

Borderless Thinking for Broader Opportunity



2010 reflects another year of financial strength for CIMB Thai. Through our mixed ASEAN culture and highly skilled people, we strive to move the Bank forward by providing borderless services and superior products. We continuously strive to positively impact our people, our communities and our clients. Some call it Challenges, we call it

OPPORTUNITIES



Contents

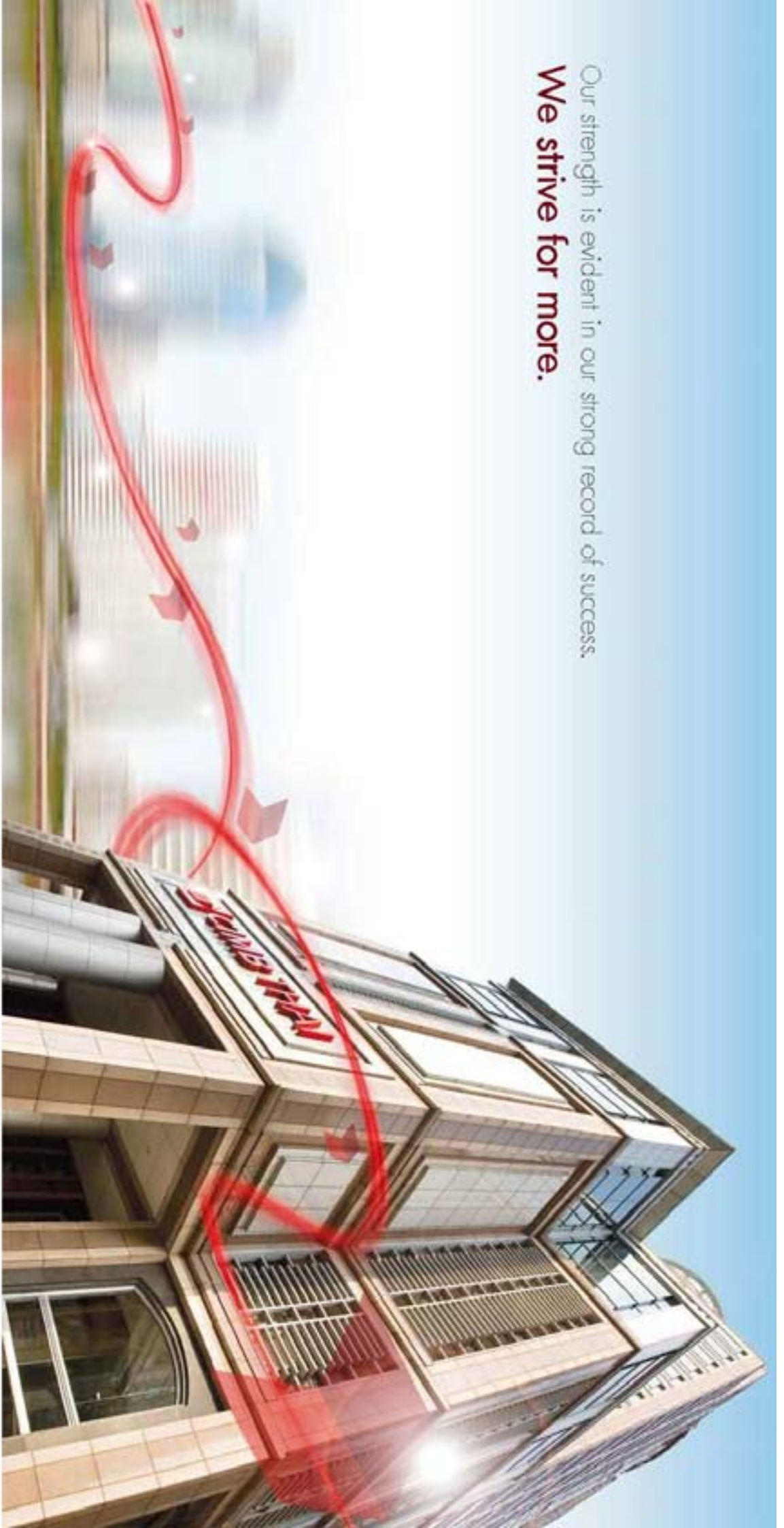
Financial Highlights and Performance Indicators	4	Risk Factors and Risk Management	46
Chairman's Message	6	Good Corporate Governance	50
CEO's Message	8	Report of Nomination and Remuneration Committee	69
Letter from CIMB Group Chief Executive	10	Report of Audit Committee	90
Board of Directors	14	Report of Responsibility of	
The Management	16	the Board of Directors for Financial Statement	91
Organisation Chart	18	Report of Independent Auditor	92
2010, Year of Abundant Opportunities	22	Financial Statement	93
Corporate Social Responsibility	26	Notes to the Financial Statement	101
Business Review	28	Corporate Information	176
Management Discussion and Analysis	39		



Langsuan Building, 44 Langsuan Road,
Lumpini, Pathumwan, Bangkok 10330*

CIMB Thai is one of Thailand's leading financial services companies. We provide a range of financial solutions catering to the needs of large corporate clients to retail clients through personal financial services, SME banking, CIMB Preferred, ECM and M&A, insurance, Corporate and Investment banking, retail brokerage, equity sales and trading, and transaction banking services. Known previously as Bank Thai, we transformed into CIMB Thai in May 2009. We employ approximately 3,000 employees who serve over 600,000 personal, business, public sector and institutional clients.

Our strength is evident in our strong record of success.
We strive for more.

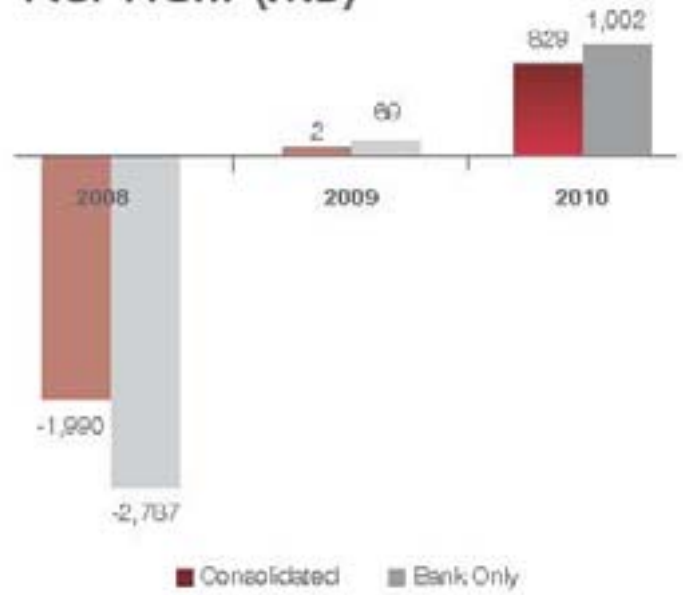


“To be Thailand’s Leading
ASEAN Bank for All Stakeholders”

VISION



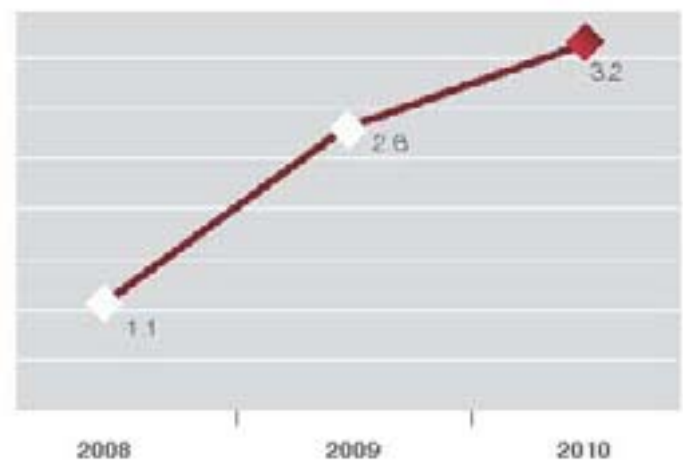
Net Profit (MB)



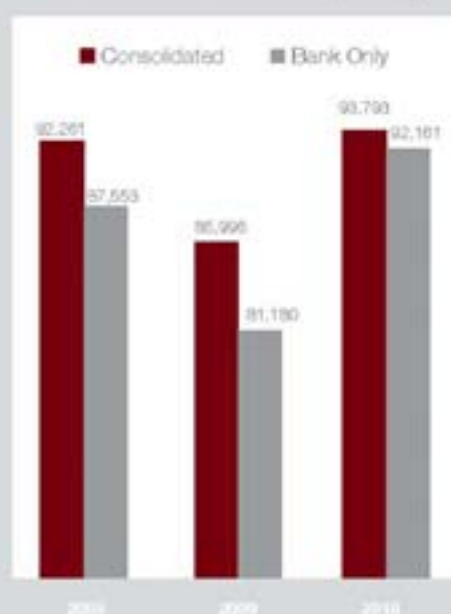
Asset (MB)



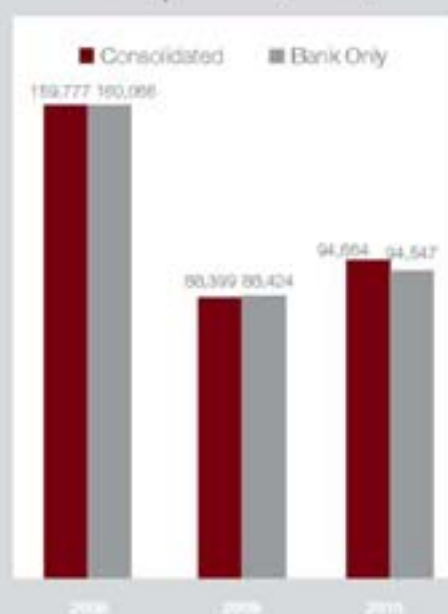
Share Price (THB)



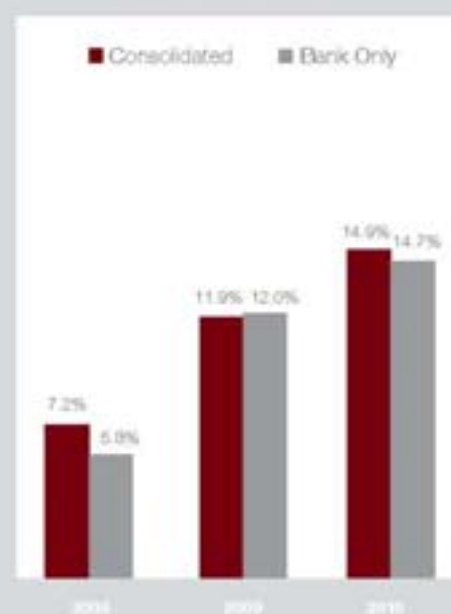
Gross Loan (MB)



Deposit (MB)

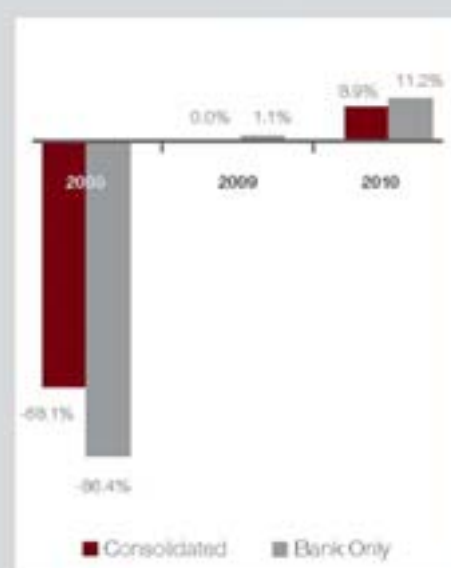


BIS Ratio

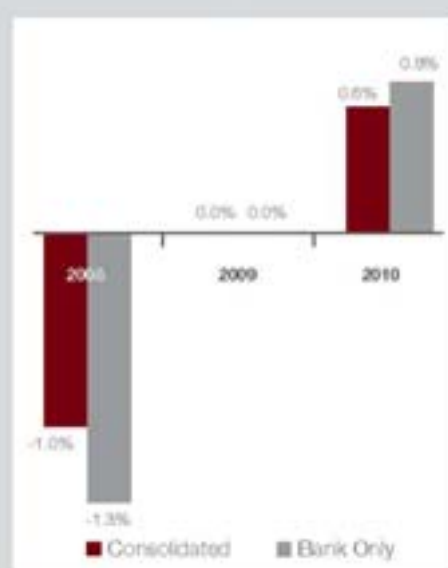


In Million Baht	Consolidated			Bank Only			
	At Year End	2010	2009	2008	2010	2009	2008
Total liabilities		128,541	119,075	208,916	127,516	117,957	207,685
Shareholder's equity		11,936	7,944	5,135	11,694	7,623	5,035
Net interest and dividend income		4,854	4,641	5,883	4,377	4,404	5,550
Non-interest income		1,931	1,621	650	1,948	1,462	(1,011)
Total income		6,785	6,262	6,533	6,325	5,866	4,539
Basic earnings (loss) per share (Baht)		0.06	0.00	(0.31)	0.07	0.01	(0.43)
Book value per share (Baht)		0.73	0.60	0.77	0.72	0.57	0.75

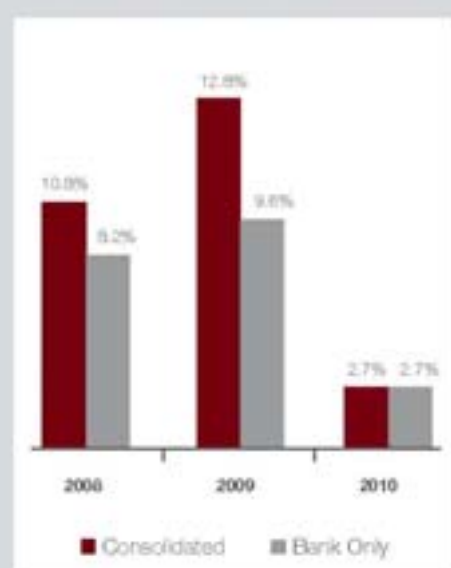
ROE



ROA



Gross NPL Ratio



Dear Shareholders

As a Chairman of CIMB Thai (the Bank), I am very pleased to report to you another year of notable performance.

2010 was a very interesting year for Thailand. Amidst the headwinds caused by the global economic slowdown, and domestic political unrest in the second quarter, the Thai economy remained very resilient. Strong exports compounded with domestic demand led to the economic upturn picking up steam well through 2010. With credits in Thailand showing year-on-year growth of 11.3% and deposits and Bill of Exchange (BE) growing by 8.3%, the banking sector remained strong while the Thai stock market reached its 13-year high with the SET Index closing at 1,032.76 at the end of 2010.

CIMB Thai's 2010 performance was our best year since 2003. CIMB Thai Group reported a net profit of THB 829 million, a huge increase from last year's net profit of THB 2 million. Improved profitability was due to lower loan provisions and improved net interest margins, underlining our improved asset quality and ability to manage funding costs.

The improvements in these key performance drivers were the result of the multi-year business transformation agenda which CIMB Thai initiated in 2009. The business transformation agenda entails increasing both integration and alignment with our parent - CIMB Group - as well as striving for operational excellence. The alignment and synergy with CIMB Group, one of Southeast Asia's leading universal banks, provided us not only infrastructure strength but also a regional platform for future leverage, capitalising on the regionalisation of Thai businesses as participants in increasingly integrated ASEAN economies.

In addition to strengthening the Bank's financial performance, we are strongly committed to the best practices in corporate governance and compliance. In 2010, the Board of Directors

deliberated the revision of Corporate Governance Policy and Codes of Conduct of the Bank and subsequently approved them in January 2011. The new Codes of Conduct entail a newly formulated vision, mission and core values for the Bank. These are fundamentals to long-term and sustainable growth as they set a clear path for our future development and growth and instil standard core values and a sense of priority for our employees.

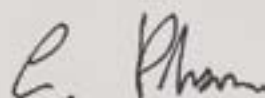
In addition, the Bank accelerated its Corporate Social Responsibility (CSR) agenda in recognition of the community as one of our key stakeholders. The Bank launched Community Link, which engages the community through our branch network to bring long-term sustainable benefits to the communities served by the branches. Community Link is funded by CIMB Foundation and with this launch, CIMB Thai joins the regional network of CIMB Group in Malaysia, Indonesia and Singapore in undertaking Community Link across Southeast Asia.

In 2011, I look forward to another good year for CIMB Thai. The Thai economy and banking sector will continue to thrive given their strong fundamentals and resiliency. Our Business Transformation journey will also continue. New initiatives and products will be launched and our Community Link will continue to gain traction.

In conclusion, I would like to take the opportunity to thank the two directors who resigned from the Board of CIMB Thai in 2010, Mr. Chin Yuen Yin and Mr. Chatchawal Emsiri, for their services and great contribution to the Bank.

Finally, on behalf of the Board, I would like to thank all the employees of CIMB Thai Group for their contribution to the Bank's achievements and success in 2010. The Board members are greatly inspired by their dedication and determination and I am confident that this will spur CIMB Thai on to continuing success for many years to come.

Yours sincerely,



Chakramon Phasukavanich
Director and Chairman of the Board





Dear Shareholders,

First of all, I would like to express my sincere gratitude to the CIMB Thai Group family, for everyone's collective efforts in 2010 resulting in CIMB Thai achieving extraordinary results. Thank you very much!

The Thai environment in 2010 was significantly more challenging than we had earlier envisaged. Political unrest and flooding had caused damage, although limited, to our branches and infrastructure as well as to the Thai economy at large. In retrospect, the two incidents put our Business Continuity Plan to test and proved its effectiveness, as the Head Office was closed and we operated from the alternative site for one month during the political unrest with no major disruptions to both operations and services.

Despite this, 2010 was a good year for the Thai economy. 2010 economic growth was broad-based, encompassing agriculture, industrial and the services sectors.

Internally, we strengthened the Bank significantly, with our multi-year business transformation programme beginning to show positive results. We also divested non-core businesses as part of our key strategic undertakings this year, including our stakes in BT Asset Management Co., Ltd. (BTAM) and Sathorn Asset Management Co., Ltd. (STAMC) which were divested to CIMB Group and our stakes in BT Insurance Co., Ltd. to Ayudhya Insurance Public Co., Ltd. and World Class Rent a Car Co., Ltd. These improvements, coupled with the positive economic environment, resulted in the Bank making substantial progress on our strategic priorities and allowed us to deliver record financial results in 2010.

The Bank's net profit increased to THB 1.0 billion in 2010 from THB 69 Million in 2009. Return on Equity registered at 11.2%, an increase from 1.0% in 2009 while Return on Assets was 0.8%, an increase from 0.0% in 2009. Reflecting our strong financial performance, CIMB Thai's share price closed at THB 3.2 on December 30, 2010, as opposed to THB 2.6 on December 30, 2009.

Our loan portfolio also recorded an impressive growth of 13.5% in 2010, increasing from THB 81.2 billion to THB 92.2 billion. The loan growth was broad based, coming from all key segments of large, medium and small-sized corporations as well as retail customers, with exceptionally strong growth in the SME and retail segments, which were our strategic target segments. Meanwhile, the Bank grew deposits by 6.9% YoY. As a result, Loan to Deposit Ratio (including Bill of Exchange) decreased to 82.8% as of end December 2010, as opposed to 83.3% at the end of 2009.

2010 was also an exciting year for the Bank in terms of new products and service offerings. Notably we launched the Thai Air Asia savings account, linked the Bank's ATM network to CIMB Group's regional ATM network in Malaysia, Indonesia and Singapore. We also introduced a variety of Foreign Investment Funds as well as Property Funds. We expanded our

network by opening two new branches, five CIMB Preferred centres, five Bureaux De Change and 37 new ATMs. For 2010, our investment banking franchise also increased in its traction in the market. CIMB Thai ranked third in terms of number of deals in the Thai Baht Corporate Bond Underwriting.

We continued to place great emphasis on people, focusing on recruitment and training. In addition to existing regional programs for top graduates, we launched an in-house MBA program with Chulalongkorn University for our middle management. An HR Open House day on 6-7 November attracted more than 1,300 applications. Key hires in 2010 included seasoned and experienced individuals to fill positions such as Head of Retail Banking and Head of Transactional Banking.

We were also pleased that our improved operations, processes and procedures were recognised by external parties. Commerzbank, the second-largest bank in Germany, gave us an award for quality excellence in delivery of commercial payments and financial institution transfers. And in late November, Fitch Ratings upgraded CIMB Thai's outlook from stable to positive, highlighting our individual strengths as well as strong support from our parent company.

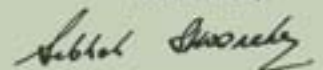
In order to maintain our dynamic growth momentum, we successfully completed our rights offering in October 2010, increasing our capital from THB 6.7 billion to THB 8.2 billion with our parent – CIMB Group – fully exercising their rights. With the right offerings, our capital position was strengthened, as the BIS ratio increased from 12.4% as of end September 2010 to 14.7% as of end December 2010.

Our strong growth momentum and outlook are supported by our risk management competency. Since the transformation of CIMB Thai began, we have focused on developing risk management capabilities throughout the organisation, in particular amongst our frontline staff. In 2010, we enhanced our risk management competency through further alignment and integration with CIMB Group's risk management policies and practices. As a result, asset quality continued to improve and as of December 2010, the Bank's NPL ratio stood at 2.7%, compared to 9.6% at the end of 2009.

As a final note, we are entering 2011 with great confidence that CIMB Thai is well-equipped with capital, people and systems to continue on our dynamic growth path, capitalising on our position as part of a large Southeast Asia's banking franchise.

Thank you for your confidence in us and enjoy reading the 2010 CIMB Thai Annual Report!

Yours sincerely,



Dr. Subhak Siwaraksa
President and Chief Executive Officer

Dear Shareholders,

CIMB Group is pleased with the improved financial performance of CIMB Thai in 2010. Despite distractions in the operating environment at the beginning of the year, CIMB Thai remained focussed on its transformation agenda and performed well financially.

We are encouraged that CIMB Thai has been successful in attracting several key personnel to its leadership team. We are especially delighted to welcome Khun Chakramon Phasukavanich who assumed the role of Chairman of the Board of CIMB Thai PCL in January 2010.

CIMB Thai completed a recapitalisation exercise in October 2010 via a rights issue which raised THB 3 billion. CIMB Group fully subscribed to its entitlement corresponding to its 93.15% stake in CIMB Thai, underlining our commitment of supporting the Bank's business expansion and our continued confidence in Thailand's economic prospects.

Aside from our optimism at the progress of business transformation at CIMB Thai, we expect to achieve substantial synergies from the sale of BT Asset Management Co., Ltd. (BTAM) and Sathorn Asset Management Co, Ltd. (STAMC) to CIMB Group. These

moves will allow CIMB Thai to focus on its core businesses while leveraging on CIMB Group's expertise in asset management and non-performing loans (NPL) administration and recovery.

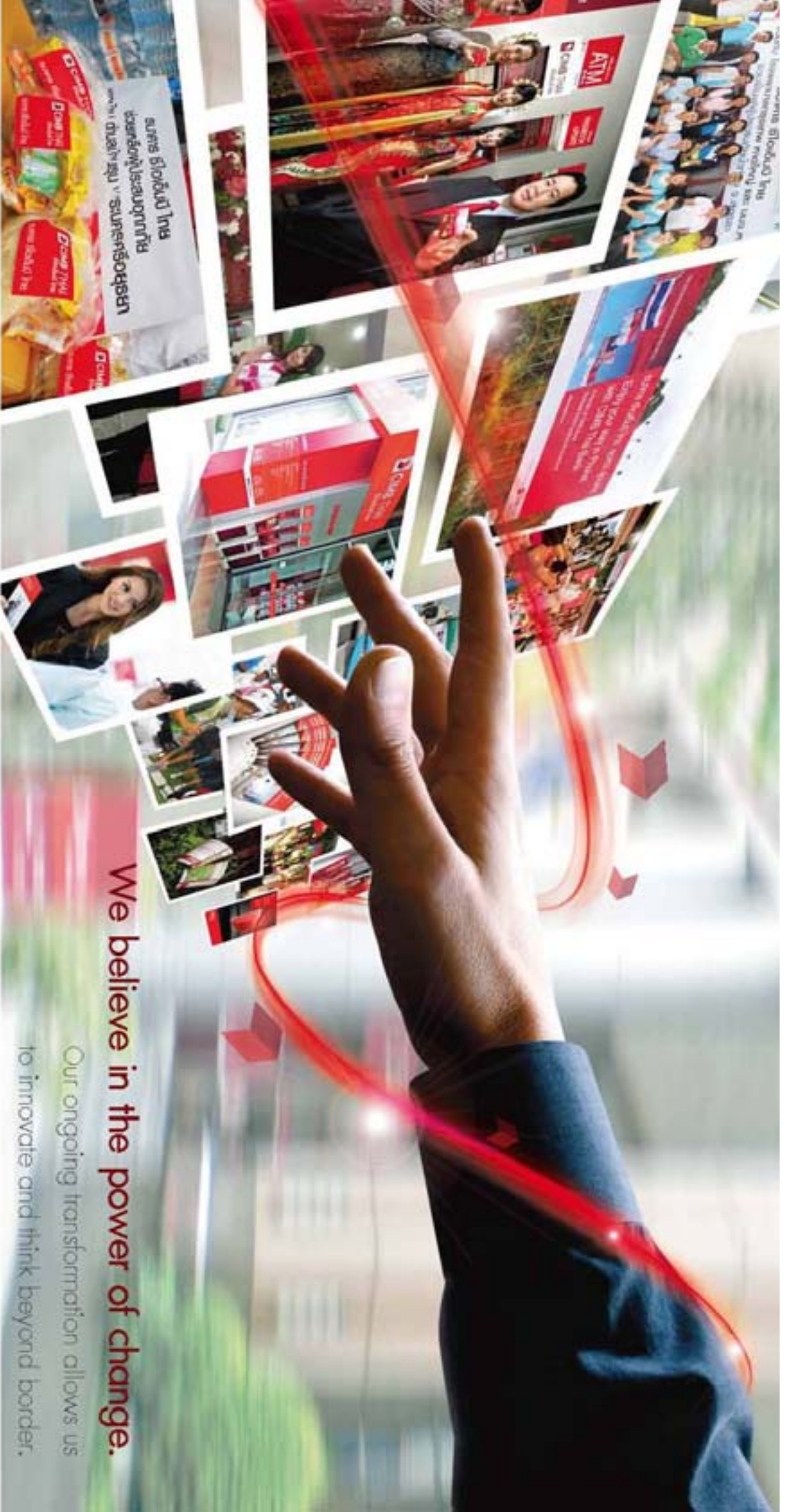
We also made significant headway in the cross-border integration of systems and processes in 2010. CIMB Group has embarked on a THB 11 billion region-wide project to build a common core banking platform across Malaysia, Thailand, Indonesia and Singapore. CIMB Thai will be the first component of CIMB Group to implement 1Platform and we are pleased that the initial development phase in Thailand is progressing well. We thank our Thai colleagues for their support and contributions in ensuring the success of this vital project for CIMB Group.

On behalf of CIMB Group, I congratulate the senior management and all staffs of CIMB Thai for their achievements in 2010. With the foundations laid and its business model streamlined, CIMB Thai is poised to take off. We look forward to the fulfilment of CIMB Thai's growth potential and the acceleration of regional synergies going forward.



Nazir Razak
Group Chief Executive CIMB Group





To be Thailand's leading ASEAN Bank
by providing innovative financial
products, excellent service and
compelling cross-border solutions
through synergy with CIMB Group

Mission

We believe in the power of change.

Our ongoing transformation allows us
to innovate and think beyond border.



1. **Mr. Oskarsson Friskerwisch**
Chairman
2. **Dato' Robert Chien Din Meng**
Vice Chairman
3. **Mr. Subash Karpuraj-Hussaini**
Independent Director /
Chairman of Audit Committee
4. **Mr. Willemien Peters**
Independent Non-Executive
Director of CAGB Group /
independent Director /
Chairwoman of Nominations
and Remuneration Committee
5. **Mr. Freeetha Ganesh**
Director / Chairman of Credit Committee
6. **Dato' Shauvel Bin Yusoff**
Independent Director /
Member of Audit Committee
7. **Mr. Kerry Koh**
Director
8. **Mr. Subash Sivaratna**
President and Chief Executive Officer

* Board of Director Profiles available on page 88



1. **Mr. Subhas Swarnasa**
President and
Chief Executive Officer
2. **Ms. Durgabehn Subharkar**
Senior Executive Vice President
Corporate Banking Group
3. **Mr. Suresh Chitambar**
Senior Executive Vice President
SAC, Emerging Debt
4. **Mr. Lee Teck Seng**
Senior Executive Vice President
Treasury Group
5. **Mr. Rajiv Thakrar**
Senior Executive Vice President
Legal & Finance Group
6. **Ms. Neerajee Wongphararak**
Senior Executive Vice President
Strategy & Finance Group
7. **Mr. Wee Kim Peng**
Senior Executive Vice President
Group Information and Operations Division
8. **Mr. Nuthanya Dattavong**
Senior Executive Vice President
Transaction Banking Group
9. **Ms. Parule Na Chingrai**
Executive Vice President
Risk Management Group
10. **Mr. Kongsak Watanan**
Executive Vice President
Human Resources Management Division
11. **Ms. Duane Kwanthorak**
Executive Vice President
Retail Banking Product Division
12. **Mr. Piyas Thongrak**
Executive Vice President
Corporate Communication Office
13. **Mr. Sittarat Sarnpran**
Executive Vice President
Internal Audit Division





To create **opportunities** for our
biggest asset: **Our people.**

My Core Values

CTHAI

Customer

Teamwork

Honestly

ASEAN

Innovation

149 Branches across Thailand 3,000 employees 600,000 devoted clients



Delivering our strategy

To achieve good growth through time by diversifying our business base and increasing our presence in markets and segments that are growing rapidly. Clients satisfaction targets are set at a strategic business unit level and action plans are developed through the continuous tracking of clients satisfaction and advocacy. Clients satisfaction has increased as a result of significant improvements and innovations to our services and our product offerings.

Consistent strategic priorities.

Focus on continuing to provide easy access for clients to conduct business with us;

- Deliver insightful, relevant financial advice and solutions to retain and attract clients
- Enhance operational excellence, aligning our infrastructure, products and services, call and mail capabilities to drive future growth, efficiencies and client value.

Seizing every opportunity

Guided by strategic priorities, 3 subsidiaries and an associate were sold to streamline our corporate structure and strengthen our core business. The Bank is more focused on growing its commercial banking business, without being weighed down by bad loans. In addition, expected fee income from the business co-operation would replace dividends and generate higher revenue for CIMB Thai.

- 2Q10 - Started with the sale of BT Asset Management Co., Ltd. (now CIMB-Principal Asset Management Co., Ltd.) to CIMB-Principal Asset Management Berhad for a cash consideration of THB 250 million
- 3Q10 - The sale of World Class Fleet a Car Co., Ltd. for a cash consideration of THB 73.85 million
- 4Q10 - The sale of Insurance Co., Ltd. to Ayudhya Insurance Public Co., Ltd. for a cash consideration of THB 392 million
- and the last was Sathorn Asset Management Co., Ltd. ("STAMC") to CIMB Group's nominated subsidiary, Mutara Makmur Ventures Sdn Bhd, for a total cash consideration of THB 229 million.

CIMB GROUP

CIMB Group is Malaysia's second largest financial services provider and one of Southeast Asia's leading universal banking groups. It has the largest retail network in the region with 1,000 branches, offering full universal banking capabilities in Malaysia, Indonesia, Thailand and Singapore and serving over 11 million clients. With a total staff strength of more than 37,000, the Group reaches 81% of the ASEAN population, representing 19% of ASEAN's gross domestic product. CIMB Group is listed on the Main Board of Bursa Malaysia via CIMB Group Holdings Berhad. Present in 13 countries, CIMB Group is also the single largest shareholder of CIMB Thai in Thailand and the majority shareholder of CIMB Niaga in Indonesia.

www.cimb.com

CIMB Thai's focus on long-term shareholder value.

Our objectives include sustainable earnings growth, maintenance of adequate capital in relation to the Bank's risk profile. 2010 reflects another commitment to maintain a solid capital base to support the risks associated with our diversified businesses, while still providing shareholders with higher returns.

Our Shareholders

The top 10 shareholders of the Bank as at 15 February 2011

No.	Name of shareholders	Number of Shares	% of Total
1.	CIMB Bank Limited	16,108,419,205	99.78
2.	SOCIETY GENERAL BANK & TRUST, Singapore Branch	647,462,260	3.97
3.	The ABCB Co., Ltd	106,238,207	0.66
4.	Mr. Sornrat Petchsriwong	25,205,600	0.16
5.	Mr. Pua Prakasboom	22,162,244	0.14
6.	Mrs. Sallia Daraban	10,274,200	0.07
7.	Mrs. Jaranok Petchsriwong	9,202,200	0.06
8.	Mr. Chulvit Pongphue	8,271,334	0.05
9.	SOCIETY BANK LTD.	6,202,400	0.04
10.	Mr. Watt Manuwan	5,202,200	0.03
	Other shareholders	216,244,778	1.30
		16,215,216,716	
Total 50 ID shareholders		16,215,216,716	100.00
Foreign Shareholders		467,109,206	2.88
Thai Shareholders		15,748,107,510	97.12
Total shares		16,215,216,716	100.00



*Major shareholders with significant influence over the planning and direction of the Bank's operations is CIMB Bank Limited, who's representing 99.78% of the total issued and paid-up shares of the Bank.

Rights Issues

In October 2010 the Bank reported the result of its rights offering of 2,966,533,582 new ordinary shares each of THB 0.5 par value to its existing shareholders at the ratio of 2 new shares for 9 existing shares of CIMBT at the price of THB 1.0 per share. Subscription and share payment period was from 11 to 15 October 2010. The newly issued shares were fully subscribed by existing shareholders, bringing in THB 2.9 billion to the Bank. The rights offering has also resulted in an increase of the Bank's BIS ratio to 14.7% as of 31 December 2010, which would adequately serve the Bank's continued business expansion.

Our Strength is Evident

Fitch Ratings	
Foreign Currency	
Long-Term IDR	BBB-
Short-Term IDR	R3
National	
Long-Term Rating	A+(th)
Short-Term Rating	F1(th)
Upper Tier 2	A-(th)
Individual Rating	0
Support Rating	2
Outlooks	
Foreign Currency Long-Term IDR	Positive
National Long-Term Rating	Positive

Dividend Policy of CIMB Thai

The Bank's policy is to allocate dividends to shareholders not more than 40% of its net earnings (after corporate income tax) of the operational year. Based on Article 43 of the Bank's Articles of Association, "No dividend shall be paid otherwise than out of profits. The remaining profit from dividend expense can be allocated as reserve funds if the Board of Directors considers fit. The Board of Directors may also pay interim dividend from time to time if the bank considered it has enough profit to do so and the payment of such dividend shall be reported to the shareholders in the next meeting. The payment of dividend shall be made within the time as prescribed under the law and the payment notice shall be sent to the shareholders and published in the newspaper." With respect to the Bank's subsidiary companies, the decision to declare a dividend is at the discretion of the respective subsidiary companies' Boards of Directors and is dependent upon subsidiary companies' net earnings.

Corporate Activities

The Bank continued its tradition of hosting a press trip, where in early 2010 a trip to Penang Malaysia was held for press & media. As an appreciation for the press on CIMB Thai transformation journey, management committee and more than 30 press visited CIMB Group head office in MBC Tower Kuala Lumpur, followed by one-day seminar on CIMB Thai financial performance and business plan 2010 in Penang.

In February the Bank participated in Money Expo 2010, organized by the Banking Magazine and Stock Exchange of Thailand. The event was held in 4 provinces across Thailand. The Bank participated with a theme of "Grow Your Money" which won the award for the best booth in large-booth category. Another event was SET in the City, held by the Stock Exchange of Thailand in November 2010, where the Bank participated in the event together with CIMB Securities Thailand and CIMB-Principal Thailand. Thailand Smart Money was another event held on 24-26 December 2010, where the Bank participated for the first time at Queen Sirikit National Convention Centre.

In the second half of the year the Bank held NPA Grand Sale in its effort to decrease Bank's Non-Performing Asset. Over 500 high-quality property and assets offered with 0% interest and special discount of up to 80%. The event was successful with more than THB 10 million sale, exceeded target of THB 3 million. Another achievement was the first CIMB Thai Career Days, the event was held on 6-7 November 2010 in CIMB Thai head office in Langsuan. More than 1,300 fresh graduates and experienced bankers from Bangkok and upcountry have participated. In addition the Bank launched 1Platform project, and welcomed the 1Platform team from Indonesia and Malaysia in PhayaThai Plaza, where the project is based. CIMB Thai was the first country among other CIMB's Franchise to launch the project and is targeted to be finished by the first quarter of 2012.

On the fourth quarter, CIMB Securities Thailand in collaboration with CIMB Thai Bank economic and research team organized a 2-day event on 18-19 November at Four Seasons Hotel, Bangkok. Clients as well as local and foreign institutional investors were presented with Economic Outlook of 2010 and 2011. And to close the year, as an appreciation to the employees, the Bank organized CIMB Thai year end celebration at Tavandeng Beer Hall, Ramindra. Over 2,000 employees from head office and branches, gathered to celebrate the event with Senior Management and CIMB Thai's Directors.

Brand Awareness

After the successful of rebranding activities in 2010, the Bank has continued to market CIMB brand in Thailand. 2010 marked the kick-off of CIMB Thai Corporate Advertising Campaign. Our strength, as part of CIMB franchise, was communicated in many advertisement campaigns, introducing CIMB's network in four major countries, Thailand, Malaysia, Singapore and Indonesia. The Bank strives to communicate its Brand Awareness Campaign. Mix Media Strategy applied to tap targeted customer. Extensive awareness campaign through variety of media done through TV sponsorship, billboard, signage, more than 30 public bus and tuk-tuk ad campaign, ad-lbs in newspapers, radio station, up to social networking website, Facebook.

Branding strategies was applied, where communication on brand awareness not only focused on external party, but also to our employees. Internal communications was revamp in 2010 to ensure communication was done efficiently and hit the target. Information on corporate activities and corporate achievements communicated from time to time to ensure employees familiar with CIMB Thai, it's Vision, Mission, Core Values and CIMB Group as parents company. These initiatives enable employees to sell products to customers or to communicate the news on CIMB Thai with confidence.





Thailand Smart Money



SET in the City 2010



Money Expo



Opportunity arises when you are up to the challenge, and the bigger the challenge, the greater the opportunity.
Dr. Subtrak Siwaraksa



Borderless Thinking for Broader Opportunity



In almost one decade with the Bank, I saw the Bank transforming. The past 2-3 years was significant. The ambiance, working style, operational procedure up to various benefits for employees improved. I think many people in the Bank are thrilled to work in one of most recognized regional banks. I'm certain the Bank will be better and bigger in the future.

Kampan Vudhithai,
Senior Team Head of Policy and
Consolidated Risk Management

This is the heart of what we do, the commitment to serve and add value to life, to allow our clients, employees and communities to experience the best that life has to offer.



For a small school located in a province, we have a limited budget to develop our facilities. In some cases children have to travel for hours to the nearest town to be able to learn to use a computer. But now we can enjoy our new activity room, equipped with computers and internet. We are grateful to receive the opportunity to compete with bigger schools and to share the benefits with not only students but also people in the village.

Mr. Densong Porchawee, Headmaster of Baan Thong Yai School, Phulkradung, Loei Province

In 2010 the Bank launched Community Link. The programme is a collaboration between the Bank and GIMB Foundation, where it empowers the community to propose initiatives or social causes that will enhance the lives of those within the neighbourhood. By collaborating with local organisations and non-profit organisations, GIMB works to enable impactful and sustainable community engagement. The projects cover three main areas: community development, sports and education.

The Establishment of a Computer Learning Centre and School Infrastructure.

Recognising the importance of education, one of the Community Link pilot projects was to establish a computer learning centre for Baan Thong Yai School, at Phulkradung, Loei Province. The Bank coordinated with government agencies and private sectors to provide courses and programmes for students in elementary schools and the community around the school. The project kicked off on 13 November 2010 where it also aims to provide experienced teachers who will train and assist the children throughout the 12-month project. In addition, the Bank donated money and stationary collected from GIMB Thai employees.

Foundation for Disabled Persons.

The Bank committed in improving and developing new facilities for the Foundation such as computer training rooms and computer graphics programs. Everyone with disabilities from around the country will be able to enjoy the facilities. The new facilities will encourage everyone to always keep their hopes high, and gives them the chance to enhance their current skills, also to give opportunities for them to show their true potential and skills in the working field. In addition, to give even more motivation, scholarships will be given to recognize individuals with extraordinary talents.



By the end of 2010, floods affected 7 million people in more than 25,000 villages in Thailand. Destruction of property, livelihood and infrastructure had caused the death of 155 people. The inflicted areas covered Northern, North-eastern, and Central regions. 9 million rai of agricultural areas were damaged and 50,000 entrepreneurs in the fishery industry were affected. CIMB Foundation together with CIMB Thai Bank donated THB 1.5 Million via "CIMB Thai Flood Relief Fund" to flood victims. The fund was distributed through various help centres, including Maharaj Hospital, Channel 3, Channel 9 and Prince of Songkla University.

In collaboration with Thailand Red Cross, the Bank held a blood donation drive, where more than 800 employees and the community around CIMB Thai head office in Langsuan participated. Aside from the blood donation, the Bank also partnered with Vibharn Hospital to provide free health checkups.

Every year, CIMB Thai organizes a Robe Offering (Kath,) which is a Buddhist traditional ceremony. This year, the event was held on 6 November 2010 at Luthivanaram Temple, Nakhon Pathom Province.

"The Bank is the first company I've worked for since I graduated and in less than one year of working here I've received abundant opportunities and exposure. The opportunity to participate in regional events in Malaysia, a trip to upcountry with the Management Committee for the Robe Offering to the Monks, up to being given the H1N1 vaccination by the HR team, convinced me that I've made the right decision to join CIMB Thai."

Somporn Leeprawat,
Executive Secretary to the CFO
(Joined CIMB Thai in December 2009.)



Retail Banking

Retail Banking business provides financial services to more than 600,000 clients nationwide through our extensive channels and networks.

Despite challenges in 2010, notably the political situation and natural disasters, our Retail Banking team continued to service our clients without interruption. 2010 was also a year of new campaigns and launches which offered our clients new products, services, flexibility and access to a regional network.

In 2010, our loan book expanded to THB 26.9 billion from THB 22.0 billion in 2009. Notable growth was observed in our mortgage loans which registered the 40.0% expansion. In addition to products and services varieties, 2010 also marked improved efficiency and speed for our product and services delivery. In November, we were able to offer a special three-hour approval for home loans for the three-day property fair in Bangkok.

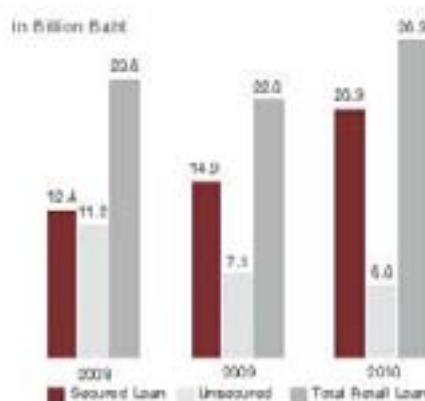
Since 2009, we had begun to segment our clients into different groups in order to better serve their financial needs. Currently, we have divided our clients into three segments, namely, high net worth, affluent/mass affluent and mass-market clients. As CIMB Thai is a part of a regional universal bank, we are able to leverage on CIMB Group on products and services innovation, marketing strategies and regional capabilities.

On the deposit front, we ran several Fixed Deposit campaigns with tenures ranging from 5 to 12 months together with special interest rates and also bundled our deposit offerings with other products such as insurance. Of particular interest for 2010 was the new savings account called "CIMB Thai Air Asia Saver", which was introduced in collaboration with Thai Air Asia. The new savings account offers both special rates of return as well as reward points from Thai Air Asia.

On the unsecured lending front, we launched our first personal loan product in the first quarter of the year. The personal loan product enabled clients to borrow for a variety of purposes at a low interest rate (9.99%) and was available for tenures up to 64 months. Meanwhile, housing loans continued to be the flagship product for retail lending with key campaigns in this highly competitive segment this year involving special interest rates and refinancing with a top up campaign. We also developed new strategic partnerships with prime housing developers in the market in extending the post-financing services to their prospective buyers.

CIMB Thai Private Banking

Private Banking launched in 2006 with the aim of serving high net worth clients with individual deposits and investments over THB 30 million. Staffed by relationship managers with high capability, innovative approaches and expertise and the highest service levels, private banking continued to offer sophisticated and tailor-made solutions to meet the demand of high net worth individuals. Our valued clients can easily access a suite of products and services catering for their particular financial needs such as personal investment management as well as being kept up to date on the latest developments in financial services and products and opportunities.



The regionalisation of CIMB Group's ATM network was launched in July 2010, enabling clients to withdraw money using their CIMB Thai ATM card from any CIMB ATM in Malaysia, Indonesia, and Singapore free of charge!

Personal Cash Loan
พอยน์ทึ... 84 วัน
อัตราดอกเบี้ยเงินกู้ 0% 3 เดือน
 * มีเงื่อนไขการสมัครสินเชื่อ
 * อนุมัติเงินกู้รวดเร็ว
 * บริการ - 24 ชั่วโมง



2 new branches opened in 2010
Patong Phuket and
Latus Khonkaen



5 New Bureaux de Changes and
3 Mobile Foreign Exchange Vans



Our Network

149 Branches

502 ATMs

21 Cash Deposit Machines

22 Passbook Update Machines



My husband and I love traveling, and we are both excited to be able to receive regional privileges from CIMB Thai. The service from Branch Managers and staff is top-notch. We would never consider using other banks' services.

Mr. Nani and Mrs. Ngana Chongrapom, owners of Lucky Glass Co., Ltd.
A well-known manufacturer and exporter of glassware.
CIMB Preferred Ormori branch customer

More than 300
Personal
Financial Advisors
together with more
than 1,000 direct
sales & mobile
sales agents
to ensure our
600,000 clients
satisfied with our
products and
services.



CIMB Preferred

CIMB Preferred is a regional brand, providing cross-border banking solutions for the affluent segment of CIMB Thai's clients. As members of CIMB Preferred, clients can enjoy privileged services and facilities at any CIMB Preferred Centre of CIMB Bank, CIMB Niaga and CIMB Thai branches throughout Malaysia, Singapore, Indonesia and Thailand. In Thailand, clients receive special privileges at 12 CIMB Preferred Centres across the country as well as privilege at all our branches. These include dedicated Relationship Managers, exclusive lifestyle benefits, special promotions and banking privileges across the region. This exclusive membership is extended to clients with a minimum THB3 million combined balance from all deposits and/or investment in mutual funds with the Bank or with a single (secured) loan amount of THB 5 million.

Today in Thailand, we have 8,500 CIMB Preferred clients. Among the new products offered to clients in 2010 were a new CIMB Preferred Savings Account and investment opportunities in various mutual fund products such as Mercure Samui Property Fund, and Korean Bonds.

2010 also marked a huge leap forward for CIMB Preferred with the relaunch of the brand as a regional product offering of CIMB Thai in collaboration with the retail banking entities of CIMB Group in Malaysia, Indonesia and Singapore. In addition to a new look for ATM cards, passbooks and cheque books, clients are now able to enjoy more privileges throughout the region. They are now also able to access the new CIMB Preferred website to see the regional benefits as well as to provide feedback to the regional CIMB Preferred team. Among the events specially organised for CIMB Preferred clients were wellness seminars, investment seminars as well as a special golf tournament. The golf tournament organised in conjunction with CIMB Group's title sponsorship of the CIMB Asia Pacific Classic, Malaysia, marks the first PGA TOUR-sanctioned event in Southeast Asia. CIMB Preferred clients throughout the region competed for spots in the ProAm session of the tournament, which enabled them to play alongside the world's best players.

www.cimbpreferred.com

Transaction Banking

CIMB Thai Transaction Banking Group covers an array of services including Cash Management, Trade Finance and Securities Services. Our team of highly experienced bankers provides advisory and tailored solutions to clients to help manage their day to day banking requirements as well as optimise their operations leveraging on the Bank's services and technology.

2010 was a year in which Transaction Banking continued its transformation in line with the transformation of CIMB Thai. The team continued to evolve and grow with the addition of new key staff as well as aligned its core product offerings to meet clients' evolving needs. Nalhojanya Davkongee took the helm of the Transaction Banking group in the second half of the year readying the group for its move forward. The team's priorities were to build a longer term strategy of new products and services leveraging on CIMB group's strong regional presence and know-how in order to provide differentiated solutions to our clients, fill in the gap in our value proposition to ensure CIMB Thai's transaction banking services' competitiveness in both the local market as well as in the region. The team continued to further deepen the existing client relationships throughout the country through the use of both the physical branch presence as well as virtually via its internet banking solutions to reach its client base located throughout Thailand from the Southern

region to the Eastern Seaboard area.

Cash Management and Trade Finance services from CIMB Thai offer a wide range of products and services to manage clients' risk and working capital. Our internet banking solution, "BizChannel" offered clients the access to our new e-Remittance, eLC, bulk transaction services and e-Treasurer services in addition to the existing services such as account information and transaction services. Other services introduced in 2010 included Virtual Drop box, Forfeiting, Ultra Packing and single document checking platform were just a few of the many products and enhancements made.

Under Securities Services, CIMB Thai currently holds the following licences: Registrar, Bond Representative, Fund Supervisory and Custodian. Under these licences, Securities Services offers a complete range of services including, Bondholder Representative, Registrar & Paying Agent, Custodial Services, Agency Services, Escrow Account and Safe Keeping. Securities services offered to clients are fully supported by a strong technology platform that provides efficiency and flexibility, as well as a dedicated team committed to providing solutions to meet our clients' complex requirements.

In terms of assets under custody, the Bank involved in the following transactions (as of December 31, 2010):

- a) Bondholders' representative for 25 debenture transactions valued at THB 67 million
- b) Fund supervisor and custodian for 41 funds valued at THB 11 million
- c) Securities Registrar and Paying Agent for 13 ordinary shares, 55 corporate bonds, 5 government bonds, with a total value of THB 76 million
- d) Long Term Facility Agent and Security Agent valued THB 4,400 million
- e) Escrow Account valued THB 600 million
- f) Safekeeping contracts valued THB 600 million

We at Stars Microelectronics (Thailand) Plc. or Stars consider CIMB Thai as our friend. We received the Bank's support when we really needed it. Stars was growing rapidly and in our business we had to invest in machinery and production facilities to gain world-class clients. CIMB Thai came in and provided loans to us. Without this financial assistance, a small company would find it difficult to expand. CIMB Thai played an important part in our success and growth and we will continue to cherish our long-term relationship with the Bank.

Mr. Polsak Lertputpihyo, CEO,
Stars Microelectronics (Thailand) Plc.



Investment Banking

Our Investment Banking team is responsible for originating financial solutions and corporate proposals to add value to the business of our corporate clients. As the frontline team of the Bank, it is tasked to market the full suite of products and services of the Bank with the aim of providing our corporate clients total solutions for their banking requirements.

The team is positioned as a partner for Thai companies with a regional outlook. With coverage which includes debt and equity capital markets transactions, corporate banking, financial advisory, treasury and structured products, cash management and corporate employee schemes, the Investment Banking team works closely with product development teams and regional peers to bring about the best possible solutions that fulfil our clients' objectives. Moving forward, the team strives to leverage on the CIMB Group's regional presence to expand the depth and coverage of products and services.

In 2010, some of the key transactions originated by the Investment Banking team included:

- Lead underwriter of a state enterprise bond worth THB1.8 billion.
- Sole lead arranger of debentures issued by Supalai Plc. amounting to THB1.9 billion.
- Joint-lead arranger of two debentures issued by Pruksa Real Estate Plc. in June and November totalling THB7.6 billion.
- Joint-lead arranger of a debenture issued by Quality House Plc. amounting to THB2.0 billion.
- Joint-lead arranger of a debenture issued by Toyota Leasing Ltd. amounting to THB4.0 billion.
- Lead arranger of several corporate debentures totalling THB8.3 billion.
- Financial Advisor and Joint Lead underwriter of Duet Thani Freehold and Leasehold Property Fund (DTCPF) totalling THB4.1 billion.





Treasury

The Treasury Group provides services to clients covering foreign exchange, derivatives, money markets, fixed income origination and trading. Internally we provide the Bank with specialised management of the balance sheet, monitoring the net interest margin of the business. The team is also responsible for the investments of subsidiaries and other companies arising from previously restructured loans.

During the year, the Treasury IT system migrated to the Murex platform to align with CIMB Group's systems. This enhanced the consolidation of risk management as well as risk monitoring and reporting. The system also allows the Bank to offer more innovative products and to serve the needs of our clients in their risk management efforts.

In 2010 the Bank continued to play a leading role in the origination of Fixed Income instruments for our clients, leveraging on our network of retail and institutional clients to place these Bonds for issuers. Treasury Group also continued to leverage on CIMB Group's expertise in providing risk management, debt capital market, alternative investment and loans for both local and international clients.

Going forward into 2011, the Treasury Group will continue to take on opportunities and build on the regional synergies provided through CIMB Group while ensuring risks are managed through the various initiatives made and expanding opportunities for stable income generation. The Bank remains committed to becoming the best provider of Treasury products and services by understanding clients' needs and providing comprehensive financial solutions. The Treasury Group also focuses on providing innovative products to help both borrowers and the depositors with products that are flexible and suitable for their risk appetite. The team is committed to play a key role in the development of CIMB Thai as a leading financial institution in Thailand, leveraging on CIMB Group's Treasury expertise in local currency products.

Corporate Banking

Corporate Banking has leveraged on the support of CIMB Group and has continued to strengthen and improve in its contribution to the Bank's performance.

In 2010, key strategies for the team focused on strengthening the infrastructure, maintaining traction in targeted segments and seizing new business opportunities. Intensive product bundling and collaboration with other business units were another highlight as well as the expansion of our product offering to clients. Our products and services are separated into two business lines; *Domestic Corporate Lending* (overdraft, commercial loans, aval/acceptance of bill of exchange, letter of guarantee, energy conservation loan) and *International Banking* (letters of credit, trust receipt, packing credit, trade bill negotiation, export bill purchase, inward and outward remittance).

We were pleased that our continued efforts in maintaining asset quality, despite the deteriorating business environment in the second quarter of the year due to the political climate. Our relationship managers worked closely with the clients whose businesses were affected through the provision of both financial support and tailored-made services to assist them through the difficult times. As a result, by end of December 2010, our assets remained healthy with non performing loans (NPLs) decreasing to 0.7% compared to 2.3% at the end of 2009.

Among the key highlights of 2010 was the appointment of the Bank as the Joint lead arranger for Pruksa Real Estate Plc's issuance of 3 and 5-year debentures with a total value THB 7.5 billion. We continued to be among the market leaders in loans for energy conservation and alternative energy projects, a lending area which started in 2001. The Bank arranged a seminar on "Effective Strategies for Hospitals in Energy Efficiency Projects" for

private hospital executives in order to provide them with an overview of how to develop and implement an effective energy efficiency strategy, including case studies of seven successful projects which the Bank has supported. All seven pioneered hospitals received an award from H.E. Wannarat Channukul, Minister of Energy, in the recognition of their accomplishments in energy conservation projects. Subsequently, our Corporate Banking team was invited to Jakarta to share our experiences in corporate loans for energy conservation and alternative energy projects at an Indonesian Bank Workshop organized by ECO ASIA-IPC-GMED.

We also continued our internal restructuring and efficiency enhancement initiatives throughout 2010. We introduced deposit acquisition as a KPI for our relationship managers, and this led to an improvement in our CASA ratio to 77.0% as opposed to 57.8% in 2009. Internally, teams were restructured and we welcomed several new members and senior executives whose track records will further strengthen the team and bring new skill-sets and ideas to the business. With recognition that our relationship managers are our key assets, training and development courses have continued to be prioritised. In addition to our regular product refresher courses, the courses on Trade Finance and Cash Management and products as well as Risk Management training such as "Know Your Clients" were organised several times in 2010.

Furthermore, improved trade finance utilisation, increased product bundling, report rationalisation, and cross regional transfers were also our key initiatives in 2010. With a total of 28 of dedicated and skilled relationship managers, Corporate Banking will continue to contribute to CIMB Thai's dynamic expansion.



"We are proud of our diversified customer base and the relationship we've built, where ideas collaborate with our highly motivated and skilled relationship managers, creating value added services."

SME Banking

2010 marked a highly successful year for SME Banking in terms of both business expansion and products. Our loan grew from THB 12.2 billion to THB 18.0 billion in 2010, a 55.8% growth.

Through our 21 SME Business centres in Bangkok and key provinces nationwide, we provide comprehensive financial products and services to suit our clients' needs and are tailored to their specific industries, in particular, their needs in capital financing, fixed asset investment, cash management and trade financing.

In 2010, the SME team continued to take on opportunities to increase market presence throughout our targeted segments and areas.

Internally, we continued to improve our operational efficiency and infrastructure, namely loan processing and product innovation. We also tightened risk management practices and adherence, resulting in our NPL ratio reduced to 1.4% at December 2010 in line with the industry average, compared to 4.1% in 2009. In terms of product innovation, various products were introduced to better serve and meet the needs of our diversified SME clients base.



Among the new products launched were the "SME Trader Pack" and "SME Business Premises Loan". SME Trader Pack offers importers and exporters a flexible credit facility with maximum credit line up to 300% of collateral value. Whereas SME Business Premises Loans is a product collaborated with HOME Renovation Centre by Siam Cement Group (SCG) to launch Business Premises Loan and one stop service for office building renovation. This partnership will facilitate CIMB Thai and SCG's market reach to the office, shop, franchise, apartment and factory segments. In addition, the "SMEs Extra" was launched in the third quarter, featuring 3 benefits for clients including: 3 times collateral value, 3.33% special interest rate for the first 3 months and a flexibility to choose from 3 types of collateral.

Throughout the year, the Bank collaborated with both government and private organisations to organise various seminars and business matching activities as value-added services for our clients. Among others, with our regional leverage and expertise, we organised a market opportunity day in Malaysia, a business matching event in Indonesia as well as a regional seminar, in collaboration with the Stock Exchange of Thailand on "Penetrating Malaysian and Indonesian Markets: Opportunities for Thai Businesses".



CIMB Thai operates in a highly competitive environment

The competition for clients among financial institutions in the market in which we operate is intense. Client loyalty and retention can be influenced by a number of factors, including service levels, price, product features and reputation. Other financial service providers, such as securities firms, leasing companies and insurance companies, are increasing and in addition, technological advances, the growth of e-commerce, regulatory developments and public sector participation have made it possible for new entrants to offer products and services that traditionally were the domain of banks. Such competition could also reduce net interest income and fee revenue and adversely affect the Bank's earnings.

In 2010, there were several key developments in the Banking industry in Thailand. Phase II of the Bank of Thailand's (BOT) Financial Sector Master Plan commenced in 2010, introducing several new regulations to promote healthy competition among financial institutions. In the fourth quarter of 2010, BOT granted Government Saving Bank the license to underwrite bonds. This will potentially pose strong competition to the Bank and to the industry overall. In addition, the Thai Cabinet approved Thailand

Post's proposal to set up a subsidiary to provide microfinance services to low-income earners through its nationwide network of post offices as its distribution channel. Thailand Post's subsidiaries may extend loans as small as THB 10,000 through 1,200 post offices across Thailand. The Bank foresees greater competition in the coming years, with further implementation of BOT's Master Plan Phase II, in which foreign banks may apply to change their legal status to bank subsidiaries with the capacity to open up to 20 branches and 20 ATMs, and institutions with tier-one capital of more than THB 10 billion such as Land and House Retail Bank will be allowed to upgrade to a full license bank.

CIMB Thai Bank's ability to grow its business and therefore, its earnings, is affected by these competitive pressures and is dependent on the Bank's ability to attract and retain talented and dedicated employees. As clients prefer banks that are capable of offering a wide array of financial products and maintain quality services amidst competition, the Bank will strive to continue to focus with main businesses and take the opportunity to leverage its network with CIMB Group and its strong franchise in Southeast Asia.

Sources of funding

As of 31 December 2010 deposits managed by the Bank stood at THB 96.7 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 23.8 billion. Of that total, 76.6% was used for loans and accrued interest, while the balance was applied towards interbank items, money market transactions and investments. The Bank was fully aware of its liquidity gap in each period, and had an existing policy in acquiring funds and the effective utilise of funds in an optimal manner.

Comparing the Bank's loans and deposits, total gross loans (excluding accrued interest) with maturity of not more than one year stood at THB 39.1 billion while loans with maturity of more than one year amounted to THB 63.1 billion. Meanwhile deposits with maturity of not more than one year stood at THB 95.7 billion and those with maturities of over one year amounted to THB 1.0 billion.

Capital Adequacy Ratio

BOT regulations require commercial banks to maintain a capital adequacy ratio of not less than 8.5%, with Tier-1 capital of not less than 4.2% while Tier-2 capital shall not exceed the Tier-1 ratio.

As of 31 December 2010, the Bank has overall capital of THB 17.2 billion, classified as Tier-1 capital of THB 10.6 billion (8.0% of risk-weighted capital) and Tier-2 capital of THB 6.6 billion (5.6% of risk-weighted capital). These ratios are computed in accordance with the Basel II requirements. Therefore, the Bank's capital is much higher than regulatory capital requirements. Accordingly, the Bank is confident that this level of capital is more than adequate in responding to any economic uncertainties or adverse conditions that may have an impact on the operations of the Bank in the years ahead. If deemed necessary, the Bank may increase its Tier-2 capital through mobilisation of fund in the capital market.

Capital Funds	31 December 2010	31 December 2009
Tier 1 capital	10.6	6.2
Tier 2 capital	6.6	6.2
Total Capital Funds	17.2	12.4
Total Tier 1 Capital / Total Risk Assets	9.0%	6.0%
Total Tier 2 Capital / Total Risk Assets	5.6%	6.0%
Total Capital / Total Risk Assets	14.7%	12.0%
Total Risk Assets	116.8	103.9

Liquidity Risk Management

The Board of Directors and senior management of the Bank take a very important role on managing liquidity. Liquidity risk is defined as the risk of the Bank's inability to meet its present and future funding needs on a timely basis, as a consequence of not being able to convert assets into cash or not being able to obtain adequate funding on time. The Board of Directors has delegated their authority to the Assets and Liabilities Management Committee ("ALCO") to supervise all business units, including Treasury Group, to handle the Bank's liquidity. The Bank also has formed Risk Management Group to perform annual reviews of its liquidity risk and propose a "Liquidity Risk Management Policy" to the Board of Directors for approval. To ensure proper and prudent liquidity management, the policy also applies to the Bank's subsidiaries.

One of the Bank's liquidity management strategies is to drive the accumulation of CASA and retail fixed deposits as cheaper sources of funding while using the more price sensitive corporate deposits as a means to balance out the funding and liquidity of the Bank. The Bank has specific teams of employees who are responsible for the proper marketing strategy for each segment, to strengthen the Bank's relationship with clients to sustain long-term deposit growth. In addition, the Bank has in place an early warning system which is closely monitored, together with a contingency funding plan in place to alert and enable management to take effective and efficient measures during a liquidity crunch and in prevailing adverse market conditions.

Collateral Policy

In the Bank's lending policies, the primary basis of assessing the creditworthiness is the borrower's ability to repay loan obligations, most often from cash flow generated through normal business operations and other primary sources of repayment. Nevertheless, collateral also represents an important component of many credit transactions because they will be the secondary source of repayment and will help alleviate loss in the event of default. Among the different types of collateral which the Bank accepts are deposits, government bond, debt and equity instruments, machinery and properties. The loan to collateral value ratio will vary based upon the risk level of each credit product, the borrower's creditworthiness and liquidity of collaterals. The Bank has established a collateral valuation policy to ensure effective risk management as well as to comply with BOT's guidelines. When the collateral is taken, it is important to follow the Bank's policy comprising among others, valuation policy and valuation frequency.

Debt Monitoring Policy and Follow-up Procedures

The Bank has set up the guidelines for closely managing and monitoring watch-list and problem loan accounts in order to speedily resolve the Bank's problem loans and standardise the problem loan monitoring process. The guidelines prescribe a monitoring process for watch-list accounts, special mentioned and substandard or worse accounts and the guidelines will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with BOT's guidelines, the Bank has established additional qualitative criteria for early classification of debt with signs of deterioration prior to default. For watch-list and special mentioned accounts, a pre-NPL monitoring report is prepared for close follow-up of the pre-NPL group of accounts. A pre-NPL account's performance will be further classified into two groups comprising Special Alert List (SAL) for high risk accounts and Non Special Alert List (Non SAL) for other accounts. Regarding NPLs

(substandard, doubtful and doubtful for loss classifications), an NPL management report is also required to be prepared monthly. Both the Pre-NPL monitoring report and NPL management report are reported to the Bank's senior management and credit committee for notation and direction. The debt monitoring policy and follow-up procedures stated above will help the Bank resolve problem loans in a timely manner and mitigate risk as well as to help the clients with debt restructuring.

Debt Restructuring Policy

The Bank has set a policy to undertake debt restructuring for borrowers who have cooperated with the Bank as well as have the potential to comply with the newly agreed conditions. The objective of the policy is to ensure that the Bank and the borrowers have mutually benefited from the debt restructuring, namely that the Bank has the maximum opportunity to recover the debt or has minimised loss while the borrowers are able to continue their business but may incur some loss on their part. The Bank will undertake the debt restructuring work in accordance with the regulations of BOT and such work will be carefully undertaken so that it is not an avoidance of guidelines regarding debt reclassification, additional provisioning and suspension of recognition of accrued interest income.

The Bank will undertake the debt restructuring on both general debts and troubled debts taking into consideration the criteria, process and method provided for the debt restructuring process, including debtor analysis, approval, and preparation of agreement, follow-up and assessment. Such practice could be examined and supervised and undertaken in accordance with rules and regulations of the authorities and the Bank. The responsibility for coordination of debt restructuring activities lies primarily with the internal departments of the Bank. However, other reputable and experienced third parties which specialise in this area may be allowed to conduct financial advisory services or undertake debt restructuring for the Bank. However, debt restructuring conditions are required to be approved by the Board of Directors of the Bank or the Credit Committee or other persons duly authorised by the Bank.

Policy on Asset Classification and Loan Loss Provisions

The Bank has complied with BOT's regulations which require the asset classification and loan loss provisions at the rate for each asset category as prescribed by BOT in No. SorNorSor 31/2551 regarding criteria for debt classification and provisioning of financial institutions, dated 3 August 2008 or as may be amended by BOT from time to time. However, the Bank's internal guidelines are more stringent than the regulatory requirements combining the qualitative and quantitative criteria prescribed by BOT, and prudently adopting a final classification which is based on the worse of the two sets of criteria.

In addition, the Bank has set loan loss provisions according to the criteria prescribed by BOT, as well as increasing provision for doubtful debts, which are unlikely to be collected from borrowers by analysing and assessing the borrowers' financial status according to risk measures and collateral values. Amounts written off or amounts recovered in respect of bad debts will be deducted from or added to the provision for doubtful accounts respectively.

A. Thai Economy in 2010 and 2011 Outlook

Thai Economy in 2010

Despite the acute political uncertainty and unfavourable financial environment, the Thai economy in 2010 continued to recover from its first recession since the 1997/8 financial crisis. The first sign of recovery was shown in the last quarter of 2009 in line with the recovery of the overall global economy and that of various major global economies. With the global economy continuing its revival and private demand resurging, the Thai economic upturn picked up steam well into 2010. Apparently, the unfavourable political and financial environments have not derailed the country's economic recovery path.

Added to the political unrest were the financial conditions which were not supportive to the economic expansion. After April-May, the THB strengthened due to the continued current account surplus, capital inflows and weakening US Dollar (USD). The Thai currency reached its peak at THB 29.50 vs. the USD on 9 November 2010 but receded to THB 30.14 at the end of 2010 in the face of mounting public debt problems in Europe which enabled the USD to recover. Inflation crept up from -0.9 % in 2009 to 3.3% in 2010 in face of rising oil prices from USD 79.80 per barrel at the end of 2009 to about USD 90.73 per barrel at the end of 2010. The Thai Monetary Policy Committee (MPC), therefore, raised the policy rate from 1.25% to 2.00% at the end of 2010 on the back of the rising inflation and the continued economic recovery.

The Thai economy has recovered strongly since the last quarter of 2009, driven by export expansion and recovering private demand. With a strong rebound in the initial stages of the recovery of the leading global economies, Thai exports surged at a hefty rate of 28.5 % in 2010. A tight labour market, rising agricultural prices, and pent-up demand brought about a rapid growth of consumption spending. In 2010, Thai private consumption jumped 4.8%. Similarly, private investment recuperated in parallel with the improvement of exports and private consumption, expanding at a rapid rate of 13.8%. Despite the rapid growth in the first three quarters of 2010, on the back of a slower pace of exports and private demand, the Thai economy expanded at a moderate rate of 3.8% in the last quarter of 2010 and 7.8% for the whole year of 2010.

2011 Outlook

The Thai economy in 2011 will be influenced by a few key factors, namely the sustainability of the global economic recovery and the recovery of leading global economies, the Thai political situation, the financial environment and the fiscal policy. In this regard, most of such factors have signalled a slower economic pace going into 2011.

All world leading economies are predicted to experience a decelerating growth in 2011. The US economy, although continuing to convalesce, has still been battling against a strong headwind. The US households are expected to maintain their deleveraging process and boost savings in order to relieve their massive debt and repair their damaged balance sheets. Furthermore, housing and financial sectors are likely to continue to be major drags to the US economy.

Similar to the US economy, the European economy is prone to slowdown as well. Governments of most European countries have to maintain a thrifty mode to restore fiscal discipline. In addition, similar to 2010, the public debt problems in many countries in the Euro Zone will persist to weight heavily on the European economy throughout 2011.

For the Japanese economy, deflation and weak private demand are expected to cause a slow economic advancement of the country similar to its experience in the 1990s and 2000s.

Finally, the Chinese economy, although likely to maintain a rapid growth momentum, is anticipated to slow down as well because the Chinese government and central bank are expected to issue measures to contain inflation and the real estate bubble.

It comes with no surprise that IMF has predicted a slower growth of the global economy of 4.2% in 2011 compared to 4.8% in 2010 and lower economic growth in 2011 for all four world major economies.

On the financial front, the THB is likely to remain strong throughout 2011 for the same reasons as in 2010. Furthermore, the second round of the US quantitative easing is expected to cause the USD to depreciate further vis-à-vis other currencies including the THB. The combination of the economic slowdown of the global leading economies and the THB strengthening is likely to cause Thai exports to expand at a slower pace of about 10-15% in 2011. Oil prices are projected to remain high at around USD90-100 per barrel in face of the ample global liquidity. Similarly commodity prices including agricultural product prices are also forecasted to move up further in 2011. Rising oil and other commodity prices will induce a relatively high inflation of about 3-4%. With the high inflation and the continued economic expansion, the MPC is likely to keep on increasing the policy rate from 2.0% at the end of 2010 to about 3-3.5% in 2011.

In 2011, as was the case in 2010, Thai political uncertainties may dominate again especially as a general election is in sight. Despite the strong push of the fiscal policy, a slowdown in exports and private demand is likely to decelerate the Thai economic growth pace. The 2011 government budget has risen 15% to THB 2.1 trillion from THB 1.8 trillion in the previous year. Private spending, although remaining rather robust, is likely to be more moderate compared to 2010. Private consumption has been bolstered by many encouraging factors, such as a tight labour market, the calmer political environment and rising agricultural prices. Nevertheless, the oil price hike, the interest rate increasing trend and the slower export growth are likely to contain the advancement of the private spending to about 4%. Private investment also received a boost as in the case of private consumption. However, the same negative factors weighing down consumption spending are likely to hold back private investment to expansion at a moderate rate of about 13.0%. In summary, the Thai economy in 2011 is forecasted to grow at a modest rate of 4-5%.

B. ANALYSIS OF FINANCIAL STANDING AND OPERATING PERFORMANCE

1. Performance Results

Consolidated operating results

For the financial year ended 31 December 2010, the Bank and its subsidiaries ("CIMB Thai Group") reported a net profit of THB 828.8 million, up THB 827.1 million from a net profit of THB 1.7 million in 2009. The notable improvement was mainly derived from improved total income whilst operating expenses remained flat in the current year. In addition, Loan Loss Provisioning was lower by THB 367.7 million, or 31.5%, which helped boosted the net profit.

Strategies in rightsizing the deposit book as well as managing our deposit costs helped improve our NIM further. In 2010, average NIM was 4.1%. Deposits increased by 7.1% or THB 6.3 billion to THB 94.7 billion in 2010 compared to THB 88.4 billion in 2009. CIMB Thai Group consolidated gross loan for 2010 stood at THB 93.8 billion, an increase of 9.1%. (If Sathom Asset Management Co., Ltd. (STAMC) is included, gross loan increased by 13.5%) The notable loan growth largely arose from SME and retail portfolio expansion. Deposits and Bill of Exchanges, meanwhile, stood at THB 108.5 billion, up 11.4% from THB 97.4 billion at the end of 2009. Given the aforementioned development in loans and deposits, the loan to deposit ratio (including Bill of Exchanges) improved and registered at 86.0%.

(A) A summary of CIMB Thai Group's income

In 2010, CIMB Thai Group's total income increased Y-o-Y by THB 522.8 million, or 8.3%, from THB 6.3 billion to THB 6.8 billion. The higher income was attributed to both the improvement in net interest income and non-interest income. For the current year, net interest income increased by THB 213.2 million, or 4.6%, largely underlined by loan expansion as well as lower interest expenses. In addition, loan loss provisioning was lowered by THB 367.7 million, or 31.5%.

CIMB Thai Group's Non-interest income increased by THB 309.6 million, or 19.1%, was largely attributed to the gain from derivatives trading, redemption of the structured deposits, one-off gains from the disposal of the Sathom building and three subsidiaries - namely, BT Asset Management Co., Ltd., BT Insurance Co., Ltd., and Sathom Asset Management Co., Ltd (STAMC), - as well as the divestment of minority interests in Workclass Rent a Car Co., Ltd.

(B) Cost of Funds and Operating Expenses

CIMB Thai Group's interest expenses for 2010 was THB 1.6 billion, a decline of THB 1.4 billion or 46.7% from 2009. This substantial drop in interest expense was mainly due to the rightsizing of the deposit book as well as managing our deposit costs.

On a Y-o-Y basis, operating expenses were marginally higher by THB 55.6 million, or 1.1%, mainly due to the increased personnel costs and marketing expenses. These were however offset by lower Deposits Protection Agency expenses and off balance sheet provisioning in the current year resulting from diligent control on credit policy. The cost to income ratio improved to 77.7% in 2010 compared to 83.3% (after restatement of discontinued operations for 2009), boosted by the organisational restructuring and alignment, which resulted in improved operating efficiency.

(C) Net Profit

CIMB Thai Group's net profit for 2010 was THB 828.8 million compared to THB 1.7 million last year. The increase in the net profit was largely due to rightsizing the deposit book as this lowered the funding costs and helped improve our NIM further, lower loan loss provisioning from a better and more streamlined collection process and higher non interest income from the one-off gain from the disposal of Sathorn building and disposal of subsidiaries and associated company.

(D) Return on Equity

For the 2010, CIMB Thai Group showed a return on equity of 8.9% compared to 0.02% in 2009. For the Bank only figures, the return on equity was 11.2% compared to 1.0% for 2009. The ratio reflected the turnaround of the Bank in 2010.

2. CIMB Thai Bank Group's financial position

Assets

CIMB Thai Group's primary assets consist of loans, investments, interbank and money market items. As at 31 December 2010, CIMB Thai Group had total assets of THB 140.5 billion showing an increase of THB 13.5 billion or 10.6% as compared to 2009. Net loan outstanding was THB 91.4 billion, an increase of THB 13.1 billion or 16.7%. Net investments were at THB 21.6 billion, an increase of THB 0.9 billion or 4.4% from 2009. The cash balances and interbank and money market items were THB 2.7 billion and THB 15.2 billion respectively, a drop of THB 77.3 million or 2.7% and THB 127.4 million or 0.8% respectively.

Asset Quality

(A) Loans and loan concentration

As at 31 December 2010, CIMB Thai Group's net outstanding loans was THB 91.4 billion showing an increase of THB 13.1 billion or 16.7% compared to THB 78.3 billion at the end of 2009. Loans were mainly extended to the retail consumer sector and manufacturing sector. These two sectors made up 55.3% of total loans as at 31 December 2010. Loans granted to the retail consumer sector amounted to THB 28.3 billion or 30.1% of total loans representing an increase of THB 5.6 billion or 24.4% from the end of last year, while loans granted to manufacturing sector totalled THB 23.6 billion or 25.1% of total loans representing an increase of THB 1.2 billion or 5.2% from the end of last year. The remaining loan disbursements were made to the commercial, real estate and construction, public utilities and service sectors.

To avoid concentration risk in any particular industry, the Bank continued to diversify the proportion of loans granted to various business sectors, which was in compliance with its credit policy to extend loans to clients of vital business sectors with good growth potential and clients from all categories of large, medium, small and retail sectors. Lending continued to focus on clients who are manufacturers in high-potential sectors and on the valued retail client portfolio.

(B) Classification of assets

As at 31 December 2010, the CIMB Thai Group's gross loans (including accrued interest receivables, but excluding loans to financial institutions) stood at THB 94.0 billion whereas allowance for bad and doubtful debts was THB 2.6 billion. For the Bank only basis, the ratio of non-performing loans to total loans (including money market and Repo, calculated as per BOT guideline) was at 2.7% while the loan loss coverage was 88.4% as compared to 9.6% and 46.5% as at 31 December 2009 respectively.

On the CIMB Thai Group consolidated basis, the non-performing loans to total loans ratio (including money market and Repo) was 2.7%, with loan loss coverage of 91.4% compared to 12.8% and 62.2% as at 31 December 2009 respectively, showing significant improvements as a result of our strategic initiative.

The Bank has closely monitored the status of each loan by maintaining a database of loans with outstanding balances aging by segregating loan balances into 4 categories, namely, (1) 1-3 months past due, (2) 3-6 months past due, (3) 6-12 months past due and (4) over 12 months past due which is in line with loan classification rules prescribed by the Bank of Thailand. Based on such information, the Bank reviews repayment records together with account history for debt reclassification, the collection process and forecasting trends for non-performing loans.

(C) Non-performing loans (substandard loans)

As at 31 December 2010, CIMB Thai Group's non-performing loans (before allowance for doubtful debts) amounted to THB 2.9 billion or 2.7% of the loan portfolio outstanding. As at 31 December 2009, the non-performing loans were THB 12.8 billion or 12.8%. Such loan classification was made in accordance with BOT's regulations dated 3 September 2008 which classifies non-performing loans into substandard, doubtful and doubtful of loss.

(D) Criteria for income recognition

Revenue is recognised on accrual basis based on the outstanding principal amount. With respect to defaulted loans where the last payment of principal or interest was more than three months overdue, interest accrual will no longer be recognised while already-accrued interest during the past three months will be reversed. This interest reversal is made in compliance to the BOT's directives. Any subsequent interest received after this period will be recognised on a cash basis.

The interest income on restructured loans is recognised on an accrual basis except for loans that have yet to comply with the restructuring agreement. In this respect, the interest is recorded as income on a cash basis until the borrower is able to comply with the restructuring conditions for at least three consecutive months or at least by three consecutive instalments, whichever is longer.

The interest on investments is recognised on accrual basis based on the effective rate. The dividend from securities is recognised when the right to receive the dividends is established.

The gain or loss on sale of investment is recognised as income or expense on the transaction date.

Liabilities and Shareholders' Equity

As at 31 December 2010, CIMB Thai Group had total liabilities of THB 128.5 billion representing an increase of THB 9.5 billion or 7.9% from 2009. The major component contributing to the increase was the total deposits increased by THB 6.3 billion or 7.1% to THB 94.7 billion, while borrowings increased by THB 5.2 billion or 34.2% to THB 20.4 billion mainly from the short term borrowings and offset by the drop in interbank and money market liabilities by THB 4.1 billion or 41.0%.

As at 31 December 2010, shareholders' equity stood at THB 11.9 billion representing an increase of THB 4.0 billion or 50.2% compared to December 2009.

The Bank's Board of Directors also approved the appropriation of THB 100.0 million out of the Bank's net profit for the year of THB 1.0 billion into statutory reserve and to carry forward the remaining net profit into retained earnings as well as no declaration of dividends for the year ended 31 December 2010. The decision to appropriate net profit to statutory reserve and retained earnings were made to accommodate our sustaining growth momentum and ensuring of adequate capital going forward.

Liquidity

The cash and cash-equivalent items, as indicated in the cash flow statement of the Bank and its subsidiaries at the 31 December 2010, were THB 2.7 billion, showing a decrease of THB 77.3 million from 2009. Details of the changes are as follows:

Net cash used in operations in 2010 was THB 8.5 billion. The losses from operations before changes in operating assets and liabilities were THB 6.3 billion including THB 0.9 billion being the net profits for the year while the remaining deficit of THB 7.2 billion resulted from adjustments of non-cash items to net profit, mainly from interest and dividend income and reversal of allowance for doubtful debts from the disposal of subsidiary, offset by bad debts and doubtful accounts and interest expenses. Operating assets for the year increased by THB 10.2 billion due to the increase in loans, offset by decrease in properties foreclosed, interbank and money market items (asset) and investments held for trading. Meanwhile, operating liabilities increased by THB 3.5 billion resulting from the increased in deposits and offset by decrease in interbank and money market items (liabilities).

Net cash from investing activities was THB 0.4 billion mainly due to the disposal of investment in subsidiaries and associates coupled with the disposal of premises and equipments, offset by increased net investment for securities held to maturity and available for sale. The net cash from financing activities was THB 8.0 billion mainly resulted from increased short-term borrowings and cash received from capital increase.

Relationships between Sources and Uses of funds

Two major sources of funds for the Bank were deposits and borrowings while the uses of funds covered the extension of loans. As at 31 December 2010, the Bank had deposits, borrowings and loans classified by maturities as follows:

(THB : billion)

Maturities	Credits ^{a/}	%	Deposits ^{a/}	%	Borrowings ^{a/}	%
Payable on demand	3.6	3.9	34.0	35.1	1.0	4.3
Up to one year	35.5	38.5	61.7	63.9	17.5	73.7
Over one year	53.1	57.6	1.0	1.0	5.2	22.0
Total	92.2	100.0	96.7	100.0	23.7	100.0

^{a/} Including interbank and money market items.

The Bank derived its funds from customer deposits which can be categorised as follows:

(THB : billion)

Categories of Deposit	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Current and savings deposits	27.5	28.4	25.1	27.9	24.0	14.2
Fixed deposits	62.7	64.9	65.0	72.1	144.9	85.8
Other deposits	6.5	6.7	-	-	-	-
Total	96.7	100.0	90.1	100.0	168.9	100.0

Ratios

Capital funds and Capital adequacy ratio

On 29 April 2010, the General Meeting of Shareholders No.16 approved an increase in the registered capital from THB 6.7 billion to THB 8.2 billion by issuing 2.9 billion new ordinary shares with a par value of THB 0.50 each to existing shareholders at a price of THB 1.0 per share. Subsequently, on 21 October 2010, the Bank registered the capital increase with the Ministry of Commerce. After the registration, the registered and paid-up capital totaled THB 8.2 billion, of which THB 1.5 billion was premium on shares.

As at 31 December 2010, the Bank's assets were THB 11.7 billion higher than its liabilities. The difference represents the positive shareholders' equity balance. The Bank's total capital funds was THB 17.2 billion while capital adequacy ratio (BIS ratio) of 14.7%, which exceeds the regulatory requirement. This is in line with the Basel II directives in relation to the calculation of capital funds.

At CMB Thai Group level for full consolidation, the capital adequacy ratio was 14.9%.

Liquid Assets Ratio

The Bank of Thailand requires all commercial banks to maintain a minimum liquid assets ratio of not less than 6.0% of total deposits and offshore borrowings with less than one-year to maturity. At the end of 31 December 2010, the Bank's total liquid assets were THB 31.6 billion, while its loan-to-deposit ratio stood at 95.3%. The liquid assets to total assets ratio was 22.7% and liquid assets to total deposits was 32.7%. All of these ratios were within the regulatory minimum requirement.

Investment in subsidiaries

As of 31 December 2010, the Bank had net investment in subsidiaries of THB 1.3 billion, a decrease of THB 141.0 million compared to December 2009, resulted from the Bank disposal of three subsidiaries and an associated company namely BT Asset Management, Sathom Asset Management Co., Ltd, BT Insurance Co., Ltd. and World Class Rent a Car Co., Ltd. On 29 September 2010, the Board of Directors of BT Leasing Co., Ltd., a subsidiary of the Bank approved the increase in its capital to THB 1.0 billion. This increase of capital was subsequently approved by Bank's Board of Directors on 24 November 2010.

C. Revenue Structure

1. CIMB Thai Bank Public Company Limited

In Million Baht

	As at December 31					
	2010	%	2009	%	2008	%
Interest And Dividend Income						
1. Loans	5,066.3	80.1	5,572.3	95.0	6,991.0	154.0
2. Interbank and money market items	129.3	2.0	416.4	7.1	774.3	17.1
3. Investment	764.9	12.1	1,402.2	23.9	3,209.6	70.7
Total Interest And Dividend Income	5,960.5	94.2	7,390.9	126.0	10,974.9	241.8
Interest expenses						
1. Deposits	(1,020.3)	(16.1)	(2,511.0)	(42.8)	(4,888.1)	(107.7)
2. Interbank and money market items	(87.8)	(1.4)	(131.6)	(2.2)	(158.2)	(3.6)
3. Short-term borrowings	(178.5)	(2.8)	(27.4)	(0.5)	(70.1)	(1.5)
4. Long-term borrowings	(296.9)	(4.7)	(316.5)	(5.4)	(308.4)	(6.8)
Total interest expenses	(1,583.5)	(25.0)	(2,986.5)	(50.9)	(5,424.8)	(119.5)
Net Interest and dividend income	4,377.0	69.2	4,404.4	75.1	5,550.1	122.3
Non-interest income	1,947.7	30.8	1,461.5	24.9	(1,011.4)	(22.3)
Total Income	5,324.7	100.0	5,865.9	100.0	4,538.7	100.0

2. CIMB Thai Group Subsidiaries Company

In Million Baht

Company Name/ Structure	2010	%	2009	%	2008	%
1. CIMB Securities (Thailand) Co., Ltd.						
Interest and Dividend Income	13.6	4.0	16.7	8.3	31.7	18.8
Interest expenses	(9.2)	(2.7)	(6.0)	(3.0)	(17.1)	(10.2)
Net interest and dividend income	4.4	1.3	10.7	5.3	14.6	8.6
Non-Interest Income	338.2	98.7	190.5	94.7	154.3	91.4
Total income	342.8	100.0	201.2	100.0	168.9	100.0
2. BT Leasing Co., Ltd.						
Interest and Dividend Income	333.4	139.1	278.8	116.7	324.4	132.1
Interest expenses	(144.6)	(60.3)	(65.8)	(27.5)	(111.4)	(45.4)
Net interest and dividend income	188.8	78.8	213.0	89.2	213.0	86.7
Non-Interest Income	50.9	21.2	25.9	10.8	32.6	13.3
Total income	239.7	100.0	238.9	100.1	245.6	100.0
3. Worldlease Co., Ltd.						
Interest and Dividend Income	331.9	119.0	333.5	141.0	320.8	91.7
Interest expenses	(47.9)	(17.2)	(46.6)	(19.7)	(41.3)	(11.8)
Net interest and dividend income	284.0	101.8	286.9	121.3	279.5	79.9
Non-Interest Income	(5.1)	(1.8)	(50.3)	(21.3)	70.3	20.1
Total income	278.9	100.0	236.6	100.0	349.8	100.0
4. CT Coll Co., Ltd.						
Interest and Dividend Income	0.0	2.4	0.0	9.5	0.1	72.7
Interest expenses	(0.1)	(102.4)	(0.2)	(119.0)	(0.4)	(300.0)
Net interest and dividend income	(0.1)	(100.0)	(0.2)	(109.5)	(0.3)	(227.3)
Non-Interest Income	0.0	0.0	0.4	209.5	0.4	327.3
Total income	(0.1)	(100.0)	0.2	100.0	0.1	100.0

D. Appointment of External Auditors and Consideration of Audit Fees

The Audit Committee considers the qualifications and performance of external auditors and recommends their appointment and proposed audit fees to the Board of Directors annually. The Board then proposes the external auditor's appointment and proposed audit fees for the consideration and approval of the General Meeting of Shareholders. The list of external auditors to be proposed as the Bank's auditors must also be endorsed by the Bank of Thailand.

In 2010, the remuneration of external auditors included:

(1) Audit Fees

The Bank and its subsidiaries have paid audit fees to auditors totaled THB 11.1 million. Other incidental expenses, such as transport and photocopying, did not exceed 10% of the audit fees.

(2) Non Audit Fees

During the financial year, the Bank and subsidiaries have paid non regular auditing fees, i.e., tax service engagements and consulting services irrelevant to auditing, as follows:

- To the Bank's auditors:
Non-audit fee totaled THB 0.08 million paid in the fiscal year 2010. However, the payment of the agreed non-audit totaled THB 0.08 million will be due in the future, for the service have yet to be completed.
- To the Audit Firm, it's auditor, and individuals or business entities related to the audit firm and auditors:
Non-audit fee totaled THB 0.4 million paid in the fiscal year 2010.

CIMB Thai focuses on effective and sound risk management principles in ensuring not only the financial soundness and integrity but also sustainability of the organisation. The risks to which a bank is particularly exposed in the conduct of businesses are credit risk, market risk, liquidity risk, operational risk and strategic risk. The Bank's undertakings of risk management and mitigation include risk identification, measurement, monitoring and managing under a robust risk management frameworks, in which returns must be commensurated with the risks taken. The Risk Management Committee has been appointed by the Board of Directors, comprising of members with relevant experience and expertise. The Committee's key responsibilities are to review and recommend to the Board of Directors of the risk management policies and frameworks as well as to establish a corresponding governance structure in ensuring that not only risks are managed efficiently and effectively but also decisions are made in a transparent manner. The Risk Management Group was established to act as catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. The Risk Management Group provides functional support to the Risk Management Committee and Credit Committee as well as assists the Management in managing risks inherent to the Bank and banking businesses. The Risk Management is independent from other business units, those who are involved in risk taking activities.

Strategic Risk

Inaccurate formulations and inappropriate implementation of strategic and operational plans could affect the Bank's revenues, capital and viability. Strategic risk management and mitigation have always been a key focus for CIMB Thai. Our strategic and annual business plans are formulated and developed with full participation from all stakeholders with close collaboration with the Risk Management Group. SWOT

analysis is rigorously conducted to ensure both the feasibility and deliverability of the business plans and targets. Senior management and the Board of Directors are closely involved and engaged throughout the formulation process. Subsequent to the implementation stage, the Board of Directors and designated committees regularly monitor and review actual results against targets and plans.

Key risks related to strategic risks can be summarized as follow:

1. Risk resulting from inappropriate organisational structure and management.

CIMB Thai is convinced that a proper organizational structure is one of the critical factors in achieving desired targets. Adhering to the best governance and practice, committees and units are established with prescribed functions and responsibilities as well as proper check-and-balance procedures to ensure the integrity of the undertakings as well as the deliverability of business plans.

2. Risk resulting from economic volatility and competition

Economic conditions and competitions are two external factors which the Bank must remain vigilant of. Implementation of business plans under unfavorable external environments may lead to the under-performance of targets. To mitigate against risk emerging from operating environments, the Bank's Research Office, together with the Strategy Division, closely monitor and analyze both economic conditions and competitive environments. In particular, peer banks analysis and assessment are conducted on a regular basis. Subsequent research and strategic findings and recommendations are then reported to relevant committees for consideration and further action as needed.

3. Risk resulting from capital inadequacy

Capital adequacy is a critical component of sound risk management and mitigation mechanism. This includes the maintenance of adequate capital under both normal conditions and under extreme but plausible events as resulted from the Stress Test Exercise. The capital management plan, together with prescribed action plans, are formulated and set in place to ensure prudent positioning of CIMB Thai's capital level that also meets what is required by law. One particular measure, the BIS Trigger is employed by the Strategy and Finance Group and Risk Management Group as early warning indicators in monitoring and maintaining adequacy of capital.

Credit Risk

Credit risk arises from clients or counterparties who are not able to or are not willing to fulfil their contractual obligations under loan agreements or other credit facilities. Credit risk results in the deterioration of credit and affects the Bank's profitability and capital fund. The overriding objective of credit risk management at GIMB Thai is to create value for shareholders by ensuring that the revenue is generated in balance with the acceptable risk and credit appetite. Under the credit risk management policy, the Bank has put in place a credit risk management process, techniques and controls to maintain a "check and balance" system with clearly defined responsibilities for relationship managers, credit analysts, credit evaluators, credit approvers and risk management officers.

The Bank develops and employs different risk assessment tools for different types of clients. For example, the Risk Grading Tool has been developed and implemented for corporate clients. There is also an SME Filter for SME clients and credit scoring tools for secured and unsecured retail clients. The Risk Management Framework for the Bank and its subsidiaries, which was initiated in 2009-2010, will continue to be enhanced in 2011 to support our business and to ensure the overall adherence to the Risk Management Policy of the Bank and GIMB Group.

Non Performing Loan (NPL) is one of the key risk affecting profitability and the Bank's capital adequacy. As such, we closely and prudently monitor and manage NPL, thus allowing for adequate provisions for bad debts to be maintained. In addition, as a pre-emptive measure, problem accounts are proactively monitored and managed before they turn into NPL. For portfolio risk management, particular attention is given to the credit concentration risks by imposing appropriate risk limits, namely, country risk limits, internal lending limits and business sector limits.

Market Risk

Market Risk occurs when the Bank undertakes transactions which are exposed to fluctuation in interest rates, foreign exchange rates, securities prices in stock and commodity markets, and may negatively affect both the revenue and capital position of the Bank. The Bank employs a Market Risk Policy to ensure that the rules and procedures are in compliance with both the regulatory requirements and our Bank's policy. This includes back-testing in market risk models on a regular basis. Since January 2010, the new Treasury system, Murex, has been used for monitoring and controlling market risk limits. The Bank also regularly assesses and determines our capital reserves for market risk to comply with the Bank of Thailand regulations.

Interest Rate Risk

The Bank monitors the interest rate risk for both the banking book and trading book. For the banking book, we use the Re-Pricing Gap Analysis method. This method analyses the interest rate movement of assets and liabilities in different time periods. The analytical results are reported to the Assets and Liabilities Management Committee (ALCO). We also evaluate the effect of interest rate risk on the losses of earnings (net interest income) and/or Economic Value of the bank as a result of changes in interest rates under both normal and stressed circumstances. The MAT (Management Action Trigger) is employed as a pre-emptive measure to control risk arising from the effect on net interest income (NII effect) as well as economic value of equity (EVE effect). The re-pricing gap report and MAT reports are also submitted to ALCO on a monthly basis. ALCO's key responsibilities are to determine that the desired assets and liabilities structure is in accordance to an appropriate risk level prescribed by the Bank's policy. For the trading book, the interest rate risks transacted in the trading book is under the supervision of the Risk Management Committee (RMC), under the framework prescribed by the Board of Directors. The calculation of fair value for trading transactions is performed on a daily basis in order to monitor the mark-to-market profits and losses. The daily risk status reports are also independently produced by the Risk Management Unit. The Value-at-Risk (VaR) Limit and One Basis Point Shift (PV01) Limit approaches are adopted to assess the risk associated with movements in interest rates which might affect the revenue and capital reserves of the Bank.

Foreign Exchange Risk

In managing risk, which involves foreign exchange and maintaining risk at a level prescribed by the Bank's policy, the Bank tries to match the currency of the funding source as the currency of loans, or tries to employ derivative instruments for foreign exchange hedging. Risk limits are determined by products and risk types using approaches such as Value-at-Risk (VaR) Limit, FX Net Open Position Limit and Stop Loss Limit. Daily mark-to-market on the foreign exchange is also conducted. Furthermore, stress testing is periodically conducted in which the results are thoroughly analysed.

Market Risk of Equity Securities and Commodity Related Transactions

CIMB Thai does not invest in equity securities other than investments in subsidiaries or affiliated companies and common shares resulted from restructured loans. Furthermore, the Bank does not execute any commodity-related transactions; thereby, market risk exposure on equity securities or commodity has never been materialized.

Liquidity Risk

Liquidity risk refers to the inability to make the required payment owed within the specified period. This may be a result of the inability to convert assets into cash or the failure to obtain adequate funding on time. CIMB Thai plans and manages liquidity risk efficiently and optimally. The Bank monitors and controls the liquidity level sufficient for both current and future obligations. Liquidity risk management is under the supervision of the Assets and Liabilities Management Committee (ALCO). To manage liquidity risk, the Bank sets the liquidity cumulative gap MAT (Management Action Trigger) to control risk arising from daily cash flow mismatch positions and to inhibit any excessive funding assumed by the Bank on an ongoing basis. If the liquidity risk exceeds MAT, Risk Management Group will report to ALCO and inform the relevant units to promptly take corrective actions and proceed as required by the Escalation Procedure. The liquidity risk control is in accordance to the Bank of Thailand's regulatory requirements, namely the Liquidity Ratio, Cumulative liquidity gap in each time period (under normal business conditions and under bank specific crises) and deposit concentration. The Bank is also equipped with the Contingency Funding Plan. The Plan serves as an operational and procedural guide to avoid, minimize and manage potential funding threats.

Operational Risk

Operational risk is the risk of loss from inadequate or failed internal process and systems, lack of corporate governance, and management incompetence. Other risk factors include people, system, process and external events. All these factors can negatively affect the Bank's financial performance and capital fund. In order to effectively manage operational risks, the Bank has set up appropriate policies, processes and procedures that not only uplift CIMB Thai to the best international standards, but also contribute towards enhancing transparency and good governance. In this respect, the Risk Management Committee has also been given the authority to establish policies and procedures, which correspond with the best international practice, and to make recommendations to the Board of Directors for approval. To increase effectiveness, we have established the Operational Risk Management Committee to discuss, deliberate, assess and give advice on all issues relating to key operational risk factors – People, Process, System and External factors. The Bank appoints the head of each unit as a Risk Owner, responsible for identifying, assessing and managing operational risks. This is to ensure that they instill a risk management and compliance culture within their units as well as to appoint risk coordinators to ensure that operational risk management policies and procedures are well-implemented and are complied to. The Operational Risk Management Team is responsible for developing tools, systems and processes for monitoring, identifying, assessing, controlling and reporting operational risks in compliance with the Bank-wide operational risk policies.

Each business unit of CIMB Thai and subsidiaries are required to manage operational risks with the following tools and processes:

1. Risk & Control Self Assessment:

Each business unit is required to conduct risk and control self-assessment, and to report the results to the Risk Management Group. These reports will be used in assessing and analyzing the overall operational risk exposure and provide a basis for determining corrective actions and follow-up. Individual business units are regularly reviewed in order to ensure that their working processes are well-structured and managed, thereby mitigating operational mishaps and enhancing their ability to redress the problems should they arise in a timely manner. In this context, continued efforts have

been focused on providing effective and efficient oversight across the organisation, including defining a clear scope of responsibilities and approval authority, establishing a checks and balances system, and ensuring the security of data and information.

2. Loss Incident Reports:

The Bank requires every business unit to submit loss incident reports through designated channels. These reports are also intended to help individual units to further improve the assessment and management of their operational risk profiles while reducing the possibility of similar losses in the future.

3. Key Risk Indicators (KRIs):

The Bank requires every business unit to submit KRI reports as part of the overall operational risk management process to monitor and report to relevant committees. After data collection, the Bank will perform statistical analyses and set each KRI threshold to increase the operational risk monitor efficacy.

4. New Product Approval Process:

The Bank has emphasized on developing new products and improving the procedure process. Strict enforcement has been instituted on an approval process with the identification, assessment and control of credit, market and operational risks. All products are subject to a considerable review process by the working groups and related business units before they can be signed-off and launched in the market.

5. Complaint Management Process

The Bank is aware of reputation risk and client satisfaction. The Bank has set up a unit and procedure to deal with client complaints. The unit will record complaints into the system, monitor the relevant units to solve the problems, respond within a specific period, and report to the Bank's management regularly.

6. Business Continuity Plan

The Bank has prioritized the development of a business continuity plan with the purpose of reducing risks by enabling its key business activities to be partially or completely recovered within a predetermined time following a natural calamity, a disaster, or extended disruption, so as to preserve the Bank's and its subsidiaries' reputation and clients' confidence.

7. Internal Audit Process

CMB Thai established the Internal Audit Division and Compliance together with the Credit Review team as independent units to assist the Audit Committee to fulfill its internal oversight responsibilities. They report directly to the Audit Committee and are responsible for reviewing individual business units to ensure compliance of the Bank's internal procedures, as well as the legal and regulatory aspect of compliance.

Risk related to foreign investment

As of 31 December 2010, the Bank holds two investments by foreign financial institutions worth USD 50 million and THB 550 million.

- USD 50 million investments are structured notes with "A" credit rating and market value of USD 49 million or approximately 98 % of the face value by the end of 2010.
- Whereas, THB 550 million are Fixed Income investments with "AA" and "AAA" credit ratings and market value of THB 555.1 million or approximately 101% of the face value by the end of 2010.

Since all Structured Notes are principal protected, the risk of investment would be due to the uncertainty of the coupon. The Bank has controlled such risk by diversifying its portfolio with different coupon structures and closely monitoring the adverse movement of market risk factors. However, the risks related to interest rates and foreign exchange were also within the approved limits.

At CIMB Thai, we firmly believe that our ongoing commitment and efforts, to ensure a strong corporate governance structure and culture across our organisation, will help us deliver value to all our stakeholders, hence we are committed to ensure good corporate governance practices are in place, and the highest standards of business integrity are applied in all of our activities.

- Accountability
- Transparency
- Integrity

Processes have been developed for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes are established to ensure efficiency and effectiveness of business operations and controls on all areas including finance and operations, as well as compliance with relevant laws and regulations. The Internal Audit Department and the Compliance Department have been tasked to provide oversight and support to ensure that individual business units conduct their businesses and affairs in a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements. A strong focus is placed on educating and increasing awareness

among Directors, Executive Officers and employees on the Bank's Code of Conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's Corporate Governance policy was formulated in February 2005 and updated in January 2011 as guidelines for Directors, Executive Officers, and employees to increase trust and confidence among investors and stakeholders in the management of the Bank's businesses, which can lead to high competitiveness, increased value of the Bank, and long-term stability. The details on the Bank's Corporate Governance guidelines are available on www.cimbthai.com

Corporate Governance Principles

Chapter I and II

Rights of Shareholders and Equitable Treatment of Shareholders

The Bank is fully committed to ensure that fair treatment is extended to all shareholders and proactive communications is practised at all times with all shareholders. In this respect, it aims to ensure that shareholders have the opportunity to exercise their rights fully and fairly in an informed manner, such as the rights to sell, purchase, or transfer shares, access to the Bank's information, fair distribution of profits, and attendance of the meeting to cast votes, express opinions and comments, and to make decisions on important matters including appointment of directors and auditors, allocation of profits, dividend payments, increase or decrease of capitals and approval of any special items, etc.

The Bank is required to hold its annual general meeting of shareholders within four months of the financial year end. Meetings of shareholders other than general meetings are called extraordinary general meetings. The Board can convene extraordinary general meetings at any time it deems fit. The general meeting of shareholders 2010 was held on 29 April 2010.

To convene the 2010 Annual General Meeting of Shareholders, the Bank sent a notice of meeting in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with the background, rationale, and recommendations of the Board, as well as supporting documents which comprised of the criteria of the meeting attendance, voting, proxy granting of shareholders together with the annual report of 2009. The Bank has assigned the Thailand Securities Depository which is the Bank's share registrar, to send a notice of meeting to shareholders for consideration 14 days before the meeting. This allow shareholders to have time to study the information before hand. The Bank also published the notice and other supporting documents 14 days before the meeting on the Bank's website. Furthermore, in accordance with the

regulatory requirements, three days before the Meeting a notice was published in the daily newspapers for three consecutive days. On the day of the Meeting, various measures were taken to facilitate effective participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve the rights and equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item. The shareholders and proxy holders had the opportunity to register at least two hours in advance. Also, during the meeting, shareholders could register their attendance to exercise their voting rights for any agendas of which resolution has not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who have appointed proxies to attend the Meeting on their behalf. The proxy form and details on proxy granting were submitted together with the meeting notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names of independent directors and their profiles to shareholders to consider the proxy appointment. At the 2010 Annual General Meeting of shareholders, 20 shareholders took advantage of this option, by appointing the Chairman and members of the Audit Committee who are independent directors, to attend the Meeting and to vote on their behalf.

In the 2010 Annual General Meeting, 60% of the Board and its Committee members and 232 shareholders and proxies attended and represented the total shares of 12,533,261,962, representing 93.9% of total shares distributed. Before the meeting begins, the Company Secretary explained the voting rights and procedures to the meeting. The Chairman assured the shareholders that they will have the equal opportunity to speak, raise any issues or make recommendations. At the meeting, the members of the Board and related executive officers had answered or clarified related issues clearly and comprehensively. Issues raised and recommendations were recorded in the meeting report. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item follow the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. For the appointment of the Bank's Directors, ballots were prepared for shareholders for the cumulative voting in which shareholders can cast their votes for each individual Director. After the Meeting of shareholders, the report of the Meeting was prepared in an accurate and comprehensive manner, and included a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item showing the number of votes cast for or against the motion, including absentees. The report of the 2010 Annual General Meeting was submitted to the supervisory and regulatory bodies within 14 days of the Meeting, with a copy available on the Bank's website, www.cimbthai.com.

In relation to preventive measures against internal use of information by the Board, Executive Management and employees, the Board recognises the importance of preventing the use of internal information of the Bank for personal gains. The Bank has put in place measures to prohibit unauthorised disclosure of material which is non-public information. Members of the Board, Executive Management and employees are to refrain from using information that has become privately known to them for personal gains or for the interest of other persons seeking information dishonestly to conduct competing business with the Bank. For purchases, sales, transfers or receipt of transfer of securities issued by the Bank, the Board and Executive Management have duties to prepare and report the purchase and sale of the Bank's securities within three days from the date of the undertaking transaction to the Securities and Exchange Commission. Copies of these reports are submitted to the Office of the President to be kept as proof of submission. In addition, the Bank has formulated Codes of Conduct for the Board, Executive Management and employees on the use of internal information. There are also available guidelines to avoid any conflicts of interest for efficiency and transparency in the management of the Bank.

Chapter III

Role of Stakeholders

The Bank places great importance with regard to the rights of all stakeholders including directors, executive officers, employees, shareholders, clients, business partners and the relevant authorities.

CIMB Thai Codes of Conduct

1. Clients

The Bank takes seriously its commitment to provide clients with high-quality products and services while safeguarding their interests and according them fair treatment in all aspects of their dealings with the Bank. CIMB Thai Care Centre has been

set up to efficiently handle client complaints and queries. To effectively manage complaints, the Centre maintains a database of client complaints and classifies them according to source and type. A report is prepared and forwarded to the Office of the President, the Internal Audit Department, the Compliance Department and other relevant offices, to resolve any complaints in an effective, fair and coordinated and timely manner. Client confidentiality is strictly observed at all time unless the disclosure is required by law or authorised in writing by the client.

2. Shareholders

The Bank recognises the critical importance of ensuring systems and processes are in place to provide assurance of effective and efficient operations, internal controls and compliance with laws and regulations. Business conduct and ethics policies are implemented and employees are bound by these policies. The Bank is focused on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner except when they have a material interest in the matter being considered at the shareholders' meeting. In such situations, the shareholders concerned are required to abstain from voting on the matter, but are eligible to participate in the election of the board of directors.

3. Employees

The Bank believes in fair treatment accorded to all employees, and is fully committed in enhancing the quality of its human capital. In this context, the Bank consistently offers training and support, provides staff with the opportunity to enhance their performance and career development options. Such efforts will support the Bank's sustainable growth and expansion plans in an increasingly competitive marketplace.

4. Creditors and Business Partners

The Bank is committed to maintaining high standards of business conduct in compliance with all applicable laws and regulations. The Bank conducts business with its creditors and business partners fairly and in compliance with the relevant laws and regulations.

5. Competitors

The Bank recognises the importance of a fair and competitive business environment. It is committed to conduct business in a fair and confidential manner while protecting the reputation of its competitors and ensuring best legal and ethical practices in the Bank.

6. Responsibility towards the community and the environment

The Bank recognises its ability to have a positive impact on the community and the environment. The Bank is actively involved in a range of charitable activities, including Rope offerings, blood donation drives and fund-raising to help monks, underprivileged children and the local community at large.

Chapter IV

Disclosure and Transparency

The Bank places great importance to ensuring that accurate, timely and clear information, both in English and Thai, is communicated to the shareholders and other concerned parties across a variety of media channels, including those provided by the Stock Exchange of Thailand and the Bank's website. In addition to that, in compliance with various laws and regulations, the Bank's annual report contains relevant significant disclosures, as presented in Forms 56-1 and 56-2. In line with the practice of good disclosure and transparency, significant policies have been initiated to boost investor confidence in the Thai capital market, including the communication of clear and accurate information on the Bank's activities to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

- The establishment of the Investor Relations Unit and the Office of the President, which are responsible for disseminating the Bank's information and maintaining good communications with investors, securities analysts, media and other interested persons. Reports on financial results and material transactions are made in an accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements. Investors can contact the Investor Relations Unit at +66026388619 or shareholder.services1@cimbthai.com.
- The dissemination of information to the general public via the media when financial results are announced and clear directions on how to access information to interested parties are offered. This allows local and foreign investors and analysts to have interview opportunities on the Bank's performance and growth.

A. Board Structure (as of 31 December 2010)

Members of the Board comprise of professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are 8 Board members. The election of Board members follows the resolution of the Shareholders' Meetings, as set out in the Bank's Articles of Association. The number of directors on the Board is determined by the meeting of shareholders and should not be less than 5 or more than 12. The structure of the Board of Directors and Board Committees is set in accordance to the Bank of Thailand's notification No.Sor. Nor.Soc.13/2552 Re: "Corporate Governance at Institutional of Commercial Banks" and the Capital Market Supervisory Board's notification No. Tor.Jor. 28/2551 Re: "Application and Permission for Initial Public Offering and Other Amendments."

CIMB Thai Board Composition

- 1 Executive Director
- 4 Non-Executive Directors
- 3 Independent Directors* (accounting for 37.5% of the Board)

*The 3 Independent Directors who serve concurrently on the Audit Committee must satisfy the criteria for appointment to the Board based on the principles of good corporate governance.

The Board appoints one of its directors to be the Chairman, however the President is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of Chairman and President are separate, with each of them bearing clear and defined roles and responsibilities. The Chairman is responsible for the Bank's goals, policies and strategic direction while the President assumes responsibility for the day-to-day operations and management of the Bank. A clear division of roles and responsibilities is crucial to ensure that no one individual has unfettered decision-making powers and this in turn enables the Chairman to provide an objective view of decisions made by the Executive Management.

Each director has a term of office as prescribed in the Articles of Association, i.e. at every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire. The retired directors may be re-elected.

The Bank has incorporated a policy on holding positions held by Directors in other companies in the Corporate Governance Guidelines ensuring the consistent practice of good corporate governance and compliance of regulators such as the Bank of Thailand and the Stock Exchange of Thailand. Details of the said policy are listed below:

- Directors, managers and persons with managing authority of the Bank can take one or several positions of Chairman, Executive Director or Authorized Director in other companies but not more than 3 business groups.
- Directors should hold a position of Director in not more than 5 listed companies.

Corporate Secretary and Secretary to the Board of Directors

The Board has appointed Mr. Thaphop Keesuwan as Corporate Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. Mr. Thaphop Keesuwan's duties include providing legal advice and ensuring compliance with the applicable laws and regulations, which is consistent with the Statement of Corporate Governance Principles, as well as the following services:

- Providing preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board.
- Arranging Board and Shareholders' Meetings in accordance with the laws and the Bank's Articles of Association, preparing minutes of these meetings and monitoring compliance with the resolutions passed at those meetings.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- Communicating with shareholders on their legal rights and material information with regard to the Bank.
- Maintaining the register of directors, reports of Board meetings, stakeholders' reports and meeting notices
- Ensuring compliance with other rules and procedures as required by relevant laws and regulations.

B. Board Committees

The Board has established Board committees comprising Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Management Committee and others, to assist in screening and scrutinizing specific operations. These committees act accordingly to support the duties of the Board in ensuring efficiency and effectiveness and the practise of good corporate governance in the Bank.

C. The Role and Responsibilities of the Board of Directors

1. Leadership and Vision

The Board of Directors consists of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise and high standards of business ethics. The roles of the Board, including the appointment and removal of directors, are set out in the Bank's Corporate Governance Guidelines and Articles of Association. The Board is committed to maintaining the highest standards of corporate governance and has a good understanding of the Bank's business and affairs. It is responsible for ensuring independent oversight of internal control and risk management while providing an objective assessment of Executive Management in the execution of the Bank's policies and strategies.

2. Ethics and Conflict of Interests

The Bank has set out Codes of Conduct in its Corporate Governance Guidelines which the Board, Executive Management and employees must comply when interacting with the Bank's clients, shareholders, employees, business partners/ debtors. Great emphasis is also placed on their responsibilities for environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to adhere to the principles of good corporate governance, use good judgement, act in compliance to rules and regulations and ensure that the Bank discharges its legal and regulatory responsibilities accordingly. Alleged breaches are investigated in accordance with set procedures, and disciplinary penalties are imposed if any employee is found guilty of a breach of conduct.

The Bank has in place policies to prevent conflicts of interest, connected transactions or related-party transactions. These include:

- A policy for the consideration of the granting of credits and investments to and undertaking contingent of liabilities or other credit-like transactions with the Bank's major shareholders, or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the ratio stipulated by the Bank of Thailand. Any such grant must be approved unanimously by the Board and no director or person with managing authority who benefits from the granting of credits and investments and the undertaking of contingent liabilities or other credit-like transactions can partake in the decision-making process.
- A policy for undertaking major transactions. Major transactions include agreements to undertake connected transactions and/or agreements to undertake transactions to acquire or dispose of major assets and/or rights to acquire or dispose of the Bank's major assets. The Bank must comply with requirements of related units.

When considering related party transactions, if the transactions are related to major shareholders, directors, senior executive vice presidents and executives in the Strategy and Finance Group, and other related parties, the Board of Directors and the Management must:

- Ensure that the transaction is legitimate and is in the best interest of the Bank, that the terms and conditions of the said transaction are not different from similar transactions entered into with unrelated parties; and
- Ascertain that the procedures for considering and approving any given transaction are fair, transparent, and verifiable. Sufficient information on the transaction must also be disclosed to investors.

Connected transactions must be approved by the Board. Persons who review or recommend the transaction for approval must not have any interests in the said transaction. Directors with any material interest in the transaction are not allowed to partake in the meeting to discuss the transaction or vote on the matter. The Bank may request additional opinions from independent financial advisors if the transaction has to be performed before a meeting of shareholders.

3. Related Transactions

As of 31 December 2010, the Bank recorded significant business transactions with its subsidiary, associated and affiliated companies (related by way of common shareholders and/or common directors), including related persons (directors or executives from the position of executive vice president upwards). These transactions have been concluded under commercial terms and based on mutual agreement on the criteria involved in the ordinary course of business between the Bank and its subsidiary, associated and affiliated companies. Details are as disclosed in the Notes to Financial Statements ended 31 December 2010.

Name and Relationship	Transaction Characteristics & Value	Necessity and reasonableness with Audit Committee's opinion
<p>CIMB Group Sdn Bhd ("CIMB Group") is the indirect major shareholder of the Bank</p>	<p>Development of Cash Management System with CIMB Group. The Bank provides these following services to clients:</p> <ul style="list-style-type: none"> - Payment service such as monthly payment, product and service payment by money transfer and cheque - Collection service such as utility payment and the Bank will pay charges to CIMB Group as follows: <ol style="list-style-type: none"> 1. System maintenance fee for 1 RM (approximately THB 10) 2. Communication link fee between Thailand and Malaysia <ol style="list-style-type: none"> 2.1 System installation fee of THB 130,000 2.2 Annual service fee of THB 3,000,000 <p>This is a normal supporting business transaction of the Bank whereby CIMB Group will charge system maintenance fee for THB 10/ year.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Group Sdn Bhd ("CIMB Group") is the direct and indirect major shareholder of CIMB Thai, CIMB Bank and Sathon Asset Management Co., Ltd. ("STAMC")</p>	<p>1. The Sale of CIMB Thai's 2,499,999 ordinary shares held in STAMC, at a par value of THB 10 each, representing 99.9% of the registered capital of STAMC, for a total cash consideration of THB 229,149,954 to CIMB Group and/or its nominated subsidiary. The consideration of THB 229,149,954 was determined on a willing buyer-willing seller basis, after taking into consideration the following:</p> <ol style="list-style-type: none"> (1) Projected cash flows from the existing portfolio of assets at STAMC; (2) The audited net book value of STAMC as at 31 December 2009. Based on the size of the net book value, the disposal consideration represents a P/B multiple of 1 time. <p>2. Upon completion of the Sale of STAMC, the sale of an identified non-performing loan ("NPL") portfolio of CIMB Thai encompassing corporate, SME and retail secured NPLs with a net book value of THB 2,908,734,150 as at 31 December 2009 to the STAMC for a total cash consideration of THB 2,908,734,150. The consideration of THB 2,908,734,150 was determined on a willing buyer-willing seller basis, after taking into consideration the following:</p> <ol style="list-style-type: none"> (1) Projected cash flows from the existing Sale Portfolio; (2) The audited net book value of the Sale Portfolio as at 31 December 2009. Based on the size of the net book value, the disposal consideration represents a P/B multiple of 1 time. 	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Group Sdn Bhd ("CIMB Group") is a 99.9% shareholder of CIMB Bank and a 60.0% shareholder of CIMB-Principal Asset Management Berhad ("CPAM")</p>	<p>The sale of the CIMB Thai's entire equity interest in BT Asset Management Co. Ltd. ("BTAM"), comprising up to 24,999,999 ordinary shares in BTAM, at a par value of THB 10 each, representing 99.9% of the registered capital of BTAM, for a total cash consideration of THB 249,999,930, to CPAM.</p> <p>* BTAM has registered its name change to CIMB Principal Asset Management Co., Ltd. on 2 August 2010.</p> <p>The consideration of THB 249,999,930 was determined on a willing buyer-willing seller basis, after taking into consideration, inter alia, the following:</p> <ol style="list-style-type: none"> (1) Assets under management ("AUM") of BTAM of THB 19.2 billion as at 31 December 2009. Based on the AUM size, the disposal consideration represents a price-to-AUM ("P/AUM") multiple of 1.3%; (2) Losses made by BTAM over the past 5 years; (3) Net assets of THB 41.9 million as at 31 December 2009. Based on the size of net assets, the disposal consideration represents a price-to-net assets ("P/Net") multiple of 5.97 times; (4) Previous transactions involving the sale and purchase of asset management companies in Thailand with average P/AUM multiple of 0.9% and P/B multiple of 1.87 times; (5) Projected financial performance of BTAM. 	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>

Name and Relationship	Transaction Characteristics & Value	Necessity and reasonableness with Audit Committee's opinion
<p>CIMB Group Sdn Bhd ("CIMB Group") is the indirect major shareholder of the Bank.</p>	<p>The system RRCS (Regional Retail Credit System) and the CRDE (Centralized Retail Decision Engine) Phase I of the CIMB Group to provide application processing of retail lending product. The Bank will pay for the use of the system to CIMB Group at the rate of RM 2 per application form. This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. The transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Bank Berhad ("CIMB Bank") is a major shareholder of the Bank, holding 33.1% of the Bank's total issued and paid-up capital.</p>	<p>The Bank has approved the credit limit i.e. Money Market, Foreign Exchange, Derivative, Structured Swap, Swap, Option, Notrio Account, Stand by L/C, Foreign Bank Guarantee, Bill Exchange Purchase, Bond Trading, Loan, etc., to CIMB Bank Berhad and its related companies ("CIMB group"), with a total credit Limit of THB 12.6 billion or THB 1.5 billion calculated by using SLI method. This is a normal business of the Bank. The effective yield rate will be determined subject to the prevailing market conditions and under the terms at the time.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. The transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Group Sdn Bhd ("CIMB Group") is the indirect major shareholder of the Bank.</p>	<p>The system RRCS (Regional Retail Credit System) and the CRDE (Centralized Retail Decision Engine) Phase II of the CIMB Group to provide application processing of retail lending product. The bank will pay for the use of the system at the rate of RM 2 per application form. This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. The transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>

Name and Relationship	Transaction Characteristics & Value	Necessity and reasonableness with Audit Committee's opinion
<p>CIMB Thai and Sathon Asset Management Co., Ltd. ("STAMC"), fall within the CIMB Group Sdn Bhd ("CIMB Group") which is an indirect major shareholder</p>	<p>Use of STAMC's service for managing, tracking, and resolving NPL (Outsourcing) of the Bank for five years with the rates of service fees as follows:</p> <ol style="list-style-type: none"> 1. Fees for management of Corporate & SME accounts will be charged at 25.0% (excluded VAT) of the collection (cash or in kind) of the portfolio. 2. Fees for management of both Retail Secured and Unsecured accounts will be charged at 30.0% (excluded VAT) of the collection (cash or in kind) to the principal of the portfolio. All fees in item 1 and 2 shall be paid on success basis and shall be subject to annual review. 3. Fees for litigation services (both civil and criminal) <ul style="list-style-type: none"> - If the litigation services are provided by STAMC employees, the servicing fee shall be at a rate not less than the rate the Bank shall pay to its third party service providers; or - If the litigation services are performed by others, STAMC shall provide monitoring service for the bank and servicing fee shall be THB 1,000 per case per month. This is a normal business supporting transaction of the Bank with the same terms and conditions of service fee as general commerce. 	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Thai and CIMB-Principal Asset Management Co., Ltd. ("CIMB-Principal") fall within the CIMB Group Sdn Bhd ("CIMB Group"), which is an indirect major shareholder</p>	<p>The Bank will provide three types of supporting and other relevant services ("In sourcing services") to CIMB-Principal and receive a total cash consideration of approximately THB 1.65 million (total value under the service agreement of 1-year term).</p> <ol style="list-style-type: none"> 1. IT System functions service fee calculation based on: <ul style="list-style-type: none"> - Depreciation for each system - Maintenance of related hardware & software - Internet and Network Link Monthly service fees - Market prices 2. Human resource functions with service fee calculation slightly higher than market rate of which is charging around THB 150 3. Office administration functions service fee calculation based on external charge. <p>This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Thai and Asset Management Co., Ltd. ("STAMC"), fall within the CIMB Group Sdn Bhd ("CIMB Group") CIMB Group is an indirect major shareholder</p>	<p>The Bank will provide the following services ("In sourcing Services") to STAMC ("In sourcing") and receive a total cash consideration of approximately THB 7 million (total value under the In sourcing agreement for the 1-year term). Services provided are as follows:</p> <ol style="list-style-type: none"> 1. IT System functions service fee Calculation based on the ave. cost of each system and man hours to maintain the system 2. Human resource functions with service fee calculation based on slightly higher than market rate of which is charging around THB 150. 3. Credit operations service fee calculation based on: <ul style="list-style-type: none"> - Collateral Registration. This is the same rate that bank is charging to its client. - Debt Restructuring Agreement. Based on the man hours to provide the service to STAMC - Credit Administration i.e. debt collection agent etc. Based on the man hours to provide the service to STAMC 4. Accounting and finance service fee calculation based on the man hours to provide the service to STAMC <p>This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>

Name and Relationship	Transaction Characteristics & Value	Necessity and reasonableness with Audit Committee's opinion
<p>CIMB Bank Berhad ("CIMB Bank") is a major shareholder of the Bank, holding 33.1% of the Bank's total issued and paid-up capital.</p>	<p>The ALM (Asset Liability Management) system was used to control risks according to the Basel II Pillar 2 of the Bank of Thailand. The Bank will pay THB 0.8 million per year for the use of system to CIMB Bank for three years. This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible damage to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or lose any interest from such transaction. The rate the Bank pays to CIMB Group is relatively low compared with investments in this project. Furthermore, this transaction is to support the Bank's operations, which is in the best interest of the Bank, not of CIMB Bank.</p>
<p>CIMB Group Sdn Bhd ("CIMB Group") is an indirect major shareholder of the Bank.</p>	<p>CIMB Clicks system of CIMB Group was used in the CIMB Clicks project (Thailand), which provides financial transaction services to clients via the internet banking system. The Bank will pay for the use of the system to CIMB Group at the rate of RM 12.9 or about THB 129.7 per user. This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible damage to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or lose any interest from such transaction. The service rate which the Bank paid to the company developing the system was relatively low due to discounts from price negotiation of CIMB Group. Furthermore, this transaction is to support the Bank's operations, which is in the best interest of the Bank, not of CIMB Bank.</p>
<p>CIMB Bank Berhad ("CIMB Bank") was a major shareholder of the Bank, holding 33.1% of the Bank's total issued and paid-up capital.</p>	<p>CIMB Bank allowed the Bank to use Team Audit Management Software free of charge. This is a normal business supporting transaction of the Bank.</p>	<p>After considering possible risks to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or loss of income and any interest from the said transaction. This transaction is to support the Bank's operations, which is in the best interest of the Bank.</p>
<p>CIMB Group Sdn Bhd ("CIMB Group") was an indirect major shareholder of the Bank.</p>	<p>CIMB Group will develop the iPlatform project to set up a Core Banking system in four countries (Malaysia, Singapore, Indonesia, and Thailand) to set standard operating procedures for regional deposit and loan products. System development expenses will be mostly borne by CIMB Group and the Bank will pay service fees at the actual utilization rate of about THB 2.2 billion. Such fees are under consideration which must be estimated based on the transaction information of the Bank and CIMB Group and are expected to be concluded by April 2011.</p>	<p>After considering possible damage to the Bank, the Board (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter) deliberated and concluded that the Bank would not suffer any damage or lose any interest from such transaction as system development expenses will be mostly borne by CIMB Group and such expenses will be charged back later on according to the actual utilization and periods earlier agreed on a cost recovery basis. Furthermore, this transaction is to support the Bank's operations, which is in the best interest of the Bank, not of CIMB Group.</p>

Loans, Deposits and Contingent Liabilities

a. Loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or executives from the level of executive vice president upwards, hold 10.0% or more of their paid-up capital were as follows:

Company	31 December 2010			Nature of Relationship		
	Contingent Liabilities (MB)	O/S loan or Investments in Receivables (MB)	Deposit (MB)	Bank Shares (%)	Company Shares (%)	Joint management
Parent Company						
CMB Bank Berhad						Directors:
Interest rate swap contracts					53.15	Dato' Robert Cherm Dau Meng,
- Fixed rate payer	12,854					Mr. Kerry Kim, and
- Floating rate payer	12,854					Mrs. Watanan Petanik
Range accrual swap contracts						
- Payer	391					
- Payee	395					
Subsidiary Companies						
CMB Securities (Thailand) Co., Ltd. (Formerly known as "BT Securities Co., Ltd.")		55	100	99.99		Director with delegated signature authority: Mr. Lee Teck Beng
BT Leasing Co., Ltd.		2,280	31	99.99		Directors with delegated signature authority: Mr. Suracha Chitrattenee, Mr. Tada Charukitphanon
CMB-Principal Asset Management Co., Ltd. (Formerly known as "BT Asset Management Co., Ltd.") The Company was sold on 30 June 2010.			17	99.99		Directors with delegated signature authority: Mr. Ekajai Tivatanond
CT OOLL Co., Ltd. (Formerly known as "BT Business Consulting Co., Ltd.")		4	1	99.99		Directors with delegated signature authority: Mr. Ekajai Tivatanond, Mr. Songwud Buakhem, Mr. Sunn Pakawattorn
BT Insurance Co., Ltd. (The Company was sold on 4 November 2010)			57	99.99		Directors with delegated signature authority: Mr. Preecha Donchitti, Mr. Ekajai Tivatanond, Mr. Suracha Chitrattenee, Mr. Tada Charukitphanon
Sathorn Asset Management Co., Ltd. (The Company was sold on 28 December 2010)			30	99.99		Directors with delegated signature authority: Mr. Ekajai Tivatanond, Mr. Thaphop Keesuan
Kungthai Thanakit Finance Plc.*			254	99.10		
World Lease Co., Ltd. (Formerly known as "BT World Lease Co., Ltd.")	200	528	37	75.04		Directors with delegated signature authority: Mr. Suracha Chitrattenee, Mr. Tada Charukitphanon
Related Companies						
CMB Bank (L) Ltd.						
Cross Currency and interest rate	2,500					
- Bought	2,135					
- Sold						
Other Companies		126	340			
Related persons						
The Bank's executives						

* Currently undergoing liquidation process.

b. The Bank has not indicated any person who is potentially able to create conflicts of interest holding more than 5% of voting shares in any of the Bank's subsidiary or associated companies.

Justification of Related Party Transactions

Loans and contingent liabilities associated with directors or executives from the position of executive vice president upwards are subject to interest rates under the Bank's employee benefits scheme. Loans, contingent liabilities and deposits associated with businesses in which the Bank or its subsidiary companies, or directors or executive officers from the position of executive vice president upwards, hold 10% or more of their paid-up capital were transferred to the Bank under the merger process or have undergone debt restructuring. These loans which include some new loans have been concluded on commercial terms agreed upon in the ordinary course of business between the Bank and the parties concerned, and are subject to market interest rates.

Procedures for approving related party transactions and safeguarding shareholders' interest

According to the Bank's Articles of Association, all related party transactions are subject to the formal approval process, including the analysis and approval of the relevant Committee, Audit Committees, and Board of Directors or Executive Management with material interest in the transactions are not allowed to be part of the decision-making.

Trends in related party transactions

Related party transactions consist of the Bank's business functions and are subject to the formal approval process. There is a strong probability that related party transactions will continue to be an integral part of the Bank's business, and will be governed by review and approval procedures and practices that are clearly defined.

4. Internal Controls

The Bank has put in an organisational structure, established policies and work procedures to ensure that effective risk management and internal control system are put in place, enabling stable business growth and compliance with good corporate governance principles.

• Organization and environment

The Bank has structured its organization taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and audit systems. It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its customers. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

• Risk management

The Bank has realized the significance of risk management covering both internal and external risk factors. Risk Management Committee has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk management plan in place. Risk Management Group is in charge of formulating risk management policy and procedures of the Bank.

• Oversight of Executive Management

The Bank has clearly defined, documented and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives. Executive Management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for or investment in businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives. In addition to the above, the Bank has established the Compliance Department to provide oversight and support to ensure that the Bank conducts its businesses in compliance with all applicable laws and

regulatory requirements. The Internal Audit Division has been set up as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated.

• **Information and communication infrastructure**

The Bank has established its accounting policies and procedures in line with generally accepted accounting principles that support the Bank's business requirements. It has developed and managed its information and database systems consistently so that significant information is accessible on an adequate and timely basis. The document management system provides an effective tool for retrieving and storing important electronic documents appropriately and safely. In addition, the policies and procedures have been communicated to relevant staff at all levels.

• **Follow-up and monitoring system**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, procedures, relevant laws, regulations and internal control systems. The Bank prepares an annual business plan, which is periodically reviewed to ensure its effectiveness in a rapidly changing environment. The Audit Committee is committed to ensure that concrete actions are taken to execute recommendations and regularly monitors resolutions to ensure that any identified issues are brought to a satisfactory conclusion.

D. Board Meetings

Board meetings are scheduled for the whole year, with at least one every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held as and when they are required. The Board secretary is responsible for providing all Directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting, to give the Directors advance notice of the business to be transacted. The Secretary is also responsible for taking the minutes of each meeting and preparing the meeting report, which is signed by the Board and filed.

E. Board Performance Review

The Board conducts an annual evaluation of its performance, where it also reviews problems and obstacles, and makes suggestions to increase the Bank's operational efficiency. The evaluation is conducted to assess compliance with the Bank's Corporate Governance Guidelines. The evaluation comprises six sections – 1) Structure and qualifications of the Board 2) Roles, duties, and responsibilities of the Board 3) The Board of Directors' Meetings 4) Execution of Directors' duties 5) Relationship with the Management 6) Self-development of the Board and the Management.

In 2010, each Director completed a self-evaluation form. The results of the evaluation were compared against the Board's terms of reference, before being presented to the Board.

F. Remuneration of Directors and Senior Executives

The Bank discloses information on the remuneration of its Directors and Senior Executives in compliance with the Public Company Act and the requirements of the supervisory and regulatory bodies. The Board aims to ensure that the Bank maintains competitive policies on remuneration in accordance with the following guidelines: The Bank's Articles of Association which sets out broad policies and practices to allow flexibility in determining Directors' remuneration based on excellence in business and personal performance as well as the prevailing market conditions. The remuneration packages for Directors, as approved by the meeting of shareholders, comprise of the base salary, meeting allowance, pension, bonus and other benefits. In this respect, shareholders have the authority to determine the specific remuneration packages for Directors, or establish general guidelines by which the remuneration can be determined. Employees who also serve on the Board are entitled to receive a pay increase in line with their extra responsibilities. The Board is responsible for proposing the remuneration packages for Directors at the meeting of shareholders. The Board should always keep in mind the need to deliver sustainable value for the Bank and its shareholders, and ensure that rewards are benchmarked against the industry in which the Bank competes for talent.

Meeting and Entertainment Allowances.

The Annual General Meeting of Shareholders in 2000 passed a resolution authorising a monthly lump-sum payment for meeting and entertainment allowances as follows:

Meeting allowance

Chairman	THB	130,000	per month
Vice Chairman	THB	88,000	per month
Director	THB	44,000	per month

Entertainment allowance

Chairman	THB	70,000	per month
----------	-----	--------	-----------

Note: The Chairman and directors are responsible for settling their own income tax. The above arrangement came into effect in May 2000.

Director additional benefits.

Meeting allowance for Board Committees

(As determined by the Board of Directors, at its 12/2000 meeting on 20 May 2000)

Chairman	THB	52,000	per month
Member	THB	40,000	per month

Meeting allowance for Audit Committee

(The Committee received allowances with regards to BT Consulting Co. Ltd.)

Chairman	THB	12,000	per month
Member	THB	8,000	per month

Note: Subsidiary companies shouldered their own expenses in pursuance of the resolution adopted by the Board, at its 21/2002 meeting, held on 18 December 2002.

Allowance for attending subsidiary companies board meetings

(paid directly by the subsidiary companies in pursuance of the resolution adopted by the Board, at its 4/2001 meeting, held on 21 March 2001)

Chairman	THB	33,000	per month
Member	THB	22,000	per month

Note: Chairman and directors are responsible for settling their own income tax.

In addition to benefits mentioned above:

- Directors who are required to serve on other Board committees are entitled to receive additional remuneration based on the increase in responsibilities, as the Board sees fit.
- The Board has access to independent expert advice where needed, including advice to determine appropriate remuneration.
- The Board is responsible for disclosing information on remuneration packages in compliance with the Public Company Act and regulatory requirements.

G. Executive Development Programme

The Bank encourages all Directors to participate regularly in executive development programmes, which is designed to further familiarise the Directors with the Bank's businesses and affairs, while providing them with an insight on their roles and responsibilities as Board members. These development programmes are designed to encourage and assist the Directors in developing visionary thinking, enhancement of skills in adapting more effectively to a changing environment. So far, the Directors have participated in two programmes organised by the Thai Institute of Directors (IOD), namely the Director Certification Programme (DCP) and Director Accreditation Programme (DAP). Details on the Directors' IOD training programmes are in the Directors' profiles. All new Directors undergo an in-house induction programme to provide them with a good overview of the Bank and its business plans. They also receive an information pack that explains the Bank's corporate governance policies and practices, and the roles and responsibilities of Directors and of the Board as a whole, including the various laws and regulations.

H. Succession Plan

The Bank is well aware of the necessity to operating the business efficiently and continuously. Thus, Human Resources Management Division is responsible for providing Succession Plans to ensure that the Bank identifies executives or talents as successors with appropriate training and development plans to prepare identified individuals to succeed key positions in case of unexpected conditions/situations with immediate effect, 1 year or more than 1 year. The process required to obtain the approval of the Management Committee is as follows:

1. Identify key positions in each Group/Division
2. Identify core competencies required from successors

3. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions with immediate effect or at least within a year
4. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions in not more than 1-year's time
5. Identify talents in key areas as high potential resources to be successors in a respective timeframe
6. Provide the necessary preparations and development plans to bridge the gap
7. Review and complete Succession Plans in place by the third quarter of the year.

Organisation & Employees

As at 31 December 2010, the total staff strength of the Bank amounts to 2,783 employees, comprising 1,029 staff working at Bank branches and 1,754 staff work at the head office.

Department	No of employees
President	1
Transaction Banking Group	36
Legal and Recovery Group	106
Strategy and Finance Group	107
SME Banking Group	147
Retail Banking Product Division	89
Consumer Sales and Distribution Division	1,103
Corporate Banking Group	96
Risk Management Group	64
Treasury Group	55
Investment Banking Group	18
GIOD	709
Internal Audit Division	49
Human Resources Management Division	47
Compliance and Credit Review Team	16
Office of the President	14
Corporate Communication Office	14
Total	2,783

Staff Development Programmes and Human Resources Management Plans

In 2010, the Bank began using e-HR (an electronic HR system), to manage key administrative processes in human resource management such as leave applications, claim submissions and performance appraisals. This paperless system has improved work efficiency. The Bank also adopted a new performance evaluation system from its parent company, CIMB Group, based on key performance indicators (KPIs). In addition to that, the Bank's HR division has analysed skills, knowledge, and capabilities of employees in different areas by making development plans together between staff and the Training team. This also includes development plans for the management.

Employee Benefits

Staff welfare and benefits have been significantly improved in 2010, in order to retain outstanding talent. This enhancement is also aimed at ensuring that the following benefits offered by the Bank-housing loan facilities, car loan facilities, personal loan facilities and education loan facilities are in line with other banks. We also increased the allowance for annual medical checks and OPD to all levels of employees. The total fixed salary paid to Bank employees for the financial year was THB 1,415.3 million. To be an employer of choice, the bank continues to develop more improvements in staff benefits which are currently in the pipeline.

Training Courses and Human Resources Development

In 2010, the Bank organized 183 training courses, comprising 83 internal and 100 external courses at a total cost of THB 16.0 million. The numbers of participants were 18,611 times, which some of staff attended more than one time. An average ratio of training for our staff was 6.2 day per person per year. Courses of the trainings conducted by the bank are, Business English Program, Credit Training Program, Branch Preparation and How to Delight Our Client Training.

➤ Board of Directors

➤ Board Committees

Audit, Nomination and Remuneration, Management, Risk Management, Credit Risk, Credit Committee Level 2, Retail Business, Assets and Liabilities Management, IT Strategic Planning, Market Risk Committee Thailand, Marketing and Communications, Basel II, and Credit Committee Level 3.

A. Board of Directors

1. Non-executive director

A director who does not hold any other position at the Bank other than as a member of the Board. A non-executive director may or may not be an independent director.

2. Executive director

A director who holds a management position at the Bank, receives regular remuneration from the Bank, and is involved in the Bank's management according to the Notification of the Capital Market Supervisory Board Board No. TorChor.28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated December 15, 2008.

3. Director with delegated signature authority

A director or several directors may be authorised to execute contracts or other written instruments on behalf of the Bank. The scope of authority defined for each person shall be made available for public inspection, as appropriate. (A director without delegated authority shall not execute contracts or other written instruments on behalf of the Bank.)

4. Independent director

A director who does not have any related business nor hold any position or have any beneficial interest with financial institutions that may affect his or her independent decision. An independent director is required to possess qualifications in compliance with the Capital Market Supervisory Board No. TorChor.28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued shares as follows:

- (a) Holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholders or controlling persons, including shares held by related persons of the independent director;
- (b) Neither is or used to be an executive director, employee, staff, advisor who receives salary or a controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor to a government unit which is a major shareholder or controlling person of the applicant;
- (c) Not being a person related by blood or registered legally as father, mother, spouse, sibling, and child, including spouse of child of the executive, major shareholders, controlling person or person to be nominated as executive or controlling person of the applicant or its subsidiary company;
- (d) Neither have or used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither is or used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholders or

controlling persons, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office. The term 'business relationship' shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (e) Neither is or used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (f) Neither is or used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (g) Not a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;
- (h) Not undertaking any business in the same nature or any business which competes with the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other companies which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;
- (i) Does not have any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

After being appointed as independent director with the qualifications under (a) to (i) of the first paragraph, the independent director may be assigned by the board of directors to take part in the business decisions of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decisions shall be in the form of collective decisions. The provisions in (b), (d), (e) and (f) of the first paragraph relating to the consideration of qualifications of the applicant's independent directors during the two-year period prior to the date of filing an application with the Office shall be applied to the application filed with the Office from 1 July 2010 onwards.

B. Powers of the Board of Directors

1. To appoint and dismiss full-time and temporary employees; to determine the levels of remuneration for full-time and temporary staff or any other persons having a pecuniary relationship with the Bank; and to declare dividends to shareholders;
2. To establish committees as the Board deems necessary to assist the Board in overseeing the Bank's business affairs, which includes determining the appropriate remuneration;
3. To appoint advisers in the context of the needs of the Board, including determining the appropriate remuneration;
4. To delegate certain functions or any of its powers to an individual Director or to a group of Directors or any other persons in a manner most appropriate to the business at hand; and
5. At board meetings, each Director shall be entitled to cast one vote. Directors with material interests in the matter being considered are required to abstain from the matter. In the event of a tie in the voting, the Chairman of the Board shall have the deciding vote.

C. Duties and Responsibilities of the Board of Directors

The basic responsibility of the Board is to exercise business judgment in good faith, in a manner that they reasonably believe to be in the best interests of the Bank, while complying with the applicable laws and regulations, the Bank's Articles of Association and resolutions adopted by the shareholders.

1. To set the direction, vision and policies of the Bank and to determine objectives and strategies to ensure the effective discharge of the Bank's functions and the most efficient use of the Bank's resources.
2. To identify individuals qualified to become Directors and recommend to the shareholders' meeting nominees for election as directors, and to encourage the shareholders to nominate candidates to stand for election as directors.
3. To seek individuals from diverse professional backgrounds combined with a broad spectrum of experience and expertise with a reputation for integrity for appointment to executive management positions.
4. To review and approve, together with the Executive Management, specific financial objectives such as budgets proposed by Executive Management.
5. To delegate responsibility for day-to-day management to the Executive Management based on agreed targets and objectives except when the matter warrants the Board's attention such as changes to the Bank's capital structure and major acquisitions, mergers, disposals and capital expenditure, or if the Board is required to ratify agreements involving conflicts of interest. In such cases, the Board is responsible for making its recommendations to the shareholders, as appropriate.
6. To determine issues to be brought to its attention by Executive Management.
7. To require the Executive Management to discharge its duties based on the Bank's strategic objectives and to regularly communicate those strategic objectives to the staff at all levels.
8. To require the Executive Management to comply with all relevant laws and regulations as well as the terms and conditions of various agreements.
9. To ensure that the Bank has in place effective systems of risk management.
10. To ensure that the Bank has in place effective internal controls; formulate and implement a well-defined conflict of interest policy; put in place policies and processes requiring Executive Management and other concerned parties to refrain from using confidential information for personal gain; evaluate and provide assurance on the effectiveness of the Bank's internal controls at the end of every year.
11. To ensure fair treatment of all stakeholders.
12. To assume responsibility for the financial statements of the Bank and its subsidiary companies and in that process, ensure that the notes to the financial statements contain all the important disclosures. The Board is also responsible for ensuring that processes are in place not only for implementing a sound accounting system, but also for ascertaining that proper accounting records are kept for future references.
13. To ensure that processes are in place for reviewing the implementation of output delivery and progress made on the achievement of expected accomplishments, as well as identifying the obstacles, so that appropriate policy responses can be formulated.
14. To establish procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, with consideration given to the risks and responsibilities involved as well as the need to deliver long-term value to shareholders.
15. To review the pay structure and criteria for authorising bonuses, incentives and benefits for full-time and temporary staff, including suppliers and contractors, as recommended by Executive Management.
16. To appoint advisers to the Board or seek professional advice, at the expense of the Bank, according to the needs of the Board, and determine the appropriate levels of remuneration.
17. To establish as many Board committees as necessary to assist the Board in overseeing the Bank's business affairs, including determining the appropriate levels of remuneration. Board committees have access to independent expert advice, and can engage regular staff to provide logistics support, at the Bank's expense.
18. To ensure that information is disclosed into the public domain in an accurate, consistent and timely manner.
19. To appoint a Board secretary to assist the Board in managing its business affairs, while ensuring compliance with the relevant laws and regulations as well as the Bank's Articles of Association.
20. To put in place corporate governance guidelines and a code of business conduct and ethics, including board and committee charters as well as policies governing human resources management.
21. To provide oversight and direction throughout the organisation, including ensuring its continued relevance and effectiveness.
22. To conduct an annual self-evaluation.

The Board shall adhere to its decisions despite undue influence or opposition and pre-empt potential conflicts of interest. It shall also be responsible for approving all matters which require its approval, or recommending them to the shareholders for approval, as it deems fit, based on the following principles:

Sufficiency

- Acts in the best interest of the Bank;
- Exercises sound and prudent judgment; and
- Decides rationally and impartially without consideration of personal gain.

Caution

- Exercises due care and diligence by taking all the steps that he or she ought to take as a Director;
- Makes informed decisions; and
- Poses intelligent questions.

Integrity

- Acts in good faith;
- Makes decisions free of possible or the possibility of appearance of any conflict of interest; and
- Does not abuse power or authority by using classified information for personal gain.

D. Selection, Appointment and Removal of directors

The Board of Directors shall be elected by the shareholders.

The Bank has put in place the nomination procedure for directors that are transparent and open for inspection. The Nomination and Remuneration Committee shall be appointed to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending to the Board of Directors before submitting to the meeting of the Shareholders for approval and appointment. This is compliant with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association on the following procedure:

1. According to the resolution adopted by the shareholders, the Board of Directors shall comprise no less than 5 and no more than 12 members, with half of the board members domiciled in Thailand.
2. Clause 16 of the Bank's Articles of Association provides for the following voting procedure:
 - a. Each shareholder shall have the number of votes equal to the number of shares held. One share is entitled to one vote;
 - b. Votes shall be cast for either an individual or several directors in the number required to be elected at the respective meeting and as deemed appropriate by the meeting. In the election for either an individual or several directors, each elected person shall receive votes from the shareholder in the full amount of shares held by the shareholder pursuant to clause a. The shareholder shall not allot his or her votes to any person in any number; and
 - c. After the voting, the candidates shall be ranked in a descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order as per the amount tabulated in the election. Where the votes cast for candidates reach a tie in descending order, which would otherwise cause the number of directors to exceed the number required to be elected at the respective meeting, the remaining appointments shall be made by drawing lots in the procedure to be determined by the Chairman.
3. At every annual general meeting, one-third of the directors shall retire. If the number of directors is not in a multiple of three, the number of directors closest to one-third shall retire. In any subsequent years, the directors who have been in office the longest shall retire.
4. Whenever any person vacates his or her seat as a Board member for any reason other than the expiry of term of office, the remaining members shall, before the next Board meeting takes place, appoint another qualified and suitable director to fill that position for the remainder of the term of office of his or her predecessor except in the event that the vacant position has fewer than two months left in the term. The motion shall require the majority consent of 75% of the Board.

In accordance with the Commercial Banking Act, the BOT has the right to issue an order requiring a commercial bank to dismiss from office any director or any employee whose business conduct or practice has serious repercussions of harm to society at large, or if they have failed to comply with the directives prescribed by the BOT. In this instance, the Bank has the obligation to select a suitable replacement and make its recommendation to the BOT. The decision taken by the BOT to appoint or dismiss anyone is conclusive.

E. Members of the Board of Directors

As of 31 December 2010, the Board of Directors consist of the following 8 directors:

1. Mr. Chakramon Phasukavanich	Chairman
2. Dato' Robert Cheim Dau Meng	Vice Chairman
3. Mr. Sukont Kanjana-Huttakit	Independent Director/Chairman of the Audit Committee
4. Dato' Shaarani Bin Ibrahim	Independent Director/Member of the Audit Committee
5. Mrs. Watanan Petersik	Independent Director/Member of the Audit Committee
6. Mr. Preecha Oonchitti	Director
7. Mr. Kenny Kim	Director
8. Mr. Subhak Swaraksa	President and Chief Executive Officer

Directors Nominated by Major Shareholders

CIMB Bank Berhad ("CIMB Bank") has appointed two representatives to the Board, namely, Dato' Robert Cheim Dau Meng and Mr. Kenny Kim.

Authorised Signatories

The directors who are authorised signatories for binding agreements are Mr. Preecha Oonchitti and Mr. Subhak Swaraksa, whom can both jointly sign and affix the company seal.

F. Committees of the Board

The Board has appointed the following principal committees to assist in overseeing the objectives and effectiveness of the Bank's operations (As of 31 December 2010):

1. Audit Committee
2. Nomination and Remuneration Committee
3. Management Committee
4. Risk Management Committee
5. Credit Risk Committee
6. Credit Committee Level 2
7. Retail Business Committee
8. Assets and Liabilities Management Committee
9. IT Strategic Planning Committee
10. Market Risk Committee Thailand
11. Marketing and Communications Committee
12. Basel II Steering Committee
13. Credit Committee Level 3

1. Audit Committee (AC)

1. Mr. Sukont Kanjana-Huttakit	Independent Director	Chairman
2. Dato' Shaarani Bin Ibrahim	Independent Director	Member
3. Mrs. Watanan Petersik	Independent Director	Member

Secretary:

Mrs. Sirpom Sanunpairoe	Executive Vice President Internal Audit Division	Secretary
Mr. Thephop Koesuwan	Senior Vice President Compliance Section	Secretary

AC's Powers, Duties and Responsibilities

1. Examine, evaluate and ensure the adequacy of the Bank's internal controls systems.
2. Ensure that processes are in place for maintaining integrity of the Bank's financial statements and financial disclosures, including those of related parties.
3. Monitor compliance of the relevant laws and regulatory requirements, including the Bank's Articles of Association.
4. Review the effectiveness of the Bank's internal controls with a view of enhancing the value and ensuring the long-term organizational health of the Bank.
5. Examine and evaluate the effectiveness of risk management and governance processes and provide credit reviews as required by the Bank of Thailand.
6. Review and approve, the audit plan and annual budget for the Internal Audit Department and Compliance Department, to ensure its relevance and effectiveness.
7. Review the financial statements and recommend to the Board and shareholders the appointment of external auditors, including the appropriate remuneration.
8. Review the internal audit reports, including the issues observed and recommendations made by the internal auditors, the examiners from the Bank of Thailand, the external auditors and other competent authorities, and to ensure that tangible steps are taken to implement the recommendations, as appropriate.
9. Produce and publish the Audit Committee's report signed by the Chairman of the Audit Committee in the Bank's annual report, taking into account the Bank's Corporate Governance Guidelines.
10. Perform any other assignments delegated to it by the Board.

Scope: CIMB THAI Bank Group-wide (excluding CIMB Securities (Thailand))

2. Nomination and Remuneration Committee

1. Mrs. Watanan Potersik	Independent Director	Chairman
2. Dato' Robert Chaim Dau Meng	Vice Chairman	Member
3. Dato' Shaarani Bin Ibrahim	Independent Director	Member
4. Mr. Kongpob Watanash	Executive Vice President Human Resource Management Division	Secretary

Powers, Duties and Responsibilities

1. Nomination:

- To formulate policies, criteria and methods for proposing candidates for directors and persons with management authority (EVP and above) to the Board for consideration and appointment, and to submit the policies to the Bank of Thailand upon request.
- To consider names of qualified candidates for the following positions to the board of directors for approval:
 - a) Director,
 - b) Member of the Board of Directors who sits in subcommittee,
 - c) Persons with management authority (EVP and above).
- To recommend size and composition of the board that is appropriate for the organisation and the dynamics required for the business environment. Board members shall possess appropriate expertise and experience.
- To disclose the nomination policy and processes in the financial institution's annual report.
- To consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Board of Subsidiaries for approval

2. Remuneration:

- To recommend remuneration and benefits policy as well as remuneration and benefits provided for the board and persons with management authority (EVP and above) with clear and transparent criteria for consideration and approval by the board and submit these policies to the Bank of Thailand upon request (Remuneration and benefits policy should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind).

- To ensure that the board and persons with management authority (EVP and above)'s Remuneration commensurate with their duties and responsibilities. Board members who take on extra assignments should be compensated accordingly.
- To advise performance assessment criteria for board members and persons with management authority (EVP and above) for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
- To disclose the remuneration policy, actual payment in various forms, and remuneration committee's report that at least covers the objectives, activities and opinions of the committee in the financial institution's annual report.
- To review the remuneration and compensation schemes for employees in CIMB Thai in line with the industry practices and remuneration framework of CIMB Group.
- To recommend the annual salary adjustments and bonuses framework for CIMB Thai Group to the Board for approval.

3. The Board may assign any additional assignments to the NRC for consideration and approval.

3. Management Committee (MC)

1. Mr. Subhak Swaraksa	President and Chief Executive Officer	Chairman
2. Mrs. Duangphorn Sucharitjanuwat	Senior Executive Vice President Corporate Banking Group	Member
3. Mr. Subhak Swaraksa	Acting Investment Banking Group	Member
4. Mr. Surachai Chitratseeno	Senior Executive Vice President SME Banking Group	Member
5. Mr. Leo Teck Seng *	Senior Executive Vice President Treasury Group	Member
6. M.L. Nethchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
7. Mr. Ekajai Thivatanond	Senior Executive Vice President Legal & Recovery Group	Member
8. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy & Finance Group	Member
9. Mrs. Parute Na Chiangmai	Executive Vice President Risk Management Group	Member
10. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division	Member
11. Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
12. Ms. Dusanee Kiewpalinontha	Executive Vice President Retail Banking Product Division	Member
13. Mr. Tada Charukitpaisarn**	Executive Vice President Consumer Sales and Distribution Division	Member
14. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Office	Member
15. Mr. Thaphop Kleesuwan	Senior Vice President Office of the President and Senior Vice President Compliance Section	Secretary

Note:

* Mr. Leo Teck Seng resigned as Senior Executive Vice President of Treasury Group on 18 February 2011. The meeting of the Board of Directors no. 14/2553 held on 18 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Sutee Looiponku as Executive Vice President of Treasury Group, effective from 20 January 2011.

** The meeting of the Board of Directors no. 1/2554 held on 20 January 2011 resolved to seek approval from the Bank of Thailand to appoint Mr. Thaschai Thansathane as Senior Executive Vice President of Consumer Sales and Distribution Division, effective from 1 March 2011 since Mr. Tada Charukitpaisarn has resigned as Executive Vice President of Client Sales and Distribution Division.

MC's Powers, Duties and Responsibilities

1. Advise the President and CEO;
2. Monitor and evaluate performance of each business division;
3. Review financial and other management reports of the Bank;
4. Devise strategy, business and capital management plans and budgets for the Bank;
5. Identify cross-divisional and cross-border synergies;
6. Deliberate key regulatory issues;

7. Review and recommend for Board approval the non risk-related delegated authorities for the Bank;
8. To approve the revision of Delegation of Authority and Policies which is related to the Bank's reorganisation;
9. Review, provide opinions, consider and approve the proposed legal provision as recommended by the Corporate Legal Division; (Effective on 1 September 2010) in the event the Bank and its executives are sued for damages;
10. Approve 3rd Party Products with non-material changes to the existing 3rd Party Products which have already been approved by the Risk Management Committee. (Effective on 1 October 2010)
11. Other matters as directed by the Board/President & CEO.

Scope : CMB THAI Bank Group-wide

4. Risk Management Committee (RMC)

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Kenny Kim	Director	Member and Alternate Chairman
3. Mrs. Duangphom Sucharittanuwat	Senior Executive Vice President Corporate Banking Group	Member
4. Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group	Member
5. Mr. Lee Teck Song *	Senior Executive Vice President Treasury Group	Member
6. M.L. Nathchanya Davvongse	Senior Executive Vice President Transaction Banking Group	Member
7. Mr. Ekajai Tivatanond	Senior Executive Vice President Legal & Recovery Group	Member
8. Mr. Narongchai Wongthanasimok	Senior Executive Vice President Strategy & Finance Group	Member
9. Mrs. Panute Na Chiangmai or Mrs. Thitawat Pothanant	Executive Vice President Risk Management Group Executive Vice President Credit Evaluation Division	Member
10. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division	Member
11. Ms. Dusanee Kiewpalinontha	Executive Vice President Retail Banking Product Division	Member
12. Representative from Risk Management Group		Secretary

Note:

* Mr. Lee Teck Song resigned as Senior Executive Vice President of Treasury Group on 15 February 2011. The meeting of the Board of Directors no. 14/2553 held on 16 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Subee Laosopikul as Executive Vice President of Treasury Group, effective from 20 January 2011.

RMC's Powers, Duties and Responsibilities

1. Allocation of risk capital and determination of global risk limits. Allocation of capital-at-risk (CAR) for different lines of businesses and for different categories of risks. In the process of allocating capital, the Committee seeks to ensure adequate diversification of risk and that the Group has sufficient capital to cushion against stress scenarios;
2. Enhancing shareholder value through evaluation of risk-return profiles of business activities and ensuring that they are within the parameters set by the Board of Directors;
3. Risk Management Policies
 - 3.1 Review and recommend to the Board of Directors for approval of appropriate risk policies so that the risk management framework is in line with corporate plans, best practices, and conforms to legal and regulatory requirements;
 - 3.2 Recommendations on appointment of members to the various risk committees for Board's approval;
 - 3.3 Evaluate and review proposals on new products, investments, businesses and product variations, and subsequently grant the approval in principle prior to operational readiness or recommendation to the Board of Directors for approval;

- 3.4 Establish and revise guidelines on operational risk management and to approve tools and methodologies for risk assessment and risk controls; also to review the adequacy of resources to manage operational risk.
4. Approve the guidelines and conditions for approval of any credit-related products of Corporate Banking, SME Banking, Retail Banking and subsidiaries in the Financial Group; and the guidelines and conditions for investment in debt instruments or hybrid financial instruments (the guidelines and conditions for investment in debt instruments with embedded derivatives must be proposed to the Board of Directors for approval);
 5. Compliance. Enforce compliance with all risk policies and limits allocated by the various risk committees.
 6. Risk Identification and Measurement
 - 6.1 Deployment of proper methodologies to identify and measure risks for all positions;
 - 6.2 Set strategies to evaluate, monitor and control risks to be within a reasonable level;
 - 6.3 Approve methodologies and tools for the measurement of credit risk, market risk and operational risk.
 7. Maintenance of Asset Quality. To ensure the Group maintains its asset quality through close monitoring of the processing and approval of new loans and the prompt recovery of Non-Performing Loans;
 8. Review contingency plans/business continuity management plans including business continuity plans of various departments of the Bank and the Group for implementation whenever necessary and to propose to the Board of Directors for approval;
 9. Review and recommend the risk-related delegated authorities for the Bank to the Board for approval;
 10. Review and recommend investment policies related to investment in equity, debt or hybrid securities, to the Board for approval;
 11. Approve the appointment and revision of Credit Committee Level 3 members as deemed appropriate.
 12. Approve the appointment and revision of members of the Operational Risk Management Committee and Credit Risk Committee as deemed appropriate. (Effective on 1 September 2010)

Scope: GIMB THAI Bank Group-wide.

5. Credit Risk Committee (CRC)

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mrs. Parute Na Chiangmai	Executive Vice President Risk Management Group	Alternate Chairman
3. Mrs. Duangphom Sucharitanuwat	Senior Executive Vice President Corporate Banking Group	Member
4. Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group	Member
5. M.L. Nathchanya Davvongse	Senior Executive Vice President Transaction Banking Group	Member
6. Mr. Ekajai Tivulanond	Senior Executive Vice President Legal & Recovery Group	Member
7. Ms. Dusanee Kewpatinontha	Executive Vice President Retail Banking Product Division	Member
8. Mr. Sutee Losoponkul	Executive Vice President Balance Sheet Management/ Structured Banking Products/ Rates and Funding Division	Member
9. Mrs. Thitawat Pothanant	Executive Vice President Credit Evaluation Division	Member
10. Mrs. Kampoo Visuthiphol	Senior Team Head Policy and Consolidated Risk Management Team	Member
11. Ms. Apinya Punjajitti	Senior Team Head Credit Evaluation 2	Secretary

CRC's Powers, Duties and Responsibilities

The Credit Risk Committee reports to the Risk Management Committee on all credit related activities of the Group. The responsibilities of Credit Risk Committee include the following:

1. Review the change/improvement of policies on credit granted transactions and investments in debt instruments or hybrid financial instruments, covering all credit-related products and transactions in the Financial Group; and provide recommendation for approval to the Risk Management Committee or the Board of Directors;

2. Concur on guidelines and conditions for approval of any credit-related products of Corporate Banking, SME Banking, Retail Banking and subsidiaries in the Financial Group; and guidelines and conditions for investment in debt instruments or hybrid financial instruments; and recommend for approval to the Risk Management Committee or the Board of Directors (if required);
3. Monitor the credit quality of the Bank and subsidiaries in the Financial Group as well as recommend recovery actions to be taken against troubled-debt cases;
4. Assign Inter-bank limits, Global Counterparty Credit Limits and Global Country Limits within the framework approved by the Board of Directors; and review and propose the Sectorial Exposures Limits to the Risk Management Committee and Board of Directors for approval;
5. Set policies and guidelines for the management of non-performing assets (NPAs) which were received from the transfer of collateral to the Bank to settle debt or from public auctions of the collateral;
6. Review and concur on methodologies and tools for the measurement of credit risk prior to submission to the Risk Management Committee for approval.
7. Any other functions as and when directed by the Risk Management committee.

Scope: GIMB THAI Bank Group-wide

6. Credit Committee Level 2 (CRC L2)

1. Mr. Preecha Oonchitti	Director	Chairman
2. Mr. Subhak Siwanaksa	President and Chief Executive Officer	Alternate Chairman
3. Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group	Member
4. Mrs. Duangphom Sucharitjanuwat	Senior Executive Vice President Corporate Banking Group	Member
5. Mr. Surachai Chitratseneo	Senior Executive Vice President SME Banking Group	Member
6. Mr. Ekajai Tivutanond	Senior Executive Vice President Legal & Recovery Group	Member
7. Ms. Sumelee Boonanan	First Vice President Treasury Group	Member
8. Mrs. Thitawat Pothanant	Executive Vice President Credit Evaluation Division	Member
9. Credit Committee Secretary Team		Secretary

CRC L2 s Powers, Duties and Responsibilities

The Credit Committee Level 2 reports to the Board on all credit related activities of the Group. The responsibilities of the Credit Committee Level 2 include the following:

1. Review and approve credit facilities including investments in debt instruments or hybrid financial instruments without embedded derivatives for clients and / or a group of clients having aggregate limits not exceeding THB 500 million;
2. Review and approve changes in terms and conditions for credit facilities extended to clients and/or a group of clients having aggregate limits of up to the legal lending limit;
3. Recommend to the Board, all credit proposals and / or investments in debt instruments or hybrid financial instruments without embedded derivatives which exceed THB 500 million, all proposals for investment in debt instruments with embedded derivatives and all lending to related parties;
4. Approve, on a case-by-case basis, transactions for which there are no pre-approved credit limits or which exceed pre-approved credit limits;
5. Ensure the Group's overall loans portfolio complies with the guidelines of regulatory authorities and approved credit policies and procedures;
6. Review and approve recovery actions to be taken for cases within its purview and review loan classifications, loan loss provisions and write-offs. This includes:
 - 6.1 the approval of debt restructuring / debt settlement without or with hair cut / write off (if any) within the existing loan loss provision for credit facilities extended to the clients and / or a group of clients having aggregate limits not exceeding THB 500 million;

6.2 the approval of debt restructuring / debt settlement with no hair cut / write off for credit facilities extended to the client and / or group of clients having aggregate limits up to the legal lending limit;

7. Assess the risk returns trade-off when approving credit facilities to ensure that the facilities granted are within the risk appetite of the Group;
8. Determine and review the internal credit ratings of each loan;
9. Review and approve the management of non-performing assets ("NPAs") which were received from the transfer of collateral to the Bank to settle debts or from public auctions of collaterals including approvals of the offering sale price, sale procedures / payment conditions and sale of NPAs to a person or group of persons of whereby the costs of such NPAs are not over THB 500 million;
10. Recommend the approval of credit facilities, investments and debt restructuring / debt settlements without or with hair cut / write off (if any) within the existing loans loss provision for clients and / or a group of clients having aggregate limits up to the legal lending limit including the management of non-performing assets to the boards of companies within the Financial and
11. Any other functions directed by the Board.

Note: Aggregate limit is total credits granted to and/or contingent liabilities undertaken for and/or investments made in the clients and or a group of clients or principal outstanding and accrued interest plus investments, whichever is higher.

Scope: GMB THAI Bank Group-wide

7. Retail Business Committee (RBC)

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy & Finance Group	Member
3. Mrs. Panute Na Chiangmai or Mrs. Kampoo Visuthiphod	Executive Vice President Risk Management Group Senior Vice President Policy and Consolidated Risk Management Team	Member Member
4. Mr. Nuekruk Baingem	Executive Vice President Operations Division Executive	Member
5. Mr. Tada Charukitpaisarn **	Executive Vice President Sales & Distribution Division	Member
6. Ms. Dusanee Kewpalinontha	Executive Vice President Retail Banking Product Division	Member
7. Mr. Sutee Tantana	Senior Vice President Retail CRM and Analytics Team	Member & Secretary

Note:

** The meeting of the Board of Directors no. 1/2554 held on 20 January 2011 resolved to seek approval from the Bank of Thailand to appoint Mr. Thanachai Thanachaloke as Senior Executive Vice President of Consumer Sales and Distribution Division, effective from 1 March 2011 since Mr. Tada Charukitpaisarn has resigned as Executive Vice President of Client Sales and Distribution Division.

RBC's Powers, Duties and Responsibilities

1. Formulate strategies and initiatives for business growth of retail business taking into consideration the prevailing market conditions and the Bank's resources, competitive environment and risk appetite;
2. Analyze the medium- to long-term development strategies and investment decisions of the Retail Banking Group and the subsidiaries in retail business (including lending, collection, deposit-taking, branch and branch services and back office infrastructure) for submission to the Management Committee;
3. Give concurrence to business plans and budgets, reviews and monitor the performance of the Retail Banking Group and the subsidiaries in retail business;
4. Give concurrence to the launching of new retail products and services of the Bank and its subsidiaries prior to submission to the Risk Management Committee and the Board of Directors for approval situations whereby the products/services are considered new to the bank;
5. Approve the retail banking product programmes for Bank's and its subsidiaries or changes in the features of existing products or services and propose recommendation of approval guidelines and conditions of credit related products to relevant committees for approval;
6. Approve credit related product campaigns which are comply with existing approval guidelines and conditions;

7. Approve the execution of marketing plans, including ATL campaigns and BTL campaigns that have been approved by the Marketing and Communications Committee;
8. Approve the expenditure of advertisements, sales promotions and others in relation to marketing plans based on the annual business plans and the annual budgets approved by the Board of Directors;
9. Approve special interest rates and fees for marketing the sales campaigns. Representative(s) from Treasury is(are) to be present in the meeting as well; and
10. Perform any other functions as designated by the Management Committee or the President

Scope: GIMB THAI Bank Group-wide

8. Assets and Liabilities Management Committee (ALCO)

1. Mr. Subhak Siwanaksa	President and Chief Executive Officer	Chairman
2. Mr. Narongchai Worngthanavimok	Senior Executive Vice President Strategy & Finance Group	Member and Alternate Chairperson
3. Mrs. Duangphom Sucharitnawatt	Senior Executive Vice President Corporate Banking Group	Member
4. Mr. Surachai Chitrasanee	Senior Executive Vice President SME Banking Group	Member
5. Mr. Lee Teck Song *	Senior Executive Vice President Treasury Group	Member
6. Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group	Member
7. M.L. Nithchanya Davvongse	Senior Executive Vice President Transaction Banking Group	Member
8. Mr. Sutee Losoponkul	Executive Vice President Balance Sheet Management/ Structured Banking Products/ Rates and Funding Division	Member
9. Mr. Tada Charukitpaisarn **	Executive Vice President Consumer Sales & Distribution Division	Member
10. Ms. Dusanee Kiewpatinontha	Executive Vice President Retail Banking Product Division	Member
11. Head, Balance Sheet Management Team		Member
12. Head, Interbank Funding Team		Member
13. Head, Market Risk Team		Member
14. Mrs. Kanyapamch Boonbandam	First Vice President Balance Sheet Management Team	Member

Note:

* Mr. Lee Teck Song resigned as Senior Executive Vice President of Treasury Group on 18 February 2011. The meeting of the Board of Directors no. 14/2553 held on 10 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Sutee Losoponkul as Executive Vice President of Treasury Group, effective from 20 January 2011.

** The meeting of the Board of Directors no. 1/2554 held on 20 January 2011 resolved to seek approval from the Bank of Thailand to appoint Mr. Thanasak Thanasawanee as Senior Executive Vice President of Consumer Sales and Distribution Division, effective from 1 March 2011 since Mr. Tada Charukitpaisarn has resigned as Executive Vice President of Client Sales and Distribution Division.

ALCO's Powers, Duties and Responsibilities

1. Ensure that the Bank is able to meet its cash flow obligations in a timely and cost effective manner even in times of financial market stress;
2. Ensure there is diversification of funding source and to avoid over dependence on volatile sources of funding; [This will be monitored via the Reports on the Top 10 Depositors and Limit on Amount of Funds from a Single Source as a Percentage of the Funding Requirement.]
3. Decide on the level of Liquidity Reserves that needs to be maintained in the form of Liquid Assets;
4. Ensure Compliance with the Bank of Thailand's liquidity requirements and to periodically review all assumptions made as a consequence of this;
5. Approve the contingency funding plan and thereafter to monitor the liquidity management action triggers and the Early Warning System of the Contingency Funding Plan (CFP). Periodically to review the CFP and ensure Operational readiness and testing;

6. Oversee the development of the stress test and the stress scenarios for Liquidity Risk and to ensure the Bank is able to meet its obligations under the stress situation;
7. Review all new Product Programmes to ensure that the Liquidity Risk and Market Risk reflected in the banking books associated with such new products are properly recognised and managed;
8. Recommend the Risk and Returns objectives for the Banking Balance Sheet to the Board and thereafter to approve all the Balance Sheet subject related matters;
9. Review, evaluate and approve strategic hedging proposals within limits approved by the Board;
10. Provide guidelines for determining special interest rates for Business Groups, with the exception of Capital Markets and Treasury products.
11. Deliberate and decide on all FTP matters;
12. Analyse, review and evaluate the performance of each product focusing on profitability, volume and market share;
13. Review and track the Performance of deposits based on accumulation of initiatives against targets for Retail Banking, SME Banking and Corporate Banking;
14. Review and recommend the liquidity risk management policies for managing interest rate risk on banking books to the Board for approval.

Scope: CIMB THAI Bank Group-wide

9. IT Strategic Planning Committee (ITSPC)

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mrs. Duangphom Sucharitnanuwat	Senior Executive Vice President Corporate Banking Group	1st Alternate Chairman
3. Mr. Surachai Chitrasonee	Senior Executive Vice President SME Banking Group	2nd Alternate
4. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division	Chairman Member
5. Mr. Narongchai Wongthanaevimok	Senior Executive Vice President Strategy & Finance Group	Member
6. M.L. Nethchanya Devvongse	Senior Executive Vice President Transaction Banking Group	Member
7. Mr. Ekajai Tivutanond	Senior Executive Vice President Legal & Recovery Group	Member
8. Ms. Dusanee Kiewpatinontha	Executive Vice President Retail Banking Product Division	Member
9. Mr. Nuekrak Baingern	Executive Vice President Operations Division	Member
10. Mr. Krishna Trithavornyuanyong	Executive Vice President Technology Division	Member & Secretary

ITSPC's Powers, Duties and Responsibilities

1. Define short and long term IT plans, project priorities and appropriate budgets and resources;
2. Determine the IT strategic plans to support the overall organisational strategic business plans;
3. Consider and determine technical projects, acquisitions and efficiency of technologies as well as the use of relevant equipments;
4. Define and monitor the effectiveness in implementing key IT policies and procedures, such as IT security policies, IT governance policies, IT risk management framework;
5. Monitor the overall efficiency, performance and effectiveness of IT services;
6. Monitor the progress of each IT project in association with the strategies approved;
7. Appoint appropriate sub-committees or working groups to carry out the assignments;
8. Approve IT projects of which the project cost exceeds Baht 10 million but less than Baht 100 million;
9. Review and endorse recommendations IT project which the project cost exceeds Baht 100 million;

10. Approve the purchases or the hiring under a special process for IT project;
11. Ensure the success of the 1Platform Project implementation through engagement with various stakeholders and update relevant bodies;
12. Make and approve decision on the strategy, direction, timeline, resources, staffing, financial and budget of project;
13. Review status and approve key project deliverables of the project;
14. Remove roadblocks and provide on-going support for the project teams;
15. Review the status of the project;
16. Ensure compliance of the governance and administrative structure of the 1Platform Project.

Remark: 2nd Alternate Chairperson and Power, Duties and Responsibilities no.2.11-2.16 Effective on 28 June 2010

Scope : CIMB THAI Bank Group-wide.

10. Market Risk Committee Thailand (MRCT)

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Lee Teck Song *	Senior Executive Vice President Treasury Group	Member
Ms. Sumalee Boon-a-nan	First Vice President Treasurer's Office and Risk Analytics Team	Alternate Member
3. Mrs. Duengphom Sucharittanuwat	Senior Executive Vice President Corporate Banking Group	Member
4. Mr. Ekajai Tivutanond	Senior Executive Vice President Legal & Recovery Group	Member
5. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy & Finance Group	Member
6. Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group	Member
7. Mrs. Thitawat Pothanant	Executive Vice President Credit Evaluation Division	Member
8. Managing Director CIMB Securities (Thailand) Company Limited		Member
9. Representative from Risk Management Group		Secretary

Note:

* Mr. Lee Teck Song resigned as Senior Executive Vice President of Treasury Group on 15 February 2011. The meeting of the Board of Directors no. 14/2553 held on 16 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Sulek Loopornkul as Executive Vice President of Treasury Group, effective from 20 January 2011.

MRCT's Powers, Duties and Responsibilities

1. Evaluate underwriting proposals for primary and secondary markets and off-market (resulting from mergers and acquisitions) deals for debt and equity instruments from the Group, namely:
 - Underwriting of IPOs, equity offerings and rights issues and underwriting or bought deals for debt securities issuances
 - Secondary market block placements and to ensure that the pricing of any proposal is adequate to compensate the risks. Sufficient measures are also taken to mitigate against adverse market movements. Assessments are also made on the extent to which market conditions are conducive for the success of the deals.
2. Review and recommend for approval to the Board of Directors/delegated Board member(s) of CIMB Thai the underwriting firm or bought deals for debt securities issuance.
3. Review and recommend for approval to the EXCO/BOD of CIMB Securities (Thailand) Co.,Ltd. the underwriting firm of equity and right issues.
4. Review and recommend to the BOD/delegated Board member(s) for approval of the holding amount of any debt securities for market making purposes with the following conditions:
 - The debt securities are underwritten by CIMB Thai
 - Within 90 days after the issue date, the holding amount must be within the limit approved by BOD/delegated BOD member(s)
 - After 90 days from the issue date, the holding must not exceed 15% of the underwriting amount subject to the overall cap of market making portfolio.

Scope: CIMB Thai Bank Group-wide (including CIMB Securities (Thailand) Co., Ltd.)

11. Marketing and Communications Committee (Marcomm)

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mrs. Duangphom Sucharittanuwal	Senior Executive Vice President Corporate Banking Group	Member
3. Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group	Member
4. Mr. Nerongchai Wongthanasivmok	Senior Executive Vice President Strategy & Finance Group	Member
5. Ms. Dusanee Kiewpatinontha	Executive Vice President Retail Banking Product Division	Member
6. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division	Member
7. Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
8. Mrs. Thitawat Pothanant	Executive Vice President Credit Evaluation Division	Member
9. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Office	Member & Secretary

Powers, Duties and Responsibilities

1. Provide strategic directions and guidance for CIMB THAI group wide, aligning it to the Group's brand management and positioning, across all businesses and markets;
2. Review and approve all marketing plans, including all ATL campaigns and major BTL campaigns;
3. Address all elements with regards to general advertising spent and associated media exposure; and
4. Review and approve the medium and processes of all internal and external communications

Scope: CIMB THAI Bank Group-wide

12. Basel II Steering Committee

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mrs. Duangphom Sucharittanuwal	Senior Executive Vice President Corporate Banking Group	Member
3. Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group	Member
4. Mr. Leo Teck Seng *	Senior Executive Vice President Treasury Group	Member
5. Mr. Ekajai Tivutanond	Senior Executive Vice President Legal & Recovery Group	Member
6. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division	Member
7. Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group	Member
8. Ms. Ng Wai Yee	Executive Vice President Finance Division	Member
9. Mr. Nuekruk Baingom	Executive Vice President Operations Division	Member
10. Ms. Dusanee Kiewpatinontha	Executive Vice President Retail Banking Product Division	Member
11. Mr. Thaphop Klesuwan	Senior Vice President Compliance Section	Member
12. Ms. Suchada Phokasub	Senior Vice President Credit and Operational Risk Division	Secretary

Note:

* Mr. Leo Teck Seng resigned as Senior Executive Vice President of Treasury Group on 15 February 2011. The meeting of the Board of Directors no. 14/2553 held on 16 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Sutek Loosornkit as Executive Vice President of Treasury Group, effective from 20 January 2011.

Roles and Responsibilities

1. Ensure all Basel II initiatives achieve the minimum requirements imposed by regulators.
2. Perform cost-benefit analysis on various options to achieve optimal benefit for the Group.
3. Review progress of project milestones to ensure that all initiatives are executed within the scope and framework of the implementation plan.
4. Ensure sufficient resources and support to achieve all milestones and implementation timelines.
5. Approve the engagement of external system solutions & consultant services based on Board approved budget.
6. Appoint Basel II Working Committee to review the work progress and resolve issues arising from each work stream and to appoint sub-working groups to work on any particular issues related to Basel II.

13. Credit Committee Level 3 (CCC L3)

1. Credit Committee Level 3 (Set 1)

1.1	Ms. Suwanna Leewiraphan	Chairperson
1.2	Mr. Somchai Toemtrisna	Member
1.3	Mr. Suwat Summashipvitsavakul	Member
1.4	Mr. Somchai Vongpiyasattit	Member
1.5	Mr. Chalempol Decharit	Member
1.6	Credit Committee Secretary Team	Secretary

2. Credit Committee Level 3 (Set 2)

1.1	Ms. Apinya Punjajitti	Chairperson
1.2	Mr. Samchai Benchapathomrong	Member
1.3	Mr. Wongkasem Kamithanal	Member
1.4	Ms. Sirporn Srisingha	Member
1.5	Mr. Sonthit Chukate	Member
1.6	Credit Committee Secretary Team	Secretary

Powers, Duties and Responsibilities

The Credit Committee Level 3 reports to the Credit Committee Level 2 on all credit related activities of the Group. The responsibilities of the Credit Committee Level 3 include the following:

1. Review and approve credit facilities extended to the clients and / or group of clients having aggregate limits not exceeding THB 100 million;
2. Recommend to the Board for approval all lending related parties for credit proposals which do not exceed THB 100 million;
3. Approve, on a case-by-case basis, transactions for which there are no pre-approved credit limits or pre-approved credit limits that exceeded;
4. Ensure the Group's overall loans portfolio meets with the guidelines of regulatory authorities and approved credit policies and procedures;
5. Review and approve recovery actions to be taken against cases within the Committee's sanction and the review of loan classification, loan loss provisions and write-offs including the approval of debt restructuring / debt settlement without or with hair cut / write-off (if any) within the existing loan loss provision for credit facilities extended to the clients and / or a group of clients having aggregate limits not exceeding THB 100 million;
6. Assess the risk returns trade-off when approving loans and advances to ensure that facilities granted are within the risk appetite of the Group;
7. Determine and review the internal credit ratings of each loan;
8. Recommend to the boards of companies in the Bank's Financial Group for approval of credit facilities, and debt restructuring / debt settlement without or with hair cut / write off (if any) within the existing loans loss provision for the clients and / or the group of clients having aggregate limits not exceeding THB 100 million; and
9. Any other functions as and when directed by the Credit Committee Level 2.

Note: Aggregate limit is total credits granted to and/or contingent liabilities undertaken for and/or investments made in the client and / or group of clients or principal outstanding and accrued interest plus investments, whichever is higher.

Scope: CIMB THAI Bank Group-wide

Attendance of Directors at Board Committee Meetings

Name	Board of Directors					
	(1) Bank	(2) Management	(3) Audit	(4) Nomination & Remuneration	(5) Risk Management	(6) Credit Risk Committee
1. Mr. Chakramon Phasukwanich	14/14	-	-	-	-	-
2. Dato' Robert Chiem Dau Meng	12/14	-	-	9/11	-	-
3. Mr. Sukont Kanjana-Huttakit	13/14	-	19/19	-	-	-
4. Dato' Shaarani Bin Ibrahim	14/14	-	19/19	11/11	-	-
5. Mrs. Watanan Petersik *	12/14	-	-	9/11	-	-
6. Mr. Preecha Conchitt	13/14	-	-	-	-	-
7. Mr. Kenny Kim	9/14	-	-	-	8/15	-
8. Mr. Subhak Siwaraksa	14/14	46/46	-	-	15/16	10/10
9. Mr. Chin Yuen Yin **	9/10	-	-	-	-	-
10. Mr. Chatchawal Emrei ***	10/11	-	9/14	-	-	-

Name	Board of Directors						
	(7) Credit Committee Level 2	(8) Retail Business	(9) Assets and Liabilities Management	(10) IT Strategic planning	(11) Market Risk Committee Thailand	(12) Marketing & Communication	(13) Basel 3 Steering
1. Mr. Chakramon Phasukwanich	-	-	-	-	-	-	-
2. Dato' Robert Chiem Dau Meng	-	-	-	-	-	-	-
3. Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	-
4. Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	-
5. Mrs. Watanan Petersik *	-	-	-	-	-	-	-
6. Mr. Preecha Conchitt	54/54	-	-	-	-	-	-
7. Mr. Kenny Kim	-	-	-	-	-	-	-
8. Mr. Subhak Siwaraksa	37/54	12/13	13/13	6/6	20/20	3/3	4/4
9. Mr. Chin Yuen Yin **	-	7/9	-	-	-	-	-
10. Mr. Chatchawal Emrei ***	-	-	-	-	-	-	-

Note:

- * The Board of Directors meeting no.14/2010, held on 16 December 2010, passed a resolution to approve the appointment of Mrs. Watanan Petersik as member of the Audit Committee, taking effect on 16 December 2010.
- ** Mr. Chin Yuen Yin resigned from the Board of Directors on 27 August 2010, taking effect on 1 September 2010.
- *** Mr. Chatchawal Emrei resigned from the Board of Directors on 22 September 2010, taking effect on 30 September 2010.

G. CIMB Thai Executives

In 2010, the principal focus was on attracting talents and conducting the search for professionals from diverse professional backgrounds with a broad spectrum of experience and expertise combined with integrity and the drive to deliver on the Bank's business strategy. An interview panel was formed according to the Bank's policy with strict adherence to the selection and nomination processes for all new senior executive appointments.

1. CIMB Thai Executive Management

1. Mr. Subhak Siwanaksa	President and Chief Executive Officer
2. Mrs. Duangphom Sucharitpanuwat	Senior Executive Vice President Corporate Banking Group
3. Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group
4. Mr. Lee Teck Seng *	Senior Executive Vice President Treasury Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Ekajai Thivatanond	Senior Executive Vice President Legal & Recovery Group
7. Mr. Narongchai Wongthanasimok	Senior Executive Vice President Strategy & Finance Group
8. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division
9. Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group
10. Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division
11. Ms. Dusanee Kiowpatinontha	Executive Vice President Retail Banking Group
12. Mr. Tada Charukitpaisarn **	Executive Vice President Consumer Sales and Distribution Division
13. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Office

Note:

* Mr. Lee Teck Seng resigned as Senior Executive Vice President of Treasury Group on 15 February 2011. The meeting of the Board of Directors no. 14/2553 held on 16 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Sutee Losoponkul as Executive Vice President of Treasury Group, effective from 20 January 2011.

** The meeting of the Board of Directors no. 1/2554 held on 20 January 2011 resolved to seek approval from the Bank of Thailand to appoint Mr. Thanacha Thanasriwong as Senior Executive Vice President of Consumer Sales and Distribution Division, effective from 1 March 2011 since Mr. Tada Charukitpaisarn has resigned as Executive Vice President of Client Sales and Distribution Division.

Based on the criteria defined by the SEC Office, CIMB Thai's EVP and above and executive management in the Accounting & Finance Division as of 31 December 2010 are listed below:

1. Mr. Subhak Siwanaksa	President and Chief Executive Officer
2. Mrs. Duangphom Sucharitpanuwat	Senior Executive Vice President Corporate Banking Group
3. Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group
4. Mr. Lee Teck Seng *	Senior Executive Vice President Treasury Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Ekajai Thivatanond	Senior Executive Vice President Legal & Recovery Group
7. Mr. Narongchai Wongthanasimok	Senior Executive Vice President Strategy & Finance Group
8. Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division
9. Mr. Sutee Losoponkul	Executive Vice President Treasury Group
10. Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group
11. Ms. Ng Wai Yee	Executive Vice President Finance Division
12. Mrs. Teeraporn Ratanopas	Vice President, Financial Accounting Department

Note:

* Mr. Lee Teck Seng resigned as Senior Executive Vice President of Treasury Group on 15 February 2011. The meeting of the Board of Directors no. 14/2553 held on 16 December 2010 resolved to seek approval from the Bank of Thailand to appoint Mr. Sutee Losoponkul as Executive Vice President of Treasury Group, effective from 20 January 2011.

2. Director and Management Remuneration as of 31 December 2010

Financial Remuneration

a. Remuneration of Board Members

This report describes the current components of the remuneration policy together with the details of the remuneration of each person who served as a Director in 2010. The aggregate remuneration for Directors comprising salaries as well as meeting and auditing allowances amounted to THB 9,300,000 (as compared to THB 8,760,000 in 2009), as described below:

1. Board of Directors	THB	5,788,000 (2009: THB 4,804,000)
2. Audit Committee	THB	1,464,000 (2009: THB 1,784,000)
3. Nomination and Remuneration Committee	THB	1,104,000 (2009: THB 984,000)
4. Credit Committee Level 2	THB	624,000 (2009: THB 624,000)
5. Retail Business Committee	THB	320,000 (2009: THB 120,000)

Name	Positions	Board of Directors				
		Bank	Audit	Nomination & Remuneration	Credit Level 2	Retail Business
1. Mr. Chakramon Phasukwanich	Chairman	2,400,000	-	-	-	-
2. Dato' Robert Chern Dau Meng	Vice Chairman	-	-	-	-	-
3. Mr. Sukont Kanjana-Huttakit	Independent Director	528,000	624,000	-	-	-
4. Dato' Shaarani Bin Ibrahim	Independent Director	528,000	480,000	480,000	-	-
5. Mrs. Watanan Patsarik	Independent Director	528,000	-	624,000	-	-
6. Mr. Praecha Donchit	Director	528,000	-	-	624,000	-
7. Mr. Kenny Kim *	Director	-	-	-	-	-
8. Mr. Subhak Swaransa **	President and Chief Executive Officer	528,000	-	-	-	-
9. Mr. Chin Yuen Yin	Director	302,000	-	-	-	320,000
10. Mr. Chatchawal Bmsri	Independent Director	96,000	300,000	-	-	-
Total		5,788,000	1,464,000	1,104,000	624,000	320,000

Note:

* OMB Bank Berhad has appointed two representatives to the Board, namely, Dato' Robert Chern Dau Meng and Mr. Kenny Kim, both of whom will not receive any remuneration as directors and members of Board Committees.

** Most of the committees are now being chaired by the President. The President has declared that he will not receive any allowance for his attendance at those committee meetings.

b. Remuneration for Senior Executives

The Board is responsible for determining the procedures for evaluating the performance of Senior Executives based on the responsibilities, challenges and risks that faced by each director, with emphasis on maximizing personal contributions to deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for full-time and part-time employees or any other persons having material relationship with the Bank, as recommended by Executive Management. In 2010, the aggregate remuneration for 8 Senior Executives at or above the position of Senior Executive Vice President stood at THB 48,562,620.

c. Other Benefits

In 2010, the Bank's contribution towards the provident funds for 6 Senior Executives at or above the position of Senior Executive Vice President amounted to THB 2,009,205.

Board of Directors' Profile

Name / Position	Age	Education	Total Company Share holding	Work Experiences		
				Period	Position	Company / Organisation
1. Mr. Chakraborty Prasanna Ranich Chairman	62	<ul style="list-style-type: none"> - M.A. (Economics), California State University Northridge, U.S.A. - B.A. (Economics), Chulalongkorn University - Certificate of Senior Executive Development Program (Class 12) - The National Defence Course, The National Defence College (Class 39) <p>Training</p> <ul style="list-style-type: none"> - Role of the Chairman Program (RCP) - Current Issue Seminar (CIS) - Director Certification Program (DCP) - Audit Committee Program (ACP) - Finance for Non-Finance Director (FND) - Director Accreditation Program (DAP) 	-	<ul style="list-style-type: none"> 2002 - Present 2009 - Present 2004 - Present 2003 - 2009 2005 - 2009 2007 - 2009 2006 - 2006 2005 - 2008 2005 - 2009 2004 - 2009 2004 - 2009 2004 - 2009 2004 - 2009 2004 - 2009 2004 - 2009 2004 - 2009 2002 - 2009 2004 - 2009 	<ul style="list-style-type: none"> Director Member Member Member Independent Director and Chairman of Nomination and Remuneration Committee Chairman Member Chairman Chairman Permanent Secretary Director Chairman Chairman Chairman Chairman Director of Audit Committee Chairman of the Board 	<ul style="list-style-type: none"> Indorama Ventures PCL Council Burapha University Office of the Council of State Monetary Policy Committee of the Bank of Thailand Thai Oil PCL Electrical and Electronics Institute National Legislative Assembly Small and Medium Enterprise Development Bank of Thailand Foundation for Thailand Productivity Institute Industry Ministry Asian Productivity Organization Thailand Productivity Institute Thailand Automotive Institute Thailand Textile Institute The Asset Management Corporation Aiva (Thai) Co., Ltd.
2. Datu Robert Chiam Dau Meng - Vice Chairman Member and Alternate - Chairman of Nomination and Remuneration Committee	60	<ul style="list-style-type: none"> - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants <p>Training</p> <ul style="list-style-type: none"> - First Malaysian International Services Summit (12 January 2010) - Bursa Malaysia Securities Berhad Focus Group for Board of Directors (14 April 2010) - OMB In-lead Leadership Program Initiation to a Leadership Council Workout (10-11 June 2010) - OMB In-lead Leadership Programme (2010) 	-	<ul style="list-style-type: none"> Since 2006 1999 - 2005 1993 - 1999 Since 2005 Since 2005 Since 2006 	<ul style="list-style-type: none"> Advisor Executive Director Chief Executive Officer Director Chairman and Independent Non - Executive Director Non - Independent Non - Executive Director 	<ul style="list-style-type: none"> GMB Investment Bank Berhad GMB Investment Bank Berhad GMB Investment Bank Berhad GMB GK Pte Ltd Tanjong Pte GMB Group Holdings Berhad
3. Mr. Sukont Kanyana Hutakul - Independent Director - Chairman of Audit Committee	64	<ul style="list-style-type: none"> - M.A. (Finance), Virginia Polytechnic and State University, USA - B.A. (Finance), Virginia Polytechnic and State University, USA <p>Training</p> <ul style="list-style-type: none"> - Audit Committee Program (ACP) Class 09/2010 - Director Certification Program (DCP) 	-	<ul style="list-style-type: none"> Present 1995 - Present 1995 - Present 1985 - Present 1993 - Present 1990 - Present 1973 - Present 1995 - 2006 2007 - 2009 1978 - 2006 	<ul style="list-style-type: none"> Executive Advisor Director Director Director Director Director Director (Authorized Signatory) Member of Management Committee Chairman and Senior Partner 	<ul style="list-style-type: none"> Tigor Outsourcing (Thailand) Co., Ltd. Karapanich Leasing Co., Ltd.* SA Corporate Restructuring Co., Ltd.* ES Services Co., Ltd.* CMG Consultant Services Co., Ltd.* AC Consultant Services Co., Ltd.* KB Advisory Co., Ltd.* Karapanich Leasing Co., Ltd TMS Asset Management Co., Ltd. PricewaterhouseCoopers Co., Ltd. <p>* Under liquidation process</p>

Name / Position	Age	Education	Total Company Share holding	Work Experiences		
				Period	Position	Company / Organisation
4. Dato' Shahrul Bin Ibrahim - Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	61	B.A.(Hons) (International Relations), Universiti Malaya Training - Director Accreditation Program April 2010, Institute of Directors Thailand - The Non-Executive Director Development Series: August 2009 "Corporate Governance" by PricewaterhouseCoopers	-	Present Present 2005 - 2008 2002 - 2005	Board Member Chairman Chairman, Risk Committee Member, Audit Committee Independent Director Chairman, Remuneration Committee Member, Audit Committee Member, Nomination Committee Ambassador of Malaysia Ambassador of Malaysia	Universiti Putra Malaysia CMB Bank PLC, Cambodia Dragon Group International Limited, Singapore Kingdom of Thailand Kingdom of Spain
5. Mrs. Watanan Petank - Independent Director - Chairwoman of Nomination and Remuneration Committee - Member of Audit Committee	60	AB Bryn Mawr College, PA, USA. Training - Bursastra Sdn Bhd; Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (17-19 March 2010) - Director Accreditation Program (DAP 88/2010) English Program : 27 April 2010 - Certificate, Singapore Institute of Directors course : Role of Directors	-	Present Present Present Present 1996 - 2006	Independent Director Non-Executive Director Senior Advisor/Consultant Director Lien Centre for Social Innovation Chief of Staff, Managing Director, Investment Banking Division	CMB Group Holdings Berhad Asia Capital Advisory PTE Ltd. TPG Capital Asia Singapore Management University Goldman Sachs Asia LLC, Hong Kong
6. Mr. Pheecha Conchit - Director (Authorized Signatory) - Chairman of Credit Committee Level 2	65	Bachelor Degree in Economics, Thammasart University Training - Director Certification Program (DCP) - Finance for Non-Financial Director (FND)	-	2003-Present 2003-Present 2002-2010 2004-2007	Independent Director and Chairman of Audit Committee Director Chairman (Authorized Signature) Director	Eastern Star Real Estate Public Co., Ltd. Eastern Star Resort Co., Ltd. ET Insurance Co., Ltd. Con-Plus and Management Co., Ltd.
7. Mr. Kenny Kim - Director - Alternate Chairman of Risk Management Committee	43	- Masters of Science in Finance, University of Lancaster, UK - A fellow of the Association of Chartered Certified Accountants, UK - A member of the Malaysian Institute of Accountants - A member of Institute of Chartered Accountants in England and Wales' Corporate Finance Faculty Training Blue Ocean Strategy Course Certification Workshop, Various Invited Speakers	-	2001 - Present 1999-2000 1995-1995 1995-1996 1994-1995 1993-1994 1991-1993	Group Chief Financial Officer and Head of Group Strategy and Finance Division Assistant General Manager Senior Manager Manager Assistant Manager Executive Audit Senior	CMB Investment Bank Berhad CMB CMB CMB CMB CMB

Name / Position	Age	Education	Total Company Shares holding	Work Experiences				
				Period	Position	Company / Organisation		
S. Mr. Subhak Sawaske - Director (Authorized Signatory) - President and Chief Executive Officer - Chairman of Management Committee - Chairman of Risk Management Committee - Chairman of Credit Risk Committee - Alternate Chairman of Credit Committee Level 2 - Chairman of Retail Business Committee - Chairman of Assets and Liabilities Management Committee - Chairman of IT Strategic Planning Committee - Chairman of Market Risk Committee Thailand - Chairman of Marketing and Communications Committee - Chairman of Basel II Steering Committee	54	- Ph.D. in Econometrics and Monetary Economics, University of Pennsylvania, U.S.A. - M.A. Law and Diplomacy, Fletcher School of Law and Diplomacy, Tufts University, Massachusetts, U.S.A. - B.A. English Literature Honours Program and Economics, Georgetown University, Washington D.C., U.S.A	-	2008 - 2009	Director, Executive Director, and Chairman of Compensation Committee	Export-Import Bank of Thailand		
		2008 - 2009		Chairman of the Board of Directors	TMB Asset Management Co., Ltd. TMB Bank PCL.			
		2003 - 2008		Chief Executive Officer and President AVP, FVP, EVP and SEVP	TMB Bank PCL.			
		Training						
		- Directors Certification Program (DOP)						
		- Directors Accreditation Program (DAP)						
		- Financial Executive Seminar, Bangkok (FEXEM)						
		- The National Defence College (Class 2007)						
		- Capital Market Academy (Class 10 March - July 2010)						

Management Committee's Profile

Name / Position	Age	Education	Total Company Share holding	Work Experiences		
				Period	Position	Company / Organisation
1. Mrs. Duangphom Sucharttanuwat Senior Executive Vice President Corporate Banking Group	59	<ul style="list-style-type: none"> - MBA, Thammasat University - Bachelor of Accounting, (2nd Class Honours), Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - Director Certification Program (DCP) - The Financial and Macro Economic Effects of the new Basel accord - Customer Centricity and Enterprise Agility in Financial Service-Today's Global Industry Trends - Managing The Recovery: Challenges Ahead - Management Development Program (MAM) Capital market Academy - Top Executive Program in Commerce and Trade (TEPCoT) Commerce Academy - Leadership for CHANGE - Advance Security Management program - ASMP 2 The National Defence College Association of Thailand (NDCAT) 	-	2009	<ul style="list-style-type: none"> Chairwoman (Authorized Signatory) Councilor Board of Advisor Council Member 	<ul style="list-style-type: none"> GMB Securities (Thailand) Co.,Ltd (Formerly known as "BT Securities Co.,Ltd") Thailand Management Association Tham Udon Sikes Parents And Teachers Association Yuthasa Na Nagara Foundation The Thai Chamber of Commerce
2. Mr. Gunath Christensen Senior Executive Vice President SME Banking Group	60	<ul style="list-style-type: none"> - M.A. (Economics), State University of New York at Binghamton, U.S.A. - B.S. (Economics), Central Missouri State University, U.S.A. 	-	<ul style="list-style-type: none"> 2005 - Present 2005 - Present 2005 - 2008 2002 - 2003 1999 - 2001 1992 - 1999 1990 - 1992 1988 - 1989 1978 - 1987 	<ul style="list-style-type: none"> Chairman Chairman SEVP & Head of Retail Banking Managing Director Executive Vice President & Head of Corporate Banking President Deputy Managing Director Vice President Vice President 	<ul style="list-style-type: none"> BT Leasing Co.,Ltd. BT World Lease Co.,Ltd. GMB Thai Bank PCL. BT Insurance Co.,Ltd. Bank of Asia PCL. (a subsidiary of AEN AMRO) Premier Finance and Securities Co., Ltd. A.G.C. (Thailand) Finance and Securities Co.,Ltd. (a subsidiary of the Westpac Banking Group from Australia) Bank of America Chase Manhattan Bank
3. Mr. Lee Teck Beng Senior Executive Vice President Treasury Group	54	<ul style="list-style-type: none"> Bachelor of Science, (2nd Class Honours), University of Malaya, Malaysia <p>Training</p> <ul style="list-style-type: none"> Global Business Consortium, London Business School 	-	<ul style="list-style-type: none"> 2007 - 2008 2006 - 2007 2005 - 2006 2004 - 2005 2003 - 2004 1996 - 2003 1994 - 1996 1990 - 1994 	<ul style="list-style-type: none"> Head, Global Markets Regional Treasurer Senior Banker, Client Relationships, Wholesale Bank Head, Public Sector & Financial Institutions, Client Relationships, Wholesale Bank Head, Global Markets Head, Global Markets Dealer to Treasurer Operative Officer to Dealer 	<ul style="list-style-type: none"> AEN AMRO Bank Berhad United Overseas Bank Ltd., Standard Chartered Bank (Malaysia) Standard Chartered Bank (Malaysia) Standard Chartered Bank (Thailand) Standard Chartered Bank (Malaysia) Citibank Malaysia Malayan Banking Berhad

Name / Position	Age	Education	Total Company Share holding	Work Experiences		
				Period	Position	Company / Organisation
4. M.L.Nathkranya-Dawongse Senior Executive Vice President Transaction Banking Group	42	- MSA (International Business Management & Marketing) Oregon State University, Oregon, USA. - BA (International Finance/Banking) Oregon State University, Oregon, USA.	-	2009 - 2010	Director – Regional Sales, Cash Management Corporate	Deutsche Bank AG, Bangkok
				2006 - 2009	Head, Global Transaction Banking	Deutsche Bank AG, Bangkok
				2004 - 2005	Head, Global Cash Management	Deutsche Bank AG, Bangkok
				2001 - 2004	SVP, Cash Management Services	Sunthorn Mitsui Banking Corporation, Bangkok
5. Mr. Ekajai Tikutanont Senior Executive Vice President Legal and Recover Group	55	- Master of Law (LLM), Columbia University, New York, U.S.A. - Barrister at Law - Bachelor of Law (LLB) (1st Class Honours), Thammasat University	-	Present	Director (Authorized Signatory) Director (Authorized Signatory)	Sethon Asset Management Co., Ltd. CT COL Co., Ltd.
				1999 - 2010	Director (Authorized Signatory)	ET Insurance Co., Ltd.
				2009 - 2010	Chairman (Authorized Signatory)	ET Asset Management Co., Ltd. (Now OMB-Principal Asset Management Co., Ltd)
6. Mr. Nongchai Wongsawatwong Senior Executive Vice President Strategy & Finance Group	48	- Master of Science (Information Systems), Golden Gate University - Master of Business Administration (Finance), University of Pittsburgh - Bachelor of Arts (Economic), Thammasat University Training - Director Certification Program (DCP) - CFO - Becoming a Strategic Partner, University of Pennsylvania, USA - Senior Finance Management Program, Executive Development International, UK - OMB-Invited Leadership Development Program	-	Present	Director (Authorized Signatory)	OMB-Principal Asset Management Co., Ltd
				2004 - 2009	FBVP, Division Head, MG and Planning Division, Finance Group	Siam Commercial Bank Plc.
				2000 - 2004	Head of Business Finance and Strategy, Wholesale Bank	Standard Chartered & Standard Chartered Nakornthon Bank
				1995 - 2000	Vice President, Financial Control Department	Citibank N.A.
				1995 - 1998	Vice President, Country Finance Officer	Bank of America NT&SA
7. Mr. Wee Kim Fong Senior Executive Vice President Head Group Information and Operations Division	50	- Bachelor of Arts (Honour), University of Malaya Training - 16th World Congress on Information Technology, Multimedia Development Corporation - Global Operation Risk Management Forum (London), The Risk Management Association (RMA) - Entrepreneurship Building and Growing New ventures by Dr. Michael J. Roberts	-	2006 - 2009	Director/ Programme Director, transformation Office (CEO Office) and GIO-PMO Head	OMB Investment Bank Berhad.
				2003 - 2006	Chief Operation Officer	SEB Mutual Berhad (Now OMB Wealth Advisors Berhad)
				2000 - 2003	Various Management Positions	i-System Consulting (Now OMB i-System Berhad)
				1994 - 2000	Head of Special Projects, CEO Office Senior	American International Assurance Co., Ltd.
				1991 - 1994	Consultant Head of Special Projects, Internal Audit Division	PricewaterhouseCoopers Penara Affn Bank Berhad (Now Affn Bank)
				1989 - 1991		

Name / Position	Age	Education	Total Company Share holding	Work Experiences		
				Period	Position	Company / Organisation
8. Mrs. Parule Na Chiangmai Executive Vice President Risk Management Group	55	- Master of Science Business Marketing, University of Wisconsin-Madison - Master of Business Administration Finance & Management University of Wisconsin-Madison - Bachelor of Education (Education Psychology) Chulalongkorn University	-	2006 - 2009 2005 2004-2005 2004 1999 - 2004 1995 - 1999	Director Director & EVP Managing Director Executive Director Director & First-GEVP Director & GEVP	BT Securities Co., Ltd. GE Money Finance GE Money Finance GE Capital (Thailand) Ayudhya Investment & Trust Plc. Ayudhya Investment & Trust Plc.
9. Mr. Kongkob Watanasin Executive Vice President Human Resources Management Division	53	- Ph.D., Public Administration University of Cincinnati, Ohio, USA - Master of Public Administration Kentucky State University, Kentucky, USA - Bachelor of Arts (Political Science) Ramkhamhaeng University	-	2003 - 2009 2001 - 2003 1999 - 2001 1996 - 1999 1994 - 1996	Division Head, HR Client Services Country Human Resources Officer Head of Human Resources Group Human Resources Director Personnel Manager	Siam Commercial Bank Citibank N.A. DBS Thai Danu Bank Credit Agricole Indosuez ETA (Thailand)
10. Ms. Dusanee Keapathontra Executive Vice President Retail Banking Product Division	44	- B.B.A (Accounting), Sukhothai Thammathirat Open University - LL.B, Sukhothai Thammathirat Open University - MBA, Creighton University, USA - B. Econ. Chulalongkorn University	-	2005-2010 2004-2005 2000-2004 2000	Senior Vice President Director Vice President Assistant Vice President	United Overseas Bank (Thai) PCL. GE Money Retail Bank PCL. Citibank, N.A. Bangkok Branch Bank of Asia PCL.
11. Mr. Tada Charulakpansam Executive Vice President Consumer Sales and Distribution Division	56	- Master of Journalism, North Texas State University - Bachelor of Science, Chulalongkorn University	-	2001 - 2004 1999 - 2001 1995 - 1999 1993 - 1995 1997-1998 1996 - 1997 1994 - 1995	SVP, Head Consumer Banking Group Executive Vice President Executive Vice President Vice President & Card Business Manager Account Director Product Manager Account Executive	DBS Thai Danu Bank PCL. Bank of Asia PCL. Bank of Ayudhya PCL. Citibank, N.A. Ogilvy & Mather Johnson & Johnson Ogilvy & Mather
12. Mr. Prapas Thongsuk Executive Vice President Corporate Communications Office	49	- MBA, National Institute of Development Administration (NIDA) - Bachelor of Education, Chulalongkorn University	-	2004 - 2010 2002 - 2004 1996 - 2000 1995 - 1996 1992 - 1995 1989 - 1992	SVP (Corporate Marketing, Head of Branding Strategy and Marketing Communication Group Product Manager Product Manager Account Director Account Director Public Relation Officer	Krungthai Card Plc. Carlsberg Beer Asia Bv Prisps Electronic (Thailand) J.Walter Thompson Advertising SPA Advertising Thai Farmers Bank PLC.



The Major activities of the Nomination and Remuneration Committee in 2010:

1. Carried out the Nomination and Remuneration Committee's duties and responsibilities with regards to remuneration and nomination of directors and senior executives to the Board for approval.
2. Advised the Board on a framework for director and executive compensation commensurate with their duties and responsibilities. The Committee proposed to the Board appropriate compensation for the directors and members of Board committees for consideration and recommendation to shareholders for their approval. The Board assigned the Committee the responsibility of assessing the guidelines for evaluation of performance of the Bank's senior executives on an annual basis. The Committee reviewed the results of these evaluations and referred them to the Board of Directors with recommendations regarding the appropriate remuneration and benefits.

The remuneration for the directors and the senior executives in year 2010 is set out in the Corporate Governance Report under the section "Director and Management Remuneration". The Committee has the opinion that such remuneration is in line with their duties and responsibilities, the individuals' performance, the overall economic situation, and the performance of the Bank.

Mrs. Watanan Petersik
Chairwoman of Nomination and Remuneration Committee

In 2010, the Audit Committee performed specific responsibilities delegated to it by the Board of Directors. Every effort is made to ensure that the Bank complies with the relevant rules and regulations of the Bank of Thailand, Stock Exchange of Thailand, Securities Exchange and Commission, and the relevant regulatory bodies. In addition, it has in place adequate procedures and systems of internal control, good corporate governance and appropriate risk management systems that can enhance value for the Bank in line with the objectives and targets set by the Board.

The main areas of focus for the Committee cover the Internal Audit including Credit Review and Compliance of the CIMB Thai Bank Group. The main roles and responsibilities of the Audit Committee are as follows:

1. To assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.
2. To review the effectiveness of the internal audit function and the compliance function, in particular, approval of an annual audit plan and compliance plan, adequacy of scope, functions, competency and resources, review results of internal audit process and, where necessary, remedial action taken, and compliance with relevant guidelines on internal audit issued by the Bank of Thailand, the Securities of Exchange Commission and the Securities Exchange of Thailand.
3. To review the effectiveness of the external auditor, in particular, the appointment, the audit fees, objectivity, performance and independence of the external auditors.
4. To review the comments and recommendations rendered by the regulators, Internal Audit Division, Credit Review Section, Compliance Department and external auditors with an aim to compel the officers concerned to ensure prompt, continuous and effective compliance, and that outstanding issues are followed-up and resolved.
5. To ensure that the accounts are prepared in a timely and accurate manner in accordance with generally accepted accounting principles.
6. To meet with Executive Management and the external auditors periodically to acknowledge and exchange opinions. In particular, to meet with external auditors without the presence of Executive Management at least twice a year.

In accordance with the roles and responsibilities above, the Audit Committee is of the opinion that the Bank's financial statements and disclosure of information are complete and reliable, consistent with generally accepted accounting principles. Overall risk management, effective systems of internal control, procedures to ensure compliance with applicable laws and regulations, and independent internal audit systems conducted in accordance with internal audit standards are adequate and consistent with the current business environment.



Mr. Sukont Kanjana-Huttakit
Chairman of Audit Committee

The Board of Directors is responsible for the financial statements of CIMB THAI Bank Public Company Limited and its subsidiaries as well as the financial information presented in this annual report. The aforementioned financial statements were prepared in accordance with Thailand's general accepted accounting standards and International general accepted accounting standards, applying appropriate and consistent accounting policies and prepared with careful judgment and best estimates. Important information is adequately disclosed in the notes to the financial statements to ensure compliance with the Notifications of the Bank of Thailand and the Stock Exchange of Thailand.

The Board of Directors has established and maintained an appropriate and effective internal control system in order to rationally assure that the accounting information is correctly and completely recorded and adequate to sustain the Bank's assets so as to prevent any irregular operations or fraud.

The Board of Directors has appointed an Audit Committee comprising Independent Directors to be responsible for the quality of financial statements and the effectiveness of the Bank's internal control system. The Audit Committee's comments on these issues are included in the Audit Committee's report presented herewith in this annual report.

The Board of Directors is of the opinion that The Bank's overall internal control system is at a satisfactory level and provides rational reliability for the Bank and its subsidiaries in relation to the financial statements for the year ended 31 December 2010.



Mr.Chakramon Phasukavanich
Chairman



Mr.Subhak Siwaraksa
President and Chief Executive Officer

To the Shareholders of CIMB THAI Bank Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2010, and the related consolidated and separate statements of income, changes in shareholders' equity, and cash flows for the year ended 31 December 2010 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively. The Bank's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and separate financial statements for the year ended 31 December 2009 (before restatement) of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, were audited by the other auditor, who expressed an unqualified opinion on 23 February 2010 but drew attention to the matter that the Bank had an agreement which transferred its non-performing loans to Thai Asset Management Corporation ("TAMC") and contained a condition of future gain/loss sharing on those transferred non-performing loans and the outstanding issues with respect to the requisition of original ownership documents and others that might result in adjustments to the price and related interest, which were being examined and concluded by the Bank and TAMC.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain a reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred above present fairly, in all material respects, the consolidated and separate financial position as at 31 December 2010, and the consolidated and separate results of operation and cash flows for the year ended 31 December 2010 of CIMB THAI Bank Public Company Limited and its subsidiaries, and of CIMB THAI Bank Public Company Limited, respectively, in accordance with generally accepted accounting principles.



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

Bangkok
21 February 2011

CIMB THAI BANK PUBLIC COMPANY LIMITED
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

31 DECEMBER 2010

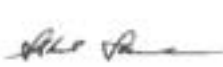
Financial Statements

Balance Sheets

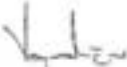
As at 31 December 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		2010 Baht	2009 Baht (Restated)	2010 Baht	2009 Baht (Restated)
Assets					
Cash		2,744,520,360	2,821,772,139	2,743,015,913	2,820,537,268
Interbank and money market items	7				
Domestic items					
Interest bearing		13,033,743,993	14,257,884,949	12,730,255,189	13,765,038,298
Non-interest bearing		1,304,581,921	724,041,606	1,202,090,878	656,207,194
Foreign items					
Interest bearing		494,403,709	290,098,375	494,403,709	290,098,375
Non-interest bearing		409,402,942	97,720,535	409,402,942	97,720,535
Interbank and money market items - net		15,242,132,565	15,369,545,465	14,836,152,718	14,809,064,402
Investments	8				
Short-term investments - net		9,325,613,132	5,121,282,522	9,253,829,002	4,928,252,885
Long-term investments - net		12,152,030,194	15,387,861,853	12,143,529,526	15,236,251,809
Investments in subsidiaries and associates - net		153,912,645	205,463,938	1,323,143,017	1,463,637,904
Investments - net		21,631,555,971	20,714,608,313	22,720,601,545	21,628,142,598
Loans and accrued interest receivables	9				
Loans		93,792,939,560	85,995,442,503	92,160,867,560	81,179,770,435
Accrued interest receivables		207,354,400	254,583,505	177,764,475	198,137,466
Total loans and accrued interest receivables		94,000,293,960	86,251,126,008	92,338,632,135	81,377,907,901
Less Allowance for doubtful debts	10	(2,604,898,631)	(7,943,673,242)	(2,423,693,217)	(4,237,132,443)
Less Revaluation allowance for debt restructuring	11	(8,557,353)	(8,818,543)	(8,557,353)	(8,818,543)
Loans and accrued interest receivables - net		91,386,837,976	78,298,634,223	89,906,381,565	77,131,956,915
Properties foreclosed - net	12	2,049,010,878	2,409,895,840	2,032,605,522	2,232,213,794
Customers' liability under acceptance		61,479,078	53,947,377	61,479,078	53,947,377
Premises and equipments - net	13	2,665,904,667	3,548,984,412	2,598,023,558	3,472,435,396
Intangible assets	14	451,672,035	427,224,808	442,481,597	412,094,162
Financial derivatives assets		2,476,285,116	1,592,031,504	2,476,285,116	1,592,031,504
Other assets	16	1,766,429,090	1,782,880,066	1,393,157,532	1,428,533,356
Total assets		140,476,827,736	127,019,523,167	139,210,184,244	125,580,956,772

Director



Director



The accompanying notes to consolidated and separate financial statements from page 154 to 175 are an integral part of the financial statements

Balance Sheets (Cont'd)

As at 31 December 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		2010 Baht	2009 Baht (Restated)	2010 Baht	2009 Baht (Restated)
Liabilities and shareholders' equity					
Liabilities					
Deposits	17				
Deposits in Baht		93,950,965,087	88,320,066,638	93,834,826,994	88,345,547,849
Deposits in foreign currencies		712,652,772	78,696,230	712,652,772	78,696,230
Total deposits		94,663,617,859	88,398,762,868	94,547,479,766	88,424,243,879
Interbank and money market items	18				
Domestic items					
Interest bearing		4,379,243,289	9,183,075,027	4,187,984,098	9,108,511,182
Non-interest bearing		82,551,800	54,784,753	86,396,576	56,907,979
Foreign items					
Interest bearing		916,592,199	706,945,080	916,592,199	705,945,080
Non-interest bearing		488,852,855	3,570,527	488,852,855	3,570,527
Total interbank and money market items		5,867,240,143	9,947,375,387	5,678,825,728	9,872,934,748
Liability payable on demand		250,634,382	286,026,119	250,634,382	286,026,119
Borrowings	19				
Short-term borrowings		14,992,182,216	9,544,679,636	14,992,182,216	9,544,679,636
Long-term borrowings		5,400,802,069	5,647,520,527	5,300,254,590	5,551,951,499
Total borrowings		20,392,984,285	15,192,200,162	20,292,436,806	15,096,631,134
Bank's liability under acceptance		61,479,078	53,947,377	61,479,078	53,947,377
Accrued interest expenses		283,815,167	287,280,507	283,765,597	287,489,155
Provisions - Pension benefits to employees		544,310,749	524,227,773	544,310,749	523,647,840
Financial derivatives liabilities		1,941,104,710	1,182,961,588	1,941,104,710	1,182,961,588
Other liabilities	20	4,556,007,668	3,202,630,389	3,935,922,551	2,229,613,205
Total liabilities		128,540,994,041	119,075,392,150	127,515,959,367	117,957,494,845

The accompanying notes to consolidated and separate financial statements from page 104 to 175 are an integral part of the financial statements

Balance Sheets (Cont'd)

As at 31 December 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		2010 Baht	2009 Baht (Restated)	2010 Baht	2009 Baht (Restated)
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	21				
Registered					
16,315,934,756 ordinary shares of Baht 0.50 each		8,157,967,378		8,157,967,378	
(31 December 2009: 13,349,401,164 ordinary shares of Baht 0.50 each)			6,674,700,582		6,674,700,582
Issued and paid-up share capital					
16,315,934,756 ordinary shares of Baht 0.50 each					
(31 December 2009 : 13,349,401,164 ordinary shares of Baht 0.50 each)		8,157,967,378	6,674,700,582	8,157,967,378	6,674,700,582
Premium on share capital		1,483,266,796	-	1,483,266,796	-
Unrealised gain					
Revaluation surplus on assets	22	566,606,876	729,326,917	566,606,876	729,326,917
Revaluation surplus on change in value of investments	23	160,792,997	49,179,146	141,019,632	39,270,465
Retained earnings					
Appropriated - statutory reserve	24	63,500,000	-	63,500,000	-
Unappropriated		1,421,426,993	420,566,556	1,281,862,195	180,163,963
Equity attributable to the Bank's shareholders		11,853,563,040	7,873,773,201	11,694,224,877	7,623,461,927
Minority interest - equity attributable to minority shareholders of subsidiaries		82,270,655	70,357,816	-	-
Total shareholders' equity		11,935,833,695	7,944,131,017	11,694,224,877	7,623,461,927
Total liabilities and shareholders' equity		140,476,827,736	127,019,523,167	139,210,184,244	125,580,956,772
Off-balance sheet					
Items - commitments	33				
Aval to bills and guarantees of loans		578,576,847	195,387,963	848,576,847	395,387,963
Liability under unmatured import bills		603,168,810	509,571,415	603,168,810	509,571,415
Letter of credits		1,862,306,163	2,313,070,311	1,862,306,163	2,313,070,311
Other commitments		388,078,280,120	197,093,973,193	398,078,344,120	197,094,037,193

The accompanying notes to consolidated and separate financial statements from page 104 to 175 are an integral part of the financial statements

Income Statement

For the years ended 31 December 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
Interest and dividend income					
Loans		4,891,109,210	5,470,186,327	5,066,338,305	5,572,250,257
Interbank and money market items		130,052,385	428,549,522	129,322,761	416,360,695
Hire purchase and finance lease income		664,496,643	536,680,688	-	-
Investments		766,002,424	1,204,761,117	784,810,333	1,402,217,158
Total interest and dividend income		6,451,660,642	7,640,177,654	5,980,471,399	7,390,828,110
Interest expenses					
Deposits		1,020,554,941	2,509,883,941	1,020,345,415	2,510,978,809
Interbank and money market items		96,553,455	144,614,090	87,802,712	131,574,398
Short-term borrowings		178,519,447	27,990,648	178,519,447	27,360,745
Long-term borrowings		301,662,875	316,561,068	296,884,424	316,561,068
Total interest expenses		1,597,290,718	2,999,049,747	1,583,551,998	2,986,475,020
Net interest and dividend income		4,854,369,924	4,641,127,907	4,376,919,401	4,404,353,090
Bad debt and doubtful accounts		(800,490,039)	(1,168,159,815)	(775,000,000)	(1,145,000,000)
Net interest and dividend income after bad debt and doubtful account		4,053,879,885	3,472,968,092	3,601,919,401	3,259,353,090
Non-Interest Income					
Gains on investments	26	213,087,626	640,575,176	492,026,604	634,277,209
Fees and charges					
Acceptances, aval and guarantees		98,771,849	80,532,706	98,771,849	80,532,706
Others		916,261,122	719,697,315	609,901,134	548,681,336
Gains on exchange/derivatives		288,951,475	80,265,975	288,904,759	82,562,264
Other income	27	413,764,140	100,167,675	458,143,375	115,472,106
Total non-Interest Income		1,930,836,212	1,621,238,847	1,947,747,721	1,461,525,621

The accompanying notes to consolidated and separate financial statements from page 104 to 175 are an integral part of the financial statements

Income Statement (Cont'd)

For the years ended 31 December 2010 and 2009

	Notes	Consolidated financial statements		Separate financial statements	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
Non - Interest expenses					
Personnel expenses		2,658,503,219	2,136,139,517	2,167,461,546	1,836,304,042
Premises and equipment expenses		1,195,404,022	1,292,459,683	1,085,873,021	1,204,227,621
Taxes and duties		191,845,431	219,258,536	191,176,782	218,660,737
Fees and charges		382,103,628	324,417,071	342,313,716	295,784,665
Directors' remuneration		9,812,000	10,997,000	9,300,000	9,400,000
Contribution fee to the Deposit Protection Agency		350,000,000	598,844,302	350,000,000	598,844,302
Impairment losses on intangible assets and other assets		35,221,569	137,102,719	35,221,569	129,772,719
Reserve for off-balance sheet items		10,000,000	163,500,000	10,000,000	163,500,000
Other expenses		441,819,262	336,205,842	355,840,297	195,874,948
Total non-Interest expenses		5,274,309,131	5,218,724,670	4,547,186,931	4,652,169,032
Income (loss) before corporate					
Income tax		710,406,966	(124,517,731)	1,002,480,191	68,709,679
Corporate income tax	28	(23,519,891)	(3,159,173)	-	-
Net Income (loss) from					
continuing operation		686,887,075	(127,676,904)	1,002,480,191	68,709,679
Profit after tax of discontinued operation	15	153,898,449	131,994,933	-	-
Net income for the year		840,785,524	4,318,029	1,002,480,191	68,709,679
Net income attributable to:					
Equity holders of the Bank		828,846,303	1,667,478	1,002,480,191	68,709,679
Minority interests of the subsidiaries		11,939,221	2,650,551	-	-
		840,785,524	4,318,029	1,002,480,191	68,709,679
Earnings per share for profit	31				
attributable to the equity holders of the Bank					
Basic earnings per share (Baht per share)		0.06	0.00	0.07	0.01
Weighted average number of ordinary shares (shares)		13,934,580,393	11,866,459,533	13,934,580,393	11,868,166,240

The accompanying notes to consolidated and separate financial statements from page 104 to 176 are an integral part of the financial statements

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2010 and 2009

		Consolidated financial statements									
		Shareholders' equity of the Bank									
		Revaluation									
		Issued and paid-up share capital	Share premium (f accounts)	Revaluation surplus on assets	(deficit) on change in value of investments	Statutory reserve	Retained earnings (deficit)	Treasury stocks held by the subsidiaries	Total equity attributable to the Bank's shareholders	Minority interest	Total
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2009		25,000,127,163	(10,606,967,712)	748,614,823	54,637,646	6,053,494	6,704,728,278	(463,381,156)	5,087,527,956	67,708,643	5,155,236,789
Income (expense) recognised directly in equity:		-	-	(19,467,206)	-	-	19,467,206	-	-	-	-
Amortised revaluation surplus on assets		-	-	(19,467,206)	-	-	12,211,969	-	6,553,269	-	6,553,269
Decrease in fair value of investments		-	-	-	(6,458,503)	-	-	-	-	-	-
Net income (expense) recognised directly in equity		-	-	(19,467,206)	(6,458,503)	-	31,499,777	-	6,553,269	-	6,553,269
Net income for the year		-	-	-	(6,458,503)	-	1,697,478	-	1,697,478	-	1,697,478
Total income (expense) for the year		25,000,127,162	(22,493,740,981)	(19,467,206)	(6,458,503)	-	33,197,255	-	8,250,947	2,650,551	10,817,208
Increase in ordinary shares		21	(62,586,503,783)	-	-	(8,053,494)	10,293,876,594	-	2,536,386,221	-	2,536,386,221
Decrease in ordinary shares		21	-	-	-	-	(198,742,803)	463,281,156	281,458,258	-	281,458,258
Decrease in treasury stocks held by subsidiaries		21	-	-	-	-	-	-	-	-	-
Minority interests - equity attributable to minority shareholders of subsidiaries		-	-	-	-	-	-	-	-	422	422
Balance as at 31 December 2009		6,814,700,582	-	729,228,917	48,179,142	-	420,566,598	-	7,873,773,201	70,957,816	7,944,731,017
Balance as at 1 January 2010		6,814,700,582	-	729,228,917	48,179,142	-	420,566,598	-	7,873,773,201	70,957,816	7,944,731,017
Income (expense) recognised directly in equity:		-	-	5,302,508	-	-	5,302,508	-	-	-	-
Amortised revaluation surplus on assets		22	-	5,302,508	-	-	5,302,508	-	-	-	-
Reverse in revaluation surplus on office building		22	-	(187,418,536)	-	-	157,418,536	-	-	-	-
Increase in fair value of investments		23	-	-	111,813,861	-	-	-	111,813,861	-	111,813,861
Net income (expense) recognised directly in equity		-	-	(182,116,028)	111,813,861	-	182,718,041	-	111,813,861	-	111,813,861
Net income for the year		-	-	-	111,813,861	-	628,846,303	-	628,846,303	-	628,846,303
Total income (expense) for the year		-	-	(182,116,028)	111,813,861	-	691,584,344	-	840,490,154	11,529,221	852,503,275
Increase in ordinary shares		21	1,483,298,790	-	-	-	60,500,000	-	2,996,533,692	-	2,996,533,692
Appropriated - statutory reserve		24	-	-	-	60,500,000	60,500,000	-	72,796,093	-	72,796,093
Goodwill adjustment		-	-	-	-	-	-	-	-	-	-
Minority interests - equity attributable to minority shareholders of subsidiaries		-	-	-	-	-	-	-	-	28,382	28,382
Balance as at 31 December 2010		8,157,967,278	1,483,298,790	666,008,878	160,792,997	60,500,000	1,421,428,993	-	11,803,903,042	82,270,658	11,906,023,099

The accompanying notes to consolidated and separate financial statements from page 104 to 178 are an integral part of the financial statements

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

For the years ended 31 December 2010 and 2009

	Separate financial statements											
	Issued and paid-up share capital		Share premium (discounts)		Revaluation surplus on assets		Revaluation surplus (deficit) on change in value of investments		Statutory reserve		Retained earnings (deficits)	
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2009	26,090,127,183	(10,606,987,712)	748,814,826	(18,487,808)	58,777,000	6,063,484	(10,188,912,218)	68,709,679	68,709,679	6,094,872,662		
Income (expense) recognised directly in equity:												
Amortised revaluation surplus on assets	-	-	(18,487,808)	-	-	-	-	-	-	(18,506,625)	-	
Decrease in fair value of investments	-	-	-	-	(18,506,625)	-	-	-	-	(18,506,625)	-	
Net income (expense) recognised directly in equity	-	-	(18,487,808)	-	(18,506,625)	-	-	-	-	(37,013,250)	-	
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	
Total Income (expense) for the year	21	25,030,127,182	(22,488,740,961)	(18,487,808)	(18,506,625)	-	88,197,587	88,197,587	88,197,587	52,203,054		
Increase in ordinary shares	21	(43,386,563,783)	33,100,728,673	-	-	(9,063,484)	10,290,878,694	10,290,878,694	10,290,878,694	2,536,386,221		
Decrease in ordinary shares												
Balance as at 31 December 2009		6,674,700,582	-	729,326,917	39,270,466	-	180,163,963	180,163,963	180,163,963	7,623,461,927		
Balance as at 1 January 2010		6,674,700,582	-	729,326,917	39,270,466	-	180,163,963	180,163,963	180,163,963	7,623,461,927		
Income (expense) recognised directly in equity:												
Amortised revaluation surplus on assets	22	-	-	(6,302,506)	-	-	5,302,506	5,302,506	5,302,506	-		
Revenue in revaluation surplus on office building	22	-	-	(157,415,535)	-	-	157,415,535	157,415,535	157,415,535	-		
Increase in fair value of investments	23	-	-	-	101,748,167	-	-	-	-	101,748,167		
Net income (expense) recognised directly in equity		-	-	(162,718,041)	101,748,167	-	162,718,041	162,718,041	162,718,041	101,748,167		
Net income for the year		-	-	-	-	-	1,002,480,191	1,002,480,191	1,002,480,191	1,002,480,191		
Total Income (expense) for the year		-	-	(162,718,041)	101,748,167	-	1,165,198,232	1,165,198,232	1,165,198,232	1,104,229,358		
Increase in ordinary shares	21	1,483,288,798	1,483,288,798	-	-	-	-	-	-	2,966,533,592		
Appropriated - statutory reserve	24	-	-	-	-	63,500,000	(63,500,000)	(63,500,000)	(63,500,000)	-		
Balance as at 31 December 2010		8,157,987,378	1,483,288,798	566,608,876	141,018,632	63,500,000	1,281,862,195	1,281,862,195	1,281,862,195	11,694,224,877		

The accompanying notes to consolidated and separate financial statements form page 104 to 175 are an integral part of the financial statements

Cash Flow Statements

For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash flows from operating activities				
Income (loss) before corporate income tax from continuing operations	710,408,966	(124,517,731)	1,002,480,191	68,709,679
Income before corporate income tax from discontinued operations	140,216,258	179,411,635	-	-
Income (loss) before corporate income tax including discontinued operations	850,625,224	54,893,904	1,002,480,191	68,709,679
Adjustments to reconcile incomes (loss) before tax to cash received (paid) from operating activities:				
Depreciation and amortisation	443,005,608	511,328,310	414,192,110	474,926,145
Bad debts and doubtful accounts	600,490,039	1,160,873,883	775,000,000	1,145,000,000
Reverse allowance for doubtful debts from disposal of subsidiary	(3,264,713,182)	-	-	-
Impairment losses on intangible assets and other assets	17,757,838	137,102,719	17,757,838	129,772,719
Reserve for off-balance sheet items	10,000,000	163,500,000	10,000,000	163,500,000
Provision for liabilities	20,082,976	31,150,950	20,663,109	30,570,818
Reversal of allowance for impairment for investment in receivables	-	(4,495,239)	-	-
(Reversal) losses on impairment of properties foreclosed	145,679,027	(45,778,610)	2,700,000	(39,000,000)
Impairment losses on premises and equipments	7,027,626	-	7,027,626	-
Impairment losses on investments	36,704,301	20,007,596	32,604,969	20,007,596
Unrealised (gains) losses on exchange rate and derivatives	(134,568,480)	104,213,442	(134,568,480)	104,213,442
Realised losses of exchange rate on investments	90,137,500	157,929,778	90,137,500	157,929,778
Losses (gains) on sale of properties foreclosed	2,671,040	85,875,979	(84,610,650)	(42,894,766)
Unrealised losses (gains) on revaluation of investment	493,678	(23,258,558)	(854,738)	(2,528,223)
Gains on sale of investments	(187,480,366)	(566,829,599)	(495,943,013)	(575,595,091)
Gains on sale of non-performing loans	-	(7,520,554)	-	-
Gains on investment in receivables	(18,845,712)	(191,968,817)	(18,845,712)	(66,020,873)
Gains on disposal of premises and equipments	(280,932,166)	(15,213,495)	(280,905,975)	(15,168,196)
Losses from written off land, premises and equipments	13,880,688	4,246,057	13,880,688	4,246,057
Losses from written off intangible assets	4,648,668	11,542,325	18,286	11,542,325
Interest and dividend incomes	(6,465,840,922)	(7,754,184,623)	(5,960,471,399)	(7,390,811,322)
Interest expenses	1,597,290,718	2,997,722,235	1,583,551,998	2,965,147,507
Loss from operations before changes in operating assets and liabilities	(6,311,887,897)	(3,168,962,317)	(3,006,185,652)	(2,836,452,405)
(Increase) decrease in operating assets				
Interbank and money market items	126,427,220	27,983,679,937	(27,786,816)	28,179,895,391
Investments held for trading	251,369,936	573,711,695	305,649,410	596,496,310
Loans	(11,173,777,028)	3,598,068,011	(13,710,705,007)	4,169,513,947
Properties foreclosed	585,197,797	505,689,459	293,527,586	172,258,594
Other assets	(32,761,215)	(441,422,742)	(44,091,439)	(405,936,354)
Increase (decrease) in operating liabilities				
Deposits	6,264,854,991	(71,329,925,108)	6,123,235,887	(71,581,331,374)
Interbank and money market items	(4,080,135,224)	(304,078,205)	(4,194,109,020)	(112,747,517)
Liability payable on demand	(35,391,737)	97,674,303	(35,391,737)	97,674,303
Payable to clearing house/securities business payable	(33,879,883)	-	-	-
Other liabilities	1,363,249,465	(487,103,296)	1,559,524,782	(674,537,099)

The accompanying notes to consolidated and separate financial statements from page 104 to 175 are an integral part of the financial statements

Cash Flow Statements (Cont'd)

For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash flows from operating activities (Cont'd)				
Cash flows used in operating activities	(13,076,733,585)	(42,972,668,263)	(12,736,312,009)	(42,395,166,204)
Cash received from interest incomes	5,746,785,294	6,677,299,665	5,214,644,571	6,128,443,037
Cash paid for interest expenses	(1,158,274,554)	(2,571,120,035)	(1,149,592,502)	(2,553,340,898)
Cash paid for tax	(25,279,752)	(26,451,129)	-	-
Net cash flows provided by (used in) operating activities	(8,513,502,597)	(38,892,939,762)	(8,671,259,940)	(38,820,064,065)
Cash flows from investing activities				
Cash paid for purchases of available for sale securities	(8,464,968,236)	(5,714,597,253)	(8,068,156,225)	(5,714,597,253)
Proceeds from disposals of available for sale securities	3,529,678,020	23,110,009,991	3,517,955,086	23,110,009,991
Proceeds from maturity and principle payment of available for sale securities	3,553,651,637	1,158,240,456	3,553,651,637	1,158,240,456
Cash paid for purchases of held to maturities securities	(2,589,706,047)	(7,213,140,877)	(2,589,706,047)	(7,213,140,877)
Proceeds from maturity and principle payment of held to maturity securities	1,578,300,003	12,519,176,248	1,578,300,003	12,519,176,248
Cash paid for purchases of general investment	(448,507)	-	(448,510)	-
Proceeds from disposals of general investment	24,746,374	410,944,707	23,816,995	410,944,707
Proceeds from maturity and principle payment of general investment	34,980,000	81,821,134	34,980,000	81,821,134
Cash paid for purchases of investment in subsidiaries and associates	-	-	(260,500,000)	(120,000,000)
Proceeds from disposals of investment in subsidiaries and associates	944,992,863	387,737,655	944,992,863	-
Proceeds from repayment of investment in receivables	285,869,835	174,406,516	280,307,228	174,406,516
Cash paid for purchases of investment in receivables	(14,568,150)	-	-	-
Cash paid for purchases of premises and equipments	(231,161,954)	(198,172,540)	(198,638,860)	(169,619,016)
Proceeds from disposals of premises and equipments	1,086,239,411	242,958,092	1,070,228,129	242,425,215
Cash paid for purchases of intangible assets	(152,438,157)	(200,341,188)	(142,935,249)	(195,852,056)
Dividend received	197,503,070	159,572,123	196,310,979	357,451,540
Interest received	659,353,846	1,549,324,424	659,353,846	1,528,178,070
Net cash flows (used in) provided by investing activities	442,024,108	28,467,939,486	599,511,875	26,189,444,675
Cash flows from financing activities				
Increase in short-term borrowings	5,447,502,581	5,620,486,218	5,447,502,581	6,091,478,115
Increase in long-term borrowings	-	2,595,569,028	-	2,500,000,000
Cash received from capital increase	2,966,533,592	2,536,386,221	2,966,533,592	2,536,386,221
Proceeds from treasury stocks held by subsidiary	-	155,017,038	-	-
Interest expenses	(419,809,463)	(292,397,087)	(419,809,463)	(287,059,183)
Net cash flows provided by financing activities	7,994,226,710	10,815,061,418	7,994,226,710	10,840,805,173
Net decrease in cash and cash equivalents	(77,251,779)	(1,809,938,856)	(77,521,355)	(1,809,814,217)
Cash and cash equivalents at beginning of the year	2,821,772,139	4,631,710,995	2,820,537,268	4,630,351,485
Cash and cash equivalents at the end of the year	2,744,520,360	2,821,772,139	2,743,015,913	2,820,537,268

The accompanying notes to consolidated and separate financial statements from page 104 to 176 are an integral part of the financial statements

Cash Flow Statements (Cont'd)

For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Supplemental disclosure of cash flows information				
Non-cash transactions:				
Bad debts written-off	-	2,385,232,723	-	-
Properties foreclosed received in settlement of debts	390,859,948	442,147,153	-	12,870,000
Payable from purchase premises and equipments	21,382,523	-	21,382,523	-
Payable from purchase intangible assets	10,988,000	-	10,988,000	-
Properties foreclosed received from auction	11,870,365	5,084,216	12,012,866	5,084,216
Revaluation surplus on change in value of investment	111,614,837	16,506,625	101,749,167	16,506,625
Write-off loans and allowance for doubtful debts	1,267,712,968	2,332,450,741	980,900,728	2,332,450,741
Adjust transfer intangible to land, premises and equip	29,568,227	94,680,968	30,019,299	94,680,968
Adjust transfer leasehold to land, premises and equip	12,611,365	-	12,611,365	-
Adjust transfer impairment in investment to other liabilities	34,000,000	-	34,000,000	-
Transfer allowance in loans to allowance interbank (a)	1,300,000	-	2,000,000	-
Write-off negative goodwills	72,796,094	-	-	-

The accompanying notes to consolidated and separate financial statements from page 104 to 175 are an integral part of the financial statements

Notes to Consolidated and Separate Financial Statements

For the years ended 31 December 2010 and 2009

1 General information

CIMB THAI Bank Public Company Limited ("the Bank") is a public company incorporated and domiciled in Thailand. The Bank operates a commercial bank in Thailand since 8 March 1949. The Bank's Head Office is 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. The parent company of the Group is CIMB Group Holdings Berhad (formerly known as "Bumiputra - Commerce Holdings Berhad"). On 20 April 2009, the Bank obtained an approval from the Ministry of Finance to change the Bank's name from "BankThai Public Company Limited" to "CIMB THAI Bank Public Company Limited". The name was registered with the Ministry of Commerce on 1 May 2009.

All subsidiaries were incorporated as limited companies or a public limited company under Thai laws, and all operate in Thailand, engaging mainly in securities business, insurance business, consultancy service, asset management, hire purchase and leasing.

The consolidated and separate financial statements were authorised by the Board of directors on 21 February 2011.

2 Basis of preparation of consolidated and separate financial statements

The consolidated and separate financial statements ("the financial statements") are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission ("SEC") under the Securities and Exchange Act B.E. 2535. The primary financial statements (i.e., balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the format as required by the Notification of the Bank of Thailand ("BoT"), "The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group" dated on 3 August 2008.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

The consolidated financial statements include the separate financial statements of CIMB THAI Bank Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009, with no structural changes related to subsidiaries occurring during the year, except for those reported in Note 8.7 and 15 to the financial statements.

The Bank prepares separate financial statements for the benefit of public, which present investment in subsidiaries and associated companies under cost method.

3 Accounting policies

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

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

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

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

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Bank has not early adopted them:

Effective for the periods beginning on or after 1 January 2011

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate

Effective for the periods beginning on or after 1 January 2013

TAS 12		Income taxes
TAS 20	(Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The management of the Bank has assessed that TAS 2 (revised 2009), TAS 11 (revised 2009), TAS 20 (revised 2009) TAS 28, TAS 31 (revised 2009) TAS 40 (revised 2009) and TFRS 2, TFRS 3 (revised 2009), TFRS 6, TFRIC15 are not relevant to the main business of the Bank and subsidiaries. For other accounting standards, they are in the process of evaluating the effect of such standards to the financial statement for the year initially applied. New accounting standards which may impact significantly to the financial statement are shown as follows:

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured by based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Bank and subsidiaries will apply this standard from 1 January 2013 retrospectively with an expectation to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

TAS 19 deals with accounting for employee benefit. The standard classifies employee benefit into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit shall recognise in profit and loss. The Bank and subsidiaries will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.

Comparative figures have been adjusted to conform with changes in presentation in the current year as follows:

Certain accounts in the balance sheet as at 31 December 2009 have been reclassified to conform to the presentation in the balance sheet as at 31 December 2010. The significant transactions are shown as follows:

1. The Bank separately presented financial derivative assets and financial derivative liabilities from other assets and other liabilities. As at 31 December 2009, financial derivative assets and financial derivative liabilities in the consolidated financial statement and separate financial statements were Baht 1,592 million and Baht 1,183 million, respectively.
2. Deferred related expenses in issuing debenture agreement amounting to Baht 37 million and accrued interest expenses of long-term borrowing amounting to Baht 86 million reclassified from Other assets and Accrued interest expenses, respectively, to long-term borrowings according to Effective Interest Rate method.

Certain accounts in the income statements for the year ended 31 December 2009 have been reclassified to conform to the presentation in the income statement for the year ended 31 December 2010. The significant transactions are shown as follows:

1. Telephone and postage income amounting to Baht 9 million was reclassified from other income to Fee and charges - others.
2. Personnel service agent expense amounting to Baht 16 million was reclassified from Fee and charges to Personnel expenses.
3. ATM Security expenses amounting to Baht 30 million was reclassified from Other expenses to Premises and equipment expenses.
4. Telephone expenses amounting to Baht 36 million was reclassified from Premises and equipment expenses to Other expenses.
5. Assets evaluation expense amounting to Baht 8 million was reclassified from Fee and charges to Premises and equipment expenses.
6. Staff incentive expense amounting to Baht 10 million was reclassified from Fee and charges to Personnel expenses.

3.2 Revenue recognition

(a) Interest and discount on loans

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

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

(b) Interest on margin loans

Interest on margin loans is recognised as income on the time proportion basis except for interest income from certain securities business receivables, which is recognised on a collection basis in accordance with an announcement of the office of the Securities and Exchange Commission, dated 15 February 2001, regarding the accounting for sub-standard loans.

(c) Interest and dividends on investments

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

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

(d) Gains (losses) on sale of investments

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

(e) Gains (losses) on sale of property foreclosed

Gains or losses on sale of property foreclosed are recognised as income/expenses in income statement when the significant risks and rewards of ownership of property foreclosed have transferred to the buyer.

(f) Brokerage fees

Brokerage income is recognised when the underlying transaction is contracted.

(g) Premium income and inward reinsurance

Premium income is recognised on the effective date of insurance policies and after deducting premium on reinsurance outward and refunds.

The subsidiary recognises inward reinsurance transactions with insurance companies upon receipt of advice from those companies.

(h) Income from hire-purchase contracts

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

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

(i) Other income

Other income is recognised as income on an accrual basis.

3.3 Expense recognition

(a) **Interest expenses**

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

(b) **Claims**

Losses are recognised upon receipt of the claims advice from the insured parties, including provision for the cost of claims incurred but not reported as of the balance sheet date.

(c) **Policy acquisition costs**

Policy acquisition costs, such as commissions, are charged to the income statement as incurred.

(d) **Commission fee under hire purchase agreements**

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

(e) **Other expense**

Other expense is recognised as expense on an accrual basis.

3.4 Investments

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

1. Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not over than three months. Trading investments are traded in active markets and included in short-term investment.
2. Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in short-term investment.
3. Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in long-term investment, except for maturities within 12 months from the balance sheet 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.

Trading and available-for-sale investments are presented in the balance sheet at fair value less allowance for impairment, if any. In the income statements, the unrealised gains and losses of trading investments are recognised in the gains (losses) on investment in the income statements. 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 income statement as the gains (losses) on investment. Fair value are calculated on the following basis:

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

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

General investments are carried at cost less impairment.

The Bank and its subsidiaries test 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 income statements.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statements. When disposing of part of the Bank and subsidiaries' holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the First-in, First-out carrying amount of the total holding of the investment.

3.5 Investments in receivables

Investments in receivables that purchased from financial institutions are valued at acquisition cost net of allowance for impairment (if any). Loss on impairment of investments is included in income statement.

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

The Bank and its subsidiaries determine allowance for impairment of investments in receivables based on the present value of expected future cash flows from collateral disposal or debt collection in accordance with the BoT's provisioning guidelines.

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

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

3.7 Investments in subsidiary and associated companies

(1) Subsidiaries

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. When assessing whether the Bank controls another entity, the Bank considers the existence and effect of voting rights that are currently exercisable or convertible, including potential voting right which held by other entities. The Bank consolidated financial statement of subsidiaries from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases.

The Bank applies the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Bank's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Bank.

In the Bank's separate financial statements investments in subsidiaries are reported by using the cost method

A list of the Bank's principal subsidiaries is set out in Note 8.7. The effects acquisitions and disposals of subsidiaries are shown in Note 8.7.

(2) Associates

Associates are all entities over which the Bank has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost, and accounted for using the equity method of accounting in consolidated financial statements. The Bank's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Bank's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Bank's share of losses in an associate equals or exceeds its interest in the associate, the Bank does not recognise further losses.

In the Bank's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Bank's principal associates is set out in Note 8.7. The effects acquisitions and disposals of associates are shown in Note 8.7.

If the Bank receives shares as a result of debt restructuring of a borrower and as a result of such acquisition holds more than 50 percent or 20 percent of the shares of such company, the Bank will not treat the investee company as a subsidiary company or a associated company, respectively, as it intends to hold such investments on a temporary basis and must dispose them in accordance with BoT's guidelines.

3.8 Loans/securities business receivables/hire purchase receivables and allowance for doubtful accounts

(a) For loans of commercial banking business

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

(b) **For securities business receivables**

Receivables from clearing house and payables to clearing house

Receivables from clearing house comprises the net balance receivables from Thailand Securities Depository (TSD) in respect of securities trades settled through clearing house of TSD and the net receivable from Thailand Clearing House (TCH) including amounts pledged with TCH as security for derivatives trading.

Payables to clearing house comprise the net balance payable to Thailand Securities Depository (TSD) in relation to securities trades settled through clearing house of TSD and the net payable to Thailand Clearing House (TCH).

As at 15 February 2010 and onward, receivables from and payables to clearing House of Thailand securities Depository (TSD) in relation to securities trades will be settled through Thailand clearing House (TCH).

Securities business receivables and allowance for doubtful accounts

Securities business receivables and derivative business receivables are the net balances after deducting allowance for doubtful accounts and include interest receivables.

Securities business receivables comprise cash accounts, margin accounts, guarantee deposits receivable, as well as other receivables such as overdue cash accounts and receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

Allowance for doubtful accounts is determined based on the announcement of the Office of the Securities and Exchange Commission's Notification dated 15 February 2001, regarding the accounting for sub-standard loans. The announcement requires the subsidiary categorise its loan portfolio into 3 categories subject to different minimum levels of provisioning. The announcement also imposes policies regarding collateral valuation for the purpose of setting allowance for doubtful accounts. Moreover, management also considers the financial position of each debtor which is based on management's experience and opinion.

(c) **For hire purchase receivables**

Hire purchase receivables are stated at net realisable value from the contractual amounts net off unearned hire purchase incomes. Allowance for doubtful accounts is set in accordance with the Bank of Thailand's guidelines.

3.9 Troubled debt restructuring and losses from troubled debt restructuring

The Bank and its subsidiaries record troubled debt restructuring transactions and related losses with according to the notifications of the Bank of Thailand.

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

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

Losses arising from restructuring, net off allowance for doubtful accounts, are recorded as revaluation allowance for debt restructuring and recognised as expense in the Income statements when incurred.

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

The Bank adjusts the revaluation allowance for debt restructuring at the end of every period by re-calculating the net present value of expected cash flows, discounted by the Minimum Loan Rate (MLR) being quoted to the debtor at the end of the period.

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

3.10 Properties/assets foreclosed

Properties/assets foreclosed consists 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 foreclosed assets incurred impairment, the Bank and its subsidiaries will recognise the provision for impairment of foreclosed assets in total.

The Bank and its subsidiaries will recognise gain (loss) on sales of foreclosed assets as income or expenses in whole amount in accordance with the notifications of the Bank of Thailand.

3.11 Premises and equipment and depreciation

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

The Bank and its subsidiaries record increase in the carrying amount arising on revaluation of property and plant are credited to the revaluation surplus on assets (included in unrealised gain) in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the income statements. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statements) and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

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

Buildings	20 - 40 years
Equipments	5 years and 10 years

Residual value and the estimated useful life of the assets are revised in every reporting balance sheet date.

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

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank and subsidiaries. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit. On disposal of revalued assets, the related revaluation reserve amounts are transferred to retained earnings.

3.12 Intangible assets

(a) Computer software

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

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Bank and subsidiaries and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

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

(b) Other intangible assets

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

3.13 Impairment of assets

Property, plant and equipment and other non-current assets which are not financial assets, including goodwill and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reversed for possible impairment loss of the estimation of the recoverable amounts were changed in subsequent period after the Bank and subsidiaries' recognition of impairment.

3.14 Leasehold rights

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

3.15 Leases

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

3.16 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.

3.17 Foreign currency translation

Items included in the financial statements of the Bank and its subsidiaries are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statements.

3.18 Financial derivatives

The Bank regards its obligations under financial derivatives contracts as off-balance sheet items. The accounting treatments for financial derivatives transactions depends on the purpose of the transaction as follows:

(a) Trading transactions

The Bank records its obligations under financial derivatives contracts originated for trading purposes at fair value. Gains/Losses arising from changes in value are included in Income statement.

(b) Non-trading transactions

The Bank measures derivatives classified as non-trading transactions on basis equivalent to that used in measurement of the hedged underlying asset and liability as follows:

- (1) For foreign currency elements, the Bank measures its value in Baht by using the reference rates on the balance sheet date announced by the Bank of Thailand.
- (2) Interest elements are recorded on an accrual basis.

3.19 Embedded derivatives

The Bank records embedded derivatives in Investments in Structured Note and Structured Deposit 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 Bank will separately account the embedded derivative from the host contract and measure the embedded derivative at fair value including a gain/loss in the income statements. The host contract will be accounted for under the related accounting standards. In case of the Bank is unable to measure the embedded derivative separately, the Bank will designate the entire hybrid contract as at fair value (based on arranger's price) included in the income statements.
- (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 Bank will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

3.20 Unearned premium reserve

Unearned premium reserve is the proportion of the premium written during the year, less reinsurance and cancellations, that relate to the periods of risk from 1 January of the following year to the subsequent expiry dates of the policies. It is calculated on the following basis:

Fire, marine hull, motor and miscellaneous	- Monthly average basis (the one-twenty fourth basis)
Marine and transportation (cargo)	- Net premium written for the last ninety days
Travel accident with coverage of not more than 6 months	- Net premium written for the last thirty days

3.21 Loss reserves and outstanding claims

A provision for outstanding claim is made for the estimated cost of all claims notified but not settled at the balance sheet less reinsurance recoveries, using the information available at the time. Provision is also made for the cost of claims incurred but not reported as of the balance sheet date.

The subsidiary estimates claims incurred but not yet reported by the insured (IBNR) based on the actuarial basis based on the subsidiary's experience and historical data which is not lower than 2.5% of the annual net written premium.

Differences between the provision for outstanding claims at the balance sheet date and subsequent revisions and settlements are included in the income statements in later years.

3.22 Pension fund

The Bank has a policy to pay pension benefits to employees with more than 10 years of service and who resign in accordance with the rules and conditions stipulated by the Bank. The Bank reserves pension funds and charged to expenses in the income statements based on the number of years of service by each employee. In the event that any employee resigns and is not entitled to receive pension benefits, the Bank will reverse the pension fund contributions already reserved for such employee and charge the amount against the income statements for the year in which he/she resigns.

Such pension benefits only provide to employees who are former employees of the Union Bank of Bangkok Public Company Limited.

3.23 Provident fund

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

3.24 Treasury stock

Where the Bank or its subsidiaries purchases the Bank's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity recorded as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.25 Provisions

The Bank and subsidiaries recognise provisions when the Bank and subsidiaries has a present legal or constructive obligation as a result of past events, it is probable that an economic outflow of resources will be required to settle the obligation and the obligation is reliably estimated.

Where the Bank and subsidiaries expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3.26 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

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.

4.1 Critical accounting estimates and assumptions

The Bank and its subsidiaries make 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 Bank and subsidiaries 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 Bank and subsidiaries' 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 recovered, in determining the impairment losses. Management believed that estimation are reasonable.

d Allowance for impairment of property foreclosed

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

e Building, equipment and intangible assets

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

f Loss reserves and outstanding claims

Loss reserves and outstanding claims is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified but not settled at the balance sheet date. Loss reserves and outstanding claims is also made for the cost of claims, together with related expenses, incurred but not reported at the balance sheet date, using an actuarial valuation which is estimated based on statistical data and historical experience.

5 Capital risk management

The Bank and subsidiaries' objectives when managing capital are to safeguard the Bank and subsidiaries' 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 Bank and subsidiaries 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 25.

6 Change in accounting policy

The Bank changed accounting method of accounts receivable from investments and accounts payable for purchase of investments from trade date accounting to settlement date accounting in order to follow the accounting policy of the parent company. The Bank adjusted consolidated and separate balance sheet as at 31 December 2009 by reducing accounts receivable from sale of investments amounting to Baht 13,284,802,101 and reducing accounts payable from purchase of investments amounting to Baht 13,284,745,216. The Bank additionally disclosed commitment on purchase of investment amounting to Baht 13,287,000,000 and commitment on sale of investment amounting to Baht 13,287,000,000 in Note 33.1. The Bank did not adjust consolidated and separate profit and loss statement and consolidated and separate statement of cash flows as the impact was immaterial.

Besides, the Bank changed cost method of investment from Weighted Average to First-in, First-out in order to follow the accounting policy of the parent company. The Bank did not adjust comparative financial statements for the year ended 31 December 2009 due to the impact was immaterial.

7 Interbank and money market items (assets)

	Consolidated financial statements					
	2010			2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	635	2,300	2,935	72	1,680	1,732
Commercial banks	504	3,045	3,549	198	12,326	12,524
Other banks	4	6,875	6,879	7	68	75
Finance, finance and securities, securities, and credit foncier companies	544	1	545	544	57	601
Other financial institutions	-	432	432	50	-	50
Total domestic items	1,687	12,653	14,340	871	14,111	14,982
Add Accrued interest receivables	-	2	2	-	2	2
Less Allowance for doubtful debts	-	(4)	(4)	-	2	2
Domestic items - net	1,687	12,651	14,338	871	14,111	14,982
Foreign:						
US dollar	833	42	875	336	-	336
Yen	6	-	6	13	-	13
EURO	8	-	8	15	-	15
Other currencies	15	-	15	24	-	24
Foreign items - net	862	42	904	388	-	388
Domestic and foreign items - net	2,549	12,693	15,242	1,259	14,111	15,370

Separate financial statements

	2010			2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	635	2,300	2,935	72	1,660	1,732
Commercial banks	23	3,000	3,023	40	12,000	12,040
Other banks	-	6,875	6,875	-	-	-
Finance, finance and securities, securities, and credit foncier companies						
	544	125	669	544	56	600
Other financial institutions	-	432	432	50	-	50
Total domestic items	1,202	12,732	13,934	706	13,716	14,422
Add Accrued interest receivables	-	2	2	-	1	1
Less Allowance for doubtful debts	-	(4)	(4)	-	(2)	(2)
Domestic items - net	1,202	12,730	13,932	706	13,715	14,421
Foreign:						
US dollar	833	42	875	398	-	398
Yen	6	-	6	13	-	13
EURO	8	-	8	15	-	15
Other currencies	15	-	15	24	-	24
Foreign items - net	862	42	904	388	-	388
Domestic and foreign items - net	2,064	12,772	14,836	1,094	13,715	14,809

As at 31 December 2010, the Bank has promissory notes of Baht 547 million (31 December 2009: Baht 547 million), that had been issued by finance companies which were ordered to be closed, and are availed by the Financial Institution Development Fund ("the FIDF").

The FIDF recalls promissory notes amounting to Baht 544 million (31 December 2009: Baht 544 million) to cancel the avai since the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory note to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the balance sheet date such promissory note availed by FIDF has been presented as assets and the related obligation has been presented as liabilities at the same amount Baht 544 million (31 December 2009: Baht 544 million).

8 Investments

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Value at equity method/cost method	24,468	21,225	24,345	23,579
Add Allowance for revaluation	160	54	142	38
Less Allowance for impairment	(2,996)	(565)	(1,766)	(1,989)
Net book value	21,632	20,714	22,721	21,628

8.1 Classified by types of investment

	Consolidated financial statements				Separate financial statements			
	2010		2009		2010		2009	
	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht
Short-term investments:								
Securities held for trading								
Government and state enterprises securities	80	80	405	404	80	80	380	379
Private sector debt securities	6	6	26	26	6	6	6	6
Domestic marketable equity securities	50	50	76	82	-	-	-	-
Total	136	136	507	512	86	86	386	385
Add (less) Allowance for revaluation	-	-	5	-	-	-	(1)	-
Securities held for trading - net	136	136	512	512	86	86	385	385
Available-for-sales securities								
Government and state enterprises securities	2,622	2,618	4,536	4,538	2,622	2,618	4,488	4,490
Private sector debt securities	1	-	55	54	1	-	54	53
Domestic marketable equity securities	27	22	27	17	-	-	-	-
Total	2,650	2,640	4,618	4,609	2,623	2,618	4,542	4,543
Add Allowance for revaluation	18	-	17	-	(4)	-	2	-
Less Allowance for impairment	(26)	-	(26)	-	(1)	-	(1)	-
Available-for-sales securities - net	2,640	2,640	4,609	4,609	2,618	2,618	4,543	4,543
Held-to-maturity debt securities								
Government and state enterprises securities	4,561	-	-	-	4,561	-	-	-
Promissory notes issued by Thai Asset Management Corporation	481	-	-	-	481	-	-	-
Overseas debt securities	1,508	-	-	-	1,508	-	-	-
Held-to-maturity debt securities - net	6,550	-	-	-	6,550	-	-	-
Short-term investments - net	9,326	-	5,121	-	9,254	-	4,928	-

	Consolidated financial statements				Separate financial statements			
	2010		2009		2010		2009	
	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht	Cost/ Amortised Cost Million Baht	Fair Value Million Baht
Long-term investments:								
Available-for-sales securities								
Government and state enterprises securities	2,959	2,921	35	35	2,959	2,921	-	-
Private sector debt securities	-	-	38	39	-	-	-	-
Domestic marketable equity securities	2,500	2,883	2,571	2,597	2,500	2,883	2,512	2,544
Total	5,459	5,804	2,644	2,671	5,459	5,804	2,512	2,544
Add Allowance for revaluation	145	-	32	-	145	-	37	-
Less Allowance for impairment	-	-	(5)	-	-	-	(5)	-
Available-for-sales securities - net	5,604	5,804	2,671	2,671	5,604	5,804	2,544	2,544
Held-to-maturity debt securities								
Promissory notes issued by Thai Asset Management Corporation (Note 38)	319	-	800	-	319	-	800	-
Government and state enterprises securities	4,620	-	6,660	-	4,620	-	6,660	-
Private sector debt securities	550	-	550	-	550	-	550	-
Overseas debt securities	-	-	3,337	-	-	-	3,337	-
Total	5,489	-	11,347	-	5,489	-	11,347	-
Less Allowance for impairment	(54)	-	(54)	-	(54)	-	(54)	-
Held-to-maturity debt securities - net	5,435	-	11,293	-	5,435	-	11,293	-
General investments								
Private sector debt securities	1	-	1	-	1	-	1	-
Domestic non-marketable equity securities	603	-	666	-	603	-	666	-
Overseas non-marketable equity securities	13	-	14	-	13	-	14	-
Investments in receivables (Note 8.6)	841	-	1,213	-	796	-	1,085	-
Total	1,458	-	1,894	-	1,413	-	1,765	-
Less Allowance for impairment	(345)	-	(470)	-	(308)	-	(366)	-
General investments-net	1,113	-	1,424	-	1,105	-	1,399	-
Long-term investments - net	12,152	-	15,388	-	12,144	-	15,236	-

- (a) As of 31 December 2010, the Bank had foreign currency denominated debt investment in structured note totalling USD 50 million or Baht 1,508 million (31 December 2009: USD 100 million or Baht 3,337 million), which has been classified as the held-to-maturity investments and is recorded under the cost method. Such note was issued by foreign bank whose rating was A or better. The note has remaining live of 1 year and contain conditions related to interest to be received by the Bank and/or early repayment rights of the note issuer.

As at 31 December 2010, the estimated price of the notes quoted by arrangers is approximately 98 percent (31 December 2009: 98 percent). The Bank has not set aside allowance for impairment on such investment because the Bank's management are confident that all notes will be recovered in full on the maturity date or when the issuer early redeems the notes.

- (b) As at 31 December 2010, held-to-maturity debt securities classified as long-term investments included promissory notes which were received from TAMC in settlement for non-performing loans transferred to TAMC (as already discussed in Note 38 to the financial statements) amounting to Baht 800 million (31 December 2009: Baht 800 million). Such promissory notes are non-transferable and availed by the FIDF.
- (c) As at 31 December 2010, the Bank has an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million (31 December 2009: Baht 2,500 million) and it is presented at its fair value of Baht 2,683 million (31 December 2009: Baht 2,535 million), with the gain from revaluation amounting to Baht 183 million (31 December 2009: Baht 35 million) presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 40 (former number) concerning Accounting for Investment in Debt and Equity Securities. The investee fund was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a 10-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.
- (d) As at 31 December 2010 and 31 December 2009, the Bank has investments which are pledged as collateral, as mentioned in Note 32.1 to the financial statements.

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

Consolidated financial statements								
	2010				2009			
	Periods remaining				Periods remaining			
	1 - 5	Over			1 - 5	Over		
	1 year Million Baht	years Million Baht	5 years Million Baht	Total Million Baht	1 year Million Baht	years Million Baht	5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities								
	2,622	2,959	-	5,581	4,536	32	3	4,571
Private sector debt securities								
	1	-	-	1	55	35	3	93
Total	2,623	2,959	-	5,582	4,591	67	6	4,664
Add Allowance for revaluation	(4)	(38)	-	(42)	2	-	1	3
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sales securities - net	2,618	2,921	-	5,539	4,592	67	7	4,666
Held-to-maturity securities								
Promissory notes issued by TAMC								
	481	319	-	800	-	792	8	800
Government and state enterprises securities								
	4,561	4,466	154	9,181	-	6,505	155	6,660
Private sector debt securities								
	-	550	-	550	-	550	-	550
Overseas debt securities								
	1,508	-	-	1,508	-	1,669	1,668	3,337
Total	6,550	5,335	154	12,039	-	9,516	1,831	11,347
Less Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Held-to-maturity securities - net	6,550	5,281	154	11,985	-	9,462	1,831	11,293
General Investments								
Private sector debt securities								
	-	-	1	1	-	-	1	1
Less Allowance for impairment	-	-	(1)	(1)	-	-	(1)	(1)
General investments - net	-	-	-	-	-	-	-	-
Total debt securities	9,168	8,202	154	17,524	4,592	9,529	1,838	15,959

Separate financial statements

	2010				2009			
	Periods remaining				Periods remaining			
		1 - 5	Over			1 - 5	Over	
	1 year	years	5 years	Total	1 year	years	5 years	Total
Million	Million	Million	Million	Million	Million	Million	Million	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Available-for-sales securities								
Government and state enterprises securities	2,622	2,959	-	5,581	4,488	-	-	4,488
Private sector debt securities	1	-	-	1	54	-	-	54
Total	2,623	2,959	-	5,582	4,542	-	-	4,542
Add Allowance for revaluation	(4)	(38)	-	(42)	2	-	-	2
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sales securities - net	2,618	2,921	-	5,539	4,543	-	-	4,543
Held-to-maturity securities								
Promissory notes issued by TAMC	481	319	-	800	-	792	8	800
Government and state enterprises securities	4,561	4,466	154	9,181	-	6,505	155	6,660
Private sector debt securities	-	550	-	550	-	550	-	550
Overseas debt securities	1,508	-	-	1,508	-	1,069	1,068	3,337
Total	6,550	5,335	154	12,039	-	9,516	1,831	11,347
Less Allowance for impairment	-	(54)	-	(54)	-	(54)	-	(54)
Held-to-maturity securities - net	6,550	5,281	154	11,985	-	9,462	1,831	11,293
General Investments								
Private sector debt securities	-	-	1	1	-	-	1	1
Less Allowance for impairment	-	-	(1)	(1)	-	-	(1)	(1)
General Investments - net	-	-	-	-	-	-	-	-
Total debt securities	9,168	8,202	154	17,524	4,543	9,462	1,831	15,836

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

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

	Consolidated and separate financial statements	
	31 December 2010 Million Baht	31 December 2009 Million Baht
Commercial business	2	2
Property development	1	1
Public utilities and services	17	17
Bank and Finance	4	4
Total	24	24
Less Allowance for impairment	(11)	(10)
Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10% - net	13	14

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

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

	Consolidated and separate financial statements			
	31 December 2010		31 December 2009	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	229	226	264	264
Less Allowance for impairment	(3)		(3)	
General investments - net	226		261	

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

As at 31 December 2010 and 2009, the Bank and its subsidiaries have the following investments in companies, which have problems relating to financial positions and operating results:

	Consolidated and separate financial statements							
	2010				2009			
	Number of companies	Cost Million Baht	Allowance for Revaluation/ Impairment Million Baht	Book Value Million Baht	Number of companies	Cost Million Baht	Allowance for Revaluation/ Impairment Million Baht	Book Value Million Baht
Listed companies								
under delisting conditions	2	-	-	-	3	-	-	-
Companies with problems regarding to business continuity and/or weak financial status and operating performance	51	42	(42)	-	53	50	(40)	10
Defaulted debt securities	18	2	(2)	-	17	1	(1)	-
	71	44	(44)	-	73	51	(41)	10

8.6 Investments in receivables

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Investments in receivables (Note 8.1)	841	1,213	796	1,065
Less Allowance for impairment	(131)	(258)	(94)	(154)
Investments in receivables - net	710	955	702	931

As at 31 December 2010 and 2009, the outstanding balances of loan receivables can be summarised as follows:

	2010				2009			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (Yield)* %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (Yield)* %
Consolidated financial statements								
Total accumulated investments in receivables	6,036	24,833	7,069	19	14,730	24,916	7,075	19
Outstanding investments in receivables as at the balance sheet date	353	3,733	841		12,366	10,382	1,213	
Separate financial statements								
Total accumulated investments in receivables	5,847	22,948	6,996		5,857	22,948	6,996	
Outstanding investments in receivables as at the balance sheet date	199	2,136	796		239	2,675	1,085	

* Excluded yield of investment in receivable of a subsidiary which the outstanding as at 31 December 2010 is Baht 45 million (31 December 2009: Baht 48 million).

8.7 Investments in subsidiary and associated companies

		Consolidated financial statements									
		Investment value						Dividend received for the years ended 31 December			
Company name	Nature of business	Paid-up share capital		Percentage of holding		Cost method		Equity method		2010	2009
		2010 Million Baht	2009 Million Baht	2010 %	2009 %	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	Million Baht	Million Baht
Subsidiary - not included in consolidated financial statements											
Krung Thai Thanakit Finance Plc.	In process of liquidation	399	399	99	99	562	562	154	154	-	-
Associated company Workclass Rent a Car Co., Ltd.	Car rental	-	390	-	20	-	61	-	61	-	-
Total		562	623	154	215	-	-	-	-	-	-
Less Allowance for Impairment		(304)	(314)	-	(10)	-	-	-	-	-	-
Investments in subsidiary and associated companies-not		258	309	154	205	-	-	-	-	-	-

Company name	Nature of business	Paid-up share capital		Percentage of holding		Separate financial statements				
		2010	2009	2010	2009	Investment value		Dividend received for the years ended 31 December		
		Million Baht	Million Baht	%	%	2010	2009			
						Cost method	2010	2009		
						Million Baht	Million Baht	Million Baht	Million Baht	
Subsidiaries - Included in consolidated financial statements										
BT Insurance Co., Ltd	Non-life insurance	300	300	-	100	-	236	-	-	
CIMB Securities (Thailand) Co., Ltd.	Securities	500	500	100	100	1,175	1,175	-	-	
CT Oil Co., Ltd. (Formerly known as "BT Business Consulting Co., Ltd.")	Debt collection Leasing/ hire purchase	38	32	100	100	38	32	-	-	
BT Leasing Co., Ltd.		525	275	100	100	703	453	-	-	
CIMB - Principal Asset Management Co., Ltd. (Formerly known as "BT Asset Management Co., Ltd.")	Fund manager Asset management	235	235	-	100	-	235	-	-	
Sathorn Asset Management Co., Ltd.	Hire purchase - motorcycles,	525	25	-	100	-	25	-	200	
World Lease Co., Ltd. (Formerly known "BT Wordlease Co., Ltd.")	motorcycle trading	240	240	75	75	248	248	-	-	
Subsidiary - not included in consolidated financial statements										
Krung Thai Thanakit Finance Plc.	In process of liquidation	388	388	99	99	562	562	-	-	
Associated company										
Worldclass Rent a Car Co., Ltd.	Car rental	390	390	-	20	-	61	-	-	
Total										
						2,726	3,027	-	200	
						(1,403)	(1,563)			
Less: Allowance for impairment										
						1,323	1,464			
Investments in subsidiary and associated companies - net										

The Board of Directors' meeting no. 4/2010 on 12 March 2010 and the 2009 annual general shareholder meeting on 29 April 2010 resolved that the Bank sells its investment in equity of BT Insurance Co., Ltd. 29,999,910 shares which was 99.99% of its paid-up capital to the acquirer outside the Group. Besides, the Board of Directors' meeting no. 5/2010 on 25 March 2010 and the 2009 annual general shareholder meeting also approved changing in shareholding structure of the Bank by allowing the Bank to sell its investment in Sathorn Asset Management Co., Ltd. 24,999,993 shares which was 99.99% of its paid-up capital, BT Asset Management Co., Ltd. (which later on changed the name to CIMB-Principal Asset Management Co., Ltd.) 23,999,993 shares which was 99.99% of its paid-up capital and World Class Rent a Car Co., Ltd. 760,000 shares which was 20% of its paid-up capital to companies in the same group assigned by the parent company.

As at 4 May 2010, the Bank increased its investment in BT Asset Management Co., Ltd. (which later on changed its name to CIMB-Principal Asset Management Co., Ltd.) amounting to Baht 5 million.

As at 30 June 2010, the Bank sold its shares in BT Asset Management Co., Ltd (which later on changed the name to CIMB-Principal Asset Management Co., Ltd.). The Bank received cash from selling the shares amounted to Baht 250 million. Gain from sales recognised in consolidated income statement at amount of Baht 218 million (separate income statement Baht 162 million).

On 23 July 2010, the Bank sold the shareholding in World Class Rent a Car Co., Ltd.. Gain from sale amounting to Baht 22 million is recognised in the consolidated and separate income statements for the year ended 31 December 2010.

On 29 September 2010, the Board of directors of BT Leasing Co., Ltd. which is the Bank's subsidiary and The Board of Directors' meeting no. 13/2553 on 24 November 2010 approved for raising its capital amounting to Baht 1,000 million. On 29 November 2010, the Bank settled the capital to BT Leasing Co., Ltd. amounting to Baht 250 million.

As at 7 October 2010, the bank increased its investment in BT Business Consulting Co., Ltd. (which later on changed the name to CT Coil Co., Ltd.) amounting to Baht 5.5 million.

On 4 November 2010, the Bank sold the shareholding in BT Insurance Co., Ltd. The Bank received cash from selling the shares amounted to Baht 392 million. Gain from sale recognised in consolidated income statement at amount of Baht 21 million (separate income statement Baht 98 million). However, the Bank has an obligation to price adjustment which may result a payment in the maximum amount of Baht 58 million.

On 23 December 2010, the Bank sold the shareholding in Sathorn Asset Management Co., Ltd. The Bank received cash from selling the shares amounted to Baht 229 million. Loss from sale recognised in consolidated income statement at amount of Baht 84 million (gain in separate income statement Baht 204 million).

Subsequent event

On 11 January 2011, BT Business Consulting Co., Ltd. which is a subsidiary registered change its name to CT Coil Co., Ltd.

On 3 February 2011, BT Leasing Co., Ltd. which is a subsidiary registered change its name to Center Auto Lease Co., Ltd.

9 Loans and accrued interest receivables

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Loans	93,793	85,996	92,161	81,180
Accrued interest receivables	207	255	178	198
Total loans and accrued interest receivables	94,000	86,251	92,339	81,378
Less Allowance for doubtful debts (Note 10)	(2,604)	(7,944)	(2,424)	(4,237)
Less Revaluation allowance for debt restructuring (Note 11)	(9)	(9)	(9)	(9)
Loans and accrued interest receivables	91,387	78,298	89,906	77,132

9.1 Classified by loan type

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Bank overdrafts	6,057	5,671	6,063	5,655
Loans	57,688	57,439	60,921	54,788
Bills*	23,799	18,545	25,120	20,679
Hire purchase receivables*	5,799	3,592	-	-
Financial lease receivables*	-	256	-	-
Securities business receivables	393	432	-	-
Others	57	61	57	60
Total loans	93,793	85,996	92,161	81,180
Add Accrued interest receivables	207	255	178	198
Total loans and accrued interest receivables	94,000	86,251	92,339	81,378
Less Allowance for doubtful debts (Note 10)	(2,604)	(7,944)	(2,424)	(4,237)
Less Revaluation allowance for debt restructuring (Note 11)	(9)	(9)	(9)	(9)
Loans and accrued interest receivables - net	91,387	78,298	89,906	77,132

* Those amounts have been presented net from unearned interest income as at 31 December 2010 total of Baht 1,710 million (31 December 2009: Baht 979 million) and in separate financial statements Baht 5 million (31 December 2009: Baht 5 million).

9.2 Classified by remaining period of contract

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Not over 1 year*	37,993	37,708	37,843	33,473
Over 1 year	56,007	48,545	54,696	47,905
Total loans and accrued interest receivables	94,000	86,251	92,339	81,378

* Includes loans for which the debtors have been unable to comply with the agreement and of which the Bank has the right to demand payment at call.

9.3 Classified by currency and residency of debtors

	Consolidated financial statements					
	2010			2009		
	Domestic Million Baht	Overseas Million Baht	Total Million Baht	Domestic Million Baht	Overseas Million Baht	Total Million Baht
Baht	88,824	-	88,824	84,170	73	84,243
US dollar	4,994	-	4,994	1,943	-	1,943
Other currencies	182	-	182	65	-	65
Total loans and accrued interest receivables	94,000	-	94,000	86,178	73	86,251

	Separate financial statements					
	2010			2009		
	Domestic Million Baht	Overseas Million Baht	Total Million Baht	Domestic Million Baht	Overseas Million Baht	Total Million Baht
Baht	87,163	-	87,163	79,370	-	79,370
US dollar	4,994	-	4,994	1,943	-	1,943
Other currencies	182	-	182	65	-	65
Total loans and accrued interest receivables	92,339	-	92,339	81,378	-	81,378

9.4 Classified by types of business and loan classification

	Consolidated financial statements						
	2010						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	713	39	-	2	11	-	765
Manufacturing and commerce	33,584	4,213	820	39	411	-	39,067
Real estate and construction	3,746	1,183	143	137	269	-	5,478
Public utilities and services	11,918	2,229	129	18	160	-	14,452
Personal cash	5,548	265	230	-	19	-	6,062
Housing loans	15,982	183	106	86	63	-	16,420
Hire purchase receivable and financial lease receivable	-	-	-	-	-	5,827	5,827
Others	5,338	85	49	33	31	393	5,929
Total loans and accrued interest receivables	76,829	8,197	1,477	313	964	6,220	94,000

Consolidated financial statements

2009

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Securities and hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	316	225	-	4	148	-	693
Manufacturing and commerce	22,355	4,684	1,487	471	6,101	-	35,098
Real estate and construction	4,622	2,840	411	237	879	-	8,989
Public utilities and services	9,319	2,858	158	173	1,064	-	13,572
Personal cash	6,449	374	337	-	20	-	7,180
Housing loans	10,860	226	88	146	387	-	11,707
Hire purchase receivable and financial lease receivable	-	-	-	-	-	3,871	3,871
Others	4,269	84	51	80	224	433	5,141
Total loans and accrued interest receivables	58,190	11,291	2,532	1,111	8,823	4,304	86,251

Separate financial statements

2010

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	713	39	-	2	11	765
Manufacturing and commerce	33,584	4,213	820	39	411	39,067
Real estate and construction	3,746	1,183	143	137	269	5,478
Public utilities and services	11,918	2,229	129	16	160	14,452
Personal cash	5,548	265	230	-	19	6,062
Housing loans	15,982	183	106	86	63	16,420
Others	9,897	85	49	33	31	10,095
Total loans and accrued interest receivables	81,388	6,197	1,477	313	964	92,339

Separate financial statements

2009

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	316	225	-	4	60	605
Manufacturing and commerce	22,322	4,684	1,487	471	3,238	32,202
Real estate and construction	4,622	2,840	411	237	715	8,825
Public utilities and services	9,318	2,858	158	173	1,057	13,564
Personal cash	6,449	374	337	-	20	7,180
Housing loans	10,858	226	88	146	323	11,641
Others	7,057	84	51	80	89	7,361
Total loans and accrued interest receivables	60,942	11,291	2,532	1,111	5,502	81,378

9.5 Classification of loans

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

a) Loans of the Bank and its subsidiaries

	Consolidated financial statements							
	2010				2009			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum	Allowance provided in the accounts
	Million Baht	Million Baht	percentage %	Million Baht	Million Baht	Million Baht	percentage %	Million Baht
Pass	82,386	30,563	1	357	58,190	19,810	1	247
Special mention	8,702	2,433	2	43	11,291	2,694	2	51
Sub-standard	1,540	727	100	725	2,532	1,119	100	1,142
Doubtful	390	81	100	145	1,111	318	100	358
Doubtful of loss	982	172	100	380	8,823	5,350	100	5,558
Total	94,000	33,976		1,650	81,947	29,291		7,356
General provision for further losses				954				148
Total				2,604				7,502

	Separate financial statements							
	2010				2009			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum	Allowance provided in the accounts
	Million Baht	Million Baht	percentage %	Million Baht	Million Baht	Million Baht	percentage %	Million Baht
Pass	81,388	29,884	1	323	60,942	22,566	1	247
Special mention	8,197	1,928	2	34	11,291	2,694	2	51
Sub-standard	1,477	691	100	691	2,532	1,119	100	1,141
Doubtful	313	60	100	59	1,111	318	100	357
Doubtful of loss	964	154	100	363	5,502	2,195	100	2,404
Total	92,339	32,717		1,470	81,378	28,892		4,200
General provision for further losses				954				37
Total				2,424				4,237

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

As at 31 December 2010, there were defaulted loans amounting to Baht 2,239 million (31 December 2009: Baht 7,658 million), for which the Bank has ceased accrual of interest income on accrual basis.

b) Securities business receivables of the subsidiary

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Pass	319	356	-	-	-	-
Sub-standard debt	19	16	-	-	-	-
Doubtful debt	55	61	55	61	63	78
Total	393	433	55	61	63	78

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

As at 31 December 2010 and 2009, hire-purchase receivables and financial lease receivables of the subsidiaries are classified based on the over due date as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Current or overdue less than 1 instalment	5,238	3,106	52	30
Overdue 2 - 3 instalments	506	427	10	9
Overdue 4 - 6 instalments	44	44	34	30
Overdue 7 - 12 instalments	22	22	22	22
Overdue more than 12 instalments	13	268	13	268
Debtors under litigation	5	5	5	5
Total	5,828	3,871	136	364

9.6 Non-performing loans

As at 31 December 2010 and 2009, the Bank and its subsidiaries had the following non-performing loans, according to the criteria set up by the BoT and the Office of the Securities and Exchange Commission:

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Non-performing loans (principal only)				
Banking business	2,753	9,132	2,753	9,132
Asset management business	-	3,290	-	-
Other businesses	100	363	-	-

As at 31 December 2010 and 2009, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT, defining non-performing loans to be the debts classified as sub-standard, doubtful and doubtful of loss and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with the BoT's criteria have already been fulfilled.

9.7 Hire purchase and finance lease receivables

As at 31 December 2010, net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 5,692 million (31 December 2009: Baht 3,507 million), and mostly comprise hire purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between 3 and 6 years and interest is mostly charged at a fixed rate.

Consolidated financial statements as at 31 December 2010					
Amounts due under lease agreement					
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	2,386	4,556	477	114	7,533
Less: Unearned finance income	(640)	(925)	(110)	(30)	(1,705)
Present value of minimum lease payments receivable	1,748	3,631	387	84	5,828
Less: Allowance for doubtful accounts					(136)
Net receivables under hire purchase agreements and financial leases					5,692

Consolidated financial statements as at 31 December 2009					
Amounts due under lease agreement					
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	1,893	2,551	22	379	4,845
Less: Unearned finance income	(529)	(404)	(1)	(40)	(974)
Present value of minimum lease payments receivable	1,364	2,147	21	339	3,871
Less: Allowance for doubtful accounts					(364)
Net receivables under hire purchase agreements and financial leases					3,507

9.8 Troubled debt restructuring

During for the year ended 31 December 2010 and 2009, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Number of debtors (Number)	3,473	4,672	3,473	4,656
Debt balances (Million Baht)	2,725	2,367	2,725	2,323

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

	Consolidated financial statements			
	For the year ended 31 December 2010			
	Number of debtors	Debt balances		Loss on troubled debt restructuring Million Baht
		Before restructuring Million Baht	After restructuring Million Baht	
Modification of terms of payments	3,473	2,725	2,681	43
Total	3,473	2,725	2,681	43
Loans and accrued interest receivables as at 31 December 2010	379,956	94,000		

	Consolidated financial statements			
	For the year ended 31 December 2009			
	Number of debtors	Debt balances		Loss on troubled debt restructuring Million Baht
		Before restructuring Million Baht	After restructuring Million Baht	
Modification of terms of payments	4,672	2,367	2,282	85
Total	4,672	2,367	2,282	85
Loans and accrued interest receivables as at 31 December 2009	197,203	88,251		

	Separate financial statements			
	For the year ended 31 December 2010			
	Number of debtors	Debt balances		Loss on troubled debt restructuring Million Baht
		Before restructuring Million Baht	After restructuring Million Baht	
Modification of terms of payments	3,473	2,725	2,681	43
Total	3,473	2,725	2,681	43
Loans and accrued interest receivables as at 31 December 2010	121,463	92,339		

	Separate financial statements			
	For the year ended 31 December 2009			
	Number of debtors	Debt balances		Loss on troubled debt restructuring Million Baht
		Before restructuring Million Baht	After restructuring Million Baht	
Modification of terms of payments	4,656	2,323	2,238	85
Total	4,656	2,323	2,238	85
Loans and accrued interest receivables as at 31 December 2009	143,263	81,378		

The debts restructured by means of modification of the term of repayment and combination of methods referred to above can be classified by the term of repayment under the restructuring agreements as follows:

Period of debts restructuring contracts	Consolidated financial statements					
	For the year ended 31 December 2010			For the year ended 31 December 2009		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring Million Baht	After restructuring Million Baht		Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	1,157	749	705	1,534	1,152	1,067
5 - 10 years	2,238	1,804	1,804	3,106	964	964
10 - 15 years	22	78	78	15	189	189
More than 15 years	56	94	94	17	62	62
Total	3,473	2,725	2,681	4,672	2,367	2,282

Period of debts restructuring contracts	Separate financial statements					
	For the year ended 31 December 2010			For the year ended 31 December 2009		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring Million Baht	After restructuring Million Baht		Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	1,157	749	705	1,526	1,139	1,054
5 - 10 years	2,238	1,804	1,804	3,101	934	934
10 - 15 years	22	78	78	13	189	189
More than 15 years	56	94	94	16	61	61
Total	3,473	2,725	2,681	4,656	2,323	2,238

Supplemental information for the years ended 31 December 2010 and 2009 relating to the restructured debts is as follow:

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Losses on debt restructuring due to debtors being able to comply with debt restructuring conditions during the period/year	407	151	407	136
Cash settlement by debtors				
Principal	1,526	1,203	1,524	1,183
Interest	353	390	351	371

As at 31 December 2010 and 2009, the troubled debtors for which the Bank and its subsidiaries completed their debt restructuring can be summarised as follow:

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Number of debtors (Number)	8,183	7,608	8,190	7,591
Debt balances after restructuring (Million Baht)	3,172	3,241	3,148	3,173

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 31 December 2010, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 9 million (31 December 2009: Baht 9 million) for which the Bank had provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 31 December 2010 the Bank may have to realise additional losses from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements approximately Baht 43 million (31 December 2009: Baht 40 million). The Bank had already provided as a provision for such losses, which is presented as part of the allowance for doubtful debts in the balance sheet.

10 Allowance for doubtful debts

Consolidated financial statements

	2010								
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful of loss Million Baht	Doubtful of loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire purchase receivables Million Baht	Grand total Million Baht
Balance as at 31 December 2009	247	51	1,142	358	5,558	146	7,502	442	7,944
Add									
Addition	-	-	-	-	-	757	757	58	815
Reversal of bad debts	-	-	-	-	-	252	252	-	252
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Reversal of allowance made for settled debts	(11)	-	-	-	(87)	-	(98)	(14)	(112)
Transferred from									
allowance for sold NPL	-	-	-	-	24	-	24	-	24
Less									
Bad debts written off	-	(6)	(532)	-	(319)	(24)	(981)	(287)	(1,268)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(7)	(7)	-	(7)
Transfer to allowance for interbank	-	-	-	-	-	(2)	(2)	-	(2)
Reversal of allowance For sold NPL	-	-	(3)	(7)	(1,871)	-	(1,881)	-	(1,881)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	87	(11)	184	(292)	116	(84)	-	-	-
Write-off from disposal of subsidiary	-	-	-	-	(3,058)	(110)	(3,168)	-	(3,168)
Balance as at 31 December 2010	323	34	691	59	353	935	2,405	199	2,644

Consolidated financial statements

2009

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire purchase receivables Million Baht	Grand total Million Baht
Balance as at 31 December 2008	261	112	1,273	886	5,803	166	8,501	472	8,973
Add Addition	-	-	-	-	-	1,145	1,145	29	1,174
Reversal of bad debts	-	-	-	-	-	151	151	-	151
Allowance made for returned NPLs	-	-	-	-	33	-	33	-	33
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	15	15	-	15
Less Bad debts written off	-	-	(475)	(51)	(1,801)	(5)	(2,332)	(53)	(2,385)
Reversal of allowance made for settled debts	-	-	-	-	(7)	-	(7)	(6)	(13)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(4)	(4)	-	(4)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(14)	(61)	344	(477)	1,530	(1,322)	-	-	-
Balance as at 31 December 2009	247	51	1,142	358	5,558	146	7,502	442	7,944

Separate financial statements

2010

	Special Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 31 December 2009	247	51	1,141	357	2,404	37	4,237
Add Addition	-	-	-	-	-	775	775
Reversal of bad debts	-	-	-	-	-	252	252
Transferred from revaluations allowance for debt restructuring	-	-	-	-	-	7	7
Reversal of allowance made for settled debts	-	-	-	-	24	-	24
Less Bad debts written off	-	(6)	(632)	-	(319)	(24)	(981)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(7)	(7)
Transfer to allowance for interbank	-	-	-	-	-	(2)	(2)
Reversal of allowance for sold NPL	-	-	(3)	(7)	(1,871)	-	(1,881)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	78	(11)	185	(291)	125	(84)	-
Balance as at 31 December 2010	323	34	691	59	363	954	2,424

Separate financial statements

2009

	Special Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 31 December 2008	249	112	1,243	802	2,693	150	5,249
Add Addition	-	-	-	-	-	1,145	1,145
Reversal of bad debts	-	-	-	-	-	151	151
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	15	15
Reversal of allowances made for settled debts	-	-	-	-	13	-	13
Less Bad debts written off	-	-	(475)	(51)	(1,801)	(5)	(2,332)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(4)	(4)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(2)	(61)	373	(394)	1,499	(1,415)	-
Balance as at 31 December 2009	247	51	1,141	357	2,404	37	4,237

11 Revaluation allowance for debt restructuring

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Balance - beginning of the year	9	20	9	20
Add Revaluation allowance transferred from allowance for doubtful debts	7	4	7	4
Less Revaluation allowance transferred to allowance for doubtful debts	(7)	(15)	(7)	(15)
Balance - end of the year	9	9	9	9

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

12 Properties foreclosed

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

	Consolidated financial statements				
	For the year ended 31 December 2010				
	Balance as at 31 December 2009 Million Baht	Additions Million Baht	Disposals Million Baht	Write-off from disposal of subsidiary Million Baht	Balance as at 31 December 2010 Million Baht
Immovable					
- Assessed by external appraiser	3,027	17	(231)	(166)	2,645
Movable	19	361	(365)	-	15
Total	3,046	378	(596)	(166)	2,660
Less Allowance for impairment	(636)	(146)	158	13	(611)
Properties foreclosed - net	2,410	232	(438)	(155)	2,049

	Consolidated financial statements			
	For the year ended 31 December 2009			
	Balance as at 31 December 2008 Million Baht	Additions Million Baht	Disposals Million Baht	Balance as at 31 December 2009 Million Baht
Immovable				
- Assessed by external appraiser	3,204	55	(232)	3,027
Movable	41	429	(451)	19
Total	3,245	484	(683)	3,046
Less Allowance for impairment	(762)	(162)	288	(636)
Properties foreclosed - net	2,483	322	(395)	2,410

	Separate financial statements			
	For the year ended 31 December 2010			
	Balance as at 31 December 2009	Additions	Disposals	Balance as at 31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
Immovable				
- Assessed by external appraiser	2,852	13	(227)	2,638
Total	2,852	13	(227)	2,638
Less Allowance for impairment	(620)	(3)	18	(605)
Properties foreclosed - net	2,232	10	(209)	2,033

	Separate financial statements			
	For the year ended 31 December 2009			
	Balance as at 31 December 2008	Additions	Disposals	Balance as at 31 December 2009
	Million Baht	Million Baht	Million Baht	Million Baht
Immovable				
- Assessed by external appraiser	3,017	53	(218)	2,852
Total	3,017	53	(218)	2,852
Less Allowance for impairment	(740)	-	120	(620)
Properties foreclosed - net	2,277	53	(98)	2,232

The Bank provides allowance for impairment of properties foreclosed by reference to appraisal value. The Bank appraise or review the fair value of properties foreclosed 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 subject 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 foreclosed.

13 Premises and equipments (Cont'd)

	Separate financial statement											
	Cost/ Appraisal Value						Accumulated depreciation					
	Balance as at 31 December 2009	Additions 2009	Disposals/ written off	Transfer to properties foreclosed	Balance as at 31 December 2010	Balance as at 31 December 2009	Additions 2009	Disposals/ written off	Transfer to properties foreclosed	Balance as at 31 December 2010	Allowance for impairment	Net book value
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Land												
Cost	804	-	(237)	(4)	563	-	-	-	-	-	-	563
Revaluation surplus	470	-	(17)	(3)	450	-	-	-	-	-	-	450
(Revaluation in year 2009)												
Devaluation of asset	(88)	-	-	-	(88)	-	-	-	-	-	-	(88)
(Revaluation in year 2009)												
Buildings												
Cost	2,772	69	(731)	(13)	2,087	(1,204)	(91)	368	10	(917)	-	1,180
Revaluation surplus	456	-	(278)	-	180	(195)	(9)	138	-	(5)	-	117
(Revaluation in year 2009)												
Devaluation of asset	(177)	-	-	-	(177)	68	17	-	-	85	-	(92)
(Revaluation in year 2009)												
Equipments	2,142	133	(228)	-	2,047	(1,597)	(222)	164	-	(1,655)	(12)	400
Assets under installation and under construction	32	115	(79)	-	68	-	-	-	-	-	-	68
Total	6,411	317	(1,568)	(23)	5,140	(2,929)	(301)	690	10	(2,630)	(12)	2,698

The Bank and its subsidiaries have some portion of equipments which have already been fully depreciated. The cost of those fixed asset as at 31 December 2010 was Baht 1,394 million (31 December 2009: Baht 1,098 million) for separate financial statement; Baht 1,207 million (31 December 2009: Baht 972 million).

14 Intangible assets

Consolidated financial statements

	Amortising period	Balance as at 31 December 2009					Balance as at 31 December 2010	
		Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	122	(78)	(382)	-	(30)	60
Computer software	5 - 10 years	386	33	78	(86)	(5)	-	406
License Fee	5 years	6	-	-	-	(2)	-	4
Total		820	155	-	(468)	(7)	(30)	470
Less Allowance for impairment		(393)						(19)
Net intangible assets		427						451

Separate financial statements

	Amortising period	Balance as at 31 December 2009					Balance as at 31 December 2010	
		Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Written off Million Baht	Amortisation Million Baht	Adjustment Million Baht	Million Baht
Expenditures in connection with development and improvement of computer systems - under development	-	428	121	(77)	(382)	-	(30)	60
Computer software	5 - 10 years	373	32	77	-	(83)	-	399
License Fee	5 years	4	-	-	-	(2)	-	2
Total		805	153	-	(382)	(85)	(30)	481
Less Allowance for impairment		(393)						(19)
Net intangible assets		412						442

15 Operating result of discontinued operation

Operating result of discontinued operations is the operation of subsidiaries that were approved by the committee meeting and ordinary of shareholders' meeting in 2009 to sell the shareholding according to the Note 8.7

a) Cash flows of discontinued operations

	Consolidated financial statements	
	For the year ended 31 December	
	2010 Million Baht	2009 Million Baht
Operating cash flows	140	101
Investing cash flows	(150)	9
Financing cash flows	-	(200)
Total cash flows	(10)	(90)

b) Operating result of discontinued operations

	Consolidated financial statements	
	For the year ended 31 December	
	2010 Million Baht	2009 Million Baht
Revenue	349	550
Expense	(209)	(371)
Profit before tax of discontinued operations	140	179
Tax	14	(47)
Profit after tax of discontinued operations	154	132

16 Other assets

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
	Accrued interest and dividend receivables	168	196	139
Credit support assets on derivative	211	331	211	331
Leasehold right	190	208	177	201
Advances	11	134	9	127
Others assets awaiting accounts transfer	213	431	213	431
Receivable from Clearing House	218	208	-	-
Commission receivables	493	-	493	-
Other	303	424	188	288
Total	1,803	1,930	1,430	1,573
Less Allowance for impairment	(37)	(147)	(37)	(144)
Other assets - net	1,766	1,783	1,393	1,429

17 Deposits

17.1 Classified by type of deposits

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
At call	1,682	1,785	1,699	1,790
Savings	31,204	22,430	31,070	22,412
Fixed				
- Less than 6 months	13,069	50,765	13,069	50,775
- 6 months and up to 1 year	28,459	6,290	28,459	6,304
- Over 1 year	19,883	6,807	19,883	6,821
Negotiable certificate of deposit	367	322	367	322
Total deposits	94,664	88,399	94,547	88,424

17.2 Classified by the remaining period of contracts

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Not over 1 year*	93,896	81,581	93,579	81,592
Over 1 year	968	6,818	968	6,832
Total	94,864	88,399	94,547	88,424

* Included expired contracts

17.3 Classified by currency and residency of depositors

	Consolidated financial statements					
	2010			2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	93,364	587	93,951	87,651	669	88,320
US dollar	702	-	702	79	-	79
Other currencies	11	-	11	-	-	-
Total	94,077	587	94,664	87,730	669	88,399

	Separate financial statements					
	2010			2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	93,247	587	93,834	87,676	669	88,345
US dollar	702	-	702	79	-	79
Other currencies	11	-	11	-	-	-
Total	93,960	587	94,547	87,755	669	88,424

Consolidated financial statements

	2010			2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	6	6	-	22	22
Commercial banks	11	870	881	6	5,700	5,706
Other banks	2	-	2	1	2,600	2,601
Finance, finance and securities, securities, credit foncier companies	314	204	518	223	70	293
Other financial institutions	296	2,759	3,055	308	308	616
Total domestic items	623	3,839	4,462	538	8,700	9,238
Foreign:						
US dollar	570	-	570	91	-	91
Other currencies	397	438	835	193	425	618
Total foreign items	967	438	1,405	284	425	709
Total domestic and foreign items	1,590	4,277	5,867	822	9,125	9,947

Separate financial statements

	2010			2009		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand	-	6	6	-	22	22
Commercial banks	17	600	617	6	5,500	5,506
Other banks	2	-	2	1	2,600	2,601
Finance, finance and securities, securities, credit foncier companies	390	204	594	332	70	402
Other financial institutions	296	2,759	3,055	324	309	633
Total domestic items	705	3,569	4,274	663	8,501	9,164
Foreign:						
US dollar	570	-	570	91	-	91
Other currencies	397	438	835	193	425	618
Total foreign items	967	438	1,405	284	425	709
Total domestic and foreign items	1,672	4,007	5,679	947	8,926	9,873

19 Borrowings

	Consolidated financial statements					
	2010			2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Hybrid instrument						
Hybrid securities of Baht 2,500 million maturing in 2019	-	2,529	2,529	-	2,512	2,512
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,542	1,542	-	1,693	1,693
Subordinated debentures of USD 40 million, maturing in 2017	-	1,229	1,229	-	1,347	1,347
Non-interest bearing subordinated debentures of Baht 120 million, maturing in 2014	100	-	100	95	-	95
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	644	5,300	5,944	639	5,552	6,191
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.10% - 1.65% per annum	400	-	400	380	-	380
Bills of exchange maturing in 2010, coupon rate of 1.10% - 1.78% per annum	-	-	-	8,620	-	8,620
Bills of exchange maturing in 2011, coupon rate of 1.30% - 1.75% per annum	14,048	-	14,048	-	-	-
	14,448	-	14,448	9,000	-	9,000
Total	15,092	5,300	20,392	9,639	5,552	15,191
Less Current portion of long-term borrowings	(14,992)	-	(14,992)	(9,544)	-	(9,544)
Long-term borrowings - net	100	5,300	5,400	95	5,552	5,647

	Separate financial statements					
	2010			2009		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Hybrid instrument						
Hybrid securities of Baht 2,500 million maturing in 2019	-	2,529	2,529	-	2,512	2,512
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,542	1,542	-	1,693	1,693
Subordinated debentures of USD 40 million, maturing in 2017	-	1,229	1,229	-	1,347	1,347
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	544	5,300	5,844	544	5,552	6,096
Fixed rate notes						
Bill of exchange maturing at call, coupon rate of 1.00% - 1.65% per annum	400	-	400	380	-	380
Bills of exchange maturing in 2010, coupon rate of 1.10% - 1.78% per annum	-	-	-	8,620	-	8,620
Bills of exchange maturing in 2011, coupon rate of 1.30% - 1.75% per annum	14,048	-	14,048	-	-	-
	14,448	-	14,448	9,000	-	9,000
Total	14,992	5,300	20,292	9,544	5,552	15,096
Less Current portion of long-term borrowings	(14,992)	-	(14,992)	(9,544)	-	(9,544)
Long-term borrowings - net	-	5,300	5,300	-	5,552	5,552

- a) As at 31 December 2010, the Bank has domestic subordinated debentures of Baht 544 Million (31 December 2009: Baht 544 million) which transferred to the Bank since the merger date.
- b) On 16 February 2007, the Bank issued unsecured 400 units of a subordinated debenture with a face value of USD 100,000 each to overseas investors, at a price of USD 100,000 per unit, or for a total of USD 40 million. The notes have a tenor of 10 years, maturing on 20 February 2017, with an early redemption call option in the year 2012. They bear interest at the 6-month LIBOR US dollar deposit rate plus 350 basis points from year 1 - 5 and, at the 6-month LIBOR US dollar deposit rate plus 525 basis points from year 6 onwards. Interest is due on 20 February and 20 August every year (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date after 5 years.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the BoT.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank, within 120 days after the issue date.

- c) On 17 July 2006, the Bank issued 50 unsecured and subordinated debentures with a face value of USD 1 million each to overseas investors, at a price of USD 1 million per unit, or for a total of USD 50 million. The notes have a tenor of 10 years, maturing on 17 July 2016, with an early redemption call option in the year 2011. They bear interest at the 6-month LIBOR US dollar deposits rate plus 350 basis points for the first 5 years, and at the 6-month LIBOR US dollar deposits rate plus 525 basis points after the optional redemption date in 2011. Interest is due every 17 July and 17 January (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date after 5 years.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the BoT.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank unless such obligations rank junior to or pari passu with the debentures.

- d) On 27 March 2009, the Bank issued 2,500,000 Cumulative hybrid instruments with a face value of Baht 1,000 each, or a total of Baht 2,500 million. The debentures have a tenor of 10 years, maturing on 27 March 2019, with an early redemption call option 5 years after the issue date. They bear interest at 5.25% p.a. for the first 5 years, and 6.75% p.a. for year 6-10. Interest is due every 27 March and 27 September (under the specified conditions).

There is a call option in the following two cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the debentures cannot be counted as Hybrid Tier II Debt of the Bank.

In both cases, early redemption must be pre-approved by the BoT.

20 Other liabilities

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Credit support liabilities on derivative	1,228	258	1,228	258
Amount due to Department of Alternative Energy Development and Efficiency	548	380	548	380
Other liabilities awaiting accounts transfer	554	676	554	670
Unearned premium reserves	-	142	-	-
Reserve for off-balance sheet items	316	317	316	306
Provisions for contingent loss from legal cases	108	123	108	123
Securities business payable	383	417	-	-
Deferred commission	437	-	437	-
Accrued Expense	708	232	562	160
Others	274	658	183	333
Total	4,556	3,203	3,836	2,230

21 Share capital

The registered, share capital is as follows:

	Ordinary Shares	
	Number of Shares	Baht
As at 31 December 2010	16,315,934,756	8,157,967,378
As at 31 December 2009	13,349,401,164	6,674,700,582

Issued and paid-up capital is as follows:

	Ordinary Shares	
	Number of Shares	Baht
As at 31 December 2009	13,349,401,164	6,674,700,582
Capital increase	2,966,533,592	1,482,266,796
As at 31 December 2010	16,315,934,756	8,156,967,378

As at 31 December 2010, registered ordinary shares was 16,315,934,756 shares at Baht 0.50 each (31 December 2009: 13,349,401,164 shares at Baht 0.50 each).

Capital Increase

On 3 September 2008, the Extraordinary General Meeting of Shareholders No.2/2008 approved an increase in the registered capital, from Baht 25,030,127,182.50 to Baht 50,060,254,365 by issuing 6,674,700,582 new ordinary shares with a par value of Baht 3.75 each.

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved amendments of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2008 to change the previously stipulated offering price of not lower than Baht 0.66 to an offering price of Baht 0.38. The tendered share accepted by the offeror at completion of the offer period totaled 6,674,700,582 shares of Baht 2,536.38 million. As the result, on 18 March 2009, CIMB Bank Berhad holds 12,435,069,760 shares, or equivalent to 93.15 percent of total issued and outstanding shares of the Bank.

The Bank registered an increased capital on 23 March 2009, after the registration of the capital increase, the registered capital and paid up capital is Baht 50,060,254,365 and share discount is Baht 33,100,728,673 (13,349,401,164 ordinary shares at 3.75 per share).

On 29 April 2010, the General Meeting of Shareholders No.16 approved an increase in the registered capital, from Baht 6,674,700,582 to Baht 8,157,967,378 by issuing 2,966,533,592 new ordinary shares with a par value of Baht 0.50 each and an offering price of Baht 1. The tendered share accepted by the offeror at completion of the offer period totaled Baht 2,966.53 million. As the result, on 15 October 2010 CIMB Bank Berhad holds 15,198,418,595 shares, or equivalent to 83.15 percent of total issued and outstanding shares of the Bank.

On 21 October 2010, the Bank registered an increased capital. After the registration of the capital increase, the registered capital and paid up capital is Baht 8,157,967,378 and share premium is Baht 1,483,266,796.

Capital Reduction

On 20 February 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved the transfer of Baht 6,053,484 from the Bank's legal reserve to offset its deficit and a decrease of the registered capital by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share. The premium arising from the capital reduction exercise was used to offset the share discount and the deficit respectively. After such capital reduction, the registered share capital of the Bank will be reduced from Baht 50,060,254,365 to Baht 6,674,700,582.

On 12 March 2009, the Bank obtained approval from the BoT for the reduction of its capital from Baht 50,060,254,365 to Baht 6,674,700,582.

On 30 March 2009, the Bank transferred Baht 6,053,484 from the legal reserve to offset deficit and registered a capital reduction by means of reducing the par value of shares from of Baht 3.75 to Baht 0.50. The premium arising from the capital reduction exercise and the transfer of legal reserve being credited against the share discount of Baht 33,100,728,673 and the deficit of Baht 10,290,878,594.

Treasury stock - Bank's ordinary shares held by its subsidiaries

As at 31 December 2008, CIMB Securities (Thailand) Company limited (formerly known as "BT Securities Company Limited") and Krung Thai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, hold 124,589,637 of the Bank's ordinary shares. Investment in the Bank's ordinary shares is presented as treasury stock in the consolidated financial statements, and amounts to approximately Baht 460 million. The investments are recorded under the cost method, as a deduction item in shareholders' equity.

In January 2009, CIMB Securities (Thailand) Company limited (formerly known as "BT Securities Company Limited") and Krung Thai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, sold ordinary shares of such treasury stock to CIMB Bank Berhad under the tender offer scheme at a price of Baht 2.10 per share, for a total of Baht 262 million. The loss on sale of such ordinary shares Baht 199 million are recorded directly against the Bank's deficit.

22 Revaluation surplus

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

	Consolidated and separate financial statements	
	2010 Million Baht	2009 Million Baht
Balance - beginning of year	729	749
Less Amortisation	(5)	(20)
Decrease from sale of office building	(157)	-
Balance - end of year	567	729

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

23 Revaluation surplus (deficit) on investments

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Revaluation surplus on investments:				
Debt securities	3	3	3	3
Equity securities	202	50	183	37
Total	205	53	186	40
Revaluation deficit on investments:				
Debt securities	(44)	(1)	(45)	(1)
Equity securities	-	(3)	-	-
Total	(44)	(4)	(45)	(1)
Revaluation surplus on investments - net	161	49	141	39

24 Statutory reserve

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

25 Capital funds

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

	31 December 2010 Million Baht	Total capital to risk assets %	31 December 2009 Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	8,158		6,675	
Share premium	1,483		-	
Statutory reserve	64		-	
Surplus (deficit) unappropriated	862		(444)	
Total	10,567	9.04	6,231	6.00
Tier II				
Revaluation surplus on assets	373		459	
Reserve for loan classified as pass	300		226	
Long-term subordinated debentures	3,337		3,030	
Hybrid securities	2,500		2,500	
Revaluation surplus on capital securities available-for-sale	82		18	
Total	6,592		6,231	
Total Tier I and Tier II capital funds	17,159		12,462	
Less: Revaluation deficit on capital securities available-for-sale	-		-	
Total capital funds	17,159	14.69	12,462	11.99

The Bank will disclose capital maintenance information as at 31 December 2010 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks on its website at www.cimbthai.com within in 4 months after the balance sheet date.

26 Gains (losses) on investments

	Consolidated financial statements		Separate financial statements	
	For year ended 31 December		For year ended 31 December	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Unrealised gains on revaluation of investments	-	5	1	3
Allowance for impairment of investments	(33)	(20)	(33)	(20)
Realised gains on securities trading				
Trading securities	31	9	9	9
Available-for-sale securities	10	404	9	406
Held-to-maturity	-	25	-	25
General investments	1	145	1	145
Gain on sale investment from a subsidiary and an associate (Note 8.7, 34)	177	-	486	-
Realised gains from investment in non-performing loans	27	72	19	66
Gains (losses) on investments	213	640	492	634

27 Other income

	Consolidated financial statements		Separate financial statements	
	For year ended 31 December		For year ended 31 December	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Gain on sales of properties foreclosed	-	-	85	43
Gain on sale of office building	290	-	290	-
(Loss) gain on sales of premises and equipments	(9)	15	(9)	15
(Loss) gain on sales of non-performing loans	(25)	3	(25)	3
Other income	158	82	117	54
Total	414	100	458	115

28 Corporate income tax

No corporate income tax was payable for the year, after adding back certain non-deductible expenses and provisions for tax computation purposes and deducting tax exempted income to the profit/loss for the period, since the tax losses brought forward by the Bank exceeded net income for the year.

The corporate income tax presented in the consolidated financial statements is the corporate income tax of the Bank's subsidiaries.

29 Pension fund

The Bank has a policy to pay pension benefits to employees with more than 10 years of service and who resign in accordance with the rules and conditions stipulated by the Bank. Pension funds are reserved and charged to expenses in the income statements based on number of years of service of each employee. In the event that any employee resigns and is not entitled to receive pension benefits, the Bank will reverse the pension fund contributions already reserved for such employee and charge the amount against the statements of income for the year in which he/she resigns. Such pension benefits are only provided to employees who are former employees of the Union Bank of Bangkok Public Company Limited. As at 31 December 2010, there were 605 employees (31 December 2009: 684 employees) to whom the Bank had such obligations, and the accrued benefits to these employees amounted to Baht 544 million (31 December 2009: Baht 524 million).

30 Provident fund

The Bank, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund at rate of 3 - 5 percent of their basic salaries and the Bank and its subsidiaries contribute at rate of 5 percent and pay to staff when resign under the terms and conditions as specify in the term and condition of provident funds. The fund, which is managed by Tisco Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. For the year ended 31 December 2010 amounts of Baht 80 million was contributed to the fund by the Bank and its subsidiaries (31 December 2009: Baht 78 million) and the Bank only was contributed by Baht 67 million (31 December 2009: Baht 68 Million).

31 Earnings per share

Earnings per share as presented in the consolidated income statements is basic earnings per share which is calculated by dividing net incomes for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year (net of treasury stocks held by subsidiaries in consolidated financial statements) (Note 21).

Earnings per share as presented in the separate income statements is the basic earnings per share which is calculated by dividing the net incomes for the year by weighted average number of ordinary shares held by outside shareholders in issue during the year (Note 21).

There is no potential dilutive ordinary shares in issue for the years ended 31 December 2010 and 2009.

32 Encumbrance of assets

32.1 Assets used as collateral

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

	Consolidated financial statements		Separate financial statements	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Utilities usage	6	9	6	9
Guarantees on loans	45	45	-	-
Others	-	14	-	-
Total	51	68	6	9

32.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities obtained as a result of debt restructuring, under the debt restructuring agreements. The Bank obligated to dispose off the investment after agreed periods, which range from 1 year to 20 years commencing from the date of the debt restructuring agreements.

As at 31 December 2010 and 2009, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and separate financial statements			
	2010		2009	
	Number of company	Cost Million Baht	Number of company	Cost Million Baht
2010	1	-	1	8
2011 onwards	1	-	2	-
Total	2	-	3	8

33 Commitments and contingent liabilities

33.1 Commitments

As at 31 December 2010 and 2009, significant commitments of the Bank consist of:

	Separate financial statements					
	2010			2009		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht	Thai Baht Million Baht (Restated)	Foreign currency Million Baht	Total Million Baht (Restated)
Aval to bills and guarantees of loans:						
Avals to bills ⁽¹⁾	828	-	828	374	-	374
Guarantees on loans	5	16	21	5	16	21
Total aval to bills and guarantees of loans	833	16	849	379	16	395
Liability under unmatured Import bills:						
Liability under unmatured import bills	-	603	603	-	510	510
Letters of credits:						
Letters of credits	319	1,543	1,862	23	2,290	2,313
Other commitments:						
Forward and spot contracts						
- Bought	-	18,141	18,141	-	10,619	10,619
- Sold	-	19,129	19,129	-	9,663	9,663
Cross currency and interest rate						
- Bought	4,990	2,059	7,049	5,567	1,111	6,678
- Sold	2,248	4,194	6,442	1,205	5,142	6,347
Interest rate swap contracts						
- Fixed rate payer	62,380	9,513	71,893	23,443	7,712	31,155
- Floating rate payer	58,724	11,844	70,568	21,118	7,712	28,830
- Fixed rate payee	58,391	10,035	68,426	20,278	7,712	27,990
- Floating rate payee	62,713	11,322	74,035	24,283	7,712	31,995
Range accrual swap contract						
- Payer	-	-	-	1,418	-	1,418
- Payee	-	-	-	1,418	-	1,418
Undrawn bank overdrafts	8,772	-	8,772	7,932	-	7,932
Investment						
- Bought	18,200	-	18,200	13,287	-	13,287
- Sold	18,025	-	18,025	13,287	-	13,287
Other commitments:						
Other guarantees ⁽¹⁾	7,233	165	7,398	6,070	405	6,475
Total other commitments	301,676	86,402	388,078	139,306	57,788	197,094
Total commitments	302,828	88,564	391,392	139,708	60,604	200,312

⁽¹⁾ As at 31 December 2010, the Bank has issued avalued notes payable of a subsidiary amounting to Baht 270 million (31 December 2009: Baht 200 million) and as 31 December 2009 the Bank has issued guarantees for an associate amounting to Baht 3 million. The aval of the subsidiary has been eliminated from the consolidated financial statements.

33.2 Contingent liabilities

- (a) As at 31 December 2010 and 2009, the Bank and its subsidiaries had the following contingent liabilities in connection with court cases in which the Bank or its subsidiaries have been sued as defendants in the Court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Bank and its subsidiaries once they are finalised:

	Consolidated and separate financial statements	
	2010 Million Baht	2009 Million Baht
Sum claimed in cases where the Bank and its subsidiaries are direct defendants	836	776
Sum claimed in cases where the Bank and its subsidiaries are co-defendants with others		
- Sum of claims that can be specifically attributed to the Bank and its subsidiaries	95	10
- Sum of claims that cannot be specifically attributed to the Bank and its subsidiaries and for which the total sum claimed is therefore presented.	24,592	24,594
Total	25,523	25,380

In the above court cases, a sum of Baht 24,500 million relates to claims against the Bank in cases where it is co-defendants with TAMC and other banks. The plaintiffs lodged the claims in respect of transfers of non-performing loans from various banks to TAMC. However, the Bank believes that the outcomes of the cases will not cause material loss because the transfers were made in accordance of Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC amounting to approximately Baht 959 million, occurred before the merger of the Bank.

As at 31 December 2010, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 9 million in cases where the Bank is the direct defendant and Baht 13 million in cases where the Bank is the co-defendant with others. However, the Bank is in the process of appealing the decisions (31 December 2009: Baht 9 million and Baht 25 million, respectively).

As at 31 December 2010, the Bank and its subsidiaries recognised provisions for contingent loss from legal cases of approximately Baht 108 million (31 December 2009: Baht 123 million), respectively. The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases. In addition, the Bank and subsidiaries recognised reserve for off-balance sheet items related to guarantees which the Bank or its subsidiaries have been sued as defendants by Baht 110 million (31 December 2009: Baht 15 million).

- (b) The Bank has commitments in respect of the loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 38 to the financial statements.

33.3 Commitments under long-term leases

As at 31 December 2010 and 2009, the Bank and its subsidiaries had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
1 - 3 years	311	359	269	304
4 - 5 years	18	22	17	22
6 - 10 years	14	19	14	19
11 - 30 years	10	12	10	12
Total	353	412	310	357

33.4 Other commitments

As at 31 December 2010, the Bank has other commitments as the Bank entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 31 December 2010, the Bank is obligated to pay a further Baht 170 million and USD 0.09 million under such agreements (31 December 2009: Baht 216 million and USD 0.19 million).

34 Related party transactions

During the years, the Bank and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon contracts. Below is a summary of those transactions.

	Consolidated financial statements		Separate financial statements	
	For year ended 31 December		For year ended 31 December	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Parent company				
Upfront fee income-derivatives contract	-	117	-	117
Subsidiaries				
Revenue:				
Interest income	-	-	187	104
Fees income	-	-	47	55
Dividend income	-	-	-	200
Other income	-	-	58	19
Expenses:				
Interest expenses	1	1	2	4
Premises and equipments expenses	-	-	5	13
Fees expenses	-	-	3	1

	Consolidated financial statements		Separate financial statements	
	For year ended 31 December		For year ended 31 December	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Related companies				
Revenue:				
Interest income	5	14	5	14
Fees income	-	61	-	61
Gain on sale investment In subsidiaries and associated companies	134	-	366	-
Expenses:				
Interest expenses	-	52	-	52

During the year 2010, the Bank has charged asset management fees to Sathorn Asset Management Company Limited (a related company) under the amendment of the Collection Agency Agreement dated 2 March 2010. The fee between 1 January 2010 to 31 December 2010 will be at a rate of 20% (31 December 2009: 20%) of the total debt collected and the amount received from the disposal of properties foreclosed, before any charges and related expenses. The fee for the year ended 31 December 2010 of Baht 28 million (2009: Baht 30 million) are recorded as other fees and charges in the income statement. This transaction was eliminated from the consolidated financial statements. As at 31 December 2010, the Bank has receivable fee from such related company of Baht 2 million (31 December 2009: 3 million).

As at 30 June 2010, the Bank sold the shareholding in BT Asset Management Company Limited (Which later on changed the name to CIMB-Principal Asset Management Company Limited) to CIMB Principle Asset Management Berhad which is the Company under the same control as the Bank. The gain from selling of shares is recorded in the separate financial statement amounting to Baht 162 million and in the consolidated financial statement amounting to Baht 218 million as already discussed in Note 26 to the financial statements.

On 23 December 2010, the Bank sold the shareholding in Sathorn Asset Management Co., Ltd. The Bank received cash from selling the shares amounted to Baht 229 million. Loss from sale recognised in consolidated income statement at amount of Baht 84 million (gain in separate income statement Baht 204 million).

In addition, the Bank conducted securities trading through a subsidiary engaged in the securities business. The volumes of such trades for the year ended 31 December 2010 were Baht 12 million (2009: Baht 449 million), while there were commission fees of Baht 0.02 million for the year ended 31 December 2010 (2009: Baht 1 million).

The outstanding balances of significant related party transactions as at 31 December 2010 and 31 December 2009 are as follows:

Consolidated financial statements					
2010					
	Average loans outstanding Million Baht	Outstanding Loans/ Investments in receivables Million Baht	Obligations Million Baht	Deposits Million Baht	Borrowings Million Baht
Subsidiary company					
Krung Thai Tanakt Finance Plc.	-	-	-	256	-
	-	-	-	256	-
Company under common control					
CIMB Bank (L) Ltd.	-	-	-	-	2,500
	-	-	-	-	2,500
Related companies					
Other Companies	165	123	1	604	-
	165	123	1	604	-
Related persons					
	-	-	-	28	-
	-	-	-	28	-

Consolidated financial statements					
2009					
	Average loans outstanding Million Baht	Outstanding Loans/ Investments in receivables Million Baht	Obligations Million Baht	Deposits Million Baht	Borrowings Million Baht
Subsidiary company					
Krung Thai Tanakt Finance Plc.	-	-	-	254	-
	-	-	-	254	-
Company under common control					
CIMB Bank (L) Ltd.	-	-	-	-	2,500
	-	-	-	-	2,500
Related companies					
Other Companies	152	152	-	340	-
	152	152	-	340	-
Associated company					
	-	-	3	-	-
	-	-	3	-	-
Related persons					
	-	-	-	64	-
	-	-	-	64	-

	Separate financial statements						
	2010						
	Average loans outstanding Million Baht	Outstanding Loans/ investments in receivables Million Baht	Other commitments Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
CIMB Securities (Thailand) Co., Ltd.	79	125	-	2	78	-	1
BT Leasing Co., Ltd.	3,019	3,763	-	-	31	-	-
CT Coll Co., Ltd. (Formerly known as BT Business Consulting Co., Ltd.)	4	-	-	-	2	-	-
Krung Thai Tanakit Finance Plc.	-	-	-	-	256	-	-
World Lease Co., Ltd. (Formerly known as "BT Worldlease Co., Ltd.")	598	790	270	-	28	-	-
	3,698	4,678	270	2	393	-	1
Company under common control							
CIMB Bank (L) Ltd.	-	-	-	-	-	2,500	-
	-	-	-	-	-	2,500	-
Related companies							
Other Companies	165	123	1	-	604	-	-
	165	123	1	-	604	-	-
Related persons							
	-	-	-	-	28	-	-
	-	-	-	-	28	-	-

	Separate financial statements							
	2009							
	Average loans outstanding Million Baht	Outstanding Loans/ investments in receivables Million Baht	Other commitments Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht	
Subsidiary companies								
CIMB Securities (Thailand) Co., Ltd.		42	55	-	2	109	-	1
BT Leasing Co., Ltd.		2,245	2,280	-	-	31	-	-
CIMB - Principal Asset Management Co., Ltd. (Formerly known as BT Asset Management Co., Ltd.)		-	-	-	1	17	-	1
CT Coll Co., Ltd. (Formerly known as BT Business Consulting Co., Ltd.)		5	4	-	-	1	-	-
BT Insurance Co., Ltd.		-	-	-	20	57	-	18
Saihorn Asset Management Co., Ltd.		-	-	-	15	30	-	12
Krung Thai Tanakit Finance Plc.		-	-	-	-	254	-	-
World Lease Co., Ltd. (Formerly known as "BT Worldlease Co., Ltd.")		578	528	200	-	37	-	-
		2,868	2,847	200	38	536	-	32
Company under common control								
CIMB Bank (L) Ltd.		-	-	-	-	-	2,500	-
		-	-	-	-	-	2,500	-
Related companies								
Other Companies		126	125	-	-	340	-	-
		126	125	-	-	340	-	-
Related persons								
		-	-	-	-	64	-	-
		-	-	-	-	64	-	-

As at 31 December 2010, the Bank issued notes payable of a subsidiary amounting to Baht 270 million (31 December 2009: Baht 200 million) and as 31 December 2009 the Bank has issued guarantees for an associate amounting to Baht 3 million.

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

As at 31 December 2010, the Bank has liabilities amounting to Baht 2,500 million as a result of the issue of hybrid instruments, which were offered to an affiliated company, as already discussed in Notes 19 d) to the financial statements.

As at 31 December 2010 and 2009, the Bank has commitments in financial derivatives with related parties company as follows:

	2010		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payer	4,567	3,119	7,686
- Floating rate payer	3,359	1,809	5,168
- Fixed rate payee	2,815	-	2,815
- Floating rate payee	5,111	4,828	10,039
Range accrual swap contracts			
- Payer	-	391	391
- Payee	-	385	385
Related company			
Cross currency and interest rate			
- Bought	2,500	-	2,500
- Sold	-	2,135	2,135

	2009		
	Thai Baht Million Baht	Foreign currency Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payer	1,458	-	1,458
- Floating rate payer	500	-	500
- Fixed rate payee	500	-	500
- Floating rate payee	1,458	-	1,458
Range accrual swap contracts			
- Payer	1,418	-	1,418
- Payee	1,418	-	1,418
Related company			
Cross currency and interest rate			
- Bought	2,500	-	2,500
- Sold	-	2,363	2,363

35 Director and management remuneration

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

36 Financial information by segments

The Bank operates financial and banking business, whereas its subsidiaries' business involve securities business, fund manager business, non-life insurance business, debt collection business, asset management business, hire purchase and leasing business which are not the same business segment as the Bank.

Financial information presented in the consolidated financial statements as at 31 December 2010 and 31 December 2009 and for the years ended 31 December 2010 and 2009 are as follows:

For year ended 31 December 2010						
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	3,602	415	-	19	19	4,054
Non-interest incomes	1,863	133	-	339	(404)	1,931
Non-interest expenses	(4,463)	(471)	-	(356)	15	(5,275)
Corporate income tax	-	(24)	-	-	-	(24)
Profit after tax for the period from discontinued operations	-	-	72	2	80	154
Net incomes (losses)	1,002	53	72	3	(290)	840

For the year ended 31 December 2009						
	Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	3,259	396	-	17	(199)	3,473
Non-interest incomes	1,418	104	-	191	(92)	1,621
Non-interest expenses	(4,609)	(409)	-	(222)	21	(5,219)
Corporate income tax	-	(3)	-	-	-	(3)
Profit after tax for the period from discontinued operation	-	-	77	(15)	70	132
Net incomes (losses)	68	88	77	(29)	(200)	4

	Bank business		Hire purchase business		Asset management business		Other business		Eliminations		Total	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Investments - net	22,721	21,628	-	-	-	11	80	333	(1,169)	(1,257)	21,632	20,715
Loans and accrued interest receivable - net (including interbank and money market items)	104,742	91,941	5,762	3,592	-	127	927	1,136	(4,802)	(3,128)	106,629	93,666
Land, premises and equipments - net	2,598	3,472	29	22	-	-	40	55	-	-	2,667	3,549
Other assets	9,149	8,540	98	49	-	308	308	369	(4)	(236)	9,549	9,088
Total assets	139,210	125,581	5,889	3,663	-	506	1,353	1,893	(5,975)	(4,623)	140,477	127,020

(Restated)

(Restated)

37 Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No.32 (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, loans, investments, deposit, liability payable on demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

37.1 Credit risk

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

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

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

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

As at 31 December 2010 and 2009, the Bank had the following off-balance sheet commitments as summarised by the period to maturity, counting from the balance sheet dates, of the contracts:

	Consolidated financial statements		
	Counting from 31 December 2010		
	Less than 1 year Million Baht	Ove 1 year Million Baht	Total Million Baht
Aval to bills	558	-	558
Guarantees of loans	21	-	21
Liabilities under unmatured import bills	603	-	603
Letters of credit	1,862	-	1,862
Other guarantees	7,282	116	7,398

	Separate financial statements					
	Counting from 31 December 2010			Counting from 31 December 2009		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	828	-	828	374	-	374
Guarantees of loans	21	-	21	21	-	21
Liabilities under unmatured import bills	603	-	603	510	-	510
Letters of credit	1,862	-	1,862	2,313	-	2,313
Other guarantees	7,282	116	7,398	6,276	199	6,475

37.2 Market risk

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

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

a) Interest rate risk

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

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

As at 31 December 2010 and 2009, financial assets and liabilities classified by types of interest rate are as follows:

Descriptions	Consolidated financial statements			
	2010			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-Interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,745	2,745
Interbank and money market items	854	12,878	1,712	15,242
Investments	3,103 ⁽¹⁾	13,441	6,712	23,256
Loans	59,984	33,608	221	93,793
Total financial assets	63,921	59,725	11,390	135,036
Financial Liabilities				
Deposits	24,697	68,274	1,693	94,664
Interbank and money market items	1,018	4,278	571	5,867
Liabilities payable on demand	-	-	251	251
Borrowings	5,300	14,548	544	20,392
Total financial liabilities	31,015	87,100	3,069	121,174

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 841 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

Separate financial statements				
2010				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-Interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,743	2,743
Interbank and money market items	595	12,630	1,611	14,836
Loans	3,103 ⁽²⁾	13,441	7,801	24,345
Interbank and money market items	60,514	31,572	75	92,161
Total financial assets	64,212	57,643	12,230	134,085
Financial Liabilities				
Deposits	24,563	68,274	1,710	94,547
Interbank and money market items	1,097	4,008	574	5,679
Liabilities payable on demand	-	-	251	251
Borrowings	5,300	14,448	544	20,292
Total financial liabilities	30,960	86,730	3,079	120,769

⁽²⁾ Certain of this amount comprises investment in receivable of Baht 796 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

Separate financial statements				
2009				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-Interest bearing Million Baht	Total Million Baht
Financial Assets				
Cash	-	-	2,821	2,821
Interbank and money market items	346	13,710	754	14,810
Investments	6,222 ⁽¹⁾	8,545	8,812	23,579
Loans	53,406	27,487	287	81,180
Total financial assets	59,974	49,742	12,674	122,390
Financial Liabilities				
Deposits	23,819	62,805	1,800	88,424
Interbank and money market items	887	8,925	61	9,873
Liabilities payable on demand	-	-	286	286
Borrowings	3,052	11,500	544	15,096
Total financial liabilities	27,758	83,230	2,691	113,679

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,085 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

With respect to financial instruments that carry fixed interest rates, the periods from the balance sheet date to the repricing or maturity date (whichever is the earlier) are presented below:

Consolidated financial statements as at 31 December 2010								
Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates Percent
	At call	0 - 3	3 - 12	1 - 5	Over 5	No		
	Million Baht	months Million Baht	months Million Baht	years Million Baht	years Million Baht	maturity Million Baht		
Financial assets								
Interbank and money market items	-	10,676	2,000	-	-	-	12,676	1.88
Investments	1	0	5,227	8,058	155	-	13,441	3.19
Loans	986	11,891	12,896	5,048	1,669	1,318	33,608	6.23
Total financial assets	987	22,567	19,923	13,106	1,824	1,318	59,725	
Financial liabilities								
Deposits	6,496	29,704	31,106	968	-	-	68,274	1.72
Interbank and money market items	2,000	1,997	279	2	-	-	4,278	2.06
Borrowings	400	11,220	2,828	100	-	-	14,548	1.87
Total financial liabilities	8,896	42,921	34,213	1,070	-	-	87,100	

Separate financial statements as at 31 December 2010								
Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates Percent
	At call	0 - 3	3 - 12	1 - 5	Over 5	No		
	Million Baht	months Million Baht	months Million Baht	years Million Baht	years Million Baht	maturity Million Baht		
Financial assets								
Interbank and money market items	-	10,630	2,000	-	-	-	12,630	1.88
Investments	1	-	5,227	8,058	155	-	13,441	3.19
Loans	987	11,651	12,149	4,167	1,300	1,318	31,572	4.59
Total financial assets	988	22,281	19,376	12,225	1,455	1,318	57,643	
Financial liabilities								
Deposits	6,496	29,705	31,105	968	-	-	68,274	2.00
Interbank and money market items	2,000	1,827	179	2	-	-	4,008	1.83
Borrowings	400	11,220	2,828	-	-	-	14,448	1.85
Total financial liabilities	8,896	42,752	34,112	970	-	-	86,730	

Separate financial statements as at 31 December 2009

Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates Percent
	At call	0 - 3	3 - 12	1 - 5	Over 5	No		
	Million Baht	months Million Baht	months Million Baht	years Million Baht	years Million Baht	maturity Million Baht		
Financial assets								
Interbank and money market items	50	13,660	-	-	-	-	13,710	1.21
Investments	1	1,002	100	7,055	387	-	8,545	3.32
Loans	530	8,533	9,680	1,805	1,352	5,787	27,487	6.02
Total financial assets	581	23,195	9,780	8,660	1,739	5,787	49,742	
Financial liabilities								
Deposits	-	29,333	28,058	5,414	-	-	62,805	1.51
Interbank and money market items	-	8,795	128	2	-	-	8,925	1.22
Borrowings	380	8,321	299	-	2,500	-	11,500	2.15
Total financial liabilities	380	46,449	28,485	5,416	2,500	-	83,230	

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).

In addition, the average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the year ended 31 December 2010 and 2009, can be summarised as follows:

	Consolidated financial statements		
	2010		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets			
Interbank and money market items	7,803	132	1.69
Investments	24,199	776	3.21
Loans	88,029	5,568	6.33
Total performing financial assets	120,031	6,476	
Performing financial liabilities			
Deposits	85,943	1,021	1.19
Interbank and money market items	6,342	97	1.53
Borrowings	16,532	480	2.90
Total performing financial liabilities	108,817	1,598	

	Separate financial statements		
	2010		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets			
Interbank and money market items	7,295	129	1.77
Investments	24,976	785	3.06
Loans	86,865	5,066	5.83
Total performing financial assets	119,136	5,960	
Performing financial liabilities			
Deposits	85,935	1,021	1.19
Interbank and money market items	6,783	88	1.30
Borrowings	16,432	475	2.89
Total performing financial liabilities	109,150	1,584	

	Separate financial statements		
	2009		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets			
Interbank and money market items	28,021	416	1.60
Investments	29,711	1,402	4.72
Loans	79,454	5,572	7.01
Total performing financial assets	135,186	7,390	
Performing financial liabilities			
Deposits	115,944	2,511	2.17
Interbank and money market items	6,189	132	2.13
Borrowings	7,349	344	4.68
Total performing financial liabilities	129,482	2,987	

b) Foreign exchange risk

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

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

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 31 December 2010 and 2009, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

Consolidated and separate financial statements

	2010			2009		
	USD	EURO*	Other Currencies*	USD	EURO*	Other Currencies*
Spot	77.79	3.04	5.64	73.01	2.43	1.83
Forward						
- Forward contract	(92.07)	(3.30)	(8.12)	(88.62)	(1.61)	(2.80)
Total	(14.28)	(0.26)	(2.48)	(15.61)	0.82	(0.77)

* EURO and other currencies are stated in USD equivalents.

c) 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.

37.3 Liquidity risk

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

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

The period to maturity, counting from the balance sheet date, of financial instruments outstanding as at 31 December 2010 and 2009 are as follows:

Descriptions	Consolidated financial statements				
	Counting from 31 December 2010				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial Assets					
Cash	2,743	-	-	2	2,745
Interbank and money market items	2,549	12,694	-	-	15,243
Investments	81	9,258	10,948	2,969	23,256
Loans	3,008	36,425	54,360	-	93,793
Total financial assets	8,381	58,377	65,308	2,971	135,037
Financial Liabilities					
Deposits	32,866	60,810	968	-	94,664
Interbank and money market items	1,590	4,275	2	-	5,867
Liabilities payable on demand	251	-	-	-	251
Borrowings	944	14,048	5,400	-	20,392
Total financial liabilities	35,671	79,133	6,370	-	121,174

Descriptions	Separate financial statements				
	Counting from 31 December 2010				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial Assets					
Cash	2,743	-	-	-	2,743
Interbank and money market items	2,064	12,648	124	-	14,836
Investments	1 ⁽¹⁾	9,258	10,948	4,138	24,345
Loans	3,832 ⁽²⁾	35,467	53,062	-	92,161
Total financial assets	8,440	57,373	64,134	4,138	134,085
Financial Liabilities					
Deposits	32,769	60,810	968	-	94,547
Interbank and money market items	1,671	4,006	2	-	5,679
Liabilities payable on demand	251	-	-	-	251
Borrowings	944	14,048	5,300	-	20,292
Total financial liabilities	35,635	78,864	6,270	-	120,769

⁽¹⁾ Investments classified as maturity at call of Baht 1 million are investment in defaulted debt securities.

⁽²⁾ A part of loans classified as maturity at call of Baht 2,752 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Separate financial statements				
	Counting from 31 December 2009				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial Assets					
Cash	2,821	-	-	-	2,821
Interbank and money market items	1,094	13,661	55	-	14,810
Investments	1 ⁽³⁾	4,927	13,848	4,803	23,579
Loans	9,808 ⁽⁴⁾	28,268	43,084	-	81,180
Total financial assets	13,724	46,878	56,987	4,803	122,390
Financial Liabilities					
Deposits	24,201	57,391	6,832	-	88,424
Interbank and money market items	947	8,924	2	-	9,873
Liabilities payable on demand	286	-	-	-	286
Borrowings	924	8,620	5,552	-	15,096
Total financial liabilities	26,358	74,935	12,388	-	113,679

⁽³⁾ Investments classified as maturity at call of Baht 1 million are investment in defaulted debt securities.

⁽⁴⁾ A part of loans classified as maturity at call of Baht 9,132 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

37.4 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. The Bank has estimated the fair value of financial instruments as follows:

(a) Financial assets

Determination of the fair value is dependent upon the characteristics of the financial instrument. The fair values of most financial assets, including cash, interbank and money market items, securities purchased under resale agreements, and loans, are presented at the amount stated in the balance sheets. The fair value of these financial assets is approximated at their respective carrying values since the values of such financial instruments are predominantly subject to market interest rates. Financial instruments with standard terms and conditions which are traded on an active and liquid market, such as investments, have their fair value determined by the quoted market prices.

(b) Financial liabilities

The fair values of financial liabilities, including borrowings and deposits, interbank and money market items, liabilities payable on demand, and borrowings, are considered to approximate their respective carrying values for the same reasons as detailed for financial assets above.

Differences between the book values and the fair values of financial instruments of the Bank are estimated to be immaterial. Further to this, book values and fair values of structured note is mentioned in Note 8.1 (a) to the financial statements.

37.5 Financial derivatives

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

As at 31 December 2010 and 2009, financial derivatives as classified by their maturities are as follows:

	Consolidated and separate financial statements					
	2010			2009		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	17,626	515	18,141	10,157	462	10,619
- Sold	18,352	777	19,129	9,663	-	9,663
Foreign currency swap contracts						
- Bought	3,041	4,008	7,049	-	6,678	6,678
- Sold	2,687	3,755	6,442	-	6,347	6,347
Interest rate swap contracts						
- Fixed rate payer	21,450	50,443	71,893	7,718	23,437	31,155
- Floating rate payer	19,992	50,576	70,568	6,340	22,490	28,830
- Fixed rate payee	18,522	49,904	68,426	3,500	24,490	27,990
- Floating rate payee	22,050	51,985	74,035	10,558	21,437	31,995
Range Accrual contracts						
- Payer	-	-	-	-	1,418	1,418
- Payee	-	-	-	-	1,418	1,418

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels.

However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

38 Agreement to transfer non-performing loans to TAMC

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

As at 31 December 2010 and 31 December 2009, The Bank and subsidiaries have loans transferred to TAMC are as follows:

Loans transferred to TAMC	Consolidated and separate financial statements			
	2010		2009	
	Book value Million Baht	Transfer price Million Baht	Book value Million Baht	Transfer price Million Baht
CAP	82,342	21,932	82,342	21,932
NON CAP	15,774	3,465	15,774	3,465
Total	98,116	25,397	98,116	25,397
Less: TAMC notes which have been redeemed by TAMC		(24,597)		(24,597)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 8.1 (b))		800		800

The Bank is to receive payment in the form of non-transferable, 10-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 31 December 2010, the Bank recognised interest receivable under these promissory notes amounting to Baht 35 million (31 December 2009 : Baht 91 million).

Share of the unrealised gain and losses arising from management of the non-performing loans

Under the agreement to transfer non-performing loans to TAMC, the Bank also has joint together with TAMC share the gains and losses arising from TAMC's management of the non-performing loans, which is to be allocated at the end of the agreement, starting from 1 July 2001. In the case of losses, the Bank is liable for all initial losses up to 20 percent of the transfer price. Further losses of up to another 20 percent of the transfer price are to be shared equally between the Bank and TAMC, whilst TAMC is liable for all remaining losses thereafter. According to the agreement, expenses of TAMC and the interest expenses of promissory notes issued by TAMC will be included in the calculation of the gain/loss sharing. In case of gains, initial profits of up to 20 percent of the transfer price are to be shared equally between the Bank and TAMC. Further gains which, when combined with the initial portion, do not exceed the difference between the book value of the transferred non-performing assets and their transfer price, belong to the Bank. All remaining gains will belong to TAMC. For loan debtors transferred at no cost, collections received after deducting debt management expenses will belong to the Bank.

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

As at 31 December 2010, the Bank's management believes that no significant future losses will be incurred.

Outstanding issues with TAMC

As of 31 December 2010, the Bank and TAMC had outstanding issues regarding the follow up of outstanding requisitions of original ownership documents and appraisal reports for collateral, and regarding the valuation of leasehold rights collateral with transfer prices totalling Baht 145 million and interest amounting Baht 18 million. The Bank believes that these issues will not have a material impact on the transfer price adjustment of the loans and interest on TAMC note, since the Bank has handed some of the original ownership documents and appraisal reports for the collateral to TAMC.

With respect to the outstanding issue of the valuation of leasehold rights, the Bank believes that the transferable leaseholds can be appraised or revalued. The Bank's management believes that there will not be a material impact to the transfer price and relevant interest. However, for conservative reasons, the Bank has recorded allowance for impairment of the TAMC Promissory Notes amounting to Baht 54 million in the financial statements.

Company Name	:	CIMB Thai Bank Public Company Limited
Registration No.	:	0107537002338 (former Bor. Mor. Jor. 480)
Business Type	:	Commercial Banking
Head Office	:	Langsuan Building 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330
Telephone	:	0-2638-8000, 0-2626-7000
Facsimile	:	(66)-2-633-9026

Registrar (Ordinary shares)**Thailand Securities Depository Co. Ltd.**

62, The Stock Exchange of Thailand Building
1st Floor, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel: (66)-2-229-2800, (66)-2-654-5599
Fax: (66)-2-359-1263

Auditor**PricewaterhouseCoopers ABAS Limited**

15th Floor Bangkok City Tower
179/74-80 South Sathorn Road
Bangkok 10120
Tel: +66 (0) 2344 1000, +66 (0) 2286 9999
Fax: +66 (0) 2286 5050

Auditors in charge:

- Mr. Boonlert Kamolchanokkul, C.P.A. (Thailand), No. 5339
- Mrs. Anothai Leekitwattana, C.P.A. (Thailand), No. 3442
- Mrs. Unakorn Phruithithada, C.P.A. (Thailand), No. 3257

Senior Legal Experts**Mr. Damrong Jamsutee**

(Former Vice President of the Supreme Court)
No. 272 North Tesablangrak, Soi 8 Prachanivet 1, Chatuchak, Bangkok 10900,
Tel: (66)-2-589-3023, 0-2954-2494

Securities Information

Registered Share Capital

THB 8,157,967,378 (eight billion one hundred fifty-seven million nine hundred sixty-seven thousand three hundred seventy-eight baht), which comprises of ordinary shares of 16,315,934,756 shares (sixteen billion three hundred fifteen million nine hundred thirty-four thousand seven hundred and fifty-six shares), with at a par value of THB 0.50 (fifty satang) and no Preference shares.

Issued and Paid-up Share Capital

THB 8,157,967,378 (eight billion one hundred fifty-seven million nine hundred sixty-seven thousand three hundred seventy-eight baht), which comprises of ordinary shares of 16,315,934,756 shares (sixteen billion three hundred fifteen million nine hundred thirty-four thousand seven hundred and fifty-six shares), with at a par value of THB 0.50 (fifty satang).

Contact Us!

Investor Relations
Ph. +66 2638 8619

Care Center
Ph. +66 2626 7777
cimbthai.carecenter@cimbthai.com

Find Us!

Bloomberg (bloomberg.com) ticker : CIMBT
SET (set.or.th) symbol : CIMBT

CIMB Thai Direct and Indirect Investment

10% or more Investments of issued shares (As of Dec 30, 2010)

No.	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of shares)	No. of Share Holding	%
1	CIMB Securities (Thailand) Co., Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2657-9000	Securities	Ordinary	50,000,000	49,999,993	99.99
2	BT Leasing Co., Ltd. 889 Thai CG Tower 26th, 32th Floor, South Sathon Road Yannawa, Sathon, Bangkok Tel. 0-2673-9111-8	Leasing	Ordinary	75,000,000	74,333,994	99.99
3	GT COLL Co., Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2638-8289	Collection	Ordinary	385,000	384,993	99.99
4	Worldlease Co., Ltd. 889 Thai CG Tower, 34th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. 0-2675-6300 Fax. 0-2675-6299	Leasing	Ordinary	24,000,000	18,010,000	75.04
5	Sinthothal Plaster Co., Ltd. 109 Moo 8, Bangna-Trad Road, Bangna, Bangkok Tel. 0-2398-0027 Fax. 0-2393-0201	Plastic	Ordinary	63,332	31,410	37.89
6	M-Home SFV 3 Co., Ltd. 1006/420 Masterview Executive Place Building, 1st Floor Charoenmakom Road., Banglumpu, Kongsan, Bangkok	Asset Mgmt	Ordinary	10,000	1,282	12.82
7	Tawanna Hotel Co., Ltd. 80 Surawongse Road, Bangkok Tel. 0-2236-0361 Fax. 0-2236-3738	Hotel	Ordinary	33,309	3,200	10.00
*8	Serju Metal (Thailand) Co., Ltd. 1 G. House Lumpini Building, 18th Floor, South Sathon Road, Tungmahamek, Sathon, Bangkok Tel. 0-2654-3223-5	Solder Materials	Ordinary	200,000	20,000	10.00
9	Banwa Interfood Co., Ltd. 256 Moo 5 Suwanom Road, Kabitburi, Prachinburi Tel. 0-2543-6730-3	Food	Ordinary	10,000,000	1,000,000	10.00
*10	Sandhai Pot. 922 Ratchada Complex, Ratchadaphisek Road, Huaykhwang, Bangkok Tel. 0-2541-4006	Electrical Appliance	Ordinary	40,000,000	4,000,000	10.00
*11	P.O.Patanasub Co., Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Commerce	Ordinary	10,000	9,993	99.93
*12	Krungthai Thanakit Finance Pot. Semmit Tower, 15-16th Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Financial	Ordinary	1,076,978,000	1,067,229,773	99.10
*13	Executive Management Services Manpower Ltd. 296 Rama III Road, Bangkoklaem, Bangkok Tel. 0-2689-2826	Service	Ordinary	2,000	340	17.00
*14	Global Leasing Co., Ltd. 515/5 Maneeya Center, 8th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel. 0-2650-0730	Leasing	Ordinary	2,000,000	200,000	10.00
*15	TPF Leasing Co., Ltd. Sanghongthais Tower, 25th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
*16	UTM Advisory & Capital Management Co., Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Service	Ordinary	100,000	10,000	10.00

No.	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of shares)	No. of Share Holding	%
17	SPL Development Co., Ltd. (abandoned) 149 Modern Home Tower, North Road, Yarnawa, Bangkok	Real Estate	Ordinary	500,000	499,999	99.99
18	Thai-Ultra Auto Part Co., Ltd. (abandoned) 59/1 Moo 14 Highway Road, Nkompatana, Bangka, Rayong	Auto Parts	Ordinary	6,500,000	650,000	10.00
19	Advance Manufacturing Leasing Co., Ltd. (abandoned) 246 Time Square Building, 11th Floor, Sukhumvit Road 12-14, Khongtoey Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
20	Zigma Paint (Thailand) Co., Ltd. 38 Moo 4, Bangshan Industrial Estate, Serthai Road, Mueangbur, Bangkok	Chemical Industry	Ordinary	60,600,000	6,400,000	13.88

Remark - * under liquidation process
- ** registered its dissolution on 18 March 2009

CIMB Thai Debt Securities Issuance (As of Dec 30, 2010)

Classified by Type	Interest rate	Maturity	Collateral	Restrictions & Requirements	Debentures in Issue & Value	Credit Ratings	Proxy
1. US\$ 50,000,000 Subordinated Floating Rate Notes due 2016, callable with Step up in 2011 (Issue Date: 17 July 2006)	Six-month LIBOR US dollar deposit rate plus 350 basis points ("bps") for the first 5 years; and six-month LIBOR US dollar deposit rate plus 525 bps after the early redemption call option in 2011	17 July 2016	N/A	Call option in the cases when: (1) there are significant changes in tax laws resulting in increased tax liability for the issuer; (2) the issuer decides to redeem the debentures at the end of the first five years; or (3) the debentures do not qualify as Lower Tier II Subordinated Debt.	1,507,565,000 (US\$50,000,000)	N/A	N/A
2. US\$40,000,000 Subordinated Floating Rate Notes due 2017, callable with Step Up in 2012 (Issue Date: 16 February 2007)	Six-month LIBOR US dollar deposit rate plus 350 bps for the first 5 years; and six-month LIBOR US dollar deposit rate plus 525 bps after an early redemption call option in 2012	20 Feb 2017	N/A	Call option in the cases when: (1) there are significant changes in tax laws resulting in increased tax liability for the issuer (2) the issuer decides to redeem the debentures at the end of the first five years; or (3) the debentures do not qualify as Lower Tier II Subordinated Debt.	1,206,052,000 (US\$40,000,000)	N/A	N/A
3. Subordinated long term notes ¹	-none-	22 Dec 2003	N/A	-none-	544,502,520	N/A	N/A

Classified by Type	Interest Rate	Maturity	Collateral	Restrictions & Requirements	Debentures in Issue & Value	Credit Ratings	Proxy
4. Subordinated 10-year long term notes ²	-none-	1 Feb 2009	N/A	-none-	2,600,000	N/A	N/A
5. Cumulative Hybrid Tier 2 Debt Capital Securities No. 1/2009, due 2019 (Issue Date: 27 March, 2009)	5.25 percent; and for the period after the 5th anniversary till the maturity date, 6.75 percent	27 Mar 2019	N/A	Call option in the cases when: (1) the Issuer is solvent at the time of any redemption of the Securities and immediately thereafter, (2) the Issuer is not in breach of the BOT's minimum BIS Ratio requirements applicable to the Issuer; and (3) the Issuer has obtained the written approval of the BOT prior to redemption of the Securities.	2,500,000,000	A- (tha)	N/A

Notes:

1. THB 544.5 million transferred from the state-intervened financial institution, Union Asia Finance and Securities Public Co., Ltd.
2. THB 2.6 million transferred from the state-intervened financial institutions, Dhana Siam Finance Public Co., Ltd.

Change in Shareholdings of the Directors and Senior Executives of the bank (From year end 2009 to year end 2010)

Name	Designation	Company	No. Share holding As at 31 Dec.10 (Shares)	No. share holding As at 31 Dec.09 (Shares)	No. of Share Changes
Mr. Songwud Buakhem	Executive Vice President Corporate Legal Division	OMB Thai Bank	1	-	-
Mr. Ekajai Trutanond	Senior Executive Vice President Business Support Group	CT Coll Co., Ltd. (previously known as BT Consultants Co., Ltd.)	4	1	3
Mr. Surin Pakvateetorn	Senior Vice President Retail Collections Team	CT Coll Co., Ltd.	1	-	-
Mr. Thaphop Keesuwan	Senior Vice President Office of the President and Senior Vice President Compliance Department	OMB Securities (Thailand) Co., Ltd.	1	1	-
		Center Auto Lease Co., Ltd. (previously known as BT Leasing Co., Ltd.)	2	1	-
Mr. Tanit Onnuch	Vice President SME Service and Support Team Head	Center Auto Lease Co., Ltd.	2	1	1

CIMB Thai Network

As the markets continue to grow, CIMB Thai is focusing more than ever on creating opportunities. Our branches are our most important links, our representatives in each of the locations where we do business.

Bangkok Area

Bangkok Area 1	Telephone	Fax
Thanon Langsuan Branch	0-2626-7101-3	0-2626-7104
Lumpini Branch	0-2266-0149, 0-2266-6366, 0-2266-5761	0-2266-0223
Siom Branch	0-2234-3010, 0-2236-4747-8	0-2236-4749
Empire Tower Branch	0-2670-1621-2	0-2670-1623
K.S.L. Tower Thanon & Ayutthaya Branch	0-2642-6762-3	0-2642-6764
Siom Center Branch	0-2632-7621-2	0-2632-7623
Sathon Branch	0-2633-9010-13	0-2633-9034
Siam Square Branch	0-2260-1735-6	0-2260-1737
Mahboonkeong Center Branch	0-2666-3064-6	0-2666-3067
Patunam Branch	0-2251-5510, 0-2253-5542-3, 0-2251-5569	0-2251-5415
St.Louis Branch	0-2266-0335, 0-2266-0374	0-2266-0318
Yanewa Branch	0-2269-0672-3	0-2269-0680
Sethupradid Branch	0-2210-2724-6	0-2210-2723
Thanon Chan Branch	0-2678-5670-1	0-2678-5672
Central Plaza Rama 3 Branch	0-2673-7035-6	0-2673-7037
Kulaynamthai Branch	0-2391-9113, 0-2392-7824	0-2391-9112

Bangkok Area 2	Telephone	Fax
Jawerud Branch	0-2233-6696, 0-2234-4002, 0-2234-2552, 0-2234-4527, 0-2234-6731	0-2266-4309
Bangrak Branch	0-2234-6209, 0-2234-6435, 0-2234-9664	0-2233-6020
Rajawongse Branch	0-2221-1333, 0-2224-6162-3	0-2222-3190
Sampang Branch	0-2224-2313, 0-2226-0367	0-2224-2333
Chakrawat Branch	0-2622-5660-1	0-2622-5662
Rajadamnern (Thanon Dinso) Branch	0-2221-7679, 0-2221-7395, 0-2224-8063	0-2224-8062
Thaten Branch	0-2222-4323, 0-2224-6165	0-2224-6164
Mahanak Branch	0-2223-2650, 0-2223-6624, 0-2224-7021	0-2224-7022
Yomraj Branch	0-2215-7126-7, 0-2215-7352-3	0-2215-7363
Thewet Branch	0-2260-0481-2, 0-2261-5453, 0-2262-3668	0-2262-4055
Pakkongtalad Branch	0-2224-7207-8, 0-2224-7210	0-2224-7209
Vorachak Branch	0-2223-4988, 0-2223-6056	0-2224-9011
Si Yan Branch	0-2636-9517-9	0-2636-9520
Bang Lamphu Branch	0-2629-1573-5	0-2629-1576
Bangpo Branch	0-2565-0192, 0-2565-8160	0-2565-0260

Bangkok Area 3

	Telephone	Fax
Bukkalo Branch	0-2466-7141-2, 0-2466-8202	0-2466-8203
Fiat Eurana Branch	0-2427-4403, 0-2427-4405	0-2427-4404
Wit Sai Branch	0-2415-0909, 0-2415-1235, 0-2415-1378	0-2415-2712
Suksawad Branch	0-2463-2130, 0-2463-5345-6	0-2463-5344
Bangbon	0-2416-8277-5, 0-2894-4075-6	0-2416-8279
Central Plaza Rama II Branch	0-2672-4307-6	0-2672-4309
The Mall Thapra	0-2477-7267-6	0-2477-7269
Phrasadaeng Branch	0-2616-4517-9	0-2616-4520
Bangplad Branch	0-2424-3361-2, 0-2433-8188, 0-2880-4305-6	0-2434-3361
Thonburi Branch	0-2465-0442, 0-2465-6758	0-2465-0442
Charanhitwongse Branch	0-2411-0330, 0-2411-3603-4	0-2411-2245
Nongkhaem Branch	0-2421-1122, 0-2421-1460, 0-2421-1991	0-2421-3788
Phasi Charoen Branch	0-2467-5453-4	0-2467-3106
Bangyoeikhan Branch	0-2433-6920-3	0-2433-6921
Pannok Branch	0-2416-1572-4	0-2412-3096
The Mall Bang Khae Branch	0-2455-3515, 0-2413-0739, 0-2818-8608	0-2603-8609
Central Pinklao	0-2684-6725-7	0-2684-6726

Bangkok Area 3

	Telephone	Fax
Bangna Branch	0-2393-0789, 0-2747-5322	0-2393-0788
Poochaosmingprai Branch	0-2384-7604-6, 0-2384-3670	0-2384-7605
Paradise Park Senhakorn Branch	0-2746-0330-1	0-2746-0332
Bangna - Trad Branch	0-2312-6752-4	0-2312-6756
Samutprakarn Branch	0-2387-1806, 0-2387-1849, 0-270-26618-9	0-2389-1349
Imperial World Samrong Branch	0-2360-8883-4	0-2360-8894
Lakkrabang Branch	0-2739-1705, 0-2739-1936-6	0-2739-1937
Central City Bangna Branch	0-2745-7314-5	0-2745-7316
Thanon Saliwat Samutprakarn Branch	0-2703-8520-2	0-2703-8523
Big C Bangphli Branch	0-2312-9606-6	0-2312-9608
On Nuch Branch	0-2730-3066-8	0-2730-3069
Thanon Thepharak Branch	0-2713-4594-6	0-2713-4597
Thonglor Branch	0-2391-4789-91, 0-2392-1584	0-2391-4790
Yaek Asok-Sukhumvit Branch	0-2258-1913, 0-2258-1916, 0-2259-0601	0-2258-1909
Gmm Grammy Place Branch	0-2665-6181, 0-2665-9906-7	0-2665-9908
New Petchburi Branch	0-2715-0617-5	0-2715-0620
Ekkamai Power Center Branch	0-2714-7370-2	0-2714-7347

Bangkok Area 5

	Telephone	Fax
Huamark Branch	0-2377-1362-3, 0-2377-2666	0-2377-1366
Ladprao Branch	0-2630-1372, 0-2636-2403-4	0-2630-1371
Bangkhun Branch	0-2611-4363, 0-2612-1716, 0-2612-1719	0-2611-4320
Ramindra Branch	0-2609-6713, 0-2610-4448	0-2609-6712
Ramkhamhaeng Branch	0-2319-8667, 0-2319-8617, 0-2319-6675	0-2319-8676
Talat Wongsakon Branch	0-2994-3067, 0-2944-3394	0-2994-3943
Fashion Island	0-2947-6166, 0-2947-6169	0-2947-6190
Imperial World Ladprao Branch	0-2934-8530-2	0-2934-8533
Talat Ying Charoen Branch	0-2972-3363-6	0-2972-3366
The Mall Bang Kapi Branch	0-2704-9166-6	0-2704-9169
Mit Buri Branch	0-2906-3672-4	0-2906-3676
Wanghin Branch	0-2942-6206-6	0-2942-6216
Phaholyothin Branch	0-2278-1079, 0-2279-6086, 0-2279-6662	0-2279-0737
Huaykwang Branch	0-2277-0664, 0-2277-2663, 0-2277-9066	0-2327-0903
Suittowers Thanon Vibhava	0-2617-7617-6	0-2617-7619
Diangsit Branch		
Fortune Town Branch	0-2642-0891-3	0-2642-0891-3
Amorini Ramindra	0-2919-6066-6	0-2919-6089

Bangkok Area 6

	Telephone	Fax
Tivanon Branch	0-2525-0586, 0-2525-2561, 0-2968-4066-7	0-2527-0264
Donmuang Branch	0-2566-1588, 0-2566-1610, 0-2929-9947	0-2566-1593
Rangsit Branch	0-2531-5893, 0-2567-2232, 0-2959-1990	0-2531-3020
Changwatthana Branch	0-2573-8121, 0-2574-150-23	0-2573-8785
Ngamwongwan Branch	0-2580-1601, 0-2580-1920	0-2580-2451
Talat Thai Branch	0-2529-2277, 0-2529-2971	0-2529-4852
Bang Yai Branch	0-2903-3120, 0-2903-3125	0-2903-3127
Zeer Rangsit Branch	0-2992-5739-40	0-2992-5741
Muangthong Thani	0-2981-4135, 0-2981-4172	0-2981-4446
It Square Branch	0-2576-0476-7, 0-2576-0374	0-2576-0428
Future Park Rangsit Branch	0-2958-5310-3	0-2958-5314
Wonsawang Town Center Branch	0-2913-9783-5	0-2913-9786
Nikhom Utsahakarn	0-2520-4831-3	0-2520-4834
Nawanakhon Branch		
Thanon Rattana Thibet Branch	0-2527-8643-4	0-2527-8722
Pak Kret Branch	0-2960-6544-6	0-2960-6547

Provincial Area**Provincial Area 1**

	Telephone	Fax
163 Faythae Road, T.Prapathomjades, A.Muang, Nakhon Pathom 73000	0-3426-0197, 0-3426-0367-390	0-3426-0196
Samut Sakhon Branch	0-3481-0966-6, 034-428812-4	0-3481-0967
Om Noi Branch	0-2610-6211-2	0-2610-6213
Pha Nakhon Si Ayutthaya Branch	0-3623-2993-6	0-3623-2932
Phetchaburi Branch	0-3242-6148	0-3242-6227
Nakhon Pathom Branch	0-3426-1026, 0-3426-4233-4	0-3426-4234
Samut Songkhram Branch	0-3471-1442, 0-3471-2429	0-3472-4046
Hua Hin Branch	0-3263-1460-2	0-3263-1463
Kanchanaburi Branch	0-3451-7554-7	0-3451-7556
Ratchaburi Branch	0-3231-6966-9, 0-3231-4962-3	0-3231-6666
Suphan Buri Branch	0-3550-2660-3	0-3550-2664

Provincial Area 2

64 Changhuak Road, T.Sripoom,
A.Muang, Chang Mai 50200
Chiang Mai Branch
Mankorn Branch
Nakhon Sawan Branch
Phitsanulok Branch
Chiang Rai Branch
Central Airport Chiangmai Branch
Thanon Chang Khlan Branch
Mae Sai Branch
Lampang Branch
Thanon Suthep Branch

Telephone

0-5341-8400, 0-5341-8402
0-5341-8336-9, 0-5326-7070
0-5649-1006, 0-5649-1223
0-5622-6364, 0-5622-7473
0-5524-4080, 0-5525-2179
0-5371-4029-30, 0-5371-9376
0-5326-4447-6
0-5362-0914-6
0-5364-2426-7
0-5432-3683-4, 0-5432-3002-3
0-5360-6489, 0-5360-6912

Fax

0-5341-8401
0-5326-7076
0-5649-1224
0-5622-4182
0-5524-4061
0-5371-6905
0-5326-4449
0-5362-0917
0-5364-2426
0-5432-3907
0-5360-6913

Provincial Area 3

142-148 Srichan Road, A.Muang,
Khon Kaen 40000
Khon Kaen Branch
Sakon Nakhon Branch
Ubon Ratchathani Branch
Udon Thani Branch
Nakhon Ratchasima Branch
Nong Khai Branch
Saraburi Branch
Surin Branch
Buri Ram Branch
Lotus Khon Kaen Branch

Telephone

0-4332-1463, 0-4332-1476
0-4322-0612, 0-4322-0925
0-4271-1190, 0-4273-0557
0-4528-4224-5, 0-4531-3396
0-4222-3248-9, 0-4234-4097
0-4424-3714, 0-4424-3786
0-4241-1726, 0-4241-1738
0-3631-5304, 0-3631-5307
0-4452-1464-7
0-4462-5124, 0-4462-5153
0-4332-4323, 0-4332-4769-90

Fax

0-4332-1476
0-4322-4631
0-4271-1701
0-4531-3487
0-4224-7184
0-4426-6161
0-4241-2624
0-3631-5303
0-4452-1466
0-4462-5696
0-4332-4791

Provincial Area 4

726/1-2 Sukhumvit Road,
T.Bang Pla Soi, A.Muang,
Chonburi 20000
Chon Buri Branch
Rayong Branch
Chachoengsao Branch
Pacific Park Sriracha Branch
Thanon Pattaya Sai 3 Branch
Amata Nakhon Industrial
Estate Branch
Nang Morn Branch
Saha Group Industrial Park
Sriracha Branch
Chanthaburi Branch

Telephone

0-3866-4109-10
0-3676-2161-5
0-3661-1220, 0-3661-1666-9
0-3661-3041-3
0-3677-1480-1
0-3646-6140-1
0-3645-7037-6
0-3674-6136-6, 0-3674-6210
0-3676-2561-2, 0-367-62570
0-3934-0212-6

Fax

0-3866-4110
0-3676-2166
0-3661-4670
0-3661-3044
0-3677-1482
0-3646-6142
0-3645-7039
0-3674-6766
0-3676-2566
0-3934-0216

Provincial Area 5

	Telephone	Fax
31 Phuket Road, T.Talat-Yai, A.Muang, Phuket 83000	0-7721-2390-1, 0-7721-4922-24	0-7436-4625
Phuket Branch	0-7621-1501	0-762-11502
Songkhla Branch	0-7431-1906, 0-7432-4050-1	0-7431-4391
Hat Yai Branch	0-7423-5777	0-7424-5011
Chumphon Branch	0-7750-4825, 0-7751-1626	0-7751-1661
Surat Thani Branch	0-7727-3674, 0-7727-3575	0-7727-3674-5
Namom Branch	0-7436-3005-6	0-7436-3005
Thanon Tilok Uthit 1 Branch	0-7625-6806-7	0-7625-6808
Central Festival Phuket Branch	0-7636-7008-9	0-7636-7701-0
Dan Nok Sadao Branch	0-7443-4102-3	0-7443-4194
Krabi Branch	0-7563-0572-5	0-7563-0578
Thanon Suphasah Rangsan Hat Yai Branch	0-7436-1133-5	0-7436-1136
Talat Plaza Hat Yai Branch	0-7434-0242-4	0-7434-0245
Nakhon Si Thammarat Branch	0-7531-3201-4	0-7531-3707
Patong Branch	0-7626-9813-4, 0-7626-6824-5	0-7629-6821

Foreign Exchange Booth**In Branch**

	Telephone	Fax
Yaek Asok-Sukhumvit	0-2258-1913, 0-2258-1916,	0-2258-1939
Yannawa	0-2289-3872-3	0-2289-0560
Lumpini	0-2286-0149, 0-2286-5388,	0-2286-0223
Silom	0-2234-3010, 0-2236-4747-8	0-2236-4749
Chiang Rai	0-5371-4029-30, 0-5371-9377-8	0-5371-5905
Hua Hin	0-3253-1461-2	0-3253-1463
Patong	0-7629-6813-4, 0-7628-6824-5	0-7629-6821

Stand alone

	Telephone	Fax
Patak Road 1	0-7628-6741	0-7628-6742
Taweewong Road 1	0-7629-2253	0-7629-2254
Taweewong Road 2	0-7629-2494	0-7629-2495
Taweewong Road 3	0-7629-7032	0-7629-7033
Rajuthit Road 1	0-7629-4204	0-7629-4205
Karon 1	0-7628-6273	0-7628-6274
Mercure Patong Hotel	0-7629-2952	0-7629-2953
Jungceylon 2	0-7629-5027	0-7629-5028
Jungceylon 1	0-7629-5025	0-7629-5026
Yaek Wat Chaimongkol	0-3871-0588	0-3871-0589
Soi Boekhao Pattaya Kiang	0-3872-0931	0-3872-0932
Avenue Pattaya Sai 2	0-3871-0755	0-3871-0756
Wongwian Pla Loma	0-3837-1303	0-3837-1304

Mobile Exchange

	Telephone
Mobile Exchange 1	08-1938-4722
Mobile Exchange 2	08-9203-9764

Opportunity
means the world to us

Investor Relations
CIMB Thai Bank PCL.
Phone: +66 2638 8619

www.cimbthai.com