

A woman in a light grey suit and a man in a dark suit are walking away from a glass entrance. The woman is in the foreground, smiling, and the man is in the background, walking away. The entrance has large glass doors and windows.

OPEN FOR ALL ASEAN

Annual Report 2012
CIMB Thai Bank PCL.

OPEN THE ASEAN OPPORTUNITY



OPPORTUNITY – REALITY GAP

So close and yet so far it will be, if one can't link one's strengths to one's vision.

Now, wouldn't it be nice to have someone line up possibilities for you and mentor you in every crucial decision-making?

CIMB can pinpoint lucrative investment, job creation, and asset management options for you. Above all, our regional business presence provides you with countless worldwide opportunities.



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FIRST ALERTED, FIRST ON SCENE

First alerted, first on scene

By leveraging our numerous networks all over ASEAN, we effectively link up your diversity for tremendous capability and benefit sharing.

The sooner you recognize these opportunities, the quicker access and broader coverage. These, we believe, are advantageous to your AEC future.

- CIMB ASEAN Payment+ service for faster and more saving buy-sell-pay-transfer across ASEAN.
- We support and encourage Thai businesses to go ASEAN (ASEAN-isation).

OPPORTUNITIES FOR VISIONARY ONES



Opportunities for visionary ones

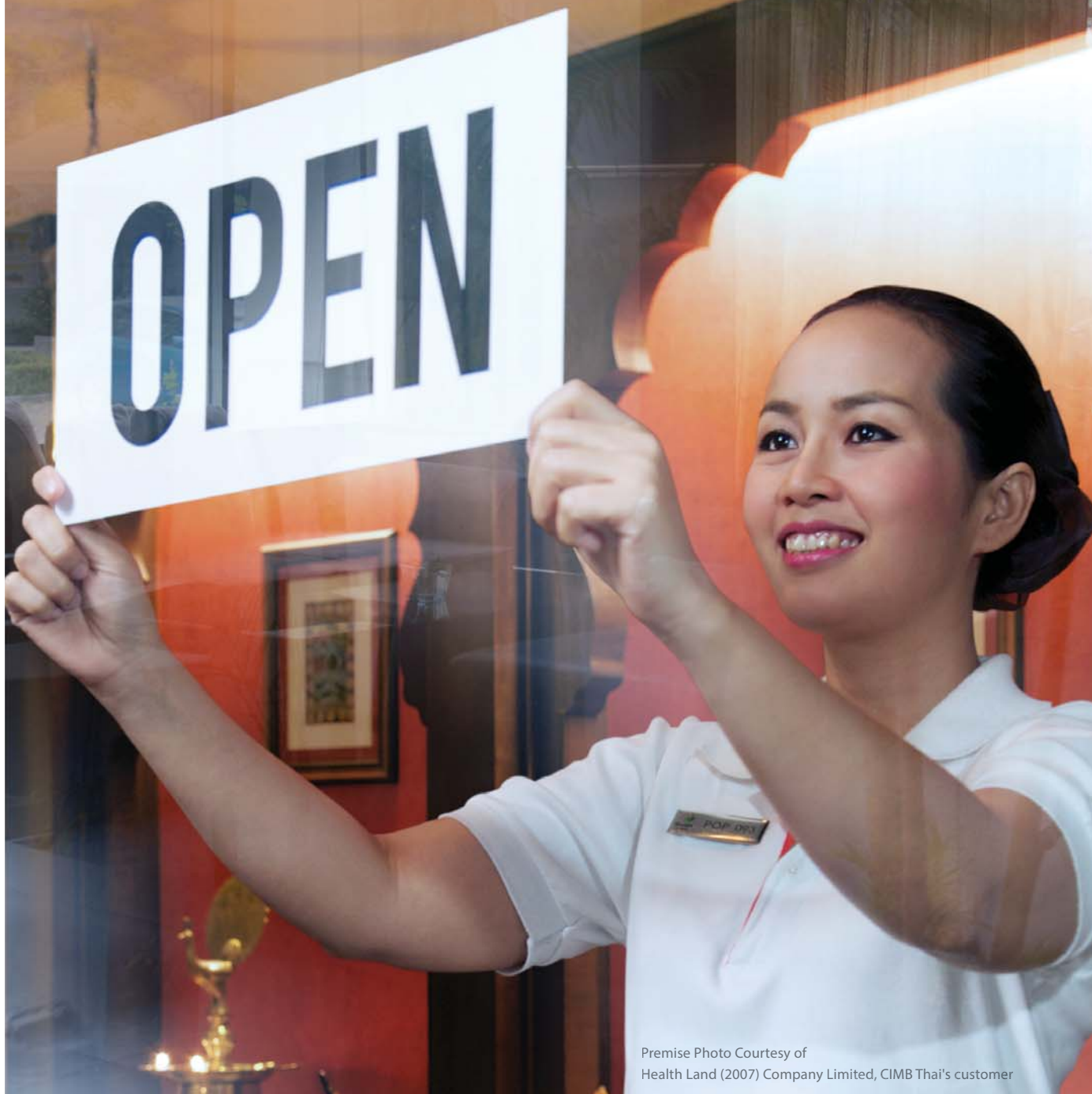
In a world of endless innovations, new businesses, and differentiation ...

...

CIMB Thai can do it all for you—staying abreast of the world and casting our powerful x-ray vision well ahead of everyone else. The sky's the limit if you'd let us.

- 1Platform is our new regional core banking system which integrates the complicated banking networks into one single platform.
- We offer ASEAN marketing, investment and economic information to serve as our customers' database for their efficient investment.

GAME'S ON



Premise Photo Courtesy of
Health Land (2007) Company Limited, CIMB Thai's customer

Game's on

Preparedness is indeed the key to success, big and small.

That's why at CIMB Thai, our diverse products and a variety of experts are designed to cater to your every need, and then some. Thanks to our pervasive ASEAN network, CIMB Thai is in an excellent position to assure you of robust growth.

- Trade in a Box makes export-import business easier, faster and cost-saving with fully integrated money transfer and payment services.
- SME Trader Pack offers financial liquidity to SME business with working capital financing.
- Micro SME Biz Line is facility specific to the needs of micro SME customers.

READY WHEN YOU ARE ... FOR YOUR STABILITY



Ready when you are... for your stability

As soon as you open your account or initiate CIMB Thai services, you'll get our most meticulous attention. With some 1,200 network located all over ASEAN, marked by fivefold expansion in a few years and Fitch Ratings' recognition of our healthy standing, you deserve nothing short of privileged services through our 42,000 experienced employees.

- Over 1,200 branches across the region.
- Firm credit standing with AA- (tha) by Fitch Rating.

ALWAYS THERE FOR YOU



Always there for you

We're not just a financial institution, but your companion en route to the same goals as yours ... ready to mentor, back you up, and pursue new visions for greater business opportunities. In short, we're convinced that together we will be at your next milestone achievement.

- CIMB Group has an over 400% growth in market capitalisation in 7 years.
- We are committed to deliver treasury product and service excellence with universal financial solutions that best serve customer demand.



1. KHUN TASSAPOL BELEVELD, Chief Executive Officer
Thai Air Asia Company Limited and
Asia Aviation Public Company Limited
Investment Banking customer

2. KHUN CHAIRIT SIMAROJ, Managing Director
Susco Public Company Limited
Investment Banking customer

3. KHUN RUNGRAT SIRIRATANAPANICH, Managing Director
Menam Stainless Wire Public Company Limited
Commercial Banking customer

4. KHUN CHATHIP BOONCHUEY, Managing Director
Flexco Graphic Company Limited
Commercial Banking customer

FINANCIAL HIGHLIGHTS

Net Profit

1,581 Million Baht

Loan Growth

16.4%

Deposits and Bill of Exchange

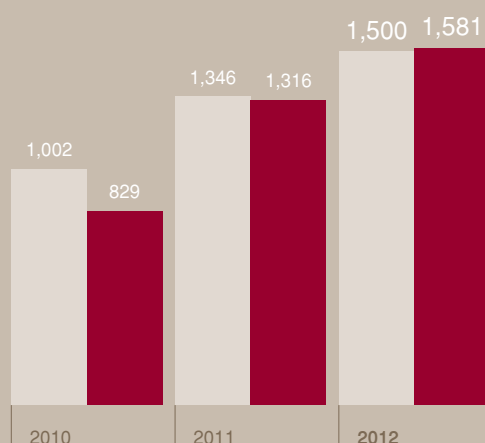
146 Billion Baht

ROE

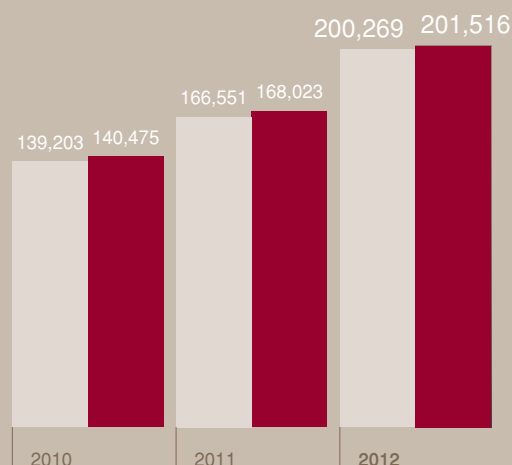
9.9%

■ Bank only
■ Consolidated

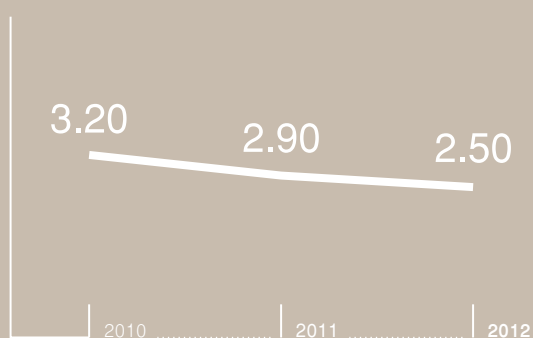
Net Profit (THB million)



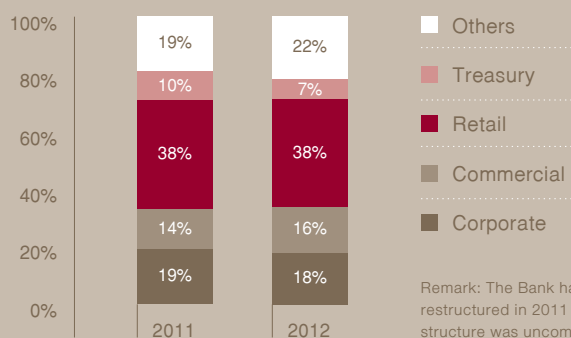
Asset (THB million)



Share Price
(THB / share)



Revenue Source



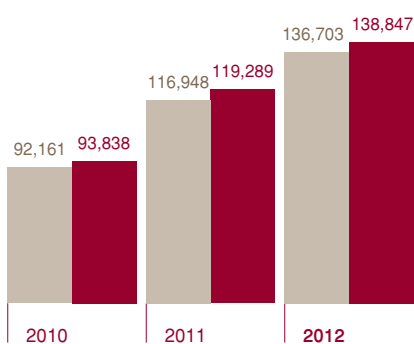
Remark: The Bank had organization restructured in 2011 onward; therefore 2010 structure was uncomparable

In THB million	Consolidated			Bank Only		
At Year End	2010	2011	2012	2010	2011	2012
Total liabilities	128,539	154,612	181,818	127,508	153,316	180,680
Shareholders' equity	11,936	13,411	19,698	11,694	13,235	19,589
Net interest income	1,717	4,633	5,207	3,850	3,984	4,253
Non - interest income	4,319	2,739	3,121	2,075	2,557	2,918
Total income	6,036	7,372	8,328	5,925	6,541	7,171
Basic earning per share (Baht)	0.06	0.08	0.09	0.07	0.08	0.08
Book value per share (Baht)	0.72	0.82	0.93	0.72	0.82	0.93



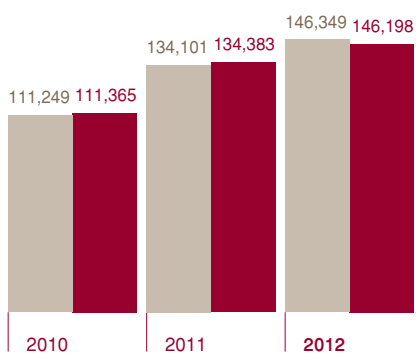
Gross Loan

(THB million) ➡



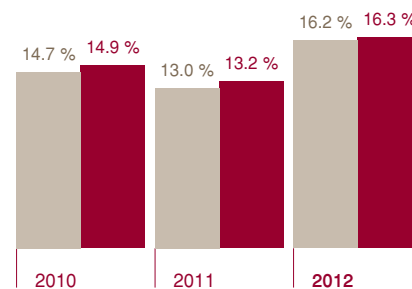
Deposits and Bill of Exchange

(THB million) ➡

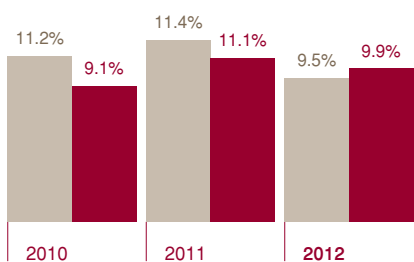


(BIS Ratio) ➡

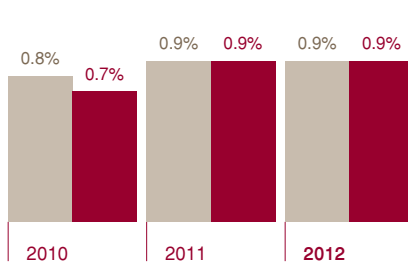
■ Bank only
■ Consolidated



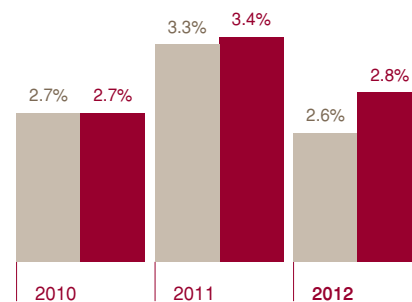
ROE ➡



ROA ➡



Gross NPL Ratio ➡



CHAIRMAN'S MESSAGE



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to report another year of notable performance and strong status of CIMB Thai Group.

In 2012, domestic demand contributed to Thailand's GDP growth of 5.5% leaded by strong domestic consumption. Post-flood recovery proved private sector's resilience as reflected in improved investment in machinery and equipment. Such government measures as the minimum wage increase policy, corporate income tax reduction, rice mortgage scheme, and first-car tax rebate have significantly stimulated consumer spending.

However, on the other side of the globe, demand may grow at decelerating rates due to the possibility of economic slowdown of several major economies. Meanwhile, looking across borders, ASEAN has maintained its fastest growing pace, with GDP of over USD 2 trillion or 5% of world GDP, over 600 million people or 10% of world population, exports of 7% of world exports, and having retail, healthcare, car, internet and mobile as fast growing sectors.

CIMB Thai Group recorded a consolidated net profit of THB 1.581 billion, a growth of 20%. Gross loans accounted for THB 138.8 billion, or an increase of 16.4%, while deposits and bills of exchange amounted to THB 146.2 billion, increasing 8.8% from a year earlier. Loans to deposits (including bills of exchange) ratio went up to 95.0% from 88.4%. Gross NPL ratio decreased to 2.8% from 3.4%. Capital adequacy ratio stood at 16.3% following Tier I and Tier II capital increased last year. The Bank would like to express sincere appreciation to our shareholders for their great trust and support.



With utmost adherence to regulatory requirements, the Bank has instilled a well-built compliance culture across the organization. Initiatives undertaken included “Tone-at-the-Top’ training and appointment of designated compliance officers (DCOs) within each business unit aiming for efficient risk management and mitigation. Furthermore, the upcoming regulatory standards, i.e. Basel III and Foreign Accounting Tax Compliance Act (FATCA), will bring the Bank to face more challenges for which the Bank has been well prepared, while such regional initiative as ASEAN Collective Investment Scheme will enable the Bank to offer foreign investment funds from ASEAN, hence a wider range of products to cater to the needs of local investors as well as alignment with the Group’s business concept under ASEAN For You. CIMB Thai Group will continue to operate its businesses with prudence and care for all the parties concerned.

On behalf of the Board of Directors, I would like to extend my sincere thanks to all our stakeholders for their untiring support and trust, and my deep appreciation to the management and staff of the Bank and its subsidiaries for their dedicated and synchronised efforts in steering the businesses on a promising path towards 2013 with greater determination and confidence.

Yours sincerely,



 **CHAKRAMON PHASUKAVANICH**
DIRECTOR AND CHAIRMAN OF THE BOARD

CHIEF EXECUTIVE OFFICER'S MESSAGE



Dear Shareholders,

In 2012, which was a year witnessing “Synergies towards ASEAN Connectivity,” CIMB Thai Group recorded a consolidated net profit of THB 1.581 billion, a growth of 20% from 2011. CIMB Thai Group’s loans expanded by 16.4%, with net interest margin (NIM) at the top end of the market at 3.2%. Meanwhile, its NPL ratio was among the industry lowest, i.e. 2.8% of total loan portfolio. Loan loss provision was set aside at THB 3.4 billion, or THB 1.6 billion over the regulatory criteria. Our BIS ratio was 16.3%, which was among the industry highest, with tier-1 capital of 10.3%.

Despite its relatively small asset size, CIMB Thai ranked No. 1 in IPO deals with 17.7% market share, No. 3 in Thai state-owned enterprise bond deals with 14.9% market share, and No. 7 in domestic bond deals with 5.7% market share. We have successfully distributed through our network mutual funds of CIMB Principal Asset Management Co., Ltd. (CPAM) for leading developers, such as Q Houses Property Fund and Land & House Property Fund, and were the sole underwriter of Thai Airways International bond, regarded as the longest tenure bond ever issued in the Thai market which was two-fold oversubscribed. The Bank was also entrusted to provide cash management service to the Embassy of Malaysia in Thailand. These well reflect the acceptance, confidence and trust of our customers and stakeholders in our expertise and experience in the industry.

With the upcoming ASEAN Economic Community (AEC), which realises the power of “Local Uniqueness with Regional Supplementary,” and believes in the synergy of integrated ASEAN economies in stimulating local demand with extended business opportunities across borders, CIMB Thai has accordingly made strategic moves in leveraging on CIMB Group’s strong network and capabilities. We have actively encouraged and supported the bridging of domestic and regional businesses to capture opportunities in sight and beyond. The Bank has partnered with Jor Lok Setthakij (World Economic Monitor) programme on TV Channel 3 to bring information about AEC to the public,

collaborated with Baker & McKenzie to organise a seminar on “Doing Businesses in Southeast Asia,” and conducted seminars on other topics such as “The Impact of AEC on SMEs” and “Rethinking ASEAN in the new Global Economy.” Many more are to be undertaken gearing up for the AEC.

Along with our commitment of operating businesses under corporate governance principles and with code of ethics, we have consistently placed importance on corporate social responsibility (CSR). We have carried out CSR activities in collaboration with CIMB Foundation, a CIMB uniform charitable initiative, with the purpose of supporting the environment, education, religion, community and society development. In 2012, twenty CSR programmes were organised by the Bank, including staff’s religious ritual & sermon ceremony on the occasion of His Majesty the King’s 85th Birthday Anniversary at CIMB Thai head office, planting of mangrove for reforestation at Royal Thai Army’s Bang Pu site to replenish the ecological system, donation of new hygiene restroom for students at Ban Khao Takiap Municipality School in Prachuap Khiri Khan Province, setup of Community Computer Learning Centre & Library Modification to promote equal learning opportunities for disabled students, offering of free health checkup for Talat Thai Community, and many others. We believe that the consolidated efforts put by our staff, clients, business partners, government sectors and all other stakeholders can help strengthen virtuous and moral values of the society in the long run.

For its 2013 strategic focus, the Bank will forge ahead with the enhancement of services to serve business sectors via value-added supply chain solutions, maintaining NIM discipline and policy through a balanced loan portfolio mix, and leveraging on the competitive positioning as a leading ASEAN bank for business opportunities in ASEAN and beyond, given the integration of ASEAN with other major economies as ASEAN+3 and ASEAN+6. This comes with the belief that, besides its abundant resources and diversified expertise, Thailand has a strategic location that makes it one of the most attractive investment destinations in the region.

For each and every milestone of our business operations for the past years, we have owed our gratitude to our clients, shareholders, and all stakeholders for their strong support and cooperation. We have also received wholehearted contribution and dedication from our staff, as well as support from their family members, for whom I would like to extend my sincere thanks and appreciation. I am truly confident that with our concerted efforts and capabilities, we will be able to continue achieving successful operations with sustainable growth for the years to come.

Yours sincerely,



➤ **SUBHAK SIWARAKSA**

PRESIDENT AND CHIEF EXECUTIVE OFFICER

LETTER FROM
GROUP CHIEF EXECUTIVE,
CIMB GROUP



Dear Shareholders,

CIMB Thai had an eventful year in 2012, and I must congratulate all employees for their hard and dedicated work.

Although the progress of CIMB Thai is slightly behind schedule on CIMB Group's original plan for its foray into Thailand due mainly to unforeseen events, CIMB Thai is integrating well with the rest of the Group and a lot of foundation work has been done, most notably the implementation of the bank's new core banking system and recruitment of new talents.

In 2012, CIMB Thai's consolidated net profit was a respectable THB 1.581 billion, 20% higher than the previous year. However, we are mindful that this net profit was largely driven by a one-off gain from its share of recoveries of assets previously sold to the Thailand Asset Management Company. Return on equity (ROE) however still decreased slightly due to our decision to strengthen our capital base through the issuance of a Rights Issue raising THB 4.8 billion in August 2012.

In Investment Banking, CIMB Thai topped the league table for domestic initial public offerings (IPOs). Key highlights of 2012 for CIMB Thai include being no. 7 on the league table for Baht bonds. In Commercial Banking, CIMB Thai showed strong momentum in capturing the potential of mid to large SME corporates by growing its loans by over 20%. In Transaction Banking, we continued to grow our customer base by enhancing our product offerings and we were voted as the Best Thai Trade Bank from Trade Finance Magazine.



2012 also saw the full implementation of 1Platform, our new regional core banking system. CIMB Thai was the first to install this new system which is now being deployed all across ASEAN for CIMB Group. We have already seen some tangible results in revenue uplifts and cost reduction at CIMB Thai, adding to our confidence about the rest of this mega project.

In 2013 CIMB Thai is set to build on all the foundation work that has been undertaken in the last 3 years. CIMB Thai will need a breakthrough in its scale challenge here in Thailand riding on new technology and partnerships.

CIMB Group's scale and diversity is its differentiating edge and CIMB Thai is a pivotal node in our network and our operations. As ASEAN moves towards greater economic integration, we look forward to more synergies between the rest of the Group and CIMB Thai so that we successfully build CIMB Group into the leading ASEAN company.

➤ **NAZIR RAZAK**

GROUP CHIEF EXECUTIVE, CIMB GROUP

BOARD OF DIRECTORS



1. **MR. CHAKRAMON PHASUKAVANICH**
Chairman

2. **DATO' ROBERT CHEIM DAU MENG**
Vice Chairman
Member and Alternate Chairman
of Nomination and Remuneration
Committee

3. **MR. SUKONT KANJANA - HUTTAKIT**
Independent Director
Chairman of Audit Committee



4. **MRS. WATANAN PETERSIK**
Independent Director
Member of Audit Committee
Chairperson of Nomination
and Remuneration Committee

5. **DATO' SHAARANI BIN IBRAHIM**
Independent Director
Member of Audit Committee
Member of Nomination and
Remuneration Committee

6. **MR. PREECHA UNCHITTI**
Director

7. **MR. KENNY KIM**
Director

8. **MR. SUBHAK SIWARAKSA**
President and
Chief Executive Officer

EXECUTIVE MANAGEMENT



1.



4.



2.



3.



5.



6.

1. **MR. SUBHAK SIWARAKSA**
President and
Chief Executive Officer

3. **MRS. PANUTE NA CHIANGMAI**
Senior Executive Vice President
Risk Management Group

5. **M.L. NATHCHANYA DAVIVONGSE**
Senior Executive Vice President
Transaction Banking Group

2. **MR. SURACHAI CHITRATSENEE**
Senior Executive Vice President
Commercial Banking Group

4. **MR. NARONGCHAI WONGTHANAVIMOK**
Chief Financial Officer
Senior Executive Vice President
Strategy and Finance Group

6. **MR. SILAWAT SANTIVISAT**
Senior Executive Vice President
Group Information
and Operations Division



7.



9.



11.



8.



10.



12.



13.

7. **MR. ADISORN SERMCHAIWONG**
Senior Executive Vice President
Retail Banking Group

9. **MR. VORAKAN DHEPCHALERM**
First Executive Vice President
Corporate Banking Group (Acting)

11. **MR. SONGWUD BUAKHEM**
Executive Vice President
Business Support Group

8. **MR. SUTEE LOSOPONKUL**
First Executive Vice President
Treasury Group

10. **MS. SIRIPORN SANUNPAIRAU**
First Executive Vice President
Internal Audit Division

12. **MR. KONGPOB WATANASIN**
Executive Vice President
Human Resources
Management Division

13. **MR. PRAPAS THONGSUK**
Executive Vice President
Corporate Communications
Division

ORGANISATION CHART

CHAIRMAN / BOARD OF DIRECTORS

PRESIDENT & CEO

Human Resources Management Division

Corporate Communication Division

Office of the President

CORPORATE BANKING GROUP	CORPORATE FINANCE GROUP	INVESTMENT BANKING GROUP	RETAIL BANKING GROUP	COMERCIAL BANKING GROUP	TREASURY GROUP
Corporate Banking Division 1		Investment Banking Division 1	Consumer Sales and Distribution Division	Commercial Banking Division 1	Rates, Funding & Structuring
Corporate Banking Division 2		Investment Banking Division 2	Retail Banking Products Division	Commercial Banking Division 2	Global Sales Division
Corporate Banking Division 3		Investment Banking Division 3	Credit Card Products Division	Commercial Banking Division 3	Team Structure Loan & Gapping Trading Division
Financial Institutions Team		Investment Banking Division 4		Commercial Banking Division 4	Credit Markets Division
Corporate Strategy and Credit Support Team		Investment Banking Credit Analysis Section		Commercial Banking Division 5	Treasurer's Office and Risk Analytics Team
				Commercial Banking Division 6	
				Commercial Banking Division 7	
				Commercial Credit Analysis Team	
				Commercial Banking Products Team	
				Commercial Banking Financial Analytics and Support Team	

AUDIT COMMITTEE

Internal Audit Division

Compliance Department

TRANSACTION BANKING GROUP

Cash Management
Sales Division

Trade Finance
Sales & Product
Division

Cash Management
Product and Channel
Management Division

Service &
Delivery Division

Securities
Services Division

Business
Strategy & Marketing
Division

RISK MANAGEMENT GROUP

Credit and
Operational
Risk Division

Credit Evaluation
Division

Market Risk Team

Policy and
Consolidated Risk
Management Team

Research Office

BUSINESS SUPPORT GROUP

Corporate Legal
Division

NPL & NPA
Management Team

Central
Procurement
and Administration
Department

STRATEGY AND FINANCE GROUP

Finance Division

Strategy Division

Centralized
MIS Division

GROUP INFORMATION AND OPERATION DIVISION

Technology
Division

Operations
Division

Business Process
Development
Division

Transformation
Office (TO)

Remark : Effective as of January 2013

ASEAN'S IMPORTANCE IN GLOBAL TRADE

Southeast Asia has been Asia's crossroads of international trade for almost a thousand years. It has long been the nexus through which goods and ideas have flowed between China and India. This significance is now set to grow. The global economy is undergoing a transformation that will move towards Asia and see a convergence of economic activity around ASEAN.

THE POTENTIAL OF ASEAN

With a population of 600 million and GDP of USD 2 trillion, ASEAN is the ninth largest economy in the world. Just as significant as this scale is the fact that, supported by a favourable demographic profile, ASEAN is poised for stable growth for many decades to come. Its working age population is 65% of total population, with an average age of 27.

ASEAN as a region is an increasingly popular investment destination. With labour costs rising in China, security concerns in North Asia and a protracted slowdown in India, ASEAN's competitiveness as an alternative or complementary production base is growing. As the barriers between ASEAN nations are brought down, ASEAN's proposition as a single market and production base is growing.

In 2011, foreign direct investment (FDI) flows into Southeast Asia rose by 26% at USD 117 billion, outperforming the FDI growth rate of those into East Asia (USD 219 billion), of which over 40% went to China (USD 124 billion). ASEAN is perhaps the world's most diverse region, in cultural terms as well as in income, economic structure and level of development. This provides investors with a range of options across a richly interconnected region. Supporting these services and resources are some of the world's best capitalized and conservatively regulated financial markets and institutions. ASEAN banks are many times less highly geared than their western counterparts.

THE AEC AND ASEAN FTAs

ASEAN's story as a community will take a special turn when it marks itself an ASEAN Economic Community (AEC) in 2015. This will lift barriers to the free flows of goods, services, investments, labour and capital. The AEC formally integrates all ten member states of ASEAN into an economic grouping that will place it alongside India and China as one of Asia's three biggest emerging markets. By 2015, this economic community will have a population of 660 million people and USD 3.13 trillion in nominal GDP. It could then be among the top five economies in the world after the United States, the European Union, China, and Japan. Forecasts have shown that the full implementation of the AEC would raise ASEAN real incomes by USD 69.4 billion, or 5.3%. The payoff from the reduction of non-tariff barriers could amount to USD 27.9 billion.

ASEAN's ability to sign free trade agreements with major dialogue partners such as China, India and Korea is paying off. The China-ASEAN Free Trade Area, which came into effect in 2010, is the world's largest free trade area by population and third largest by value of trade. China is already ASEAN's largest trading partner, with growth in trade at 20% per year. By 2015, this trade will be worth USD 500 billion a year.

This year, ASEAN will begin talks to form a Regional Comprehensive Economic Partnership with the economies of China, Japan, Korea and Australia, India and New Zealand. This will form a common market of 3 billion people, combined GDP of USD 17 billion, amounting to 40% of the world trade. The business opportunities in and around ASEAN are enormous.

NETWORK CIMB

CIMB pioneered the notion of a business that calls ASEAN home and that the people of ASEAN call their own. From small beginnings we have grown into an organization that is present in every major ASEAN economy and in every major financial centre in Asia Pacific. In 2012, CIMB has over 1,200 branches and more than 5,100 ATMs, with market presence in 17 countries (8 out of 10 ASEAN countries)

CIMB is positioned to unravel its growth potential because we are a network across that diversity. We speak the languages of ASEAN and are at home in a cultural, political and economic complexity that is daunting to others. We aim to be the leading intermediary of the financial transactions and flows that will integrate our region more deeply with itself and within Asia. Our regional strategy is designed to capture the projected increase in intra-regional trade and investment across ASEAN and Asia Pacific as the global economy shifts East. We are at the frontier of the new Asia coming into being in and around ASEAN.

To serve our stakeholders, we have built an unmatched network of knowledge, and trust in ASEAN and Asia Pacific. CIMB is itself a network of forty-two thousand dedicated employees. We are linked to each other to serve each of our individual customers with the networked sum of our commitment and capabilities.

We are ASEAN For You

ENERGY CONSERVATION ACTIVITIES



“Although CIMB Thai is only a small component of a big engine - the global society, the combined efforts of our manpower of over 3,000 and their family members could exert a persuasive force to make this world a pleasant place to live now and beyond. Numerous lessons have been learned of nature’s retaliation against humans, with natural disasters striking one after another to such an extent that we have never seen and experienced before.”

Quoted from: Subhak Siwaraksa, President & CEO, CIMB Thai Bank

In addition to CSR activities, the Bank puts an earnest and continuous endeavour in energy conservation by encouraging the business sectors’ efficient energy use and reduction of the country’s energy consumption and imports through the “Clean Energy Loan” programme. This credit facility is made available to business and industry sectors with financing needs for energy saving or renewable energy investments such as a switch to high efficiency machinery, an investment in very small power plant (VSPP), etc. In 2012, the Bank received Thailand Energy Awards in the Effective Support for Energy Conservation category from the Ministry of Energy, as well as ESCO Excellent Supporting Bank Awards from the Ministry of Energy for promoting the energy services company among the business and industry sectors.

The Bank also joined a number of energy conservation promotion activities such as the National Children’s Day 2013 event held at the Energy Conservation Building in Honour of His Majesty the King, with energy conservation games and quizzes for kids. In particular, we have given a great importance and strong support to the creation of awareness of and participation in energy conservation across the organisation. Among the initiatives taken has been our participation in the Shred 2 Share Project with Info Safe Co., Ltd., a Siam Cement member, since 2009, under which we deliver used paper to the company for recycling as a way to help reduce not only carbon dioxide emission but also coal and water consumption. Besides, we donate funds obtainable from every one ton of the used paper delivered (THB 2,000 per ton) totally for purchases of educational equipment, library establishment, and others for border patrol police schools in all parts of the country.

At the Bank’s headquarters, we have erected a high efficiency central air-conditioner and an air-conditioner speed control device for energy saving, and have used the energy-saving T5 fluorescent lamps in the whole building. We have provided training programmes on energy conservation for employees at all levels, and had energy conservation representatives designated for each department as personal media to give advice on optimised energy consumption to their fellow colleagues. Moreover, a number of in-house activities have been launched, including a home-use power saving contest among employees, an energy-friendly zone competition, an energy conservation motto contest, and releases of relevant media throughout the year to create understanding of and campaign for sustainable energy-saving both at workplace and in daily life.

We also plan to continuously introduce additional energy-saving equipment in our buildings, including LED bulbs, solar panels, light sensor dimmers, etc.

CSR PROGRAMS AND ACTIVITIES IN 2012

2012 saw the Bank carrying on more than 20 CSR programs and activities concerning the environment, education, religion, and community and social development. With a focus on education, the Bank collaborated with CIMB Foundation and other allies in promoting a computer and Internet learning centre at six schools in the provinces.

CSR PROGRAMS AND ACTIVITIES IN 2012



- Share for Children, Building Their Dreams
- “Seedling Merit through Mangrove Reforestation”: Mangrove Reforestation at Royal Thai Army's Bang Pu Nature Education Centre
- Community Computer Learning Centre and Library Modification to Promote Reading Habits



“Seedling Merit through Mangrove Reforestation”: Mangrove Reforestation at Royal Thai Army's Bang Pu Nature Education Centre

The program entailed mangrove restoration to provide a nursery ground for aquatic animals and a learning centre of ecological system. At the Nature Education Centre in Samut Prakan Province, more than 3,000 seedlings were grown by the Bank's volunteered staff and our friends from Pathumwan District Office and Rotary Club of Bangkok Suvarnabhumi.

“Share for Children, Building Their Dreams”

“Share for Children, Building Their Dreams” was a fundraising rally activity, held in collaboration with SME entrepreneurs. The entire proceeds were donated for building a new restroom for students at Ban Khao Takiap Municipality School in Prachuap Khiri Khan Province. The event

also gathered members of the mass media and customers who volunteered to paint the school's fences, thereby helping to strengthen customer relationship.

Community Computer Learning Centre and Library Modification to Promote Reading Habits

The Bank, together with CIMB Foundation, recognises the importance of education and potential development of school children in remote areas lacking in computer learning opportunities and accesses to Internet-based knowledge which are crucial for self-help learning. This program was thus created, also aiming to promote education for students with learning disabilities (LD) to earn equal learning opportunities as normal children. The Bank has well received cooperation from our business centres and branches in the target areas, as well as from our allies such as **Media Associated Co., Ltd., Jamsai Publishing**, a customer

(Thepnakorn Group), members of the media, and our employees, representing a stream of generosity from every sector. In 2012, the Bank could achieve and deliver a total of six projects as follows:

“Blood Donation Events 2012”

The Bank joined with Thai Red Cross Society in persuading our staff and the general public to blood donation activities. Three events were held, attracting more than 953 blood donors.

Library Kits for Flood-hit Schools in the South

CIMB Thai, in conjunction with the Rotary Club of Bangkok South, initiated the Library Kits Project to supply book sets to 25 flood-damaged elementary school libraries in the South, under book selection guidance from the library of Sasin Graduate Institute of Business Administration of Chulalongkorn University.



- Health Check-up for Talat Thai Community
- Blood Donation Events 2012
- “Fly High Imagination Art for Children” Project
- Workout in Wrap-around Cloth

Health Check-up for Talat Thai Community
CIMB Thai has carried on its physical check-up services for communities. Joining with Talat Thai, the Bank offered a “Free Health Check-up for Talat Thai Community.” Altogether 400 vendors at Talat Thai, mostly the elderly, were rendered a full range of physical check-up services from Vibharam Hospital.

Save Cattle Lives Project at Yan Nawa Temple, Bangkok

The Bank has joined hands with Yan Nawa Temple and Department of Livestock Development to organise the Save Cattle Lives Project on every first Saturday of the months. Money donations are raised to buy cattle from slaughterhouses and deliver them to Department of Livestock Development in line with the “Cattle Bank for Farmers under His Majesty the King’s Royal Initiative” Project. On 1 September 2012, the Bank and its group members co-hosted the event and could collect total

cash donations of more than THB 2.09 million from customers, employees and generous people.

“Fly High Imagination Art for Children” Project

The Bank coordinated with World Vision Foundation of Thailand and Pathumwan District Office in arranging the “Fly High Imagination Art for Children” Project to provide skill training on drawing and painting technique for students from eight elementary schools under supervision of Bangkok Metropolitan Administration, including more than 100 disadvantaged children from Bon Kai Youth Centre. A drawing contest was then organised for them to win scholarship prizes.

Workout in Wrap-around Cloth

The Bank, in association with Folk Doctor Foundation, arranged a health promotion activity for more than 1,000 elderly members of urban communities, providing them with

a self-caring training on “Workout in Wrap-around Cloth.” On the occasion of the National Father’s Day 2012, the Bank invited senior citizens from several areas of Bangkok and CIMB Thai Facebook Fanpage members to join the “Let’s Exercise with Dad in Wrap-around Shawl on the Father’s Day” activity at Lumpini Hall, Lumpini Park, on 1 December 2012.

Food Offering to Monks in Honour of His Majesty the King’s 85th Birthday Anniversary

The Bank collaborated with Pathumwan District Office in inviting business people and vendors on Soi Lang Suan including our staff members to offer food to 86 Buddhist monks in tribute to His Majesty King Bhumibol Adulyadej to celebrate His Majesty’s 85th Birthday Anniversary. The event has also been one of our religious promotion activities.

2012 OVERVIEW AND 2013 OUTLOOK

THAI ECONOMY IN 2012 AND OUTLOOK FOR 2013

Despite a rather hostile external economic environment and a domestic political uncertainty, the Thai economy in 2012 rebounded from the most severe flood in many decades in the last quarter of 2011. In the external front, all major economies performed below their historical norm. The meager performance of major economies caused the Thai exports (in USD) to recede by 1.0% in the first 9 months of 2012. In the internal front, despite sporadic political occurrences, there has not been major political incidence in 2012. As a result, confidence of consumers and business community returned. The stimulus measures and spending of both households and business to repair damages caused by the flood raised domestic demand significantly. As a result, the private consumption and investment recovered from a contraction in the last quarter of 2011 and expanded by 4.7%, and 12.4%, respectively in the first 3 quarters of 2012. Public consumption and investment progressed at mediocre rates of 5.7% and 3.3%, respectively in the same period. In the first 3 quarter of 2012, the Thai economy expanded by 2.6%. Because of a low-base effect (8.9% contraction of GDP in the last quarter of 2011) and continuation of private demand expansion, the Thai economy is forecasted to advance by 5.5% in 2012.

Inflation and Baht strengthening dominated financial market in 2012. Because of a high oil price, the minimum wage measure, a rebound of domestic demand, inflation remained relatively high at 3.0% in 2012. Despite a relatively high inflation, the Monetary Policy Committee decided to cut the policy rate by 25 Basis Points in the October meeting to support a further recovery of private demand. Baht remained strong throughout 2012. The historical low interest rate of US, Japan, and Europe, quantitative easing measures of major economies resulted in an inflow of capital to the country. As a result, Baht was under pressure to strengthen throughout the year. Baht appreciated from 31.51 Baht per USD in January to 30.60 Baht per USD in December 2012.

The economic environment in 2013 is mixed. The external situation has improved significantly since the second half of 2012. European countries issued important measures causing the public debt crisis to recede. Furthermore, The US president was able to agree upon the deficit reduction and avoid the so called “fiscal cliff” as well as a US recession. The Chinese economy also improved owing to government various measures. Finally, the Japanese general election eliminated the political uncertainty. The ruling Japanese government had also set a clear direction of pro-growth and weak currency. Despite all affords of governments of major economies, due to severity of their problems, it is expected that the US, Chinese, and Japanese economies will still expand below their historical norm while European economy will plunge into a mild recession in 2013. As a result, exports (in USD) are forecasted to expand only by 7%.

In the internal front, although the political tension is likely to be linger (due to a constitution amendment proposal by the ruling coalition government); it is likely to resort to a peaceful solution similar to in 2012. Nevertheless, due to an expiration of some major stimulus measures (such as the first car ownership) and delaying infrastructure investment, the domestic demand is expected to be modest in 2013. The mediocrity of exports and domestic demand lead to a sub-par growth about 4.7% in 2013. Because of a high oil price and the minimum wage measure, inflation is forecasted be remain high at 3.0%. Similar to 2012, the capital flow is also put the upward pressure on Baht. Therefore, Baht is projected to be around 30.50 Baht per USD in 2013.

2013 STRATEGIC PRIORITIES

Business Numbers

- Boost deposits and fee income across all segments
- Acquire new profitable customers across all segments
- Expand new retail customers by enhancing retail footprints

Process and Platform

- Strengthen wholesale banking, especially in customer acquisition, deal flow, and cross-selling as well as leveraging on ASEAN franchise
- Strengthen transaction banking capabilities and cross-selling
- Manage cost effectively and efficiently

Risk Management

- Continue de-risking by instilling risk awareness and compliance culture through KPIs

Capital Management

- Boost non interest income
- Manage risk weighted assets

Innovation

- Strengthen distribution and ramp up sales performance for retail and commercial banking – new/realigned branches, bureaux de change, personal financial advisors, etc
- Focus on customer-centric approach across all segments
- Blend CIMB Thai and CIMB strengths: ASEAN Connectivity
- Re-engineering

RETAIL BANKING

In 2012, CIMB Thai's retail banking business continued to move ahead in tandem with consumer banking expansion in Thailand. Given the relatively small physical branch presence, the Bank focused mainly on the affluent segment. The CIMB Preferred customer base expanded more than 30% through aggressive acquisition programmes, while Private Banking customer base increased twofold over the year.

In a highly competitive deposit market, the Bank managed to shift its fund raising focus towards more profitable mutual funds and other investment products. Along with success in expanding the customer base in the affluent segment, the Bank's mutual fund volume distributed through CIMB Thai network grew more than 60% in 2012, together with fee income growth of nearly 300%. Apart from in-house mutual funds by CIMB Principal Asset Management Co., Ltd., a significant volume of sophisticated products from the Bank's Treasury group including structured bills of exchange and structured debentures were distributed. In addition, external investment products such as IPO of corporate bonds and property funds for leading developers, namely Quality Houses PCL and Land & Houses PCL were distributed through CIMB Thai's channels.

In term of consumer banking products, the Bank continued developing new products and campaigns to serve all segments, especially after the completion of its new core banking system development. Despite the fierce competition, the Bank's retail deposit volume retained balance with the launch of short-medium term (3-7 months) fixed deposit programmes and special savings programmes throughout the year. Three key focus areas in 2012 were:

- Build higher product holding ratio and fee income with the launch of bundling programmes between high yield savings and mutual fund/bancassurance products.
- Build loyalty and long-term retail customer expansion by offering life stage products, e.g. Junior Savers, Senior FD and Tax-free monthly deposit FD for mass, preferred and private customers.
- Expand customer bases by launching Big Bang programmes, such as Money Expo Savings to acquire new customers during Money Expo (Bangkok) Event held in May 2012.

Also, the Bank achieved a healthy growth in consumer lending, especially mortgage loans which continued to grow by 28%.

Apart from the product and campaign launches, the Bank continued to fine-tune its sales and distribution channels. By the end of 2012, there were 164 CIMB Thai branches compared with 157 branches in the previous year. It also promoted CIMB Clicks, a new internet portal, with attractive marketing campaigns, which successfully gained positive momentum of CIMB Clicks users and transactions over the year.

TRANSACTION BANKING

CIMB Thai's Transaction Banking Group provides an array of services including cash management, trade finance and securities services. Our team is composed of bankers highly experienced in advisory services and tailored solutions to clients to help manage their day-to-day banking requirements and optimise their operations leveraging on the Bank's services and technology.

2012 was a year in which we continued to carry on our transformation, product development, and system and technology development from the foregoing year in line with the Bank's transformation. Especially, in client service area, we have improved our workflows, after-sale service and customer information system so that our team is fully ready to take care of the increasing number of clients, clients with potential to expand their business and investment into ASEAN in particular. Our team's priorities are still 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, and fill in the gap in our value proposition to ensure competitiveness of CIMB Thai's transaction banking services in both local and regional markets. We are committed to further deepening our relationship with the existing customers across the country through both physical branch network and internet banking solutions to reach out to the customers.

Cash management and trade finance products and services from CIMB Thai are in vast diversity and aim to manage clients' risks and meet their working capital requirements. Our internet banking solution, i.e. BizChannel, offers clients' access to our transactional services. New services and channels introduced in 2012 included Supply Chain Financing Programs for both dealers and suppliers and new cheque payment center at CIMB Thai's head office to cater to servicing our corporate clients in making payments to their suppliers in an efficient way.

For securities services, CIMB Thai currently holds licenses for such services as registrar, bond representative, fund supervisory and custodian services. Under these licenses, our securities services are in a complete range including bondholder representative, registrar & paying agent, custodian, and other agent and safekeeping services. These services are fully supported by our strong technology platform that provides both efficiency and flexibility,

together with our dedicated team committed to providing solutions to meet our customers' increasingly complex requirements.

Assets under the Bank's custody come from the following transactions (as of 31 December 2012):

- a) Bondholders' representative for 38 debenture transactions worth THB 85,518.4 million
- b) Fund supervisor and custodian for 41 funds worth THB 19,795 million
- c) Securities registrar and paying agent for 15 ordinary shares, 116 corporate bonds, and 3 government bonds, with a total value of THB 94,633.4 million
- d) Long term facility agent and security agent worth THB 9,700 million
- e) Safekeeping contracts worth THB 3,152 million

INVESTMENT BANKING

CIMB Thai's Investment Banking Group was tasked to ensure a coordinated and tailored delivery of CIMB's full suite of universal banking products and solutions to its corporate and institutional clients. Through our regional client coverage framework and our strong network across ASEAN and the wider Asia Pacific, CIMB Investment Banking is uniquely positioned to coordinate and service clients with local, regional and global presence. Products and services offered include CIMB's full range of services of corporate finance advisory, project finance advisory, and debt and equity capital market, as well as cross regional transactions, global cash management solutions, and M&A.

Some of the key transactions originated by CIMB Thai's Investment Banking Group in 2012 included:

- Joint Book Runner of Initial Public Offering (IPO) of Asia Aviation PCL totaling THB 4.486 billion
- Sole Financial Advisor and Lead Underwriter of property fund IPO of Land and Houses Freehold and Leasehold Property Fund totaling THB 3.3 billion
- Sole Financial Advisor and Joint Lead Underwriter of property fund IPO of Quality Houses Hotel and Residence Freehold and Leasehold Property Fund totaling THB 3.36 billion
- Selling Agent for Tesco Lotus Retail Growth Freehold and Leasehold Property Fund, which is Thailand's largest property fund public offering, totaling THB 18.4 billion
- Financial Advisor for Susco PCL for the acquisition of Petronas retail petrol business in Thailand, totaling THB 1.557 billion
- Financial Advisor for FICO Group for the merger of its food and property business with Evolution Capital PCL, totaling THB 675 million
- Joint International Book Runner of IPO of Ananda Development PCL, totaling THB 5.586 billion
- Sole Lead Arranger of debenture issue by CIMB Thai Bank PCL, totaling THB 3 billion
- Joint Lead Arranger of debenture issue by Easy Buy PCL, totaling THB 5.34 billion
- Joint Lead Arranger of debenture issue by Home Product Center PCL, totaling THB 1.3 billion
- Joint Lead Arranger of debenture issue by Indorama Ventures PCL, totaling THB 4.78 billion
- Joint Lead Arranger of short-term debenture issue by Krungthai Card PCL, totaling THB 2 billion
- Joint Lead Arranger of debenture issue by Krungthai Card PCL, totaling THB 6 billion
- Joint Lead Arranger of debenture issue by Lalin Property PCL, totaling THB 500 million
- Joint Lead Arranger of debenture issue by Land & Houses PCL, totaling THB 2.5 billion
- Joint Lead Arranger of bill of exchange issue by Property Perfect PCL, totaling THB 1.8 billion
- Joint Lead Arranger of debenture issue by Ratchthani Leasing PCL, totaling THB 6 billion
- Sole Lead Arranger of debenture issue by Supalai PCL, totaling THB 500 million
- Sole Lead Arranger of debenture issue by Thai Airways International PCL, totaling THB 1.5 billion

- Sole Lead Arranger of debenture issue by Ticon Industrial Connection PCL, totaling THB 1.1 billion
- Joint Lead Arranger of debenture issue by Ticon Industrial Connection PCL, totaling THB 800 million
- Sole Lead Arranger of debenture issue by Tirathai PCL, totaling THB 600 million
- Sole Lead Arranger of state-owned enterprise bond issue by Bangkok Mass Transit Authority, totaling THB 900 million
- Sole Lead Arranger of state-owned enterprise bond issue by Bank for Agriculture and Agricultural Co-operatives, totaling THB 300 million
- Joint Lead Arranger of state-owned enterprise bond issue by Bank for Agriculture and Agricultural Co-operatives, totaling THB 59 billion
- Sole Lead Arranger of state-owned enterprise bond issue by Expressway Authority of Thailand, totaling THB 800 million
- Sole Lead Arranger of state-owned enterprise bond issue by State Railway of Thailand, totaling THB 3.6 billion

TREASURY

Treasury Group provides services to clients covering foreign exchange, derivatives, money markets, and fixed income origination and trading. Internally, we provide the Bank with specialized management of balance sheet, interest rates and foreign exchange. Aside from this, we are in charge of managing liquidity and investment of the shareholders' funds, as well as investment in subsidiaries and other companies arising from loan restructuring.

In 2012, 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. The Bank has underwritten and placed government bonds, corporate bonds and state enterprise bonds to retail investors and institutional investors.

In addition, we successfully closed a number of cross-border deals within the region and further cemented CIMB Group's presence in ASEAN local currency markets, i.e. Malaysia, Singapore, Indonesia and Cambodia. We also continued to leverage on CIMB Group's expertise in providing new innovative products to investors. In this year, we rolled out such structured product as MAXI Return, and also sold bill of exchange and short-term debenture to provide more investment alternatives to our customers.

Going forward into 2013, Treasury Group will continue to capitalize on opportunities to fulfill customer needs and provide regional investment opportunities through CIMB's regional synergies while ensuring risks are managed and stable income is generated. The Bank remains committed to becoming the best provider of treasury products and services by understanding clients' needs and making available comprehensive financial solutions. We also focus on introducing innovative products to serve both borrowers and depositors with products that are flexible and suitable for their risk appetite. Our team is committed to playing 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 Group of CIMB Thai provides financial services to serve a diverse range of businesses, from commercial and manufacturing sectors to property development and transport sectors, etc. As most clients have had longtime relationship with the Bank, the Bank has partnered with them as they navigate their businesses to help them achieve consistent performance and ensure their sustainable growth, with delivery of business and investment opportunities through our ASEAN networks.

In 2012, corporate loans grew approximately 10% year-on-year, coming mainly from loans to manufacturing sector 29%, wholesale/retail sector 20%, property development 18%, infrastructure 8%, hospitality 6%, and transport and others 19%. Products offered include short-term / long-term loans and trade finance. We successfully introduced Distributor Financing Programme developed by Transaction Banking group of the Bank to our client, i.e. Polymer Marketing Co., Ltd., a member of PTT Group, and will expand to other target customers in 2013.

As a member of CIMB Group who possesses core strengths in respect of capital, business expertise and banking networks, CIMB Thai confirms its ambitious growth outlook along with the growth of ASEAN economies. Our Corporate and Investment Banking teams have synergised in driving their business strategies and cooperated closely with fellow CIMB members to explore business and investment opportunities for the clients who want to expand their businesses beyond their local presence to the high-growth markets in ASEAN.

Throughout 2012, we were mandated with 16 prominent cross-border deals covering Malaysia, Singapore, Indonesia and Cambodia to support multi-national corporations towards their expansion plans with various financial tools from syndicated lending and financial advisory service to offering of cash management and structured derivatives products.

Looking forward to 2013, we will continue to provide comprehensive financial solutions to our clients and their business alliances with focus on cross-border business opportunities to strive for fruitful collaboration of CIMB Group across ASEAN.

COMMERCIAL BANKING

In 2012, SME Banking Group was renamed Commercial Banking Group (CMG) to better reflect its increased business focus on large SME and mid-corp clients. One of our key strategic thrusts in 2012 was to focus on developing new relationship with large SMEs in key provinces throughout the country and in industries with promising outlook, such as agriculture-related, manufacturing, food processing, service, etc. Through the Bank's 24 business centers and 164 branch network nationwide, CMG team has delivered a broad range of loan, cash management, trade finance and treasury products to meet our clients' needs, enabling the Bank to increase its presence in the targeted segments. As a result, loans grew 20% in 2012 while NPL was kept at a low level of 0.9% of loan portfolio.

During the year, we collaborated with the government sector in supporting the entrepreneurs affected by the flood crisis in late 2011 through a soft loan programme. We also promoted innovative ideas of SME operators with a zero interest rate loan programme in collaboration with the National Innovation Agency. We pursued our support and involvement in energy saving and alternative energy loan programmes and activities with both public and private sectors. In October 2012, CMG welcomed a delegation from the UNEP National Climate Finance Institutions Support Programme who visited Thailand to observe activities of energy efficiency revolving fund and alternative energy initiatives. This represented recognition of our active involvement in this area.

Our close cooperation with CIMB in other ASEAN countries has been ongoing to serve the increasing cross-border business and trade flows, and intra-regional business opportunities that will come with the AEC.

Competitive Environment

Unit : (THB Million)

BANK	Asset	Market share	Deposit	Market share	Loan	Market share
BANGKOK BANK	2,418,839	18.8%	1,834,654	19.6%	1,604,391	17.7%
KRUNG THAI BANK	2,253,767	17.5%	1,666,961	17.8%	1,525,242	16.8%
KASIKORNBANK	2,077,442	16.1%	1,391,380	14.9%	1,326,732	14.6%
SIAM COMMERCIAL BANK	2,269,884	17.6%	1,614,059	17.3%	1,547,486	17.1%
BANK OF AYUDHYA	1,071,965	8.3%	687,159	7.4%	830,008	9.2%
TMB BANK	712,147	5.5%	496,158	5.3%	452,720	5.0%
THANACHART CAPITAL	1,024,102	7.9%	693,421	7.4%	755,330	8.3%
TISCO FINANCIAL GROUP	290,497	2.3%	219,823	2.4%	248,316	2.7%
KIATNAKIN BANK	233,013	1.8%	153,027	1.6%	168,994	1.9%
CIMB THAI BANK	201,516	1.6%	135,134	1.4%	138,847	1.5%
Others	347,281	2.7%	454,313	4.9%	468,569	5.2%
Total	12,900,453	100%	9,346,089	100%	9,066,634	100%

source: Commercial Bank's consolidated financial statement as of 31 December 2012 (audited)

SOURCE OF FUNDING

As at 31 December 2012, deposits managed by the Bank stood at THB 140.2 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 31.9 billion. Of that total, 79.6% was used for gross loans, 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 has an existing policy for acquiring and effectively utilising 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 67.1 billion while loans with maturity of more than one year amounted to THB 76.3 billion. Meanwhile deposits with maturity of not more than one year stood at THB 138.7 billion and those with maturity of over one year amounted to THB 1.5 billion.

Capital Adequacy Ratio

BOT regulations require commercial banks to maintain a capital adequacy ratio of not less than 8.5%, with Tier-I capital of not less than 4.25% while Tier-II capital shall not exceed the Tier-I ratio.

As at 31 December 2012, the Bank has overall capital of THB 26.9 billion (16.2% of risk-weighted capital), comprising Tier-I capital of THB 17.0 billion (10.3% of risk-weighted capital) and Tier-II capital of THB 9.9 billion (5.9% 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 necessary, the Bank may increase its Tier-II capital by mobilising funds in the capital market.

In Billion Baht
As at 31 December

Capital Funds	2012	2011	2010
Tier 1 capital	17.0	11.1	10.6
Tier 2 capital	9.9	7.7	6.6
Total Capital Funds	26.9	18.8	17.2
Total Tier 1 Capital / Total Risk Assets (%)	10.3	7.7	9.0
Total Tier 2 Capital / Total Risk Assets (%)	5.9	5.3	5.6
Total Capital / Total Risk Assets (%)	16.2	13.0	14.7
Total Risk Assets	166.0	132.6	116.8

Liquidity Risk Management Policy

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 being unable to convert assets into cash or being unable to obtain adequate funding on time. The Board of Directors and the senior management of the Bank take a very important role in managing the Bank's liquidity. The Board has delegated its authority to the Assets and Liabilities Management Committee (ALCO) to supervise all business units, including Treasury Group, to handle the Bank's liquidity. The Committee proactively and dynamically manages the Bank's balance sheet through monthly and ad-hoc meetings. The Bank also has Risk Management Group to perform annual reviews of its liquidity risk and to propose Liquidity Risk Management Policy to the Board for approval. To ensure proper and prudent liquidity management, the policy also applies to the Bank's subsidiaries.

The Bank will continue to emphasise and improve its retail customer acquisition to match its assets expansion. The Bank's liquidity management strategy is to drive the accumulation of current accounts and saving accounts (CASA), as well as retail fixed deposits as more economical and stable sources of funding, while using the more price sensitive corporate deposits, bill of exchange and short-term debenture as a means to balance out the funding and liquidity of the Bank. The Bank has designated teams of employees to be responsible for the proper marketing strategy for each segment and to strengthen the Bank's relationship with the 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, to alert and enable the 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 flows 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, land, construction and machinery, etc. 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 Bank of Thailand'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 its 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 the Bank of Thailand'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 accounts under special mentioned class likely to migrate to NPL and Non Special Alert List (Non SAL) for other special mentioned accounts. Regarding NPLs (substandard, doubtful and doubtful for loss classifications), an NPL management report is also required to be prepared on a monthly basis. Both pre-NPL monitoring report and NPL management report are submitted to the Bank's senior management and Credit Committee for acknowledgment and direction. The debt monitoring guidelines and follow-up procedures stated above will help the Bank resolve problem loans as well as to help the clients with debt restructuring when required in a timely manner.

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 had potential to comply with the conditions newly agreed upon. The objective of the policy is to ensure that the Bank and the borrowers have mutually benefited from the debt restructuring, that is, the Bank has maximum opportunity to recover debt or has minimum possible loss, while the borrowers are able to continue their business with incurrence of some loss on their part. The Bank will undertake debt restructuring work in accordance with the Bank of Thailand regulations and such work will be undertaken prudently so that it does not avoid the requirements regarding debt reclassification, additional provisioning and suspension of income recognition of accrued interest.

Debt restructuring is carried out on both general and troubled debts, taking into consideration the criteria, process and method provided for debt restructuring process, including debtor analysis, approval, preparation of agreement, follow-up and assessment. Such process can be inspected in accordance with the applicable rules and regulations of the authorities and the Bank. The responsibility for coordinating debt restructuring activities lies primarily with the

internal work unit of the Bank. However, a certified and experienced third party specialised in this area may be allowed to provide financial advisory services or undertake debt restructuring for the Bank. However, debt restructuring conditions are subject to approval of the Board or the Credit Committee or other persons as authorised by the Bank.

Policy on Asset Classification and Loan Loss Provision

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

HIGHLIGHTS OF CORPORATE IMAGE ACTIVITIES IN 2012

Harnessing the Power of Scale and Diversity of ASEAN for You

In 2012, CIMB Thai took a more aggressive move to emphasize our strength in becoming a leading ASEAN Bank. We implemented a string of multi-dimensional communication activities and strategies both across and outside the organisation, ranging from image advertising campaigns to public relations through the media. The Bank this year released a commercial spot under the concept "Trust – We Share," striving to strengthen our position as a CIMB Group member, as well as our innovation and sustainable growth. This has enabled us to win customers' trust in the Bank and confidence in putting their deposits with us in face of the Deposit Protection Agency Act.

The Bank advanced to TV media communication to build mass awareness, using a media co-creation strategy. By partnering with TV Channel 3 Jor Lok Setakit economic news program, we had an opportunity to publicize the Bank's vision and ASEAN members' preparedness for the forthcoming advent of AEC, as well as to boast our strength as an ASEAN Bank with broad network coverage across 8 of the 10 ASEAN member states. Also, the Bank throughout the year pursued full cooperation in arranging activities and seminars on AEC across the nation in the provinces adjacent to neighbouring countries.

Apart from the corporate identity, the Bank launched a year-round campaign, through an effective use of the integrated marketing communications (IMC), to promote our financial products and services such as the expanded Regional ATM Link service in Cambodia, the SpeedSend money transfer service, and the CIMB Preferred commercial spot, all being CIMB Group regional products, including the bill payment service.

The Bank joined Money Expo 2012, which was organized by Money & Banking Magazine for four times in Bangkok, Nakhon Ratchasima, Chiang Mai and Hat Yai. At the event, we opened a booth under the theme "Passport to ASEAN" to exhibit our strong networked bank position that could offer to our customers interconnected financial products and services across the region. This, moreover, was the first time that the Bank selected CIMB crews to act as brand ambassadors at the event.

Among other activities held for our customers were a Dinner Talk on “Economic Outlook 2012” which was joined by Finance Minister Kittiratt Na-Ranong as the keynote speaker; a CIMB ASEAN Forum on the topic “AEC Roadmap” with the keynote speech delivered by Dr. Narongchai Akrasanee, who is Chairman of MFC Asset Management Plc., former Minister of Commerce, former Senator and economic development expert, and with a talk joined by top executives from private sector and law & tax consulting firms; an SME Rally event aimed to strengthen relationship and encourage an exchange of viewpoints with our SME customers; a Doing Business in Thailand seminar arranged for 50 leading private entities that are keen to invest in ASEAN; and seminars on “Investment Challenges & The Way Forward” and “Tax & Investment Outlook 2013” for our CIMB Preferred customers.

Alongside our above communication efforts, CIMB Group has pursued their regional campaign on ASEAN For You to reiterate the group’s ability to deliver financial products such as ATM and CIMB Clicks across ASEAN, as well proven by an enormous number of its Facebook Fanpage members of more than one million people all over the region. At the same time, other regional activities have been organised from time to time, including CIMB Classic golf tournament, CIMB Regional Scholarship project, CIMB ASEAN Youth Stock Challenge, and so on. The group makes sure that its broad-ranging public relations media are in place in every ASEAN country. This is how the group effectively adopts a brand building strategy and remains steadfast in gaining the ASEAN Bank presence under the ASEAN For You slogan.

MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF FINANCIAL STANDING AND OPERATING PERFORMANCE

1. Consolidated operating results

For the year ended 31 December 2012, CIMB Thai group recorded a consolidated net profit of THB 1,580.9 million, a year-on-year (YoY) increase of THB 264.6 million or 20.1% from 2011.

Net interest margin (NIM) dropped to 3.21% in 2012 from 3.46% in 2011 mainly due to incremental contribution to deposit insurance in May 2012. Moreover, NIM was eroded by higher deposit and bills of exchange rates as a result of intense competition in the deposit market.

As of 31 December 2012, total gross loans stood at THB 138.8 billion, an increase of 16.4% from 31 December 2011, largely underlined by retail loan portfolio expansion. Meanwhile, deposits and bills of exchange amounted to THB 146.2 billion, an increase of 8.8% from THB 134.4 billion at the end of December 2011. Given the aforementioned improvement in loans and deposits, the Loan to Deposit (including bills of exchange) ratio was 95.0%.

(A) Summary of CIMB Thai group income

On a YoY basis, consolidated operating income of CIMB Thai group increased by THB 956.1 million, or 13.0% from 2011 to THB 8,328.1 million. The higher operating income was mainly due to an increase in net interest income, net fee and service income and other operating income. As regards net interest income, a YoY increase of THB 573.5 million, or 12.4% was recorded, largely underlined by loan expansion. Net fee and service income went up by THB 282.1 million, or 48.4%, largely due to the increase in corporate finance and advisory fees. Meanwhile, other operating income rose by THB 100.5 million, or 4.7%, attributable to higher gains on investment which came principally from sale of investment in a subsidiary, gains on trading and foreign exchange transactions, and shared gains from TAMC, which increased by 90.9%, 38.8%, and 33.2% respectively. This was offset by a decrease in other operating income of 62.2% from the one-off gains on sale of NPL and Sermmitr office building space in 2011.

(B) Cost of funds and operating expenses

CIMB Thai group's interest expenses in 2012 amounted to THB 4,961.5 million, an increase of THB 1,510.0 million, or 43.8% from 2011, mainly due to the increase in deposit (including bills of exchange) rates as a result of intense competition in the deposit market.

On a YoY basis, operating expenses increased by THB 424.0 million, or 8.7%, mostly coming from the increase in premises and equipment expenses, taxes and duties, and other operating expenses. Cost to income ratio was 63.9% for the year ended 31 December 2012 compared with 66.5% in 2011.

(C) Net profit

For the year ended 31 December 2012, CIMB Thai group recorded a consolidated net profit of THB 1,580.9 million, a YoY increase of THB 264.6 million, or 20.1% from 2011. The increase in income was mainly attributed to a commendable growth in net interest income and net fee and service income of 12.4% and 48.4% respectively. Operating expenses were well managed and grew at a slower pace of 8.7% whilst there was a 29.0% YoY increase in provisions.

(D) Return on equity

For the year ended 2012, CIMB Thai group showed a return on equity of 9.9% compared with 11.1% in 2011. The return on equity of the Bank dropped by 1.9% to 9.5% in 2012 from 11.4% in 2011, as resulted from an increase in paid-up share capital from THB 8.2 million to THB 10.5 million.

2. Consolidated financial standing

Assets

CIMB Thai group's core assets consist of loans, investments and interbank and money market items. As of 31 December 2012, it had total assets of THB 201.5 billion, an increase of THB 33.5 billion or 19.9% from 2011. Net loan and accrued interest receivables outstanding were THB 135.8 billion, an increase of THB 19.6 billion or 16.9%. Net investments stood at THB 40.3 billion, an increase of THB 7.8 billion or 23.9%. Interbank and money market items were THB 10.1 billion, up THB 4.9 billion or 94.6% from 2011.

Asset quality

(a) Loans and loan concentration

As of 31 December 2012, CIMB Thai group's net outstanding loans were THB 138.8 billion, an increase of THB 19.5 billion or 16.4% compared with THB 119.3 billion as of 31 December 2011. Loans mainly comprised loans extended to the manufacturing, housing and service sectors, making up 68.6% of total loans. The manufacturing and commerce were the largest borrowers, taking THB 51.8 billion or 37.3% of total loans. Meanwhile, housing loans amounted to THB 25.6 billion or 18.5% of the total loans, and public utilities and services loans THB 17.8 billion or 12.8% of total loans. Sectors with high growth of loans were agricultural and mining, and hire purchase and financial leases, i.e. 38.3% and 35.9% respectively from year-end 2011, in line with the Bank's focus on retail client portfolios.

Loans classified by type of business	As of 31 Dec 12		As of 31 Dec 11		Change	
	THB million	%	THB million	%	THB million	%
Agricultural and mining	3,182	2.3	2,301	1.9	881	38.3
Manufacturing and commerce	51,806	37.3	47,536	39.8	4,270	9.0
Real estate and construction	12,146	8.8	10,200	8.6	1,946	19.1
Public utilities and services	17,822	12.8	17,324	14.5	498	2.9
Personal cash	6,112	4.4	5,521	4.6	591	10.7
Housing loans	25,614	18.5	19,297	16.2	6,317	32.7
Hire purchase receivable and financial lease receivable	11,833	8.5	8,710	7.3	3,123	35.9
Others	10,331	7.4	8,400	7.1	1,931	23.0
Total loans net of deferred revenue	138,846	100.0	119,289	100.0	19,557	16.4

To avoid concentration risk in any particular industry, the Bank continued to diversify the proportion of loans granted to various business sectors, 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 and small enterprises 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 of 31 December 2012, CIMB Thai Group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 139.2 billion, an increased of 16.4% compared with those as of 31 December 2011. Classification of loans is set up in accordance with Bank of Thailand's notification. Pass loans stood at THB 128.1 billion, special-mention loans amounted to THB 7.1 billion and non-performing loans were classified as sub-standard, doubtful and doubtful of loss were reported at 1.3 billion, 0.5 billion, and 2.2 million respectively.

Loan loss coverage ratio as at 31 December 2012 improved to 85.1% from 81.6% as of 31 December 2011, following the conservative reserve policy. As of 31 December 2012, total provision of CIMB Thai group amounted to THB 3.4 billion, an excess of THB 1.6 billion over the minimum requirement set by the Bank of Thailand.

(c) Non-performing loans (NPL)

For the year ended 31 December 2012, gross NPL decreased to THB 4.0 billion, with an equivalent gross NPL ratio of 2.8% compared with 3.4% in 2011. The decrease in NPL was mainly due to the sale of NPL in quarter 4/2012, together with more efficient risk management measures, continued resolution of the NPL, and improvement in loan collection process.

(d) Income recognition

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

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

Liabilities and equity

As of 31 December 2012, CIMB Thai group had total liabilities of THB 181.8 billion, representing an increase of THB 27.2 billion or 17.6% from 2011. The main contributor to the increase was total deposits, which increased by THB 33.6 billion or 33.0% to THB 135.1 billion, and the rise in interbank and money market liabilities by THB 6.5 billion or 136.3% to THB 11.3 billion. Meanwhile, debt issued and borrowings amounted THB 26.2 billion, a decrease of THB 14.1 billion or 35.0% from 2011.

As of 31 December 2012, total equity stood at THB 19.7 billion, representing an increase of THB 6.3 billion or 46.9% from 2011. The Board of Directors also gave approval for the Bank to appropriate THB 75.1 million from the Bank's net profit of THB 1.5 billion for the year into statutory reserve, to carry forward the remaining net profit into retained earnings. The decision to appropriate net profit to statutory reserve and retained earnings was made to sustain the Bank's growth momentum and ensure adequate capital going forward.

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as of 31 December 2012, amounted to THB 3.1 billion, a net increase of THB 10.1 million from 2011. Details of the changes are as follows:

Net cash used in operating activity in 2012 was THB 3.3 billion. Losses from operations before changes in operating assets and liabilities were THB 3.8 billion, including THB 1.7 billion in pre-tax net profit for the year, and adjustments of non-cash items to net profit, mainly from gains sharing from TAMC, bad debts and doubtful accounts. Operating assets for the year increased by THB 29.6 billion due to the increase in loans, interbank and money market items (assets) and investments held for trading. Meanwhile, operating liabilities went up by THB 25.8 billion, resulting from increase in deposits and interbank and money market items (liabilities), offset by a decrease in short-term borrowings.

Net cash used in investing activity was THB 4.7 billion, mostly due to increases in net investments in securities held to maturity and securities available for sale, purchases of premises and equipment, and intangible assets, offset by proceeds from disposal of investment in subsidiaries and interest received.

Net cash from financing activity was THB 8.1 billion, comprising proceeds from issuance of structured bills of exchange and debentures and cash received from capital increase, offset by cash paid for redemption of subordinated debentures.

Relationship between sources and application 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 of 31 December 2012, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	8.5	5.9	45.4	32.4	3.2	10.1
Up to one year	58.6	40.9	93.3	66.6	25.1	78.6
Over one year	76.3	53.2	1.5	1.0	3.6	11.3
Total	143.4	100.0	140.2	100.0	31.9	100.0

* Including interbank and money market items.

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

(Unit: THB billion)

Categories of Deposit	2012		2011		2010	
	Amount	%	Amount	%	Amount	%
Current and savings deposits	45.4	32.4	34.9	33.7	27.5	28.4
Fixed deposits	94.8	67.6	68.5	66.3	62.7	64.9
Other deposits	-	-	-	-	6.5	6.7
Total	140.2	100.0	103.4	100.0	96.7	100.0

Credit Rating

The Bank's credit rating by Fitch Ratings as of 31 December 2012 is shown below:

Foreign currency

Long-term IDR	BBB
Short-term IDR	F3

National

Long-term rating	AA-(tha)
Short-term rating	F1+
Upper tier 2	A(thai)
Lower tier 2	A+(tha)
Individual rating	bb-
Support rating	2

Outlooks

Foreign-currency Long-term IDR	Stable
National Long-term rating	Stable

Financial Ratios

Capital funds and capital adequacy ratio

As of 31 December 2012, the Bank's assets were THB 19.6 billion higher than its liabilities. The difference represented positive shareholders' equity. The Bank's total capital funds amounted to THB 26.9 billion with capital adequacy ratio (BIS ratio) of 16.2%, exceeding the regulatory requirement. At CIMB Thai group-level, the consolidated capital funds amounted to THB 26.9 billion with BIS ratio of 16.3%.

Liquid assets ratio

The Bank of Thailand requires all commercial banks to maintain a minimum liquid assets ratio of 6% of total deposits and offshore borrowings with less than one year maturity.

As of 31 December 2012, the Bank's total liquid assets were THB 46.7 billion, while its loans to deposits ratio stood at 101.0%. Its liquid assets to total assets ratio was 23.3% and liquid assets to total deposits ratio was 34.5%. All these ratios were within the minimum regulatory requirements.

Investment in subsidiaries

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

On 12 April 2012, the annual general meeting of shareholders no.18 resolved that the Bank sell its investment in equity of CIMB Securities (Thailand) Co., Ltd. of 109,999,993 shares which was 99.99% of the registered capital to CIMB Securities International Pte Ltd., a subsidiary of CIMB Group.

On 2 July 2012, the Bank executed the sale of the equity shares in CIMB Securities (Thailand) Co., Ltd. and received cash of THB 1,117 million.

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

On 19 April 2012, the Board of Directors' meeting No. 5/2012 approved an increase in registered capital of Worldlease Co., Ltd., in which the Bank had a 75.04% shareholding, from THB 240 million to THB 400 million. Worldlease Co., Ltd. called for 25% paid-up capital. The Bank accordingly made share payment of THB 30,016,667 on 27 April 2012. Worldlease Co., Ltd. registered the capital increase with the Ministry of Commerce on 2 May 2012. After the registration, the registered capital of Worldlease Co., Ltd was THB 400 million.

On 18 December 2012, the Bank bought equity shares in Worldlease Co.,Ltd., which was the portion not owned by the Bank, amounting to 9,983,333 shares or 24.96% with a total consideration of THB 140 million. As a result, the Bank's shareholding proportion in the company increased from 75.04% to 99.99% of the total issued and paid-up share capital of the company.

Appointment of external auditors and Consideration of audit fees

The Audit Committee considers the qualifications and performance of external auditors and recommends the appointment thereof as well as proposes audit fees to the Board of Directors annually. The Board then proposes the external auditor appointment and audit fees for the consideration and approval of the general meeting of shareholders. The list of external auditors to be proposed must also be endorsed by the Bank of Thailand.

Remuneration for external auditors

For the year ended 31 December 2012, fees paid to the external auditors were as follows:

(1) Audit fees

CIMB Thai group paid the auditors audit fees totaling THB 11.9 million. Other incidental expenses, such as transport and photocopying.

(2) Non-audit fee

CIMB Thai group paid fees for non-audit services, namely service engagements and consulting services not related to auditing, to the audit firm which the auditors work for. Non-audit fees were in a total amount of THB 1.5 million in 2012.

Revenue structure of the Bank, its Subsidiaries

1. CIMB Thai Bank Public company Limited

1.1 Total operating income

Unit : THB million

	For the year ended 31 December					
	2012	%	2011	%	2010	%
Interest Income						
1. Interest on Loans	7,803.8	108.8	6,467.2	98.9	5,066.3	85.5
2. Interest on Interbank and money market items	139.6	2.0	267.1	4.1	129.3	2.2
3. Investments	1,227.8	17.1	689.4	10.5	587.3	9.9
4. Other	0.6	0.0	1.7	0.0	1.0	0.0
Total Interest Income	9,171.8	127.9	7,425.4	113.5	5,783.9	97.6
Interest Expenses						
1. Deposits	3,160.1	44.1	2,014.4	30.8	1,020.3	17.2
2. Interest on Interbank and money market items	195.8	2.7	94.2	1.4	82.2	1.4
3. Contribution fee to The Deposit protection agency (DPA)	629.1	8.8	385.8	5.9	350.0	5.9
4. Debt securities issued and borrowings	930.9	13.0	943.1	14.4	477.5	8.0
5. Other	3.5	0.0	3.6	0.1	3.5	0.1
Total Interest Expenses	4,919.4	68.6	3,441.1	52.6	1,933.5	32.6
Net Interest Income	4,252.4	59.3	3,984.3	60.9	3,850.4	65.0
Operating income	2,918.4	40.7	2,556.9	39.1	2,074.6	35.0
Total Income	7,170.8	100.0	6,541.2	100.0	5,925.0	100.0

1.2 Non- Interest income

Unit : THB million

	For the year ended 31 December					
	2012	%	2011	%	2010	%
Fee and service income	899.8	30.8	652.9	25.5	659.1	31.8
Fee and service expenses	209.4	7.1	220.4	8.6	75.7	3.7
Net fee and service income	690.4	23.7	432.5	16.9	583.4	28.1
Gains on trading and foreign exchange transactions, net	488.0	16.7	351.6	13.8	297.8	14.4
Gains on financial liabilities designated at fair value through profit or loss, net	0.9	0.0	-	-	-	-
Gains on investments, net	125.7	4.3	80.1	3.1	489.3	23.6
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	1,344.4	46.1	1,009.6	39.5	-	-
Other operating income	269.0	9.2	683.1	26.7	704.0	33.9
Non - interest income	2,918.4	100.0	2,556.9	100.0	2,074.6	100.0

2. CIMB Thai Subsidiaries

Unit : THB million

	For the year ended 31 December					
	2012	%	2011	%	2010	%
1. CIMB Securities (Thailand) Co., Ltd.						
Interest income	26.6	8.5	32.3	8.2	12.4	3.9
Interest expense	6.1	2.0	19.1	4.8	9.2	2.9
Net interest income	20.5	6.5	13.2	3.4	3.2	1.0
Operating income	291.8	93.5	379.7	96.6	318.8	99.0
Total income	312.3	100.0	392.9	100.0	322.0	100.0
2. Center Leasing Co., Ltd.						
Interest income	775.9	166.4	556.6	172.6	333.4	141.8
Interest expense	361.0	77.4	285.7	88.6	144.7	61.5
Net interest income	414.9	89.0	270.9	84.0	188.7	80.3
Operating income	51.2	11.0	51.5	16.0	46.5	19.7
Total income	466.1	100.0	322.4	100.0	235.2	100.0
3. World Lease Co., Ltd.						
Interest income	668.8	103.1	468.9	100.1	331.0	122.7
Interest expense	141.3	21.8	90.2	19.3	53.2	19.7
Net interest income	527.5	81.3	378.7	80.9	277.8	103.0
Operating income	121.1	18.7	89.6	19.1	(8.0)	(3.0)
Total income	648.6	100.0	468.3	100.0	269.8	100.0
4. CT Coll Co., Ltd.						
Interest income	0.5	0.8	0.1	0.1	0.0	1.9
Interest expense	0.2	0.3	0.0	0.0	0.2	83.0
Net interest income	0.3	0.5	0.1	0.1	(0.2)	(81.1)
Operating income	65.8	99.5	48.6	99.9	0.0	(18.9)
Total income	66.1	100.0	48.7	100.0	(0.2)	100.0

RISK FACTORS AND RISK MANAGEMENT

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 (RMC) 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 composition 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 CAR Trigger (Capital Adequacy Ratio 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 fulfill 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 CIMB 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 Rating 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 and has continued to be enhanced to support our business and to ensure the overall adherence to the Risk Management Policy of the Bank and CIMB 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 the Market parameters which are 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. Bank has the independent unit from risk originated unit to monitor and control market risk. The Bank also regularly assesses and determines our capital reserves for market risk to comply with the Bank of Thailand regulations.

Market Risk comprise of

1. 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), Risk Management Committee (RMC), and Board of Directors (BOD). 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 set 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 effect of interest rate risk reports are also submitted to ALCO, RMC, and BOD 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 One Basis Point Shift (PV01) Limit, Value-at-Risk (VaR) Limit and Stop loss limit are set to control the risk associated with movements in interest rates which might affect the revenue and capital reserves of the Bank.

2. 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 FX Net Open Position Limit, Value-at-Risk (VaR) 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.

3. Market Risk of Equity Securities and Commodity Related Transactions

CIMB Thai does not invest in trading 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 trading 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. The major source of fund is deposit and the major used of fund is loan. Besides, Bank has to maintain the appropriate the liquid asset level which has the sufficient high quality liquid asset to reserve Bank's liquidity. By Bank's organizations structure, Treasury group is responsible for Bank's liquidity risk management which is under the supervision of the Assets and Liabilities Management Committee (ALCO). ALCO is responsible for overall management and oversight of liquidity and review/recommend liquidity risk management policy and review liquidity risk management policy before seeking approval from BOD. ALCO also responsible for approval on liquidity risk tolerance and Risk Management Group monitor and control liquidity risk per approved by ALCO. For Bank's subsidiaries' group liquidity risk management, the structure will be decentralized. For group liquidity supported from bank, the liquidity line will be considered per company's credit line approved by Credit Committee and Board of Directors of the Bank. To manage liquidity risk, the Bank has instruments for monitoring and control which are Liquidity Ratio, Cumulative liquidity gap in each time period (under normal business conditions and under bank specific crises) and deposit concentration. For cumulative liquidity gap under stress test, Bank will add more severe factors to consider the liquidity gap result. Bank prepares the liquidity risk status report at least on monthly basis. If the liquidity risk exceeds MAT (Management Action Trigger), 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 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.

For Bank's liquidity status as of December 2012, Bank's liquid asset is THB 42,074 million, or 21.8% of Baht asset. The liquid asset comprised of Cash THB 3,130 million, Reverse Repo THB 2,000 million, Government bond THB 19,891 million, Corporate Bond THB 17,053 million. Bank's Loan to Deposit (including bill of exchange) is 93.54%. In 2012, Bank has alternative funding source in issuing debenture. If considered debenture as the source of funding, the Loan to Deposit (including bill of exchange and debenture) ratio will be at 88.82%.

OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Other risk factors include lack of corporate governance, and management incompetence. 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 bring the Bank in line with international standards, but also contribute towards enhancing transparency and good governance. In this respect, the Risk Management Committee was given the authority to establish policies and procedures which correspond with international best practice and to make recommendations to the Board of Directors for approval and deployment as the Bank's policy. To increase effectiveness, the Bank has also appointed the Operational Risk Management Committee to discuss, deliberate, assess and gives advice on all issues relating to operational risks including fraud covered key caused factors – Human, Process, System and External factor.

CIMB Thai fundamental principle on operational risk is that the responsibility to manage operational risks associated with business ventures, products, services, and systems lines with line management and all staff performing the operations. Their responsibility includes compliance with all internal and external laws, regulations, policies and standards. By doing so, a risk coordinator is appointed within their units to coordinate and assist in building the risk culture in their own area and to ensure that operational risk management policies and procedures are well-implemented and complied with.

The Operational Risk Management Team is responsible for developing tools, system and process for identifying, assessing, controlling reporting and monitoring operational risks in compliance with the Bank-wide operational risk policies, and international standards.

Each business unit in the Bank and its subsidiaries are required to manage its operational risks along the following lines:

1. Risk & Control Self Assessment

Each business unit is required to conduct risk & control self-assessment and report the results regularly to the Risk Management Group. These reports will be used in assessing and analyzing the overall operational risk exposure and providing a basis for determining corrective actions and follow-up. This makes it incumbent upon individual business units to review regularly that their working processes are structured and managed, thereby mitigating operational mishaps and enhancing their ability to redress the problems in a coherent and timely manner. In this context, continuous attention has been given to providing effective and efficient oversight across the organization, including defining a clear scope of responsibilities and approval authority, establishing checks and balances, and securing data and information. Particular attention has also been given to ensure the continuity of business activities in accordance with international standards while enhancing sound corporate governance.

2. Loss Event Reports

The Bank requires every business unit to submit loss event report through designated channels. The information captured by each unit is for the determination of the real cause(s) of the event and where necessary to recommend enhancement to the existing operational controls or workflow to ensure the lessons are learnt and such event do not occur in the future. These reports also facilitate statistical analysis of developing models for calculating operational risk capital requirements.

3. Key Risk Indicators (KRIs)

In CIMB Thai, KRI is a tool to monitor and manage key Operational Risk exposures over time to predict upcoming changes in Operational Risk profiles. KRI provides early warning signals to the management on changes to

the risk environment and the effectiveness of control. This is a forward looking tool to facilitate monitoring and management of key risks before they translate into operational losses. Hence, management will be able to take appropriate actions to mitigate the risk before it happens.

4. New Product Approval Process

The Bank has emphasized on developing new products or improving the production process. To comply with such purpose, the Bank enforces a stricter approval process with the identification, assessment and control of credit, market and operational risks forming an integral part of the production process. All products are subject to a suitable review process before they can be signed-off and launched in the market by the working groups and related business units.

5. Complaint Management Process

To manage reputation risk and improve client satisfaction, the Bank has set up a complaints unit and proper procedures to handle customer complaints. Customers can direct their grievances to the Complaint Centre, the CIMB Thai Care Centre, or the CIMB Thai Facebook page. The complaints unit will investigate the issue with the relevant business unit to verify the facts and seek a solution to the problem. This includes preparing and sending out explanatory letters directly to the customers. The Complaint Centre is responsible for preparing and sending out explanatory letters to government departments. All customer complaints will be gathered and presented to the task force to consider and find solutions to the problems raised. This process aims to improve customer satisfaction and prevent the same problems reoccurring. In addition, the task force will consider these customer complaints and prepare performance summary reports for Management Committee and Audit Committee members every month.

6. Business Continuity Plan

The Bank has developed and implemented Business Continuity Management bank wide and Subsidiaries to analyze business impact of critical business functions and document business continuity plan based on the analysis result including exercises of Business Continuity Plan/ Disaster Recovery Plan at once a year. This to ensure that critical business functions can be recovered within a specified time in the event of the crisis, disaster or calamity disrupting the critical business functions. Having business continuity management in place will help preserve the Bank's reputation and instill customer confidence of the Bank's services.

7. Internal Audit Process

CIMB Thai established the Internal Audit Division and Compliance Department as independent units to assist the Audit Committee in auditing, monitoring and following up on operations of units within the Bank to ensure they are compliant with relevant laws and regulations. These units directly to the Audit Committee.

RISK RELATED TO FOREIGN INVESTMENT

As of 31 December 2012, the Bank holds THB debentures issued by financial institutions worth THB 300 million with a market value of THB 300.9 million or approximately 100.304% of their face value.

Although the issuers are foreign financial institutions, these debentures are THB debentures issued in Thailand. Thus there is no foreign exchange risk but the Bank still faces credit risk and interest rate risk. These debentures are rated at "AA" and the Bank closely monitors market risk factors and manages interest rate risk within the approved limits

CORPORATE GOVERNANCE

CIMB Thai firmly believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organisation will help it deliver value to all its stakeholders. Hence, the Bank strives to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities.

CORPORATE GOVERNANCE PRINCIPLES

The Bank has developed processes 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 in 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 business 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 codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, was formulated in February 2005 and updated in January 2011. The Bank manages its business with adherence to this policy, thereby increasing trust and confidence among investors and stakeholders, improving its competitiveness, enhancing its value and promoting long-term stability. Details of the Bank's corporate governance policy and guidelines are available on www.cimbthai.com.

Corporate Governance Report

1. Rights of Shareholders and Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders and proactive communication with them regularly. In this respect, it aims to ensure that the shareholders have the opportunity to exercise their rights fully and fairly in an informed manner. Such rights include the rights to sell, purchase, or transfer shares, access Bank information, ensure a fair distribution of profit, attend meetings to cast votes, express opinions and comments, and decide on important matters including appointment of directors and auditor, allocation of profit, dividend payment, increase or decrease of capital and approval of any special items, etc.

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months of the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings. The Board can convene extraordinary general meetings at any time it deems fit. The 2012 AGM was held on 12 April 2012.

Before the AGM, from 1 to 30 December 2012, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2012 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2012 AGM, the Bank sent an invitation notice in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised criteria of meeting attendance and voting, proxy grants by shareholders, and the 2012 annual report in hard copy. The Bank has assigned Thailand Securities Depository, the Bank's share registrar, to send the notice to shareholders for consideration 14 days before the meeting. This allowed shareholders to have time to study information before hand. The Bank also published the notice and other supporting documents on its website 14 days before the meeting. The notice was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET). Furthermore, in accordance with regulatory requirements, the notice was published in newspapers for three consecutive days at least three days before the meeting. On the day of the AGM, various measures were taken to facilitate participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure 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 before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had 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 invitation notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names and backgrounds of independent directors whom shareholders could consider for their proxy appointment. At the 2012 AGM, 15 appointed the Chairman and members of the Audit Committee who are independent directors, to attend the AGM and vote on their behalf.

At the 2012 AGM, 90% of the Board and Board Committee members and 366 shareholders and proxies attended the meeting, with total shares held of 15,933,059,352 shares representing 97.65% of the total issued shares. Before the meeting began, The Chairman had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman assured the shareholders that they would have equal opportunity to ask questions, raise any issues or make recommendations. In addition, the Bank gave multimedia presentation of the proposed information for the meeting and provided simultaneous English translation for foreign shareholders. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed 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. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The minutes of the 2012 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, www.cimbthai.com, for shareholders' reference.

With regard to the use of internal information by the Board, executive management and employees, the Board recognises the utmost importance of preventing the use of the Bank's internal information for personal gains. The Bank has imposed measures to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities, by requiring members of the Board, executive management and employees, including spouses and underaged children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executive management from levels of senior executive vice-president or the equivalents upward, and those holding executive positions of department heads or

the equivalents upward in the accounting or finance function line are duty-bound to report their every sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the Securities and Exchange Commission (SEC), and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated codes of conduct and guidelines for the Board, executive management and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest.

2. Role of Stakeholders

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

CIMB Thai Code of Conduct

1. Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. To pursue with this objective, it set up CIMB Thai Care Centre to efficiently handle client complaints and queries. The centre maintains a database of client complaints and classifies them by 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 units, to resolve any complaints in an effective, fair, coordinated and timely manner. Client confidentiality is strictly observed at all times 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 focuses 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 material interests in the matter considered at the shareholders' meeting. In such situation, the shareholders concerned are required to abstain from voting on the matter, but they are eligible to participate in the election of directors.

3. Employees

The Bank believes in fair treatment accorded to all employees, and is fully committed to enhancing the quality of its human capital. In this context, the Bank consistently offers training and support, including opportunities to enhance performance and career development options. Such efforts will help build sustainable growth and serve expansion plans in the increasingly competitive markets.

4. Creditors and Business Partners

The Bank is committed to maintaining high standards of business conduct in compliance with all applicable laws and regulations. It 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 conducting business in a fair and confidential manner posing no impairment to the reputation of its competitors and upholding best ethical and legal practices among its employees.

6. Responsibility towards the Community and the Environment

The Bank recognises its ability to make positive impacts on the community and the environment. It is actively involved in a range of charitable activities, including robe offerings, blood donation drives and fund-raising to help monks, underprivileged children and local community at large. Details of the Bank's activities are available on Corporate Social Responsibility section.

3. 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 SET and the Bank's website. In addition, as required by regulatory criteria, the Bank discloses relevant information in such annual reports as Forms 56-1 and 56-2. Various projects have been launched and activities held to boost investor confidence in the Thai capital market. Communication of clear and accurate information on the Bank's activities has been made to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

- Establishment of the Investor Relations (IR) Unit and Office of the President to take charge of 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.

In 2012, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether 19 investors and analysts to meet with management team for inquiry on operating results, altogether 7 meetings.
 2. Press release issued whenever the Bank had significant investment or business activities.
 3. Availability of channels for inquiries via email at ir@cimbthai.com, phone at +662-638-8615, or website at http://www.cimbthai.com/CIMB/investor_relations/
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

4. Responsibilities of the Board

A. Board Structure as of 31 December 2012

Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are eight Board members.

Election of Board members follows the resolution of 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 fewer than 5 and not more than 12. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand (BOT)'s notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's notification regarding application and permission for initial public offering and other amendments. The composition of the Board is as follows:

- 2 executive directors
- 3 non-executive directors
- 3 independent directors (accounting for 37.50% of the Board)

The three independent directors who concurrently serve on the Audit Committee must satisfy the criteria for appointment to the Board based on the good corporate governance principles.

The Board appoints one of its directors to be the Chairman. The President is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of the Chairman and the President stay separate, with each of them having clearly defined responsibilities. A clear division of responsibilities helps ensure that no single individual has unfettered decision-making power and enables the Chairman to give objective views on the decisions made by management.

Each director's term of office is prescribed in the Articles of Association. 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 Bank has incorporated a policy on directors holding positions in other companies into its corporate governance principles in line with the corporate governance guidelines of relevant regulators, e.g. the BOT and the SET, details of which are as follows:

- Directors, managers and persons with managing authority of the Bank can take one or several positions of chairman, executive director, or authorised director in other companies subject to a maximum of three business groups.
- Directors should hold directorship in not more than 5 listed companies.

The Board has appointed Mr. Thaphop Kleesuwan as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. His duties include providing legal advice and ensuring Board activities comply with applicable laws and regulations in line with corporate governance principles, as follows:

- Providing preliminary advice and recommendations pertaining to legal, regulatory and governance issues and practices to the Board.
- Arranging board and shareholder 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 Bank information.
- Maintaining the register of directors, reports of Board meetings, reports of stakeholder meetings, reports of beneficial interests of directors, and others required by relevant laws.

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 and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system.

C. Roles, Duties and Responsibilities of the Board

1. Leadership and Vision

The Board of Directors consists of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise as well as business ethics. The roles and responsibilities 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 controls 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 formulated out code of conduct in its corporate governance guidelines which the Board, executive management, and all employees must comply with when interacting with the Bank's customers, shareholders, employees, business partners or debtors. Emphasis is also placed on their responsibilities to the 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 keep uppermost in their mind the principles of good corporate governance, use good judgment, act in compliance with rules and regulations and ensure that the Bank discharges its legal and regulatory responsibilities accordingly. Alleged breaches of code of conduct are investigated in accordance with the procedures set out, and disciplinary penalty is imposed if someone is found guilty of a breach of code of conduct. Details of the Bank's code of conduct are made available to employees on www.cimbthai.com.

The Bank communicated to all staff guidelines for compliance with code of conduct and corporate governance policy by making such information available online through the learning management system (LMS) and having them sign in acknowledgment of such guidelines and policy.

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

- Policy for the consideration of the granting of credits and investments to, and undertaking contingent 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 BOT. 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 take part in the decision-making process.
- Policy for undertaking major transactions. Major transactions include an agreement to undertake connected transactions and/or an agreement 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 regulatory agencies.

When considering related party transactions, if the transactions are related to major shareholders, directors, senior executive vice presidents or those holding the equivalent positions thereto, and executives in the Strategy and Finance Group, and other related parties pursuant to the SEC criteria, the Board and senior management must:

- 1) ensure that the transaction is legitimate, that is, it is reasonable, and is in the best interest of the Bank, including ensuring that the terms and conditions are not different from similar transactions made with unrelated parties; and
- 2) ascertain that the procedures for considering and approving any such transaction are fair, transparent, and verifiable, and that sufficient information on such transaction must 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 transactions. Directors with material interest in the transactions are not allowed to attend the meeting and vote on the matter. The Bank may request additional opinions from independent financial advisors if the transactions have to go to the shareholders' meeting.

3. Related Transactions

As of 31 December 2012, the Bank recorded significant business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons (directors or executives from the level of vice president upwards). These transactions were concluded on commercial terms and based on mutually agreed upon criteria 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 item 42 of Financial Statements as of 31 December 2012.

- Connected transactions with persons who may have conflicts of interest are as follows:

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.15% of the Bank's total issued and paid-up shares	<p>The Board of Directors resolved on 16 March 2011 and 18 October 2011 to approve the Bank and its subsidiaries' use of validation service and credit risk model development service of CIMB Bank free of charge.</p> <p>Later on 26 January 2012, the Board of Directors approved the payment of professional fees to CIMB Bank throughout the period receiving services at a standard rate of RM 1,000/man-day (excluding tax) for the services of developing credit risk model of the Bank and its subsidiaries (Center Auto Lease Co., Ltd. and Worldlease Co., Ltd.) and validating the credit risk model and derivatives product value appraisal model of the Bank only, which is a transaction supporting the Bank's normal business.</p>	<p>The Board of Directors meeting no. 1/2012 held on 26 January 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed it proper to approve this transaction since it complied with the Bank of Thailand (BOT)'s requirement on the use of outside validation service. In this connection, the Bank shall prepare the outsourcing agreement with and pay professional fees to CIMB Bank. This transaction was executed to support the Bank's normal business operation and for the benefit of the Bank.</p>
CIMB Securities International Pte. Ltd. (CIMBSI), a wholly owned subsidiary of CIMB Group Holdings Berhad (CIMB Group) which indirectly holds shares in the Bank and CIMB Securities (Thailand) Co., Ltd. (CIMBS)	<p>The Bank sold 109,999,993 ordinary shares held in CIMBS, at a par value of THB 10 each, representing 99.99% of the total issued and paid-up shares in CIMBS, for a total cash consideration of THB 1,117.60 million to CIMBSI on 2 July 2012.</p>	<p>The Board of Directors meeting no. 3/2012, held on 6 March 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed that the Bank would not suffer any damage or benefit from such transaction and this transaction was made in the best interest of the Bank. The transaction was approved by the annual general meeting of shareholders (AGM) no. 18 held on 12 April 2012.</p>
CIMB Bank Berhad (Singapore Branch), a wholly owned subsidiary of CIMB Group which indirectly holds shares in the Bank	<p>CIMB Bank Berhad (Singapore Branch) issued a stand-by letter of credit (SBLC) in favor of the Bank as security for the Bank-issued letter of guarantee (LG) to one company. The fee on such LG was chargeable at 0.20% p.a. This transaction was considered the normal business of the Bank.</p>	<p>The Board of Directors meeting no. 3/2012 held on 6 March 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed it proper to approve this transaction due to a rather low LG fee and the fact that it was issued to the company which has shareholding by Singaporean government. Also, the LG had a back-to-back guarantee by SBLC of CIMB Bank Berhad (Singapore Branch), and had fee collected four years in advance, not on a yearly basis as in normal case. This LG was used to guarantee income under specified terms and conditions. Meanwhile, the Bank would receive an underwriting fee of around THB 24 million and a trustee fee of THB 1 million per year. This transaction was considered the Bank's normal business operation and being for the benefit of the Bank.</p>
CIMB Securities (Singapore) Pte. Ltd., CIMB Securities (HK) Ltd., and CIMB Investment Bank Berhad (CIMB Group), the wholly owned subsidiaries of CIMB Group Holdings Berhad which indirectly holds shares in the Bank and CIMB Securities (Thailand) Co., Ltd. (CIMBS)	<p>CIMBS increased the securities trading limit with each company under CIMB Group to THB 2.5 billion to support end clients who are institutional investors trading internationally and who are foreign investors. This transaction was considered CIMBS's normal business.</p>	<p>The Board of Directors meeting no. 4/2012 held on 28 March 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed it proper to approve this transaction as it was executed under delegated authority (DA), thereby opening securities trading account for institutional investor in the amount of THB 2.5 billion is subject to the Board of Directors' prior approval. The transaction was considered CIMBS's normal business operation, and being for the benefit of CIMBS.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Berhad (CIMB Bank) and CIMB Securities International Pte. Ltd., Singapore, the wholly owned subsidiaries of CIMB Group which indirectly holds shares in the Bank.	The Bank opened accounts in major foreign currencies, such as USD, EUR, JPY and SGD or others, for CIMB Bank and CIMB Securities International Pte. Ltd., Singapore, to support fund transfer transactions relating to businesses in Myanmar. The transaction was considered the Bank's normal business.	The Board of Directors meeting no. 4/2012 held on 28 March 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was considered the Bank's normal business operation under general trading terms, and being for the benefit of the Bank.
CIMB Bank Berhad (CIMB Bank) and CIMB Niaga Indonesia, the wholly owned subsidiaries of CIMB Group which indirectly holds shares in the Bank	<p>The Bank has provided regional ATM link services for withdrawal and account balance inquiry via ATM networks of CIMB Group in four countries: Malaysia, Thailand, Indonesia and Singapore, since 22 April 2010.</p> <p>Subsequently in August 2011, the service was planned to expand to Cambodia with costs and fees as follows:</p> <ol style="list-style-type: none"> 1) The Bank's internal information technology system development cost of THB 0.3 million (calculated based on the man-day of the Bank's employees working on it), and 2) Fees on transactions between the Bank and CIMB Cambodia. Fees of RM 1 per withdrawal transaction and RM 0.2 per inquiry transaction are chargeable to the Bank. The payment, at the actual utilisation rate, is made to MEPS (the provider of switching service in Malaysia) and Artajasa (the switching service provider in Indonesia) via CIMB Bank and CIMB Niaga Indonesia. This transaction was executed to support the Bank's normal business. 	The Board of Directors meeting no. 4/2012 held on 28 March 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed it proper to approve this transaction as the provision of such services in Cambodia would support CIMB Group tagline "ASEAN For You" and expand ATM network to facilitate the Bank's ATM card holders. Furthermore, this transaction was executed to support the Bank's normal business operation, and was for the benefit of the Bank.
CIMB Securities (Thailand) Co., Ltd. (CIMBS), a wholly owned subsidiary of CIMB Group which indirectly holds shares in the Bank	The Bank approved the pre-settlement risk (PSR) limit to CIMBS to support swap transactions by earmarking THB 2 million from its LTL (Sub-debt), which was considered the Bank's normal business.	The Board of Directors meeting no. 6/2012 held on 31 May 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), viewed that this transaction was the Bank's normal business operation under the similar general trading terms to the transactions with outsiders. It was also made in the interest of the Bank.
CIMB Securities International Pte. Ltd. (CIMBSI), a wholly owned subsidiary of CIMB Group which indirectly holds shares in the Bank	The Bank approved the entering into FX spot transaction in the amount of THB 1.2 billion with CIMBSI, which was considered the Bank's normal business.	The Board of Directors meeting no. 7/2012 held on 28 June 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), viewed that this transaction was the Bank's normal business operation under the similar general trading terms to the transactions with outsiders, and being for the benefit of the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.15% of the Bank's total issued and paid-up shares	The Bank replaced the existing corporate banking system (iBank & CMS) with regional transaction banking (RTB) system of CIMB Bank to support needs of corporate customers for money transfer, goods or service payment and bulk instruction sending between the Bank and corporate customers. The fee payment would be made at the rate of THB 1 per transaction to CIMB Bank for a period of 5 years. This transaction was considered the Bank's normal business.	The Board of Directors meeting no. 7/2012 held on 28 June 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction to ensure common standard of service and the ability to support regional transactions through Internet banking system among subsidiaries of CIMB Group. It would also support convergence of products and services so that more customers would be attracted and have their needs served, and the Bank would earn increased fee income. This transaction was to support the Bank's normal business operation, and was in the interest of the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Securities International (Thailand) Plc. (CIMBI), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank appointed CIMBI as the subscription agent of its rights shares, paying a service fee of THB 642,000 in total (including VAT).	The Board of Directors meeting no. 7/2012 held on 28 June 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction which supports flexibility in fund mobilisation. Furthermore, the Bank would not suffer any damage or lose any benefit from such transaction, which was in the best interest of the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.15% of the Bank's total issued and paid-up shares	The Bank has adopted Self Assessment Review Programme (ShARP) of CIMB Bank in monitoring risk incurred in information and operations work unit. Fee would be paid at THB 670,000 to CIMB Bank for a period of 5 years. This transaction was to support the Bank's normal business.	The Board of Directors meeting no. 7/2012 held on 28 June 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter), deemed it proper to approve this transaction as it cost less than that in case of the Bank's development of the programme itself which would cost THB 6.7 million in total. Furthermore, this transaction was to support the Bank's normal business operation, and for the benefit of the Bank.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank provided fund administration / accounting services to CPAM charging a service fee of 0.04% of net asset value (assets under management of THB 10 billion) for a period of 5 years. The transaction was considered the Bank's normal business.	The Board of Directors meeting no. 9/2012 held on 27 August 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it would generate higher fee income to the Bank. Furthermore, the transaction was considered the Bank's normal business operation, and being for the benefit of the Bank.
CIMB Islamic Bank Berhad, a wholly owned subsidiary of CIMB Group which indirectly holds shares in the Bank	The Bank has been the agent of speedy international remittance service of CIMB Islamic Bank Berhad through \$speed\$end system (web-based), receiving a service fee of 30% of fee income and 30% of foreign exchange income. The transaction was considered the Bank's normal business.	<p>The Board of Directors meeting no. 9/2012 held on 27 August 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it would generate increased fee income and foreign exchange income to the Bank.</p> <p>Furthermore, this transaction was considered the Bank's normal business operation, and being in the interest of the Bank.</p>
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank approved to increase L/G line for CPAM from THB 0.435 million to THB 3.565 million to support the execution of registrar service contract of one provident fund. The transaction was considered the Bank's normal business operation.	The Board of Directors meeting no. 9/2012 held on 27 August 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was considered the Bank's normal business operation under the similar general trading terms to the transactions with outsiders. Furthermore, this transaction was for the benefit of the Bank.
<p>CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.71% of the Bank's total issued and paid-up shares</p> <p>* After completion of rights share offering to the existing shareholders according to their shareholding proportion on 27 July 2012, CIMB Bank holds 19,757.95 million ordinary shares, representing 93.71% of total issued and paid-up shares of the Bank.</p>	The Bank booked 11-year (1 year over the maximum limit tenor) callable swap hedging with CIMB Bank in the amount of THB 50.04 million under the PSR line of THB 9.506 billion. It was considered the Bank's normal business operation.	The Board of Directors meeting no. 10/2012 held on 28 September 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction owing to CIMB Bank's favorable financial liquidity and capital level, and the transaction would mitigate the Bank's risk from its existing liabilities. Furthermore, this transaction was considered the Bank's normal business operation under the similar general trading terms to the transactions with outsiders, and being in the interest of the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Securities (Thailand) Co., Ltd. (CIMBS), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank approved the new PSR limit of THB 10 million to support FX transactions for a tenor of not more than 3 months, and the renewal of credit facilities for CIMBS in the total amount of THB 355 million, which was considered the Bank's normal business.	The Board of Directors meeting no. 10/2012, held on 28 September 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was considered the Bank's normal business operation under the similar general trading terms to the transactions with outsiders. Furthermore, this transaction was made in the interest of the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.71% of the Bank's total issued and paid-up shares	<p>The Bank has outsourced Internal Credit Rating System (ICRES) development service to CIMB Bank and paid the following fees to CIMB Bank:</p> <ol style="list-style-type: none"> 1) System development cost of THB 2.97 million (within a period of 5 years) 2) International bandwidth connection cost of THB 6.48 million (within a period of 5 years) <p>Total costs above, including 10% contingency, would be THB 10.13 million. This transaction was considered supporting the Bank's normal business.</p>	The Board of Directors meeting no. 11/2012 held on 24 October 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since the Bank would save cost from having the ICRES in place of the current manual rating template for use in internal credit rating of non-retail customers. CIMB Bank would be responsible for the entire development cost of THB 17.96 million. The cost would be charged back to the Bank afterward in the total amount of THB 10.13 million (for a period of 5 years). Compared with the fee of THB 31.55 million quoted by an outside company on such development service, the Bank could save THB 21.10 million. Furthermore, the transaction was made to support the Bank's normal business, and for the benefit of the Bank.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank provided IT insourcing service to CPAM, charging a service fee of THB 32,100 (including VAT).	The Board of Directors meeting no. 11/2012 held on 24 October 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction as it would generate higher fee and service income to the Bank. Furthermore, this transaction was made in the interest of the Bank.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	As of 30 November 2012, the Bank sold about 30 NPL accounts to STAMC at the price of THB 99.49 million, which was considered the Bank's normal business.	The Board of Directors meeting no. 13/2012 held on 18 December 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) considered the opinion of the independent financial advisor, i.e. JayDee Partners Limited ("JayDee Partners") on the transaction between the Bank and STAMC. JayDee Partners opined that the method applied in determining NPL selling price was reasonable, and that the selling price was appropriate and fair, being in the proper range of appraisal value. Furthermore, this transaction was considered the Bank's normal business operation under the similar general trading terms to the transactions with outsiders, and being for the benefit of the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Berhad (CIMB Bank) and CIMB Niaga, the wholly owned subsidiaries of CIMB Group which indirectly holds shares in the Bank	The Bank approved credit line increase (BEP, FBG and DSR) of THB 5.4 billion in total for CIMB Group to support trade finance, FX and derivative transactions. It was considered the Bank's normal business operation.	The Board of Directors meeting no. 13/2012 held on 18 December 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was considered the Bank's normal business operation under the similar general trading terms to the transactions with outsiders, and being in the interest of the Bank.
CIMB Bank (L) Limited (CIMB Bank (L)), a wholly owned subsidiary of CIMB Group which indirectly holds shares in the Bank	The Bank supported CIMB Bank (L) in its acting as International Joint Bookrunner for the offering of investment units of one fund. The Bank received a management fee equal to 75% of total underwriting fee received by CIMB Bank (L), or up to THB 17.10 million, which was considered the Bank's normal business operation.	The Board of Directors meeting no. 13/2012 held on 18 December 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was considered the Bank's normal business operation, and being in the best interest of the Bank. Due to its being unable to act as International Joint Bookrunner by itself, the Bank has to cooperate with CIMB Bank (L) to engage in the activity, which would generate increased fee income to the Bank. Furthermore, the Bank received a management fee equal to 75% of total underwriting fee received by CIMB Bank (L), or up to THB 17.10 million, which would contribute to a large portion of the Bank's fee income. This transaction was also considered benefiting the Bank.
CIMB Bank (L) Limited (CIMB Bank (L)), a wholly owned subsidiary of CIMB Group which indirectly holds shares in the Bank	The Bank supported CIMB (L) in its acting as International Joint Bookrunner for the initial public offering of shares of one public limited company. The Bank received a management fee of about THB 8.62 million, representing 61% of the underwriting fee received by CIMB (L) from acting as International Joint Bookrunner. This transaction was considered the Bank's normal business.	The Board of Directors meeting no. 13/2012 held on 18 December 2012 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was considered the Bank's normal business operation, and being in the best interest of the Bank. Due to its being unable to act as International Joint Bookrunner by itself, the Bank has to cooperate with CIMB Bank (L) to engage in the activity, which would generate increased fee income to the Bank. Furthermore, the Bank received a management fee of THB 8.62 million, representing 61% of the underwriting fee received by CIMB (L) from acting as International Joint Bookrunner, which contributed to a large portion of the Bank's fee income. This transaction was also considered having been made for the benefit of the Bank.

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% or more of their paid-up capital were as follows:

(Unit: THB million)

Company name	31 December 2012				% shares holding	Joint management
	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	Borrowings		
Parent Company						
CIMB Bank Berhad	152	-	-	678	93.71	-
Interest rate swap contracts						
- Fixed rate payee	21,526	-		-		
- Floating rate payee	38,408	-		-		
Forward and spot contracts						
- Bought	841	-	-	-		
- Sold	60	-	-	-		
Subsidiary companies						
Center Auto Lease Co.,Ltd	-	8,063	72		99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mrs. Kampoo Visuthiphol, Mr. Arichai Numlamun
CT COLL Co.,Ltd	-	6	27	-	99.99	Directors with delegated signature authority: Mr. Songwud Buakhem Mr. Surin Pakavaleetorn
Krungthai Thanakit Finance Plc.*	-	-	-	-	99.10	-
Worldlease Co., Ltd	550	1,645	52	-	99.99	Directors with delegated signature authority: Mr. Narongchai Wongthana-vimok Mr. Wisarn Booranasuntikoon Ms. Suwanna Leewiraphan Mr. Sutee Tantana
Company under common control						
CIMB Bank (L) Ltd.	-	-	-	2,566	-	-
Cross currency and interest rate swap contracts						
- Sold	2,855	-	-	-		
Forward and spot contracts						
- Sold	22	-	-	-		
CIMB-Principal Asset management Co., Ltd.	1	-	-	-	-	Directors with delegated signature authority: Mr. Narongchai Wongthana-vimok
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	48	-	-	-
CIMB GK (Thailand) Co., Ltd.	-	-	-	-		
Other Companies		111	2	-	-	-
Related persons		3	97	-	-	-

* Currently undergoing liquidation process

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

- b. The Bank is not aware of any person with potential conflicts of interest and holding more than 5% of voting shares in any of the Bank's subsidiaries or associated companies.

Justification of related party transactions

Loans and contingent liabilities associated with directors or executives from the level of executive vice president upwards are subject to interest charges 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 level 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 a formal approval process, including the analysis and approval of the relevant Committees, Audit Committee and Board of Directors or executive management. Any person with material interest in any transaction is not allowed to take part in the decision-making process.

Trends in related party transactions

Related party transactions include those relating to 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 clearly defined review and approval procedures and practices.

4. Internal Control

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

Organisation and environment

The Bank has structured its organisation 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 stakeholders. 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 realised 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 as well as setting up risk control and monitoring mechanisms, and continuously strengthening risk ownership of all staff.

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 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, policies, 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 in advance for the whole year, with at least one held 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. In 2012, the Bank held 13 Board meetings in total, details of which are disclosed under "Meeting Attendance of Directors."

E. Board Performance Review

The Bank has conducted annual evaluations of the Board performance to allow the Board members to make a joint review of the Board performance, raise concerned problems and obstacles, and give observations and recommendations for increased operational efficiency. The evaluation form comprises six sections: 1) structure and qualifications of the Board members, 2) roles, duties and responsibilities of the Board, 3) The Board of Directors meetings, 4) The Board's performed duties, 5) relationship with the management, and 6) self-development of the Board members and executive Officers. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board for review to ensure compliance of the practices with the Board Charter.

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 Limited Companies 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:

Remuneration of Directors

- The Bank's Articles of Association set 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 meeting allowance, pension, bonus and other benefits. In this respect, the shareholders' meetings shall have remuneration determined either in specific amount or as general guidelines, and either set from time to time or set to take effect until any change thereafter. Employees who also serve on the Board are still entitled to receive salary and remuneration in their capacity as staff or employees of the Bank.
- The Board is responsible for proposing the remuneration packages for Directors at the meeting of shareholders. Such remuneration shall commensurate with long-term value and returns to be delivered by them to the Bank and the shareholders, and shall also be in line with that in the industry.

The 2012 annual general meeting of shareholders no. 18 held on 12 April 2012 passed a resolution approving the remuneration for the Board and Board Committee members for 2012, which would remain unchanged, as below:

1. Meeting and entertainment allowances for Board members:

- Meeting allowance:

Chairman of the Board	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
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(Directors are responsible for paying their own income tax.)

2. Remuneration for Board Committee members as appointed by the Board shall be paid in form of additional meeting allowances on a monthly basis as below:

Chairman/Chairperson of Committee	THB	52,000 per month
Member	THB	40,000 per month

(Directors are responsible for paying their own income tax.)

- Directors who are required to serve on other Board committees are entitled to receive additional fees based on the increase in responsibilities, as the Board sees fit.
- The Board has access to independent expert advice where needed, including determination of appropriate remuneration.
- The Board is duty-bound to disclose information on remuneration packages in compliance with the Public Limited Companies Act and relevant regulatory requirements.

G. Executive Development Programme

The Bank encourages all Directors to participate regularly in the executive development programme, which is designed to familiarise the Directors with the Bank's businesses, while providing them with an insight into their roles and responsibilities as Board members, and assisting them in developing visionary thinking. 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 an 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 they need to know.

H. Succession Plan

The Bank is fully aware of the necessity to operate its business efficiently and continuously. Thus, Human Resources Management Division has been tasked with formulating a succession plan to ensure that the Bank has identified executives or talents as successors and an appropriate training and development plan to up-skill each individual to be ready to replace key positions with immediate effect or within the specified timeframe. The significant process requiring approval by the Nomination and Remuneration Committee and the Board of Directors is as follows:

1. Identify key positions in each Group/Division
2. Identify successor's required qualifications/core competencies
3. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions with immediate effect or within a year
4. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions in more than a year
5. Identify talents in key areas as high potential resources to be successors within the respective timeframe
6. Provide training and development plan for the identified staff to up-skill and bridge any gaps
7. Review and complete annual succession plan for approval by the Nomination and Remuneration Committee and the Board of Directors

I. Organisation and Employees

As of 31 December 2012, the total manpower of the Bank stood at 2,779 employees, comprising 1,136 staff working at Bank branches and 1,643 staff working at the head office.

Department	No of employees
1. President and Chief Executive Officer	1
2. Corporate Banking Group	83
3. Corporate Finance Group	7
4. Investment Banking Group	18
5. Retail Banking Product Division	120
6. Consumer Sales and Distribution Division	1,199
7. Credit Cards Division	14
8. Commercial Banking Group	161
9. Treasury Group	55
10. Transaction Banking Group	55
11. Risk Management Group	91
12. Business Support Group	83
13. Strategy and Finance Group	103
14. Group Information and Operations Division (GIOD)	603

15.	Human Resources Management Division	74
16.	Office of the President	13
17.	Corporate Communications Division	18
18.	Internal Audit Division	61
19.	Compliance Department	20
	Total	2,779

Staff Development Programme and Human Resources Management Plan

In 2012, the Bank began using LMS (Learning Management System) as e-learning tool, to manage key administrative processes in human resources management. This system made training more efficient and allowed employees to learn about bank policy such as operational risk, CIMB Clicks, workrule, KYC/CDD, etc.

Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health checkup, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan in order to compete with other leading banks as well as to attract and retain talented and competent staff. The total fixed salary paid to Bank employees for the fiscal year was THB 1,592.74 million. To become an employer of choice, the Bank will continue to improve its staff benefits to attract and retain quality staff.

Training Courses and Human Resources Development

In 2012, the Bank organised 204 training courses, comprising 99 internal and 105 external courses at a total cost of THB 23.25 million. The number of participants was 18,772 people, which meant some employees attended more than one course over the year. The average ratio of training for staff was 8 days per person per year. Courses conducted by the Bank included the Leadership Programme, Business English Programme, and Branch Preparation. Employees were further encouraged to learn via e-learning system on such topics as business English, KYC/CDD, operational risk, CIMB Thai workrule, code of conduct, etc. There are activities for staff to share ideas under “The Idea Project” in order to draw creative ideas from CIMB Thai staff and have them translated into practice for work process and product/service improvement and development.

Human Rights Policy and Procedure

The Bank has established Human Rights Policy and Procedures to ensure its directors, executives and employees comply with and respect human rights as prescribed in the Thai Constitution. This includes the right to equal treatment irrespective of differences in homeland, race, religion, sex, age, personal status, social or financial status, religious beliefs, education, or political viewpoints which are not against the provisions of the Constitution. These policy and procedures also provide for the Bank to withdraw its support from, or not engage with, individuals or organisations which are proven to have acted in breach of these human rights.

Policy of Non-violation of Intellectual Property Rights or Copyright

The Bank does not support its directors, executives and employees operating in violation of intellectual property rights or copyright. This includes duplicating, modifying or disseminating creative works with copyrights to the public without permission from the copyright owners.

Anti-Bribery and Corruption Policy

The Bank has set up a policy to act against bribery and corruption. It has determined that directors, executives and employees of the Bank shall strictly follow good governance principles and not seek unlawful gains for themselves or others. To this aim, it has instituted Anti-Bribery and Corruption Policy and Procedures, in accordance with relevant laws, to prevent and eliminate bribery and corruption within the Bank.

Policy for Reporting of Interests of Directors and Executives

In order to control and monitor transactions made between the Bank and its directors, executives and related persons, the Bank has formulated a policy for reporting the interests of directors and executives (reports of interests). Directors and executives of the Bank shall submit their reports and reports of related persons within seven business days from the end of each fiscal quarter as well as when there are changes (if any). In addition, they are required to submit copies of such reports to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within seven working days from the date the reports are received by the Company Secretary.

CIMB Thai's Focus on Long-term Shareholder Value

The Bank continues to build long-term value for its shareholders through sustainable earnings growth and maintaining of a solid capital base to support risks associated with its diversified businesses.

Our Shareholders

Top 10 shareholders of the Bank as of 28 December 2012:

No.	Name of shareholders	Number of shares	% of total
1.	CIMB Bank Berhad	19,757,944,173	93.71
2.	Societe Generale Bank & Trust, Singapore Branch	647,452,040	3.07
3.	Thai NVDR Co., Ltd.	137,984,304	0.65
4.	Mr. Pisit Prukpaiboon	31,196,797	0.15
5.	Mr. Sombat Panichsheewa	28,325,310	0.13
6.	Mrs. Sujitra Dusitanon	13,000,000	0.06
7.	Mr. Prawit phansaichue	12,185,000	0.06
8.	Mr. Nattapong Phanrattanamongkol	8,813,700	0.04
9.	Mrs. Jaroonluk Panichsheewa	8,190,000	0.04
10.	SCB SET Index Fund	5,804,784	0.03
	Other shareholders	433,981,917	2.06
	Total 6,663 shareholders holding	21,084,878,025	100.00
	Thai shareholders	669,876,531	3.18
	Foreign shareholders	20,415,001,494	96.82
	Total number of shares	21,084,878,025	100.00

* Major shareholders with significant influence over planning and directing the Bank's operations are CIMB Bank Berhad, with 93.71% of the total issued and paid-up shares of the Bank.

Dividend Policy of CIMB Thai

The Bank's policy is to allocate dividend to shareholders at not over 40% of its net profit (after corporate income tax) of the operational year. Article 43 of the Bank's Articles of Association states: "No dividend shall be paid otherwise than out of profits. If the Company has incurred accumulated losses, no dividend may be paid. The remaining profit from paying the dividend can be allocated as the reserve funds as the Board of Directors may think fit. The Board of Directors may pay interim dividend to shareholders from time to time as it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders at the next meeting. The payment of dividend shall be made within the time prescribed by law and the written notice of such payment of dividend shall be sent to the shareholders and also be published in a newspaper." With respect to the Bank's subsidiary companies, the decision to declare a dividend payment is at the discretion of the respective subsidiaries' Boards of Directors and is dependent upon the subsidiaries' net earnings.

CIMB THAI

MANAGEMENT STRUCTURE

1. Board of Directors.
2. Board Committees: Audit Committee, Nomination and Remuneration Committee, Shariah Sub-Committee, Management Committee, Risk Management Committee, Credit Risk Committee, Credit Committee Level 2, Retail Business Committee, Assets and Liabilities Management Committee, IT Strategic Planning Committee, Market Risk Committee Thailand, Marketing and Communications Committee, Thai Credit Card Committee, Community Link Project Task Force, Product Development Committee, and Credit Committee Level 3.

A. BOARD OF DIRECTORS

1. Non-executive director

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

2. Executive director

Means a director who holds an executive position, or a director who is in charge of any action deemed to be taken by an executive, and shall include any authorised director.

3. Director who is delegated authorised signatory

Means one or several director(s) authorised by the Board to execute contracts or other written instruments on behalf of the Bank.

3. Director who is delegated authorised signatory

Means one or several director(s) authorised by the Board to execute contracts or other written instruments on behalf of the Bank.

4. Independent director

Means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision. An independent director of a public listed company is also required to comply with the provisions in the Capital Market Supervisory Board Notification No. ThorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows:

- (a) Hold shares not exceeding one per cent of the total number of shares with voting rights of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, including shares held by related persons of such independent director;
- (b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated 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 the application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;
- (c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;
- (d) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgement, and neither be nor have been a significant shareholder or controlling

person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office.

The term 'business relationship' under the first paragraph shall include any normal business transaction for business operation, rent or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar action, which result in the Bank or the counterparty being subject to indebtedness to the other party in the amount of three percent or more of the net tangible assets of the Bank or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated by the valuation method applicable to connected transactions pursuant to the Capital Market Supervisory Board Notification regarding criteria on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurring during the period of one year prior to the date on which the business relationship with the person commences;

- (e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office;
- (f) Neither be nor have been a provider of any professional services including those as legal advisor or financial advisor who receives service fee exceeding THB 2 million per year from the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be 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 the application with the Office;
- (g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;
- (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives a salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;
- (i) Have no other characteristics which would disable expression of independent opinions on the Bank's business operations.

Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis.

B. POWERS OF BOARD OF DIRECTORS

1. Appoint and remove regular and temporary employees, determine payment of bonus and compensation to regular and temporary employees or any person doing business for the Bank, and declare dividend payment to shareholders;
2. Establish Board committees as deemed necessary to assist the Board in overseeing the Bank's business affairs, and determine remuneration for committee members as appropriate;
3. Appoint any person as adviser to the Board to give opinion on the Bank's business affairs, and determine remuneration as appropriate;
4. Delegate authority to any one or more director(s) or other person(s) to perform any duty on behalf of the Board;
5. At the Board meeting, each director shall have one vote. Director with beneficial interests in any matter shall not be entitled to vote on that matter. In the event of a vote tie, the Chairman of the meeting shall have the casting vote.

C. DUTIES AND RESPONSIBILITIES OF BOARD OF DIRECTORS

Basic responsibility of the Board is to exercise judgment on the business operations in a manner that they reasonably believe to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

1. Set vision, targets, policies, strategies, administration, utilisation of resources, and business standards and framework of the Bank; and monitor and supervise the Bank's business operations to ensure efficient and effective discharge of functions in accordance with the policies set forth.
2. Select individuals qualified for directorship and make recommendation thereof to the shareholders' meeting for election as directors, as well as encourage the shareholders to nominate candidates for election as directors.
3. Select qualified individuals from diverse professional backgrounds and with a broad spectrum of experience and expertise for appointment to executive management positions.
4. Review and approve budgets proposed by executive management under joint consideration with executive management.
5. Delegate authority for day-to-day management to executives based on agreed objectives and targets, except when the matter is of high significance and not in normal course of business of the Bank and hence warrants the Board's attention, such as change in the Bank's capital structure, investment in other business, business merger, disposal of assets and capital expenditure; or in case where the Board's ratification is required, including the matter with conflict of interest, and an approval by the shareholders' meeting has to be sought; the Board is duty-bound to give opinion to the shareholders on such matter.
6. Determine the issues to be brought to its attention by executive management.
7. Set measures for executive management to communicate and ensure there is communication of operational targets and policies to Bank staff at all levels.
8. Monitor and supervise executive management's business operations to ensure compliance with relevant laws and regulations as well as contractual terms and conditions.
9. Monitor and ensure that the Bank has in place efficient and effective risk management system.
10. Monitor and ensure that the Bank has in place adequate, proper and efficient internal control system for the benefit of the Bank; formulate and implement a clear procedure to cope with conflict of interest; put in place policies and processes preventing executive management and other concerned parties from using confidential inside information for personal gains; and assess and review the adequacy of the Bank's internal controls every year-end.
11. Ensure that all stakeholders are treated fairly.
12. 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 important disclosures; and supervise to ensure that processes are in place for implementing a sound accounting system and proper accounting records are kept for future references.
13. Ensure that processes are in place for reporting of operating results in comparison with the targets and the problems arisen so that the Board can monitor, improve and rectify the plans and strategies as appropriate.
14. Establish procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, taking into account risks and responsibilities involved as well as added value to shareholders in the long run.
15. Review the pay structure and criteria for authorising bonuses, incentives and benefits for regular and temporary staff or any person doing business for the Bank, regardless of whether on a regular basis or not, as recommended by executive management.
16. Appoint any person as adviser to the Board, or seek professional advice from an external adviser, to give opinion and suggestion on the Bank's business affairs at the expense of the Bank; and determine the remuneration for whom as deemed appropriate.
17. Appoint Board committees as necessary to assist the Board in overseeing the Bank's business affairs in the areas assigned, and determine the remuneration for whom as deemed appropriate. Board committees may, at

the Bank's expense, engage independent experts to give additional advice and also have regular staff available to assist in data compilation and coordination to support the Board committees' discharge of duties.

18. Ensure that adequate, accurate and reliable information is disclosed in a timely manner.
19. Appoint Board secretary to assist the Board in managing its business affairs and ensure compliance with the relevant laws, rules and regulations.
20. Put in place corporate governance principles and business ethics, Board and Board committee charters, and human resource management policies.
21. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organisation.
22. Conduct self-assessment every year.

The Board shall under no undue influence make independent decisions, or objections in case of disagreement or conflict of interests, and make approvals of matters or recommendation to the shareholders' meeting for approvals as appropriate, based on the following principles:

Sufficiency:

- To act in the best interests of the Bank;
- To exercise sound and prudent judgment; and
- To decide dispassionately without consideration of personal gains.

Prudence:

- To act with due care taking all steps in the manner a director should take under similar circumstance;
- To make informed decisions; and
- To act with reasonable grounds that information is reliable and correct.

Integrity:

- To act in good faith;
- To make decisions free of possible or appearance of conflict of interest; and
- Not to make use of the Bank's information and opportunities for personal or other persons' gains.

D. SELECTION, APPOINTMENT AND REMOVAL OF DIRECTORS

The Board of Directors shall be elected by the shareholders. The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board shall accordingly appoint Nomination and Remuneration Committee to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending them through the Board before submitting to the meeting of the shareholders for approval and appointment. This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association as follows:

1. According to the shareholders' resolution, the Board of Directors shall comprise no fewer than 5 and no more than 12 members, with at least half the board members having domicile in Thailand.
2. Clause 16 of the Bank's Articles of Association provides for the following voting procedure:
 - (1) Each shareholder shall have the number of votes equal to the number of shares held. One share is entitled to one vote;
 - (2) 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 of either an individual or several directors, each elected person shall receive votes from each shareholder in the full amount of shares held by that shareholder pursuant to (1). The shareholder shall not allot his/her votes to any person in any number; and

- (3) After the voting, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the number required in the election. Where the votes cast for candidates in the descending order are tied, and 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 of the meeting.
3. 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.
4. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/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 addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the Bank of Thailand (BOT) is empowered to issue an order requiring a commercial bank to remove from office any director or any person in charge of business operation that has caused serious harm to the society at large, or has failed to comply with the directives prescribed by the BOT. In this respect, the Bank is obliged to select a suitable replacement subject to approval by the BOT. The decision taken by the BOT to appoint or remove any director is conclusive.

Board of Directors

As of 31 December 2012, the Board of Directors was composed of the following 8 directors:

Name	Positions
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 Unchitti	Director
7. Mr. Kenny Kim	Director
8. Mr. Subhak Siwaraksa	President and Chief Executive Officer

Directors Nominated by Major Shareholder

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 of the Bank are Mr. Preecha Unchitti and Mr. Subhak Siwaraksa, with both of whom to jointly sign and affix the Bank seal.

E. BOARD COMMITTEES (AS OF 31 DECEMBER 2012)

The Board has appointed the following principal committees to assist it in overseeing and ensuring the Bank's business operations with prudence and efficiency:

- | | |
|--------------------------|--|
| 1. Audit Committee | 2. Nomination and Remuneration Committee |
| 3. Shariah Sub-Committee | 4. Management Committee |

- | | |
|--|---|
| 5. Risk Management Committee | 6. Credit Risk Committee |
| 7. Credit Committee Level 2 | 8. Retail Business Committee |
| 9. Assets and Liabilities Management Committee | 10. IT Strategic Planning Committee |
| 11. Market Risk Committee Thailand | 12. Marketing and Communications Committee |
| 13. Thai Credit Card Committee | 14. Community Link Project Task Force Committee |
| 15. Product Development Committee | 16. Credit Committee Level 3 |

1. Audit Committee (AC)

The Audit Committee is composed of:

1. Mr. Sukont Kanjana-Huttakit	Independent Director	Chairperson
2. Dato' Shaarani Bin Ibrahim	Independent Director	Member
3. Mrs. Watanan Petersik	Independent Director	Member
Secretary to the Audit Committee:		
Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division	Secretary
Mr. Thaphop Kleesuwan	Executive Vice President Compliance Department	Secretary

Powers, Duties and Responsibilities:

1. Examine, evaluate and ensure the adequacy of systems of internal controls.
2. Ensure that processes are in place for maintaining the integrity of the Bank's financial statements and financial disclosures, including those of related parties.
3. Monitor compliance with 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 to enhancing its value and ensuring the long-term organisational health of the Bank.
5. Examine and evaluate the effectiveness of risk management and governance processes; and provide credit review as required by the Bank of Thailand.
6. Review and approve the annual audit plan and annual budget for the Internal Audit Division and Compliance Department, with assurance of its relevance and effectiveness.
7. Review the financial statements and recommend to the Board and the shareholders the appointment of external auditor, and the appropriate remuneration thereof.
8. Review the internal audit report, including the issues observed and recommendations made by the internal auditors, the examiners from the Bank of Thailand, the external auditor and other competent authorities; and ensure that tangible steps are taken to implement the recommendations.
9. Produce and publish in the Bank's annual report the Audit Committee's report pursuant to the corporate governance guidelines and signed by Chairman of the Audit Committee.
10. Perform any other assignments as delegated by the Board.

Scope: CIMB Thai Bank group-wide

2. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is composed of:

1. Mrs. Watanan Petersik	Independent Director	Chairwoman
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2. Dato' Robert Cheim Dau Meng	Vice Chairman	Member and Alternate Chairperson
3. Dato' Shaarani Bin Ibrahim	Independent Director	Member
4. Mr. Kongpob Watanasin	Executive Vice President Human Resource Management Division	Secretary

Powers, Duties and Responsibilities:

1. Nomination:

- Formulate policy, criteria, and method for proposing candidates for directors and persons with management authority (EVP and Above) to the Board for consideration and appointment, and submit the policy to the Bank of Thailand upon request.
- Nominate qualified candidates for the following positions to the Board of Directors for approval:
 - a. Director,
 - b. Director appointed to sit on Board committee,
 - c. Managerial position of Executive Vice President and above.
- Ensure that the size and composition of the Board is appropriate for the organisation and is adjustable to suit the changing business environment. Board members shall possess appropriate expertise and experience.
- Disclose the nomination policy and procedures in the Bank's annual report.
- Consider the appointment and fixing of remuneration of directors of the Bank's subsidiaries and recommend them to the board of directors of the subsidiaries for approval.

2. Remuneration:

- Recommend remuneration and benefit policy as well as amount of remuneration and benefits for the Board members and persons with managerial authority (Executive Vice President and above) with clear and transparent criteria for consideration and approval by the Board; and have such policy submitted to the Bank of Thailand upon request (Remuneration and benefit policy should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind).
- Ensure that remuneration for the Board members and persons with managerial authority (Executive Vice President and above) is commensurate with their duties and responsibilities. Board members who take on extra assignments should be compensated accordingly.
- Set performance assessment criteria for Board members and persons with managerial authority (Executive Vice President and above) for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
- Disclose the remuneration policy, actual payment thereof in various forms, and NRC's report that at least covers the objectives, activities and opinion of the NRC in the Bank's annual report.
- Review the remuneration schemes for employees of the Bank in line with the industry practices and remuneration framework of CIMB Group.
- Consider and recommend to the Board for approval the annual salary adjustment and bonus framework for CIMB Thai Group.

3. Consideration of other matters as assigned by the Board.

3. Shariah Sub-Committee

The Shariah Sub-Committee is composed of independent Islamic finance experts who are not Bank employees and/or hold no other positions in the Bank, as below:

1. Assoc.Prof. Dr. Ismaae Alee
2. Dr. Maroning Salaming

Power, Duties and Responsibilities:

1. Explore all possibilities in providing financial services in the conduct of Shariah business by the Bank and its subsidiaries.
2. Give opinions and propose relevant issues to Shariah business to the Board of Directors and/or other Board Committees involved.

4. Management Committee (MC)

The Management Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairperson
2. Mr. Subhak Siwaraksa	Acting Head, Investment Banking Group	Member
3. Mr. Surachai Chitratsene	Senior Executive Vice President Commercial Banking Group	Member and Alternate Chairperson
4. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
5. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
6. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
7. Mr. Silawat Santivisat ^{/1}	Senior Executive Vice President Group Information and Operations Division	Member
8. Mr. Adisorn Sermchaiwong ^{/2}	Senior Executive Vice President Consumer Sales and Distribution Division	Member
9. Mr. Sutee Losoponkul	First Executive Vice President Treasury Group	Member
10. Mr. Vorakan Dhepchaler	First Executive Vice President Acting Head, Corporate Banking Group	Member
11. Mr. Songwud Buakhem	Executive Vice President Business Support Group	Member
12. Ms. Dusanee Klewpatinontha ^{/3}	Executive Vice President Retail Banking Product Division	Member
13. Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
14. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Member
15. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President	Secretary
<u>By invitation</u> Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division	

Notes:

^{/1} The Board of Directors meeting no. 7/2012, held on 28 June 2012, resolved to seek approval from the Bank of Thailand (BOT) to appoint Mr. Silawat Santivisat as Senior Executive Vice President, Group Information and Operations Division, replacing Mr. Wee Kim Peng, effective from 1 September 2012.

^{/2} The Board of Directors meeting no. 7/2012, held on 28 June 2012, resolved to seek approval from the BOT to appoint Mr. Adisorn Sermchaiwong as Senior Executive Vice President, Consumer Sales and Distribution Division, replacing Mr. Thanachai Thanachaiy, effective from 11 September 2012. Later, the Board of Directors meeting no. 12/2012, held on 29 November 2012, approved to

set up Retail Banking Group (merger of Consumer Sales and Distribution Division, Retail Banking Products Division, and Credit Card Division), and appoint Mr. Adisorn Sermchaiwong, Senior Executive Vice President, Consumer Sales and Distribution Division, as Senior Executive Vice President, Retail Banking Group, effective from 1 January 2013.

3/ Ms. Dusanee Klewpatinontha, Executive Vice President, has been assigned to take charge of Saving and Secured Products, effective from 1 January 2013.

Powers, Duties and Responsibilities:

1. Provide advice to the President and CEO.
2. Monitor and evaluate performance of each business unit.
3. Review financial and other management reports of the Bank.
4. Devise strategic plan, business plan, and capital and budget management plan of the Bank.
5. Identify and set cross-functional and cross-border synergies.
6. Deliberate on key regulatory issues.
7. Approve delegated authorities on internal operations of non-risk related business units.
8. Approve, revise and review the Bank's internal policies relating to administration/operation/other issues which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of delegation of authority and policies in relation to and caused by the Bank's reorganisation.
10. Approve the appointment and change of committee members, and duties and responsibilities of Community Link Committee and Marketing and Communications Committee.
11. Consider and decide on non-financial issues under 1Platform Project.
12. Review, give opinions, consider and approve the proposed legal provision in case the Bank and executives are taken lawsuit as recommended by Corporate Legal Division.
13. Approve third party products without any material change that have already been approved by Risk Management Committee.
14. Other matters as assigned by the Board/President & CEO.

Scope: CIMB Thai Bank group-wide

5. Risk Management Committee (RMC)

The Risk Management Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Kenny Kim	Director	Member and Alternate Chairman
3.	Mr. Surachai Chitratsene	Senior Executive Vice President Commercial Banking Group	Member
4.	Mrs. Panute Na Chiangmai or Mrs. Thitawat Pothanant	Senior Executive Vice President Risk Management Group First Executive Vice President Credit Evaluation Division	Member
5.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
6.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
7.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member

8.	Mr. Sutee Losophonkul	First Executive Vice President Treasury Group	Member
9.	Mr. Vorakan Dhepchalm	First Executive Vice President Acting Head, Corporate Banking Group	Member
10.	Mr. Songwud Buakhem	Executive Vice President Business Support Group	Member
11.	Ms. Dusanee Klewpatinontha	Executive Vice President Retail Banking Product Division	Member
12.	Representative from Risk Management Group		Secretary

Powers, Duties and Responsibilities:

1. Allocate capital-at-risk (CAR) and set global risk limits, with CAR allocated for different business units and by various risk type in a manner that can ensure appropriate risk diversification so that the Bank and companies in the financial business group will have sufficient capital to cope with risks in case of crisis.
2. Enhance shareholder value through evaluation of risk-return profiles of business activities to ensure that they are conducted in the business parameters set by the Board of Directors.
3. Risk management policies:
 - 3.1 Review all risk management frameworks and policies of the Bank to ensure appropriateness and relevance with overall policies of its financial business group, and compliance with risk management best practice, relevant regulatory rules and regulations, as well as review the adequacy and appropriateness of resources to manage the risks;
 - 3.2 Review and concur on credit risk limits and market risk limits prior to submission to the Board of Directors for approval;
 - 3.3 Review and concur on the Bank's investment policies on equity, debt and hybrid securities prior to submission to the Board of Directors for approval; and
 - 3.4 Approve risk management frameworks and policies of the Bank including reviews and revisions thereof which are not required by the relevant regulatory bodies to be approved by the Board of Directors.
4. Compliance
Monitor to ensure work units' compliance with all risk management frameworks and policies and/or risk limits set by the various risk committees.
5. Risk identification and measurement
 - 5.1 Consider and approve methodologies to identify and measure risks, as well as use of appropriate risk measurement tools; and
 - 5.2 Consider and approve strategies to assess, monitor and control risks to be within the appropriate levels.
6. Maintaining of asset quality
Monitor closely credit provision and approval process, and accelerate NPL remedial actions to enhance confidence in maintaining asset quality of the Bank's financial business group.
7. Consider and concur on business continuity management framework and policy, as well as review and revise the frameworks and policies prior to submission to the Board of Directors for approval.
8. Review and approve all risk related delegation of authority including credit approval delegation of authority of various work units.
9. Consider and propose the appointment of committees relating to risk management to the Board of Directors for approval.
10. Consider and approve the appointment and changes of committee members as well as powers, duties and responsibilities of the following committees:
 - 10.1 Basel II Steering Committee;
 - 10.2 Operational Risk Management Committee; and
 - 10.3 Credit Risk Committee.

11. Consider and approve the appointment and changes of members of Credit Committee Level 3 as appropriate.
12. As Risk Management Committee of CIMB Thai's financial business group, review and concur on the following issues prior to submission to the board of directors of respective subsidiaries for approval:
 - 12.1 All risk management frameworks and policies to ensure relevance with risk management policies of the financial business group of the Bank, risk management best practice, and relevant regulatory rules and regulations;
 - 12.2 Business continuity management policy;
 - 12.3 Credit risk limits and market risk limits; and
 - 12.4 Delegation of authority to approve credits under product programs.

6. Credit Risk Committee (CRC)

The Credit Risk Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mrs. Panute Na Chiangmai (Representative from Risk Management Group)	Senior Executive Vice President Risk Management Group	Member and Alternate Chairperson
3.	Mr. Narongchai Wongthanavimok*	Senior Executive Vice President Strategy and Finance Group	Member
	or Mrs. Pannee Deesilpakij	Senior Vice President Wholesales Finance Team	Alternate Member
4.	Mr. Surachai Chitratsene*	Senior Executive Vice President Commercial Banking Group	Member
	or Mr. Somkiat Sethasompope	Senior Vice President Commercial Credit Analysis Team	Alternate Member
5.	M.L. Nathchanya Davivongse*	Senior Executive Vice President Transaction Banking Group	Member
	or Mrs. Wadaporn Techasuwan	Executive Vice President Trade Finance Sales & Product Division	Alternate Member
6.	Mr. Vorakan Dhepchalerm*	First Executive Vice President Acting Head, Corporate Banking Group	Member
	or Mr. Tada Potiwihok	Executive Vice President Corporate Banking Division 2	Alternate Member
7.	Ms. Dusanee Klewpatinontha*	Executive Vice President Retail Banking Product Division	Member
	or Ms. Papin Dhanasrivanichchai	Senior Vice President Loan Products Team	Alternate Member
8.	Head*	Operations Division	Member
	or Mr. Thiti Supamanee	Senior Vice President Credit Operations Department Acting Head, Operations Division	Alternate Member
9.	Mr. Songwud Buakhem*	Executive Vice President Business Support Group	Member
	or Ms. Suvimol Phoponvattanakorn	First Vice President Corporate Litigation Team	Alternate Member

10.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Evaluation Division	Member
11.	Mrs. Kampoo Visuthiphol (Representative from Risk Management Group)	Senior Vice President Policy and Consolidated Risk Management Team	Member
12.	Mr. Santi Singh-Apinant	Vice President Credit Policy and Risk Policy & Procedure	Secretary

* Mandatory members, if being unable to attend the meeting, must appoint their respective alternate members to attend the meeting.

Powers, Duties and Responsibilities:

The Credit Risk Committee reports to the Risk Management Committee on all credit related activities of CIMB Thai Group, with powers, duties and responsibilities as below:

1. Review the change/improvement of policies on credit transactions and investments in debt instruments or hybrid financial instruments, covering policies on credit-related products and transactions of all types of the Bank or companies in its financial business group; and provide recommendation to the Risk Management Committee or the Board of Directors (as the case may be) for approval.
2. Monitor credit quality of the Bank and companies in the financial business group including recovery actions to be taken on troubled debts.
3. Review and concur on credit risk limits prior to submission to the Risk Management Committee and the Board of Directors for approval.
4. Set policy and criteria in relation to management of non-performing assets (NPAs) obtained from the transfer of collateral assets for debt setoff or from auction of the collateral assets before submission to the Risk Management Committee and the Board of Directors for approval.
5. Review and concur on methodologies and tools for the measurement of credit risk prior to submission to the Risk Management Committee for approval.
6. Other matters as assigned by the Risk Management Committee.

Scope: CIMB Thai Bank's financial business group

7. Credit Committee Level 2 (CC2)

The Credit Committee Level 2 is composed of:

1.	Mr. Preecha Unchitti	Director	Chairman
2.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Alternate Chairman
3.	Mr. Surachai Chitratsene	Senior Executive Vice President Commercial Banking Group	Member
4.	Mrs. Panute Na Chiangmai (Representative from Risk Management Group)	Senior Executive Vice President Risk Management Group	Member
5.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
6.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member

	or Mrs. Wadaporn Techasuwan (Representative from Transaction Banking Group)	Executive Vice President Trade Finance Sales & Product Division	
7.	Mr. Vorakan Dhepchalerm	First Executive Vice President Acting Head, Corporate Banking Group	Member
8.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Evaluation Division	Member
9.	Mr. Songwud Buakhem	Executive Vice President Business Support Group	Member
10.	Credit Committee Level 2 Secretary Team		Secretary

Powers, Duties and Responsibilities:

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

1. Review and approve credit facilities, commitments, and investments in debt instruments or hybrid financial instruments without embedded derivatives for customers and/or groups of customers having aggregate limits not exceeding THB 500 million.
2. Review and approve annual review, changes in terms and conditions for credit facilities extended to customers and/or groups of customers having aggregate limits up to lending limits prescribed by the Bank of Thailand.
3. Recommend for the Board approval, where necessary, all credit proposals and/or investments in debt instruments or hybrid financial instruments without embedded derivatives which exceed THB 500 million, and 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 transactions that exceed pre-approved credit limits.
5. Ensure overall loan portfolios of the Bank and companies in its financial business group comply with the supervisory guidelines prescribed by the Bank of Thailand and relevant regulatory authorities, and accord with the Bank's credit policies and procedures.
6. Review and approve recovery actions to be taken against cases within the Credit Committee Level 2's sanction and review loan classification, loan loss provisions and write-offs including:
 - 6.1 Approval of debt restructuring/debt settlement with or without hair cut/write-off (if any) within the existing loan loss provision for credit facilities extended to customers and/or groups of customers having aggregate limits not exceeding THB 500 million;
 - 6.2 Approval of debt restructuring/debt settlement without hair cut/write-off for credit facilities extended to customers and/or groups of customers having aggregate limits up to lending limits prescribed by the Bank of Thailand.
7. Assess the risk and return trade-off when approving credit facilities to ensure that such credit facilities are within the risk appetite of the CIMB Thai group.
8. Determine, review and override baseline obligor rating of each loan as deemed appropriate.
9. Review and approve management of non-performing assets (NPAs) obtained from transfer of collateral assets by debtors to settle debts or from public auction of the collateral assets, including approval of sale price, sale procedures/payment conditions and sale of NPAs to any particular person or group of persons, the costs of which shall not be over THB 500 million.
10. Recommend to the Boards of companies in the Bank's financial business group for approval of credit facilities, investments and debt restructuring/debt settlement with or without hair cut/write-off (if any) within the existing loan loss provision for customers and/or groups of customers having aggregate limits up to lending limits prescribed by the Bank of Thailand, including any proceeding in relation to NPAs.

11. Other matters as assigned by the Board of Directors.

Note: Aggregate limit means total amount of credits granted to and/or contingent liabilities undertaken for and/or investments made in customers and/or groups of customers, or total amount of outstanding principal and accrued interest and/or outstanding contingent liabilities and/or investment obligations made in investments, whichever is higher.

Scope: CIMB Thai Bank's financial business group

8. Retail Business Committee (RBC)

The Retail Business Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Sales and Distribution Division	Alternate Chairman
3.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
	or Mrs. Kampoo Visuthiphol	Senior Vice President Policy and Consolidated Risk Management Team	
4.	Mr. Narongchai Wongthanaivimok	Senior Executive Vice President Strategy and Finance Group	Member
5.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
6.	Ms. Dusanee Klewpatinontha	Executive Vice President Retail Banking Product Division	Member
7.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Member
8.	Mr. Thiti Supamanee	Senior Vice President Credit Operations Department Acting Head, Operations Division	Member
9.	Mr. Sutee Tantana	Senior Vice President Retail Business Finance Team	Member and Secretary

Powers, Duties and Responsibilities:

1. Formulate strategies and initiatives for retail business growth taking into consideration the prevailing market conditions and the Bank's resources, competitive environment and risk appetite.
2. Analyse medium to long-term development strategies and investment decisions of the Retail Banking Product Division, Cards and Unsecured Loans Division and Consumer Sales & Distribution Division, and the subsidiaries in retail business, including lending, collection, deposit-taking, branch and branch services and back office infrastructure (hereinafter referred to as "Retail Business"), for submission to the Management Committee.
3. Concur on business plans and budgets; review and approve campaign calendars; and review and monitor overall performance of Retail Business including campaign execution.
4. Approve new campaigns which have no material impact on risk, including but not limited to the concept, schedule, marketing plan, incentive* scheme, and sales target allocation.

5. Facilitate effective campaign execution including but not limited to sales force training program, after-sales service, operational efficiency, help-desk setup, and others.
 6. Approve credit related product campaigns which are under the existing approval guidelines and conditions that have already been approved by the relevant committees.
 7. Approve the execution of marketing plans, including above-the-line (ATL) and below-the-line (BTL) campaigns that have already been approved by the Marketing and Communications Committee.
 8. Approve the expenditure for advertisement, sales promotion and others in relation to marketing plan based on the annual business plan and annual budget approved by the Board of Directors.
 9. Approve special interest rates and fees for marketing and sales promotion, for which the meetings shall have the attendance of representative(s) from Treasury.
 10. Approve new incentive scheme designed for the Bank's sales force and any changes in relation to framework and payout of the existing scheme, as delegated by the Board of Directors and Nomination and Remuneration Committee to the President and CEO.
 11. Perform any other functions as designated by the Management Committee or the President and CEO.
- * Incentive means any form of payment to the Bank's employees in form of cash or other properties on top of remuneration in form of salary.

9. Assets and Liabilities Management Committee (ALCO)

The Assets and Liabilities Management Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member and Alternate Chairman
3.	Mr. Surachai Chitratsenee	Senior Executive Vice President Commercial Banking Group	Member
4.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
5.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
6.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Sales & Distribution Division	Member
7.	Mr. Sutee Losoponkul	First Executive Vice President Treasury Group	Member
8.	Mr. Vorakan Dhepchaleram	First Executive Vice President Acting Head, Corporate Banking Group	Member
9.	Ms. Dusanee Klewpatinontha	Executive Vice President Retail Banking Product Division	Member
10.	Ms. Panawan Wongakkarakul	Executive Vice President Balance Sheet Management/Structured Banking Product/Rates & Funding Division	Member
11.	Head	Term Structure Loan and Structuring Team	Member
12.	Head	Gapping Trading Team	Member
13.	Mr. Somchai Yongkrittaya	Senior Vice President Market Risk Team	Member

14. Mrs. Kanyaparnch Boonbandarn	First Vice President Balance Sheet Management Team	Member
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Powers, Duties and Responsibilities:

1. Ensure that the Bank is able to meet its cashflow obligations in a timely and cost effective manner even in times of financial market stress.
2. Ensure there is diversification of funding source and avoidance of dependence on volatile sources of funding (to be monitored via the report on top 10 depositors and limit on amount of funds from a single source as percentage of the funding requirement).
3. Decide on the level of liquidity reserves that need to be maintained in form of liquid assets.
4. Ensure compliance with liquidity requirements by the Bank of Thailand and periodically review all assumptions made as a consequence thereof.
5. Approve the contingency funding plan (CFP) and thereafter monitor the liquidity management action triggers and early warning system of the CFP, as well as periodically review the CFP and ensure readiness for operation and testing.
6. Approve liquidity and interest rate risk in banking book (IRRBB) and management action triggers (MATs).
7. Oversee the development of the stress test and the stress scenarios for liquidity risk and ensure the Bank is able to meet its obligations under the stress situation.
8. Recommend the risk and return objective for the Bank's balance sheet to the Board and thereafter approve all related balance sheet items.
9. Review, evaluate and approve strategic hedging proposals within limits approved by the Board.
10. Provide guidelines for determining special interest rates for business lines, excluding capital market 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 recommend to the Board for approval liquidity risk management policy and policy for managing interest rate risk on banking book.

Scope: CIMB Thai Bank group-wide

10. IT Strategic Planning Committee (ITSPC)

The IT Strategic Planning Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Alternate Chairman
3. Mrs. Panute Na Chiangmai or representative from Risk Management Group	Senior Executive Vice President Risk Management Group	Member
4. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
5. Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
6. Mr. Thiti Supamanee	Senior Vice President Credit Operations Department Acting Head, Operations Division	Member

7.	Mr. Arichai Numlamun	Senior Vice President Financial Infrastructure Department	Member
8.	Mr. Krishna Trithavornyuenyong	Executive Vice President Technology Division	Member and Secretary
9.	Mr. Boonkiat Ekwanich	First Vice President Information Technology Audit Department	Advisor

Powers, Duties and Responsibilities:

1. Determine short and long-term IT plans, project priorities and allocation of budget and resources.
 2. Determine IT strategic plan to support the strategic business plan of the organisation.
 3. Consider and decide on technological projects, acquisitions, and enhancement of efficiency of technologies as well as relevant equipment.
 4. Define and monitor the effectiveness in implementing key IT policies and procedures, such as IT security policy, IT governance policy and IT risk management framework, etc.
 5. Approve, revise and conduct annual reviews of the Bank's internal policies related to IT.
 6. Monitor the overall efficiency and quality, as well as performance of IT services.
 7. Monitor the progress of each IT project in line with the strategic plan approved.
 8. Appoint appropriate sub-committees or working groups as appropriate to carry out the relevant assignments.
 9. Approve IT project the cost of which exceeds THB 1 million but not over THB 100 million.
 10. Review and recommend IT project the cost of which exceeds THB 100 million.
 11. Approve the procurement or the hiring for IT project under a special process.
 12. Approve disbursement of the 1Platform R 1.1 budget of up to RM 24 million and R 2.0 budget of up to RM 2.467 million, totaling RM 26.467 million in budget.
 13. Ensure the success of the 1Platform project implementation through engagement with various stakeholders.
 14. Consider, decide on and approve the strategy, direction, timeline, resources, staffing, finances and budget of 1Platform project.
 15. Review status and approve key deliverables of the 1Platform project.
 16. Give advice on removal of roadblocks and provide ongoing support for the project teams.
 17. Review the project status.
 18. Ensure that the 1Platform project implementation and administrative structure comply with the Bank's governance guidelines.
 19. Resolve business-critical IT issues.
 20. Resolve cross-project functional and delivery issues.
 21. Consider post implementation review (PIR) papers for the duly implemented projects to ensure project management quality and deliverables being in line with business cases.
 22. Establish priorities and monitor status of IT projects to ensure compliance with service level agreements.
 23. Appoint Pre-ITSPC Review Team to review business case papers before submission to the ITSPC.
- Scope: CIMB Thai Bank group-wide.

11. Market Risk Committee Thailand (MRCT)

The Market Risk Committee Thailand is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member

3.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
4.	Mr. Vorakan Dhepchalerm	First Executive Vice President Acting Head, Corporate Banking Group	Member
5.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Evaluation Division	Member
6.	Mr. Songwud Buakhem	Executive Vice President Business Support Group	Member
7.	Ms. Sumalee Boonanan	Senior Vice President Treasurer's Office and Risk Analytics Team	Member
	Mr. Konthee Prasertwongse	Senior Vice President Debt Capital Markets & Syndicate Team	Alternate Member
8.	Mr. Somchai Yongkrittaya	Senior Vice President Market Risk Team	Member
9.	Representative from Risk Management Group		Secretary

Powers, Duties and Responsibilities:

- Evaluate underwriting proposals for primary and secondary market and off-market (resulting from mergers and acquisitions) deals for debt and equity instruments from the Bank's financial business group, namely:
 - Underwriting of initial public offering (IPO) of new common shares and rights issues and underwriting or bought deals for debt securities issuance;
 - Secondary market block placements, ensuring that the pricing of any proposal is adequate to compensate for the risk, sufficient measures are taken to mitigate risk amidst adverse market movement, and assessment is in place on the extent to which market conditions are conducive for the success of the deals.
- Approve in firm debt underwriting transaction for primary market of THB 500 million or less with the minimum debt rating of A-.
- Review and recommend to the Board of Directors/delegated Board member(s) of the Bank to approve the firm underwriting or bought deal for debt securities issuance.
- Review and recommend to the Board of Directors/delegated Board member(s) to approve the holding amount of any debt securities for market making purpose with the following conditions:
 - Debt securities are underwritten by the Bank;
 - Within 90 days from the issue date, the holding amount must be within the limit approved by the Board of Directors/delegated Board member(s);
 - After 90 days from the issue date, the holding amount must not exceed 15% of the underwriting amount subject to the overall cap of market making portfolio.

Scope: CIMB Thai Bank's financial business group

12. Marketing and Communications Committee

The Marketing and Communications Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Alternate Chairman

3.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
4.	Ms. Dusanee Klewpatinontha	Executive Vice President Retail Banking Product Division	Member
5.	Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
6.	Ms. Sunitta Yodsheewan	First Vice President Public Relations and CSR Team	Secretary

Powers, Duties and Responsibilities:

1. Provide strategic direction and guidance for CIMB Thai Bank group-wide in alignment with its brand management and positioning across all businesses and markets.
2. Review and approve all marketing plans, including above-the-line (ATL) and below-the-line (BTL) campaigns.
3. Address all elements with regards to general advertising spending and associated media exposure.
4. Review and approve all internal and external communications processes and mediums.
Scope: CIMB Thai Bank group-wide

13. Thai Credit Card Committee

The Thai Credit Card Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
3.	Mr. Krishna Trithavornyuenyong	Executive Vice President Technology Division	Member
4.	Ms. Dusanee Klewpatinontha	Executive Vice President Retail Banking Product Division	Member
5.	Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
6.	Mr. Thaphop Kleesuan	Executive Vice President Compliance Department	Member
7.	Mr. Thiti Supamanee	Senior Vice President Credit Operations Department Acting Head, Operations Division	Member
8.	Mrs. Savitree Kittisuwan	Senior Vice President Operational Risk Team	Member
9.	Ms. Pimonpan Tiyaprasertkul	Senior Vice President Credit Card Division	Member and Secretary

Powers, Duties and Responsibilities:

1. Ensure the success of Thai Credit Card project implementation through engagement with various stakeholders.
2. Decide on and approve the strategy, direction, timeline, resources, staffing, finances and budget of the project.
3. Review status and approve key project deliverables.
4. Ensure that the implementation is in compliance of the governance and administrative structure of the project.

14. Community Link Project Task Force Committee

The Community Link Project Task Force Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Sales and Distribution Division	Member
3.	Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
4.	Mrs. Hathaitip Hengtrakul	Senior Vice President Bangkok Metropolitan Branch Management Team	Member
5.	Senior Vice President	Provincial Branch Management Team	Member
6.	Mr. Tanit Onnuch	Vice President Commercial Banking Service and Support Section	Member
7.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Member and Secretary

Powers, Duties and Responsibilities:

1. Consider guidelines and directions for CIMB Thai Community Link projects.
2. Support/give guidance to CIMB Thai's CSR Team in Community Link project implementation to achieve the objective set forth.
3. Consider criteria and appropriateness in the selection of Community Link project activities.
4. Track project progress/give advice on implementing Community Link projects.

15. Product Development Committee (PDC)

The Product Development Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok*	Senior Executive Vice President Strategy and Finance Group	Member and Alternate Chairman
	or Mr. Arichai Numlamun	Senior Vice President Financial Infrastructure Department	Alternate Member
3.	Mrs. Panute Na Chiangmai*	Senior Executive Vice President Risk Management Group	Member
	or Ms. Suchada Phokasub	Senior Vice President Credit and Operational Risk Division	Alternate Member
4.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
	or Mr. Navapan Tonthadilok	Senior Vice President Business Strategy & Marketing Division	Alternate Member
5.	Mr. Silawat Santivisat*	Senior Executive Vice President Group Information and Operations Division	Member
	or Head	Transformation Office	Alternate Member

6.	Mr. Sutee Losoponkul	First Executive Vice President Treasury Group	Member
	or Mr. Padej Piroonsit	Executive Vice President Treasury Sales Division	Alternate Member
7.	Mr. Songwud Buakhem	Executive Vice President Business Support Group	Member
	or Head	Corporate Legal Division	Alternate Member
8.	Mr. Thaphop Kleesuwan*	Executive Vice President Compliance Department	Member
	or Ms. Sirin Sangwan	Vice President Banking Compliance Section	Alternate Member
9.	Ms. Dusanee Klewpatinontha	Executive Vice President Retail Banking Product Division	Member
	or Ms. Papin Dhanasrivanichchai	Senior Vice President Loan Products Team	Alternate Member
10.	Mr. Krishna Trithavornyuenyong*	Executive Vice President Technology Division	Member
	or Mr. Chatchai Dusadenoad	Senior Vice President Application Management and Delivery Department	Alternate Member
11.	Head*	Operations Division	Member
	or Mr. Thiti Supamanee	Senior Vice President Credit Operations Department Acting Head, Operations Division	Alternate Member
12.	Representative from Risk Management Group		Secretary

Invitees:

Ms. Siriporn Sanunpairaue, First Executive Vice President, Internal Audit Division (permanent invitee)
Head, Group/Division which is the product/business sponsor**

* Mandatory members, if being unable to attend the meeting, must appoint their respective alternate members to attend the meeting.

** Required to attend the meeting if relevant product(s)/service(s) are submitted to the PDC.

Powers, Duties and Responsibilities:

1. Evaluate and review proposals of new products/services, or variation or combination of the existing products/services of the Bank and its financial business group or third party products to be marketed by the Bank (hereinafter referred to as “products”).
2. Give approval-in-principle to new products/services, or material variation/combination of the existing products/services of the Bank and its financial business group.
3. Review the competitiveness of the products and ensure that the Bank and/or its financial business group have enough resources to launch the products and the products suit the needs and the financial capability of the targeted consumer segments.
4. Review and ensure that there is appropriate and adequate risk assessment of the products and the process/procedure in managing and controlling such risks are in place before launching the products.

5. Review the profitability of the products and ensure that the cost and benefit is justified.
6. Review the operational process to ensure that the IT systems and operating processes of the Bank or its financial business group is adequate or needs enhancement to accommodate the launch of the products.
7. Approve the Bank's IT system/process or system/process enhancement and the Bank's IT budget in the amount up to THB 5 million for launching each product.
8. Review and concur on the launch of the products prior to submission to the respective Boards of Directors for approval.
9. Review and approve non-material variation/combination of the existing products/services of the Bank.
10. Review and approve new products/services, or material variation or combination of the third party products/services.
11. Concur on the new third party (excluding CIMB Principal and CIMB Thai financial business group) prior to submission to the Board of Directors for approval.
12. Conduct post-launching review and assessment of the products/services of the Bank or the third party, and make recommendation for improvement thereof.

Scope: CIMB Thai Bank's financial business group

16. Credit Committee Level 3

The Credit Committee Level 3 is composed of:

Set 1:

1.1	Ms. Suwanna Leewiraphan	Chairperson
1.2	Mr. Narong Ongartmaneerut	Member
1.3	Mr. Suwat Summashipvitsavakul	Member
1.4	Mr. Suraphol Thipvilai	Member
1.5	Mr. Chalernpol Decharit	Member
1.6	Credit Committee Secretary Team	Secretary

Set 2:

2.1	Ms. Apinya Punjajitti	Chairperson
2.2	Mr. Samchai Benchapathomrong	Member
2.3	Mr. Wongkasem Karnthanat	Member
2.4	Ms. Siriporn Sirisingha	Member
2.5	Ms. Suvimol Phoponvattanakorn	Member
2.6	Credit Committee Secretary Team	Secretary

Powers, Duties and Responsibilities:

The Credit Committee Level 3 reports to Credit Committee Level 2 on all credit related activities of the Bank's financial business group. The responsibilities of Credit Committee Level 3 include the following:

1. Review and approve credit facilities and commitments for customers and/or groups of customers having aggregate limits not exceeding THB 150 million.
2. Recommend for the Board's approval all proposals for credit facilities to related parties in the aggregate amount not exceeding THB 150 million.
3. Ensure overall loan portfolios of the Bank and companies in its financial business group comply with the supervisory guidelines prescribed by the Bank of Thailand and relevant regulatory authorities, and accord with the Bank's credit policies and procedures.
4. Review and approve recovery actions of troubled debts including those obtained from debt purchase, and review loan classification and loan loss provisions, including approval of debt restructuring/debt settlement with or without hair cut/write-off (if any) within the existing loan loss provision for credit facilities extended to customers and/or groups of customers having aggregate limits not exceeding THB 150 million.

5. Assess the risk and return trade-off when approving credit facilities to ensure that such credit facilities are within the risk appetite of the CIMB Thai group.
6. Determine and review baseline obligor rating of each loan as deemed appropriate.
7. Recommend to the boards of companies in the Bank's financial business group for approval of credit facilities and debt restructuring/debt settlement with or without hair cut/write-offs (if any) within the existing loan loss provision for customers and/or groups of customers having aggregate limits not exceeding THB150 million.
8. Other matters as prescribed by the Credit Committee Level 2.

Note: Aggregate limit means total amount of credits granted to and/or contingent liabilities undertaken for and/or investments made in customers and/or groups of customers, or total amount of outstanding principal and accrued interest and/or outstanding contingent liabilities and/or investment obligations made in investments, whichever is higher.

Scope: CIMB Thai Bank group-wide

Meeting Attendance of Directors

In 2012, meeting attendance of Board members and Board committee members was as follows:

Unit: Attendance

Name	Board of Directors and Board Committees						
	(1) Board	(2) Audit Committee	(3) Nomination Remuneration Committee	(4) Management Committee	(5) Risk Management Committee	(6) Credit Risk Committee	(7) Credit Committee Level 2
1. Mr. Chakramon Phasukavanich	13/13	-	-	-	-	-	-
2. Dato' Robert Cheim Dau Meng ^{/1}	9/13	-	8/12	-	-	-	-
3. Mr. Sukont Kanjana-Huttakit	12/13	16/16	-	-	-	-	-
4. Dato' Shaarani Bin Ibrahim	13/13	16/16	12/12	-	-	-	-
5. Mrs. Watanan Petersik ^{/2}	11/13	12/16	11/12	-	-	-	-
6. Mr. Preecha Unchitti	12/13	-	-	-	-	-	49/54
7. Mr. Kenny Kim ^{/3}	8/13	-	-	-	3/12	-	-
8. Mr. Subhak Siwaraksa	13/13	-	-	50/50	11/12	12/12	37/54

Unit: Attendance

Name	Board of Directors and Board Committees							
	(8) Retail Business Committee	(9) Assets and Liabilities Management Committee	(10) IT Strategic Planning Committee	(11) Market Risk Committee Thailand	(12) Marketing & Communication Committee	(14) Thai Credit Card Committee	(15) Community Link Project Committee	(16) Product Development Committee
1. Mr. Chakramon Phasukavanich	-	-	-	-	-	-	-	-
2. Dato' Robert Cheim Dau Meng	-	-	-	-	-	-	-	-
3. Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	-	-
4. Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	-	-
5. Mrs. Watanan Petersik	-	-	-	-	-	-	-	-
6. Mr. Preecha Unchitti	-	-	-	-	-	-	-	-
7. Mr. Kenny Kim	-	-	-	-	-	-	-	-
8. Mr. Subhak Siwaraksa	14/14	15/15	11/12	18/18	8/8	8/8	4/5	7/8

Notes:

^{/1} Dato' Robert Cheim Dau Meng has attended to the BOD meeting and Nomination Remuneration committee via video conference system (1 time).

^{/2} Mrs. Watanan Petersik has attended to the Audit Committee meeting via video conference system (1 time).

^{/3} Mr. Kenny Kim has attended to the BOD meeting via video conference system (1 time).

F. Selection of Executives

In 2012, the Bank's principal focus was to attract talents with diverse professional backgrounds who could combine a broad spectrum of experience and expertise with integrity and drive to deliver on the Bank's business strategy and achieve its targets. An interview panel was set up in accordance with Bank policy and a selection and nomination process was formulated for all new senior executive appointments.

1. Executive Management

As of 31 December 2012, the Bank's executive management was composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer
2. Mr. Surachai Chitratsenee	Senior Executive Vice President Commercial Banking Group
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group
4. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Silawat Santivisat /1	Senior Executive Vice President Group Information and Operations Division
7. Mr. Adisorn Sermchaiwong/2	Senior Executive Vice President Consumer Sales and Distribution Division
8. Mr. Sutee Losoponkul	First Executive Vice President Treasury Group
9. Mr. Vorakan Dhepchalerm	First Executive Vice President Acting Head, Corporate Banking Group
10. Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division
11. Mr. Songwud Buakhem	Executive Vice President Business Support Group
12. Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division
13. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division
14. Ms. Dusanee Klewpatinontha/3	Executive Vice President Retail Banking Product Division

Notes:

^{/1} The Board of Directors meeting no. 7/2012, held on 28 June 2012, resolved to seek approval from the Bank of Thailand (BOT) to appoint Mr. Silawat Santivisat as Senior Executive Vice President, Group Information and Operations Division, replacing Mr. Wee Kim Peng, effective from 1 September 2012.

^{/2} The Board of Directors meeting no. 7/2012, held on 28 June 2012, resolved to seek approval from the BOT to appoint Mr. Adisorn Sermchaiwong as Senior Executive Vice President, Consumer Sales and Distribution Division, replacing Mr. Thanachai Thanachaiy, effective from 11 September 2012. Later, the Board of Directors meeting no. 12/2012, held on 29 November 2012, approved to set up Retail Banking Group (merger of Consumer Sales and Distribution Division, Retail Banking Products Division, and Credit Card Division), and appoint Mr. Adisorn Sermchaiwong, Senior Executive Vice President, Consumer Sales and Distribution Division, as Senior Executive Vice President, Retail Banking Group, effective from 1 January 2013.

^{/3} Ms. Dusanee Klewpatinontha, Executive Vice President, has been assigned to take charge of Saving and Secured Products, effective from 1 January 2013.

As of 31 December 2012, CIMB Thai has 11 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives', as below:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer
2. Mr. Surachai Chitratsenee	Senior Executive Vice President Commercial Banking Group
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group
4. Mr. Narongchai Wongthanaivimok	Senior Executive Vice President Strategy and Finance Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division
7. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Sales and Distribution Division
8. Mr. Sutee Losoponkul	First Executive Vice President Treasury Group
9. Mr. Songwud Buakhem	Executive Vice President Business Support Group
10. Mr. Sittichai Mahaguna	Executive Vice President Corporate Finance Group
11. Ms. Winita Kimsawadi	Senior Vice President Finance Division

Notes:

- 1) *Mrs. Duangphorn Sucharittanuwat retired as Senior Executive Vice President, Special Corporate Banking Projects, effective from 22 February 2012.*
- 2) *Mr. Ekajai Tivutanond retired as Senior Executive Vice President, Business Support Group, effective from 1 March 2012.*
- 3) *Mr. Thanachai Thanachaiyarn resigned as Senior Executive Vice President, Consumer Sales and Distribution Division, effective from 1 June 2012.*
- 4) *Ms. Ng Wai Yee resigned as Executive Vice President, Finance Division, effective from 21 July 2012.*
- 5) *The Board of Directors meeting no. 9/2012, held on 27 August 2012, resolved to appoint Mr. Wee Kim Peng as Advisor to Group Information and Operations Division, effective from 1 September 2012 until completion of work handover but no later than 15 October 2012, given the expiry date of his employment contract and work permit.*

President and Chief Executive Officer is an ex officio executive director who has powers and duties as deemed appropriate by the Board of Directors, including:

1. Operate the business of the Bank in accordance with the policies, strategies and goals prescribed by the Board of Directors.
2. Keep abreast of and report business conditions and status of the Bank, and recommend alternatives and strategies which are in line with the policies and market conditions.
3. Consider and deliberate the business operation matters, and have approval authority as given in the work regulation in force.
4. Monitor and control the Bank's operations in such areas as finance, risk management, internal control, operation, and human resource.
5. Serve as representative of the Bank empowered to make business execution and contact with government agencies and other regulatory bodies.
6. Ensure that communication with the public, shareholders, customers and employees is made in a way that enhances good image and reputation of the Bank.
7. Consider any other matters as assigned by the Board of Directors or the Board committees designated by the Board of Directors.
8. Ensure bank-wide adoption of good governance principles.

2. Director and Management Remuneration as of 31 December 2012

2.1 Monetary remuneration

a. Remuneration of Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each person during his/her directorship in 2012. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 8,352,000 in 2012 (compared with THB 8,352,000 in 2011), as described below:

1. Board of Directors	THB	5,040,000	(2011: THB 5,040,000)
2. Audit Committee	THB	1,584,000	(2011: THB 1,584,000)
3. Nomination and Remuneration Committee	THB	1,104,000	(2011: THB 1,104,000)
4. Credit Committee Level 2	THB	624,000	(2011: THB 624,000)

Unit: THB

Name	Positions	Monetary Remuneration			
		Board and Board Committee Members			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Credit Committee Level 2
1 Mr. Chakramon Phasukavanich	Chairman	2,400,000	-	-	-
2 Dato' Robert Cheim 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 Petersik	Independent Director	528,000	480,000	624,000	-
6 Mr. Preecha Unchitti	Director	528,000	-	-	624,000
7 Mr. Kenny Kim *	Director	-	-	-	-
8 Mr. Subhak Siwaraksa **	President and CEO	528,000	-	-	-
Total		5,040,000	1,584,000	1,104,000	624,000

Notes:

* Representative directors from CIMB Bank, namely Dato' Robert Cheim Dau Meng and Mr. Kenny Kim have declared their intention not to receive the meeting allowances in the Board and Board committees.

** Most of the committees are chaired by the President and CEO or have the President and CEO as member. Nevertheless, the President and CEO has declared his intention not to receive the meeting allowances in those committees.

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 faced by each of them, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for permanent and contract employees or any other persons having done business for the Bank, as recommended by executive management. In 2012, the aggregate remuneration for 16 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 69.47 million. In addition, the aggregate remuneration for 37 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 139.96 million.

2.2 Other benefits

In 2012, the Bank's contribution towards the provident fund for 16 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 3.17 million. Meanwhile, its contribution towards the provident fund for 37 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 6.68 million.

BOARD OF DIRECTORS PROFILE

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
1. Mr. Chakramon Phasukavanich Chairman	65	- M.A. (Economics), California State University, Northridge, U.S.A.	1 share (0.00)	2004 - Present	Member	Office of the Council of State
		- B.A. (Economics), Chulalongkorn University		2011 - Present	Member	Public Sector Development Commission Thailand (OPDC)
		- Certificate of Senior Executive Development Programme (Class 12)		2011 - Present	Chairman	Public Sector Development Sub-Commission Related to Enhancement and Development of Public Organizations and Other Organizations under Supervision of Administrative Sector which is not Government Sector
		- National Defence Course, National Defence College (Class 39)		2011 - Present	Chairman of Negotiation and Assessment Committee	Ministry of Energy, Ministry of Science and Technology, and Ministry of Industry Thailand
		- Certificate of Senior Executive Development Programme Capital Market Academy (CMA) (Class 11)		2009 - Present	Chairman of Senior Position Nomination	Ministry of Public Health
		Training		2009 - Present	Chairman of Senior Position Nomination	Ministry of Science and Technology
		- 2011 Financial Institutions Governance Programme (FGP)		2011 - Present	Director	CIMB Southeast Asia Research Sdn. Bhd.
		- 2010 Advanced Audit Committee Programme (adv. ACP)		2009 - Present	Independent Director and Member of Audit Committee	Indorama Ventures PCL.
		- 2010 Control and Risk Management (MIR)		2006 - 2008	Member	National Legislative Assembly
		- 2008 Role of the Chairman Programme (RCP)		2004 - 2008	Permanent Secretary	Ministry of Industry Thailand
		- 2008 Current Issue Seminar (CIS)		2004 - 2006	Secretary General	Office of the National Economic and Social Development Board
		- 2006 Director Certification Programme (DCP)		2003 - 2004	Secretary General	Board of Investment of Thailand
		- 2006 Audit Committee Programme (ACP)		2010 - 2011	Chairman of Reform Consideration Sub-Committee	Bangkok Mass Transit Authority
		- 2004 Finance for Non-Financial Directors (FND)		2009 - Jan 2012	Member	Burapha University Council
		- 2004 Director Accreditation Programme (DAP)		2009 - 2011	Member of Economic Advisory Committee	Prime Minister's Office
				2007 - 2008	Member	Office of the Civil Service Commission
				2002 - 2004	Member	Office of the Civil Service Commission
				2005 - 2008	Chairman	Small and Medium Enterprise Development Bank of Thailand
				2003 - 2009	Member of Monetary Policy Committee	Bank of Thailand
				2003 - 2004	Member	Bank of Thailand
				2002 - 2004	Member	Government Pension Fund (GPF)
				2007 - 2008	Chairman	Electrical and Electronics Institute
				2005 - 2009	Independent Director and Chairman of Nomination and Remuneration Committee	Thai Oil PCL.
				2005 - 2008	Chairman	Foundation for Thailand Productivity Institute
				2004 - 2010	Independent Director and Chairman of Nomination and Remuneration Committee	PTT PCL.
				2004 - 2009	Director	Industry Development Foundation
				2004 - 2008	Director	Asian Productivity Organization
				2004 - 2008	Chairman	Thailand Productivity Institute
				2004 - 2008	Chairman	Thailand Automotive Institute
				2004 - 2008	Chairman	Thailand Textile Institute
				2004 - 2006	Chairman	Aviva Insurance (Thai) Co., Ltd.
				2002 - 2008	Member of Audit Committee	Thai Asset Management Corporation
				2000 - 2004	Independent Director and Member of Audit Committee	Siam Food Products PCL.

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
2. Dato' Robert Cheim Dau Meng Vice Chairman Member and Alternate Chairman of Nomination and Remuneration Committee	61	<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"> - CIMB Private Banking: Quarter 1 Outlook Roadshow (9 April 2012) - Seminar on Effective Dispute Resolution for Corporate Malaysia (25 April 2012) - Oliver Wyman: Training on Pillar 2 / ICAAP under Basel II for Senior Management: Part 1 (7 May 2012) - 2nd CIMB ASEAN Conference (14 June 2012) - CIMB-Boardroom: Corporate Governance Today and the Directions Moving Forward (14 June 2012) - MINDA Talk: Innovation for Growth (23 August 2012) - Board Training: Anti-Money Laundering Act: Financial Crime Risk-CIMB Perspective (10 September 2012) - Briefing on the ICAEW South East Asia Economic Insight (4 December 2012) 	(0.00)	6 Nov 2012 - Present 2006 - Present 2006 - Present 2005 - Present 2005 - Present 1999 - 2006 1993 - 1999	Director Non-Executive Director Adviser Director Chairman Executive Director Chief Executive Officer	Yu Cai Foundation CIMB Group Holdings Bhd CIMB Investment Bank Berhad CIMB Securities International Pte Ltd. Tanjong PLC. CIMB Investment Bank Berhad CIMB Investment Bank Berhad
3. Mr. Sukont Kanjana-Huttakit Independent Director Chairman of Audit Committee	66	<ul style="list-style-type: none"> - M.A. (Finance), Virginia Polytechnic and State University, U.S.A. - B.A. (Finance), Virginia Polytechnic and State University, U.S.A. <p>Training</p> <ul style="list-style-type: none"> - 2010 Audit Committee Programme (ACP) Class 30/2010 - 2007 Director Certification Programme (DCP) 	(0.00)	2012 - Present 2012 - Present 2006 - Present 2011 - Present 2007 - 2009 2006 - 2008 August 2006- October 2006 2005 - 2008 2003 - 2007 2003 - 2006 1998 - 2006	Independent Director Independent Director Executive Adviser Member of Ethics Committee Member of Risk Management Committee Board member and Chairman of Audit Committee Board member Member of Auditing Standard Screening Sub-Committee Member of Audit Committee Member of Electronic Transactions Commission Chairman and Senior Partner	Scan Inter Co.,Ltd. Srisawad Power 1979 Co.,Ltd. Tricor Outsourcing (Thailand) Co., Ltd. Federation of Accounting Professions TMB Asset Management Co.,Ltd. Government Housing Bank CAT Telecom PCL. Federation of Accounting Professions Royal Bangkok Sports Club Ministry of Information and Communication Technology PricewaterhouseCoopers Co., Ltd.

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
4. Dato' Shaarani Bin Ibrahim Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee	63	B.A.(Hons) International Relations, Universiti Malaya Training - April 2011 Director Certification Programme (DCP 145/2011) English Programme: Institute of Directors Thailand - April 2010 Director Accreditation Programme (DAP 83/2010) English Programme: Institute of Directors Thailand - Aug 2009 Non-Executive Director Development Series August 2009 "Corporate Governance" by PriceWaterhouseCoopers, Malaysia	(0.00)	Jan 2011 - Present	Board Member, Chairman of Audit Committee, Member of Investment Committee	Universiti Putra Malaysia (UPM)
				Sep 2010 - Present	Chairman, Chairman of Risk Committee, Member of Audit Committee	CIMB Bank PLC., Cambodia
				Sep 2010 - Present	Independent Director, Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee	Dragon Group International Limited (DGI), Singapore
				2005 - 2008	Ambassador of Malaysia	Kingdom of Thailand
5. Mrs. Watanan Petersik Independent Director Chairperson of Nomination and Remuneration Committee Member of Audit Committee	52	AB Bryn Mawr College, PA USA. Training - Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (17-18 March 2010) - Director Accreditation Programme (DAP 83/2010) English Programme: 27 April 2010 - Certificate, Singapore Institute of Directors course : Role of Directors	(0.00)	Present 2010 - Present	Director Independent Non-Executive Director	Ashoka Singapore CIMB Group Holdings Berhad
				Present	Director	Asia Capital Advisory PTE Ltd.
				Present	Senior Adviser	TPG Capital Asia
				Present	Director	Lien Centre for Social Innovation Singapore Management University
				1996 - 2006	Chief of staff, Managing Director Investment Banking Division	Goldman Sachs Asia
6. Mr. Preecha Unchitti Director (Authorised Signatory) Chairman of Credit Committee Level 2	67	B.A. (Economics), Thammasart University Training - Director Certification Programme (DCP) - Finance for Non-Financial Directors (FND)	(0.00)	2003 - Present	Independent Director and Chairman of Audit Committee	Eastern Star Real Estate PCL.
				2003 - Present	Director	Eastern Star Resort Co., Ltd.
				1979 - Present	Director	Siam Trading Co.,Ltd.
				2002 - 2010 2004 - 2007	Chairman Managing Director	BT Insurance Co., Ltd. Con-Plus and Management Co., Ltd.
7. Mr. Kenny Kim Director Member and Alternate Chairman of Risk Management Committee	45	- M.Sc. (Finance), University of Lancaster, UK - A fellow of Association of Chartered Certified Accountants, UK - A member of Malaysian Institute of Accountants - A member of Institute of Chartered Accountants in England and Wales, Finance Faculty Training Blue Ocean Strategy Course Certification Workshop, Various Invited Speakers	(0.00)	2001 - Present	Group Chief Financial Officer and Head of Group Strategy and Finance Division	CIMB Investment Bank Berhad

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
8. Mr. Subhak Siwaraksa 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 Marketing Risk Committee Thailand Chairman of Marketing and Communications Committee Chairman of Thai Credit Card Committee Chairman of Community Link Project Task Force Committee Chairman of Product Development Committee	56	- Ph.D. (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 (Honors Program) and Economics), Georgetown University, Washington D.C., U.S.A. Training - 2011 Financial Institutions Governance Programme (FGP) Thai Institute of Directors Association (IOD) Class 3/2011 - 2010 Certificate, Capital Market Academy Leadership Programme (Class 10 March - July 2010) - 2007 National Defence College (Class 2007) - 2006 Directors Certification Programme (DCP) Thai Institute of Directors Association (IOD) - 2005 Directors Accreditation Programme (DAP) Thai Institute of Directors Association (IOD) - 1993 Financial Executive Seminar, Bangkok (FINEX IV)	(0.00)	2011 - Present 2011 - Present 2011 - Present 1 Feb 2013 - Present 2008 - 2009 2008 - 2009 2003 - 2008	Governor Member of Audit Committee Member of Listing Expansion and Development Committee Chairman, Director (Authorized Signatory) Director, Executive Director, and Chairman of Compensation Committee Chairman of Board of Directors Chief Executive Officer and President	Stock Exchange of Thailand Stock Exchange of Thailand Sathorn Asset Management Co., Ltd. Export-Import Bank of Thailand <

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
10. Dr. Maroning Salaming Shariah Adviser	47	- Ph.D. (Principles of Islamic Jurisprudence), Islamic University of Medina, Saudi Arabia - M.A. (Principles of Islamic Jurisprudence), Islamic University of Medina, Saudi Arabia - B.A. (Islamic Law), Islamic University of Medina, Saudi Arabia	- (0.00)	2012 - 2014	Specialized Committee Member	Haji Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Provinces Administration Center
				2011 - Present	Member of Shariah Advisory Council	Koperasi Bina Berhad
				2011 - Present	Specialized Council Member	Council for Yala Primary Educational Service Area 1
				2010 - Present	Consultant and Working Committee Member	Sheikhul Islam
				2009 - Present	Member of Management Committee of Ph.D Program	College of Islamic Studies, Prince of Songkla University, Pattani Campus
				2008 - Present	Adviser on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
				2006 - Present	Adviser on Master's Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
				2005 - Present	Professor of Islamic Law Department	College of Islamic Studies, Prince of Songkla University, Pattani Campus
				2010 - 2011	Committee Member	Islamic Micro Credit in Southern Border Provinces Promotion and Support Program
				2009 - 2010	Member of Working Committee of Studying Model and Procedure	Islamic Micro Credit
				2008 - 2010	Member of Working Committee of Developing Adoption of Islamic Laws in Southern Border Provinces	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces
				2007 - 2011	Zakat Fund Operation Support Committee Member	Pursuant to the order of Office of the Prime Minister
				2007 - 2008	Member of Sub Committee on Justice, Police Affairs and Human Rights	The National Legislative Assembly, pursuant to the appointment order of Committee on Justice, Police Affairs and Human Rights, The National Legislative Assembly

MANAGEMENT COMMITTEE PROFILE

AS OF 28 FEBRUARY 2013

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
1. Mr. Surachai Chitratsene Senior Executive Vice President Commercial Banking Group	62	- M.A. (Economics), State University of New York at Binghamton, U.S.A. - B.S. (Economics), Central Missouri State University, U.S.A.	(0.00)	2005 - Present	Chairman	Center Auto Lease Co., Ltd.
				2005 - 2010	Chairman	WorldLease Co., Ltd.

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
2. Mrs. Panute Na Chiangmai Senior Executive Vice President Risk Management Group	56	<ul style="list-style-type: none"> - M.Sc. (Marketing), University of Wisconsin-Madison, U.S.A. - MBA (Finance & Management), University of Wisconsin-Madison, U.S.A. - B.Ed. (Education Psychology), Chulalongkorn University <p>Training Financial Institutions Governance Programme (FGP) Class 3/2011</p>	- (0.00)	Apr 2006 - Sep 2009	Director	BT Securities Co., Ltd.
3. Mr. Narongchai Wongthanavimok Chief Financial Officer Senior Executive Vice President Strategy and Finance Group	50	<ul style="list-style-type: none"> - M.S (Information Systems), Golden Gate University, San Francisco, CA, U.S.A. - MBA (Finance), University of Pittsburgh, Pittsburgh, PA, U.S.A. - B.A. (Econ), Thammasat University <p>Training <ul style="list-style-type: none"> - Diploma, Joint State - Private Sector Course (Class 24), National Defence College (Class 2011) - Financial Institutions Governance Programme (FGP) Class 3/2011, Thai Institute of Directors - CIMB-Insead Leaderships program, INSEAD - Director Certification Programme (DCP) 131/2010, Thai Institute of Directors - CFO Becoming a Strategic Partner, University of Pennsylvania, U.S.A. - Senior Finance Management Programme, Executive Development International, UK - Chulalongkorn University, Bangkok, Thailand: Certificate in System Analysis </p>	- (0.00)	31 Aug 2012 - Present 2009 - Present 2004 - 2009	Chairman Director (Authorized Signatory) First Senior Vice President, MIS & Planning Division Head, Finance Group	WorldLease Co., Ltd. CIMB-Principal Asset Management Co., Ltd. Siam Commercial Bank PCL.
4. M.L.Nathchanya Davivongse Senior Executive Vice President Transaction Banking Group	44	<ul style="list-style-type: none"> - MBA (International Business Management & Marketing), Oregon State University, Oregon, U.S.A. - B.A. (International Finance/ Banking), Oregon State University, Oregon, U.S.A. 	- (0.00)	Nov 2009 - Jun 2010 Nov 2005 - Oct 2009	Director - Regional Sales, Cash Management Corporate Head, Global Transaction Banking	Deutsche Bank AG, Bangkok Asia-Pacific Head Office, Singapore Deutsche Bank AG, Bangkok

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
5. Mr.Silawat Santivisat ¹ Senior Executive Vice President Group Information and Operations Division	49	- M.S. (Chemical Engineering), University of Texas, Austin, U.S.A.	- (0.00)	May 2009 - Aug 2012	First Senior Vice President, Retail Banking Division	Kasikorn Bank PCL.
		- M.M., Sasin Graduate Institute of Business Administration, Chulalongkorn University		Jan 2005 - Mar 2009	Executive Vice President, Transaction Banking / Cash Management Business	TMB Bank PCL.
		Training				
		- Banc Assurance in Malaysia by May Bank Straight through processing by May Bank, Ageas Insurance				
		- Leadership by PacRim Group				
		- Executive Program for Senior Management 2008 by Fiscal Policy Research Institute Foundation				
		- Building The Leadership Team for Outstanding for John C.Maxwell / Strategic Management for Service Industries by SASIN				
		- On 21st Century Marketing by Philip Kotler by Thailand Management Association (TMA)				
		- ATM Business Trip in Japan by IBM				
		- Cash Management Business Trip in Singapore by DBS				
		- Lafferty Retail Finance Asia-Pacific 2004 by Lafferty				
		-Cash and Treasury Management in Asia Pacific Region 2001,2002 by EuroFinance				
6.Mr. Adisorn Sermchaiwong ² Senior Executive Vice President Retail Banking Group	46	- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University	- (0.00)	2010 - 2012	Executive Director, Country Head of Channels	UOB Bank PCL.
		- B.E., Chulalongkorn University		2007 - 2010	EVP, Saving & Investment Products	Siam Commercial Bank PCL.
		Training		2002 - 2007	President	SCB Asset Management Co., Ltd.
		- 2005 Director Certification Programme				
		- Advanced Management Programme, Oxford University				
		- Capital Market Academy Leadership Programme, Capital Market Academy (CMA) Class 1				

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
7. Mr. Sutee Losoponkul First Executive Vice President Treasury Group	52	<ul style="list-style-type: none"> - MBA, National Institute of Development Administration (NIDA) - B.Sc. (Industrial Engineering), Prince of Songkla University <p>Training</p> <ul style="list-style-type: none"> - Market Risk for Treasury Products, New York Institute of Finance (Financial Times) - Asset and Liability Management, Chase Manhattan Bank, Singapore - Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore <ul style="list-style-type: none"> • Offshore Deposit Market • Foreign Exchange Arithmetic • Financial Future • Options • Citibank Bourse Game 	- (0.00)	2011 - Present	Director	CIMB Securities (Thailand) Co., Ltd.
8. Mr. Vorakan Dhepchalerm First Executive Vice President Corporate Banking Group (Acting)	56	<ul style="list-style-type: none"> - MBA, The University of Scranton, U.S.A. - BBA, Assumption University <p>Training</p> <ul style="list-style-type: none"> - Class 1/2011 Exchange Control Regulations - Class 1/2011 CIMB Thai Annual Management - Class 1/2010 Ex PSM 2009 - Class 2/2010 Information Security for FVP 	- (0.00)	2003 - Present 2009 - May 2011 2004 - 2009	Director Executive Vice President Investment Banking Division 2 Executive Vice President Corporate Banking Division 5	Maxwin Builder Co., Ltd. CIMB Thai Bank PCL. Bank Thai PCL.
9. Ms. Siriporn Sanunpairaue First Executive Vice President Internal Audit Division	48	<ul style="list-style-type: none"> - MBA, Thammasat University - B.Acc., Thammasat University <p>Training</p> <ul style="list-style-type: none"> - Basel II Senior Management Understanding, Standard Chartered Bank - Group Internal Audit Overview Training, Standard Chartered Bank - CIA Preparation, Institute of Internal Auditors of Thailand - Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand 	- (0.00)	2007 - 2008 2006 - 2007	Head of Internal Audit Department, Senior Vice President Senior Audit Manager, Group Internal Audit	Standard Chartered Bank (Thai) PCL. Standard Chartered Bank

Name of Director, Management / Position	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
10. Mr. Songwud Boakhem Executive Vice President Business Support Group	59	- MBA, Kasetsart University - LL.B., Thammasat University - B.Acc., Thammasat University	4 shares (0.00)	2010 - Present	Director	CT COLL Co., Ltd.
				2009 - 2010	Managing Director	Sathorn Asset Management Co., Ltd.
				1999 - 2008	Executive Vice President, Assets Management Division Head	Bank Thai PCL.
11. Mr. Kongpob Watanasin Executive Vice President Human Resources Management Division	54	- Ph.D., (Public Administration), University of Cincinnati, Ohio, U.S.A. - MPA, Kentucky State University, Kentucky, U.S.A. - B.A. (Political Science), Ramkhamhaeng University	- (0.00)	2003 - 2009	Division Head, HR Client Services	Siam Commercial Bank PCL.
12. Mr. Prapas Thongsuk Executive Vice President Corporate Communications Division	49	- MBA, National Institute of Development Administration (NIDA) - B.Ed., Chulalongkorn University	- (0.00)	2004 - 2010	SVP Corporate Marketing	Krungthai Card PCL.

Remark : None of the directors and executives are related by family.

^{1/} The meeting of the Board of Directors no. 7/2012, held on 28 June 2012, resolved to seek approval from the Bank of Thailand (BOT) to appoint Mr. Silawat Santivisat as Senior Executive Vice President of Group Information and Operations Division, replacing Mr. Wee Kim Peng, effective from 1 September 2012.

^{2/} The meeting of the Board of Directors no. 7/2012, held on 28 June 2012, resolved to seek approval from the BOT to appoint Mr. Adisorn Sermchaiwong as Senior Executive Vice President of Consumer Sales and Distribution Division, replacing Mr. Thanachai Thanachaiy, effective from 11 September 2012. Later, the meeting of the Board of Directors no. 12/2012, held on 29 November 2012, approved to set up Retail Banking Group (merged with Consumer Sales and Distribution Division, Retail Banking Products Division, and Credit Card Division), and to appoint Mr. Adisorn Sermchaiwong, Senior Executive Vice President of Consumer Sales and Distribution Division, as Senior Executive Vice President of Retail Banking Group, effective from 1 January 2013.

REPORT OF NOMINATION AND REMUNERATION COMMITTEE

In 2012, the Nomination and Remuneration Committee performed its duties to ensure that the Bank considered and nominated names of qualified candidates for the directors and senior executives with appropriate remuneration and benefits to their duties and responsibilities.

The main roles and responsibilities of the Nomination and Remuneration Committee are as follows:

1. To nominate the qualified directors and senior executives and recommend appropriate remuneration and benefits to their duties and responsibilities to the Board of Directors for approval.
2. To consider the appointment of the Bank subsidiaries' directors and senior executive and to propose to the Board of Directors for concurrence.
3. To assess the performance of the Bank's senior executives against targets and performance criteria and referred the results to the Board of Directors with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the annual salary adjustments and bonuses for the Bank's staff and to propose to the Board of Directors for approval.

The remuneration for the directors and the senior executives in year 2012 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 THE NOMINATION AND
REMUNERATION COMMITTEE

REPORT OF AUDIT COMMITTEE IN 2012

In 2012, 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 and Exchange 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 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 Stock Exchange of Thailand and the Securities and Exchange Commission.
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

REPORT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR FINANCIAL STATEMENTS

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 generally accepted accounting standards and international accounting standards, applying appropriate and consistent accounting policies and with careful judgment and best estimates. Important information is adequately disclosed in the notes to 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 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 in this annual report.

The Board of Directors is of the opinion that the Bank's overall internal control is at a satisfactory level and reasonably provides reliability of the Bank and its subsidiaries in relation to the financial statements for the year ended 31 December 2012.



➤ **MR. CHAKRAMON PHASUKAVANICH**
CHAIRMAN



➤ **MR. SUBHAK SIWARAKSA**
PRESIDENT AND CHIEF EXECUTIVE OFFICER

REPORT OF INDEPENDENT AUDITOR

To the Shareholders of CIMB Thai Bank Public Company Limited

I have audited the accompanying consolidated and bank financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, which comprise the consolidated and bank statements of financial position as at 31 December 2012, and the related consolidated and bank statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and bank financial statements referred to above present fairly, in all material respects, the consolidated and bank financial position of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited as at 31 December 2012, and consolidated and bank results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



➤ **BOONLERT KAMOLCHANOKKUL**
CERTIFIED PUBLIC ACCOUNTANT (THAILAND) NO. 5339
PRICEWATERHOUSECOOPERS ABAS LTD.
BANGKOK
27 FEBRUARY 2013

CIMB THAI BANK PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

31 DECEMBER 2012

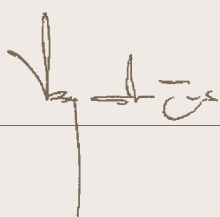
CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Assets					
Cash		3,132,947,660	3,122,846,554	3,130,139,363	3,120,642,155
Interbank and money market items, net	6	10,127,546,195	5,205,245,039	10,094,174,784	4,577,356,327
Derivatives assets	7	2,474,146,798	2,526,862,210	2,474,146,798	2,526,862,210
Investments, net	8	40,323,332,324	32,543,164,312	40,323,332,324	32,492,273,880
Investments in subsidiaries, net	8	153,912,645	153,912,645	1,033,147,979	1,923,143,017
Loans and accrued interest receivables	9				
Loans		142,153,766,214	121,719,437,344	136,705,713,235	116,950,978,798
Accrued interest receivables		369,951,501	279,098,921	375,369,578	277,958,703
Total loans and accrued interest receivables		142,523,717,715	121,998,536,265	137,081,082,813	117,228,937,501
<u>Less</u> Deferred revenue		(3,307,156,919)	(2,429,980,354)	(2,786,485)	(3,173,910)
<u>Less</u> Allowance for doubtful debts	10	(3,396,411,721)	(3,345,515,853)	(3,085,180,004)	(3,094,393,744)
<u>Less</u> Revaluation allowance for debt restructuring	11	(15,823,467)	(10,958,714)	(15,823,467)	(10,958,714)
Loans and accrued interest receivables, net		135,804,325,608	116,212,081,344	133,977,292,857	114,120,411,133
Customers' liability under acceptance		35,752,402	69,927,687	35,752,402	69,927,687
Properties for sale, net	12	1,575,564,704	1,484,488,359	1,527,459,397	1,460,650,554
Premises and equipments, net	13	3,568,232,948	3,830,671,693	3,492,719,658	3,673,934,530
Intangible assets, net	14	427,876,223	470,613,974	422,091,055	443,258,237
Accrued income from Thai Asset Management Corporation	46	2,354,020,580	1,009,565,667	2,354,020,580	1,009,565,667
Other assets, net	15	1,538,414,867	1,393,714,576	1,404,654,619	1,133,245,127
Total assets		201,516,072,954	168,023,094,060	200,268,931,816	166,551,270,524

Director



Director



The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION (Cont'd)

As at 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Liabilities And Shareholders' Equity					
Liabilities					
Deposits	16	135,133,586,231	101,573,954,409	135,284,578,984	101,291,200,733
Interbank and money market items	17	11,309,672,672	4,786,952,067	10,359,672,672	4,549,969,313
Liability payable on demand		345,429,219	144,101,067	345,429,219	144,101,067
Financial liabilities designated at fair value through profit or loss	18	1,535,308,447	-	1,535,308,447	-
Derivatives liabilities	7	2,002,403,000	2,270,622,392	2,002,403,000	2,270,622,392
Debt issued and borrowings	19	26,226,572,329	40,315,688,037	26,226,572,329	40,210,323,185
Bank's liability under acceptance		35,752,402	69,927,687	35,752,402	69,927,687
Provisions	20	1,429,732,358	1,506,655,509	1,407,123,231	1,455,869,720
Other liabilities	21	3,799,144,302	3,944,270,222	3,483,259,281	3,323,983,009
Total liabilities		181,817,600,960	154,612,171,390	180,680,099,565	153,315,997,106
Shareholders' equity					
Share capital					
Registered	22				
26,105,495,608 ordinary shares of Baht 0.50 each		13,052,747,804		13,052,747,804	
16,315,934,756 ordinary shares of Baht 0.50 each			8,157,967,378		8,157,967,378
Issued and paid-up share capital					
21,084,878,025 ordinary shares of Baht 0.50 each		10,542,439,013		10,542,439,013	
16,315,934,756 ordinary shares of Baht 0.50 each			8,157,967,378		8,157,967,378
Premium on share capital		3,867,738,430	1,483,266,796	3,867,738,430	1,483,266,796
Other reserves	23	1,362,816,577	1,347,561,648	1,362,816,577	1,332,963,823
Accretion of equity interests in subsidiary		(42,753,751)	-	-	-
Retained earnings					
Appropriated - statutory reserve	24	187,500,000	129,500,000	187,500,000	129,500,000
Unappropriated		3,780,731,725	2,203,340,511	3,628,338,231	2,131,575,421
Equity attributable to					
Attributable to owners of the Bank		19,698,471,994	13,321,636,333	19,588,832,251	13,235,273,418
Non-controlling interest		-	89,286,337	-	-
Total shareholders' equity		19,698,471,994	13,410,922,670	19,588,832,251	13,235,273,418
Total liabilities and shareholders' equity		201,516,072,954	168,023,094,060	200,268,931,816	166,551,270,524

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Interest income	28	10,168,159,353	8,084,721,497	9,171,803,562	7,425,411,452
Interest expenses	29	(4,961,478,452)	(3,451,570,011)	(4,919,385,099)	(3,441,115,412)
Net interest income		5,206,680,901	4,633,151,486	4,252,418,463	3,984,296,040
Fees and service income		1,010,746,092	756,910,528	899,847,124	652,933,947
Fees and service expenses		(145,308,599)	(173,546,115)	(209,452,514)	(220,391,462)
Net fee and service income	30	865,437,493	583,364,413	690,394,610	432,542,485
Gains on trading and foreign exchange transactions, net	31	487,960,028	351,562,280	487,960,028	351,562,280
Gains on financial liabilities designated at fair value through profit or loss, net	32	876,526	-	876,526	-
Gains on investments, net	33	153,085,659	80,202,439	125,701,932	80,158,470
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	46	1,344,454,913	1,009,565,667	1,344,454,913	1,009,565,667
Other operating income	34	269,653,376	714,175,020	269,018,816	683,073,422
Total operating income		8,328,148,896	7,372,021,305	7,170,825,288	6,541,198,364
Other operating expenses					
Employee expenses		2,685,780,132	2,656,546,498	2,300,287,106	2,317,072,141
Directors' remuneration		9,328,000	8,688,000	8,692,000	8,352,000
Premises and equipment expenses		1,341,235,702	1,137,289,499	1,215,792,339	1,025,994,193
Taxes and duties		364,875,817	308,631,311	353,047,358	299,325,941
Others		923,629,654	789,709,392	655,041,795	602,211,459
Total other operating expenses		5,324,849,305	4,900,864,700	4,532,860,598	4,252,955,734
Bad and doubtful debts and impairment losses	35	1,389,215,085	1,076,989,812	1,137,656,013	942,282,551
Profit from continuing operation before income tax expenses		1,614,084,506	1,394,166,793	1,500,308,677	1,345,960,079
Income tax expenses	36	(78,422,223)	(51,149,199)	-	-
Profit from continuing operation		1,535,662,283	1,343,017,594	1,500,308,677	1,345,960,079
Profit (loss) after tax of discontinued operation	37	54,148,490	(17,911,617)	-	-
Net profit for the year		1,589,810,773	1,325,105,977	1,500,308,677	1,345,960,079

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Other comprehensive income					
Changes in revaluation surplus		(54,830,081)	643,172,051	(54,830,081)	643,172,051
Gains (losses) on remeasuring available-for-sale investments		83,714,939	(18,714,346)	83,714,939	(18,714,346)
Total other comprehensive income from continuing operation		28,884,858	624,457,705	28,884,858	624,457,705
Other comprehensive income (expenses) on assets of disposal group which was sold during the year		563,399	(5,175,540)	-	-
Total other comprehensive income		29,448,257	619,282,165	28,884,858	624,457,705
Total comprehensive income for the year		1,619,259,030	1,944,388,142	1,529,193,535	1,970,417,784
Net profit attributable to:					
Shareholders of the Bank		1,580,937,081	1,316,386,007	1,500,308,677	1,345,960,079
Non-controlling interests		8,873,692	8,719,970	-	-
		1,589,810,773	1,325,105,977	1,500,308,677	1,345,960,079
Total comprehensive income attributable to:					
Shareholders of the Bank		1,610,385,338	1,935,668,172	1,529,193,535	1,970,417,784
Non-controlling interests		8,873,692	8,719,970	-	-
		1,619,259,030	1,944,388,142	1,529,193,535	1,970,417,784
Earnings per share for profit attributable to the shareholders of the Bank	39				
Basic earnings per share (Baht per share)		0.09	0.08	0.08	0.08
Weighted average number of ordinary shares (shares)		18,231,330,003	16,315,934,756	18,231,330,003	16,315,934,756

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

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STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Cont'd)

For the years ended 31 December 2012 and 2011

	Note	The Bank									
		Other reserves									
		Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Revaluation surplus (deficit) on change in value of investments	Other	Legal reserve	Retained earnings	Total		
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2012		8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	877,610	129,500,000	2,131,575,421	13,235,273,418		
Total comprehensive income (expenses) for the year		-	-	(54,830,081)	83,714,939	-	-	1,500,308,677	1,529,193,535		
Appropriated - statutory reserve		-	-	-	-	-	-	(58,000,000)	-		
Share-based payment		-	-	-	-	967,896	-	-	967,896		
Increase in ordinary shares	22	2,384,471,635	2,384,471,634	-	-	-	-	-	4,768,943,269		
Others		-	-	-	-	-	-	(375,948)	(375,948)		
Transfer to retained earnings		-	-	-	-	-	-	54,830,081	54,830,081		
Balance as at 31 December 2012		10,542,439,013	3,867,738,430	1,154,950,846	206,020,225	1,845,506	187,500,000	3,628,338,231	19,588,832,251		
Balance as at 1 January 2011		8,157,967,378	1,483,266,796	566,608,876	141,019,632	-	63,500,000	1,281,862,196	11,694,224,878		
Impact of the adoption of TAS 19 employee benefits		-	-	-	-	-	-	(436,174,318)	(436,174,318)		
Restated balance		8,157,967,378	1,483,266,796	566,608,876	141,019,632	-	63,500,000	845,687,878	11,258,050,560		
Total comprehensive income (expenses) for the year		-	-	643,172,051	(18,714,346)	-	-	1,345,960,079	1,970,417,764		
Appropriated - statutory reserve		-	-	-	-	-	-	(66,000,000)	-		
Share-based payment		-	-	-	-	877,610	-	-	877,610		
Transfer to retained earnings		-	-	-	-	-	-	5,927,464	5,927,464		
Balance as at 31 December 2011		8,157,967,378	1,483,266,796	1,209,780,927	122,305,286	877,610	129,500,000	2,131,575,421	13,235,273,418		

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from operating activities					
Profit before corporate income tax from continuing operations		1,614,084,506	1,394,166,793	1,500,308,677	1,345,960,079
Profit (loss) before corporate income tax from discontinued operations	37	54,148,490	(17,911,617)	-	-
Profit before corporate income tax including discontinued operations		1,668,232,996	1,376,255,176	1,500,308,677	1,345,960,079
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities: Depreciation and amortisation		538,242,670	411,878,809	502,120,624	377,607,062
Bad debts and doubtful accounts		1,401,239,204	1,074,685,731	1,149,680,132	942,282,551
Reversal of provision for off-balance sheet items		(22,348,819)	(15,012,991)	(22,348,819)	(4,012,991)
Share-based payment		967,896	877,610	967,896	877,610
Provision for employee benefits		118,348,000	123,448,983	108,556,204	101,547,171
Losses on impairment of properties for sale		15,346,473	2,392,065	-	-
Impairment losses on investments		1,081,752	11,100,950	1,081,752	11,144,919
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation		(1,344,454,913)	(1,009,565,667)	(1,344,454,913)	(1,009,565,667)
Unrealised (gains) losses on exchange and derivatives		(153,673,494)	160,835,044	(153,673,494)	160,835,044
Realised (gains) losses of exchange rate on Borrowings		(37,648,000)	11,350,000	(37,648,000)	11,350,000
Losses (gains) on properties for sale		185,325,840	207,341,408	(6,743,207)	76,531,814
Unrealised (gains) losses on revaluation of investments		(8,991,029)	2,633,326	(8,963,088)	2,742,945
Gains on sale of investments		(224,250,866)	(177,905,133)	(152,012,021)	(105,836,681)
Gains on disposal of premises and equipment		(10,980,604)	(79,946,078)	(9,488,057)	(80,610,006)
Losses from write off premises and equipment		7,968,009	3,307,740	7,968,001	3,307,740
Gains on surplus from of revaluation of assets		-	(98,482,551)	-	(98,482,551)
Impairment of premises and equipment		-	5	-	5
Gains on financial liabilities designated at fair value through profit or loss		(12,947,014)	-	(12,947,014)	-
Interest and dividend income		(10,285,041,125)	(7,287,450,589)	(9,322,150,894)	(7,623,635,390)
Interest expenses		4,332,373,659	3,069,771,369	4,290,280,306	3,051,714,539
Losses from operations before changes in operating assets and liabilities		(3,831,209,365)	(2,212,484,793)	(3,509,465,915)	(2,836,241,806)
(Increase) decrease in operating assets					
Interbank and money market items		(5,832,814,394)	10,040,371,933	(5,545,325,706)	10,256,224,577
Investments held for trading		(1,028,926,993)	(1,958,806,791)	(1,065,166,892)	(2,054,463,946)
Loans		(23,123,489,021)	(26,003,465,408)	(21,119,329,582)	(24,755,868,050)
Properties for sale		576,407,245	816,006,438	116,311,057	435,904,985
Other assets		(223,824,872)	341,776,656	(106,936,568)	258,600,565

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW (Cont'd)

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Increase (decrease) in operating liabilities					
Deposits		34,077,402,623	6,910,336,650	33,993,378,250	6,743,720,967
Interbank and money market items		6,513,683,956	1,175,266,666	5,800,666,710	1,132,643,585
Liability payable on demand		201,328,153	(106,533,315)	201,328,153	(106,533,315)
Short-term borrowings		(15,693,777,588)	16,100,335,142	(15,693,777,588)	16,100,335,142
Provisions		(136,870,821)	(74,976,995)	(134,056,604)	(74,976,995)
Other liabilities		820,173,128	(762,917,426)	216,948,965	(762,551,740)
Cash flows (used in) provided by operating activities		(7,681,917,949)	4,264,908,757	(6,845,425,720)	4,336,793,968
Cash received from interest income		8,845,212,196	6,300,737,404	7,845,520,878	6,638,398,884
Cash paid for interest expenses		(4,414,181,572)	(2,661,235,618)	(4,374,900,719)	(2,648,502,887)
Net cash paid for income tax		(75,537,258)	(54,441,695)	-	-
Net cash flows (used in) provided by operating activities		(3,326,424,583)	7,849,968,848	(3,374,805,561)	8,326,689,965
Cash flows from investing activities					
Cash paid for purchases of available-for-sale securities		(15,567,499,365)	(5,475,305,948)	(15,567,499,365)	(5,475,305,948)
Proceeds from disposals of available-for-sale securities		11,965,926,585	980,224	11,965,926,585	342,458
Proceeds from maturity of available-for-sale securities		278,000,000	2,620,000,000	278,000,000	2,620,000,000
Cash paid for purchases of held to maturity securities		(9,116,832,910)	(13,893,398,632)	(9,116,832,910)	(13,893,398,632)
Proceeds from maturity of held to maturity securities		5,539,930,576	7,359,469,428	5,539,930,576	7,359,469,428
Cash paid for increase in ordinary shares in subsidiaries		(139,766,600)	-	(169,783,267)	(600,000,000)
Proceeds from disposals of investment in subsidiaries		1,117,600,000	31,579,041	1,117,600,000	31,579,041
Proceeds from repayment of investment in receivable		340,304,845	132,613,599	340,304,845	132,613,599
Proceeds from disposals of general investments		16,868,875	50,799,105	16,868,875	50,799,105
Proceeds from decrease in capital of general investments		41,525,891	34,980,000	41,525,891	34,980,000
Cash paid for purchases of premises and equipment		(295,444,987)	(648,554,133)	(255,286,146)	(545,864,299)
Proceeds from disposals of premises and equipment		37,914,628	192,259,890	34,841,137	192,488,450
Cash paid for purchases of intangible assets		(81,546,543)	(117,429,333)	(75,450,886)	(96,177,570)
Proceeds from disposals of intangible assets		-	15,812	-	15,812
Dividend received		116,881,772	199,177,398	150,347,332	198,223,938
Interest received		1,000,791,553	544,920,895	1,000,791,553	544,920,895
Net cash flows used in investing activities		(4,745,345,680)	(8,967,892,654)	(4,698,715,780)	(9,445,313,723)

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

CIMB THAI BANK PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW (Cont'd)

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		The Bank	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from financing activities					
Proceeds from issuing subordinate debentures		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Cash paid for redemption of subordinated debentures		(1,230,000,000)	(1,503,750,000)	(1,230,000,000)	(1,503,750,000)
Dividend paid		(11,174,440)	-	-	-
Proceeds from issuance of structured bills of exchange and debentures		1,544,075,280	-	1,544,075,280	-
Cash received from capital increase		4,778,970,529	-	4,768,943,269	-
Net cash flows provided by financing activities		8,081,871,369	1,496,250,000	8,083,018,549	1,496,250,000
Net increase in cash and cash equivalents		10,101,106	378,326,194	9,497,208	377,626,242
Cash and cash equivalents at beginning of the year		3,122,846,554	2,744,520,360	3,120,642,155	2,743,015,913
Cash and cash equivalents at the end of the year		3,132,947,660	3,122,846,554	3,130,139,363	3,120,642,155
Supplemental disclosure of cash flows information					
Non-cash transaction:					
Properties for sales received in settlement of debts		875,602,530	524,668,561	176,999,322	3,933,000
Properties for sales received in premises and equipment		-	-	18,140,691	-
Changes in revaluation surplus in available-for-sale		84,278,338	23,891,863	83,714,939	18,714,346
Write-off loans and allowance for doubtful debts		719,242,779	652,242,240	562,431,150	589,755,756
Adjustment of brought forward retained earnings due to the adoption of TAS 19 Employee Benefits		-	476,058,295	-	436,174,318
Receivable from disposal of properties for sale		18,763,318	54,640,254	18,763,318	54,640,254
Transfer investments in receivable to loans due to debt restructuring-net		-	125,092,869	-	125,092,869
Revaluation surplus on assets		54,454,133	649,099,515	54,454,133	649,099,515
Statutory reserve		58,000,000	66,000,000	58,000,000	66,000,000
Write-off other liabilities from sales of investment in a subsidiary		-	58,400,000	-	58,400,000
Payable from purchase of intangible assets		17,257,811	2,462,827	17,257,811	2,462,827
Customers' liability under acceptance		34,175,285	8,448,609	34,175,285	8,448,609
Interest amortisation from premium or discount		78,277,924	26,242,284	78,277,924	26,242,284

The accompanying notes to consolidated and separate financial statements from page 120 to 206 are an integral part of the financial statements

NOTE TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

44 Langsuan Road, Lumpini, Patumwan, Bangkok

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

All subsidiaries were incorporated as limited companies under Thai laws, and all operate in Thailand, engaging mainly in securities business (until 2 July 2012) debt collection, hire purchase and leasing businesses. The Bank and all subsidiaries are collectively called “the Group”.

The consolidated and bank financial statements were authorised by the Board of Directors on 27 February 2013.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated and bank financial statements

The consolidated and bank financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholder equity and cash flow) have been prepared in the format as required by the Notification of the Bank of Thailand (BoT) no. SorNorSor 11/2553, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated 3 December 2010.

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

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

The financial statements have been prepared by including the financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries. The financial statements for the year ended 31 December 2012 have been prepared with some changes related to subsidiaries during the year. Such change is disclosed in Notes 8.7 and 37 to the financial statements.

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

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

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

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

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

The new accounting standards, amendments to accounting standards, new financial reporting standard, interpretations that are effective on or after 1 January 2013 and have not been early adopted by the Group:

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Management has assessed that TAS 20 and TSIC10 are not relevant to the business of the Group. For other accounting standards, management are in the process of evaluating the effect of such standards to the financial statements for the year initially applied. New accounting standards which may significantly impact the financial statements are shown as follows.

TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements.

TFRS 8 requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a way that is consistent with the internal reporting provided to the chief operating decision-maker.

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

Management has assessed that the above TFRIC and TSIC are not relevant to the business of the Group.

2.3 Revenue recognition

(a) Interest and discount on loans

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

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

(b) Interest on margin loans

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

(c) Interest and dividends on investments

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

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

(d) Gains (losses) on sale of investments

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

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

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

(f) Brokerage fees

Brokerage income is recognised when the underlying transaction is contracted.

(g) Income from hire-purchase contracts

The subsidiaries calculate hire-purchase income using the effective interest rate method over the period of contracts. The subsidiaries recognise hire-purchase income on the same basis used for interest income on loans.

(h) Other income

Other income is recognised as income on an accrual basis.

2.4 Expense recognition

(a) Interest expenses

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

(b) Commission fee under hire-purchase agreements

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

(c) Other expense

Other expense is recognised as expense on an accrual basis.

2.5 Investments

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

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

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

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

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

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

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

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

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

General investments are carried at cost less impairment.

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

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

2.6 Investments in receivables

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

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

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

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

Promissory notes received in connection with the transfer of non-performing loans to Thai Asset Management Corporation ("TAMC"), which are availed by the Financial Institutions Development Fund ("FIDF"), are regarded as investments in debt securities expected to be held to maturity and therefore stated at cost. The Bank recognises

interest income on the promissory notes on an accrual basis using the weighted average interest rate announced by 5 commercial banks for the previous quarter. The Bank will recognise income or expenses with respect to gain or loss sharing from the management of non-performing loans at the end of the agreement, and when the Bank receives allocation from TAMC, or when the gain or loss can be accurately estimated.

2.8 Investments in subsidiaries

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

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

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

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

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

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

A list of the Bank's principal subsidiaries and the financial effects of acquisitions and disposals of subsidiaries are shown in Note 8.7 to the financial statements.

2.9 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 or recoveries and decreased by write-offs. The allowance is based on the management's review and assessment of the status of individual debtors as well as BoT guidelines. In addition, the Bank takes into consideration the relationship of risks involved, value of collateral and the status of individual debtors including the relationship of allowance for doubtful debts against the loan balance through economic situations which may have an impact on customers' ability to pay.

(b) For securities business receivables

Receivables from clearing house and payables to clearing house

Receivables from clearing houses comprise the net balance of receivables from the Thailand Securities Depository ("TSD") in respect of securities trades settled through the TSD clearing house and the net receivables from Thailand

Clearing House ("TCH") including amounts pledged with TCH as security for derivatives trading.

Payables to clearing houses comprise the net balance payable to TSD in relation to securities trades settled through the TSD clearing house and the net payable to TCH.

As at 15 February 2010 and onward, receivables from and payables to TSD clearing house in relation to securities trades will be settled through 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 receivables - the subject of legal proceedings - which are undergoing restructuring or are being settled in installments.

Allowance for doubtful accounts is determined based on Securities and Exchange Commission's notification dated 15 February 2001, regarding accounting for sub-standard loans. The announcement requires the subsidiary categorise its loan portfolio into three 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 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 of unearned hire-purchase income.

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

2.10 Troubled debt restructuring and associated losses

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

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

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

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

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

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

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

2.11 Properties for sale

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

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

2.12 Premises, equipment and depreciation

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

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

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

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

Buildings	20 - 40 years
Equipment	5 years and 10 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

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

2.13 Intangible assets

(a) Computer software

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

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

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

(b) Other intangible assets

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

2.14 Impairment of assets

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

2.15 Leasehold rights

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

2.16 Leases

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

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

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

2.17 Foreign currency translation

Items included in the financial statements of the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

The Group translates foreign currency transactions 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 statements of financial position 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 statements of comprehensive income.

2.18 Financial derivatives

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

(a) Trading transactions

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

(b) Hedging transactions

The Bank measures derivatives classified as hedging transactions on a basis equivalent to that used in measurement of hedged underlying assets and liabilities.

Derivatives for fair value hedges are initially recognised at fair value. Changes in fair value are recorded in statement of comprehensive income together with any changes in fair value of hedged assets or liabilities that are attributable to the hedged risk.

2.19 Financial liabilities at fair value through profit or loss

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

Measurement is initially at fair value, premium received from fair value will be amortised as income until maturity or at early termination. Changes in the fair value of financial liabilities, designated at fair value through profit or loss, are recognised in the statements of comprehensive income as gain or loss on financial liabilities designated at fair value through profit loss.

2.20 Employee benefits and pension fund

Defined contribution plan

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

Defined benefit plan

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

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

Liability in respect of employee benefits is measured using the projected unit-credit method, which is calculated by an independent actuary in accordance with actuarial techniques. The present value of the defined benefits obligations is determined by discounting estimated future cash flows based on government bond yields which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and others. The amount of net actuarial gains or losses recognised in the statement of comprehensive income is determined by the corridor approach in accordance with TAS19 and is recognised as income or expense over the expected average remaining service lives of the related employees participating in the defined benefit plan.

The Bank adjusted the consolidated and bank statement of financial position as at 1 January 2011 by increasing provisions for employee benefits amounting to Baht 474 million and Baht 436 million, respectively, and reducing beginning retained earnings by the same amount.

2.21 Provisions

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

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

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

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

2.22 Income tax

The Group calculates income tax based on the taxable profits determined in accordance with tax legislation.

2.23 Share based payment

The Bank operates share-based compensation plans, which include options and shares granted to employees. For entitlements granted to employees under the Management Equity Scheme (MES) before 1 January 2011 to which TFRS 2 has not been applied, the Bank does not include them in the financial statements but discloses them as the requirement of the standard in note 26 to the financial statements.

In March 2011, the Bank established an Equity Ownership Plan (EOP). At the grant date, the Bank records prepayment for the whole amount with fair value refers to market price on the same day of the ordinary shares of CIMB Group Holding Berhad, which is the parent company of CIMB Group, and registers in the stock market in Malaysia multiplies with the number of shares granted to the employees. The Bank paid the amount to the related company in Malaysia which will purchase, own the shares until the transfer date on behalf of the Bank and other companies in the group.

At the end of each reporting period, the Bank sets up payment reserve as the proportion of time of the vesting period.

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

3.1.1 Market risk

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

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

3.1.1.1 Foreign exchange risk

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

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

3.1.1.2 Interest rate risk

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

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

3.1.1.3 Equity position risk

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

3.1.2 Credit risk

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

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

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

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

3.1.3 Liquidity risk

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

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

3.2 Accounting for derivative financial instruments and hedging activities

The Bank is party to derivative financial instruments, which mainly comprise foreign currency forward contracts, interest rate swap agreements, future contracts, and exchange rate options. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 45.5 to the financial statements.

3.3 Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Group has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

When there is infrequent activity in a market, the market is not well established or small volumes are traded relative to the number of trading units of a financial instrument to be valued, quoted market prices may not be indicative of the fair value of the instrument. In these circumstances, as well as when a quoted market price is not available, estimation techniques may be used to determine the fair value with sufficient reliability to satisfy the Group. Techniques that are well established in financial markets include reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. In applying discounted cash flow analysis, an enterprise uses a discount rate equal to the prevailing market rate of interest for financial instruments having substantially the same terms and characteristics, including the creditworthiness of the debtor, the remaining term over which the contractual interest rate is fixed, the remaining term for repayment of the principal and the currency in which payments are to be made.

The fair value of publicly traded derivatives and trading and available for-sale investments is based on quoted market prices at the end of the reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the end of the reporting period.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

(a) Allowance for doubtful accounts for loans

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

(b) Fair value of financial derivative instruments

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

(c) Impairment of investments

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

(d) Allowance for impairment of property for sale

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

(e) Building, equipment and intangible assets

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

(f) Provision for post retirement benefits and pension fund

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

5. CAPITAL RISK MANAGEMENT

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

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

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E.2551. The Bank's capital fund is presented in Note 25 to the financial statement.

6. INTERBANK AND MONEY MARKET ITEMS, NET (ASSETS)

	Consolidated					
	2012			2011		
	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	2,239	-	2,239	1,401	-	1,401
Commercial banks	61	1,000	1,061	602	45	647
Other banks	9	4,300	4,309	6	-	6
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	1,352	1,352	-	561	561
Total domestic items	2,853	6,652	9,505	2,553	606	3,159
<u>Add</u> accrued interest receivables	-	1	1	-	-	-
<u>Less</u> allowance for doubtful debts	-	(34)	(34)	-	(3)	(3)
Domestic items, net	2,853	6,619	9,472	2,553	603	3,156
Foreign:						
US dollar	555	-	555	1,942	-	1,942
Yen	20	-	20	17	-	17
Euro	19	-	19	28	-	28
Other currencies	62	-	62	62	-	62
Foreign items, net	656	-	656	2,049	-	2,049
Domestic and foreign items, net	3,509	6,619	10,128	4,602	603	5,205

	The Bank					
	2012			2011		
	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	2,239	-	2,239	1,401	-	1,401
Commercial banks	36	1,000	1,036	26	-	26
Other banks	-	4,300	4,300	-	-	-
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	-	1,352	1,352	-	561	561
Total domestic items	2,819	6,652	9,471	1,971	561	2,532
<u>Add</u> accrued interest receivables	-	1	1	-	-	-
<u>Less</u> allowance for doubtful debts	-	(34)	(34)	-	(4)	(4)
Domestic items, net	2,819	6,619	9,438	1,971	557	2,528
Foreign:						
US dollar	555	-	555	1,942	-	1,942
Yen	20	-	20	17	-	17
Euro	19	-	19	28	-	28
Other currencies	62	-	62	62	-	62
Foreign items, net	656	-	656	2,049	-	2,049
Domestic and foreign items, net	3,475	6,619	10,094	4,020	557	4,577

As at 31 December 2012, the Bank had promissory notes of Baht 547 million (31 December 2011: Baht 547 million), that were issued by financial institutions which were ordered to be closed, and are averted by the Financial Institution Development Fund (FIDF).

The FIDF recalled promissory notes amounting to Baht 544 million (31 December 2011: Baht 544 million) to cancel the avert as the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities.

However, the Bank has not yet returned the promissory notes to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the statements of financial position date, such promissory notes averted by FIDF had been presented as assets and the related obligations were presented as liabilities in the same amount of Baht 544 million (31 December 2011: Baht 544 million).

7. DERIVATIVES

7.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and the Bank					
	2012			2011		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Exchange rate	776	403	82,781	1,023	767	55,973
Interest rate	1,692	1,598	336,153	1,503	1,504	227,125
Total	2,468	2,001	418,934	2,526	2,271	283,098

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

	Consolidated and the Bank	
	2012	2011
	Proportion	Proportion
Financial institutions	80	85
Companies in group	15	7
External parties	5	8
Total	100	100

7.2 Derivative for hedging

Fair value hedge

	Consolidated and the Bank					
	2012			2011		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Interest rate	6	1	676	1	-	251
Total	6	1	676	1	-	251

Fair value hedges are used to hedge the exposure to changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group enters into interest rate swaps to hedge against interest

rate risk of loans, bill of exchange and negotiable certificate of deposit. The changes in fair value of the hedging instruments and hedged items are recognised in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the years ended 31 December 2012 and 2011 can be summarised as follows:

	Consolidated and the Bank	
	2012 Million Baht	2011 Million Baht
Gains on hedging instruments, net	4	1
Losses on the hedged items, net	(4)	(1)

8. INVESTMENTS, NET

8.1 Classified by type of investment

	Consolidated		The Bank	
	2012	2011	2012	2011
	Fair value Million Baht	Fair value Million Baht	Fair value Million Baht	Fair value Million Baht
Securities held for trading				
Government and state enterprises securities	2,929	2,130	2,929	2,130
Private sector debt securities	357	48	357	48
Domestic marketable equity securities	-	26	-	-
Total securities held for trading	3,286	2,204	3,286	2,178
Available-for-sales securities				
Government and state enterprises securities	10,962	8,229	10,962	8,229
Private sector debt securities	908	195	908	195
Domestic marketable equity securities	2,732	2,662	2,732	2,645
Total available-for-sales securities	14,602	11,086	14,602	11,069

	Consolidated		The Bank	
	2012	2011	2012	2011
	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities				
Government and state enterprises securities	21,538	17,489	21,538	17,489
Promissory notes issued by				
Thai Asset Management Corporation	282	469	282	469
Private sector debt securities	321	592	321	592
Investments in receivables (Note 8.6)	178	569	178	524
Total	22,319	19,119	22,319	19,074
<u>Less</u> allowance for impairment	(117)	(173)	(117)	(136)
Total held-to-maturity debt securities	22,202	18,946	22,202	18,938

	Consolidated		The Bank	
	2012	2011	2012	2011
	Fair value Million Baht	Fair value Million Baht	Fair value Million Baht	Fair value Million Baht
General investments				
Domestic non-marketable equity securities	452	514	452	514
Overseas non-marketable equity securities	14	14	14	14
Total	466	528	466	528
<u>Less</u> allowance for impairment	(233)	(221)	(233)	(221)
Total general investments	233	307	233	307
Investments, net	40,323	32,543	40,323	32,492

(a) As at 31 December 2012, 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 46 to the financial statements) amounting to Baht 282 million (31 December 2011: Baht 469 million). Such promissory notes are non-transferable and availed by the FIDF.

(b) As at 31 December 2012, the Bank had an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million (31 December 2011: Baht 2,500 million) and it is presented at its fair value of Baht 2,665 million (31 December 2011: Baht 2,578 million), with the gain from revaluation amounting to Baht 165 million (31 December 2011: Baht 78 million) presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 105 concerning Accounting for Investment in Debt and Equity Securities. The investee fund was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a ten-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.

(c) As at 31 December 2012 and 2011, the Bank had investments pledged as collateral, as mentioned in Note 40.1 to the financial statements.

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

	Consolidated and the Bank							
	2012				2011			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Available-for-sales securities								
Government and state enterprises securities	2,207	8,614	107	10,928	1,504	4,938	1,742	8,184
Private sector debt securities	188	414	299	901	50	110	35	195
Total	2,395	9,028	406	11,829	1,554	5,048	1,777	8,379
Add (Less) allowance for revaluation	-	37	4	41	3	(2)	44	45
Available-for-sales securities, net	2,395	9,065	410	11,870	1,557	5,046	1,821	8,424
Held-to-maturity securities								
Government and state enterprises securities	8,563	11,815	1,160	21,538	3,851	13,140	498	17,489
Promissory notes issued by TAMC	282	-	-	282	336	133	-	469
Private sector debt securities	301	20	-	321	291	301	-	592
Total	9,146	11,835	1,160	22,141	4,478	13,574	498	18,550
Less allowance for impairment	(55)	-	-	(55)	(40)	(16)	-	(56)
Held-to-maturity securities, net	9,091	11,835	1,160	22,086	4,438	13,558	498	18,494
Total debt securities	11,486	20,900	1,570	33,956	5,995	18,604	2,319	26,918

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

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

	Consolidated and the Bank	
	2012 Million Baht	2011 Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
Less allowance for impairment	(12)	(11)
Investments representing shareholdings in which the Group hold more than 10%, net	10	11

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

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

	Consolidated and the Bank			
	2012		2011	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	226	223	261	258
Less allowance for impairment	(3)		(3)	
General investments, net	<u>223</u>		<u>258</u>	

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

As at 31 December 2012 and 2011, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and the Bank							
	2012				2011			
	Number of companies	Cost Million Baht	Allowance for revaluation/ impairment Million Baht	Book value Million Baht	Number of companies	Cost Million Baht	Allowance for revaluation/ impairment Million Baht	Book value Million Baht
Listed companies under delisting conditions	2	-	-	-	2	-	-	-
Business continuity and/or weak financial status and operating performance	50	42	(42)	-	51	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	2	(2)	-
	<u>70</u>	<u>43</u>	<u>(43)</u>	<u>-</u>	<u>71</u>	<u>44</u>	<u>(44)</u>	<u>-</u>

8.6 Investments in receivables

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Investments in receivables	178	569	178	524
Less allowance for impairment	(62)	(117)	(62)	(80)
Investments in receivables, net	<u>116</u>	<u>452</u>	<u>116</u>	<u>444</u>

As at 31 December 2012 and 2011, the outstanding balances of loan receivables can be summarised as follows:

	2012				2011			
	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)* %
<u>Consolidated</u>								
Total accumulated investments in receivables	5,857	22,948	6,996	19	6,046	24,833	7,069	19
Outstanding investments in receivables as at the statements of financial position date	123	1,437	178	-	306	3,411	569	-
<u>The Bank</u>								
Total accumulated investments in receivables	5,857	22,948	6,996	19	5,857	22,948	6,996	19
Outstanding investments in receivables as at the statements of financial position date	123	1,437	178	-	155	1,860	524	-

* Excluded yield of investment in receivable of a subsidiary which the outstanding as at 31 December 2011 is Baht 45 million.

8.7 Investments in subsidiary, net

Company name	Nature of business	Type of securities	Percentage of holding		The Bank	
			2012 %	2011 %	Cost method	
					2012 Million Baht	2011 Million Baht
Subsidiaries - included in consolidated financial statements						
CIMB Securities (Thailand) Co., Ltd.	Securities	Common stock	-	100	-	1,775
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
Center Auto Lease Co., Ltd.	Leasing/hire-purchase	Common stock	100	100	703	703
Worldlease Co., Ltd.	Hire-purchase and motorcycles motorcycle trading	Common stock	100	75	417	248
Subsidiary - not included in consolidated financial statements						
Krung Thai Thanakit Finance Plc.	In process of liquidation	Common stock	99	99	562	562
Total					1,720	3,326
Less allowance for impairment					(687)	(1,403)
Investments in subsidiary, net					1,033	1,923

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

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

The Board of Directors meeting No. 6/2011 on 24 June 2011 approved increased registered capital of CIMB Securities (Thailand) Co.,Ltd. from Baht 500 million to Baht 1,800 million; and then the Extraordinary General Meeting No. 2/2011 dated on 26 August 2011 approved the increase of capital of Baht 1,300 million by issuing new ordinary shares with a par value of Baht 10 per share.

On 7 September 2011, CIMB Securities (Thailand) Co., Ltd. increased its registered ordinary shares of Baht 600 million to the total registered and paid-up share capital of Baht 1,100 and registered with the Ministry of Commerce on 7 September 2011.

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

On 12 April 2012, the Annual General Meeting of Shareholders No.18 resolved that the Bank sell its investment in equity of CIMB Securities (Thailand) Co., Ltd. 109,999,993 shares which was 99.99% of the registered capital to CIMB Securities International Pte Ltd., the subsidiary of the CIMB Group.

On 2 July 2012, the Bank sold its shareholding in CIMB Securities (Thailand) Co., Ltd. The Bank received cash from selling stock amounting to Baht 1,117 million.

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

On 19 April 2012, the Board of Directors' meeting No. 5/2012 approved an increase in registered capital of Worldlease Co., Ltd., in which the Bank has a 75.04% share, from Baht 240 million to Baht 400 million. Worldlease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 30,016,667 on 27 April 2012. On 2 May 2012, Worldlease Co., Ltd. registered the capital increase with the Ministry of Commerce. After the registration, the registered capital of Worldlease Co., Ltd was Baht 400 million.

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

9. LOANS AND ACCRUED INTEREST RECEIVABLES, NET

9.1 Classified by loan type

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Bank overdrafts	7,209	6,702	7,216	6,702
Loans	85,242	68,584	90,253	72,171
Bills	34,537	34,470	39,228	38,005
Hire-purchase receivables	15,137	11,137	-	-
Securities business receivables	-	751	-	-
Others	35	76	16	73
Total loans	142,160	121,720	136,713	116,951
Valuation reserve from hedging	(7)	(1)	(7)	(1)
<u>Less</u> deferred revenue	(3,307)	(2,430)	(3)	(3)
Total loans net of deferred revenue	138,846	119,289	136,703	116,947
<u>Add</u> accrued interest receivables	370	279	375	278
Total loans net of deferred revenue and accrued interest receivables	139,216	119,568	137,078	117,225
<u>Less</u> allowance for doubtful debts (Note 10)				
Minimum allowance for doubtful accounts required based on BoT's guidelines				
Individual approach	(1,427)	(1,681)	(1,524)	(1,691)
Collective approach	(408)	(261)	-	-
General provision for further losses	(1,561)	(1,403)	(1,561)	(1,403)
<u>Less</u> revaluation allowance for debt restructuring (Note 11)	(16)	(11)	(16)	(11)
Loans and accrued interest receivables, net	135,804	116,212	133,977	114,120

9.2 Classified by currency and residency of debtors

	Consolidated					
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	132,817	304	133,121	113,291	326	113,617
US dollar	4,000	1,531	5,531	5,479	-	5,479
Other currencies	194	-	194	193	-	193
Total loans net of deferred revenue	137,011	1,835	138,846	118,963	326	119,289

	The Bank					
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	130,674	304	130,978	110,949	326	111,275
US dollar	4,000	1,531	5,531	5,479	-	5,479
Other currencies	194	-	194	193	-	193
Total loans net of deferred revenue	134,868	1,835	136,703	116,621	326	116,947

9.3 Classified by types of business and loan classification

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

	Consolidated						
	2011						
	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	2,278	12	-	-	11	-	2,301
Manufacturing and commerce	42,269	3,740	234	546	747	-	47,536
Real estate and construction	8,867	817	145	120	251	-	10,200
Public utilities and services	15,193	1,232	697	29	173	-	17,324
Personal cash	4,980	318	211	3	9	-	5,521
Housing loans	18,441	359	151	135	211	-	19,297
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	8,710	8,710
Others	7,334	95	88	44	86	753	8,400
Total loans net of deferred revenue	99,362	6,573	1,526	877	1,488	9,463	119,289

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

	The Bank					
	2011					
	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	2,278	12	-	-	11	2,301
Manufacturing and commerce	42,269	3,740	234	546	747	47,536
Real estate and construction	8,867	817	145	120	251	10,200
Public utilities and services	15,193	1,232	697	29	173	17,324
Personal cash	4,980	318	211	3	9	5,521
Housing loans	18,440	359	151	135	211	19,296
Others	14,456	95	88	44	86	14,769
Total loans net of deferred revenue	106,483	6,573	1,526	877	1,488	116,947

9.4 Classification of loans

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

(a) Loans of the Group

	Consolidated							
	2012				2011			
	Loans and Accrued Interest Receiv- ables Million Baht	Balance After Collateral ⁽¹⁾ Million Baht	Minimum %	Allowance Provided In the Accounts Million Baht	Loans and Accrued Interest Receivables Million Baht	Balance After Collateral ⁽¹⁾ Million Baht	Minimum %	Allowance Provided In the Accounts Million Baht
Minimum allowance for doubtful accounts based on BoT guidelines								
- Pass	128,127	52,064	1	518	107,720	41,660	1	416
- Special mention	7,064	2,753	2	57	7,684	2,653	2	62
- Sub-standard	1,316	544	100	524	1,669	524	100	514
- Doubtful	478	194	100	198	984	375	100	435
- Doubtful-of-loss	2,231	489	100	538	1,511	473	100	515
- General provision for further losses				1,561				1,403
Total	139,216	56,044		3,396	119,568	45,685		3,345

⁽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.

	The Bank							
	2012				2011			
	Loans and accrued interest receivables Million Baht	Balance after collateral ⁽¹⁾ Million Baht	Minimum %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Balance after collateral (1) Million Baht	Minimum %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BoT guidelines								
- Pass	127,608	51,564	1	512	106,721	41,342	1	413
- Special mention	5,780	1,468	2	29	6,609	1,579	2	41
- Sub-standard	1,120	383	100	383	1,528	420	100	420
- Doubtful	396	112	100	112	879	325	100	325
- Doubtful-of-loss	2,174	432	100	488	1,488	450	100	492
- General provision for further losses				1,561				1,403
Total	137,078	53,959		3,085	117,225	44,116		3,094

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

As at 31 December 2012, there were defaulted loans amounting to Baht 3,117 million (31 December 2011: Baht 3,447) 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	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Pass	-	682	-	-	-	-
Sub-standard debt	-	17	-	-	-	-
Doubtful debt	-	55	-	55	-	61
Total	-	754	-	55	-	61

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

As at 31 December 2012 and 2011, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

	Debt balance, net unearned income		Allowance for doubtful accounts	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Current or overdue less than				
1 installment	10,213	7,439	103	74
Overdue 2-3 installments	1,285	1,075	28	22
Overdue 4-6 installments	196	123	141	93
Overdue 7-12 installments	82	50	81	49
Overdue more than				
12 installments	51	18	50	18
Debtors under litigation	5	5	5	5
Total	11,832	8,710	408	261

9.5 Non-performing loans

As at 31 December 2012 and 2011, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand and the Office of the Securities and Exchange Commission.

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Non-performing loans (principal only)				
Banking business	3,678	3,891	3,678	3,891
Other businesses	334	219	-	-

As at 31 December 2012 and 2011, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT's, defining non-performing loans to be debts classified as sub-standard, doubtful and doubtful-of-loss, and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with BoT criteria have already been fulfilled.

9.6 Hire-purchase and finance lease receivables

As at 31 December 2012, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 11,424 million (31 December 2011: Baht 8,449 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	Consolidated as at 31 Dec 2012				
	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	4,872	9,519	293	453	15,137
<u>Less</u> unearned finance income	(1,209)	(1,906)	(71)	(119)	(3,305)
Present value of minimum lease payments receivable	3,663	7,613	222	334	11,832
<u>Less</u> allowance for doubtful accounts					(408)
Net receivables under hire-purchase agreements and financial leases					11,424

	Consolidated as at 31 Dec 2011				
	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	3,487	7,119	268	263	11,137
<u>Less</u> unearned finance income	(862)	(1,433)	(65)	(67)	(2,427)
Present value of minimum lease payments receivable	2,625	5,686	203	196	8,710
<u>Less</u> allowance for doubtful accounts					(261)
Net receivables under hire-purchase agreements and financial leases					8,449

9.7 Troubled debt restructuring

As at 31 December 2012 and 2011, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below:

	Consolidated and the Bank	
	2012	2011
Number of debtors	1,970	2,090
Debt balances (Million Baht)	2,407	1,579

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

	Consolidated and the Bank		
	2012		
	Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Transfer of asset in full settlement	1	139	-
Modification of terms of payments	1,969	2,268	2,158
Total	1,970	2,407	2,158

	Consolidated and the Bank		
	2011		
	Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Modification of terms of payments	2,090	1,579	1,578
Total	2,090	1,579	1,578

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

Period of debts restructuring contracts	Consolidated and the Bank					
	2012			2011		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	481	813	704	490	460	459
5 - 10 years	1,419	743	743	1,563	1,061	1,061
10 - 15 years	19	595	595	11	26	26
More than 15 years	50	116	116	26	32	32
Total	1,969	2,267	2,158	2,090	1,579	1,578

Supplemental information relating to the restructured debts for the years ended 31 December 2012 and 2011 are as follows:

	Consolidated and the Bank	
	2012 Million Baht	2011 Million Baht
Loss on debt restructuring	39	2
Interest income	238	264

As at 31 December 2012 and 2011, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	Consolidated		The Bank	
	2012	2011	2012	2011
Number of debtors	6,928	7,411	6,928	7,409
Debt balances after restructuring (Million Baht)	2,819	2,807	2,819	2,786

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 2012, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 16 million (31 December 2011: Baht 11 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 31 December 2012 the Bank may have to realise additional losses of about Baht 20 million (31 December 2011: Baht 20 million) from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements. The Bank had already provided a provision for such losses, which is presented as part of the allowance for doubtful debts in the statements of financial position.

10. ALLOWANCE FOR DOUBTFUL DEBTS

	Consolidated								
	2012								
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful- of-loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire- purchase receivables Million Baht	Grand total Million Baht
Balance as at 1 January 2012	342	41	420	325	492	1,403	3,023	322	3,345
<u>Add</u> addition during the year	-	-	-	-	-	1,086	1,086	237	1,323
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Transfer from Bangkok Commercial Asset Management Co., Ltd.	-	-	-	-	-	1	1	-	1
Reversal of bad debts	-	-	-	-	-	53	53	(10)	43
<u>Less</u> bad debts written off	-	-	(521)	(22)	(19)	-	(562)	(117)	(679)
Transfer to Sathorn Asset Management Co., Ltd.	-	-	(41)	(104)	(437)	-	(582)	-	(582)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(12)	(12)	-	(12)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	73	(12)	525	(87)	452	(977)	(26)	-	(26)
Transfer to assets of disposal group which was sold during the year	-	-	-	-	-	-	-	(24)	(24)
Balance as at 31 December 2012	415	29	383	112	488	1,561	2,988	408	3,396

	Consolidated								
	2011								
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful- of-loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Securities and hire- purchase receivables Million Baht	Grand total Million Baht
Balance as at 1 January 2011	305	33	691	60	362	955	2,406	199	2,605
<u>Add</u> addition during the year	(53)	-	-	-	-	942	889	188	1,077
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	3	3	-	3
Transfer from allowance for sold non-performing loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	7	7	-	7
Transfer from investment in account receivable	-	-	-	-	-	14	14	-	14
Reversal of bad debts	-	-	-	-	-	299	299	-	299
<u>Less</u> bad debts written off	-	(139)	(390)	(1)	(60)	-	(590)	(63)	(653)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(5)	(5)	-	(5)
Increase (decrease) due to change in collateral value or transfer general provision to specific provision	90	147	119	266	190	(812)	-	(2)	(2)
Balance as at 31 December 2011	342	41	420	325	492	1,403	3,023	322	3,345

	The Bank							
	2012							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht	
Balance as at 1 January 2012	413	41	420	325	492	1,403	3,094	
<u>Add</u> addition during the year	-	-	-	-	-	1,086	1,086	
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	7	7	
Transfer from Bangkok Commercial Asset Management Co., Ltd.	-	-	-	-	-	1	1	
Reversal of bad debts	-	-	-	-	-	53	53	
<u>Less</u> bad debts written off	-	-	(521)	(22)	(19)	-	(562)	
Transfer to Sathorn Asset Management Co., Ltd.	-	-	(41)	(104)	(437)	-	(582)	
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(12)	(12)	
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	99	(12)	525	(87)	452	(977)	-	
Balance as at 31 December 2012	512	29	383	112	488	1,561	3,085	

	The Bank						
	2011						
	Special	Sub-		Doubtful	General		Total
	Pass	mention	standard	Doubtful	of loss	provision	
	Million	Million	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2011	323	34	691	59	363	954	2,424
<u>Add</u> addition during the year	-	-	-	-	-	942	942
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	3	3
Transfer from allowance for sold non-performing loan to Sathorn Asset Management Co., Ltd.	-	-	-	-	-	7	7
Reversal of bad debts	-	-	-	-	-	299	299
Transfer from investment in account receivable	-	-	-	-	-	14	14
<u>Less</u> bad debts written off	-	(139)	(390)	(1)	(60)	-	(590)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(5)	(5)
Increase (decrease) due to change in classification, collateral value or transfer general provision to specific provision	90	146	119	267	189	(811)	-
Balance as at 31 December 2011	413	41	420	325	492	1,403	3,094

11. REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

	Consolidated and the Bank	
	2012	2011
	Million Baht	Million Baht
Balance - beginning of the year	11	9
<u>Add</u> revaluation allowance transferred from allowance for doubtful debts	12	5
<u>Less</u> revaluation allowance transferred to allowance for doubtful debts	(7)	(3)
Balance - end of the year	<u>16</u>	<u>11</u>

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

12. PROPERTIES FOR SALE,NET

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

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

	Consolidated			
	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2011 Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,645	4	(667)	1,982
Movable	15	521	(511)	25
Total	2,660	525	(1,178)	2,007
<u>Less</u> allowance for impairment	(611)	(22)	110	(523)
Properties for sale, net	2,049	503	(1,068)	1,484

	The Bank			
	As at 1 January 2012 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2012 Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,975	181	(144)	2,012
Total	1,975	181	(144)	2,012
Others	-	18	-	18
Total properties for sale	1,975	199	(144)	2,030
<u>Less</u> allowance for impairment	(514)	(2)	13	(503)
Properties for sale, net	1,461	197	(131)	1,527

	The Bank			
	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2011 Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,638	4	(667)	1,975
Total	2,638	4	(667)	1,975
<u>Less</u> allowance for impairment	(605)	-	91	(514)
Properties for sale, net	2,033	4	(576)	1,461

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

13. PREMISES AND EQUIPMENT, NET

	Consolidated													
	Cost/appraisal value							Accumulated depreciation						
	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2012 Million Baht	As at 1 January 2012 Million Baht	Adjustment Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2012 Million Baht	As at for impairment Million Baht	Allowance Net book value Million Baht
Land														
Cost	563	-	-	(2)	(9)	552	-	-	-	-	-	-	-	552
Revaluation surplus (revaluation in 2011)	877	-	-	(15)	(9)	853	-	-	-	-	-	-	-	853
Devaluation of asset (revaluation in 2011)	(38)	-	-	-	-	(38)	-	-	-	-	-	-	-	(38)
Buildings														
Cost	2,068	-	23	(8)	(79)	2,004	(980)	-	(102)	8	36	(1,038)	-	966
Revaluation surplus (revaluation in 2011)	1,082	872	-	(6)	(1)	1,947	(748)	(872)	(45)	5	-	(1,660)	-	287
Devaluation of asset (revaluation in 2011)	(78)	(12)	-	-	-	(90)	53	11	5	-	-	69	-	(21)
Equipment	2,964	-	490	-	(285)	3,169	(2,167)	-	(276)	-	219	(2,224)	(14)	931
Assets under installation and/or construction	249	-	81	-	(292)	38	-	-	-	-	-	-	-	-
Total	7,687	860	594	(31)	(675)	8,435	(3,842)	(861)	(418)	13	255	(4,853)	(14)	3,568

13. PREMISES AND EQUIPMENT, NET (cont'd)

	Consolidated									
	Cost/appraisal value					Accumulated depreciation				
	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 31 December 2011 Million Baht	As at 1 January 2011 Million Baht	Additions Million Baht	Disposals/ written off Million Baht	As at 31 December 2011 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land										
Cost	563	-	-	563	-	-	-	-	-	563
Revaluation surplus										
(revaluation in 2011)	450	427	-	877	-	-	-	-	-	877
Devaluation of asset										
(revaluation in 2011)	(88)	50	-	(38)	-	-	-	-	-	(38)
Buildings										
Cost	2,145	103	(180)	2,068	(943)	(105)	68	(980)	-	1,088
Revaluation surplus										
(revaluation in 2011)	180	904	(2)	1,082	(63)	(686)	1	(748)	-	334
Devaluation of asset										
(revaluation in 2011)	(177)	97	2	(78)	85	(31)	(1)	53	-	(25)
Equipment	2,609	395	(40)	2,964	(1,973)	(215)	21	(2,167)	(14)	783
Assets under installation										
And/or construction	68	431	(250)	249	-	-	-	-	-	249
Total	5,750	2,407	(470)	7,687	(2,894)	(1,037)	89	(3,842)	(14)	3,831

13. PREMISES AND EQUIPMENT, NET (cont'd)

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

13. PREMISES AND EQUIPMENT, NET (cont'd)

	The Bank									
	Cost/appraisal value				Accumulated depreciation					
	As at 1 January 2011	As at 31 December 2011	Disposals/ written off	As at 1 January 2011	As at 31 December 2011	Disposals/ written off	As at 1 January 2011	As at 31 December 2011	Disposals/ written off	As at 1 January 2011
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land										
Cost	563	-	-	-	563	-	-	-	-	563
Revaluation surplus (revaluation in 2011)										
Devaluation of asset (revaluation in 2011)	450	427	-	-	877	-	-	-	-	877
Buildings										
Cost	(88)	50	-	-	(38)	-	-	-	-	(38)
Revaluation surplus (revaluation in 2011)										
Devaluation of asset (revaluation in 2011)	2,097	77	(180)	(917)	1,994	68	(100)	(949)	-	1,045
Equipment										
Assets under installation and/or construction	180	904	(2)	(63)	1,082	1	(686)	(748)	-	334
Total	(177)	97	2	85	(78)	(1)	(31)	53	-	(25)
	2,359	326	(28)	(1,783)	2,657	10	(190)	(1,963)	(14)	680
	68	407	(237)	-	238	-	-	-	-	238
	5,452	2,288	(445)	(2,678)	7,295	78	(1,007)	(3,607)	(14)	3,674

14. INTANGIBLE ASSETS, NET

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

	Consolidated					
	Amortising period	As at 1 January 2011 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht	As at 31 December 2011 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	60	98	(49)	-	109
Computer software	5 - 10 years	406	22	49	(19)	359
Licence fee	5 years	4	-	-	(1)	3
Total		470	120	-	(19)	471
Less allowance for impairment		(19)				-
Intangible assets, net		451				471

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

	The Bank						
		As at					As at
		1 January	Increase	Transfer	Amorti-	Written	31 December
	Amortising	2011	Million	in/(out)	sation	off	2011
	period	Million	Million	Million	Million	Million	Million
		Baht	Baht	Baht	Baht	Baht	Baht
Expenditures in connection with development and improvement of computer systems	-	60	81	(38)	-	-	103
- under development							
Computer software	5 - 10 years	399	17	38	(19)	(96)	339
Licence Fee	5 years	2	-	-	-	(1)	1
Total		461	98	-	(19)	(97)	443
Less allowance for impairment		(19)					-
Intangible assets, net		442					443

15. OTHER ASSETS, NET

	Consolidated		The Bank	
	2012 Million baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Accrued interest and dividend receivables	406	258	406	258
Credit support assets on derivatives	390	331	390	331
Leasehold rights	12	15	12	15
Advances	16	18	16	18
Others assets awaiting account transfer	265	277	265	277
Commission receivables	18	13	18	13
Withholding tax receivable	150	99	133	93
Receivables from clearing house	-	129	-	-
Marginal deposits	60	84	54	45
Account receivable revenue department	49	-	-	-
Prepaid expenses	55	69	51	51
Others	153	138	96	69
Total	1,574	1,431	1,441	1,170
Less allowance for impairment	(36)	(37)	(36)	(37)
Other assets, net	1,538	1,394	1,405	1,133

16. DEPOSITS

16.1 Classified by type of deposits

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
At-call	1,893	2,220	1,905	1,883
Savings	40,157	31,332	40,285	31,381
Fixed	92,208	67,748	92,219	67,753
Negotiable certificate of deposit	876	274	876	274
Total deposits	<u>135,134</u>	<u>101,574</u>	<u>135,285</u>	<u>101,291</u>

16.2 Classified by currency and residency of depositors

	Consolidated					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	130,135	1,036	131,171	100,451	757	101,208
US dollar	3,950	-	3,950	357	-	357
Other currencies	13	-	13	9	-	9
Total	<u>134,098</u>	<u>1,036</u>	<u>135,134</u>	<u>100,817</u>	<u>757</u>	<u>101,574</u>

	The Bank					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	130,286	1,036	131,322	100,168	757	100,925
US dollar	3,950	-	3,950	357	-	357
Other currencies	13	-	13	9	-	9
Total	<u>134,249</u>	<u>1,036</u>	<u>135,285</u>	<u>100,534</u>	<u>757</u>	<u>101,291</u>

17. INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

	Consolidated					
	2012			2011		
	At-call	Term	Total	At call	Term	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Domestic:						
The Bank of Thailand	-	612	612	-	-	-
Commercial banks	42	4,250	4,292	14	1,000	1,014
Other banks	119	1,000	1,119	53	400	453
Finance, finance and securities, securities, and credit foncier companies	1,614	306	1,920	336	2	338
Other financial institutions	587	1,260	1,847	308	32	340
Total domestic items	2,362	7,428	9,790	711	1,434	2,145
Foreign:						
US dollar	213	-	213	1,641	-	1,641
Other currencies	783	524	1,307	534	467	1,001
Total foreign items	996	524	1,520	2,175	467	2,642
Total domestic and foreign items	3,358	7,952	11,310	2,886	1,901	4,787

	The Bank					
	2012			2011		
	At-call	Term	Total	At call	Term	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Domestic:						
The Bank of Thailand	-	612	612	-	-	-
Commercial banks	42	3,300	3,342	14	500	514
Other banks	119	1,000	1,119	53	400	453
Finance, finance and securities, securities, and credit foncier companies	1,614	306	1,920	599	2	601
Other financial institutions	587	1,260	1,847	308	32	340
Total domestic items	2,362	6,478	8,840	974	934	1,908
Foreign:						
US dollar	213	-	213	1,641	-	1,641
Other currencies	783	524	1,307	534	467	1,001
Total foreign items	996	524	1,520	2,175	467	2,642
Total domestic and foreign items	3,358	7,002	10,360	3,149	1,401	4,550

18. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated and the Bank
	2012
	Million Baht
Debentures	1,232
Bill of Exchange	303
Total	1,535

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

	Consolidated and the Bank
	2012
	Proportion
Financial institutions	20
External parties	80
Total	100

Financial liabilities designated at fair value through profit or loss are bills of exchange and debentures which will mature in 11 and 5 years respectively with embedded callable range accrual swap. They bear interest rate at THBFIX 6 month + 0.50% per annum with a payment of interest every six months. The Bank entered into callable range accrual swaps with opposite conditions (back-to-back) with CIMB Bank Berhad (Note 32).

19. DEBT ISSUED AND BORROWINGS

	Consolidated					
	2012			2011		
	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	-	2,566	2,566	-	2,547	2,547
Short term debentures						
Short term debentures maturing in 2013, coupon rate of 2.76% - 2.95% per annum	6,552	-	6,552	-	-	-
Subordinated debentures						
Subordinated debentures of USD 40 million, maturing in 2017	-	-	-	-	1,309	1,309
Non-interest-bearing subordinated debentures of Baht 120 million, maturing in 2014	-	-	-	106	-	106
Subordinated debentures of Baht 3,000 million, maturing in 2021	2,322	678	3,000	2,322	678	3,000
Subordinated debentures of Baht 3,000 million, maturing in 2022	3,000	-	3,000	-	-	-
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	<u>12,418</u>	<u>3,244</u>	<u>15,662</u>	<u>2,972</u>	<u>4,534</u>	<u>7,506</u>
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 2.65% - 2.75% per annum	2,507	-	2,507	-	-	-
Bill of exchange maturing at call, coupon rate of 2.85% -3.52% per annum	-	-	-	1,480	-	1,480
Bill of exchange maturing in 2012, coupon rate of 2.25% - 4.15% per annum	-	-	-	31,330	-	31,330
Bill of exchange maturing in 2013, coupon rate of 2.45 -3.45% per annum	8,057	-	8,057	-	-	-
	<u>10,564</u>	<u>-</u>	<u>10,564</u>	<u>32,810</u>	<u>-</u>	<u>32,810</u>
Total	<u>22,982</u>	<u>3,244</u>	<u>26,226</u>	<u>35,782</u>	<u>4,534</u>	<u>40,316</u>
<u>Less</u> current portion of long-term borrowings	<u>(17,660)</u>	<u>-</u>	<u>(17,660)</u>	<u>(33,354)</u>	<u>-</u>	<u>(33,354)</u>
Long-term borrowings, net	<u>5,322</u>	<u>3,244</u>	<u>8,566</u>	<u>2,428</u>	<u>4,534</u>	<u>6,962</u>

	The Bank					
	2012			2011		
	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	-	2,566	2,566	-	2,547	2,547
Short term debentures						
Short term debentures maturing in 2013,						
coupon rate of 2.76% - 2.95% per annum	6,552	-	6,552	-	-	-
Subordinated debentures						
Subordinated debentures of USD 40 million,						
maturing in 2017	-	-	-	-	1,309	1,309
Subordinated debentures of						
Baht 3,000 million, maturing in 2021	2,322	678	3,000	2,322	678	3,000
Subordinated debentures of						
Baht 3,000 million, maturing in 2022	3,000	-	3,000	-	-	-
Subordinated debentures maturing in 2003	544	-	544	544	-	544
	<u>12,418</u>	<u>3,244</u>	<u>15,662</u>	<u>2,866</u>	<u>4,534</u>	<u>7,400</u>
Fixed-rate notes						
Bill of exchange maturing at call,						
coupon rate of 2.65% - 2.75% per annum	2,507	-	2,507	-	-	-
Bill of exchange maturing at call,						
coupon rate of 2.85% -3.52% per annum	-	-	-	1,480	-	1,480
Bill of exchange maturing in 2012,						
coupon rate of 2.25% - 4.15% per annum	-	-	-	31,330	-	31,330
Bill of exchange maturing in 2013,						
coupon rate of 2.45 - 3.45% per annum	8,057	-	8,057	-	-	-
	<u>10,564</u>	<u>-</u>	<u>10,564</u>	<u>32,810</u>	<u>-</u>	<u>32,810</u>
Total	22,982	3,244	26,226	35,676	4,534	40,210
Less current portion of long-term borrowings	<u>(17,660)</u>	<u>-</u>	<u>(17,660)</u>	<u>(33,354)</u>	<u>-</u>	<u>(33,354)</u>
Long-term borrowings, net	<u>5,322</u>	<u>3,244</u>	<u>8,566</u>	<u>2,322</u>	<u>4,534</u>	<u>6,856</u>

(a) As at 31 December 2012, the Bank had domestic subordinated debentures of Baht 544 million (31 December 2011: Baht 544 million) which had been transferred to the Bank since the merger date.

(b) On 16 February 2007, the Bank issued 400 unsecured units of a subordinated debenture with a face value of USD100,000 each to overseas investors, 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 2012. They bear interest

at the six-month LIBOR US dollar deposit rate plus 350 basis points from year 1-5, and at the six-month LIBOR US dollar deposit rate plus 525 basis points from year six 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 Bank of Thailand.

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.

On 21 February 2012, the Bank exercised its option to early redeem all the unsecured subordinated debentures amounting to USD 40 million, maturing on 20 February 2017, with an early redemption call option in 2012. This early redemption was approved by BoT's notification Tor Por Tor. For Kor Kor (21) 102/2555 about the pre-redemption of unsecured subordinated debenture.

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

There is a call option in the following two cases:

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

In both cases, early redemption must be pre-approved by the Bank of Thailand.

(d) On 14 July 2011, the Bank issued unsecured subordinated debentures with a bond holder's representative. The subscription unit is at 3,000,000 units at Baht 1,000 each for a total of Baht 3,000 million carrying a constant interest rate of 5.35% per annum with a payment of interest every six months to individual and institution investors. The debenture has a tenor of 10 years and is due on 14 July 2021 according to the prospectus. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand under the conditions stated in prospectus.

The Bank has an approval from Bank of Thailand to count the subordinated debenture as tier 2 capital according to the correspondence For Kor Kor (02) 808/2554.

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

The Bank has an approval from Bank of Thailand to count the subordinated debenture as tier 2 capital according to the correspondence For Kor Kor (02) 1269/2555.

(f) Bank issued short term debentures of Baht 6,552 million with fixed interest rates, interest will be paid on maturity date.

20. PROVISIONS

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Provision for contingent loss from legal cases	36	107	36	107
Reserve for off-statements of financial position items	282	297	282	297
Provision for assets damaged from flood	-	11	-	11
Provision for employee benefits	1,092	1,058	1,069	1,007
Provision for putback option of sold debtors	20	34	20	34
Total provisions	1,430	1,507	1,407	1,456

Provision for employee benefits

As at 31 December 2012, the pension benefits were only provided to 514 employees (31 December 2011: 542 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Present value of post-employment benefit obligations	1,092	1,058	1,069	1,007
Provision for employee benefits	1,092	1,058	1,069	1,007

Movements of provision for pension funds are as follows:

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Beginning balance before adjusted	1,058	545	1,007	545
Sales of investment in subsidiary	(32)	-	-	-
Adjustment to the beginning balance	-	476	-	436
Beginning balance after adjustment	1,026	1,021	1,007	981
Current service costs	80	66	75	57
Interest costs	35	45	34	43
<u>Less</u> pension benefits paid for the year	(49)	(71)	(47)	(71)
<u>Less</u> employees transferred between the Bank and subsidiaries	-	(3)	-	(3)
Ending balance	1,092	1,058	1,069	1,007

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

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Current service costs	80	66	75	57
Interest costs	35	45	34	43
Total	115	111	109	100

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

	For the years ended 31 December 2012 and 2011
Discount rate	3.5%
Salary increase rate	5%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2008
Disability rate	10% of pre-retirement mortality rate
Pre-retirement withdrawal rate	From Thai Withdrawal Table
Retirement age	60 years old

21. OTHER LIABILITIES

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Credit support liabilities on derivatives	395	333	395	333
Amount due to Department of Alternative Energy				
Development and Efficiency	519	622	519	622
Other liabilities awaiting accounts transfer	366	298	366	298
Securities business payable	-	325	-	-
Accrued interest	599	657	599	657
Deferred commission	340	388	340	388
Accrued expense	956	944	870	804
Others	624	377	394	222
Total	3,799	3,944	3,483	3,324

22. SHARE CAPITAL

	Consolidated and the Bank			
	2012		2011	
	Number	Amount	Number	Amount
	Million shares	Million Baht	Million shares	Million Baht
Registered				
Beginning of the year				
- Ordinary shares	16,316	8,158	16,316	8,158
Increase of registered capital	9,790	4,895	-	-
End of the year	26,106	13,053	16,316	8,158
Issued and paid up				
Beginning of the year				
- Ordinary shares	16,316	8,158	16,316	8,158
Issurance of new share	4,769	2,384	-	-
End of the year	21,085	10,542	16,316	8,158

On 12 April 2012, the Annual General Meeting of Shareholders No.18 approved an increase in the registered capital of the Bank from Baht 8,156 million to Baht 13,053 million by issuing 9,790 million of new ordinary shares with a par value of Baht 0.50 each and an offering price of Baht 1, resulting the Bank has 26,106 million ordinary shares. The Bank registered an increase in its capital with the Ministry of Commerce on 25 April 2012.

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

23. OTHER RESERVES

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Revaluation surplus on assets	1,155	1,210	1,155	1,210
Revaluation surplus on change in value of investments	206	137	206	122
Share based payment	2	1	2	1
Total	1,363	1,348	1,363	1,333

(a) Revaluation surplus on assets

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

	Consolidated and the Bank	
	2012	2011
	Million Baht	Million Baht
Balance - beginning of the year	1,210	567
Add increase revaluation	-	649
Less amortisation	(45)	(5)
Decrease from sale of office building	(10)	(1)
Balance - end of the year	1,155	1,210

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

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

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Revaluation surplus on investments:				
Debt securities	46	68	46	68
Equity securities	165	92	165	77
Total	211	160	211	145
Revaluation deficit on investments:				
Debt securities	(5)	(23)	(5)	(23)
Total	(5)	(23)	(5)	(23)
Revaluation surplus on change in value of investments, net	206	137	206	122

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

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 comprise:

	Total capital to risk assets		Total capital to risk assets	
	2012 Million Baht	%	2011 Million Baht	%
<u>Tier I</u>				
Issued and paid-up share capital	10,542		8,158	
Share premium	3,868		1,483	
Statutory reserve	188		130	
Unappropriated surplus	2,440		1,300	
Total tier I capital fund	17,038	10.27	11,071	7.65
<u>Tier II</u>				
Revaluation surplus on assets	740		368	
Reserve for loans classified as pass	546		413	
Long-term subordinated debentures	2,500		4,429	
Hybrid securities	6,000		2,500	
Revaluation surplus on capital securities available-for-sale	74		35	
Total tier II capital fund	9,860	5.94	7,745	5.35
Total capital funds	26,898	16.21	18,816	13.00

The Bank and its financial group will disclose capital maintenance information as at 31 December 2012 in accordance with the Notification of the Bank of Thailand RE: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision on its website at www.cimbthai.com within four months after the statements of financial position date.

26. SHARE-BASED PAYMENTS

Management Equity Scheme (MES)

The scheme was launched on 1 March 2004 as a performance-linked compensation whereby a substantial shareholders of CIMB Group Holding Berhad. The eligibility for participation in the Scheme shall be at the discretion of the Nomination and Remuneration Committee of CIMB Group. Entitlements of eligible members of the Scheme are non-assignable and non-transferable whereby the Nomination and Remuneration Committee of CIMB Group Holding Berhad administers the Scheme on behalf of the substantial shareholders. The entitlements granted vest in proportions over the various exercise periods and the Scheme expires on 31 May 2012.

The weighted average fair value of entitlements granted, determined using the binomial valuation model, was MYR 4.89 each at grant date. The basic inputs were as follows:

Expected volatility	32%
Expected dividend yield	1.43%
Expected option life	1.75 years
Weighted average share price at grant date	MYR 6.65
Weighted average risk-free interest rate	3.01%

The volatility, measured as the standard deviation of daily share price returns, was based on statistical analysis of daily prices over the last 2 years.

Details of the movement in the number of entitlements outstanding are as follows:

	Entitlements 2012 units '000	Entitlements 2011 units '000	Exercise price MYR per stock
Beginning of financial year	250	284	MYR 1.74
Granted during financial year	-	-	MYR 1.74
Exercised during financial year	(250)	(34)	MYR 1.74
End of financial year	-	250	MYR 1.74

The weighted average share price at the time of exercise was MYR 7.19 in 2012 (2011: MYR7.34).

For 2011, the weighted average remaining contractual life was 2 months. Out of the unexercised entitlements of 250,000 shares, entitlements are exercisable at the end of the reporting period.

Equity Ownership Plan (EOP)

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

The eligibility of participation in the EOP shall be at the discretion of the Group Compensation Review Committee of CIMB Group Holding Berhad which subjects to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed of at market price and proceeds received will be donated to the CIMB Foundation in Malaysia on behalf of the employee. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the designated beneficiary.

The weighted average fair value of shares granted in this financial period, which were purchased over a period of 10 trading days before awarding to the eligible employees of the Bank, was MYR7.70 per share (2011: MYR8.27 per share).

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

	Number of ordinary shares under the EOP as at	
	2012 units '000	2011 units '000
Beginning of financial year	20	-
Awarded during financial year	56	26
Released during financial year	(27)	(6)
End of financial year	49	20

For the year ended 31 December 2012, the Bank set up share-based payment reserves and expenses amounting to Baht 3.1million (for the year ended 31 December 2011: Baht 1.4 million).

27. IMPORTANT POSITIONS AND PERFORMANCE CLASSIFIED BY TYPE OF DOMESTIC OR FOREIGN TRANSACTIONS

27.1 Position classified by type of transaction

	Consolidated					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	194,010	7,506	201,516	164,430	3,593	168,023
Interbank and money market items, net	9,472	656	10,128	3,156	2,049	5,205
Derivative assets	1,681	793	2,474	1,863	664	2,527
Investments, net and investments in subsidiaries, net	40,169	308	40,477	32,139	558	32,697
Loans to customers and accrued interest receivables, net	130,055	5,749	135,804	115,889	323	116,212
Deposits	134,098	1,036	135,134	100,817	757	101,574
Interbank and money market items	9,790	1,520	11,310	2,145	2,642	4,787
Derivative liabilities	1,201	801	2,002	676	1,595	2,271
Debt issued and borrowings	22,983	3,244	26,227	35,782	4,534	40,316

	The Bank					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	192,763	7,506	200,269	162,958	3,593	166,551
Interbank and money market items, net	9,438	656	10,094	2,528	2,049	4,577
Derivative assets	1,681	793	2,474	1,863	664	2,527
Investments, net and investments in subsidiaries, net	41,048	308	41,356	33,857	558	34,415
Loans to customers and accrued interest receivables, net	128,228	5,749	133,977	113,797	323	114,120
Deposits	134,249	1,036	135,285	100,534	757	101,291
Interbank and money market items	8,840	1,520	10,360	1,908	2,642	4,550
Derivative liabilities	1,201	801	2,002	676	1,595	2,271
Debt issued and borrowings	22,983	3,244	26,227	35,676	4,534	40,210

27.2 Performance classified by type of transaction

	Consolidated					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	10,150	18	10,168	8,005	80	8,085
Interest expenses	(4,793)	(168)	(4,961)	(3,206)	(246)	(3,452)
Net interest income (expenses)	5,357	(150)	5,207	4,799	(166)	4,633
Net fee and services income	865	-	865	583	-	583
Other operating income	2,256	-	2,256	2,156	-	2,156
Other operating expenses	(5,325)	-	(5,325)	(4,901)	-	(4,901)
Bad debts, doubtful debts and impairment losses	(1,389)	-	(1,389)	(1,077)	(166)	(1,077)
Profit (loss) from continuing operation before income tax expense	1,764	(150)	1,614	1,560	(166)	1,394

	The Bank					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	9,154	18	9,172	7,346	79	7,425
Interest expenses	(4,751)	(168)	(4,919)	(3,196)	(245)	(3,441)
Net interest income (expenses)	4,403	(150)	4,253	4,150	(166)	3,984
Net fee and services income	690	-	690	433	-	433
Other operating income	2,228	-	2,228	2,124	-	2,124
Other operating expenses	(4,533)	-	(4,533)	(4,253)	-	(4,253)
Bad debts, doubtful debts and impairment losses	(1,138)	-	(1,138)	(942)	-	(942)
Profit (loss) from continuing operation before income tax expense	1,650	(150)	1,500	1,512	(166)	1,346

28. INTEREST INCOME

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Interbank and money market items	140	257	140	267
Investments and trading transactions	113	54	113	54
Investments in debt securities	1,115	635	1,115	635
Loans	7,356	6,113	7,803	6,467
Hire-purchase and financial lease income	1,443	1,024	-	-
Others	1	2	1	2
Interest income	10,168	8,085	9,172	7,425

29. INTEREST EXPENSES

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Deposits	3,159	2,014	3,160	2,014
Interbank and money market items	239	105	196	94
Contribution fees to the Deposit Protection Agency and FIDF	629	386	629	386
Debt securities issued				
- Subordinated debentures	299	299	299	299
- Others	631	644	631	644
Others	4	4	4	4
Interest expenses	4,961	3,452	4,919	3,441

30. NET FEES AND SERVICES INCOME

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Fees and services income				
Acceptances, aval and guarantees	124	102	132	108
ATM and debit card fees	120	110	120	110
Brokerage income	282	190	216	137
Management fees	139	94	139	94
Others	346	260	293	204
Fees and services income	1,011	756	900	653
Fees and services expenses				
Collection fees	52	45	138	112
ATM fees	39	31	39	31
Others	55	97	33	77
Fees and services expenses	146	173	210	220
Net fees and services income	865	583	690	433

31. GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Gains (losses) on trading and foreign exchange transactions				
Foreign currency and foreign exchange rate derivatives	331	655	331	655
Interest rate derivatives	135	(315)	135	(315)
Debt securities	22	12	22	12
Gains on trading and foreign exchange transactions, net	488	352	488	352

32. GAINS ON FINANCIAL INSTRUMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	Consolidated and the Bank
	2012
	Million Baht
Net change in fair value	
Bills of exchange	19
Debentures	1
Interest expenses	(19)
Total	1

33. GAINS ON INVESTMENTS

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Gains (losses) on sales				
Available-for-sale	83	-	83	-
Held-to-maturity	1	1	1	1
General investments	(3)	-	(3)	-
Investments in subsidiaries	85	90	58	90
Gains on sales, net	166	91	139	91
Losses on impairment				
General investments	(13)	(11)	(13)	(11)
Losses on impairment, net	(13)	(11)	(13)	(11)
Gains on investments, net	153	80	126	80

34 OTHER OPERATING INCOME

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Gains on sales of premises and equipment	11	82	10	81
Reversal of losses on revaluation land and building	-	98	-	98
Gain on sale of non-performing loan	-	200	-	200
Income from reversal of bad debts	11	12	-	-
Dividend income	117	198	150	198
Other income	131	124	109	106
Other operating income	270	714	269	683

35. BAD DEBTS, DOUBTFUL DEBTS AND IMPAIRMENT LOSSES

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Held-to-maturity debt instruments	(12)	-	(12)	-
Losses on debt restructuring	39	2	39	2
Loans	1,362	1,075	1,111	940
Total	1,389	1,077	1,138	942

36. CORPORATE INCOME TAX

After adding back certain non-deductible expenses and provisions to the tax computation and deducting tax-exempt income from the profit/loss for the period, the tax losses brought forward by the Bank exceeded the net income for the period. Therefore, no corporate income tax was payable for the year.

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

37. OPERATING RESULT OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

Assets of disposal group classified as held-for-sale are investments in subsidiary that were approved to be sold by the Annual General Meeting for the year 2012 according to Note 8.7 to the financial statements.

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

	Consolidated	
	2012 Million Baht	2011 Million Baht
Revenue	329	400
Expense	(275)	(418)
Profit before tax of discontinued operations	54	(18)
Tax	-	-
Profit after tax of discontinued operations	54	(18) ⁽¹⁾

(1) Profit after tax of discontinued operations is included in the consolidated income statements for the year ended 31 December 2011.

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

	Consolidated	
	2012 Million Baht	2011 Million Baht
Operating cash flows	14	(525)
Investing cash flows	(14)	(75)
Financing cash flows	-	600
Total cash flows	-	-

38. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund - managed by Tisco Asset Management Company Limited - at rate of 3%-5% of their basic salaries, and the Bank and its subsidiaries contribute at rate of 5%, and disburse to staff when their employment is terminated under the terms and conditions of the fund. For the year ended 31 December 2012, Baht 88 million was contributed to the fund by the Bank and its subsidiaries (31 December 2011: Baht 79 million), of which the Bank contributed Baht 75 million (31 December 2011: Baht 68 million).

39. EARNINGS PER SHARE

Earnings per share as presented in the consolidated and bank statements of comprehensive income are calculated by dividing net income for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year (Note 22).

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2012 and 2011.

40. ENCUMBRANCE OF ASSETS

40.1 Assets used as collateral

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

	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Securities sold under repurchase agreements	2,968	-	2,968	-
Utilities usage	7	6	7	6
Guarantees on loans	-	45	-	-
Total	2,975	51	2,975	6

40.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities and other fixed assets obtained as a result of debt restructuring. Under the debt restructuring agreements, the Bank is obligated to dispose of the investment after agreed periods, which range from 1 year to 10 years commencing from the date of the debt restructuring agreements.

As at 31 December 2012 and 2011, the investments subject to such obligation are as follows:

Year of maturity	Consolidated and the Bank			
	2012		2011	
	Cost		Cost	
	Number	Million Baht	Number	Million Baht
2012 onwards	2	177	1	-
Assets subject to obligation	2	177	1	-

41. COMMITMENTS AND CONTINGENT LIABILITIES

41.1 Commitments

As at 31 December 2012 and 2011, significant commitments of the Bank consist of:

	The Bank					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills ⁽¹⁾	814	-	814	481	-	481
Guarantees on loans	10	-	10	10	30	40
Total avals to bills and guarantees on loans	824	-	824	491	30	521
Liability under unmatured import bills:						
Liability under unmatured import bills	-	553	553	-	578	578
Letters of credit:						
Letters of credit	42	1,886	1,928	234	1,833	2,067
Other commitments:						
Forward and spot contracts						
- Bought	-	36,452	36,452	-	24,770	24,770
- Sold	-	33,774	33,774	-	24,905	24,905
Cross currency and interest rate swap contract						
- Bought	-	4,010	4,010	-	2,583	2,583
- Sold	-	6,684	6,684	-	2,954	2,954
Futures contracts						
- Bought	-	92	92	-	1,268	1,268
- Sold	-	-	-	-	-	-

	The Bank					
	2012			2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest rate swap contracts						
- Fixed rate payee	154,143	10,741	164,884	99,951	10,363	110,314
- Floating rate payee	160,447	14,428	174,875	103,532	12,262	115,794
Foreign exchange option						
- Call option sales contracts	-	540	540	-	148	148
- Put option sales contracts	-	227	227	-	304	304
- Call option purchase contracts	-	1,050	1,050	-	232	232
- Put option purchase contracts	-	44	44	-	77	77
Undrawn bank overdrafts	10,312	-	10,312	9,326	-	9,326
Investments						
- Bought	3,231	-	3,231	10,114	-	10,114
- Sold	3,081	-	3,081	10,019	-	10,019
Other commitments						
Other guarantees	9,087	794	9,881	7,458	782	8,240
Other commitments	340,301	108,836	449,137	240,400	80,648	321,048
Total commitments	341,167	111,275	452,442	241,125	83,089	324,214

⁽¹⁾ As at 31 December 2012, the Bank availed note payable of a subsidiary amounting to Baht 550 million (31 December 2011 : Baht 400 million).

41.2 Contingent liabilities

(a) As at 31 December 2012 and 2011, the Group had the following contingent liabilities in connection with court cases in which the Group have been sued as defendants in the Court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Group once they are finalised:

	Consolidated and the Bank	
	2012 Million Baht	2011 Million Baht
Sum claimed in cases where the Group is sole defendant	442	442
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	1,189	253
- Sum of claims that cannot be specifically attributed to the Group	24,591	24,591
Total	26,222	25,286

In the above court cases, Baht 24,500 million relates to claims against the Bank in cases where it is co-defendants with TAMC and other banks. The plaintiffs lodged the claims in respect of transfers of non-performing loans from various banks to TAMC. However, the Bank believes that the outcomes of the cases will not cause material loss

because the transfers were made in accordance to the Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC of about Baht 959 million occurred before the merger of the Bank.

As at 31 December 2012 there were cases in which the court decided in favor of the plaintiffs, with sums claimed totalling Baht 9 million (in cases where the Bank was the direct defendant) and Baht 32 million (in cases where the Bank was co-defendant). However, the Bank is in the process of appealing the decisions (31 December 2011: Baht 18 million and Baht 13 million, respectively).

As at 31 December 2012, the Group recognised provisions for contingent losses from legal cases of approximately Baht 36 million (31 December 2011: Baht 106 million). The management concluded that such provisions were adequate to cover any possible losses from these legal cases. In addition, the Group recognised reserve for off-statement of financial position items related to guarantees which the Group have been sued as defendants by Baht 282 million (31 December 2011: Baht 284 million).

(b) The Bank has commitments in respect of loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 46 to the financial statements.

41.3 Commitments under long-term leases

As at 31 December 2012 and 2011, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods longer than six months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated		The Bank	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
1 - 3 years	333	262	293	221
4 - 5 years	20	110	20	110
6 - 10 years	9	12	9	12
11 - 30 years	19	7	19	7
Total	381	391	341	350

41.4 Other commitments

As at 31 December 2012, the Bank had other commitments as it entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 31 December 2012, the Bank was obligated to pay a further Baht 16 million and USD 2,274 under such agreements (31 December 2011: Baht 15 million and USD 10,000).

42. RELATED PARTY TRANSACTIONS

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

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

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

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	448	336
Fee income	-	-	33	10
Dividend income	-	-	33	-
Other income	-	-	-	2
Expenses:				
Interest expenses	3	1	8	7
Premises and equipments expenses	-	-	(16)	(20)
Fee expenses	-	-	1	-
Other expenses	-	-	86	67
Parent company				
Expenses:				
Interest expenses	36	17	36	17
Premises and equipment expenses	4	-	4	-
Fee expenses	1	-	1	-
Related companies				
Revenue:				
Interest income	5	5	5	5
Fee income	60	-	60	-
Gain on selling investment in subsidiary	86	-	58	-
Other income	-	209	-	209
Expenses :				
Interest expenses	163	151	163	151
Premises and equipment expenses	(7)	-	(7)	-
Fee expenses	100	129	100	129

The outstanding balances of significant related-party transactions as at 31 December 2012 and 2011 are as follows:

	Consolidated						
	2012						
	Average	Outstanding	Obligations	Other assets	Deposits	Borrowings	Other liabilities
	loans outstanding	loans					
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary company							
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	262
	-	-	-	-	-	-	262
Parent company							
CIMB Bank Berhad	-	-	152	245	-	678	422
	-	-	152	245	-	678	422
Companies under common control							
CIMB Bank (L) Ltd.	-	-	-	385	-	2,566	45
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	4
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	69
Sathorn Asset Management Co., Ltd.	-	-	-	1	48	-	24
CIMB-GK Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	75
	-	-	1	386	48	2,566	217
Related companies							
Other companies	116	111	-	-	2	-	-
	116	111	-	-	2	-	-
Related persons							
	2	3	-	-	97	-	-
	2	3	-	-	97	-	-

	Consolidated						
	2011						
	Average	Outstanding	Obligations	Other assets	Deposits	Borrowings	Other liabilities
	loans outstanding	loans					
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary company							
Krung Thai Tanakit Finance Plc.	-	-	-	-	259	-	-
	-	-	-	-	259	-	-
Parent company							
CIMB Bank Berhad	-	-	-	244	-	678	182
	-	-	-	244	-	678	182
Companies under common control							
CIMB Bank (L) Ltd.	-	-	-	291	-	2,547	35
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	25	-	-
CIMB-Principal Global Bond Fund	-	-	-	4	-	428	1
Sathorn Asset Management Co., Ltd.	-	-	-	1	562	-	25
	-	-	1	296	587	2,975	61

	Consolidated						
	2011						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Related companies							
Other companies	122	119	-	-	2	-	-
	122	119	-	-	2	-	-
Related persons	1	1	-	-	83	9	-
	1	1	-	-	83	9	-

	The Bank						
	2012						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
Center Auto Lease Co., Ltd.	7,320	8,063	-	1	72	-	-
CT Coll Co., Ltd.	5	6	-	-	27	-	8
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	262
Worldlease Co., Ltd.	1,306	1,645	550	1	52	-	1
	8,631	9,714	550	2	151	-	271
Parent company							
CIMB Bank Berhad	-	-	152	245	-	678	422
	-	-	152	245	-	678	422
Companies under common control							
CIMB Bank (L) Ltd.	-	-	-	385	-	2,566	45
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	4
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	69
Sathorn Asset Management Co., Ltd.	-	-	-	1	48	-	24
CIMB-GK Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	75
	-	-	1	386	48	2,566	217
Related companies							
Other Companies	116	111	-	-	2	-	-
	116	111	-	-	2	-	-
Related persons	2	3	-	-	97	-	-
	2	3	-	-	97	-	-

	The Bank						
	2011						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
CIMB Securities (Thailand) Co., Ltd.	190	-	-	-	94	-	1
Center Auto Lease Co., Ltd.	5,158	6,208	-	-	31	-	-
CT Coll Co., Ltd.	-	-	-	-	11	-	7
Krung Thai Tanakit Finance Plc.	-	-	-	-	259	-	-
Worldlease Co., Ltd.	942	915	400	-	28	-	-
	6,290	7,123	400	-	423	-	8
Parent company							
CIMB Bank Berhad	-	-	-	244	-	678	182
	-	-	-	244	-	678	182
Companies under common control							
CIMB Bank (L) Ltd.	-	-	-	291	-	2,547	35
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	25	-	-
CIMB-Principal Global Bond Fund	-	-	-	4	-	428	1
Sathorn Asset Management Co., Ltd.	-	-	-	1	562	-	25
	-	-	1	296	587	2,975	61
Related companies							
Other Companies	122	119	-	-	2	-	-
	122	119	-	-	2	-	-
Related persons							
	1	1	-	-	83	9	-
	1	1	-	-	83	9	-

As at 31 December 2012, the Bank avaled notes payable of a subsidiary amounting to Baht 550 million (31 December 2011: Baht 400 million).

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

As at 31 December 2012 and 2011, the Bank had commitments in financial derivatives with related-party companies as follows:

	2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payee	21,526	-	21,526
- Floating rate payee	33,988	4,420	38,408
Forward and spot contracts			
- Bought	-	841	841
- Sold	-	60	60

	2012		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Related company			
Gross currency and interest rate swap contracts			
- Sold	-	2,855	2,855
Forward and spot contracts			
- Sold	-	22	22

	2011		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payee	4,775	-	4,775
- Floating rate payee	5,658	4,828	10,486
Forward and spot contracts			
- Bought	-	402	402
Related company			
Gross currency and interest rate swap contracts			
- Sold	-	2,954	2,954
Forward and spot contracts			
- Bought	-	256	256
- Sold	-	95	95

43.DIRECTOR AND MANAGEMENT REMUNERATION

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

	Consolidated		The Bank	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Short-term employee benefits	259	282	237	211
Long-term employee benefits	9	9	9	9
Share based payment (note 26 b.)	3	1	3	1
Director and management remuneration	271	292	249	221

The details of share based payment are as follows

	Consolidated and The Bank	
	2012 thousand units	2011 thousand units
Share options of CIMB Group Holding Berhad	-	240
Shares of CIMB Group Holding Berhad	49	20

44. FINANCIAL INFORMATION BY SEGMENT

The Bank operates financial and banking businesses, whereas its subsidiaries' businesses involve securities, fund management, debt collection, asset management, hire-purchase and leasing.

Financial information presented in the consolidated financial statements for the years ended 31 December 2012 and 2011 are as follows:

	2012				
	Bank business Million Baht	Hire-purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest income	9,172	1,445	-	(449)	10,168
Interest expenses	(4,919)	(502)	-	460	(4,961)
Net interest income	4,253	943	-	11	5,207
Net fees and service income	690	137	66	(28)	865
Other operating income	2,228	34	-	(6)	2,256
Other operating expenses	(4,533)	(736)	(50)	(6)	(5,325)
Bad and doubtful debts and impairment losses	(1,138)	(276)	-	25	(1,389)
Income tax expenses	-	(74)	(4)	-	(78)
Profit after tax of discontinued operations	-	-	31	23	54
Net profit for the year	1,500	28	43	19	1,590

	2011				
	Bank business Million Baht	Hire-purchase business Million Baht	Other business Million Baht	Eliminations Million Baht	Total Million Baht
Interest income	7,425	1,026	-	(366)	8,085
Interest expenses	(3,441)	(376)	-	365	(3,452)
Net interest income	3,984	650	-	(1)	4,633
Net fees and service income	433	109	48	(7)	583
Other operating income	2,124	32	1	(1)	2,156
Other operating expenses	(4,253)	(595)	(42)	(11)	(4,901)
Bad and doubtful debts and impairment losses	(942)	(189)	-	54	(1,077)
Income tax expenses	-	(49)	(2)	-	(51)
Profit (loss) after tax of discontinued operations	-	-	(38)	20	(18)
Net profit (loss) for the year	1,346	(42)	(33)	54	1,325

44. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

	Hire-purchase									
	Bank business			Other business			Eliminations			Consolidated
	2012	2011	2012	2011	2012	2011	2012	2011	2011	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	200,269	166,551	11,864	8,691	43	1,945	(10,660)	(9,164)	201,516	168,023
Interbank and money market items, net (assets)	10,094	4,577	158	93	27	868	(151)	(333)	10,128	5,205
Investments, net	40,323	32,492	-	-	-	51	-	-	40,323	32,543
Loans and accrued interest receivables, net	133,977	114,120	11,439	8,451	6	693	(9,618)	(7,052)	135,804	116,212
Deposits	135,285	101,291	-	-	-	354	(151)	(71)	135,134	101,574
Interbank and money market items (Liabilities)	10,360	4,550	10,653	7,622	6	-	(9,709)	(7,385)	11,310	4,787
Financial liabilities designated at fair value through profit or loss	1,535	-	-	-	-	-	-	-	1,535	-
Debt issued and borrowings	26,227	40,210	-	-	-	106	-	-	26,227	40,316

45. FINANCIAL INSTRUMENTS

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

45.1 Credit risk

As at 31 December 2012 and 2011, the Bank had the following off-balance statements of financial position commitments. These are calculated according to the period to maturity starting from the contract dates given in the financial statements:

	Consolidated					
	Counting from 31 Dec 2012			Counting from 31 Dec 2011		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Aval to bills	234	30	264	81	-	81
Guarantees of loans	10	-	10	40	-	40
Liabilities under unmatured import bills	553	-	553	578	-	578
Letters of credit	1,928	-	1,928	2,067	-	2,067
Other guarantees	9,673	208	9,881	8,098	141	8,240

	The Bank					
	Counting from 31 Dec 2012			Counting from 31 Dec 2011		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Aval to bills	784	30	814	481	-	481
Guarantees of loans	10	-	10	40	-	40
Liabilities under unmatured import bills	553	-	553	578	-	578
Letters of credit	1,928	-	1,928	2,067	-	2,067
Other guarantees	9,673	208	9,881	8,099	141	8,240

45.2 Market risk

(a) Interest rate risk

As at 31 December 2012 and 2011, financial assets and liabilities classified by type of interest rate were as follows:

Descriptions	Consolidated			
	2012			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<u>Financial assets</u>				
Cash	-	-	3,133	3,133
Interbank and money market items, net	229	6,618	3,281	10,128
Investments, net	344	36,036	3,943	40,323
Investments in subsidiaries, net	-	-	154	154
Loans net of deferred revenue	87,553	51,291	2	138,846
Accrued income from Thai Asset Management Corporation	-	-	2,354	2,354
Total financial assets	88,126	93,945	12,867	194,938
<u>Financial liabilities</u>				
Deposits	36,385	96,857	1,892	135,134
Interbank and money market items	2,960	7,927	423	11,310
Liabilities payable on demand	-	-	345	345
Financial liabilities designated at fair value through profit or loss	1,535	-	-	1,535
Debt issued and borrowings	2,566	23,116	544	26,226
Total financial liabilities	43,446	127,900	3,204	174,550

Descriptions	Consolidated			
	2011			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	3,123	3,123
Interbank and money market items, net	2,094	603	2,508	5,205
Investments, net	859	23,593	8,091	32,543
Investments in subsidiaries, net	-	-	154	154
Loans net of deferred revenue	76,187	42,795	307	119,289
Accrued income from Thai Asset Management Corporation	-	-	1,010	1,010
Total financial assets	79,140	66,991	15,193	161,324
Financial liabilities				
Deposits	23,170	76,528	1,876	101,574
Interbank and money market items	1,222	1,901	1,664	4,787
Liabilities payable on demand	-	-	144	144
Debt issued and borrowings	3,857	35,915	544	40,316
Total financial liabilities	28,249	114,344	4,228	146,821

Descriptions	The Bank			
	2012			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	3,130	3,130
Interbank and money market items, net	193	6,618	3,283	10,094
Investments, net	344	36,036	3,943	40,323
Investments in subsidiaries, net	-	-	1,033	1,033
Loans net of deferred revenue	88,083	48,620	-	136,703
Accrued income from Thai Asset Management Corporation	-	-	2,354	2,354
Total financial assets	88,620	91,274	13,743	193,637

Descriptions	The Bank			
	2012			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial liabilities				
Deposits	36,513	96,867	1,905	135,285
Interbank and money market items	2,560	7,377	423	10,360
Liabilities payable on demand	-	-	345	345
Financial liabilities designated at fair value through profit or loss	1,535	-	-	1,535
Debt issued and borrowings	2,566	23,116	544	26,226
Total financial liabilities	43,174	127,360	3,217	173,751

Descriptions	The Bank			
	2011			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	3,121	3,121
Interbank and money market items, net	1,597	557	2,423	4,577
Investments, net	859	23,593	8,040	32,492
Investments in subsidiaries, net	-	-	1,923	1,923
Loans net of deferred revenue	75,894	40,922	131	116,947
Accrued income from Thai Asset Management Corporation	-	-	1,010	1,010
Total financial assets	78,350	65,072	16,648	160,070

Financial liabilities				
Deposits	22,864	76,533	1,894	101,291
Interbank and money market items	1,482	1,401	1,667	4,550
Liabilities payable on demand	-	-	144	144
Debt issued and borrowings	3,856	35,810	544	40,210
Total financial liabilities	28,202	113,744	4,249	146,195

Transactions	Consolidated						
	2012						
	Repricing or maturity date						
	At call	0 - 3	>3 - 12	1 - 5	Over 5	No	Weighted
	Million	months	months	years	years	maturity	average
	Baht	Million	Million	Million	Million	Million	interest rates
		Baht	Baht	Baht	Baht	Baht	%

Financial assets

Interbank and money market items, net	-	6,618	-	-	-	-	6,618	2.85
Investments, net	-	4,509	7,084	22,592	1,851	-	36,036	3.35
Loans net of deferred revenue	173	23,624	13,550	11,302	2,642	-	51,291	7.51
Total financial assets	173	34,751	20,634	33,894	4,493	-	93,945	

Financial liabilities

Deposits	3,773	55,336	36,286	1,462	-	-	96,857	2.89
Interbank and money market items	3,375	2,546	1,194	612	200	-	7,927	1.96
Debt issued and borrowings	2,507	13,101	1,508	-	6,000	-	23,116	3.37
Total financial liabilities	9,655	70,983	38,988	2,074	6,200	-	127,900	

Transactions	Consolidated						
	2011						
	Repricing or maturity date						
	At call	0 - 3	>3 - 12	1 - 5	Over 5	No	Weighted average
	Million	months	months	years	years	maturity	interest rates
	Baht	Million	Million	Million	Million	Million	%
		Baht	Baht	Baht	Baht	Baht	

Interbank and money market items, net	-	602	-	-	-	1	603	3.41
Investments, net	-	550	907	19,582	2,554	-	23,593	3.08
Loans net of deferred revenue	400	12,963	17,431	8,233	1,710	2,058	42,795	6.74
Total financial assets	400	14,115	18,338	27,815	4,264	2,059	66,991	

Deposits	8,506	40,566	26,560	896	-	-	76,528	3.36
Interbank and money market items	-	1,719	180	2	-	-	1,901	3.20
Debt issued and borrowings	1,480	26,106	5,224	105	3,000	-	35,915	3.78
Total financial liabilities	9,986	68,391	31,964	1,003	3,000	-	114,344	

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

Transactions	The Bank							
	2011							
	Repricing or maturity date						Total Million Baht	Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	>3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money market items, net	-	557	-	-	-	-	557	3.50
Investments, net	-	550	907	19,582	2,554	-	23,593	3.27
Loans net of deferred revenue	400	13,388	18,612	4,958	1,506	2,058	40,922	5.38
Total financial assets	400	14,495	19,519	24,540	4,060	2,058	65,072	
Financial liabilities								
Deposits	8,505	40,572	26,560	896	-	-	76,533	3.36
Interbank and money market items	-	1,219	180	2	-	-	1,401	2.86
Debt issued and borrowings	1,480	26,106	5,224	-	3,000	-	35,810	3.77
Total financial liabilities	9,985	67,897	31,964	898	3,000	-	113,744	

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

The average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the years ended 31 December 2012 and 2011, can be summarised as follows:

	Consolidated					
	2012			2011		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	5,375	141	2.61	8,171	266	3.26
Investments, net	37,078	1,228	3.31	26,908	889	3.30
Loans	124,058	8,799	7.09	104,937	7,155	6.82
Total performing financial assets	<u>166,511</u>	<u>10,168</u>		<u>140,016</u>	<u>8,310</u>	
<u>Performing financial liabilities</u>						
Deposits	117,861	3,159	2.68	94,670	2,017	2.13
Interbank and money market items	8,805	238	2.70	5,380	105	1.95
Financial liabilities designated at fair value through profit or loss	1,029	19	2.76	-	-	-
Debt issued and borrowings	<u>26,814</u>	<u>932</u>	<u>3.47</u>	<u>27,367</u>	<u>948</u>	<u>3.46</u>
Total performing financial liabilities	<u>154,509</u>	<u>4,348</u>		<u>127,417</u>	<u>3,070</u>	

	The Bank					
	2012			2011		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	7,888	140	1.77	8,009	267	3.34
Investments, net	38,086	1,378	3.33	26,878	888	3.30
Loans	122,221	7,804	6.39	102,733	6,467	6.30
Total performing financial assets	<u>168,195</u>	<u>9,322</u>		<u>137,620</u>	<u>7,622</u>	
<u>Performing financial liabilities</u>						
Deposits	115,916	3,160	2.73	94,519	2,014	2.13
Interbank and money market items	10,173	195	1.92	4,610	94	2.04
Financial liabilities designated at fair value through profit or loss	1,029	19	2.76	-	-	-
Debt issued and borrowings	<u>26,783</u>	<u>930</u>	<u>3.48</u>	<u>27,247</u>	<u>943</u>	<u>3.46</u>
Total performing financial liabilities	<u>153,901</u>	<u>4,304</u>		<u>126,376</u>	<u>3,051</u>	

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 2012 and 2011, the Bank has the following net foreign currency positions categorised by major foreign currencies:

	Consolidated and the Bank					
	2012			2011		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	68.64	(0.51)	6.51	134.26	1.11	8.64
Forward						
- Forward contract	(70.41)	1.06	(4.59)	(131.33)	(0.42)	(8.46)
Total	(1.77)	0.55	1.92	2.93	0.69	0.18

* EURO and other currencies are stated in USD equivalents.

45.3 LIQUIDITY RISK

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2012 and 2011 were as follows:

Descriptions	Consolidated				
	2012				Total Million Baht
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	
Financial assets					
Cash	3,130	-	-	3	3,133
Interbank and money market items, net	3,509	6,619	-	-	10,128
Investments, net	120	15,343	24,444	416	40,323
Investment in subsidiaries, net	-	-	-	154	154
Loans net of deferred revenue	4,671 ⁽¹⁾	52,984	81,191	-	138,846
Accrued income from Thai Asset Management Corporation	-	-	2,354	-	2,354
Total financial assets	11,430	74,946	107,989	573	194,938
Financial liabilities					
Deposits	42,049	91,623	1,462	-	135,134
Interbank and money market items	3,358	7,140	812	-	11,310
Liabilities payable on demand	345	-	-	-	345
Financial liabilities designated at fair value through profit or loss	-	-	1,535	-	1,535
Debt issued and borrowings	3,051	14,610	8,566	-	26,227
Total financial liabilities	48,803	113,373	12,375	-	174,551

(1) As at 31 December 2012, portions of loans classified as maturity-at-call in the consolidated and separated financial statements, of Baht 4,110 million and Baht 3,678 million respectively, (31 December 2011: Baht 4,110 million and Baht 3,891 million respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Consolidated				
	2011				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	3,121	-	-	2	3,123
Interbank and money market items, net	4,602	602	-	1	5,205
Investments, net	183	6,710	24,831	819	32,543
Investment in subsidiaries, net	-	-	-	154	154
Loans net of deferred revenue	3,858 ⁽¹⁾	48,404	67,027	-	119,289
Accrued income from Thai Asset Management Corporation	-	-	1,010	-	1,010
Total financial assets	11,764	55,716	92,868	976	161,324
Financial liabilities					
Deposits	33,552	67,126	896	-	101,574
Interbank and money market items	2,256	2,307	224	-	4,787
Liabilities payable on demand	144	-	-	-	144
Debt issued and borrowings	2,024	31,330	6,962	-	40,316
Total financial liabilities	37,976	100,763	8,082	-	146,821

(1) As at 31 December 2012, portions of loans classified as maturity-at-call in the consolidated and separated financial statements, of Baht 4,012 million and Baht 3,678 million respectively, (31 December 2011: Baht 4,110 million and Baht 3,891 million respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	The Bank				
	2012				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	3,130	-	-	-	3,130
Interbank and money market items, net	3,475	6,619	-	-	10,094
Investments, net	120	15,343	24,444	416	40,323
Investment in subsidiaries, net	-	-	-	1,033	1,033
Loans net of deferred revenue	5,218 ⁽¹⁾	55,231	76,254	-	136,703
Accrued income from Thai Asset Managment Corporation	-	-	2,354	-	2,354
Total financial assets	11,943	77,193	103,052	1,449	193,637
Financial liabilities					
Deposits	42,190	91,633	1,462	-	135,285
Interbank and money market items	3,358	6,190	812	-	10,360
Liabilities payable on demand	345	-	-	-	345
Financial liabilities designated at fair value through profit or loss	-	-	1,535	-	1,535
Debt issued and borrowings	3,051	14,610	8,566	-	26,227
Total financial liabilities	48,944	112,433	12,375	-	173,752

Descriptions	The Bank				
	2011				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	3,121	-	-	-	3,121
Interbank and money market items, net	4,020	557	-	-	4,577
Investments, net	132	6,710	24,831	819	32,492
Investment in subsidiaries, net	-	-	-	1,923	1,923
Loans net of deferred revenue	4,272 ⁽¹⁾	49,397	63,278	-	116,947
Accrued income from Thai Asset Managment Corporation	-	-	1,010	-	1,010
Total financial assets	11,545	56,664	89,119	2,742	160,070

Descriptions	The Bank				
	2011				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial liabilities					
Deposits	33,263	67,132	896	-	101,291
Interbank and money market items	3,149	1,399	2	-	4,550
Liabilities payable on demand	144	-	-	-	144
Debt issued and borrowings	2,024	31,330	6,856	-	40,210
Total financial liabilities	38,580	99,861	7,754	-	146,195

(1) As at 31 December 2012, portions of loans classified as maturity-at-call in the consolidated and separated financial statements, of Baht 4,012 million and Baht 3,678 million respectively, (31 December 2011: Baht 4,110 million and Baht 3,891 million respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45.4 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's-length transaction. The Bank has estimated the fair value of financial instruments as follows:

Description	Consolidated			
	2012		2011	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	3,133	3,133	3,123	3,123
Interbank and money market items, net	10,128	10,128	5,205	5,205
Derivatives financial assets	2,474	2,474	2,527	2,527
Investments, net	40,323	40,496	32,543	32,642
Investment in subsidiaries, net	154	154	154	154
Loans to customers, net	135,804	135,804	116,212	116,212
Accrued income from Thai Asset Management Corporation	2,354	2,354	1,010	1,010
Total financial assets	194,370	194,543	160,774	160,873

Description	Consolidated			
	2012		2011	
	Book value	Fair value	Book value	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
Financial liabilities				
Deposits	135,134	135,134	101,574	101,574
Interbank and money market items	11,310	11,310	4,787	4,787
Liability payable on demand	345	345	144	144
Financial liabilities designated at fair value through profit or loss	1,535	1,535	-	-
Derivatives financial assets	2,002	2,002	2,271	2,271
Debt issued and borrowings	26,227	26,315	40,316	40,423
Total financial liabilities	176,553	176,641	149,092	149,199

Description	The Bank			
	2012		2011	
	Book value	Fair value	Book value	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets				
Cash	3,130	3,130	3,121	3,121
Interbank and money market items, net	10,094	10,094	4,577	4,577
Derivatives financial assets	2,474	2,474	2,527	2,527
Investments, net	40,323	40,496	32,492	32,591
Investment in subsidiaries, net	1,033	1,033	1,923	1,923
Loans to customers, net	133,977	133,977	114,120	114,120
Accrued income from Thai Asset Management Corporation	2,354	2,354	1,010	1,010
Total financial assets	193,385	193,558	159,770	159,869
Financial liabilities				
Deposits	135,285	135,285	101,291	101,291
Interbank and money market items	10,360	10,360	4,550	4,550
Liability payable on demand	345	345	144	144
Financial liabilities designated at fair value through profit or loss	1,535	1,535	-	-
Derivatives financial assets	2,002	2,002	2,271	2,271
Debt issued and borrowings	26,227	26,315	40,210	40,318
Total financial liabilities	175,754	176,641	148,466	148,574

45.5 Financial derivatives

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

As at 31 December 2012 and 2011, financial derivatives as classified by their maturities were as follows:

	Consolidated and the Bank					
	2012			2011		
	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	35,357	1,095	36,452	24,368	402	24,770
- Sold	33,621	153	33,774	24,503	402	24,905
Cross-currency and interest rate swap contracts						
- Bought	1,238	2,772	4,010	-	2,583	2,583
- Sold	-	6,684	6,684	-	2,954	2,954
Future contracts						
- Bought	92	-	92	1,268	-	1,268
Interest rate swap contracts						
- Fixed-rate payee	58,485	106,399	164,884	37,002	73,312	110,314
- Floating-rate payee	70,539	104,336	174,875	48,529	67,265	115,794
Exchange rate options						
- Call-option sales contract	539	-	539	148	-	148
- Put-option sales contract	227	-	227	304	-	304
- Call-option purchase contract	1,050	-	1,050	232	-	232
- Put-option purchase contract	44	-	44	77	-	77

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

46. AGREEMENT TO TRANSFER NON-PERFORMING LOANS TO TAMC

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

As at 31 December 2012 and 2011, the Bank and subsidiaries had loans transferred to TAMC as follows:

Loans transferred to TAMC	Consolidated and the Bank			
	2012		2011	
	Book value Million Baht	Transfer price Million Baht	Book value Million Baht	Transfer price Million Baht
CAP	82,487	21,932	82,487	21,932
NON CAP	15,774	3,465	15,774	3,465
Total	98,261	25,397	98,261	25,397
<u>Less</u> TAMC notes which have been redeemed by TAMC		(25,115)		(24,928)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 8.1 (a))		282		469

The Bank is to receive payment in the form of non-transferable, ten-year promissory notes, avaled by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 31 December 2012, the Bank recognised interest receivable under these promissory notes amounting to Baht 35 million (31 December 2011 : Baht 35 million).

Share of the unrealised gain and losses arising from management of the non-performing loans

Under the agreement to transfer non-performing loans to TAMC, the Bank joined TAMC in sharing the gains and losses arising from TAMC's management of said loans, which is to be allocated at the end of the agreement starting from 1 July 2001. The Bank is liable for all initial losses up to 20 percent of the transfer price. Further losses of up to another 20 percent of the transfer price are to be shared equally between the Bank and TAMC, while TAMC is liable for all remaining losses thereafter. According to the agreement, expenses of TAMC and the interest expenses of promissory notes issued by TAMC will be included in the calculation of the gain/loss sharing. Initial profits of up to 20 percent of the transfer price are to be shared equally between the Bank and TAMC. Further gains which, when combined with the initial portion, do not exceed the difference between the book value of the transferred non-performing assets and their transfer price, belong to the Bank. All remaining gains will belong to TAMC. For loan debtors transferred at no cost, collections received after deducting debt management expenses will belong to the Bank.

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

For the year ended 31 December 2012, the Bank recorded a gain sharing from TAMC for the NON CAP loans which related to only those closed accounts that the Bank entitled to share gain with TAMC amounting to Baht 1,344 million (For the year ended 31 December 2011: Baht 1,010 million), excluding any gain which the Bank obliged to transfer to FIDF as mentioned above. The amount was recognised as a gain sharing from the management of non-performing loans by TAMC in statement of comprehensive income and accrued income from TAMC in statement of financial position. Therefore, when combine the amount of gain sharing from TAMC of Baht 1,010 million which the

bank recognised in 2011, the bank shows cumulative amount of Baht 2,354 million as accrued income.

As at 31 December 2012, the Bank's management believed that no significant future losses would be incurred.

Outstanding issues with TAMC

As of 31 December 2012, the Bank and TAMC had outstanding issues regarding the follow up of outstanding requisitions of original ownership documents and appraisal reports for collateral, and regarding the valuation of leasehold rights collateral with transfer prices totalling Baht 162 million and interest of Baht 23 million

(31 December 2011: Baht 162 million and Baht 21 million). The Bank believes that these issues will not have a material impact on the transfer price adjustment of the loans and interest on TAMC notes, since the Bank has given some of the original ownership documents and appraisal reports for collateral to TAMC.

With respect to the outstanding issue of the valuation of leasehold rights, the Bank believes that the transferable leaseholds can be appraised or revalued. The Bank's management believes that there will not be a material impact to the transfer price and relevant interest. However, for conservative reasons, the Bank has recorded allowance for impairment of the TAMC promissory notes of Baht 54 million (31 December 2011: Baht 54 million) in the financial statements.

47. POST STATEMENT OF FINANCIAL POSITION EVENT

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

CORPORATE INFORMATION

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
Fax : (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 Ltd.
15th Floor Bangkok City Tower
179/74-80 South Sathorn Road
Bangkok 10120, Thailand
Tel: 66 (0) 2334 1000, 66 (0) 2286 9999
Facsimile: (66)-2-264-0790

Auditors in charge:

- Mr. Boonlert Kamolchanokkul, C.P.A. (Thailand),
No. 5339
- Mrs. Anothai Leekijwattana, 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 Tesabalarangrak, Soi 8 Prachanivet 1,
Chatuchak, Bangkok 10900,
Tel: (66)-2-589-3023, 0-2954-2494

SECURITIES INFORMATION

Registered Capital

THB 13,052,747,804.00 (thirteen billion fifty two million seven hundred and forty seven thousand eight hundred and four baht only), which comprises:

- : 26,105,495,608 (twenty six billion one hundred and five million four hundred and ninety five thousand six hundred and eight) ordinary shares, with a par value of THB 0.50 (fifty satang)
- : No preference shares

Issued and Paid-up Share Capital

THB 10,542,439,012.50 (ten billion five hundred and forty two million four hundred and thirty nine thousand twelve baht and fifty satang), comprising 21,084,878,025 (twenty one billion eighty four million eight hundred seventy eight thousand twenty five) ordinary shares, with a par value of THB 0.50 (fifty satang)

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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 31, 2012)**

Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of shares)	Number of Shares Holding	%
1. Center Auto Lease Co., Ltd. 889 Thai CC Tower 25th, 32th Floor, South Sathon Road Yannawa, Sathon, Bangkok Tel. 0-2673-9111	Leasing	Ordinary	150,000,000	149,999,994	99.99
2. CT COLL Co.,Ltd. 128/229-234 Phayathai Plaza Building, 21st Floor, Phayathai Road, Tung Phayathai, Ratchavee, Bangkok Tel. 0-2638-8000	Debt collection service	Ordinary	385,000	384,993	99.99
3. Worldlease Co., Ltd. 889 Thai CC Tower, 34th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. 0-2675-6300 Fax. 0-2675-6299	Leasing	Ordinary	40,000,000	39,999,998	99.99
4. Srithepthai Plaschem Co., Ltd. 1200, Bangna-Trad Road, Bangna, Bangkok Tel. 0-2398-0027 Fax. 0-2383-0201	Plastic	Ordinary	83,332	31,410	37.69
5. M-Home SPV 3 Co., Ltd. 1006/420 Masterview Executive Place Building, 1 st Floor Charoennakorn Road., Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6. Tawanna Hotel Co., Ltd. 80 Surawongse Road, Bangkok Tel. 0-2236-0361 Fax. 0-2236-3738	Hotel	Ordinary	33,909	3,390	10.00
7. Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Rd., Bangkapi, Huaykwang, Bangkok	Food	Ordinary	10,000,000	1,000,000	10.00
8. Samchai Pcl. 522 Ratchada Complex, Ratchadaphisek Road, Huaykuang, Bangkok	Electrical Appliance	Ordinary	40,000,000	4,000,000	10.00
*9. P.C.Patanasub Co., Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Commerce	Ordinary	10,000	9,993	99.93
*10. Krungthai Thanakit Finance Pcl. Sermmit Tower, 15-16th Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Financial Institute	Ordinary	1,076,976,000	1,067,229,773	99.10
*11. Executive Management Services Manpower Ltd. 295 Rama III Road, Bangkholaem, Bangkok Tel. 0-2689-2626	Service	Ordinary	2,000	340	17.00
12. Global Leasing Co., Ltd. 518/5 Maneeya Center, 8th Floor, Ploenchit Road, Lumpini, Pratumwan, Bangkok 10330	Leasing	Ordinary	2,000,000	200,000	10.00
13. TPF Leasing Co., Ltd. Sangthongthani Tower, 25th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
*14. UTM Advisory & Capital Management Co., Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Consultant	Ordinary	100,000	10,000	10.00
15. SPL Development Co., Ltd. (abandoned) 149 Modern Home Tower, Nontri Road, Yannawa, Bangkok	Real Estate Development	Ordinary	500,000	499,999	99.99
16. Thai-Ultra Auto Part Co., Ltd. (abandoned) 59 Moo 4 Highway Road, Nikompattana, Bankai, Rayong	Auto Parts	Ordinary	6,500,000	650,000	10.00
17. Advance Manufacturing Leasing Co.,Ltd. (abandoned) 246 Time Square Building, 11th Floor, Sukhumvit Road, 12-14, Khongteoy Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
18. Zigma Paint (Thailand) Co.,Ltd. 36 Moo 4, Bangshan Industrial Estate, Serithai Road, Meanburi, Bangkok	Chemical Industry	Ordinary	60,600,000	8,400,000	13.86
19. Tun Ruamkarn Co.,Ltd. 133/2 Sukhumvit 21 Rd., Klongtoey, Klongtoey, Bangkok.	Finance	Ordinary	240,000	40,000	16.67
20. Modern Appraisal 3726/162-163 , 3th Floor, Rama III Rd., Bangkhlo, Bangkolaem, Bangkok.	Appraisal	Ordinary	20,000	2,000	10.00

Remark * under liquidation process

CIMBT Thai Debt Securities Issuance (As of Dec 31, 2012)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debentures in issue and value as at 31 December 2012 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
1. Subordinated long term notes*	-none-	22 Dec 2003	-none-	-none-	544,502,520	-none-	-none-
2. 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	-none-	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)	-none-
3. Subordinated and unsecured debentures, with a debenture holder's representative (Issue Date: 14 July, 2011)	5.35 %per annum throughout the term of the debentures	14 July 2021	-none-	The debentures are redeemable subject to the following conditions: 1. prior to the 5-year anniversary from the issue date, if the issuer is informed by BOT that 1.1 the debentures are no longer qualified as Tier II Capital of the issuer or 1.2 the debenture can be counted as Tier II Capital of the issuer, but they shall be below 50 per cent of the Tier I Capital of the issuer; or 1.3 The proceeds from the issuance of this debenture, which count as Tier II capital, has to be amortized upon calculated as Tier II capital; or 2. at the 5-year anniversary from the issue date or any interest payment date after the 5 year anniversary from the issue date; or 3. the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer; or 4. any other conditions as the BOT may prescribe.	3,000,000,000	issue rating A+(tha) by Fitch Thailand	-none-

CIMBT Thai Debt Securities Issuance (As of Dec 31, 2012)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debentures in issue and value as at 31 December 2012 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
4. Subordinated and unsecured debentures, with a debenture holder's representative (Issue Date: 9 November, 2012)	4.80 % per annum throughout the term of the debentures	9 November 2022	-none-	<p>The debenture are redeemable if written approval from the Bank of Thailand has been obtained and subject to the following conditions :</p> <p>As of the date of 5 year anniversary or as of any interest payment date after the 5 years anniversary or after the 5-year anniversary from the issue date</p> <p>the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer;</p> <p>any other conditions as the BOT may prescribe.</p>	3,000,000,000	issue rating A+ (tha) by Fitch Thailand	-none-

Notes: * THB 544.50 million transferred from the state-intervened financial institution, Union Asia Finance and Securities Public Co., Ltd.

Change in shareholding of the directors and senior Executives of the bank

Report of changing in securities holding of Directors' and Senior Executives As at end 2012 compared with end 2011:

Name	Official Title ^{61.6}	No. share holding As at 31 Dec 12 (Shares)	No. share holding As at 31 Dec 11 (Shares)	No. of share change
Mr. Songwud Buakhem	Executive Vice President Business Support Group	4	4	-

Directors' and Senior Executives' Share Ownership in Subsidiary Companies
As at end 2012 compared with end 2011:

Particulars	No. share holding As at 31 Dec 12 (Shares)	No. share holding As at 31 Dec 11 (Shares)	No. of share change
Mr. Songwud Buakhem Executive Vice President, Business Support Group - CT Coll Co., Ltd	1	1	-
Mr. Thaphop Kleesuwan Executive Vice President, Office of the President Executive Vice President, Compliance Department - Center Auto Lease Co., Ltd - Worldlease Co., Ltd.	2 1	2 -	- 1
Mr. Wisarn Boornasuntikoon Executive Vice President, Central Procurement and Administration Department - CT Coll Co., Ltd - Center Auto Lease Co., Ltd	1 2	1 2	- -
Mr. Sutee Tantana Senior Vice President, Retail Business Finance Team - Worldlease Co., Ltd.	1	-	1
Mr. Tanit Onnuch Vice President, SME Service and Support Team Head - Center Auto Lease Co.,Ltd.	2	2	-

CIMB THAI

BRANCH NETWORK

BANGKOK AREA

Bangkok Area 1

Branch	Telephone	Fax
Central Plaza Rama 3	0-2673-7035-6	0-2673-7037
Century Plaza	0-2640-0235-8	0-2640-0239
Empire Tower	0-2670-1621-2	0-2670-1623
K.S.L. Tower Thanon Si Ayutthaya	0-2642-6762-3	0-2642-6764
Kluaynamthai	0-2391-9113, 0-2392-7824	0-2391-9112
Lumpini	0-2286-0149, 0-2286-5388, 0-2286-5761	0-2286-0223
Mahboonkrong Center	0-2686-3964-6	0-2686-3967
Platinum Pratunam	0-2121-8454-57	0-2121-8477
Pratunam	0-2251-5510, 0-2251-5569, 0-2253-5542-3	0-2251-5415
Sathorn	0-2633-9010-13	0-2633-9034
Sathupradid	0-2210-2724-6	0-2210-2723
Siam Square	0-2250-1735-6	0-2250-1737
Silom	0-2234-3010, 0-2236-4747-8	0-2236-4749
Silom Center	0-2632-7621-2	0-2632-7623
St. Louis	0-2286-0335, 0-2286-0374, 0-2286-2438	0-2286-0318
Thanon Chan	0-2678-5670-1	0-2678-5672
Thanon Langsuan	0-2626-7101-3	0-2626-7104
Wall Street Tower	0-2652-4605-8	0-2652-4609
Yannawa	0-2289-3872-3	0-2289-0560

Bangkok Area 2

Branch	Telephone	Fax
Bang Lamphu	0-2629-1573-5	0-2629-1576
Bangpo	0-2585-0192, 0-2585-8180	0-2585-0260
Bangrak	0-2234-6209, 0-2234-6435, 0-2234-9884	0-2233-5020
Chakkrawat	0-2622-5660-1	0-2622-5662
Jawarad	0-2233-8696, 0-2234-2552, 0-2234-4002, 0-2234-4527, 0-2234-6713	0-2266-4309
Mahanak	0-2223-2650, 0-2223-6624, 0-2224-7021	0-2224-7022
Pakklongtalad	0-2224-7207-8, 0-2224-7210	0-2224-7209
Rajawongse	0-2221-1333, 0-2224-8162-3	0-2222-3190
Ratchadamnoen (Thanon Dinso)	0-2221-7679, 0-2221-7395, 0-2224-8053	0-2224-8052
Sampeng	0-2224-2313, 0-2226-0367	0-2224-2333
Si Yan	0-2636-9517-9	0-2636-9520
Thatien	0-2222-4323, 0-2224-8165	0-2224-8164
Thewet	0-2280-0481-2, 0-2281-5453, 0-2282-3568	0-2282-4085
Vorachak	0-2223-4988, 0-2223-5058	0-2224-9011
Yommaraj	0-2215-7126-7, 0-2215-7352-3	0-2215-7383

Bangkok Area 3

Branch	Telephone	Fax
Bangbon	0-2416-8277-8, 0-2894-4075-6	0-2416-8279
Bangplad	0-2424-3361-2, 0-2433-8188, 0-2880-4305-6	0-2424-3361
Bangyeekhan	0-2433-5920-3	0-2433-5921
Bukkalo	0-2468-7141-2, 0-2468-8202	0-2468-8203
Central Pinklao	0-2884-6725-7	0-2884-6728
Central Plaza Rama II	0-2872-4307-8	0-2872-4309
Charansnitwongse	0-2411-0339, 0-2411-3603-4	0-2411-2245
Nong Khaem	0-2421-1122, 0-2421-1460, 0-2421-1991	0-2421-3788
Phra Pradaeng	0-2818-4517-9	0-2818-4520
Prannok	0-2418-1572-4	0-2412-3098
Rat Burana	0-2427-4403, 0-2427-4405	0-2427-4404
Secon Bangkae	0-2467-5453-4	0-2467-3106
Suksawad	0-2463-2130, 0-2463-5345-6	0-2463-5344
The Mall Bangkhae	0-2413-0739, 0-2455-3515, 0-2818-8608	0-2803-8609
The Mall Tha Phra	0-2477-7287-8	0-2477-7289
Thon Buri	0-2465-0442, 0-2465-8758	0-2465-0442
Wat Sai	0-2415-0909, 0-2415-1235, 0-2415-1378	0-2415-2712

Bangkok Area 4

Branch	Telephone	Fax
Bangna	0-2393-0789, 0-2747-5322	0-2393-0788
Bangna-Trad	0-2312-6752-4	0-2312-6755
Big C Bangphli	0-2312-9695-6	0-2312-9596
Central City Bangna	0-2745-7314-5	0-2745-7316
Ekkamai Power Center	0-2714-7370-2	0-2714-7347
GMM Grammy Place	0-2665-8181, 0-2665-9906-7	0-2665-9908
Imperial World Samrong	0-2380-6883-4	0-2380-6894
Lat Krabang	0-2739-1705, 0-2739-1895-6	0-2739-1897
Mega Bangna	0-2105-1205-6	0-2105-1209
New Phetchaburi	0-2718-0617-8	0-2718-0620
On Nuch	0-2730-3066-8	0-2730-3069
Paradise Park Srinakarin	0-2746-0330-1	0-2746-0332
Poochaosmingprai	0-2384-3670, 0-2384-7604-6	0-2384-7605
Samuthprakarn	0-2387-1806, 0-2387-1849, 0-2702-8618-9	0-2389-1349
Thanon Sailuat Samutprakan	0-2703-8520-2	0-2703-8523
Thanon Thepharak	0-2713-4594-6	0-2713-4597
Thonglor	0-2391-4789-91, 0-2392-1584	0-2391-4790
Yaek Asok-Sukhumvit	0-2258-1913, 0-2258-1916, 0-2259-0601	0-2258-1939

Bangkok Area 5

Branch	Telephone	Fax
Amorini Ramintra	0-2919-6085-8	0-2919-6089
Avenue Ratchayothin	0-2939-4211 - 4	0-2939-4215
Bangkhen	0-2511-4353, 0-2512-1716, 0-2512-1719	0-2511-4320
Big C Huamark	0-2319-8567, 0-2718-5320, 0-2319-8617	0-2319-8575

Fashion Island	0-2947-5188-9	0-2947-5190
Fortune Town	0-2642-0891-2	0-2642-0893
Huamark	0-2377-1362-3, 0-2377-2555	0-2377-1365
Huey Kwang	0-2277-0554, 0-2277-2863, 0-2277-9955	0-2327-0930
Imperial World Ladprao	0-2934-8530-2	0-2934-8533
Ladprao	0-2530-1372, 0-2538-2493-4	0-2530-1371
Min Buri	0-2906-3672-4	0-2906-3675
Phaholyothin	0-2278-1079, 0-2279-5088, 0-2279-8662	0-2279-0737
Ramintra	0-2509-5713, 0-2510-4448, 0-2519-2203	0-2509-5712
Suntowers Thanon Vibhavadirangsit	0-2617-7617-8	0-2617-7619
Talad Wongsakon	0-2994-3087, 0-2994-3394	0-2994-3943
Talat Ying Charoen	0-2972-3363-5	0-2972-3366
The Mall Bangkapi	0-2704-9156-8	0-2704-9159
Wang Hin	0-2942-6206-8	0-2942-6218

Bangkok Area 6

Branch	Telephone	Fax
Bang Yai	0-2903-3120, 0-2903-3125	0-2903-3127
Big C Nawanakhon	0-2520-4831-3	0-2520-4799
Chaengwattana	0-2573-8121, 0-2574-1502-3	0-2573-8785
Donmuang	0-2566-1588, 0-2566-1610, 0-2929-9947	0-2566-1593
Future Park Rangsit	0-2958-5310-2	0-2958-5313
IT Square	0-2576-0476-7, 0-2576-0374	0-2576-0428
Muang Thong Thani	0-2981-4135, 0-2981-4172	0-2981-4446
Ngamwongwan	0-2580-1601, 0-2580-1920	0-2580-2451
Pak Kret	0-2960-6544-6	0-2960-6547
Rangsit	0-2531-5893, 0-2567-2232, 0-2959-1990	0-2531-3020
Talat Thai	0-2529-2277, 0-2529-2971	0-2529-4852
Thanon Rattana Thibet	0-2527-8643-4	0-2527-8723
Tivanon	0-2525-0586, 0-2525-2561, 0-2968-4066-7	0-2527-0264
Wongsawang Town Center	0-2913-9783-5	0-2913-9786
Zeer Rangsit	0-2992-5739-40	0-2992-5741

PROVINCIAL AREA

Provincial Area 1	Telephone	Fax
Hua Hin	0-3253-1460-2	0-3253-1463
Kanchanaburi	0-3451-7554-7	0-3451-7558
Nakhon Pathom	0-34254-233-4	0-3425-4234
Omnoi	0-2810-5211-2	0-2810-5213
Phar Nakhon Si Ayutthaya	0-3523-2993-6	0-3523-2932
Phetchaburi	0-3242-5148	0-3242-8227
Ratchaburi	0-3231-5988-9, 0-3231-4962-3	0-3231-5588
Samut Sakhon	0-3481-0955-6, 0-34428-8124	0-3481-0957
Samut Songkhram	0-3471-1442, 0-3471-2429	0-3472-4046
Suphan Buri	0-3550-2660-3	0-3550-2664

Provincial Area 2	Telephone	Fax
Central Airport Chiang Mai	0-5328-4447-8	0-5328-4449
Chiang Mai	0-5328-7070, 0-5341-8338-9	0-5328-7078
Chiang Rai	0-5371-4029-30, 0-5371-9376	0-5371-5905
Lumpang	0-5432-3883-4, 0-5432-3902-3	0-5432-3907
Mae Sai	0-5364-2495-7	0-5364-2498

Manorom	0-5649-1006, 0-5649-1223	0-5649-1224
Nakhon Sawan	0-5622-6354, 0-5622-7473	0-5622-4128
Phitsanulok	0-5525-2179, 0-5524-4060	0-5524-4061
Thanon Changkhlan	0-5382-0914-6	0-5382-0917
Thanon Suthep	0-5380-8848-9, 0-5380-8912	0-5380-8913

Provincial Area 3	Telephone	Fax
Buri Ram	0-4462-5124, 0-4462-5183	0-4462-5698
Khon Kaen	0-4322-0812, 0-4322-0925	0-4322-1731
Lotus Khon Kaen	0-4332-4323, 0-4332-4789-90	0-4332-4791
Nakhon Ratchasima	0-4424-3714, 0-4424-3785	0-4425-8161
Nong Khai	0-4241-1728, 0-4241-1738	0-4241-2624
Sakon Nakhon	0-4271-1190, 0-4273-0557	0-4271-1701
Saraburi	0-3631-5304, 0-3631-5307	0-3631-5309
Surin	0-4452-1464-7	0-4452-1468
Ubon Ratchathani	0-4528-4224-5, 0-4531-3395	0-4531-3467
Udon Thani	0-4222-3248-9, 0-4234-4097	0-4224-7184

Provincial Area 4	Telephone	Fax
Amata Nakron Industrial Estate	0-3845-7574-7	0-3845-7578
Chachoengsao	0-3881-3041-3	0-3881-3044
Chanthaburi	0-3934-0212-5	0-3934-0216
Chom Thian	0-3830-3951-2, 0-3830-4105-6	0-3830-4107
Chon Buri	0-3878-2161-5	0-3878-2166
Nong Mon	0-3874-6135-6, 0-3874-5210	0-3874-5766
Pacific Park Sriracha	0-3877-1480-1	0-3877-1482
Rayong	0-3861-1220, 0-3861-1588-9	0-3861-4870
Thanon Liap Hat Pattaya	0-3841-3673-4, 0-3841-3786-7	0-3841-3674
Thanon Pattaya Sai 3	0-3848-8140-1	0-3848-8142
Thanon Phratamnak Pattaya	0-3871-1306-9	0-3871-1310
Tuk Com Chonburi	0-3818-4124-7	0-3818-4128

Provincial Area 5	Telephone	Fax
Ao Nang Krabi	075-637-400-3	075-637-404
Central Festival Phuket	0-7636-7008-9	0-7636-7010
Chumphon	0-7750-4825, 07751-1698	0-7751-1661
Dan Nok Sadao	0-7443-4192-3	0-7443-4194
Hat Chaweng	0-7741-3921-4	0-7741-3141
Hat Yai	0-7423-5777	0-7424-5011
Karon	0-7628-6647-49	0-7628-6667
Ko Samui	0-7744-7529-32	0-7744-7533
Krabi	0-7563-0572-5	0-7563-0576
Nakhon Si Thammarat	0-7531-3201-4	0-7531-3707
Namom	0-7438-3005-6	0-7438-3005
Patong	0-7626-9813-4, 0-7628-6824-5	0-7629-6821
Phuket	0-7621-1501	0-7621-1502
Songkhla	0-7431-1906, 0-7432-4050-1	0-7431-4391
Surat Thani	0-7727-3574, 0-7727-3574-75	0-7727-3574
Thalang Phuket Branch	0-7631-3412-5	0-7631-3416
Thanon Phet Kasem Hat Yai Branch	0-7436-4500-3	0-7436-7504

FOREIGN EXCHANGE BOOTHS IN BRANCH

Branch	Telephone	Fax
Ao Nang Krabi Branch	075-637-400 - 3	075-637-404
Chiang Rai	0-5371-4029-30, 0-5371-9377-8	0-5371-5905
Chomthian	0-3830-3951-2, 0-3830-4105-6	0-3830-4107
Hat Chaweng	0-7741-3921-2	0-7741-3141
Hua Hin	0-3253-1461-2	0-3253-1463
Karon	0-7628-6649	0-7628-6667
Lumpini	0-2286-0149, 0-2286-5388,	0-2286-0223
Patong	0-7629-6813-4, 0-7628-6824-5	0-7629-6821
Silom	0-2234-3010	0-2236-4749
Thanon Phra Tamnak Pattaya	0-3871-1306-9	0-3871-1310
Thanon Tilok Uthit 1 Branch	0-7625-6606-7	0-7625-6608
Wall Street Tower	0-2652-4605-8	0-2652-4609
Yaek Asok-Sukhumvit	0-2258-1913, 0-2258-1916	0-2258-1939
Yannawa	0-2289-3872-3	0-2289-0560

FOREIGN EXCHANGE BOOTHS STAND ALONE

Location	Telephone	Fax
Avenue Pattaya Sai 2	0-3871-0755	0-3871-0756
Friendship Pattaya	038-723-468	038-723-469
Green Hotel	0-7741-3235	0-7741-3388
Jungceylon 1	0-76-29-5025	0-7629-5026
Jungceylon 2	0-7629-5027	0-7629-5028
Karon 1	0-7628-6273	0-7628-6274
Kata Beach	076-330-874	076-330-875
Mercure Patong	0-76-29-2952	0-7629-2953
Palm Island Hotel	0-7760-1224	0-7760-1218
Patong Otop	076-292-016	076-292-025
Rajuthit Road 1	0-76-29-4204	0-7629-4205
Samui Resotel	0-7741-3219	0-7741-3375
Siam Center	0-2658-1530	02-658-1531
Silver Sand Jomtien	0-3875-6230	0-3875-6231
Soi Boakhao Pattaya Klang	0-3872-0931	0-3872-0932
Soi Nana	02-656-7016	02-656-7017
Thanon Khaosan	02-629-0078	02-629-0079
Thanon Liap Hat Pattaya	0-3841-3547	0-3841-3548
Thanon Naresdamri Hua Hin	032-533-018	032-533-019
Thanon Rambuttri	02-629-0171	02-629-0172
Walking Street Pattaya Exchange Booth	0-3842-5974	0-3842-5976
Wongwian Karon	076--396-584	076-396-585
Wongwian Plaloma	0-3837-1303	0-3837-1304
Xin City Samui	0-7741-3233	0-7741-3383
Yake Wat Chaimongkol	0-3871-0588	0-3871-0589

Mobile Exchange	Telephone
Mobile Exchange 1	0-8193-84722
Mobile Exchange 2	0-8920-39764

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