u>344</u>	<u>8,107</u>
<b>Consolidated</b>									
<b>31 December 2015</b>									
	<b>Pass Million Baht</b>	<b>Special mention Million Baht</b>	<b>Sub- standard Million Baht</b>	<b>Doubtful Million Baht</b>	<b>Doubtful -of-loss Million Baht</b>	<b>General provision for further losses Million Baht</b>	<b>Total Million Baht</b>	<b>Hire- purchase receivables Million Baht</b>	<b>Grand total Million Baht</b>
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 year	-	-	-	-	-	3,425	3,425	362	3,787
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	24	24	-	24
Bad debt recoveries	-	-	-	-	-	222	222	-	222
Put back on sale of NPL	-	-	-	-	-	7	7	-	7
<u>Less</u> Bad debts written off	-	-	(7)	-	(1,628)	(12)	(1,647)	(718)	(2,365)
Reduction from sale of NPL	-	-	(3)	(173)	(719)	-	(895)	-	(895)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(12)	(12)	-	(12)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	37	31	222	727	2,258	(3,292)	(17)	-	(17)
Balance as at 31 December 2015	<u>504</u>	<u>50</u>	<u>1,133</u>	<u>913</u>	<u>1,202</u>	<u>2,579</u>	<u>6,381</u>	<u>349</u>	<u>6,730</u>



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**10 Allowance for doubtful debts (Cont'd)**

	<b>The Bank</b>						
	<b>30 June 2016</b>						
	<b>Pass Million Baht</b>	<b>Special mention Million Baht</b>	<b>Sub- standard Million Baht</b>	<b>Doubtful Million Baht</b>	<b>Doubtful of loss Million Baht</b>	<b>General provision Million Baht</b>	<b>Total Million Baht</b>
Balance as at 1 January 2016	695	50	1,133	913	1,202	2,579	6,572
<u>Add</u> Addition during the period	-	-	-	-	-	2,294	2,294
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	7	7
Reversal of bad debts	-	-	-	-	-	90	90
Transfer from interbank and money items	-	-	-	-	-	2	2
<u>Less</u> Bad debts written off	-	(11)	(4)	-	(943)	(29)	(987)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(11)	(11)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	43	3	108	590	987	(1,731)	-
Balance as at 30 June 2016	<u>738</u>	<u>42</u>	<u>1,237</u>	<u>1,503</u>	<u>1,246</u>	<u>3,201</u>	<u>7,967</u>

  

	<b>The Bank</b>						
	<b>31 December 2015</b>						
	<b>Pass Million Baht</b>	<b>Special mention Million Baht</b>	<b>Sub- standard Million Baht</b>	<b>Doubtful Million Baht</b>	<b>Doubtful of loss Million Baht</b>	<b>General provision Million Baht</b>	<b>Total Million Baht</b>
Balance as at 1 January 2015	640	19	921	359	1,291	2,217	5,448
<u>Add</u> Addition during the year	-	-	-	-	-	3,425	3,425
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	24	24
Reversal of bad debts	-	-	-	-	-	222	222
Put back on sale of NPL	-	-	-	-	-	7	7
<u>Less</u> Bad debts written off	-	-	(7)	-	(1,628)	(12)	(1,647)
Reduction from sale of NPL	-	-	(3)	(173)	(719)	-	(895)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(12)	(12)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	55	31	222	727	2,258	(3,292)	-
Balance as at 31 December 2015	<u>695</u>	<u>50</u>	<u>1,133</u>	<u>913</u>	<u>1,202</u>	<u>2,579</u>	<u>6,572</u>

**11 Revaluation allowance for debt restructuring**

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Balance - beginning of the period/year	55	68
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	11	12
<u>Less</u> Bad debts written off	(1)	-
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(7)	(25)
Balance - end of the period/year	<u>58</u>	<u>55</u>

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

**12 Properties for sale, net**

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

	<b>Consolidated</b>			
	<b>As at 1 January 2016 Million Baht</b>	<b>Additions Million Baht</b>	<b>Disposals Million Baht</b>	<b>As at 30 June 2016 Million Baht</b>
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,355	144	(17)	1,482
Movable	137	899	(893)	143
Total	1,492	1,043	(910)	1,625
Others	70	105	(40)	135
Total properties for sale	1,562	1,148	(950)	1,760
<u>Less</u> Allowance for impairment	(368)	(327)	326	(369)
Properties for sale, net	1,194	821	(624)	1,391

	<b>Consolidated</b>			
	<b>As at 1 January 2015 Million Baht</b>	<b>Additions Million Baht</b>	<b>Disposals Million Baht</b>	<b>As at 31 December 2015 Million Baht</b>
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,857	135	(637)	1,355
Movable	393	1,615	(1,871)	137
Total	2,250	1,750	(2,508)	1,492
Others	150	69	(149)	70
Total properties for sale	2,400	1,819	(2,657)	1,562
<u>Less</u> Allowance for impairment	(574)	(643)	849	(368)
Properties for sale, net	1,826	1,176	(1,808)	1,194

**12 Properties for sale, net (Cont'd)**

	<b>The Bank</b>			<b>As at 30 June 2016 Million Baht</b>
	<b>As at 1 January 2016 Million Baht</b>	<b>Additions Million Baht</b>	<b>Disposals Million Baht</b>	
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,355	144	(17)	1,482
Total	1,355	144	(17)	1,482
Others	70	105	(40)	135
Total properties for sale	1,425	249	(57)	1,617
<u>Less</u> Allowance for impairment	(316)	(1)	1	(316)
Properties for sale, net	<u>1,109</u>	<u>248</u>	<u>(56)</u>	<u>1,301</u>

	<b>The Bank</b>			<b>As at 31 December 2015 Million Baht</b>
	<b>As at 1 January 2015 Million Baht</b>	<b>Additions Million Baht</b>	<b>Disposals Million Baht</b>	
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,857	135	(637)	1,355
Total	1,857	135	(637)	1,355
Others	150	69	(149)	70
Total properties for sale	2,007	204	(786)	1,425
<u>Less</u> Allowance for impairment	(425)	-	109	(316)
Properties for sale, net	<u>1,582</u>	<u>204</u>	<u>(677)</u>	<u>1,109</u>

The Bank provides allowance for impairment of properties for sale by reference to appraisal value. The Bank appraises or reviews the fair value of properties for sale annually in accordance with the Notification of the Bank of Thailand. However, the actual selling price may differ from the appraisal value. In addition, the Bank is subjected to restrictions on the allowable periods it may hold such properties, as stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowable periods, the Bank has to set aside additional provision in accordance with the Bank of Thailand guidelines. The Bank's management believes that the carrying value of such properties is suitable to the current situation and the current disposal plan of its properties for sale.

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**13 Premises and equipment, net**

	Consolidated											
	Cost/appraisal value					Accumulated depreciation						
	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 30 June 2016 Million Baht	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 30 June 2016 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	486	-	(33)	-	453	-	-	-	-	-	-	453
Revaluation surplus (revaluation in 2011)	717	-	(57)	-	660	-	-	-	-	-	-	660
Devaluation of asset (revaluation in 2011)	(30)	-	-	-	(30)	-	-	-	-	-	-	(30)
Buildings												
Cost	1,949	3	(101)	-	1,851	(1,176)	(36)	91	-	(1,121)	-	730
Revaluation surplus (revaluation in 2011)	1,894	-	(79)	-	1,815	(1,686)	(7)	71	-	(1,622)	-	193
Devaluation of asset (revaluation in 2011)	(65)	-	26	-	(39)	60	1	(24)	-	37	-	(2)
Equipment	2,993	62	-	(332)	2,723	(2,356)	(125)	-	284	(2,197)	(12)	514
Assets under installation and/or construction	6	12	-	(12)	6	-	-	-	-	-	-	6
<b>Total</b>	<b>7,950</b>	<b>77</b>	<b>(244)</b>	<b>(344)</b>	<b>7,439</b>	<b>(5,158)</b>	<b>(167)</b>	<b>138</b>	<b>284</b>	<b>(4,903)</b>	<b>(12)</b>	<b>2,524</b>

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**13 Premises and equipment, net (Cont'd)**

	Consolidated											
	Cost/appraisal value					Accumulated depreciation						
	As at 1 January 2015 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2015 Million Baht	As at 1 January 2015 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2015 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	511	-	(25)	-	486	-	-	-	-	-	-	486
Revaluation surplus (revaluation in 2011)	746	-	(29)	-	717	-	-	-	-	-	-	717
Devaluation of asset (revaluation in 2011)	(36)	-	6	-	(30)	-	-	-	-	-	-	(30)
Buildings												
Cost	1,949	50	(50)	-	1,949	(1,129)	(90)	43	-	(1,176)	-	773
Revaluation surplus (revaluation in 2011)	1,907	-	(13)	-	1,894	(1,675)	(22)	11	-	(1,686)	-	208
Devaluation of asset (revaluation in 2011)	(74)	-	9	-	(65)	64	4	(8)	-	60	-	(5)
Equipment	3,108	157	-	(272)	2,993	(2,313)	(274)	-	231	(2,356)	(22)	615
Assets under installation and/or construction	26	54	-	(74)	6	-	-	-	-	-	-	6
<b>Total</b>	<b>8,137</b>	<b>261</b>	<b>(102)</b>	<b>(346)</b>	<b>7,950</b>	<b>(5,053)</b>	<b>(382)</b>	<b>46</b>	<b>231</b>	<b>(5,158)</b>	<b>(22)</b>	<b>2,770</b>

**CIMB Thai Bank Public Company Limited**  
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**13 Premises and equipment, net (Cont'd)**

	The Bank												
	Cost/appraisal value				Accumulated depreciation							Allowance for impairment Million Baht	Net book value Million Baht
	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 30 June 2016 Million Baht	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 30 June 2016 Million Baht			
Land													
Cost	486	-	(33)	-	453	-	-	-	-	-	-	453	
Revaluation surplus (revaluation in 2011)	717	-	(57)	-	660	-	-	-	-	-	-	660	
Devaluation of asset (revaluation in 2011)	(30)	-	-	-	(30)	-	-	-	-	-	-	(30)	
Buildings													
Cost	1,949	3	(101)	-	1,851	(1,176)	(36)	91	-	(1,121)	-	730	
Revaluation surplus (revaluation in 2011)	1,894	-	(79)	-	1,815	(1,686)	(7)	71	-	(1,622)	-	193	
Devaluation of asset (revaluation in 2011)	(65)	-	26	-	(39)	60	1	(24)	-	37	-	(2)	
Equipment	2,780	54	-	(332)	2,502	(2,199)	(113)	-	283	(2,029)	(12)	461	
Assets under installation and/or construction	6	12	-	(12)	6	-	-	-	-	-	-	6	
<b>Total</b>	<b>7,737</b>	<b>69</b>	<b>(244)</b>	<b>(344)</b>	<b>7,218</b>	<b>(5,001)</b>	<b>(155)</b>	<b>138</b>	<b>283</b>	<b>(4,735)</b>	<b>(12)</b>	<b>2,471</b>	

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**13 Premises and equipment, net (Cont'd)**

	The Bank											
	Cost/appraisal value					Accumulated depreciation					Allowance for impairment Million Baht	Net book value Million Baht
	As at 1 January 2015 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2015 Million Baht	As at 1 January 2015 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2015 Million Baht		
Land												
Cost	511	-	(25)	-	486	-	-	-	-	-	-	486
Revaluation surplus (revaluation in 2011)	746	-	(29)	-	717	-	-	-	-	-	-	717
Devaluation of asset (revaluation in 2011)	(36)	-	6	-	(30)	-	-	-	-	-	-	(30)
Buildings												
Cost	1,949	50	(50)	-	1,949	(1,129)	(90)	43	-	(1,176)	-	773
Revaluation surplus (revaluation in 2011)	1,907	-	(13)	-	1,894	(1,675)	(22)	11	-	(1,686)	-	208
Devaluation of asset (revaluation in 2011)	(74)	-	9	-	(65)	64	4	(8)	-	60	-	(5)
Equipment	2,896	146	-	(262)	2,780	(2,171)	(249)	-	221	(2,199)	(22)	559
Assets under installation and/or construction	26	54	-	(74)	6	-	-	-	-	-	-	6
<b>Total</b>	<b>7,925</b>	<b>250</b>	<b>(102)</b>	<b>(336)</b>	<b>7,737</b>	<b>(4,911)</b>	<b>(357)</b>	<b>46</b>	<b>221</b>	<b>(5,001)</b>	<b>(22)</b>	<b>2,714</b>

**CIMB Thai Bank Public Company Limited**  
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**14 Intangible assets, net**

Consolidated						
	Amortising period	As at 1 January 2016 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht	As at 30 June 2016 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	104	49	(56)	-	97
Computer software	5 - 10 years	274	8	51	(55)	278
Licence fee	5 years	1		-	-	1
Total		379	57	(5)	(55)	376
Less Allowance for impairment		-				-
Net intangible assets		379				376

Consolidated						
	Amortising period	As at 1 January 2015 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht	As at 31 December 2015 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	59	109	(64)	-	104
Computer software	5 - 10 years	301	49	37	(113)	274
Licence fee	5 years	2	-	-	(1)	1
Total		362	158	(27)	(114)	379
Less Allowance for impairment		-				-
Net intangible assets		362				379

The Bank						
	Amortising period	As at 1 January 2016 Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Amortisation Million Baht	As at 30 June 2016 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	104	49	(56)	-	97
Computer software	5 - 10 years	268	7	51	(54)	272
Licence fee	5 years	1	-	-	-	1
Total		373	56	(5)	(54)	370
Less Allowance for impairment		-				-
Net intangible assets		373				370



**CIMB Thai Bank Public Company Limited**  
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**14 Intangible assets, net (Cont'd)**

	<b>The Bank</b>					
	<b>Amortising period</b>	<b>As at 1 January 2015 Million Baht</b>	<b>Increase Million Baht</b>	<b>Transfer In/(out) Million Baht</b>	<b>Amortisation Million Baht</b>	<b>As at 31 December 2015 Million Baht</b>
Expenditures in connection with development and improvement of computer systems						
- under development	-	59	109	(64)	-	104
Computer software	5 - 10 years	295	47	37	(111)	268
Licence fee	5 years	2	-	-	(1)	1
Total		356	156	(27)	(112)	373
Less Allowance for impairment		-				-
Net intangible assets		356				373

**15 Deferred taxes**

The gross movement of deferred taxes account is as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Beginning of the period/year	1,040	957	862	752
Charged to profit or loss	123	59	103	87
Tax charged directly to equity	52	24	52	23
End of the period/year	1,215	1,040	1,017	862

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

	<b>Consolidated</b>			
	<b>Provision Million Baht</b>	<b>Tax losses Million Baht</b>	<b>Temporary differences Million Baht</b>	<b>Total Million Baht</b>
<b>Deferred tax assets</b>				
At 1 January 2016	328	-	969	1,297
Charged to profit or loss	-	-	119	119
Charged directly to equity	-	-	4	4
At 30 June 2016	328	-	1,092	1,420
At 1 January 2015	295	-	955	1,250
Charged to profit or loss	12	-	18	30
Charged (credited) directly to equity	21	-	(4)	17
At 31 December 2015	328	-	969	1,297

**15 Deferred taxes (Cont'd)**

The movement in deferred tax assets and liabilities during the period is as follows: (Cont'd)

	<b>Consolidated</b>			
	<b>Fair value gain from investment Million Baht</b>	<b>Gain from revaluation of assets Million Baht</b>	<b>Temporary differences Million Baht</b>	<b>Total Million Baht</b>
<b>Deferred tax liabilities</b>				
At 1 January 2016	60	195	2	257
Charged (credited) to profit or loss	2	(6)	-	(4)
Tax credited directly to equity	(48)	-	-	(48)
At 30 June 2016	<u>14</u>	<u>189</u>	<u>2</u>	<u>205</u>
At 1 January 2015	67	220	6	293
Credited to profit or loss	-	(25)	(4)	(29)
Tax credited directly to equity	(7)	-	-	(7)
At 31 December 2015	<u>60</u>	<u>195</u>	<u>2</u>	<u>257</u>
<b>The Bank</b>				
	<b>Provision Million Baht</b>	<b>Tax losses Million Baht</b>	<b>Temporary differences Million Baht</b>	<b>Total Million Baht</b>
<b>Deferred tax assets</b>				
At 1 January 2016	317	-	802	1,119
(Credited) charged to profit or loss	(1)	-	100	99
Charged directly to equity	-	-	4	4
As at 30 June 2016	<u>316</u>	<u>-</u>	<u>906</u>	<u>1,222</u>
At 1 January 2015	285	-	760	1,045
Charged to profit or loss	12	-	46	58
Charged (credited) directly to equity	20	-	(4)	16
As at 31 December 2015	<u>317</u>	<u>-</u>	<u>802</u>	<u>1,119</u>

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**15 Deferred taxes (Cont'd)**

The movement in deferred tax assets and liabilities during the period is as follows: (Cont'd)

	<b>The Bank</b>			<b>Total</b>
	<b>Fair value gain from investment</b>	<b>Gain from revaluation of assets</b>	<b>Temporary differences</b>	
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Deferred tax liabilities</b>				
At 1 January 2016	60	195	2	257
Charged (credited) to profit or loss	2	(6)	-	(4)
Tax credited directly to equity	(48)	-	-	(48)
As at 30 June 2016	<u>14</u>	<u>189</u>	<u>2</u>	<u>205</u>
At 1 January 2015	67	220	6	293
Credited to profit or loss	-	(25)	(4)	(29)
Tax credited directly to equity	(7)	-	-	(7)
As at 31 December 2015	<u>60</u>	<u>195</u>	<u>2</u>	<u>257</u>

**16 Other assets, net**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million baht</b>	<b>Million Baht</b>	<b>Million baht</b>	<b>Million Baht</b>
Accrued interest and dividend receivables	401	489	401	489
Credit support assets on derivatives	4,662	6,715	4,662	6,715
Leasehold rights	-	2	-	2
Advances	24	16	23	16
Others assets awaiting account transfer	103	125	103	125
Commission receivables	31	37	25	37
Withholding tax receivable	59	30	59	27
Marginal deposits	84	84	74	76
Prepaid expenses	121	108	119	106
Others	1,428	2,123	1,278	1,976
Total	6,913	9,729	6,744	9,569
<u>Less</u> Allowance for impairment	(36)	(36)	(36)	(36)
Other assets, net	<u>6,877</u>	<u>9,693</u>	<u>6,708</u>	<u>9,533</u>

**17 Deposits**

**17.1 Classified by type of deposits**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
At call	2,241	2,393	2,242	2,396
Savings	86,979	75,497	87,179	75,723
Fixed	76,079	89,359	76,095	89,415
Negotiable certificate of deposit	1,011	2,968	1,011	2,968
<b>Total deposits</b>	<b>166,310</b>	<b>170,217</b>	<b>166,527</b>	<b>170,502</b>

**17.2 Classified by currency and residency of depositors**

	<b>Consolidated</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Baht	163,474	1,472	164,946	167,286	1,549	168,835
US dollar	1,066	206	1,272	1,265	40	1,305
Other currencies	25	67	92	8	69	77
<b>Total</b>	<b>164,565</b>	<b>1,745</b>	<b>166,310</b>	<b>168,559</b>	<b>1,658</b>	<b>170,217</b>

  

	<b>The Bank</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Baht	163,691	1,472	165,163	167,571	1,549	169,120
US dollar	1,066	206	1,272	1,265	40	1,305
Other currencies	25	67	92	8	69	77
<b>Total</b>	<b>164,782</b>	<b>1,745</b>	<b>166,527</b>	<b>168,844</b>	<b>1,658</b>	<b>170,502</b>

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**18 Interbank and money market items (liabilities)**

	<b>Consolidated</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>
<b>Domestic:</b>						
The Bank of Thailand	-	549	549	-	315	315
Commercial banks	91	1,800	1,891	124	1,024	1,148
Other banks	6	1,460	1,466	11	1,500	1,511
Finance, finance and securities, securities, and credit foncier companies	9,228	2,043	11,271	7,515	2,549	10,064
Other financial institutions	1,000	1,713	2,713	506	1,657	2,163
Total domestic items	<u>10,325</u>	<u>7,565</u>	<u>17,890</u>	<u>8,156</u>	<u>7,045</u>	<u>15,201</u>
<b>Foreign:</b>						
US dollar	951	1,654	2,605	1,039	1,877	2,916
Other currencies	548	547	1,095	1,583	318	1,901
Total foreign items	<u>1,499</u>	<u>2,201</u>	<u>3,700</u>	<u>2,622</u>	<u>2,195</u>	<u>4,817</u>
Total domestic and foreign items	<u>11,824</u>	<u>9,766</u>	<u>21,590</u>	<u>10,778</u>	<u>9,240</u>	<u>20,018</u>
	<b>The Bank</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>	<b>At call Million Baht</b>	<b>Term Million Baht</b>	<b>Total Million Baht</b>
<b>Domestic:</b>						
The Bank of Thailand	-	549	549	-	315	315
Commercial banks	91	1,800	1,891	124	1,000	1,124
Other banks	6	1,460	1,466	11	1,500	1,511
Finance, finance and securities, securities, and credit foncier companies	9,228	2,043	11,271	7,515	2,549	10,064
Other financial institutions	1,000	1,713	2,713	506	1,657	2,163
Total domestic items	<u>10,325</u>	<u>7,565</u>	<u>17,890</u>	<u>8,156</u>	<u>7,021</u>	<u>15,177</u>
<b>Foreign:</b>						
US dollar	951	1,654	2,605	1,039	1,877	2,916
Other currencies	548	547	1,095	1,583	318	1,901
Total foreign items	<u>1,499</u>	<u>2,201</u>	<u>3,700</u>	<u>2,622</u>	<u>2,195</u>	<u>4,817</u>
Total domestic and foreign items	<u>11,824</u>	<u>9,766</u>	<u>21,590</u>	<u>10,778</u>	<u>9,216</u>	<u>19,994</u>

**19 Financial liabilities designated at fair value through profit or loss**

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Debentures	6,039	8,241
Bills of Exchange	12,835	7,799
<b>Total</b>	<b>18,874</b>	<b>16,040</b>

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

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Proportion</b>	<b>Proportion</b>
Financial institutions	63	44
External parties	37	56
<b>Total</b>	<b>100</b>	<b>100</b>

As at 30 June 2016 and 31 December 2015, 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 2015: 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.
- At at 31 December 2015, the Bank issued debentures which will mature in 5 years with embedded callable range accrual swap. The debentures beared interest rate at between 0 - 3.60% 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.
- The Bank issued debentures which will mature in 5 years with embedded callable inverse floater derivatives. The debentures bear interest rate at 6.45-7.21% per annum minus reference index of THBFIX 6 month (31 December 2015: 6.45-7.23% per annum minus reference index of THBFIX 6 month) 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 interest rate swap with predetermined return rate and conditions. The maturity date is between 7 - 15 years. They bear interest rate at between 2.70 - 5.18 % per annum (31 December 2015: 3.77 - 5.18% per annum) with a payment of interest at maturity date. The Bank entered into interest rate swaps with other parties.

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**20 Debt issued and borrowings**

	Consolidated and the Bank					
	30 June 2016			31 December 2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<b>Short term debentures</b>						
Short term debentures maturing in 2016, coupon rate of 1.50% - 1.90% per annum	16,538	-	16,538	22,104	-	22,104
<b>Subordinated debentures</b>						
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	-	3,496	3,496	-	3,371	3,371
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
<b>Structured debentures</b>						
Structured debentures	159	-	159	10	-	10
	<u>23,241</u>	<u>3,496</u>	<u>26,737</u>	<u>28,658</u>	<u>3,371</u>	<u>32,029</u>
<b>Structured bills of exchange</b>						
Structured bills of exchange	1,800	-	1,800	-	-	-
<b>Fixed-rate notes</b>						
Bill of exchange maturing at call, coupon rate of 1.2% per annum	500	-	500	1,965	-	1,965
	<u>2,300</u>	<u>-</u>	<u>2,300</u>	<u>1,965</u>	<u>-</u>	<u>1,965</u>
Total	25,541	3,496	29,037	30,623	3,371	33,994
<u>Less</u> Current portion of long-term borrowings	<u>(17,741)</u>	<u>-</u>	<u>(17,741)</u>	<u>(24,623)</u>	<u>-</u>	<u>(24,623)</u>
Long-term borrowings, net	<u>7,800</u>	<u>3,496</u>	<u>11,296</u>	<u>6,000</u>	<u>3,371</u>	<u>9,371</u>

- (a) The Bank had domestic subordinated debentures of Baht 544 million (31 December 2015: Baht 544 million) which had been transferred to the Bank since the merger date.
- (b) On 14 July 2011, the Bank issued unsecured subordinated debentures with a bond holder's representative. The subscription unit is at 3,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 3,000 million carrying a constant interest rate of 5.35% per annum with a payment of interest every six months to individual and institution investors. The debenture has a tenor of 10 years and is due on 14 July 2021 according to the prospectus. The Bank may exercise its right to early redeem the debenture after 5 years subject to written approval by the Bank of Thailand under the conditions stated in prospectus.

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

- (c) On 9 November 2012, the Bank issued unsecured subordinated debentures to financial institutions and high net worth investors. The subscription unit is at 3,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 3,000 million carrying constant interest rate of 4.80% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due on 9 November 2022. The Bank may exercise its right to early redeem the debenture after 5 years subject to written approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor (02) 1269/2555.

- (d) The Bank had short term debentures of Baht 16,538 million (31 December 2015: Baht 22,104 million) with fixed interest rates, interest will be paid on maturity date.

**20 Debt issued and borrowings (Cont'd)**

- (e) On 7 July 2014, the Bank issued MYR 400 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors 4,000,000 units of MYR 100 each, interest rate of 5.60% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2024. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor.(02) 453/2557.

- (f) The Bank issued various unsecured structured debentures (Single Barrier Bullish USD against JPY) of Baht 159 million (31 December 2015: Baht 10 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying (USD/JPY Spot Rate), Investors have the option to early redeem the above structured debentures starting from 91 days from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.

**21 Provisions**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Provision for contingent loss from legal cases	30	44	30	44
Reserve for off-statements of financial position items	192	192	192	192
Provision for employee benefits	1,418	1,405	1,351	1,343
<b>Total provisions</b>	<b>1,640</b>	<b>1,641</b>	<b>1,573</b>	<b>1,579</b>

Provision for employee benefits

As at 30 June 2016, the pension benefits were only provided to 408 employees (31 December 2015: 428 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Present value of post-employment benefit obligations	1,418	1,405	1,351	1,343
<b>Provision for employee benefits</b>	<b>1,418</b>	<b>1,405</b>	<b>1,351</b>	<b>1,343</b>



**21 Provisions (Cont'd)**

Movements of provision for pension funds are as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Beginning balance	1,405	1,247	1,343	1,195
Current service costs	55	108	51	102
Interest costs	18	41	17	39
Remeasurements:				
Losses from changes in financial assumptions	-	59	-	55
Experience loss (gain)	-	48	-	47
<u>Less Pension benefits paid for the period/year</u>	<u>(60)</u>	<u>(98)</u>	<u>(60)</u>	<u>(95)</u>
Ending balance	<u>1,418</u>	<u>1,405</u>	<u>1,351</u>	<u>1,343</u>

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

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the three-month periods ended 30 June</b>		<b>For the three-month periods ended 30 June</b>	
	<b>2016 Million Baht</b>	<b>2015 Million Baht</b>	<b>2016 Million Baht</b>	<b>2015 Million Baht</b>
Current service costs	28	26	26	24
Interest costs	9	10	9	10
Total	<u>37</u>	<u>36</u>	<u>35</u>	<u>34</u>

  

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the six-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016 Million Baht</b>	<b>2015 Million Baht</b>	<b>2016 Million Baht</b>	<b>2015 Million Baht</b>
Current service costs	55	52	51	48
Interest costs	18	20	17	19
Total	<u>73</u>	<u>72</u>	<u>68</u>	<u>67</u>

**21 Provisions (Cont'd)**

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

	<b>Consolidated and the Bank</b>
	<b>30 June 2016 and 31 December 2015</b>
Discount rate	2.75%
Salary increase rate	5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2008
Disability rate	10.00% of pre-retirement mortality rate
Pre-retirement withdrawal rate	Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees: 75% of Thai Withdrawal Table
Retirement age	60 years old

Sensitivity analysis for each significant assumptions :

	<b>Consolidated</b>		
	<b>Change in assumption</b>	<b>Impact on defined benefit obligation</b>	
		<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Weighted average discount rate	0.5%	Decrease by 1.43%	Increase by 7.64%
Weighted average rate of salary increase	1.0%	Increase by 13.05%	Decrease by 5.98%
	<b>The Bank</b>		
	<b>Change in assumption</b>	<b>Impact on defined benefit obligation</b>	
		<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Weighted average discount rate	0.5%	Decrease by 1.14%	Increase by 7.75%
Weighted average rate of salary increase	1.0%	Increase by 13.06%	Decrease by 5.63%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit obligations recognised within the statement of financial position.

As at 30 June 2016, the weighted average duration of the defined benefit obligation is 10 years (31 December 2015: 10 years).

**21 Provisions (Cont'd)**

Expected maturity analysis of undiscounted benefits:

	<b>Consolidated</b>			
	<b>30 June 2016</b>			
	<b>Less than a year Million Baht</b>	<b>Between 1 - 5 years Million Baht</b>	<b>Over 5 years Million Baht</b>	<b>Total Million Baht</b>
Retirement benefits	89	322	1,405	1,816

	<b>Consolidated</b>			
	<b>31 December 2015</b>			
	<b>Less than a year Million Baht</b>	<b>Between 1 - 5 years Million Baht</b>	<b>Over 5 years Million Baht</b>	<b>Total Million Baht</b>
Retirement benefits	89	322	1,405	1,816

	<b>The Bank</b>			
	<b>30 June 2016</b>			
	<b>Less than a year Million Baht</b>	<b>Between 1 - 5 years Million Baht</b>	<b>Over 5 years Million Baht</b>	<b>Total Million Baht</b>
Retirement benefits	87	313	1,326	1,726

	<b>The Bank</b>			
	<b>31 December 2015</b>			
	<b>Less than a year Million Baht</b>	<b>Between 1-5 years Million Baht</b>	<b>Over 5 years Million Baht</b>	<b>Total Million Baht</b>
Retirement benefits	87	313	1,326	1,726

**22 Other liabilities**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Credit support liabilities on derivatives	4,233	5,397	4,233	5,397
Amount due to Department of Alternative Energy Development and Efficiency	96	114	96	114
Other liabilities awaiting accounts transfer	531	746	531	746
Accrued interest	649	937	649	937
Deferred commission	170	194	170	194
Accrued expense	1,158	1,346	1,067	1,212
Others	887	824	469	527
<b>Total</b>	<b>7,724</b>	<b>9,558</b>	<b>7,215</b>	<b>9,127</b>

**23 Share capital**

	<b>Consolidated and the Bank</b>			
	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
	<b>Million shares</b>	<b>Million Baht</b>	<b>Million shares</b>	<b>Million Baht</b>
<b>Registered</b>				
Beginning of the period/year				
- Ordinary shares	27,410	13,705	21,085	10,542
(Reduction) issuance of shares	(2,635)	(1,318)	6,325	3,163
End of the period/year	<u>24,775</u>	<u>12,387</u>	<u>27,410</u>	<u>13,705</u>
<b>Issued and paid up</b>				
Beginning of the period/year				
- Ordinary shares	24,775	12,387	21,085	10,542
Issurance of new share	-	-	3,690	1,845
End of the period/year	<u>24,775</u>	<u>12,387</u>	<u>24,775</u>	<u>12,387</u>

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 10,542,439,013 to Baht 13,705,170,716 with a par value of Baht 0.50 per share. On 22 April 2015, the Bank registered the capital increase with the Ministry of Commerce.

On 6 November 2015, the Bank has registered its increase of paid-up share capital with the Department of Business Development, the Ministry of Commerce. Therefore, the paid-up share capital are Baht 12,387,365,839.50 which is 24,774,731,679 ordinary shares with a par value of Baht 0.50.

On 19 April 2016, the Annual General Meeting of Shareholders approved decrease in the Bank's registered capital totaling Baht 1,317,804,876.50 from Baht 13,705,170,716 to Baht 12,387,365,839.50 with a par value of Baht 0.50 per share. The Bank registered the reduction in its capital with the Ministry of Commerce on 21 April 2016

**24 Other reserves**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Revaluation surplus on assets	942	970
Revaluation surplus on change in value of investments	50	292
Remeasurements of post-employment benefit obligations	(231)	(231)
Foreign currency translation	32	36
Deficit from measuring fair value of hedging instrument for cash flow hedge	(193)	(175)
Income tax relating to components of other reserves comprehensive expenses	(114)	(171)
Total	<u>486</u>	<u>721</u>

**24 Other reserves (Cont'd)**

	<b>The Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Revaluation surplus on assets	942	970
Revaluation surplus on change in value of investments	50	292
Remeasurements of post - employment benefit obligations	(211)	(211)
Foreign currency translation	32	36
Deficit from measuring fair value of hedging instrument for cash flow hedge	(193)	(175)
Income tax relating to components of other reserves comprehensive expenses	(118)	(175)
<b>Total</b>	<b>502</b>	<b>737</b>

(a) Revaluation surplus on assets

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

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Balance - beginning of the period/year	970	1,095
<u>Less</u> Amortisation	(28)	(125)
Balance - end of the period/year	942	970

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

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

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Revaluation surplus on investments:		
Debt securities	89	263
Equity securities	34	35
<b>Total</b>	<b>123</b>	<b>298</b>
Revaluation deficit on investments:		
Debt securities	(71)	(2)
Equity securities	(2)	(4)
<b>Total</b>	<b>(73)</b>	<b>(6)</b>
Revaluation surplus on change in value of investments, net	50	292

## **25 Statutory reserve**

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside a statutory reserve of at least 5% of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This reserve cannot be used to pay dividend.

On 10 April 2015, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 47.10 million as a statutory reserve for the year 2014. However, the bank has set aside net profit to be reserve Baht 31.00 million during the year 2014. Therefore, the bank set aside addition net profit to be reserve of Baht 16.10 million.

On 19 April 2016, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 35.4 million as a statutory reserve for the year 2015. However, the bank has set aside net profit to be reserve Baht 8.55 million during the year 2015. Therefore, the bank set aside addition net profit to be reserve of Baht 26.85 million.

As at 30 June 2016, the Bank had total statutory reserve of Baht 392.8 million (31 December 2015: Baht 365.9 million).

## **26 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.

On 19 April 2016, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2015 at the rate of Baht 0.0075 per share, totaling Baht 185.81 million, which was paid on 19 May 2016.

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**27 Capital funds**

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

<b>Capital fund (full consolidate supervision)</b>	<b>30 June 2016 Million Baht</b>	<b>Total capital to risk assets %</b>	<b>31 December 2015 Million Baht</b>	<b>Total capital to risk assets %</b>
<b>Tier I</b>				
Issued and paid up share capital	12,387		12,387	
Share premium	5,713		5,713	
Statutory reserve	393		366	
Unappropriated surplus	7,751		7,041	
Other reserves	539		680	
Deduction on Tier I capital fund	(1,471)		(1,237)	
<b>Total Tier I capital fund</b>	<b>25,312</b>	<b>10.90</b>	<b>24,950</b>	<b>10.99</b>
<b>Tier II</b>				
Long-term subordinated debentures and hybrid securities	9,170		10,020	
Reserve for loan classified as pass	602		575	
<b>Total Tier II capital fund</b>	<b>9,772</b>	<b>4.21</b>	<b>10,595</b>	<b>4.67</b>
<b>Total capital funds</b>	<b>35,084</b>	<b>15.11</b>	<b>35,545</b>	<b>15.66</b>
<b>Capital funds (the Bank)</b>				
<b>Tier I</b>				
Issued and paid up share capital	12,387		12,387	
Share premium	5,713		5,713	
Statutory reserve	393		366	
Unappropriated surplus	6,901		6,537	
Other reserves	581		723	
Deduction on Tier I capital fund	(1,253)		(1,040)	
<b>Total Tier I capital fund</b>	<b>24,722</b>	<b>10.58</b>	<b>24,686</b>	<b>10.78</b>
<b>Tier II</b>				
Long-term subordinated debentures and hybrid securities	9,170		10,020	
Reserve for loan classified as pass	741		695	
<b>Total Tier II capital fund</b>	<b>9,911</b>	<b>4.24</b>	<b>10,715</b>	<b>4.68</b>
<b>Total capital funds</b>	<b>34,633</b>	<b>14.82</b>	<b>35,401</b>	<b>15.46</b>

As at 30 June 2016, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 34,633 million (31 December: Baht 35,401 million).

The Bank has maintained capital fund under BoT notification of international capital requirement standards under the Basel III regulatory framework and will disclose capital maintenance information as at 30 June 2016 in accordance with the Notification of the Bank of Thailand RE: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision on its website at [www.cimbthai.com](http://www.cimbthai.com) within four months after the statements of financial position date.

**28 Share-based payments**

**Equity Ownership Plan (EOP)**

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

The eligibility of participation in the EOP shall be at the discretion of the Group Compensation Review Committee of CIMB Group, and the granted shares will be released in stages at predetermined dates subject to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed of at market price. For shares granted pre-2014, proceeds received will be donated to the CIMB Foundation in Malaysia on behalf of the employee, while for shares granted from 2014 onwards, proceeds from disposal will be returned to the Bank. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the employee or designated beneficiary.

The weighted average fair value of shares granted in this financial period, which were purchased over a specified period before awarding to the eligible employees of the Bank, was MYR 4.17 per share (31 December 2015: MYR 5.97 per share).

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

	<b>Number of ordinary shares under the EOP as at</b>	
	<b>30 June 2016 units '000</b>	<b>31 December 2015 units '000</b>
Beginning of financial period/year	649	320
Awarded during financial period/year	1,044	462
Released during financial period/year	(261)	(133)
End of financial period/year	<u>1,432</u>	<u>649</u>

For the six-month period ended 30 June 2016, the Bank set up share-based payment reserves and expenses amounting to Baht 12.6 million (for the six-month period ended 30 June 2015: Baht 8.3 million).



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

**29.1 Position classified by type of transaction**

	<b>Consolidated</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Total assets	286,390	7,834	294,224	298,738	5,883	304,621
Interbank and money						
market items, net	3,549	3,171	6,720	11,763	2,530	14,293
Derivative assets	21,645	2,198	23,843	24,200	1,381	25,581
Investments, net and						
investments in subsidiaries, net	55,175	6	55,181	54,805	86	54,891
Loans to customers and accrued						
interest receivables, net	191,847	2,458	194,305	190,457	1,885	192,342
Deposits	164,565	1,745	166,310	168,559	1,658	170,217
Interbank and money						
market items	17,889	3,701	21,590	15,200	4,818	20,018
Derivative liabilities	16,078	5,276	21,354	21,661	4,022	25,683
Debt issued and borrowings	25,542	3,495	29,037	30,624	3,371	33,995
	<b>The Bank</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Total assets	284,966	7,834	292,800	297,715	5,883	303,598
Interbank and money						
market items, net	3,485	3,171	6,656	11,700	2,530	14,230
Derivative assets	21,645	2,198	23,843	24,200	1,381	25,581
Investments, net and						
investments in subsidiaries, net	56,500	6	56,506	56,130	86	56,216
Loans to customers and accrued						
interest receivables, net	189,678	2,458	192,136	188,658	1,885	190,543
Deposits	164,782	1,745	166,527	168,844	1,658	170,502
Interbank and money						
market items	17,889	3,701	21,590	15,176	4,818	19,994
Derivative liabilities	16,079	5,275	21,354	21,661	4,022	25,683
Debt issued and borrowings	25,541	3,496	29,037	30,624	3,371	33,995

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

**29.2 Performance classified by type of transaction**

	<b>Consolidated</b>					
	<b>For the three-month period ended 30 June 2016</b>			<b>For the three-month period ended 30 June 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Interest income	3,648	25	3,673	3,580	41	3,621
Interest expenses	(1,122)	(65)	(1,187)	(1,506)	(72)	(1,578)
Net interest income (expenses)	2,526	(40)	2,486	2,074	(31)	2,043
Net fee and services income	404	-	404	352	-	352
Other operating income	283	-	283	719	-	719
Other operating expenses	(1,734)	-	(1,734)	(1,701)	-	(1,701)
Bad and doubtful debts and impairment losses	(1,384)	-	(1,384)	(1,144)	-	(1,144)
Profit (losses) before income tax expenses	95	(40)	55	300	(31)	269
	<b>The Bank</b>					
	<b>For the three-month period ended 30 June 2016</b>			<b>For the three-month period ended 30 June 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Interest income	3,177	25	3,202	3,196	41	3,237
Interest expenses	(1,122)	(65)	(1,187)	(1,506)	(72)	(1,578)
Interest income	3,177	25	3,202	3,196	41	3,237
Net fee and services income	254	-	254	258	-	258
Other operating income	350	-	350	780	-	780
Other operating expenses	(1,468)	-	(1,468)	(1,452)	-	(1,452)
Bad and doubtful debts and impairment losses	(1,259)	-	(1,259)	(1,078)	-	(1,078)
Profit (losses) before income tax expenses	(68)	(40)	(108)	198	(31)	167

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

**29.2 Performance classified by type of transaction (Cont'd)**

	<b>Consolidated</b>					
	<b>For the six-month period ended 30 June 2016</b>			<b>For the six-month period ended 30 June 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Interest income	7,295	56	7,351	7,187	81	7,268
Interest expenses	(2,346)	(129)	(2,475)	(3,167)	(144)	(3,311)
Net interest income (expenses)	4,949	(73)	4,876	4,020	(63)	3,957
Net fee and services income	739	-	739	762	-	762
Other operating income	873	-	873	1,359	-	1,359
Other operating expenses	(3,490)	-	(3,490)	(3,483)	-	(3,483)
Bad and doubtful debts and impairment losses	(2,534)	-	(2,534)	(2,166)	-	(2,166)
Profit (losses) before income tax expenses	537	(73)	464	492	(63)	429
	<b>The Bank</b>					
	<b>For the six-month period ended 30 June 2016</b>			<b>For the six-month period ended 30 June 2015</b>		
	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>	<b>Domestic Million Baht</b>	<b>Foreign Million Baht</b>	<b>Total Million Baht</b>
Interest income	6,377	56	6,433	6,426	81	6,507
Interest expenses	(2,346)	(129)	(2,475)	(3,165)	(144)	(3,309)
Net interest income (expenses)	4,031	(73)	3,958	3,261	(63)	3,198
Net fee and services income	458	-	458	567	-	567
Other operating income	915	-	915	1,400	-	1,400
Other operating expenses	(2,928)	-	(2,928)	(2,922)	-	(2,922)
Bad and doubtful debts and impairment losses	(2,297)	-	(2,297)	(2,036)	-	(2,036)
Profit (losses) before income tax expenses	179	(73)	106	270	(63)	207

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**30 Interest income**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For three-month periods ended 30 June</b>		<b>For three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Interbank and money market items	20	22	20	21
Investments and trading transactions	39	42	39	42
Investments in debt securities	281	367	281	367
Loans	2,674	2,626	2,857	2,806
Hire purchase and financial lease income	654	563	-	-
Others	5	1	5	1
<b>Interest income</b>	<b>3,673</b>	<b>3,621</b>	<b>3,202</b>	<b>3,237</b>

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For six-month periods ended 30 June</b>		<b>For six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Interbank and money market items	47	56	47	56
Investments and trading transactions	64	69	64	69
Investments in debt securities	584	734	584	734
Loans	5,365	5,289	5,728	5,645
Hire purchase and financial lease income	1,281	1,117	-	-
Others	11	3	11	3
<b>Interest income</b>	<b>7,352</b>	<b>7,268</b>	<b>6,434</b>	<b>6,507</b>

**31 Interest expenses**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For three-month periods ended 30 June</b>		<b>For three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Deposits	617	1,019	618	1,020
Interbank and money market items	69	90	68	89
Contribution fee to the Deposit Protection Agency	4	5	4	5
Contribution fee to FIDF	246	243	246	243
Debt securities issued				
- Subordinated debentures	134	142	134	142
- Others	104	71	104	71
Others	13	8	13	8
<b>Interest expenses</b>	<b>1,187</b>	<b>1,578</b>	<b>1,187</b>	<b>1,578</b>

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**31 Interest expenses (Cont'd)**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For six-month periods ended 30 June</b>		<b>For six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Deposits	1,330	2,166	1,330	2,167
Interbank and money market items	137	195	137	192
Contribution fee to the Deposit Protection Agency	9	10	9	10
Contribution fee to FIDF	490	496	490	496
Debt securities issued				
- Subordinated debentures	268	283	268	283
- Others	211	147	211	147
Others	31	14	31	14
<b>Interest expenses</b>	<b>2,476</b>	<b>3,311</b>	<b>2,476</b>	<b>3,309</b>

**32 Net fees and services income**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For three-month periods ended 30 June</b>		<b>For three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Fees and service income				
Acceptances, aval and guarantees	24	28	24	28
ATM, Debit card and Credit card fees	23	28	23	28
Brokerage income	159	126	85	73
Management fee	28	75	28	75
Others	224	169	157	140
<b>Fees and service income</b>	<b>458</b>	<b>426</b>	<b>317</b>	<b>344</b>
Fees and service expenses				
Collection fees	(9)	(30)	(21)	(50)
ATM fees	(10)	(10)	(10)	(10)
Others	(35)	(34)	(32)	(26)
<b>Fees and service expenses</b>	<b>(54)</b>	<b>(74)</b>	<b>(63)</b>	<b>(86)</b>
<b>Net fees and service income</b>	<b>404</b>	<b>352</b>	<b>254</b>	<b>258</b>

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**32 Net fees and services income (Cont'd)**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For six-month periods ended 30 June</b>		<b>For six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Fees and service income				
Acceptances, aval and guarantees	50	55	50	55
ATM, Debit card and Credit card fees	53	57	53	57
Brokerage income	313	306	169	203
Management fee	56	112	56	112
Others	378	361	260	298
	<u>850</u>	<u>891</u>	<u>588</u>	<u>725</u>
Fees and service expenses				
Collection fees	(23)	(41)	(48)	(87)
ATM fees	(21)	(21)	(21)	(21)
Others	(67)	(67)	(61)	(50)
	<u>(111)</u>	<u>(129)</u>	<u>(130)</u>	<u>(158)</u>
Net fees and service income	<u>739</u>	<u>762</u>	<u>458</u>	<u>567</u>

**33 Gains on tradings and foreign exchange transactions**

	<b>Consolidated and the Bank</b>			
	<b>For the three-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and foreign exchange rate derivatives	223	221	677	447
Interest rate derivatives	287	(83)	1,520	236
Debt securities	(30)	51	41	102
Total	<u>480</u>	<u>189</u>	<u>2,238</u>	<u>785</u>
Losses on hedging transactions	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
Gains on tradings and foreign exchange transactions, net	<u>481</u>	<u>189</u>	<u>2,239</u>	<u>785</u>

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**34 (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 the following items:

	<b>Consolidated and the Bank</b>			
	<b>For the three-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Net change in fair value				
Bills of exchange	(281)	244	(1,578)	99
Debentures	(53)	101	(225)	120
Interest expenses	(76)	(45)	(155)	(76)
<b>Total</b>	<b>(410)</b>	<b>300</b>	<b>(1,958)</b>	<b>143</b>

**35 Gains on investments, net**

	<b>Consolidated and the Bank</b>			
	<b>For the three-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gains on sales				
Available-for-sale	125	171	434	309
General investments	-	-	1	1
<b>Gains on investments, net</b>	<b>125</b>	<b>171</b>	<b>435</b>	<b>310</b>

**36 Other operating income**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For three-month periods ended 30 June</b>		<b>For three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gain on sale of premises and equipment	8	-	8	-
Gain on sale of properties for sale	-	-	67	78
Income from reversal of bad debts	-	11	-	-
Dividend income	49	18	49	18
Other income	31	31	31	25
<b>Other operating income</b>	<b>88</b>	<b>60</b>	<b>155</b>	<b>121</b>

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For six-month periods ended 30 June</b>		<b>For six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Gain on sale of premises and equipment	10	2	10	1
Gain on sale of properties for sale	-	-	74	82
Income from reversal of bad debts	64	27	-	-
Dividend income	10	32	52	32
Other income	74	60	64	47
<b>Other operating income</b>	<b>158</b>	<b>121</b>	<b>200</b>	<b>162</b>

**37 Bad and doubtful debts and impairment losses**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For three-month periods ended 30 June</b>		<b>For three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Interbank and money market items	3	-	3	-
Loans	1,381	1,144	1,256	1,078
<b>Total</b>	<b>1,384</b>	<b>1,144</b>	<b>1,259</b>	<b>1,078</b>

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For six-month periods ended 30 June</b>		<b>For six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Interbank and money market items	3	-	3	-
Loans	2,531	2,166	2,294	2,036
<b>Total</b>	<b>2,534</b>	<b>2,166</b>	<b>2,297</b>	<b>2,036</b>

**38 Corporate income tax**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the three-month periods ended 30 June</b>		<b>For the three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Current tax:				
Current tax on profits for the period	70	20	13	1
<b>Total current tax</b>	<b>70</b>	<b>20</b>	<b>13</b>	<b>1</b>
Deferred tax:				
Origination and reversal of temporary differences	(55)	32	(45)	29
<b>Total deferred tax</b>	<b>(55)</b>	<b>32</b>	<b>(45)</b>	<b>29</b>
<b>Total tax charge</b>	<b>15</b>	<b>52</b>	<b>(32)</b>	<b>30</b>



**38 Corporate income tax (Cont'd)**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the six-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Current tax:				
Current tax on profits for the period	220	111	114	87
Total current tax	220	111	114	87
Deferred tax:				
Origination and reversal of temporary differences	(123)	(30)	(103)	(51)
Total deferred tax	(123)	(30)	(103)	(51)
Total tax charge	97	81	11	36

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:

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the three-month periods ended 30 June</b>		<b>For the three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Profit (losses) before tax	55	269	(108)	167
Tax calculated at a tax rate of 20%	18	53	(21)	33
Tax effect of:				
Income not subject to tax	(10)	(3)	(10)	(4)
Expenses not deductible for tax purpose	4	6	4	3
Effect of changes in tax rates	3	(4)	(5)	(2)
Total tax charge	15	52	(32)	30

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the six-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Profit before tax	464	429	106	207
Tax calculated at a tax rate of 20%	99	85	21	41
Tax effect of:				
Income not subject to tax	(11)	(7)	(11)	(7)
Expenses not deductible for tax purpose	6	7	6	4
Effect of changes in tax rates	3	(4)	(5)	(2)
Total tax charge	97	81	11	36

The weighted average applicable tax rate in the interim consolidated and bank financial statements as at 30 June 2016 was 21% and 11%, respectively (30 June 2015: 19% and 18%, respectively).

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**38 Corporate income tax (Cont'd)**

The tax credit relating to component of other comprehensive income is as follows:

	<b>Consolidated</b>					
	<b>For the three-month period ended 30 June 2016</b>			<b>For the three-month period ended 30 June 2015</b>		
	<b>Before tax Million Baht</b>	<b>Tax credit Million Baht</b>	<b>After tax Million Baht</b>	<b>Before tax Million Baht</b>	<b>Tax credit Million Baht</b>	<b>After tax Million Baht</b>
Fair value gains:						
Land and buildings	(3)	1	(2)	(6)	1	(5)
Properties for sale	(20)	4	(16)	(56)	11	(45)
Cash flow hedges	(16)	3	(13)	(27)	5	(22)
Available-for-sale financial asset	(360)	72	(288)	(23)	5	(18)
Other comprehensive income	(399)	80	(319)	(112)	22	(90)
Current tax		70			20	
Deferred tax		(55)			32	
		15			52	
	<b>The Bank</b>					
	<b>For the three-month period ended 30 June 2016</b>			<b>For the three-month period ended 30 June 2015</b>		
	<b>Before tax Million Baht</b>	<b>Tax credit Million Baht</b>	<b>After tax Million Baht</b>	<b>Before tax Million Baht</b>	<b>Tax credit Million Baht</b>	<b>After tax Million Baht</b>
Fair value gains:						
Land and buildings	(3)	1	(2)	(6)	1	(5)
Properties for sale	(20)	4	(16)	(56)	11	(45)
Cash flow hedges	(16)	3	(13)	(27)	5	(22)
Available-for-sale financial asset	(360)	72	(288)	(23)	5	(18)
Other comprehensive income	(399)	80	(319)	(112)	22	(90)
Current tax		13			1	
Deferred tax		(45)			29	
		(32)			30	



**40 Earnings per share**

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

There are no potential dilutive ordinary shares in issue for the six-month periods ended 30 June 2016 and 2015.

**41 Encumbrance of assets**

**41.1 Assets used as collateral**

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

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Securities sold under repurchase agreements	103	132
Utilities usage	8	8
Total	<u>111</u>	<u>140</u>

**41.2 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 30 June 2016 and 31 December 2015, 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 30 June 2016, the properties foreclosed had net book value of Baht 478 million (31 December 2015: Baht 511 million).

As at 30 June 2016 and 31 December 2015, the investments subject to such obligations are as follows:

<b>Year of maturity</b>	<b>Consolidated and the Bank</b>			
	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>Number</b>	<b>Cost Million Baht</b>	<b>Number</b>	<b>Cost Million Baht</b>
2016 onwards	3	478	4	511
Assets subject to obligation	<u>3</u>	<u>478</u>	<u>4</u>	<u>511</u>

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**42 Commitments and contingent liabilities**

**42.1 Commitments**

As at 30 June 2016 and 31 December 2015, significant commitments of the Bank consist of:

	Consolidated and the Bank					
	30 June 2016			31 December 2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<b>Avals to bills and guarantees of loans:</b>						
Avals to bills	36	-	36	41	-	41
Guarantees of loans	17	-	17	13	-	13
Total avals to bills and guarantees of loans	53	-	53	54	-	54
<b>Liability under unmatured import bills:</b>						
Liability under unmatured import bills	58	260	318	27	255	282
<b>Letters of credit:</b>						
Letters of credit	69	1,111	1,180	63	1,161	1,224
<b>Other commitments:</b>						
Forward and spot contracts						
- Bought	-	529,650	529,650	-	463,412	463,412
- Sold	-	442,942	442,942	-	375,770	375,770
Cross currency and interest rate swap contract						
- Bought	-	130,835	130,835	-	97,083	97,083
- Sold	-	143,768	143,768	-	163,237	163,237
Interest rate swap contracts						
- Fixed rate payee	640,476	102,288	742,764	466,852	85,560	552,412
- Floating rate payee	644,756	201,565	846,321	423,796	206,321	630,117
Foreign exchange option						
- Call option sales contracts	-	18	18	-	444	444
- Put option sales contracts	-	2,784	2,784	-	2,188	2,188
- Call option purchase contracts	-	1,706	1,706	-	3,002	3,002
- Put option purchase contracts	-	2,146	2,146	-	527	527
Swaption						
- Sold	100	-	100	100	-	100
Commodity						
- Bought	-	35	35	-	199	199
- Sold	-	35	35	-	61	61
Credit derivatives						
- Bought	1,800	-	1,800	-	-	-
- Sold	1,800	-	1,800	-	-	-
Investments						
- Bought	4,237	-	4,237	4,437	-	4,437
- Sold	4,014	-	4,014	5,010	-	5,010
Undrawn bank overdrafts	17,410	-	17,410	17,678	-	17,678
Other guarantees	10,248	245	10,493	8,729	297	9,026
Other commitments	1,324,841	1,558,017	2,882,858	926,602	1,398,101	2,324,703
Total commitments	1,325,021	1,559,388	2,884,409	926,746	1,399,517	2,326,263

**42 Commitments and contingent liabilities (Cont'd)**

**42.2 Contingent liabilities**

As at 30 June 2016 and 31 December 2015, 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:

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Sum claimed in cases where the Group is sole defendant	289	296
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	438	438
- Sum of claims that cannot be specifically attributed to the Group	24,665	24,665
<b>Total</b>	<b>25,392</b>	<b>25,399</b>

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 30 June 2016, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs where the Bank is the direct defendant and where the Bank is a co-defendant with others with sums claimed totaling Baht 9 million and Baht 25 million, respectively. However, the Bank is in the process of appealing the decisions (31 December 2015: Baht 20 million and Baht 25 million, respectively).

As at 30 June 2016, the Group recognised provisions for contingent loss from legal cases of approximately Baht 30 million (31 December 2015: Baht 45 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 2015: Baht 192 million) for off-statement of financial position items related to guarantees for which the Group have been sued as defendants.

**42.3 Commitments under long-term leases**

As at 30 June 2016 and 31 December 2015, 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:

<b>Lease periods</b>	<b>Consolidated</b>		<b>The Bank</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
1 - 3 years	338	237	287	197
4 - 5 years	6	8	6	8
6 - 10 years	6	12	6	12
11 - 30 years	2	2	2	2
<b>Total</b>	<b>352</b>	<b>259</b>	<b>301</b>	<b>219</b>

**42 Commitments and contingent liabilities (Cont'd)**

**42.4 Other commitments**

As at 30 June 2016, 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 134 million, MYR 2.9 million and USD 395 thousand under such agreements (31 December 2015: Baht 112 million, MYR 1.1 million and USD 27 thousand).

**43 Related party transactions**

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

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

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

	Consolidated		The Bank	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Subsidiaries</b>				
Revenue:				
Interest income	-	-	184	179
Fee income	-	-	1	1
Dividend income	-	-	42	-
Expenses:				
Premises and equipment expenses	-	-	(1)	(3)
Fee expenses	-	-	12	21
<b>Ultimate parent company</b>				
Revenue:				
Gains (losses) on tradings and Foreign exchange transactions	(135)	27	(135)	27
Expenses:				
Interest expenses	1	13	1	13
Premises and equipment expenses	1	1	1	1
Fee expenses	10	5	10	5
<b>Related companies</b>				
Revenue:				
Fee income	61	64	61	64
Expenses:				
Interest expenses	4	3	4	3
Premises and equipment expenses	(3)	(2)	(3)	(2)
Fee expenses	12	42	12	42

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**43 Related party transactions (Cont'd)**

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the six-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Subsidiaries</b>				
Revenue:				
Interest income	-	-	364	357
Fee income	-	-	2	3
Dividend income	-	-	42	-
Expenses:				
Interest expenses	-	-	1	1
Premises and equipment expenses	-	-	(3)	(6)
Fee expenses	-	-	26	45
<b>Ultimate parent company</b>				
Revenue:				
Gains (losses) on tradings and foreign exchange transactions	226	(105)	226	(105)
Expenses:				
Interest expenses	1	13	1	13
Premises and equipment expenses	3	2	3	2
Fee expenses	15	11	15	11
<b>Related companies</b>				
Revenue:				
Fee income	98	107	98	107
Expenses :				
Interest expenses	7	5	7	5
Premises and equipment expenses	(5)	(5)	(5)	(5)
Fee expenses	29	69	29	69



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**43 Related party transactions (Cont'd)**

The outstanding balances of significant related party transactions as at 30 June 2016 and 31 December 2015 are as follows:

		<b>Consolidated</b>					
		<b>30 June 2016</b>					
	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
<b><u>Parent company</u></b>							
CIMB Bank Berhad	-	-	43	1,638	-	1	3,279
	-	-	43	1,638	-	1	3,279
<b><u>Companies under common control</u></b>							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	17
CIMB NIAGA	-	-	-	1	-	-	4
CIMB Securities (Singapore)	-	-	-	-	-	-	1
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	491
Sathorn Asset Management Co., Ltd.	-	-	-	1	411	-	16
	-	-	-	2	411	-	530
<b><u>Related persons</u></b>							
	15	18	-	-	539	-	3
	15	18	-	-	539	-	3
		<b>Consolidated</b>					
		<b>31 December 2015</b>					
	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
<b><u>Parent company</u></b>							
CIMB Bank Berhad	-	-	83	1,709	-	43	2,762
	-	-	83	1,709	-	43	2,762
<b><u>Companies under common control</u></b>							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	43
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	7
CIMB NIAGA	-	-	-	2	-	-	-
CIMB Securities (Singapore)	-	-	-	-	-	-	4
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	218
Sathorn Asset Management Co., Ltd.	-	-	-	1	265	-	47
	-	-	-	3	265	-	319
<b><u>Related persons</u></b>							
	15	11	-	-	576	-	8
	15	11	-	-	576	-	8

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**43 Related-party transactions (Cont'd)**

<b>The Bank</b>							
<b>30 June 2016</b>							
	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
<b><u>Subsidiary companies</u></b>							
Center Auto Lease Co., Ltd.	16,993	17,552	-	-	115	-	-
World Lease Co., Ltd.	2,745	2,786	-	-	55	-	-
CT Coll Co., Ltd.	5	4	-	1	47	-	4
	19,743	20,342	-	1	217	-	4
<b><u>Parent company</u></b>							
CIMB Bank Berhad	-	-	43	1,638	-	1	3,279
	-	-	43	1,638	-	1	3,279
<b><u>Companies under common control</u></b>							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	17
CIMB NIAGA	-	-	-	1	-	-	4
CIMB Securities (Singapore)	-	-	-	-	-	-	1
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	491
Sathorn Asset Management Co., Ltd.	-	-	-	1	411	-	16
	-	-	-	2	411	-	530
<b><u>Related persons</u></b>							
	15	18	-	-	539	-	3
	15	18	-	-	539	-	3
<b>The Bank</b>							
<b>31 December 2015</b>							
	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
<b><u>Subsidiary companies</u></b>							
Center Auto Lease Co., Ltd.	15,507	16,353	-	-	123	-	-
World Lease Co., Ltd.	2,624	2,671	-	-	66	-	-
CT Coll Co., Ltd.	7	6	-	1	96	-	6
	18,138	19,030	-	1	285	-	6
<b><u>Parent company</u></b>							
CIMB Bank Berhad	-	-	83	1,709	-	43	2,762
	-	-	83	1,709	-	43	2,762
<b><u>Companies under common control</u></b>							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	43
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	7
CIMB NIAGA	-	-	-	2	-	-	-
CIMB Securities (Singapore)	-	-	-	-	-	-	4
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	218
Sathorn Asset Management Co., Ltd.	-	-	-	1	265	-	47
	-	-	-	3	265	-	319
<b><u>Related persons</u></b>							
	15	11	-	-	576	-	8
	15	11	-	-	576	-	8

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



**43 Related-party transactions (Cont'd)**

**Director and management remuneration**

The Bank has not extended extraordinary monetary and/or non-monetary benefits to Bank directors and executives at the level of executive vice president and higher, as well as to financial controllers. The benefits were beyond those normally granted, such as director's fees, director's bonuses (if any), income tax, executives' salary and bonus (if any) and share based payment.

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the three-month periods ended 30 June</b>		<b>For the three-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Short-term employee benefits	91	69	85	69
Long-term employee benefits	6	4	6	4
Share-based payments (Note 28)	7	4	7	4
Director and management remuneration	<u>104</u>	<u>77</u>	<u>98</u>	<u>77</u>

	<b>Consolidated</b>		<b>The Bank</b>	
	<b>For the six-month periods ended 30 June</b>		<b>For the six-month periods ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Short-term employee benefits	232	220	217	209
Long-term employee benefits	11	8	11	7
Share-based payments (Note 28)	13	8	13	8
Director and management remuneration	<u>256</u>	<u>236</u>	<u>241</u>	<u>224</u>

The details of share based payment are as follows:

	<b>Consolidated and the Bank</b>	
	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>thousand units</b>	<b>thousand units</b>
Shares of CIMB Group Holdings Berhad	1,432	445

**44 Financial information by segment**

Business segment reporting is consisted of :

Consumer banking

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

Wholesale banking

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

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

Others

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

Financial information presented in the consolidated financial statements as at 30 June 2016 and 31 December 2015 and for the three-month and six-month periods ended 30 June 2016 and 2015 are as follows:

	<b>Consolidated</b>				
	<b>For the three-month period ended 30 June 2016</b>				
	<b>Consumer banking Million Baht</b>	<b>Wholesale banking Million Baht</b>	<b>Others Million Baht</b>	<b>Elimina- tions Million Baht</b>	<b>Total Million Baht</b>
Net interest income					
External	1,863	479	144	-	2,486
Net fees and service income	333	80	(9)	-	404
Other operating income	92	113	121	(43)	283
Other operating expenses	(1,354)	(406)	26	-	(1,734)
Bad and doubtful debts and impairment losses	(803)	(396)	(191)	6	(1,384)
Income tax expenses	(23)	26	(18)	-	(15)
Net profit (losses) for the period	<u>108</u>	<u>(104)</u>	<u>73</u>	<u>(37)</u>	<u>40</u>

	<b>Consolidated</b>				
	<b>For the three-month period ended 30 June 2015</b>				
	<b>Consumer banking Million Baht</b>	<b>Wholesale banking Million Baht</b>	<b>Others Million Baht</b>	<b>Elimina- tions Million Baht</b>	<b>Total Million Baht</b>
Net interest income					
External	1,605	387	51	-	2,043
Net fees and service income	240	94	18	-	352
Other operating income	139	453	127	-	719
Other operating expenses	(1,344)	(371)	14	-	(1,701)
Bad and doubtful debts and impairment losses	(757)	(467)	76	4	(1,144)
Income tax expenses	(22)	-	(29)	-	(52)
Net (losses) profit for the period	<u>(139)</u>	<u>96</u>	<u>257</u>	<u>4</u>	<u>217</u>

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**44 Financial information by segments (Cont'd)**

	<b>Consolidated</b>				
	<b>For the six-month period ended 30 June 2016</b>				
	<b>Consumer banking Million Baht</b>	<b>Wholesale banking Million Baht</b>	<b>Others Million Baht</b>	<b>Elimina- tions Million Baht</b>	<b>Total Million Baht</b>
Net interest income					
External	3,659	944	273	-	4,876
Net fees and service income	630	124	(15)	-	739
Other operating income	164	526	226	(43)	873
Other operating expenses	(2,690)	(802)	2	-	(3,490)
Bad and doubtful debts and impairment losses	(1,430)	(692)	(425)	13	(2,534)
Income tax expenses	(66)	(20)	(11)	-	(97)
Net profit for the period	<u>267</u>	<u>80</u>	<u>50</u>	<u>30</u>	<u>367</u>

	<b>Consolidated</b>				
	<b>For the six-month period ended 30 June 2015</b>				
	<b>Consumer banking Million Baht</b>	<b>Wholesale banking Million Baht</b>	<b>Others Million Baht</b>	<b>Elimina- tions Million Baht</b>	<b>Total Million Baht</b>
Net interest income					
External	3,142	709	106	-	3,957
Net fees and service income	582	184	(4)	-	762
Other operating income	214	860	286	(1)	1,359
Other operating expenses	(2,691)	(768)	(25)	1	(3,483)
Bad and doubtful debts and impairment losses	(1,374)	(589)	(208)	5	(2,166)
Income tax expenses	(45)	-	(36)	-	(81)
Net (losses) profit for the period	<u>(172)</u>	<u>396</u>	<u>119</u>	<u>5</u>	<u>348</u>

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**44 Financial information by segment (Cont'd)**

	<b>Bank business</b>		<b>Hire-purchase business</b>		<b>Other businesses</b>		<b>Eliminations</b>		<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Total assets	292,800	303,598	23,042	21,368	67	113	(21,685)	(20,458)	294,224	304,621
Interbank and money market items, net (assets)	6,656	14,230	226	252	55	96	(217)	(285)	6,720	14,293
Investments, net	55,181	54,891	-	-	-	-	-	-	55,181	54,891
Loans and accrued interest receivables, net	192,136	190,543	22,302	20,633	5	6	(20,138)	(18,840)	194,305	192,342
Deposits	166,527	170,502	-	-	-	-	(217)	(285)	166,310	170,217
Interbank and money market items (liabilities)	21,590	19,994	20,335	19,043	4	7	(20,339)	(19,026)	21,590	20,018
Financial liabilities designated at fair value through profit or loss	18,874	16,040	-	-	-	-	-	-	18,874	16,040
Debt issued and borrowings	29,037	33,995	-	-	-	-	-	-	29,037	33,995

**45 Financial instruments**

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

**45.1 Credit risk**

As at 30 June 2016 and 31 December 2015, the Bank had the following off-balance statement of financial position. These are calculated according to the period to maturity starting from the contract dates given in the financial statements:

	<b>Consolidated and the Bank</b>					
	<b>Counting from 30 June 2016</b>			<b>Counting from 31 December 2015</b>		
	<b>Less than 1 year Million Baht</b>	<b>Over 1 year Million Baht</b>	<b>Total Million Baht</b>	<b>Less than 1 year Million Baht</b>	<b>Over 1 year Million Baht</b>	<b>Total Million Baht</b>
Aval to bills	36	-	36	41	-	41
Guarantees of loans	17	-	17	13	-	13
Liabilities under						
unmatured import bills	318	-	318	282	-	282
Letters of credit	1,180	-	1,180	1,224	-	1,224
Acceptance	47	-	47	41	-	41
Other guarantees	9,874	619	10,493	8,514	512	9,026

**45.2 Market risk**

(a) Interest rate risk

As at 30 June 2016 and 31 December 2015, financial assets and liabilities classified by type of interest rate were as follows:

<b>Descriptions</b>	<b>Consolidated 30 June 2016</b>			
	<b>Floating interest rate Million Baht</b>	<b>Fixed interest rate Million Baht</b>	<b>Non-interest bearing Million Baht</b>	<b>Total Million Baht</b>
<b><u>Financial assets</u></b>				
Cash	-	-	1,746	1,746
Interbank and money market items, net	1,639	663	4,418	6,720
Investments, net	21	54,970	190	55,181
Loans net of deferred revenue	139,802	62,078	-	201,880
Accounts receivable - bill of exchange	69	1,166	-	1,235
Total financial assets	141,531	118,877	6,354	266,762
<b><u>Financial liabilities</u></b>				
Deposits	76,192	87,877	2,241	166,310
Interbank and money market items	9,104	10,687	1,799	21,590
Liabilities payable on demand	-	-	571	571
Financial liabilities designated at fair value through profit or loss	18,874	-	-	18,874
Debt issued and borrowings	-	28,493	544	29,037
Total financial liabilities	104,170	127,057	5,155	236,382



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**45 Financial instruments (Cont'd)**

**45.2 Market risk (Cont'd)**

(a) Interest rate risk (Cont'd)

Descriptions	Consolidated			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
<b>31 December 2015</b>				
<b><u>Financial assets</u></b>				
Cash	-	-	2,397	2,397
Interbank and money market items, net	1,443	10,133	2,717	14,293
Investments, net	22	54,169	700	54,891
Loans net of deferred revenue	134,965	63,642	-	198,607
Accounts receivable - bill of exchange	86	1,557	-	1,643
Total financial assets	136,516	129,501	5,814	271,831
<b><u>Financial liabilities</u></b>				
Deposits	58,450	109,374	2,393	170,217
Interbank and money market items	8,384	10,171	1,463	20,018
Liabilities payable on demand	-	-	321	321
Financial liabilities designated at fair value through profit or loss	16,040	-	-	16,040
Debt issued and borrowings	-	33,451	544	33,995
Total financial liabilities	82,874	152,996	4,721	240,591
<b>The Bank</b>				
<b>30 June 2016</b>				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<b><u>Financial assets</u></b>				
Cash	-	-	1,743	1,743
Interbank and money market items, net	1,586	663	4,407	6,656
Investments, net	21	54,970	190	55,181
Loans net of deferred revenue	141,543	58,027	-	199,570
Accounts receivable - bill of exchange	69	1,166	-	1,235
Total financial assets	143,219	114,826	6,340	264,385
<b><u>Financial liabilities</u></b>				
Deposits	76,392	87,893	2,242	166,527
Interbank and money market items	9,104	10,687	1,799	21,590
Liabilities payable on demand	-	-	571	571
Financial liabilities designated at fair value through profit or loss	18,874	-	-	18,874
Debt issued and borrowings	-	28,493	544	29,037
Total financial liabilities	104,370	127,073	5,156	236,599

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**45 Financial instruments (Cont'd)**

**45.2 Market risk (Cont'd)**

(a) Interest rate risk (Cont'd)

Descriptions	The Bank			
	31 December 2015			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<b>Financial assets</b>				
Cash	-	-	2,395	2,395
Interbank and money market items, net	1,387	10,133	2,710	14,230
Investments, net	22	54,169	700	54,891
Loans net of deferred revenue	136,860	59,786	-	196,646
Accounts receivable - bill of exchange	86	1,557	-	1,643
<b>Total financial assets</b>	<b>138,355</b>	<b>125,645</b>	<b>5,805</b>	<b>269,805</b>
<b>Financial liabilities</b>				
Deposits	58,676	109,430	2,396	170,502
Interbank and money market items	8,384	10,147	1,463	19,994
Liabilities payable on demand	-	-	321	321
Financial liabilities designated at fair value through profit or loss	16,040	-	-	16,040
Debt issued and borrowings	-	33,451	544	33,995
<b>Total financial liabilities</b>	<b>83,100</b>	<b>153,028</b>	<b>4,724</b>	<b>240,852</b>

Transactions	Consolidated						Total Million Baht	Weighted average interest rates %
	30 June 2016							
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
<b>Financial assets</b>								
Interbank and money market items, net	285	367	11	-	-	-	663	3.56
Investments, net	-	721	11,131	36,813	6,305	-	54,970	3.06
Loans net of deferred revenue	1,653	20,701	10,374	26,502	2,848	-	62,078	7.06
Accounts receivable - bill of exchange	-	60	722	384	-	-	1,166	2.73
<b>Total financial assets</b>	<b>1,938</b>	<b>21,849</b>	<b>22,238</b>	<b>63,699</b>	<b>9,153</b>	<b>-</b>	<b>118,877</b>	
<b>Financial liabilities</b>								
Deposits	10,787	33,702	42,544	844	-	-	87,877	1.66
Interbank and money market items	921	8,141	928	485	212	-	10,687	1.21
Debt issued and borrowings	500	16,367	330	-	11,296	-	28,493	2.87
<b>Total financial liabilities</b>	<b>12,208</b>	<b>58,210</b>	<b>43,802</b>	<b>1,329</b>	<b>11,508</b>	<b>-</b>	<b>127,057</b>	

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**45 Financial instruments (Cont'd)**

**45.2 Market risk (Cont'd)**

(a) Interest rate risk (Cont'd)

Transactions	Consolidated							Total Million Baht	Weighted average interest rates %
	31 December 2015								
	Repricing or maturity date								
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht				
<b>Financial assets</b>									
Interbank and money market items, net	-	10,133	-	-	-	-	10,133	1.53	
Investments, net	-	3,763	11,269	34,497	4,640	-	54,169	3.52	
Loans net of deferred revenue	1,565	22,157	10,954	26,226	2,740	-	63,642	6.96	
Accounts receivable - bill of exchange	-	60	722	775	-	-	1,557	2.73	
<b>Total financial assets</b>	<b>1,565</b>	<b>36,113</b>	<b>22,945</b>	<b>61,498</b>	<b>7,380</b>	<b>-</b>	<b>129,501</b>		
<b>Financial liabilities</b>									
Deposits	17,046	54,321	36,219	1,788	-	-	109,374	2.04	
Interbank and money market items	931	1,230	7,481	529	-	-	10,171	1.27	
Debt issued and borrowings	1,965	13,270	8,844	-	9,372	-	33,451	2.73	
<b>Total financial liabilities</b>	<b>19,942</b>	<b>68,821</b>	<b>52,544</b>	<b>2,317</b>	<b>9,372</b>	<b>-</b>	<b>152,996</b>		
<b>The Bank</b>									
30 June 2016									
Repricing or maturity date									
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht	Weighted average interest rates %		
<b>Financial assets</b>									
Interbank and money market items, net	285	367	11	-	-	663	3.56		
Investments, net	-	721	11,131	36,813	6,305	54,970	3.06		
Loans net of deferred revenue	1,653	22,295	14,634	16,044	3,401	58,027	6.64		
Accounts receivable - bill of exchange	-	60	722	384	-	1,166	2.73		
<b>Total financial assets</b>	<b>1,938</b>	<b>23,443</b>	<b>26,498</b>	<b>53,241</b>	<b>9,706</b>	<b>114,826</b>			
<b>Financial liabilities</b>									
Deposits	10,787	33,708	42,554	844	-	87,893	1.66		
Interbank and money market items	921	8,141	928	485	212	10,687	1.21		
Debt issued and borrowings	500	16,367	330	-	11,296	28,493	2.87		
<b>Total financial liabilities</b>	<b>12,208</b>	<b>58,216</b>	<b>43,812</b>	<b>1,329</b>	<b>11,508</b>	<b>127,073</b>			

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**45 Financial instruments (Cont'd)**

**45.2 Market risk (Cont'd)**

(a) Interest rate risk (Cont'd)

Transactions	The Bank						Total Million Baht	Weighted average interest rates %
	31 December 2015							
	Repricing or maturity date							
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht			
<b>Financial assets</b>								
Interbank and money market items, net	-	10,133	-	-	-	-	10,133	1.53
Investments, net	-	3,763	11,269	34,497	4,640	-	54,169	3.52
Loans net of deferred revenue	1,565	26,922	12,357	16,586	2,356	-	59,786	6.96
Accounts receivable - bill of exchange	-	60	722	775	-	-	1,557	2.73
Total financial assets	<u>1,565</u>	<u>40,878</u>	<u>24,348</u>	<u>51,858</u>	<u>6,996</u>	<u>-</u>	<u>125,645</u>	
<b>Financial liabilities</b>								
Deposits	17,046	54,367	36,219	1,798	-	-	109,430	2.04
Interbank and money market items	931	1,218	7,469	529	-	-	10,147	1.27
Debt issued and borrowings	1,965	13,270	8,844	-	9,372	-	33,451	2.73
Total financial liabilities	<u>19,942</u>	<u>68,855</u>	<u>52,532</u>	<u>2,327</u>	<u>9,372</u>	<u>-</u>	<u>153,028</u>	

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

**45 Financial instruments (Cont'd)**

**45.2 Market risk (Cont'd)**

(a) Interest rate risk (Cont'd)

The average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the six-month period ended 30 June 2016 and for the year ended 31 December 2015, can be summarised as follows:

	Consolidated					
	For the six-month period ended 30 June 2016			For the year ended 31 December 2015		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	6,205	47	1.52	8,665	73	0.85
Investments, net	53,057	648	2.44	56,617	1,598	2.82
Loans	200,443	6,645	6.63	194,376	12,937	6.66
Total performing financial assets	<u>259,705</u>	<u>7,340</u>		<u>259,658</u>	<u>14,608</u>	
<u>Performing financial liabilities</u>						
Deposits	156,238	1,330	1.68	173,969	3,891	2.24
Interbank and money market items	21,295	137	1.29	21,006	342	1.63
Financial liabilities designated at fair value through profit or loss	17,188	155	1.81	11,507	227	1.97
Debt issued and borrowings	35,596	479	2.69	27,735	853	3.08
Total performing financial liabilities	<u>230,317</u>	<u>2,101</u>		<u>234,217</u>	<u>5,313</u>	
<b>The Bank</b>						
	For the six-month period ended 30 June 2016			For the year ended 31 December 2015		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
	<u>Performing financial assets</u>					
Interbank and money market items, net	9,462	47	0.99	11,725	73	0.63
Investments, net	53,057	648	2.38	57,942	1,650	2.85
Loans	198,265	5,728	5.78	192,249	11,343	5.90
Total performing financial assets	<u>260,784</u>	<u>6,423</u>		<u>261,916</u>	<u>13,066</u>	
<u>Performing financial liabilities</u>						
Deposits	156,238	1,330	1.68	174,176	3,893	2.24
Interbank and money market items	22,757	137	1.20	22,034	338	1.53
Financial liabilities designated at fair value through profit or loss	17,188	155	1.81	11,507	227	1.97
Debt issued and borrowings	35,596	479	2.69	27,735	853	3.08
Total performing financial liabilities	<u>231,779</u>	<u>2,101</u>		<u>235,452</u>	<u>5,311</u>	

**45 Financial instruments (Cont'd)**

**45.2 Market risk (Cont'd)**

(b) Foreign exchange risk

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 30 June 2016 and 31 December 2015, the Bank has the following net foreign currency positions categorised by major foreign currencies:

	(Unit: Equivalent to million USD)					
	Consolidated and the Bank					
	30 June 2016			31 December 2015		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	385.01	39.93	(99.77)	409.23	40.66	(86.00)
Forward						
- Forward contract	(429.10)	(39.68)	96.62	(438.04)	(39.24)	82.91
Total	(44.09)	0.25	(3.15)	(28.81)	1.42	(3.09)

\* EURO and other currencies are stated in USD equivalents.

**45.3 Liquidity risk**

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 30 June 2016 and 31 December 2015 were as follows:

Descriptions	Consolidated				
	30 June 2016				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b><u>Financial assets</u></b>					
Cash	1,746	-	-	-	1,746
Interbank and money market items, net	6,061	372	287	-	6,720
Investments, net	-	11,852	43,118	211	55,181
Loans net of deferred revenue	17,090 <sup>(1)</sup>	41,957	142,833	-	201,880
Accounts receivable - bill of exchange	-	851	384	-	1,235
Total financial assets	24,897	55,032	186,622	211	266,762
<b><u>Financial liabilities</u></b>					
Deposits	89,220	76,246	844	-	166,310
Interbank and money market items	11,824	9,003	763	-	21,590
Liabilities payable on demand	571	-	-	-	571
Financial liabilities designated at fair value through profit or loss	-	-	18,874	-	18,874
Debt issued and borrowings	1,045	16,697	11,295	-	29,037
Total financial liabilities	102,660	101,946	31,776	-	236,382

<sup>(1)</sup> As at 30 June 2016, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 8,803 million and Baht 8,508 million respectively, (31 December 2015: Baht 6,374 million and Baht 6,088 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

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**45 Financial instruments (Cont'd)**

**45.3 Liquidity risk (Cont'd)**

Descriptions	Consolidated				
	31 December 2015				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b>Financial assets</b>					
Cash	2,397	-	-	-	2,397
Interbank and money market items, net	4,163	10,130	-	-	14,293
Investments, net	-	15,530	39,136	225	54,891
Loans net of deferred revenue	15,072 <sup>(1)</sup>	42,579	140,956	-	198,607
Accounts receivable - bill of exchange	-	868	775	-	1,643
Total financial assets	21,632	69,107	180,867	225	271,831
<b>Financial liabilities</b>					
Deposits	77,890	90,523	1,804	-	170,217
Interbank and money market items	10,778	9,077	163	-	20,018
Liabilities payable on demand	321	-	-	-	321
Financial liabilities designated at fair value through profit or loss	-	-	16,040	-	16,040
Debt issued and borrowings	2,509	22,114	9,372	-	33,995
Total financial liabilities	91,498	121,714	27,379	-	240,591
<b>The Bank</b>					
30 June 2016					
Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b>Financial assets</b>					
Cash	1,743	-	-	-	1,743
Interbank and money market items, net	5,997	372	287	-	6,656
Investments, net	-	11,852	43,118	211	55,181
Loans net of deferred revenue	18,860 <sup>(1)</sup>	47,807	132,903	-	199,570
Accounts receivable - bill of exchange	-	851	384	-	1,235
Total financial assets	26,600	60,882	176,692	211	264,385
<b>Financial liabilities</b>					
Deposits	89,421	76,262	844	-	166,527
Interbank and money market items	11,824	9,003	763	-	21,590
Liabilities payable on demand	571	-	-	-	571
Financial liabilities designated at fair value through profit or loss	-	-	18,874	-	18,874
Debt issued and borrowings	1,045	16,697	11,295	-	29,037
Total financial liabilities	102,861	101,962	31,776	-	236,599

<sup>(1)</sup> As at 30 June 2016, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 8,803 million and Baht 8,508 million respectively, (31 December 2015: Baht 6,374 million and Baht 6,088 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

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**45 Financial instruments (Cont'd)**

**45.3 Liquidity risk (Cont'd)**

Descriptions	The Bank				Total Million Baht
	31 December 2015				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	
<b>Financial assets</b>					
Cash	2,395	-	-	-	2,395
Interbank and money market items, net	4,100	10,130	-	-	14,230
Investments, net	-	15,530	39,136	225	54,891
Loans net of deferred revenue	16,998 <sup>(1)</sup>	48,741	130,907	-	196,646
Accounts receivable - bill of exchange	-	868	775	-	1,643
Total financial assets	23,493	75,269	170,818	225	269,805
<b>Financial liabilities</b>					
Deposits	78,119	90,579	1,804	-	170,502
Interbank and money market items	10,778	8,687	529	-	19,994
Liabilities payable on demand	321	-	-	-	321
Financial liabilities designated at fair value through profit or loss	-	-	16,040	-	16,040
Debt issued and borrowings	2,509	22,114	9,372	-	33,995
Total financial liabilities	91,727	121,380	27,745	-	240,852

<sup>(1)</sup> As at 30 June 2016, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 8,803 million and Baht 8,508 million respectively, (31 December 2015: Baht 6,374 million and Baht 6,088 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

**45.4 Fair value**

The Bank has estimated the fair value of financial instruments as follows:

Descriptions	Consolidated			
	30 June 2016		31 December 2015	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
<b>Financial assets</b>				
Cash	1,746	1,746	2,397	2,397
Interbank and money market items, net	6,720	6,720	14,293	14,293
Derivatives assets	23,843	23,843	25,581	25,581
Investments, net	55,181	55,527	54,891	55,309
Loans to customers, net	194,305	194,305	192,342	192,342
Accounts receivable - bill of exchange	1,235	1,235	1,643	1,643
Total financial assets	283,030	283,376	291,147	291,565
<b>Financial liabilities</b>				
Deposits	166,310	166,321	170,217	170,258
Interbank and money market items	21,590	21,590	20,018	20,064
Liability payable on demand	571	571	321	321
Financial liabilities designated at fair value through profit or loss	18,874	18,874	16,040	16,040
Derivatives liabilities	21,354	21,354	25,683	25,683
Debt issued and borrowings	29,037	29,129	33,995	34,235
Total financial liabilities	257,736	257,839	266,274	266,601



**45 Financial instruments (Cont'd)**

**45.4 Fair value (Cont'd)**

The Bank has estimated the fair value of financial instruments as follows: (Cont'd)

Descriptions	The Bank			
	30 June 2016		31 December 2015	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
<b><u>Financial assets</u></b>				
Cash	1,743	1,743	2,395	2,395
Interbank and money market items, net	6,656	6,656	14,230	14,230
Derivatives assets	23,843	23,843	25,581	25,581
Investments, net	55,181	55,527	54,891	55,309
Loans to customers, net	192,136	192,136	190,543	190,543
Accounts receivable - bill of exchange	1,235	1,235	1,643	1,643
Total financial assets	280,794	281,140	289,283	289,701
<b><u>Financial liabilities</u></b>				
Deposits	166,527	166,537	170,502	170,543
Interbank and money market items	21,590	21,590	19,994	19,994
Liability payable on demand	571	571	321	321
Financial liabilities designated at fair value through profit or loss	18,874	18,874	16,040	16,040
Derivatives liabilities	21,354	21,354	25,683	25,683
Debt issued and borrowings	29,037	29,129	33,995	34,235
Total financial liabilities	257,953	258,055	266,535	266,816

Methods and assumptions used by the Group for fair value estimation of financial instruments as disclosure are as below:

**Cash and Interbank and money market items, net (assets)**

The carrying amounts of cash and interbank and market items, net (assets) presented in the statement of financial position approximate fair values.

**Investments, net**

The determination of fair value for investments, net, is as disclosed in Note 2.5 to the financial statements except the estimated fair value for held to maturity debt securities and general investment are based on quoted and observable market price. Where there is no ready market in certain securities, the Group are initially recognised at purchase price plus transaction costs and subsequently accounted for at amortised cost using effective interest method, less allowance for decrease in value, if any, and general investment is stated at cost, less allowance for decrease in value, if any.

**Loans to customers, net**

Loan to customer, net including non-performing loans with floating rate interest, the fair value is estimated by using loans and accrued interest receivables deduct allowance for doubtful debts.

**Accounts receivable - bill of exchange**

The carrying amounts of account receivable - bill of exchange presented in the statement of financial position approximate fair values.

**Deposits**

For deposits with maturities of less than one year, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of one year or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

**45 Financial instruments (Cont'd)**

**45.4 Fair value (Cont'd)**

**Interbank and money market items , net (liabilities)**

The carrying amounts of interbank and money market items, net (liabilities) presented in the statement of financial position approximate fair values.

**Liability payable on demand**

The carrying amounts of liability payable on demand presented in the statement of financial position approximate fair values.

**Debt issued and borrowings**

The fair value of debt issued and borrowings are estimated based on market price or amortised cost.

**45.5 Financial derivatives**

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

As at 30 June 2016 and 31 December 2015, financial derivatives as classified by their maturities were as follows:

	<b>Consolidated and the Bank</b>					
	<b>30 June 2016</b>			<b>31 December 2015</b>		
	<b>Less than 1 year Million Baht</b>	<b>Over 1 year Million Baht</b>	<b>Total Million Baht</b>	<b>Less than 1 year Million Baht</b>	<b>Over 1 year Million Baht</b>	<b>Total Million Baht</b>
Forward and spot contracts						
- Bought	523,726	5,924	529,650	455,908	7,504	463,412
- Sold	431,867	11,075	442,942	371,917	3,853	375,770
Cross-currency and interest rate swap contracts						
- Bought	24,860	105,975	130,835	9,659	87,424	97,083
- Sold	62,621	81,147	143,768	81,143	82,094	163,237
Interest rate swap contracts						
- Fixed-rate payee	350,058	392,706	742,764	258,112	294,300	552,412
- Floating-rate payee	399,382	446,939	846,321	307,395	322,722	630,117
Foreign exchange options						
- Call-option sales contract	18	-	18	444	-	444
- Put-option sales contract	2,048	736	2,784	1,148	1,040	2,188
- Call-option purchase contract	852	854	1,706	1,956	1,046	3,002
- Put-option purchase contract	2,146	-	2,146	527	-	527
Swaption						
- Sold	-	100	100	-	100	100
Commodity						
- Bought	35	-	35	199	-	199
- Sold	35	-	35	61	-	61
Credit derivatives						
- Bought	-	1,800	1,800	-	-	-
- Sold	-	1,800	1,800	-	-	-

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

**46 Fair value**

**46.1 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 assets and liabilities that are measured at fair value at 30 June 2016 and 31 December 2015.

	<b>Consolidated and the Bank</b>			
	<b>30 June 2016</b>			
	<b>Level 1 Million Baht</b>	<b>Level 2 Million Baht</b>	<b>Level 3 Million Baht</b>	<b>Total Million Baht</b>
<b>Assets</b>				
Securities held for trading	-	8,253	-	8,253
Available-for-sale securities	100	26,315	-	26,415
Derivative assets	-	23,843	-	23,843
<b>Total assets</b>	<b>100</b>	<b>58,411</b>	<b>-</b>	<b>58,511</b>
<b>Liabilities</b>				
Financial liabilities designated at fair value through profit or loss	-	18,874	-	18,874
Derivatives liabilities	-	21,354	-	21,354
<b>Total liabilities</b>	<b>-</b>	<b>40,228</b>	<b>-</b>	<b>40,228</b>
	<b>Consolidated and the Bank</b>			
	<b>31 December 2015</b>			
	<b>Level 1 Million Baht</b>	<b>Level 2 Million Baht</b>	<b>Level 3 Million Baht</b>	<b>Total Million Baht</b>
<b>Assets</b>				
Securities held for trading	-	5,869	-	5,869
Available-for-sale securities	98	26,420	-	26,518
Derivative assets	-	25,581	-	25,581
<b>Total assets</b>	<b>98</b>	<b>57,870</b>	<b>-</b>	<b>57,968</b>
<b>Liabilities</b>				
Financial liabilities designated at fair value through profit or loss	-	16,040	-	16,040
Derivatives liabilities	-	25,683	-	25,683
<b>Total liabilities</b>	<b>-</b>	<b>41,723</b>	<b>-</b>	<b>41,723</b>

**46 Fair value (Cont'd)**

**46.1 Fair value estimation (Cont'd)**

The following table presents the Group's financial assets and liabilities that are not measured at fair value at 30 June 2016 and 31 December 2015.

	<b>Consolidated</b>			
	<b>30 June 2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>				
Cash	1,746	-	-	1,746
Interbank and money market items, net	5,515	1,205	-	6,720
Held-to-maturity debt securities	-	20,748	-	20,748
General investments	-	-	90	90
Loans and accrued interest receivables, net	-	194,305	-	194,305
<b>Total assets</b>	<b>7,261</b>	<b>216,258</b>	<b>90</b>	<b>223,609</b>
<b>Liabilities</b>				
Deposits	-	166,321	-	166,321
Interbank and money market items, net	-	21,590	-	21,590
Liability payable on demand	-	571	-	571
Debt issued and borrowings	-	29,129	-	29,129
<b>Total liabilities</b>	<b>-</b>	<b>217,611</b>	<b>-</b>	<b>217,611</b>
<b>Consolidated</b>				
<b>31 December 2015</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>				
Cash	2,397	-	-	2,397
Interbank and money market items, net	3,618	10,675	-	14,293
Held-to-maturity debt securities	-	22,795	-	22,795
General investments	-	-	105	105
Loans and accrued interest receivables, net	-	192,342	-	192,342
<b>Total assets</b>	<b>6,015</b>	<b>225,812</b>	<b>105</b>	<b>231,932</b>
<b>Liabilities</b>				
Deposits	-	170,258	-	170,258
Interbank and money market items, net	-	20,064	-	20,064
Liability payable on demand	-	321	-	321
Debt issued and borrowings	-	34,235	-	34,235
<b>Total liabilities</b>	<b>-</b>	<b>224,878</b>	<b>-</b>	<b>224,878</b>

**46 Fair value (Cont'd)**

**46.1 Fair value estimation (Cont'd)**

<b>The Bank</b>				
<b>30 June 2016</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>				
Cash	1,743	-	-	1,743
Interbank and money market items, net	5,451	1,205	-	6,656
Held-to-maturity debt securities	-	20,748	-	20,748
General investments	-	-	90	90
Loans and accrued interest receivables, net	-	192,136	-	192,136
<b>Total assets</b>	<b>7,194</b>	<b>214,089</b>	<b>90</b>	<b>221,373</b>
<b>Liabilities</b>				
Deposits	-	166,537	-	166,537
Interbank and money market items, net	-	21,590	-	21,590
Liability payable on demand	-	571	-	571
Debt issued and borrowings	-	29,129	-	29,129
<b>Total liabilities</b>	<b>-</b>	<b>217,827</b>	<b>-</b>	<b>217,827</b>
<b>The Bank</b>				
<b>31 December 2015</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>				
Cash	2,395	-	-	2,395
Interbank and money market items, net	3,555	10,675	-	14,230
Held-to-maturity debt securities	-	22,795	-	22,795
General investments	-	-	105	105
Loans and accrued interest receivables, net	-	190,543	-	190,543
<b>Total assets</b>	<b>5,950</b>	<b>224,013</b>	<b>105</b>	<b>230,068</b>
<b>Liabilities</b>				
Deposits	-	170,543	-	170,543
Interbank and money market items, net	-	19,994	-	19,994
Liability payable on demand	-	321	-	321
Debt issued and borrowings	-	34,235	-	34,235
<b>Total liabilities</b>	<b>-</b>	<b>225,093</b>	<b>-</b>	<b>225,093</b>

**46 Fair value (Cont'd)**

**46.2 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.

**46.3 Fair value measurements using significant unobservable inputs (Level 3)**

	<b>Consolidated and the Bank</b>	
	<b>General Investments</b>	
	<b>30 June 2016 Million Baht</b>	<b>31 December 2015 Million Baht</b>
Opening balance	105	144
Gains recognised in profit and loss	1	2
Provision	-	(4)
Sale	(1)	(7)
Decrease in capital of general investments	(15)	(30)
Closing balance	90	105

Investment classified under Level 3 is general investment which is presented at costs less allowance for impairment (if any). Fair value is calculated based on the net assets value of the invested company according to the proportion that the Bank invested. Management believe that the book value is not significantly different from fair value.

**47 Subsequent events**

**Issuance subordinated debentures**

On 11 July 2016, the Bank issued MYR 570 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 5,700,000 units of MYR 100 each, interest rate of 5.35% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2026. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor.(02) 414/2559.

**Redemption of subordinated debentures**

On 14 July 2016, the Bank exercised its option to early redeem all unsecured subordinated debentures amounting to Baht 3,000 million, maturing on 14 July 2021, which the Bank was able to early redeem (under the specified conditions). This early redemption was approved by BoT notification For Kor Kor (02) 23/2559 The approval of redemption of subordinated debentures.