

Financial Bridge between Thailand and China



Industrial and Commercial Bank of China (Thai) Public Company Limited
Annual Report 2010

ICBC  中国工商银行 (泰国)
ธนาคารไอซีบีซี (ไทย)

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Financial Highlights

	2010	2009	2008
Consolidated			
Financial position (million baht)			
Loans	54,704	48,027	46,186
Allowance for doubtful accounts	1,016	1,432	1,069
Non-performing loans	2,920	2,720	2,310
Total assets	73,372	65,957	70,988
Deposits and borrowings	54,548	49,180	54,906
Liabilities	5,056	3,654	3,471
Shareholders' equity	13,768	13,123	12,611
Performance results (million baht)			
Net interest and dividend income	2,234	2,064	1,783
Non-interest income	511	1,152	636
Non-interest expense	(1,325)	(1,382)	(1,367)
Income before bad debt and doubtful accounts	1,420	1,834	1,052
Bad debt and doubtful accounts and loss on debt restructuring	(635)	(1,227)	(512)
Income before corporate income tax	785	607	540
Income tax	(231)	(80)	(179)
Net income for the year	554	527	361
Financial ratio (%)			
Return on average assets (ROA)	0.79	0.77	0.56
Return on average equity (ROE)	4.12	4.11	2.98
Capital adequacy ratio	20.55	22.64	24.33
Basic earnings per share (baht)	0.35	0.46	0.34
Book value per share (baht)	8.66	8.25	7.93

Message from the Chairman

2010 was the year we embraced great changes. ICBC Bank, the world's leading bank, became the major shareholder of ACL Bank Public Company Limited since 21 April 2010 and the Bank was renamed ICBC (Thai) Public Company Limited on 8 July 2010. The change did not affect our customers and patrons in any aspects and in fact, has expanded their access to a wider variety of products and services as well as satisfactory convenience offered by the ICBC network in every continent of the globe.

ICBC is the largest bank in the People's Republic of China and is the world's most profitable bank. It is also the largest bank in the world in terms of market capitalization and customer deposits balance. ICBC has exceptional management capabilities and is one of the world's leading financial service providers. As the largest shareholder of ICBC (Thai), ICBC will support ICBC (Thai) in every aspect and will promote continuous development of ICBC (Thai). ICBC will

introduce new technology that will allow ICBC (Thai) to become a leading provider of e-Banking services and diverse financial services which can satisfy the customers' needs.

Albeit the internal significant changes and the political upheavals in Thailand in 2010, the Bank ended the year with continuously satisfactory operating results. The Bank posted a pre-tax profit of 784 million baht, representing an increase of 29.37 percent from the previous year. It saw growth of 14 percent in the loans segment from 48,027 million baht to 54,704 million baht while the deposits segment inclusive of loans expanded by 11 percent, from 49,179 million baht to 54,548 million baht. Its asset size increased from 65,957 million baht to 73,372 million baht, or 11 percent growth. Furthermore, it succeeded in managing the non-performing loans (NPL), which decreased in terms of amount and ratios.



ICBC (Thai) has maintained a strong financial position, with the BIS ratio of 20.55 compared to the standard of 8.5 as stipulated by the Bank of Thailand. The ratio of ICBC (Thai) therefore is highly adequate for various aspects of its future growth. In addition, the Bank is among commercial banks with solid financial position as reflected in its rating of “AA+ (tha)” by FitchRatings.

2011 will be the first complete fiscal year of ICBC (Thai). It aims to be the bank that plays the most important role as a bridge for the businesses between Thailand and China and as a financial service provider with the highest competitive potential in Indo-China countries. Hence, having the highest expertise in respect of CNY-denominated products is one of its significant missions. The Bank has introduced the *CNY Remittance* and the *CNY Currency Deposit Account*, which offer a 1-day remittance service for individuals and CNY remittance for trade and commerce via the CNY

Cross-Border Settlement Business. These services will increase the convenience and benefits of customers in terms of CNY management.

In addition, the Bank plans to extend its services to retail customers by focusing on the latest financial innovations and information technology as well as connection with the ICBC Network worldwide to support its service enhancement.

I, on behalf of the Bank, would like to convey our sincere gratitude to shareholders, customers and patrons who place trust in the Bank and have always provided us with full support that has enhanced the strength of the Bank to the level it demonstrates today. With the new goal as a member of the ICBC Group, I pledge that ICBC (Thai) will strive for further development of products and services in order to increase the benefits and satisfaction of our customers as well as to be a bridge for more convenient trade and commerce between Thailand and China.

Huiman Yi
Chairman

The Board of Directors



Mr. Huiman Yi Age 46 years

Position	Chairman
Education	EMBA, Peking University, P.R.China
Work experience	Jul. 2010 - Present, Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Chairman, ACL BANK Public Company Limited • 2008 - Present, Vice President, Industrial and Commercial Bank of China Limited • 2005 - 2008, President, ICBC Beijing Branch • 2000 - 2005, President, ICBC Jiangsu Provincial Branch • 1998 - 2000, Vice President, ICBC Zhejiang Provincial Branch • 1985 - 1998 Manager, Division Head, Vice President, ICBC Hangzhou Sub-Branch
Shareholding (%)	-

Mr. Youbin Chen Age 41 years

Position	Vice Chairman • Chief Executive Officer • Chairman of the Board of Executive Directors • Authorized Director
Education	IMBA, Hong Kong University and Fudan University • Master's Degree, Mathematical Statistics, Xiamen University • Bachelor's Degree, Computing Mathematics and Applied Software, Xiamen University
Work experience	Jul. 2010 - Present, Vice Chairman / Chief Executive Officer / Chairman of the Board of Executive Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Vice Chairman / Chief Executive Officer / Chairman of the Board of Executive Directors, ACL BANK Public Company Limited • 2009 - 2010, Deputy General Manager, Industrial and Commercial Bank of China Limited • 2007 - 2009, Director & Senior Executive Vice President, ICBC (Indonesia) Limited • 2005 - 2007, President, ICBC Ningde Branch • 2001 - 2005, Department Head, ICBC Fujian Branch
Shareholding (%)	-



Mr. Chanchai Leetavorn Age 83 years

Position	Director • Honorary Consultant to the Chairman
Education	Bachelor of Science in Banking and Finance, University of Illinois, U.S.A.
Work experience	Jul. 2010 - Present, Director / Honorary Consultant to the Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Honorary Consultant to the Chairman, ACL BANK Public Company Limited • 2005 - Apr. 2010, Chairman, ACL BANK Public Company Limited • 1984 - 2005, Chairman, Asia Credit Public Company Limited • 2006 - Present, Chairman, Leasing Sinn Asia Co., Ltd. • 2006 - 2009, Chairman, ACL Securities Co., Ltd. • 2002 - Present, Director, Siam Piwat Holding Co., Ltd. • 1996 - Present, Director, BIHC Trading Co., Ltd. • 1990 - Present, Director, Minebea Aviation Co., Ltd. • 1984 - Present, Chairman, Bangkok BTMU Co., Ltd. • 1978 - Present, Director, Siam Piwat Co., Ltd.
Shareholding (%)	-

Dr. Kosol Petchsuwan Age 72 years

Position	Independent Director • Chairman of the Audit Committee
Education	PhD in Engineering, Imperial College London, U.K.
Work experience	Jul. 2010 - Present, Independent Director / Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005 - Jul. 2010, Independent Director / Chairman of the Audit Committee, ACL BANK Public Company Limited • 2004 - 2005, Independent Director / Chairman of the Audit Committee, Asia Credit Public Company Limited • 2004, Independent Director / Member of the Audit Committee, Asia Credit Public Company Limited • 1992 - Present, Member of the Audit Committee, TRUE Corporation Public Company Limited • 2001 - 2009, Director, Mahidol Wittayanusorn School • 2001 - 2002, Chairman, The Aeronautical Radio of Thailand • 1998 - 2000, Member of the Audit Committee, PTT Exploration and Production Public Company Limited • 1994 - 2001, General Manager, Thai Ausnor Co., Ltd. • 1967 - 1994, Rector, King Mongkut's Institute of Technology, Ladkrabang
Shareholding (%)	-

Dr. Prasit Damrongchai Age 70 years

Position	Independent Director • Chairman of the Nomination, Compensation and Corporate Governance Committee
Education	PhD Political Science, University of Oklahoma, U.S.A. • National Defence College (Class 388)
Work experience	Jul. 2010 - Present, Independent Director / Chairman of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006 - Jul. 2010, Director / Chairman of the Nomination, Compensation and Corporate Governance Committee, ACL BANK Public Company Limited • 2006 - 2007, Member of the Audit Committee, ACL BANK Public Company Limited • 2004 - Present, Committee, Dhipaya Insurance Public Company Limited • 2006 - 2010, Committee, IRPC Oil Co., Ltd. • 2006 - 2010, Committee, Thai ABS Co., Ltd. • 2006 - 2010, Committee, IRPC Polyol Co., Ltd. • 2005 - 2008, Chairman, Wyncoast Industrial Park Public Company Limited • 2005 - 2006, Director / Executive Director, Thai Airways International Public Company Limited • 2004 - 2006, Director / Executive Director, Krung Thai Bank Public Company Limited
Shareholding (%)	-



Mr. Wencong Li Age 41 years

Position	Director • Executive Director • Senior Executive Vice President, Business Banking Group • Authorized Director
Education	IMBA, Hong Kong University • Bachelor's Degree, Major in Finance and Banking, Xiamen University
Work experience	Jul. 2010 - Present, Director / Executive Director / Senior Executive Vice President, Business Banking Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Executive Director / Senior Executive Vice President, Business Banking Group, ACL BANK Public Company Limited • 2007 - 2010, Head of Risk Management, ICBC (Asia) Limited • 1991 - 2007, Manager, ICBC Xiamen Branch
Shareholding (%)	-

Mr. Guohui Song Age 43 years

Position	Director • Executive Director • Senior Executive Vice President, Supporting Group • Authorized Director
Education	Master's Degree, Major in Economics, South-Western University of Finance and Economics • Bachelor's Degree, Major in Electronic Engineering, Jiangxi Polytechnic University
Work experience	Jul. 2010 - Present, Director / Executive Director / Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Executive Director / Senior Executive Vice President, Supporting Group, ACL BANK Public Company Limited • 2007 - 2010, Senior Manager, Industrial and Commercial Bank of China Limited • 2003 - 2007, Head of Financial Control & IT, ICBC (London) Limited • 1999 - 2003, Accounting & IT Manager, ICBC Luxembourg Branch • 1989 - 1999, Accountant, ICBC Yintan Branch
Shareholding (%)	-

Dr. Changwen Nie Age 44 years

Position	Director • Member of the Nomination, Compensation and Corporate Governance Committee
Education	PhD, Major in the World Economy, Renmin University of P.R. China • Master's Degree, Major's in the World Economy, Renmin University of P.R. China • Bachelor's Degree, Major in the World Economy, Renmin University of P.R. China
Work experience	Jul. 2010 - Present, Director / Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Member of the Nomination, Compensation and Corporate Governance Committee, ACL BANK Public Company Limited • 2008 - Present, Deputy General Manager, International Department, Industrial and Commercial Bank of China Limited • 2005 - 2008, Chief Financial Officer, ICEA holding company (ICBC group, based in Hong Kong) • 2001 - 2005, Division Head, International Department, Industrial and Commercial Bank of China Limited
Shareholding (%)	-



Dr. Nenghong Tao Age 33 years

Position	Director • Member of the Nomination, Compensation and Corporate Governance Committee
Education	PhD, Major in Accounting, Central University of Finance and Economics, P.R. China • Master of Management, Major in Accounting, Nankai University, P.R. China • Bachelor of Economics, Major in Auditing, Nankai University, P.R. China
Work experience	Jul. 2010 - Present, Director / Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Member of the Nomination, Compensation and Corporate Governance Committee, ACL BANK Public Company Limited • 2009 - Present, Division Head of Strategic Merger & Acquisition Division, Corporate Strategy and Investors Relationship Department, ICBC • 2006 - 2008, Deputy Head of Taxation Affairs Division, Deputy Head of Budget Management Division, Accounting and Finance Department, ICBC • 2005, Internship on the Majority of Banking Operation and Management Positions, JINing Sub-Branch, ShanDong Provincial Branch of ICBC • 2003 - 2004, Assistant in Accounting Management, Accounting and Settlement Department, ICBC
Shareholding (%)	-

Mr. Plengsakdi Prakaspesat Age 68 years

Position	Independent Director • Member of the Audit Committee
Education	Honorary Doctoral Degree, Lampang Rajabhat University • Commerce, Ross College (Dublin), Ireland • College Degree, National Defence (Class 311)
Work experience	Jul. 2010 - Present, Independent Director / Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Independent Director / Member of the Audit Committee, ACL BANK Public Company Limited • 2007 - Apr. 2010, Member of the Nomination, Compensation and Corporate Governance Committee, ACL BANK Public Company Limited • 2005 - Apr. 2010, Independent Director / Member of the Audit Committee, ACL BANK Public Company Limited • 2000 - 2005, Member of the Audit Committee, Asia Credit Public Company Limited • 1978 - 2005, Independent Director, Asia Credit Public Company Limited • 2005 - Present, Independent Director / Chairman of the Audit Committee, Bangkok Insurance Public Company Limited • 1987 - Present, Director, Aspac Co., Ltd. • 2001 - Present, Advisor, United Flour Mill Public Company Limited • 1997 - Present, Senior Advisor, Thai Central Chemical Public Company Limited • 2005 - 2008, Advisor, MC Industrial Chemical Co., Ltd.
Shareholding (%)	2,374 ordinary shares (0.00015%)

Ms. Ladda Siritwattanakosol Age 54 years

Position	Independent Director • Member of the Audit Committee
Education	MBA., Thammasart University
Work experience	Jul. 2010 - Present, Independent Director / Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 - Jul. 2010, Member of the Audit Committee, ACL BANK Public Company Limited • 2007 - Jul. 2010, Independent Director, ACL BANK Public Company Limited • 2005 - 2006, Chief of Credit Administration / Executive Vice President, Chief of Corporate Strategy Group, TMB Bank Public Company Limited • 2004, Executive Vice President, The Industrial Finance Corporation of Thailand
Shareholding (%)	-

Senior Executives



Mr. Youbin Chen Age 41 years

Position	Vice Chairman • Chief Executive Officer • Chairman of the Board of Executive Directors • Authorized Director
Education	IMBA, Hong Kong University and Fudan University • Master's Degree, Mathematical Statistics, Xiamen University • Bachelor's Degree, Computing Mathematics and Applied Software, Xiamen University
Work experience	Jul. 2010 - Present, Vice Chairman / Chief Executive Officer / Chairman of the Board of Executive Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010 Vice Chairman / Chief Executive Officer / Chairman of the Board of Executive Directors, ACL BANK Public Company Limited • 2009 - 2010, Deputy General Manager, Industrial and Commercial Bank of China Limited • 2007 - 2009, Director & Senior Executive Vice President, ICBC (Indonesia) Limited • 2005 - 2007, President, ICBC Ningde Branch • 2001 - 2005, Department Head, ICBC Fujian Branch
Shareholding (%)	-

Mr. Wencong Li Age 41 years

Position	Director • Executive Director • Senior Executive Vice President, Business Banking Group • Authorized Director
Education	IMBA, Hong Kong University • Bachelor's Degree, Major in Finance and Banking, Xiamen University
Work experience	Jul. 2010 - Present, Director / Executive Director/Senior Executive Vice President, Business Banking Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Executive Director / Senior Executive Vice President, Business Banking Group, ACL BANK Public Company Limited • 2007 - 2010, Head of Risk Management, ICBC (Asia) Limited • 1991 - 2007, Manager, ICBC Xiamen Branch
Shareholding (%)	-

Mr. Guohui Song Age 43 years

Position	Director • Executive Director • Senior Executive Vice President, Supporting Group • Authorized Director
Education	Master's Degree, Major in Economics, South-Western University of Finance and Economics • Bachelor's Degree, Major in Electronic Engineering, Jiangxi Polytechnic University
Work experience	Jul. 2010 - Present, Director / Executive Director / Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Director / Executive Director / Senior Executive Vice President, Supporting Group, ACL BANK Public Company Limited • 2007 - 2010, Senior Manager, Industrial and Commercial Bank of China Limited • 2003 - 2007, Head of Financial Control & IT, ICBC (London) Limited • 1999 - 2003, Accounting & IT Manager, ICBC Luxembourg Branch • 1989 - 1999, Accountant, ICBC Yintan Branch
Shareholding (%)	-



Mr. Apichart Kasemkulsiri Age 44 years

Position	Senior Executive Vice President, Treasury and Branch Operations Group
Education	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Work experience	Jul. 2010 - Present, Senior Executive Vice President, Treasury and Branch Operations Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • Apr. - Jul. 2010, Senior Executive Vice President, Treasury and Branch Operations Group, ACL BANK Public Company Limited • 2007 - Apr. 2010, Senior Executive Vice President, Supporting Group, ACL BANK Public Company Limited • 2005 - 2007, Executive Vice President, Treasury Division, ACL BANK Public Company Limited • 2005, Executive Vice President, Treasury Division, Asia Credit Public Company Limited • 2005 - Present, Director, Leasing Sinn Asia Co., Ltd. • 2005 - 2009, Director, ACL Securities Co., Ltd. • 2002 - 2005, Chief Financial Officer, Samart I-Mobile Public Company Limited
Shareholding (%)	-

Ms. Suree Wipatakanok Age 47 years

Position	Executive Vice President, Corporate Banking Division
Education	BA of Business Administration, Ramkhamhaeng University
Work experience	Jul. 2010 - Present, Executive Vice President, Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 - Jul. 2010, Executive Vice President, Corporate Banking Division, ACL BANK Public Company Limited • 2006 - 2007, Executive Vice President, Corporate Banking Department, ACL BANK Public Company Limited • 2005 - 2006, Senior Vice President, Credit & Marketing-Medium Enterprise Department, ACL BANK Public Company Limited • 2004 - 2005, Senior Vice President, Credit & Marketing-Medium Enterprise Department, Asia Credit Public Company Limited • 2006 - Present, Director, Leasing Sinn Asia Co., Ltd. • 2000 - 2004, Vice President, Head of Commercial Sales Department, Bank of Asia Public Company Limited
Shareholding (%)	-

Mr. Chaiwat Tanchewawong Age 53 years

Position	Executive Vice President, Branch Banking Division
Education	Master of Business Administration, Chulalongkorn University
Work experience	Jul. 2010 - Present, Executive Vice President, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 - Jul. 2010, Executive Vice President, Branch Banking Division, ACL BANK Public Company Limited • 2006 - 2007, Senior Vice President, Branch Banking Department, ACL BANK Public Company Limited • 2005, Senior Vice President, Branch Banking Division, Asia Credit Public Company Limited • 2000 - 2005, Head of Sales, SME Banking, Standard Chartered Bank (Thai) Public Company Limited.
Shareholding (%)	-



Ms. Kanchana Vongratanakulthon Age 55 years

Position	Executive Vice President, Recovery Division
Education	B.B.A., Sukhothai Thammathirat Open University
Work experience	Jul. 2010 - Present, Executive Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 - Jul. 2010, Executive Vice President, Recovery Division, ACL BANK Public Company Limited • 2006 - 2007, Senior Vice President, Recovery Division, ACL BANK Public Company Limited • 2005 - 2006, Senior Vice President, Asset Management Department, ACL BANK Public Company Limited • 2004 - 2005, Senior Vice President, Asset Management Department, Asia Credit Public Company Limited
Shareholding (%)	-

Ms. Orapin Sreesangkom Age 47 years

Position	Executive Vice President, Corporate Secretary & Legal Division
Education	LL.M., Harvard Law School, U.S.A. • LL.M. (International Banking Law), Boston University, School of Law, U.S.A.
Work experience	Jul. 2010 - Present, Executive Vice President, Corporate Secretary & Legal Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 - Jul. 2010, Executive Vice President, Corporate Secretary & Legal Division, ACL BANK Public Company Limited • 2005 - 2007, Senior Vice President, General Secretariat Division, ACL BANK Public Company Limited • 2004 - 2005, Vice President, Legal and Compliance, ACL Securities Co., Ltd. • 2000 - 2004, Vice President, Capital Markets Legal, SG Asia Credit Securities Co., Ltd. • 1997 - 2000, Consultant, Linklaters (Thailand) Ltd. • 1988 - 1997, Associate, International Legal Counsellors Thailand
Shareholding (%)	-

Mr. Som Pisarnsophon Age 46 years

Position	Executive Vice President, Finance & Strategy Division
Education	MS. Industrial Administration, Carnegie-Mellon University, U.S.A.
Work experience	Jul. 2010 - Present, Executive Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008 - Jul. 2010, Executive Vice President, Finance & Strategy Division, ACL BANK Public Company Limited • 2007 - 2008, Senior Vice President, Finance & Strategy Division, ACL BANK Public Company Limited • 2006 - 2007, Senior Vice President, Strategy & Planning Department, ACL BANK Public Company Limited • 2008 - Present, Director, Leasing Sinn Asia Co., Ltd. • 2008 - 2009, Director, ACL Securities Co., Ltd.
Shareholding (%)	-



Ms. Sasiwadee Somboonthum Age 51 years

Position	Executive Vice President, Branch Operations & Organization Development
Education	MBA, Thammasart University • MS. Information Systems, PACE University, U.S.A.
Work experience	Jul. 2010 - Present, Executive Vice President, Branch Operations & Organization Development Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008 - Jul. 2010, Executive Vice President, Branch Operations & Organization Development Division, ACL BANK Public Company Limited • 2007 - 2008, Senior Vice President, Branch Operations & Organization Development Division, ACL BANK Public Company Limited • 2006 - 2007, Senior Vice President, Information Systems & Organization Department, ACL BANK Public Company Limited • 2005 - 2006, First Vice President, Information Systems & Organization Department, ACL BANK Public Company Limited • 2003 - 2005, First Vice President, Information Systems & Organization Department, Asia Credit Public Company Limited
Shareholding (%)	-

Ms. Jungjai Loharangsikul Age 57 years

Position	Executive Vice President, Banking Operations Division
Education	Master of Accountancy, Chulalongkorn University
Work experience	Jul. 2010 - Present, Executive Vice President, Banking Operations Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008 - Jul. 2010, Executive Vice President, Banking Operations Division, ACL BANK Public Company Limited • 2006 - 2008, Senior Vice President, Credit Administration Department, ACL BANK Public Company Limited • 2005 - 2006, First Vice President, Credit Administration Department, ACL BANK Public Company Limited • 1999 - 2005, First Vice President, Credit Administration Department, Asia Credit Public Company Limited • 1995 - 1998, Vice President, Credit Administration Department, Asia Credit Public Company Limited
Shareholding (%)	-

Mr. Wisit Ausawalaithong Age 43 years

Position	Executive Vice President, Information Technology Division
Education	Master of Computer Science, Asian Institute of Technology
Work experience	Jul. 2010 - Present, Executive Vice President, Information Technology Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 - Jul. 2010, Executive Vice President, Information Technology Division, ACL BANK Public Company Limited • 2007, Senior Vice President, Information Technology Services Department, ACL BANK Public Company Limited • 1994 - 2007, Principal Consultant, Temenos (Thailand) Co., Ltd. • 1988 - 1992, System Specialist, Digital Equipment Corp (Thailand) Ltd.
Shareholding (%)	-

Executive Officers

No. Name	Corporate Title	Division / Department
1. Mr. Sayarm Lohsawat	Senior Vice President	Corporate Banking 2 Department
2. Mr. Prakarn Narkkerd	Senior Vice President	Branch Banking 2 Department
3. Mr. Suthep Phoowaphaisirisan	Senior Vice President	Branch Banking 3 Department
4. Mr. Thanin Wanasuthanon	Senior Vice President	Chinese Business Department
5. Mrs. Araya Watanakun	Senior Vice President	Funding (Back Office) Department
6. Mrs. Narumol Meksingvee	Senior Vice President	Funding (Front Office) Department
7. Miss Kulnida Cheausuwan	Senior Vice President	Money Market & Investment Portfolio Department
8. Miss Suwimol Itthiputh	Senior Vice President	Foreign Exchange & Financial Institution Department
9. Mrs. Saowanee Soonthornswad	Senior Vice President	Branch Operations Management Department
10. Mr. Wasun Muangmee	Senior Vice President	Credit Risk Department
11. Mr. Chanin Tivunluk	Senior Vice President	Human Resources Department
12. Miss Chuenchit Trakarnratti	First Vice President	Internal Audit Department
13. Miss Linda Sirivibulya	First Vice President	Corporate Banking 1 Department
14. Miss Wanpen Yongchayanuntakul	First Vice President	Branch Credit & Marketing Department
15. Mr. Thanathorn Ariyasakulsaree	First Vice President	Branch Funding Department
16. Mrs. Hongmei Xiao	First Vice President	Retail Banking Department
17. Mr. Wichai Sakulkru	First Vice President	Litigation & Enforcement Department
18. Mr. Guangyu Guo	First Vice President	International Business Department
19. Mrs. Sirinan Kanchanakom	First Vice President	Credit Administration Department
20. Mr. Supakij Thepworawuti	First Vice President	Collateral Appraisal Department
21. Mr. Chaveng Mahapornprajuck	First Vice President	Trade Finance (Back Office) Department
22. Mr. Wijit Sriwijitchok	First Vice President	Foreign Exchange & Treasury (Back Office) Department
23. Mr. Xing Zan	First Vice President	Information Technology Governance & Security Department
24. Mr. Liyong Zhang	First Vice President	Financial Control Department
25. Mrs. Suntaree Thummaratchapimon	First Vice President	Accounting Department
26. Mr. Parames Tonnamning	First Vice President	General Administration Department
27. Mrs. Patsamon Sanghiran	First Vice President	Branding & Communications Department
28. Mr. Seksan Chunserreechai	First Vice President	Portfolio Risk Management Department
29. Miss Narumol Premsilp	First Vice President	Corporate Secretary Department
30. Mrs. Pongpan Buacharoon	Vice President	Office of the Chairman of the Board of Executive Directors
31. Mr. Visanu Ua-amporn	Vice President	Chinese Commercial Banking Department
32. Mr. Pongrat Pasatchasartnukoon	Vice President	Information Technology Software Development Department
33. Mr. Permsak Tananon	Vice President	Information Technology Operation & Services Department
34. Miss Naiyana Noibanchong	Vice President	Information Systems Organization Department

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graph TD
    Board[Board of Directors] --> GroupRisk[Group Risk Management Committee]
    Board --> NomComp[Nomination, Compensation and Corporate Governance Committee]
    Board --> Audit[Audit Committee]
    Board --> CEO[Chief Executive Officer]
    Board --> Chair[Office of the Chairman of the Board of Executive Directors]
    Board --> COO[Office of the Chief Executive Officer]

    Chair --> InternalAudit[Internal Audit]
    Chair --> Compliance[Compliance]

    CEO --> BoardExec[Board of Executive Directors]
    CEO --> SupportingGroup[Supporting Group]
    CEO --> BusinessBankingGroup[Business Banking Group]
    CEO --> TreasuryOpsGroup[Treasury & Branch Operations Group]

    BoardExec --> InternalAudit
    BoardExec --> Compliance

    SupportingGroup --> BankingOps[Banking Operations]
    SupportingGroup --> InfoTech[Information Technology]
    SupportingGroup --> FinanceStrategy[Finance & Strategy]
    SupportingGroup --> Treasury[Treasury]
    SupportingGroup --> BranchOpsDev[Branch Operations & Organization Development]
    SupportingGroup --> BrandCom[Branding & Communications]
    SupportingGroup --> RiskMgmt[Risk Management]
    SupportingGroup --> CorpSecLegal[Corporate Secretary & Legal]
    SupportingGroup --> HR[Human Resources]

    BusinessBankingGroup --> CorpBanking[Corporate Banking]
    BusinessBankingGroup --> BranchBanking[Branch Banking]
    BusinessBankingGroup --> Recovery[Recovery]
    BusinessBankingGroup --> IntBus[International Business]
    BusinessBankingGroup --> ChnBus[Chinese Business]

    CorpBanking --> CorpBanking1[Corporate Banking 1]
    CorpBanking --> CorpBanking2[Corporate Banking 2]
    CorpBanking --> CorpBanking3[Corporate Banking 3]
    CorpBanking --> CorpBanking4[Corporate Banking 4]
    CorpBanking --> CorpBanking5[Corporate Banking 5]
    CorpBanking --> CorpBanking6[Corporate Banking 6]

    BranchBanking --> BranchCreditMkt[Branch Credit & Marketing]
    BranchBanking --> BranchFunding[Branch Funding]
    BranchBanking --> BranchBanking1[Branch Banking 1]
    BranchBanking --> BranchBanking2[Branch Banking 2]
    BranchBanking --> BranchBanking3[Branch Banking 3]
    BranchBanking --> RetailBanking[Retail Banking]
    BranchBanking --> ChnCommBank[Chinese Commercial Banking]

    Recovery --> AssetMgmt[Asset Management]
    Recovery --> Litigation[Litigation & Enforcement]

    IntBus --> IntBus1[International Business 1]
    IntBus --> IntBus2[International Business 2]

    ChnBus --> ChnBus1[Chinese Business 1]
    ChnBus --> ChnBus2[Chinese Business 2]

    BankingOps --> CreditAdmin[Credit Administration]
    BankingOps --> CollateralAppraisal[Collateral Appraisal]
    BankingOps --> TradeFinance[Trade Finance (Back Office)]
    BankingOps --> ForexTreasury[Forex & Treasury (Back Office)]
    BankingOps --> FundingBackOffice[Funding (Back Office)]
    BankingOps --> CallCenter[Call Center]

    InfoTech --> InfoTechSWDev[Information Technology Software Development]
    InfoTech --> InfoTechOpsSvc[Information Technology Operation & Services]
    InfoTech --> InfoTechGovSec[Information Technology Governance & Security]

    FinanceStrategy --> FinancialControl[Financial Control]
    FinanceStrategy --> Accounting[Accounting]
    FinanceStrategy --> StrategyPlanning[Strategy & Planning]
    FinanceStrategy --> ProductMarketing[Product & Marketing]

    Treasury --> FundingFrontOffice[Funding (Front Office)]
    Treasury --> MoneyMarketInvPort[Money Market & Investment Portfolio]
    Treasury --> ForeignExchangeFinInst[Foreign Exchange & Financial Institution]

    BranchOpsDev --> InfoSysOrg[Information Systems Organization]
    BranchOpsDev --> GeneralAdmin[General Administration]
    BranchOpsDev --> BranchOpsMgmt[Branch Operations Management]
    BranchOpsDev --> OperationalInternalControl[Operational Internal Control]

    BrandCom --> Branding[Branding]
    BrandCom --> Communications[Communications]

    RiskMgmt --> CreditRisk[Credit Risk]
    RiskMgmt --> PortfolioRiskMgmt[Portfolio Risk Management]

    CorpSecLegal --> CorporateSecretary[Corporate Secretary]
    CorpSecLegal --> Legal[Legal]

    HR --> HR1[Human Resources 1]
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Financial Bridge between Thailand - China



Inauguration Ceremony

Industrial and Commercial Bank of China (Thai) Public Company Limited or ICBC (Thai) is a part of ICBC Group, the largest bank in the world in terms of profitability, market capitalization and customer deposits balance. ICBC also holds the largest branch network in China and covers all parts of the world.

3 November 2010 marked the official launch of ICBC (Thai). The event featured the Thailand-China Enterprises Forum attended by over 250 prominent businessmen from Thailand and China as well as government representatives and Thai and Chinese financial institutions. They exchanged their views on investment opportunities after the historical Asean-China Free Trade Agreement and on how to promote

trading relationship, financial cooperation and investment opportunities in projects between Thailand and China as well as ASEAN. The seminar featured an opening speech and keynote lecture by the honorary guest speaker, Mr. Abhisit Vejjajiva, the Prime Minister of Thailand, followed by a special lecture by Mr. Korn Chatikavanij, the Finance Minister; Mr. Guan Mu, the Chinese Ambassador to Thailand; and Mr. Jiang Jianqing, the Chairman of ICBC China.

A celebration party for the official launch of the Bank was held in the same evening. The event was presided over by Mr. Korn Chatikavanij and participated by over 500 honorable guests from the public sector, banking customers and leading business corporations in Thailand and China.





About ICBC

ICBC China was established on 1 January 1984 and was privatized in 2005. It was listed on the Hong Kong and Shanghai stock exchanges on 27 October 2006 and set the record as the largest initial public offering in history. ICBC is the largest commercial bank in China with the largest market capitalization, the largest personal banking client base and the highest profitability in the world. ICBC is equipped with advanced information technology and its strength lies in the vast variety of products. It has over 16,000 branches across China and 203 international offices in 28 countries around the globe. It has allied with 1,453 banks in 132 countries in every continent, thus providing a complete coverage of its economic and trading network. Under the umbrella of ICBC Group, ICBC (Thai) is optimized in terms of strength and competing ability.



ICBC (Thai) is a part of ICBC Group, the largest bank in the world in terms of profitability, market capitalization and customer deposits balance. ICBC also has the largest branch network in China and an international network that covers all parts of the world.



Description of Business

Background and Significant Developments

The Bank was incorporated on 26 August 1969, originally under the name “Sinn Asia Phanich Company Limited” and then renamed “Asia Credit Company Limited” in 1972. It obtained a license from the Ministry of Finance to undertake finance and securities businesses on 26 October 1973 and was accepted to be listed on the Stock Exchange of Thailand with share trading commencing on 22 November 1978.

In late 1983, Société Générale (SG) of France became one of the Company’s major shareholders (the other major shareholder was Bangkok Bank Public Company Limited). This broadened the Company’s gateway to international financing and helped to increase operational efficiency while emphasizing on quality. This also helped to promote new business approaches and enhance efficient management which would allow the Company to be able to meet the demands in a changing business environment.

In 1993, the Company was converted into a public company under the name “Asia Credit Public Company Limited” and joined forces with Crosby Securities Company

Limited, a leading foreign securities broker, in broadening its foreign client base and strengthening its securities research and analysis skills, marking a crucial move to drive its securities business to international standards.

In 1998, there was a change in the Company’s shareholder structure, with SG and Bangkok Bank Public Company Limited injecting new funds and raising their shareholding in the Company to 51.02% and 38.91% respectively. In that same year, the Company was renamed “SG Asia Credit Public Company Limited.”

In 1999, the Company increased its registered capital to 15,904.45 million baht and applied for the Ministry of Finance’s tier-I capital support program. As a result, the Ministry of Finance became a major shareholder holding 32.17% of the total issued shares of the Company. In 2000, to comply with the regulatory requirement regarding separation of securities and finance businesses, the Company registered its securities company under the name “SG Asia Securities Company Limited” (later renamed “ACL Securities Company Limited”) with the Ministry of



Commerce with registered capital of 1,000 million baht. The finance company, which was the parent company, operated under the name "SG Asia Credit Public Company Limited" (Later renamed "Asia Credit Public Company Limited") and owned a stake of 99.99% in the securities company.

In 2004, SG had an intention to apply for an establishment of a foreign bank branch in Thailand. In order to submit its application and comply with the "One Presence Policy" under the Financial Sector Master Plan, SG divested its entire shareholding in the Company. As a result, the Ministry of Finance and Bangkok Bank Public Company Limited remained the two major shareholders with a stake of 30.61% and 27.49% respectively.

In that year, the Cabinet approved the Financial Sector Master Plan proposed by the Ministry of Finance and the Bank of Thailand (BOT). According to this plan, a finance company requesting an establishment of a new commercial bank is required to merge with at least one other finance company and to submit its application for commercial bank establishment to the Ministry of Finance through the BOT.

On 24 December 2004, the Ministry of Finance approved the merger of Asia Credit Public Company Limited and Bualuang Finance Company Limited to establish a new commercial bank. The Company commenced its commercial banking operations on 23 December 2005 under the name "ACL BANK Public Company Limited."

In 2005, the Bank established its subsidiary company, Leasing Sinn Asia Company Limited (LACL), to provide hire purchase and lease financing services. LACL's registered capital was 1,000 million baht, with the Bank holding 99.99% of LACL's total issued shares.

In 2009, the Bank restructured its investment in the subsidiary company engaged in the securities business in order to be compatible with the business environment and future competition. The Bank sold the entire 86,648,900 ordinary shares held in its subsidiary company, ACL Securities Company Limited, representing 86.65% of the company's total issued shares, to Finansia Syrus Securities Public Company Limited and acquired 79,000,000 newly

issued ordinary shares in Finansia Syrus Securities Public Company Limited, leading the Bank to own, as of 31 December 2010, 24.51% of the total issued shares of Finansia Syrus Securities Public Company Limited.

On 26 February 2010, the Ministry of Finance granted a waiver to the Bank, thereby allowing the Industrial and Commercial Bank of China Limited or ICBC, a foreign bank established in P.R. China, to hold more than 49% of the Bank's total issued shares through ICBC's tender offer. ICBC, made a voluntary tender offer for all shares of the Bank during the period of 9 March 2010 to 16 April 2010. Through the said tender offer, ICBC acquired 97.24% of the total issued shares of the Bank. As a result, ICBC became the Bank's major shareholder after the voluntary tender offer was completed on 21 April 2010.

On 8 July 2010, the Bank completed the registration of its new name and changed its name from "ACL BANK Public Company Limited" to "Industrial and Commercial Bank of China (Thai) Public Company Limited."

On 21 December 2010, the Ministry of Finance granted a waiver to the Bank, which would allow up to 100% of its total issued shares to be held by foreign institutions through the tender offer for the purpose of its delisting from the Stock Exchange of Thailand (SET). Pursuant to the waiver, ICBC made another voluntary offer which resulted in ICBC's holding of 97.70% of the Bank's total issued shares. The SET has since issued an order to delist the Bank's securities from the SET effective 19 March 2011.

Business Operations

The Bank commenced its banking business on 23 December 2005. Since then the Bank has been providing commercial banking services and other financial services

under the relevant laws and regulations. Currently, the Bank has one subsidiary company and one associated company, which are Leasing Sinn Asia Company Limited and Finansia Syrus Securities Public Company Limited respectively.

The details of the businesses and services are as follows:

Commercial Banking Business

The Bank provides a wide array of banking products and services such as deposits, lending, trade finance, money transfer and foreign exchange services to both corporate and retail customers.

(1) Deposits

The Bank offers Baht and foreign currency deposit services to a variety of customers such as individuals, juristic entities, non-profit organizations, government agencies, financial institutions, etc. Interest varies with deposit type.

The Bank currently offers nine major foreign currency deposits, including USD, EUR, GBP, JPY, SGD, HKD, NZD, AUD and CNY, to help increase efficiency in managing foreign currencies and increase convenience in payments for goods and services, as well as minimize risk from currency exchange rate fluctuations, while giving interest to customers.

Furthermore, the Bank renders a bills of exchange (B/E) service in order to provide an additional investment alternative to the Bank's customers.

(2) Lending

The Bank offers diversified lending facilities in order to address the requirements of the different types of customers as follows:

(2.1) Short-term lending to support working capital or sales activities. Services offered are overdraft, promissory note and short-term loans with tenors of less than 1 year.

(2.2) Loans for investment with tenors of 1 year or over to support business expansion such as new machinery and property acquisition, new product launches and capital restructuring. The Bank offers services such as medium-term loans with tenors of 1-3 years, long-term loans with tenors of over 3 years, project financing and syndicate loans.

(2.3) Trade finance facilities to support export and import activities such as letter of credit, trust receipt, import bills for collection, shipping guarantee, packing credit, export bills negotiation/purchase, etc.

(2.4) Aval and guarantee such as aval acceptance on promissory notes or bills of exchange, bid bond, performance bond, advance payment bond, retention bond, maintenance bond, etc.

(3) Money Transfer

The services will accommodate the Bank's customers and other parties wishing to transfer money to counterparties which have deposit accounts with the Bank or other banks through the Bank's branches or through the Bahtnet system managed by the BOT.

Moreover, the Bank offers fast, efficient and accurate international money transfers through its worldwide networks.

(4) Foreign Exchange

The Bank offers foreign exchange services to provide convenience for its individual and corporate customers. The service is available in all major currencies in order to serve the needs of customers engaging in international trade. The Bank's services include FX spot, forward and swap. The Bank's foreign exchange services focuses on corporate customers which engage in international trade activities as well as individual customers.

(5) Other Services

The Bank also offers other financial services such as electronic payment, credit status information reports obtained from the National Credit Bureau, unit trust selling agent and non-life insurance brokerage for customers to protect the value of collateral assets.

As of 31 December 2010, the Bank had 19 branches in Bangkok and its vicinities and other provinces across the country.

Hire Purchase and Lease Financing Businesses

The Bank provides hire purchase and leasing services through its subsidiary company, Leasing Sinn Asia Company Limited (LACL). LACL engages in hire purchase and leasing for automobiles, machinery and equipment. The services provided by LACL include:

(1) Hire Purchase

The purchaser is obliged to make the repayment by installments in accordance with the hire purchase agreement signed with the company. The ownership will be transferred to the purchaser only after the hire purchase repayment has been completed.

(2) Leasing

This service is intended for juristic entities wishing to pay for an asset in the form of lease installments which are tax deductible as expenses. Once all the lease payments are completed, the lessee may own the asset by buying it at the agreed price as set out in the leasing contract.

(3) Floor Plan Financing

This service is made available to vehicle or asset distributors/dealers in the form of stock financing. The financing is secured by the ownership document or the pre-signed ownership transfer document.

(4) Factoring

This is a credit facility granted by purchasing receivables from juristic entities, either with or without assignment of rights to debt collection, depending on the agreed conditions and credit status of customers.

(5) Other Services

These services include insurance policy renewal and annual car tax payment services provided to the hire purchase and leasing customers.

Securities Business

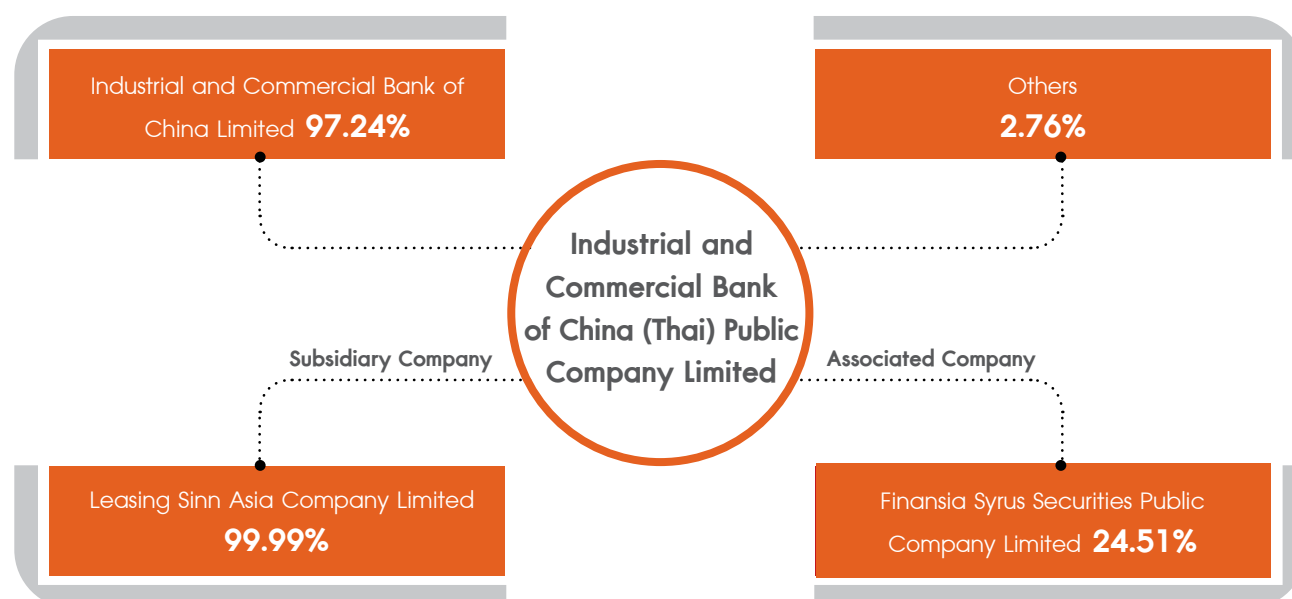
The Bank currently has one associated company, Finansia Syrus Securities Public Company Limited (FSS) which engages in the securities brokerage business. FSS offers a wide range of services such as securities brokerage, securities dealing, investment advisory and underwriting. FSS

is a member of the Stock Exchange of Thailand with brokerage seat number 24.

Additionally, FSS was granted approval by the Office of the Securities and Exchange Commission (SEC) to engage in financial advisory, selling agent and derivative brokerage services. Moreover, FSS is a member of Thai Bond Market Association (ThaiBMA) and offers bond dealing services.

The diverse services offered by the Bank, its subsidiary and associated companies help strengthen the Bank's capabilities and ensure that the Bank will be able to fulfill every aspect of the customers' financial needs. The offering of these services is in line with the Bank's business direction, structure and business environment in order to maximize operational efficiency and profits in the future.

Shareholders' structure of ICBC (Thai) Group (as of 31 December 2010)



Banking Products and Services



The Bank remains steadfast in financial product and service development to truly address the needs of both individual and corporate customers.

Deposits

Deposits are available for a variety of customers such as individual persons, juristic entities, non-profit organizations, government agencies, financial institutions, etc. The following are the types of deposits provided by ICBC (Thai):

1. Current account: This service is aimed to increase flexibility, convenience and security for our customers through the use of cheque, consisting of

1.1 Normal Current Account: A non-interest bearing account that helps enhance business flexibility through the use of cheque payable for an unlimited amount of funds and allows customers to examine their transactions from the monthly-available statement.

1.2 Super Cheque Account: A current account giving interest at a rate equal to that of a special savings account which is higher than the regular savings rate, with the interest calculable on a daily basis and transferred into customers' account every June and December.

2. Savings account:

2.1 Normal Savings: Allowing an easy deposit/withdrawal in an unlimited amount of money and number of transactions.

2.2 Hi-Speed Savings: Giving a high interest rate similar to a TD rate, yet providing the same kind of savings convenience with no time limit for deposit/withdrawal and allowing an unlimited amount of money and number of deposit/withdrawal transactions.

3. Fixed deposit with passbook: This type of service offers interest based on deposit period, aimed to give a higher fixed rate of return with terms ranging from three months to 48 months.

4. Deposit receipts: This is another savings option consisting of Call Deposit Receipt (CDR) and Fixed Deposit Receipt (FDR) with account terms ranging from one month to 48 months.

5. Foreign Currency Deposit (FCD): This is offered in savings account and fixed deposit account of one month to 12 months and available in nine major currencies, USD, EUR, GBP, JPY, SGD, HKD, NZD, AUD, and CNY.

6. Bill of exchange (B/E): The Bank provides its customers with another investment and savings channel that offers better return than the fixed deposit rates receivable over a comparable period of time.

Lending

The Bank provides a complete range of commercial credit by a variety of services suitable to all types of businesses, including small, medium and large enterprises. The Bank strives to support the business of its customers for smooth operation with potential to grow stably in the future.

Aside from the above, the Bank provides credit facilities to the SMEs with total annual sales up to 300 million baht. The Bank has launched the Credit Program for the customers' convenience, which at the same time helps to speedily enhance the Bank's competitiveness.

The Bank also offers diverse lending facilities in order to address all customers' requirements as follows:

1. Liquidity-enhancement facilities to meet working capital requirements or support sales promotion activities

- Overdraft
- Promissory note
- Short-term lending with tenor of less than one year

2. Investment facilities with tenor of one year or more to support business expansion such as new machinery procurement, land purchase, new product launch and capital restructuring

- Medium-term lending with tenor of one to three years
- Long-term lending with tenor of over three years
- Project financing
- Syndicate loan

3. Domestic and international trade finance facilities to support export and import activities

- Letter of credit
- Trust receipt
- Import bills for collection
- Shipping guarantee

- Export bills negotiation/purchase
- Foreign exchange services (purchase and sale of foreign currencies) and hedging

4. Aval and guarantee

- Aval acceptance on promissory notes or bills of exchange
- Bid bond
- Performance bond
- Advance payment bond
- Retention bond
- Maintenance bond

Trade Finance

The Bank offers a wide range of international trade finance services for export and import activities, including international guarantee services, for all types of businesses and industrial sectors through our extensive global correspondent banking network, which can facilitate and ensure fast and smooth international trade transactions.

1. Export Credits

- Export Letters of Credit Advising

The Bank offers Letter of Credit (L/C) advising services to the beneficiaries for the L/C opening/ amendment from the issuing bank overseas to ensure that all L/Cs are properly and reliably authenticated and promptly advised.

- Export Bills for Collection

The Bank also renders a service to verify export bills under L/C and act as exporters' agent to collect payments from overseas importers.

- Export Bills Negotiation/Purchase

The Bank provides financing to exporters against their export bills negotiated under L/C while awaiting reimbursement from the issuing bank to ensure that they receive upfront payments once the goods are shipped thereby boosting their financial liquidity.

- Packing Credit

To help increase exporters' liquidity, the Bank

provides pre-shipment packing credits for exporters to finance their procurement of raw materials and subsequent manufacture for export.

2. Import Credits

- Import Letters of Credit

An L/C is issued by the Bank to an overseas exporter at the request of the local importer to ensure that the said exporter receives a sum of money against presentation of documents and compliance with the L/C.

- Trust Receipts (T/R)

The Bank will make an advance payment to the overseas supplier and, upon completion of the T/R agreement terms, the importer will make the goods payment to the Bank.

- Import Bills for Collection

The Bank provides a service to notify an importer of import bills for collection according to the terms and conditions agreed upon between the importer and the overseas supplier.

- Shipping Guarantees in cases where the goods have arrived

Shipping guarantees are provided for our customers to offer to a shipping company in cases where the goods have arrived before the arrival of the shipping documents while goods already arrived. This helps the importer save the costs related to goods storage at the port.

Foreign Exchange Services

The Bank offers foreign exchange services to meet the demand of both individual and corporate customers in their international trade transactions. The services include:

1. Currency exchange: The service is available in all major currencies to serve the FX needs of customers engaging in international trade. The Bank also provides advisory services and information on trends of interest rates and exchange rates to be a basis for customers' decision-making. The services include:

- FX Spot
- FX Forward

- Currency Swap

2. International transfers: This service is provided via an SWIFT, an advanced, quick and efficient system, which allows customers to transfer money to any destination of their desire. The Bank primarily focuses on customers in the international trade/business segment.

Chinese Yuan (CNY) Services

To promote and increase efficiency in Thai-Chinese trade and business transactions, the Bank offers the following Chinese yuan products and services:

1. CNY Currency Deposit Account This service helps to boost efficiency in optimized management of yuan currency and exchange risk hedging, consisting of interest-bearing savings deposits and fixed deposits of one month to 12 months.

2. One-day CNY Remittance Service

This service features the transfer of yuan currency to China within one day, available for individual customers. Customers could pre-check the exact exchange rate as of the transaction date, thus enabling them to decide on the desirable amount of yuan to be remitted to the recipients in China, without the need to rely on dollars for re-translation into yuan at the destination as in the traditional transfers. Recipients could collect the transferred funds at any of more than 16,000 ICBC Bank service points across China, free of charge. In case the transaction is made before 12.00 hrs. of the remittance date, recipients will receive the money on the very same day the transaction is done at an ICBC Bank branch or on the following day if the transaction is done through any other banks determined by the Bank.

3. CNY Cross-border Trade Settlement

Customers who have maintained a CNY deposit account, either savings or fixed deposit, with the Bank are able to transfer yuan funds to their Chinese counterparts for the settlement of L/C, B/C and T/T transactions. This helps to expand business opportunities for Thai importers who purchase products from China and make payments in yuan currency.

ICBC (Thai) is the leader in CNY currency products that will help increase convenience and allow you to receive the most benefits for your CNY management.



Report of the Audit Committee

The Audit Committee comprises three qualified independent directors who fully met the qualifications under the rules and sound practices stipulated by the Bank's supervisory authorities. The three members, Dr. Kosol Petchsuwan, Mr. Plengsakdi Prakaspesat and Ms. Ladda Siri wattanakosol, have been appointed by the Board of Directors of the Bank to perform duties of the Audit Committee, each with a two-year term of office.

In 2010, the Audit Committee performed its duties and responsibilities according to the scope and authority assigned by the Board of Directors as defined in the Audit Committee Charter. Throughout the year 2010, the Audit Committee held eight meetings with full attendance of the Audit Committee members, except only one meeting which was participated by two committee members. In addition, certain meetings were joined by the Management, external auditors and internal auditors as deemed appropriate. The Audit Committee reported the significance of its performed duties in each quarter to the Board of Directors with a summary as follows:

1. Financial Statements

The Audit Committee reviewed the Bank's quarterly, half-yearly, annually and consolidated financial statements as well as disclosure of information supplementary to the financial statements and issues noted from the review/audit of financial statements made by the external auditors. The review was made along with the executives from the Accounting Department and always with the external auditors in attendance. The financial analysis of the Bank and its subsidiary in each accounting period prepared by the Accounting Department was also reported to support the review of financial statements. Furthermore, the Audit Committee held one meeting with the external auditors without the participation of the Bank's management to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinions.

The Audit Committee opined that the Bank has maintained an adequate control system for preparing the financial statements. The Audit Committee considered and opined in line with the opinion of the external auditors that the financial statements fairly presented and adequately disclosed the reliable information in conformity with the generally accepted accounting principles. Such reviewed/audited financial statements along with the opinions of the external auditors and the results of the review made by the Audit Committee were presented to the Board of Directors. In the course of the external auditors' duties, they have independently performed their duties.

2. Internal Control and Audit System

The Audit Committee considered the results of control assessment and the efficiency of the Bank and its subsidiary's management in relation to both operations and information technology through the reports of the Internal Audit Department and those of the external auditors. The Audit Committee reviewed audit findings, scrutinized their respective causes and considered the appropriateness of preventive guidelines defined against future recurrence together with the results of corrective actions undertaken as committed. Appropriate discussion with relevant executives would be taken as the case may be for ensuring the implementation of sound and adequate internal control system. In 2010, there were no significant deficiencies.

As for the Bank's audit system, the Audit Committee considered and approved the annual audit plan and ensured that the audit scope covered the significant banking operations and any areas/processes which expose high risk to the

Bank based upon the result of risk assessment. The Audit Committee also reviewed the audit performance against the approved audit plan on a quarterly basis.

The Audit Committee was of the opinion that the Bank and its subsidiary maintained the appropriate and sufficient control system with sound management and remedial implementation. In addition, the audit systems have been sufficient, appropriate and capable to support a strong platform for the Bank and its subsidiary to undertake business with sound and transparent supervision.

3. Regulatory Compliance

The Audit Committee supervised the Bank's compliance monitoring system through the operation of the Compliance Department. The Audit Committee also considered and approved the annual compliance plan for ensuring that the adequate compliance functions were well put in place under the duties and responsibilities of the Compliance Department. The results of compliance review in conformity with regulations stipulated by the Bank's supervisory authorities were reviewed through the operation of the Internal Audit Department and the Compliance Department. The results of remedial actions were also regularly followed up and reported to the Audit Committee for consideration regarding the appropriateness of such actions taken. The Audit Committee also regularly acknowledged reports on regulatory changes affecting the banking operations.

As for business operations undertaking in 2010, there was no significant incompliance with the regulations of the Bank's supervisory authorities, nor any issues regarding conflict of interest. The Audit Committee opined that the Bank maintained the appropriate compliance functions to ascertain compliance with requirements and laws relevant to the banking business.

4. Statutory Auditors

With regard to the selection of statutory auditors, the Audit Committee considered the performance, independency, and qualifications of the statutory auditors as well as the quality of their auditing services rendered to the Bank and its subsidiary. To assess the appropriateness of their remuneration, the Audit Committee considered their scope of responsibilities, remuneration rates of other auditing firms and available remuneration information of other commercial banks with comparable asset size to which auditing services were rendered by the proposed auditors.

The Audit Committee deemed it suitable to propose to reappoint auditors of Ernst & Young Office Limited to be statutory auditors of the Bank and its subsidiary for another year of 2011 and to propose their remuneration to the Board of Directors for consideration before further submission to the 2011 shareholders' meeting for approval.

In overall, the Audit Committee has performed its duties carefully and independently and expressed opinions straightforwardly for the benefit of the Bank. The Audit Committee has annually assessed its performance for ensuring that it completely and effectively functioned according to its roles and responsibilities assigned by the Board of Directors and fully addressed the defined objectives.



Dr. Kosol Petchsuwan

Chairman of the Audit Committee

Report of the Nomination, Compensation and Corporate Governance Committee 2010

The Nomination, Compensation and Corporate Governance Committee of the Bank comprises three non-executive directors. The Chairman is an independent director.

The Nomination, Compensation and Corporate Governance Committee's roles are to select and nominate individuals who possess the appropriate abilities, experience and qualifications to be appointed as directors and senior executives, oversee and propose appropriate compensation for directors and senior executives to the Board of Directors, and monitor and review the Bank's business operations to be transparent and in compliance with the Bank's policy on corporate governance in order to create trust amongst its customers and the public as well as ensure that they are in line with the corporate governance regulations of the supervisory authorities.

In 2010, the Committee held 8 meetings in total to conduct the following matters:

- selecting and nominating qualified individuals who must not possess prohibited characteristics specified by the regulations of the supervisory authorities to be appointed as directors;
- approving and recommending the appointment of members of the committees under the Board's direct supervision and senior executives for the Board's approval;
- reviewing directors' and senior executives' holding of positions in other companies to ensure that the directors and senior executives are able to fully devote time to perform their duties in the Bank and to increase the management efficiency in the business group of the Bank;
- selecting and proposing directors to replace those who were scheduled to retire by rotation and recommending the Board to propose such candidates to shareholders' meeting for approval;
- approving the determination of directors' compensation that is comparable with other financial institutions' rates and commensurate with directors' responsibilities and recommending the Board to propose such compensation to shareholders' meeting for approval;
- approving salary increase and 2010 bonus for senior executives;
- reviewing and acknowledging complaints and recommending remedial actions to ensure justice to all parties;
- reviewing the term of office and membership of the Audit Committee;
- acknowledging the Audit Committee report according to the Audit Committee's scope and authority as defined in the Audit Committee Charter; and
- monitoring the review of policies relating to corporate governance and business ethics to be in line with the regulations of the supervisory authorities and regularly reporting the progress, obstacles and suggestions thereof to the Board for acknowledgement.

The Committee believes good corporate governance and ethics are key factors contributing to the achievement of the Bank's goals. The Committee will therefore continue its efforts in promoting and developing the Bank's corporate governance in order to ensure that all stakeholders have confidence in the Bank and the Bank can maintain the quality of good corporate governance.



Dr. Prasit Damrongchai

Chairman of the Nomination,

Compensation and Corporate Governance Committee

Analysis of Operating Results and Financial Position

Operating Results

In 2010, the Bank and its subsidiaries posted a net profit of 554 million baht, an increase of 27 million baht or 5% from 2009.

Net Interest and dividend income amounted to 2,234 million baht, an increase of 170 million baht or 8% from 2009. Non-interest income was 511 million baht, a decrease of 641 million baht or 56% mainly due to a decrease in gain on investment, gains on disposals of properties foreclosed and bad debt recovery. Non-interest expense totaled 1,325 million baht, a decrease of 57 million baht from 2009.

In 2010, the Bank and its subsidiaries recorded bad debt and doubtful accounts including loss on debt restructuring of 635 million baht, a decrease of 592 million baht. The Bank set aside provision was greater than the Bank of Thailand's requirement.

In 2010, the weighted average number of ordinary shares for the Bank and its subsidiaries was 1,590,452,945 shares, an increase of 447,636,187 shares from 2009 so the net earnings per share for the Bank and its subsidiaries amounted to 0.35 baht, fall from a year earlier by 0.11 baht or 24%.

(Unit : Million Baht)

Operational Results (Consolidated)	2010	2009	2008
Interest and Dividend Income	3,124	3,091	3,388
Interest Expense	(890)	(1,027)	(1,605)
Net Interest and Dividend Income	2,234	2,064	1,783
Non-Interest Income	511	1,152	636
Non-Interest Expense	(1,325)	(1,382)	(1,367)
Income before Bad Debt and Doubtful Accounts	1,420	1,834	1,052
Bad Debt and Doubtful Accounts and Loss on Debt Restructuring	(635)	(1,227)	(512)
Income before Income Tax	785	607	540
Income Tax	(231)	(80)	(179)
Net Income for the Year	554	527	361

Net Interest and Dividend Income

The net interest and dividend income of the Bank and its subsidiaries in 2010 amounted to 2,234 million baht, growing from 2009 by 170 million baht or 8%. Interest and dividend income was 3,124 million baht, rising from 2009 by 33 million baht or 1% and interest expenses amounted to 890 million baht, falling from 2009 by 137 million baht or 13%.

(Unit: Million Baht)

Net interest and dividend income	2010	2009	change	
			Amount	%
Loans	1,636	1,998	(362)	(18)
Interbank and money market items	88	101	(14)	(14)
Hire purchase and financial lease income	1,045	611	434	71
Investments	355	381	(25)	(7)
Total interest and dividend income	3,124	3,091	33	1
Total interest expenses	(890)	(1,027)	137	13
Total Net interest and dividend income	2,234	2,064	170	8

Bad Debt and Doubtful Accounts (including Loss on Debt Restructuring)

Net bad debt and doubtful accounts including loss on debt restructuring for the year 2010 accounted for 635 million baht, falling from 2009 by 592 million baht. However, the loan loss provisions set aside by the Bank was beyond the minimum requirement stipulated by the Bank of Thailand.

Non-Interest Income

The Bank and its subsidiaries earned non-interest income of 511 million baht, falling from 2009 by 641 million baht or 56%. Such fall was bad debts recovery from 2009 by 290 million baht, gain on investment falling by 245 million baht, brokerage fee income from security business and derivatives business falling by 76 million baht, gain on disposals assets falling by 75 million baht. Partly to an increase in fees and services income rising by 41 million baht and shares of profit from investments in an associated company under equity method rising by 29 million baht.

(Unit: Million Baht)

Non-Interest Income	2010	2009	change	
			Amount	%
Brokerage fees from securities business	-	67	(67)	(100)
Brokerage fees from derivatives business	-	9	(9)	(100)
Gains on on investments	34	279	(245)	(88)
Gains on derivatives trading	-	6	(6)	(100)
Share of profit from investment in associated company under equity method	33	4	29	725
Fees and services income	152	111	41	37
Gains on exchange	7	36	(29)	(81)
Gains on disposals of assets	43	118	(75)	(64)
Bad debts recovery	209	499	(290)	(58)
Other income	33	23	10	43
Total Non-Interest Income	511	1,152	(641)	(56)

Non-Interest Expense

Non-Interest expenses were 1,325 million baht, a decrease of 57 million baht from 2009. The main reason was a decrease in provision for diminution in value of other assets of 113 million baht, a decrease in fees and service expenses of 33 million baht and a decrease in premises and equipment expenses of 25 million baht. Moreover, an increase in personnel expenses of 79 million baht and an increase in loss on unwinding of cross currency interest rate swap contracts of 31 million baht.

(Unit: Million Baht)

Non-interest expense	2010	2009	change	
			Amount	%
Personnel expenses	722	643	79	12
Premises and equipment expenses	190	215	(25)	(12)
Taxes and duties	99	92	7	8
Fees and service expenses	35	68	(33)	(49)
Directors' remuneration	8	19	(11)	(58)
Contributions to the Deposit Protection Agency	126	138	(12)	(9)
Provision for diminution in value of other assets	(12)	101	(113)	(112)
Provisions for liabilities	6	4	2	50
Loss on unwinding of cross currency interest rate swap contracts	31	-	31	n/a
Other expenses	120	102	18	18
Total Non-interest expense	1,325	1,382	(57)	(4)

Corporate Income Tax

The Bank's consolidated income statements reported corporate income tax of 231 million baht for the year 2010.

Financial Position

Assets

The total assets of the Bank and its subsidiaries at the end of 2010 amounted to 73,372 million baht, rising from the end of 2009 by 7,415 million baht or 11%. Details of the major items are as follows:

Net interbank and money market assets of the Bank and its subsidiaries at the end of 2010 amounted to 4,567 million baht, a decrease of 1,932 million baht or 30% from the end of 2009.

Net investments in securities at the end of 2010 totaled 10,743 million baht, an increase of 1,160 million baht or 12% as a result of liquidity management.

Total lending of the Bank and its subsidiaries at year-end of 2010 amounted to 54,704 million baht, growing from the end of 2009 by 6,677 million baht or 14%. At the end of 2010, the Bank's ratio of non-performing loans to total loans, before deduction of allowance for doubtful accounts was 4.59%, a decrease from 4.85% at the end of 2009, while such ratio after deduction of allowance for doubtful accounts was 4.08%, an increase from 3.76% at the end of 2009.

Net properties foreclosed of the Bank and its subsidiaries at the end of 2010 amounted to 1,215 million baht, falling from the end of 2009 by 72 million baht or 6% due to higher properties foreclosed disposal over incoming.

BIS ratio as at December 31, 2010 of 20.55% of capital fund per risk asset, providing further proof that the Bank is in a fundamentally strong financial position. This financial stability provides a strong foundation for the Bank to expand its further business.

Liabilities

Liabilities of the Bank and its subsidiaries at the end of 2010 amounted to 59,604 million baht, rising from the end of 2009 by 6,770 million baht or 13%. The main reason was an increase in deposits by 8,757 million baht or 47% while a decrease in borrowings by 3,388 million baht or 11%.

Shareholders' Equity

Net shareholder's equity of the Bank and its subsidiaries at the end of 2010 stood at 13,768 million baht, an increase from the end of 2009 of 644 million baht or 5%. This was mainly due to the net profit of the Bank and its subsidiaries in 2010 of 554 million baht. Book value of the Bank and its subsidiaries as of December 31, 2010 amounted to 8.66 baht per share, up from 8.25 baht per share at the end of 2009.

Off-balance Sheet Items : Contingencies

At the end of 2010, the Bank and its subsidiaries had contingencies amounted to 51,711 million baht, a fall from the end of 2009 of 198 million baht due to a decrease in other contingencies. This decrease was in accordance with the Bank's normal business operations.

Assets Quality

Loans

At the end of 2010, loans of the Bank and its subsidiaries totaled 54,704 million baht, growing by 6,677 million baht or 14% from the end of 2009. Performing loans of the Bank amounted from the end of 2009 by 4,946 million baht or 11%. Allowance for doubtful accounts at the end of 2010 for the Bank and its subsidiaries amounted to 1,016 million baht, a decrease of 415 million baht or 29% from the end of 2009. The Bank's allowance for doubtful accounts was higher than the minimum requirement by the Bank of Thailand. The Bank's ratio of non-performing loans to total loans, before deduction of allowance for doubtful accounts was 4.59%, decreasing from 4.85% at the end of 2009, while such ratio after deduction of allowance for doubtful accounts was 4.08%, increasing from 3.76% at the end of 2009.

As of December 31, 2010, the Bank and subsidiary, which offers hire purchase loans, had classified the following assets and provided the following allowances in accordance with the criteria announced by the Bank of Thailand (BOT) :

(Unit: Million Baht)

	Debt balance	Percentage Required by BOT	Allowance for doubtful accounts provided by the Bank and its subsidiaries
Loans and receivables			
Pass	50,419	1	209
Special-mention	1,447	2	5
Sub-standard	1,239	100	317
Doubtful	363	100	85
Doubtful of loss	1,349	100	136
Total	54,817		752
Additional provision for specific debtors in accordance with qualitative criteria	-		252
Present value loss from receivables under troubled debt restructuring	-		12
Total	54,817		1,016

Investments in Securities

At the end of 2010, the net investment portfolio of the Bank and its subsidiaries amounted to 10,743 million baht, an increase of 1,161 million baht or 12% from the end of 2009.

Net current investments totaled 5,492 million baht, up from the end of 2009 by 2,210 million baht or 67%. Net long-term investments were 4,961 million baht, falling from the end of 2009 by 1,080 million baht or 18% and investment in associated company was 290 million baht.

(Unit: Million Baht)

Investment in Securities	2010	2009	Change	
			Amount	%
Net current investments	5,492	3,282	2,210	67
Net long-term investments	4,961	6,041	(1,080)	(18)
Investment in associated company	290	259	31	12
Total Investments in Securities	10,743	9,582	1,161	12

At the end of 2010, investment portfolio of the Bank and its subsidiaries classified by securities type and allowances for loss on those securities were as follows:

(Unit: Million Baht)

Securities Type	Investments	Allowances	Net Investments
1. Current and long term investment			
1.1. Government and state enterprise securities	7,082	(242)	6,840
1.2. Private enterprise debt securities	3,371	83	3,454
1.3. Equity securities	470	(311)	159
2. Investment in associated company	290	-	290
Total	11,213	(470)	10,743

Liquidity

Changes in Cash Flow

Cash and cash-equivalent items as indicated in the cash flow statement at the Bank and its subsidiaries at the end of 2010 amounted to 273 million baht, a decrease of 32 million baht from the end of 2009. Details of the change are as follows:

Net cash flow used in operating expenses in 2010 amounted to 7,947 million baht. A major item was gain on operations before changes in operating assets and liabilities, accounting for 1,366 million baht. Operating assets for the year increased by 6,345 million baht due to increases in loans of 7,934 million baht, but with a decrease in the interbank and money market items (assets) of 1,916 million baht. Operating liabilities drop by 2,780 million baht as a result of decreases in deposits of 3,388 million baht.

Net cash flow from the investment activities amounted to 558 million baht. The Bank increased the amount of cash paid for long term investments in securities by 856 million baht, while cash received from interest in investments went up by 312 million baht.

Net cash flow used in financing activities accounted for 8,473 million baht, coming from increases in borrowings of 8,757 million baht and cash paid for interest expense of 281 million baht.

Fixed Asset Expenditures

The Bank had fixed assets expenditures in 2010 of 28 million baht (2009 : 72 million baht). In addition, the Bank did not open new branches in 2010 (against 2009 of 40 million baht for opening three new branches).

Sources of Funds

The sources of funds for the Bank and its subsidiaries at the end of 2010 comprised deposits of 27,017 million baht, or 37%. Borrowings of 27,531 million baht, or 38%, other sources of funds of 5,056 million baht, or 6%, and an increase in shareholders' equity of 13,768 million baht, or 19%.

Uses of Funds

The Bank and its subsidiaries used most of their funds to provide loan. As at December 31, 2010, net loans and accrued interest receivables amounted to 53,801 million baht or 73%. Net purchases of investment securities totaled 10,743 million baht or 15%. Funds used for interbank and money market loans totaled 4,567 million baht or 6%. The Bank and its subsidiaries used its remaining funds to purchase liquid assets amounted to 4,261 million baht or 6%.

The maintenance of important ratios according to the regulator

Capital Adequacy Ratio

The Bank's capital fund at the end of 2010 totaled 13,027 million baht which comprised Tier-1 capital of 12,928 million baht and tier-2 capital of 99 million baht. The capital adequacy ratio of the Bank stood at 20.55%.

Ratio of Capital to Risk Assets

(Unit: Million Baht)

Capital	2010	2009	2008
Tier-1 capital	12,928	12,376	11,842
Tier-2 capital	99	-	-
<u>Less</u> Revaluation deficits on investments in available-for-sale securities	-	-	(42)
Total capital	13,027	12,376	11,830
Ratio of tier-1 capital to risk assets (%)	20.40	22.64	24.35
Ratio of tier-2 capital to risk assets (%)	0.15	-	-
Ratio of total capital fund to risk assets (%)	20.55	22.64	24.33

Liquid Assets

The Bank continued to maintain a high level of liquid assets, with the ratio of liquid assets to total deposits and borrowings at the end of 2010 equal to 35%, compared with 39% at the end of 2009. The Bank's liquidity management policy monitors the sources of funds to ensure an acceptable cost of those funds.

The Assets and Liabilities Management Committee (ALCO) is responsible for formulating the policy and guidelines for liquidity management. According to Bank of Thailand's regulations, commercial banks must maintain liquid assets at not less than 6% of total deposits and borrowings.

Financial Statements

Industrial and Commercial Bank of China (Thai) Public Company Limited
and its subsidiary (Formerly known as “ACL Bank Public Company Limited”)

Report of Independent Auditor

To the Shareholders of

Industrial and Commercial Bank of China (Thai) Public Company Limited

(Formerly known as "ACL Bank Public Company Limited")

I have audited the accompanying consolidated balance sheets of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary as at 31 December 2010 and 2009, the consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended, and I have also audited the separate financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Bank and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary and of Industrial and Commercial Bank of China (Thai) Public Company Limited as at 31 December 2010 and 2009, and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.



Rungrapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 10 February 2011

Balance sheets

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Cash		272,816,861	304,773,615	272,364,328	304,402,418
Interbank and money market items	6				
Domestic items					
Interest bearing		4,173,782,481	6,203,404,656	4,123,923,577	6,119,323,830
Non-interest bearing		250,050,758	277,365,655	235,572,967	266,958,474
Foreign items					
Interest bearing		124,093,765	-	124,093,765	-
Non-interest bearing		19,381,557	18,389,142	19,381,557	18,389,142
Interbank and money market items - net		4,567,308,561	6,499,159,453	4,502,971,866	6,404,671,446
Investments	7				
Current investments - net	7.1	5,491,517,003	3,282,122,359	5,491,517,003	3,282,122,359
Long-term investments - net	7.1	4,960,936,828	6,040,702,315	4,960,936,828	6,040,702,315
Investments in a subsidiary	7.4	-	-	2,499,999,930	999,999,930
Investments in an associated company	7.6	290,296,148	259,471,939	255,170,000	255,170,000
Investments - net		10,742,749,979	9,582,296,613	13,207,623,761	10,577,994,604
Loans and accrued interest receivables	8				
Loans		54,703,998,127	48,027,209,048	51,038,582,240	46,150,268,736
Accrued interest receivables		112,650,448	141,942,544	116,259,848	143,566,776
Total loans and accrued interest receivables		54,816,648,575	48,169,151,592	51,154,842,088	46,293,835,512
Less: Allowance for doubtful accounts	9.1	(1,003,796,384)	(1,419,466,897)	(704,506,753)	(1,276,577,593)
Allowance for revaluation on debt restructuring	9.2	(11,724,811)	(12,358,109)	(11,724,811)	(12,358,109)
Loans and accrued interest receivables - net		53,801,127,380	46,737,326,586	50,438,610,524	45,004,899,810
Properties foreclosed - net	10	1,214,853,311	1,286,545,166	1,206,836,078	1,284,861,648
Premises and equipments - net	11	196,274,290	206,748,746	171,465,013	194,693,193
Intangible assets - net	12	130,991,455	168,056,511	119,020,796	159,627,333
Leasehold rights - net		207,713,732	218,365,718	207,713,732	218,365,718
Accrued interest and dividend income receivables - net		71,086,783	78,790,662	71,086,783	78,790,662
Receivables on Credit Support for derivative contracts		465,638,064	60,462,126	465,638,064	60,462,126
Other receivables - net		472,527,707	305,521,275	333,222,504	259,716,835
Financial derivative assets		1,184,159,498	470,437,814	1,184,159,498	470,437,814
Other assets - net	13	44,672,944	38,837,984	40,352,995	35,459,155
Total assets		73,371,920,565	65,957,322,269	72,221,065,942	65,054,382,762

The accompanying notes are an integral part of the financial statements.

Balance sheets (continued)

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Liabilities and shareholders' equity					
Deposits	15				
Deposits in Baht		26,961,211,501	30,391,978,050	26,963,916,664	30,397,539,632
Deposits in foreign currencies		56,230,136	13,662,981	56,230,136	13,662,981
Total deposits		27,017,441,637	30,405,641,031	27,020,146,800	30,411,202,613
Interbank and money market items	16				
Domestic					
Interest bearing		1,237,670,092	1,886,689,401	737,670,092	1,367,822,095
Foreign					
Interest bearing		301,513,000	-	301,513,000	-
Non-interest bearing		504,668,956	-	504,668,956	-
Total interbank and money market items		2,043,852,048	1,886,689,401	1,543,852,048	1,367,822,095
Liabilities payable on demand		252,976,066	374,730,385	252,976,066	374,730,385
Borrowings	17				
Short-term borrowings	17.1	27,333,061,653	18,640,837,103	27,333,061,653	18,640,837,103
Long-term borrowings	17.2	197,830,772	132,850,788	197,830,772	132,850,788
Total borrowings		27,530,892,425	18,773,687,891	27,530,892,425	18,773,687,891
Accrued interest payables		187,142,711	183,423,740	187,069,609	183,292,524
Payables on Credit Support for derivative contracts		446,842,266	21,689,720	446,842,266	21,689,720
Financial derivative liabilities		1,056,405,006	500,761,363	1,056,405,006	500,761,363
Provisions for liabilities	28.4	99,650,000	94,150,000	99,650,000	94,150,000
Other liabilities	18	968,807,396	593,053,265	465,094,200	233,346,537
Total liabilities		59,604,009,555	52,833,826,796	58,602,928,420	51,960,683,128

The accompanying notes are an integral part of the financial statements.

Balance sheets (continued)

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital	19				
Registered					
2,733,641 non-cumulative dividend preference shares of Baht 10 each (31 December 2009: 502,529,413 non-cumulative dividend preference shares of Baht 10 each)		27,336,410	5,025,294,130	27,336,410	5,025,294,130
1,587,719,304 ordinary shares of Baht 10 each (31 December 2009: 1,087,923,532 ordinary shares of Baht 10 each)		15,877,193,040	10,879,235,320	15,877,193,040	10,879,235,320
Issued and fully paid					
464,332 non-cumulative dividend preference shares of Baht 10 each (31 December 2009: 2,787,471 non-cumulative preference shares of Baht 10 each)		4,643,320	27,874,710	4,643,320	27,874,710
1,589,988,613 ordinary shares of Baht 10 each (31 December 2009: 1,587,665,474 ordinary shares of Baht 10 each)		15,899,886,130	15,876,654,740	15,899,886,130	15,876,654,740
Unrealised gains					
Revaluation surplus on investments	20	164,577,181	73,666,028	164,577,181	73,666,028
Deficit		(2,301,195,691)	(2,854,700,075)	(2,450,969,109)	(2,884,495,844)
Equity attributable to the Bank's shareholders		13,767,910,940	13,123,495,403	13,618,137,522	13,093,699,634
Minority interests - equity attributable to minority shareholders of a subsidiary		70	70	-	-
Total shareholders' equity		13,767,911,010	13,123,495,473	13,618,137,522	13,093,699,634
Total liabilities and shareholders' equity		73,371,920,565	65,957,322,269	72,221,065,942	65,054,382,762
Off-balance sheet items - contingencies	28.1				
Avals to bill		24,000,000	48,775,018	24,000,000	48,775,018
Letters of credit		1,533,310,112	196,084,449	1,533,310,112	196,084,449
Other contingencies		50,153,420,675	51,663,607,278	50,153,420,675	51,663,607,278

The accompanying notes are an integral part of the financial statements.


Mr. Thongchai Ananthothai
President


Mr. Guohui Song
Senior Executive Vice President

Statements of income

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Interest and dividend income					
Loans		1,636,120,393	1,998,141,067	2,110,612,483	2,258,535,141
Interbank and money market items		87,535,115	101,305,805	87,455,165	100,771,817
Hire purchase and financial lease income		1,044,833,843	610,849,658	92,455	17,146
Investments		355,240,828	380,664,006	356,820,828	380,364,006
Total interest and dividend income		3,123,730,179	3,090,960,536	2,554,980,931	2,739,688,110
Interest expense					
Deposits		425,238,320	634,845,898	425,029,577	634,770,295
Interbank and money market items		157,648,848	113,047,833	132,208,741	107,735,070
Borrowings		303,893,531	277,834,353	303,893,531	277,834,353
Fees and charges		2,860,137	1,413,366	-	-
Total interest expense		889,640,836	1,027,141,450	861,131,849	1,020,339,718
Net interest and dividend income		2,234,089,343	2,063,819,086	1,693,849,082	1,719,348,392
Bad debt and doubtful accounts		(602,871,949)	(1,178,957,056)	(410,950,548)	(1,049,704,223)
Loss on debt restructuring		(32,235,463)	(48,448,472)	(32,235,463)	(48,448,472)
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		1,598,981,931	836,413,558	1,250,663,071	621,195,697
Non-interest income					
Brokerage fees from securities business		-	66,906,648	-	-
Brokerage fees from derivatives business		-	9,166,227	-	-
Gains on investments	7.9	33,798,939	278,962,150	33,798,939	159,916,434
Gains on derivatives trading		-	5,550,700	-	-
Share of profit from investments in an associated company under equity method	7.6	32,404,209	4,301,939	-	-
Fees and services income		152,323,358	110,631,460	52,684,220	54,495,680
Gains on exchange		7,282,886	35,782,963	7,282,886	35,782,963
Gains on disposals of assets		42,404,870	118,312,205	36,604,740	119,077,228
Bad debts recovery		209,066,762	498,840,980	196,355,380	489,342,937
Other income		33,000,109	23,077,270	16,890,235	13,166,772
Total non-interest income		510,281,133	1,151,532,542	343,616,400	871,782,014
Net revenue		2,109,263,064	1,987,946,100	1,594,279,471	1,492,977,711

The accompanying notes are an integral part of the financial statements.

Statements of Income (continued)

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Non-interest expense					
Personnel expenses		722,367,151	642,870,474	506,931,165	430,568,413
Premises and equipment expenses		190,313,792	214,564,642	161,513,531	147,755,084
Taxes and duties		99,249,986	92,095,955	77,511,378	84,576,376
Fees and service expenses		35,192,956	67,907,655	22,291,589	36,820,860
Directors' remuneration	23	7,782,000	18,502,286	7,182,000	16,187,419
Contributions to the Deposit Protection Agency	28.5	126,142,947	138,237,321	126,142,947	138,237,321
Losses on impairment of properties foreclosed and other assets (reversal of losses on impairment of properties foreclosed and other assets)		(11,916,912)	100,649,466	(26,260,751)	92,823,354
Loss on unwinding of cross currency interest rate swap contracts	30.5	31,076,680	-	31,076,680	-
Provision for liabilities		5,500,000	3,700,000	5,500,000	3,700,000
Other expenses		119,313,318	103,030,944	87,697,541	86,197,622
Total non-interest expense		1,325,021,918	1,381,558,743	999,586,080	1,036,866,449
Earnings before income tax		784,241,146	606,387,357	594,693,391	456,111,262
Income tax	24	(230,736,762)	(79,778,730)	(161,166,656)	(40,563,330)
Net income		553,504,384	526,608,627	433,526,735	415,547,932
Net income attributable to:		553,504,384	529,074,197	433,526,735	415,547,932
Equity holders of the Bank		-	(2,465,570)		
Minority shareholders of a subsidiary		553,504,384	526,608,627		
Earnings per share	25				
Basic earnings per share					
Net income attributable to equity holders of the Bank		0.35	0.46	0.27	0.36

The accompanying notes are an integral part of the financial statements.


Mr. Thongchai Ananthothai
President


Mr. Guohui Song
Senior Executive Vice President

Statements of changes in shareholders' equity

(Unit: Baht)

Consolidated financial statements

	Equity attributable to the Bank's shareholders					Equity attributable to minority shareholders of a subsidiary	Total
	Issued and paid-up share capital		Revaluation surplus (deficit) on of investments	Deficit	Total equity attributable to the Bank's shareholders		
	Preference shares	Ordinary shares					
Balance as at 31 December 2008	5,032,744,130	10,871,785,320	(15,848,824)	(3,383,774,272)	12,504,906,354	106,509,801	12,611,416,155
Revenue (expenses) recognised directly in equity:							
Revaluation surplus on investments	-	-	84,339,852	-	84,339,852	-	84,339,852
Revenue (expenses) recognised directly in equity	-	-	84,339,852	-	84,339,852	-	84,339,852
Recognised revaluation deficit on investments in statement of income	-	-	5,175,000	-	5,175,000	-	5,175,000
Net income (losses)	-	-	-	529,074,197	529,074,197	(2,465,570)	526,608,627
Total revenue (expenses) for the year	-	-	89,514,852	529,074,197	618,589,049	(2,465,570)	616,123,479
Conversion of preference shares to ordinary shares	(5,004,869,420)	5,004,869,420	-	-	-	-	-
Decrease in minority interest of a subsidiary from disposal of investments in a subsidiary (Note 7.5)	-	-	-	-	-	(104,044,161)	(104,044,161)
Balance as at 31 December 2009	27,874,710	15,876,654,740	73,666,028	(2,854,700,075)	13,123,495,403	70	13,123,495,473
Balance as at 31 December 2009	27,874,710	15,876,654,740	73,666,028	(2,854,700,075)	13,123,495,403	70	13,123,495,473
Revenue (expenses) recognised directly in equity:							
Revaluation surplus on investments	-	-	90,911,153	-	90,911,153	-	90,911,153
Revenue (expenses) recognised directly in equity	-	-	90,911,153	-	90,911,153	-	90,911,153
Net income	-	-	-	553,504,384	553,504,384	-	553,504,384
Total revenue (expenses) for the year	-	-	90,911,153	553,504,384	644,415,537	-	644,415,537
Conversion of preference shares to ordinary shares	(23,231,390)	23,231,390	-	-	-	-	-
Balance as at 31 December 2010	4,643,320	15,899,886,130	164,577,181	(2,301,195,691)	13,767,910,940	70	13,767,911,010

The accompanying notes are an integral part of the financial statements.

Statements of changes in shareholders' equity (continued)

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital		Revaluation surplus (deficit) on of investments	Deficit	Total
	Preference shares	Ordinary shares			
Balance as at 31 December 2008	5,032,744,130	10,871,785,320	(15,848,824)	(3,300,043,776)	12,588,636,850
Revenue (expenses) recognised directly in equity:					
Revaluation surplus on investments	-	-	84,339,852	-	84,339,852
Revenue (expenses) recognised directly in equity	-	-	84,339,852	-	84,339,852
Recognised revaluation deficit on investments in statements of income	-	-	5,175,000	-	5,175,000
Net income	-	-	-	415,547,932	415,547,932
Total revenue (expenses) for the year	-	-	89,514,852	415,547,932	505,062,784
Conversion of preference shares to ordinary shares	(5,004,869,420)	5,004,869,420	-	-	-
Balance as at 31 December 2009	27,874,710	15,876,654,740	73,666,028	(2,884,495,844)	13,093,699,634
Balance as at 31 December 2009	27,874,710	15,876,654,740	73,666,028	(2,884,495,844)	13,093,699,634
Revenue (expenses) recognised directly in equity:					
Revaluation surplus on investments	-	-	90,911,153	-	90,911,153
Revenue (expenses) recognised directly in equity	-	-	90,911,153	-	90,911,153
Net income	-	-	-	433,526,735	433,526,735
Total revenue (expenses) for the year	-	-	90,911,153	433,526,735	524,437,888
Conversion of preference shares to ordinary shares	(23,231,390)	23,231,390	-	-	-
Balance as at 31 December 2010	4,643,320	15,899,886,130	164,577,181	(2,450,969,109)	13,618,137,522

The accompanying notes are an integral part of the financial statements.

Statements of cash flows

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Earnings before income tax	784,241,146	606,387,357	594,693,391	456,111,262
Adjustments to reconcile earnings before income tax to net cash provided by (paid from) operating activities:				
Share of profit from investment in an associated company under equity method	(32,404,209)	(4,301,939)	-	-
Depreciation and amortisation	112,239,106	122,988,861	101,983,213	99,363,239
Claims received due to flood	(1,752,065)	-	(1,752,065)	-
Gains on disposals of equipment	(389,166)	(2,625,554)	(237,056)	(2,626,694)
Gains on disposals of properties foreclosed	(42,015,704)	(118,146,555)	(36,367,683)	(116,450,534)
Gains on investments	(33,798,939)	(278,962,150)	(33,798,939)	(229,509,597)
Losses on impairment of investments in a subsidiary	-	-	-	69,593,163
Gains on derivatives trading	-	(5,550,700)	-	-
Bad debt and doubtful accounts	602,871,949	1,178,957,056	410,950,548	1,049,704,223
Loss on debt restructuring	32,235,463	48,448,472	32,235,463	48,448,472
Unrealised gains on exchange and derivatives	(183,554,424)	(92,678,336)	(183,554,424)	(92,678,336)
Loss on unwinding of cross currency interest rate swap contracts	31,076,680	-	31,076,680	-
Decrease in expenses as a result of transferring receivables under Legal Execution Department	(974,922)	(695,914)	(974,922)	(695,914)
Losses on impairment and write-off of equipment and intangible assets	-	2,481,329	-	21,416
Losses on impairment of properties foreclosed and other assets (reversal of losses on impairment of properties foreclosed and other assets)	(11,916,912)	100,649,466	(26,260,751)	92,823,354
Other income from revaluation of other receivables	(6,209,220)	(6,716,196)	(6,209,220)	(6,716,196)
Provisions for liabilities	5,500,000	3,700,000	5,500,000	3,700,000
Increase in other accrued expenses	110,767,052	10,583,668	87,804,064	744,810
Income from operating activities before changes in operating assets and liabilities	1,365,915,835	1,564,518,865	975,088,299	1,371,832,668
(Increase) decrease in operating assets				
Interbank and money market items	1,915,707,463	2,721,786,991	1,885,558,173	3,055,261,071
Current investments	(121,529,882)	18,967,286	(121,529,882)	(44,295,244)
Receivables from Clearing House	-	(52,695,393)	-	-
Loans	(7,934,030,116)	(3,969,030,290)	(5,946,493,473)	(2,940,046,504)
Properties foreclosed	266,479,462	373,682,798	117,940,500	263,847,321
Receivables on credit support for derivative contracts	(405,175,937)	(43,126,976)	(405,175,937)	(43,126,976)
Other assets	(66,471,227)	155,392,156	27,866,571	213,621,522

The accompanying notes are an integral part of the financial statements.

Statements of cash flows (continued)

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Increase (decrease) in operating liabilities				
Deposits	(3,388,199,394)	(10,396,458,027)	(3,391,055,813)	(10,401,863,578)
Interbank and money market items	157,162,647	68,475,516	176,029,953	(664,441,790)
Liabilities payable on demand	(121,754,319)	170,888,286	(121,754,319)	170,888,286
Payables to Clearing House	-	26,438,331	-	-
Securities and derivatives business payables	-	194,474,621	-	-
Payables on credit support for derivative contracts	425,152,546	21,689,720	425,152,546	21,689,720
Other liabilities	148,090,185	203,797,843	51,266,697	11,876,614
Cash used in operating activities	(7,758,652,737)	(8,941,198,273)	(6,327,106,685)	(8,984,756,890)
Interest and dividend income	(3,123,730,179)	(3,090,960,535)	(2,554,980,931)	(2,739,688,110)
Interest expenses	889,640,836	1,025,728,084	861,131,849	1,020,339,717
Cash received on interest income	2,775,133,135	2,730,419,535	2,203,403,412	2,375,589,163
Cash paid on interest expenses	(604,522,536)	(851,561,368)	(575,955,434)	(845,139,038)
Cash paid on income tax	(124,636,772)	(170,303,341)	(76,645,595)	(131,471,558)
Net cash used in operating activities	(7,946,768,253)	(9,297,875,898)	(6,470,153,384)	(9,305,126,716)
Cash flows from investing activities				
Cash received on disposal of investment in a subsidiary	-	396,851,972	-	396,851,972
Cash paid for investment in an associated company	-	(255,170,000)	-	(255,170,000)
Cash paid for investment in a subsidiary	-	-	(1,500,000,000)	-
(Increase) decrease in long-term investments	(855,587,504)	4,352,117,070	(857,167,504)	4,352,188,272
Cash received on interest income from investments	311,896,512	491,787,399	311,896,512	491,787,399
Cash received on dividend income	25,701,413	8,141,067	27,281,412	7,841,067
Cash received on disposals of equipment	1,435,338	3,486,953	340,000	3,420,000
Cash paid for purchases of equipments	(32,911,693)	(59,899,133)	(15,977,334)	(57,969,631)
Cash paid for acquisition of intangible assets	(8,720,358)	(19,164,731)	(2,596,758)	(13,817,861)
Net cash provided by (used in) investing activities	(558,186,292)	4,918,150,597	(2,036,223,672)	4,925,131,218
Cash flows from financing activities				
Increase in borrowings	8,757,204,534	4,768,070,404	8,757,204,534	4,768,070,404
Cash paid for interest expense on borrowings	(281,399,330)	(327,600,450)	(281,399,330)	(327,600,450)
Cash paid for liabilities under lease agreement	(2,807,413)	-	(1,466,238)	-
Net cash provided by financing activities	8,472,997,791	4,440,469,954	8,474,338,966	4,440,469,954
Net increase (decrease) in cash and cash equivalents	(31,956,754)	60,744,653	(32,038,090)	60,474,456
Cash and cash equivalents at beginning of the years	304,773,615	244,063,962	304,402,418	243,927,962
Less: Cash to the disposed subsidiary on the disposal date	-	(35,000)	-	-
Cash and cash equivalents at end of the years	272,816,861	304,773,615	272,364,328	304,402,418
Supplemental cash flows information				
Non-cash transactions				
Assets received in settlement of loans and receivables	163,539,993	622,940,226	-	508,170,059
Account payable for acquisition of equipment	2,240,632	150,000	492,117	150,000

The accompanying notes are an integral part of the financial statements.

Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary
(Formerly known as "ACL Bank Public Company Limited")
For the years ended 31 December 2010 and 2009

Notes to financial statements

1. The Bank's information

Industrial and Commercial Bank of China (Thai) Public Company Limited (Formerly known as "ACL Bank Public Company Limited") ("the Bank") was registered to be a publicly limited company under Thai laws on 15 April 1993 and it has been licensed by the Ministry of Finance on 21 December 2005 to operate commercial banking business in Thailand. Its registered address is at No. 622, Sukhumvit Road, Klongton Sub-district, Klongtoey District, Bangkok. As at 31 December 2010 and 2009, the Bank has altogether 19 branches including a head office.

On 30 September 2009, the Bank was informed by an investor, who is an oversea bank ("the Investor"), that its Board of Directors resolved to approve a tender offer to shareholders of the Bank that the Investor will buy the Bank's shares from them voluntarily at Baht 11.50 per share. However, the offer will be made subject to the following conditions.

Conditions precedent to the tender offer

- (a) Receipt of the approvals, waivers, permissions or consents from the relevant agencies in Thailand and the Republic of China, necessary to enable the Investor to successfully make the offer and allow the Bank and its group to legally continue operating their businesses, after the offer is made; and
- (b) Approval by the Shareholders' meeting of the Investor.

Condition after making the tender offer

- (a) The Investor is able to acquire not less than 51 percent of the issued capital of the Bank.

All conditions precedent to the tender offer were accomplished in the first quarter of 2010.

On 21 April 2010, Industrial and Commercial Bank of China Limited, who made the tender offer to buy all shares of the Bank, reported the result of its tender offer for securities of the Bank to the Secretary of the Office of the Securities and Exchange Commission and made full payment for its purchase of shares. It purchased all 1,546,568,601 shares being offered for sale in response to the tender offer or equivalent to 97.24 percent of the issued and paid-up share capital of the Bank, the condition after making the tender offer was then also completed. Hence, as of 31 December 2010, Industrial and Commercial Bank of China Limited is the parent company of the Bank, holding 97.24 % of the issued and paid-up share capital of the Bank (31 December 2009, the Bank's two major shareholders are the Ministry of Finance and Bangkok Bank Public Company Limited, with shareholding percentage of 30.61 percent and 19.26 percent, respectively).

On 25 June 2010, the Extraordinary General Meeting of the Shareholders No. 1/2010 approved the change of the Bank's name from ACL Bank Public Company Limited to Industrial and Commercial Bank of China (Thai) Public Company Limited. Such change was registered with Department of Business Development, the Ministry of Commerce on 8 July 2010. In addition, the meeting approved the voluntary delisting of the Bank's shares from the Stock Exchange of Thailand since Industrial and Commercial Bank of China Limited had completed acquisition of 97.24% of the total issued shares of the Bank and so the Bank is not able to meet the listing requirement of the SET that a listed company must maintain not less than 150 minority ordinary shareholders with an aggregate shareholding not less than 15% of paid-up capital. At present, the Bank is in the process of making a tender offer for the shares of the minority shareholders, in order to delist the Bank's shares from the Stock Exchange of Thailand.

As at 31 December 2010 and 2009, the Bank has only one subsidiary, which was established as a limited company under Thai laws, has been operating its businesses in Thailand and has core business in leasing and hire purchase businesses.

2. Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and with reference to the principles stipulated by the Bank of Thailand ("BOT") and the Office of the Securities and Exchange Commission ("SEC").

The presentation of the financial statements has been made in compliance with the Notification of BOT relating to the presentation and format of the financial statements of commercial banks and holding parent company of financial business groups, dated 3 August 2008.

The financial statements in Thai language are the official statutory financial statements of the Bank. The financial statements in English language have been translated from such financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding significant accounting policies.

2.2 Basis of consolidation

- (a) These consolidated financial statements include the financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiaries, except for the exclusion of balance sheet of ACL Securities Company Limited as at 31 December 2010 and 2009 from the consolidated balance sheets as at 31 December 2010 and 2009 and the inclusion of the statement of income of such company for the period ended only up to 14 September 2009 in the consolidated statement of income for year ended 31 December 2009, since the Bank disposed its investment in that company as already described in Note 7.5 to the financial statements.

(Unit: Percentage)

Company's name	Type of business	Percentage of shares held by the Bank as at 31 December		Percentage of total assets of a subsidiary included in consolidated totals as at 31 December		Percentage of total revenues of subsidiaries included in consolidated totals for the years ended 31 December	
		2010	2009	2010	2009	2010	2009
ACL Securities Company Limited	Securities business	-	-	-	-	-	0.83
Leasing Sinn Asia Company Limited	Hire purchase business	99.99	99.99	28.15	14.26	34.09	20.33

- (b) Subsidiary is fully consolidated as from the date of acquisition, being the date on which the Bank obtains control, and continued to be consolidated until the date when such control ceases.

- (c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Bank.
- (d) Material balances and transactions between the Bank and its subsidiary have been eliminated from the consolidated financial statements.
- (e) Minority interests represent the portion of net income or loss and net assets of a subsidiary that is not held by the Bank and are presented separately in the consolidated statements of income and within equity in the consolidated balance sheets.

2.3 Separate financial statements

The separate financial statements, which present investments in a subsidiary and an associated company under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- (a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

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

- (b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

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

The Bank's and its subsidiary's management believe that these accounting standards will not have any significant impact on the financial statements for the years in which they are initially applied, except for the following accounting standards that the Bank's and its subsidiary's management expect a significant impact on the financial statements for the years in which they are initially applied.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial valuation techniques. Currently, the Bank and its subsidiary account for such employee benefits when they are incurred.

Based on the management's assessment, the effect of the adoption of this accounting standard in 2011 will be to decrease retained earnings brought forward as at 1 January 2011 in the consolidated and separate financial statements by approximately Baht 90 million and Baht 80 million, respectively.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is still evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue recognition

- (a) Interest and discounts on loans

Interest on loans is recognised as revenue on an accrual basis over the term of the loans based on the amount of principal outstanding. For loans on which principal and/or interest payments have been defaulted for more than three months from the due dates, the Bank and its subsidiary cease accrual of interest income and reverse the interest previously accrued as revenue from its accounts. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance has been received from the debtors.

The Bank recognises interest income on restructured loans on the same accrual basis used for loans discussed above with reference to interest rates stipulated in the agreements (excluding interest charged and suspended for payment in the future), with the exception of loans that are subject to monitoring for compliance with restructuring conditions, interest income on which is to be recognised 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.

Interest on margin loans is recognised as revenue on an accrual basis. When there is uncertainty as to the collectability of loans and interest, the subsidiary ceases accrual in accordance with the guidelines stipulated by the Office of the Securities and Exchange Commission.

Interest or discounts, which are already included in the face value of notes receivable or loans, are recorded as deferred interest and taken up as revenue evenly throughout the term of the notes or loans.

- (b) Hire purchase income

Hire purchase income is recognised as revenue, using the effective interest rate method, over the period of the contracts. For hire purchase receivables on which installments have been defaulted and overdue for more than three months from the due dates, the Bank and its subsidiary cease accrual of revenue and reverse the revenue previously accrued from its accounts. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance has been received from the debtors.

(c) Finance lease income

Finance lease income is recognised as revenue, using the effective interest rate method, over the period of the contracts. For finance lease receivables on which installments have been defaulted and overdue for more than three months from the due dates, the subsidiary ceases accrual of revenue and reverse the revenue previously accrued from its accounts. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance has been received from the debtors.

(d) Interest and dividends on investments

Interest on investments is recognised as revenue on an accrual basis based on the effective rate method. Dividends from securities are recognised as revenue when the right to receive the dividends is established.

(e) Commissions and brokerages

Brokerage income from securities and derivatives trading are recognised as income on the transaction dates.

(f) Gains (losses) on investments

Gains (losses) on investments are recognised as revenue/expenses on the transaction dates.

(g) Gains (losses) on derivatives trading

Gains (losses) on derivatives trading are recognised as revenue/expenses on the transaction dates.

(h) Fees and service income

Fees are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered taking into account the stage of completion.

4.2 Expense recognition

(a) Interest expenses

Interest expenses are charged to statements of income on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest expense, which will be amortised to expenses evenly throughout the term of the notes. The subsidiary recorded the financial fees related to borrowings typically incurred on or before signing of facility agreements and before actual drawdown of the loans as deferred financial expenses and amortised using the effective interest rate method over the term of the loans. The amortisation of deferred financial fees is included in determining borrowing costs.

(b) Commissions and direct expenses from the hire purchase business

For hire-purchase contracts originating on or after 1 January 2008, commission and initial direct expenses at the inception of a hire-purchase contract are deferred and to be amortised as expenses throughout the contract period, using the effective interest method, with the amortisation deducted from interest income.

For hire-purchase contracts originating before 1 January 2008, commission and initial direct expenses at the inception of a hire-purchase contract are charged to statements of income on the translation date.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash, cheques and cheques in transit.

4.4 Securities purchased under resale agreements/Securities sold under repurchase agreements

The Bank enters into agreements to purchase securities or to sell securities that include agreements to sell or purchase the securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items" in the balance sheets, and the underlying securities are treated as collateral to the receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items" in the balance sheets, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

Differences between the purchase and sale considerations are recognised as interest income or expenses over the transaction periods.

4.5 Investments in securities

- (a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of income.

- (b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded as gains or losses in the statements of income when the securities are sold.
- (c) Investments in debt securities, expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- (d) Investments in non-marketable equity securities, which the Bank classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The fair values of government bonds are calculated using the Bank of Thailand's formula and the risk-free yield curve. State enterprise bonds, both secured and unsecured by the Ministry of Finance, and private sector debt securities are calculated using the risk-free yield curve, adjusted by risk premiums appropriate to the risk profiles of such debt securities.

The fair value of marketable securities is calculated based on the latest bid price on the last working day of the period as quoted on the Stock Exchange of Thailand. The fair values of debt securities are calculated by using the last trading price quoted by the Thai Bond Market Association. The fair value of investment units is based on their net asset value as at the balance sheet dates.

In the event the Bank and its subsidiary reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification dates. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in the statements of income or recorded as revaluation surplus (deficit) on investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as gain or loss in the statements of income. If the Bank and its subsidiary dispose of only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

4.6 Investments in a subsidiary and an associated company

Separate financial statements

Investments in a subsidiary and an associated company, recorded in the separate financial statements, are stated at cost net of allowance for impairment on investments in a subsidiary and an associated company (if any). Losses on impairment are charged to the statements of income.

Consolidated financial statements

Investments in an associated company, recorded in the consolidated financial statements, are recorded using the equity method. Under this method, investments are initially recorded at the acquisition cost and are adjusted to reflect the attributable share of the profits or losses from the operations of the associated company, in proportion to the investments.

If the Bank receives shares as a result of debt restructuring of a borrower, and as a result the Bank holds more than 50 percent or 20 percent of the paid-up share capital of such company, the Bank will not treat the investee company as a subsidiary or an associated company, respectively, since it has no control or influence over their financial and operating policies and is obliged to dispose off such investments within a period stipulated in the Bank of Thailand's regulation.

4.7 Loans and receivables

Loans are presented at the principal balances, excluding accrued interest receivables, except for overdrafts which are presented at the principal balances plus accrued interest receivables. Unearned income and discounts on loans are deducted from the loan balances.

Hire purchase receivables and finance lease receivables are stated at outstanding balances according to the hire-purchase and finance lease contracts net of outstanding balance of unearned income, which is presented net of deferred commission expenses and initial direct costs.

4.8 Allowance for doubtful accounts

- (a) The Bank provides allowance for doubtful accounts in accordance with the Notifications of the BOT and adjusts it based on amount for which it expects not to be recouped from debtors. Such amount is determined based on an evaluation of the current status of the debtors, taking into consideration relevant risk and value of the underlying collateral.

The Bank sets provision for “pass” loans (including restructured receivables) and “special-mention” loans at minimum rates of 1% and 2%, respectively, of the loan balances (excluding accrued interest receivables) after deducting collateral value, calculated in accordance with the BOT’s guidelines. For non-performing loans, the Bank sets provision at a rate of 100% of the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, discounted using the discount rate and duration expected to be able to dispose the collateral as stipulated in the BOT’s Notifications.

- (b) The subsidiary operating leasing and hire-purchase businesses provides an allowance for doubtful accounts with reference to number of months overdue and provisioning rates as stipulated in the BOT’s Notifications.

Allowance for doubtful accounts is set for “pass” and “special-mention” loans at minimum rates of 1% and 2%, respectively, of the loan balances after deducting collateral value, calculated in accordance with the BOT’s guidelines, and at 100% of the balance of non-performing loans after deducting the present value of expected future cash flows from collateral disposal, calculated in accordance with the BOT’s guidelines.

At the balance sheet date, the adequacy of the allowance for doubtful accounts is reviewed taking into consideration past collection experience and the current status of receivables.

- (c) Allowance for doubtful accounts of other receivables is set aside by the amount of debt that may not be collectible, determined based on a review of the current status of the debtors on the balance sheet dates.
- (d) The Bank writes off bad debts following the BOT’s guidelines and as approved by the Board of Directors. The Bank reverses allowance for doubtful accounts and records bad debts written-off in statements of income. All bad debts recovered are recognised as income in the statements of income.

4.9 Troubled debt restructuring

The Bank records troubled debt restructuring transactions with reference to criteria stipulated by the Bank of Thailand.

In cases where the troubled debt restructuring involves the transfer of assets and/or equity, the Bank records assets and/or equity received in settlement of debts at their fair value less estimated selling expenses (if any) providing that it does not exceed the book value of outstanding principal and accrued interest receivables. Losses arising from the excess of the book value over the fair value of those assets and equity transferred are recorded in statements of income, taking into account existing allowance for doubtful accounts.

In cases where the troubled debt restructuring involves modification of the repayment conditions, the Bank records losses arising from revaluation of the fair value of the debtor after restructuring determined by the present value of expected cash flows to be received in accordance with new restructuring agreements, discounted by the Bank’s minimum interest rate for loan to large customer. The lower of the then-determined present value and the recorded outstanding loans and accrued interest receivables due from a debtor is accounted for as allowance for revaluation on debt restructuring and recognised as expenses in statements of income for the period in which the debt is restructured. Such allowance is amortised and recognised as revenue in the statements of income over the remainder of the restructuring periods or is reviewed by revaluing the net present value of expected cash flows to be received over the remaining period.

Losses arising from debt restructuring through waivers of principal and/or recorded accrued interest receivables are recognised as expenses in the statements of income.

4.10 Properties foreclosed

Properties foreclosed are stated at the lower of cost at the acquisition date and net realisable value. Cost at the acquisition date of properties foreclosed is stated at their fair value but it is not to exceed the balance of principal and accrued interest receivables. Net realisable value is determined based on to the latest available appraisal value less estimated selling expenses.

Gains or losses on disposals of properties foreclosed are recorded as revenue or expenses in the statements of income when significant risk and rewards have been transferred.

Impairment loss is recognised as expense in the statements of income.

4.11 Premises and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line method over the following

estimated periods of useful lives.

Buildings	34 years
Furniture, fixtures and office equipment	3, 5 and 10 years
Motor vehicles	5 years

No depreciation is determined for land and assets in progress.

Depreciation is included in statements of income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of income when the asset is derecognised.

4.12 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and allowance for impairment (if any). The Bank and its subsidiary amortise intangible assets with finite useful lives or with useful lives, which can be estimated on a systematic basis over their economic benefit lives and test for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortised amount recognised as expenses in the statements of income.

Intangible assets of the Bank and its subsidiary with finite useful lives, or with useful lives that can be estimated on a systematic basis, are computer software and of which the estimated useful lives are 5 and 10 years.

4.13 Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and allowance for impairment (if any). Leasehold rights are amortised on a straight-line basis over the lease period of 30 years and the amortisation amounts are recognised as expenses in statements of income.

4.14 Goodwill on business combination

Goodwill is stated in the balance sheets at cost less allowance for impairment. Impairment on goodwill is determined by estimating the recoverable amount from the asset or group of assets to which the goodwill relates. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as expenses in the statements of income. Impairment losses relating to goodwill cannot be reversed in future periods.

4.15 Long-term leases

Leases of motor vehicles which transfer substantially all the risks and rewards of ownership to the Bank and its subsidiary, as a lessee, are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as long-term liabilities, while the interest element is charged to the statements of income over the lease periods. Assets acquired under finance leases are depreciated over the shorter of the useful lives of the assets and the lease periods.

Lease not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Operating lease payments recognised as an expenses in the statements of income on straight line basis over the lease term.

4.16 Impairment of assets

At each reporting date, the Bank and its subsidiary perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. the Bank and its subsidiary also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.17 Sales of commercial papers

Commercial papers sold without recourse are recorded by crediting the notes receivable account.

Commercial papers without an aval or acceptance and sold at a discount with recourse, are recorded as liabilities under the caption of "Liabilities from sale of commercial papers". Commercial papers with an aval or acceptance from other commercial banks or finance companies, are sold at a discount with recourse, recorded by crediting the notes receivable account, and disclosed such as a part of "Contingent liabilities".

4.18 Provisions

Provisions are recognised when the Bank and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of such obligation can be made.

4.19 Derivatives

The Bank has entered into off-balance sheet transactions involving derivatives in order to respond to clients' needs and to manage its own foreign exchange and interest rate risks. Obligations under derivative contracts are regarded as off-balance sheet items and made according to the purpose of entering into those transactions as follows.

Trading Book

As at the balance sheet dates, foreign exchange contracts are measured at fair value. Gains/Losses arising from revaluation are recognised in statements of income.

The fair values of foreign exchange contracts are determined, using the forward exchange rates at the balance sheet dates for the contract periods remaining on those dates.

Banking Book

As at the balance sheet dates, the Bank recognises foreign exchange contracts, interest rate swap contracts, and cross currency and interest rate swap contracts on an accrual basis as follows:

- (a) The currency exchange components are translated at the exchange rates ruling on the balance sheet dates, with unrealised gains or losses on translation recognised in statements of income. Premiums or discounts on contracts are amortised on a straight-line basis over the contract periods.
- (b) Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets and liabilities. That is, interest income or interest expense is recognised in the statements of income over the term of the contract periods.

These measurement methods are in compliance with the principles stipulated by the Bank of Thailand's Notification No. 67/2551 dated 3 August 2008.

4.20 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

4.21 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses on accrual basis.

4.22 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on the taxable profits determined in accordance with tax legislation.

4.23 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Bank and its subsidiary, whether directly or indirectly, or which are under common control with the Bank and its subsidiary.

They also include associated company and individuals which directly or indirectly own a voting interest in the Bank and its subsidiary that gives them significant influence over the Bank and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the Bank's and its subsidiary's operations, together with close family members of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether risk and rewards of those assets and liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.3 Allowance for doubtful accounts provided on loans and receivables

Allowances for doubtful accounts provided on loans and receivables are intended to adjust the value of loans and receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses on outstanding loans and receivable due from debtors having principal repayment and interest payment problems, taking into accounts, overdue aging analysis of each debtor, collateral value and current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

5.4 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

5.5 Impairment of equity investments

The Bank treats available-for-sale investments and general investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement.

5.6 Allowance for impairment on properties foreclosed

The Bank and its subsidiary determine allowance for impairment on properties foreclosed when net realisable value of such assets falls below their book value. The management uses judgment to estimate impairment losses, taking into consideration the appraisal value of assets, types and characteristics of assets, the period of time for which to be recouped from disposals and changes in the economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowance for impairment and adjustments to the allowances may therefore be required in the future.

5.7 Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Bank and its subsidiary's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses (if any) in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.8 Allowance for goodwill and intangible assets

Determination of allowance for impairment on goodwill and intangible assets requires management to make estimates of cash flows to be generated by the assets or the cash generating units, including a suitable discount rate to be used in calculation of the present value of those cash flows.

5.9 Profit and loss sharing from management of non-performing assets

In calculation of profit or loss sharing from management of non-performing assets transferred to Thai Asset Management Corporation ("TAMC"), the Bank estimates the amounts expected to be recouped from debtors or the underlying collaterals or the guarantors for which management exercises judgment in determination of assumptions with respect to recovery rates on the outstanding debts under the debt restructuring agreements or collateral value. The management considers that the assumptions used are appropriate based on the availability of information to the Bank and current circumstances. The different assumptions used and the change in circumstances in the future may affect the amount of loss sharing already recorded.

5.10 Litigation

The Bank has contingent liabilities as a result of litigation being made against the Bank for claims of compensation. The management has used judgement to assess of the results of the litigation and recorded provisions for liabilities as at the balance sheet dates. However, actual results could differ from the estimates.

6. Interbank and money market items (assets)

(Unit: Baht)

	Consolidated financial statements					
	31 December 2010			31 December 2009		
	At call	Term	Total	At call	Term	Total
Domestic items						
Bank of Thailand	200,768,182	200,000,000	400,768,182	222,444,512	980,000,000	1,202,444,512
Commercial banks	100,196,932	3,000,000,000	3,100,196,432	139,280,200	5,000,000,000	5,139,280,200
Other banks	-	900,000,000	900,000,000	-	-	-
Finance, finance and securities, securities and credit foncier companies	-	40,000,000	40,000,000	-	140,000,000	140,000,000
Total	300,965,114	4,140,000,000	4,440,965,114	361,724,712	6,120,000,000	6,481,724,712
Add: Accrued interest receivables	3,073	265,052	268,125	3,517	442,082	445,599
Less: Allowance for doubtful accounts	-	(17,400,000)	(17,400,000)	-	(1,400,000)	(1,400,000)
Domestic items - net	300,968,187	4,122,865,052	4,423,833,239	361,728,229	6,119,042,082	6,480,770,311
Foreign items						
USD currency	12,230,410	119,097,635	131,328,045	13,714,200	-	13,714,200
AUD currency	1,536,206	-	1,536,206	1,488,839	-	1,488,839
Yen currency	193,903	-	193,903	105,942	-	105,942
Euro currency	2,323,456	-	2,323,456	553,938	-	553,938
Pound sterling currency	613,542	-	613,542	1,064,564	-	1,064,564
Other currencies	2,484,040	4,945,647	7,429,687	1,461,659	-	1,461,659
Total	19,381,557	124,043,282	143,424,839	18,389,142	-	18,389,142
Add: Accrued interest receivables	-	629,388	629,388	-	-	-
Less: Allowance for doubtful accounts	-	(578,905)	(578,905)	-	-	-
Total foreign items - net	19,381,557	124,093,765	143,475,322	18,389,142	-	18,389,142
Total domestic and foreign items	320,349,744	4,246,958,817	4,567,308,561	380,117,371	6,119,042,082	6,499,159,453

(Unit: Baht)

	Separate financial statements					
	31 December 2010			31 December 2009		
	At call	Term	Total	At call	Term	Total
Domestic items						
Bank of Thailand	200,768,182	200,000,000	400,768,182	222,444,512	980,000,000	1,202,444,512
Commercial banks	35,861,732	3,000,000,000	3,035,861,732	44,795,710	5,000,000,000	5,044,795,710
Other banks	-	900,000,000	900,000,000	-	-	-
Finance, finance and securities, securities and credit foncier companies	-	40,000,000	40,000,000	-	140,000,000	140,000,000
Total	236,629,914	4,140,000,000	4,376,629,914	267,240,222	6,120,000,000	6,387,240,222
Add: Accrued interest receivables	1,578	265,052	266,630	-	442,082	442,082
Less: Allowance for doubtful accounts	-	(17,400,000)	(17,400,000)	-	(1,400,000)	(1,400,000)
Domestic items - net	236,631,492	4,122,865,052	4,359,496,544	267,240,222	6,119,042,082	6,386,282,304
Foreign items						
USD currency	12,230,410	119,097,635	131,328,045	13,714,200	-	13,714,200
AUD currency	1,536,206	-	1,536,206	1,488,839	-	1,488,839
Yen currency	193,903	-	193,903	105,942	-	105,942
Euro currency	2,323,456	-	2,323,456	553,938	-	553,938
Pound sterling currency	613,542	-	613,542	1,064,564	-	1,064,564
Other currencies	2,484,040	4,945,647	7,429,687	1,461,659	-	1,461,659
Total	19,381,557	124,043,282	143,424,839	18,389,142	-	18,389,142
Add: Accrued interest receivables	-	629,388	629,388	-	-	-
Less: Allowance for doubtful accounts	-	(578,905)	(578,905)	-	-	-
Total foreign items - net	19,381,557	124,093,765	143,475,322	18,389,142	-	18,389,142
Total domestic and foreign items	256,013,049	4,246,958,817	4,502,971,866	285,629,364	6,119,042,082	6,404,671,446

7. Investments

7.1 Classified by types of investments

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2010		31 December 2009	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Current investments				
Trading securities				
Domestic marketable equity securities	6,601,932	6,620,000	67,168,595	64,970,241
Total	6,601,932	6,620,000	67,168,595	64,970,241
Add (less): Allowance for revaluation	18,068	-	(2,198,354)	-
Trading securities - net	6,620,000	6,620,000	64,970,241	64,970,241
Available-for-sale securities				
Government and state enterprises securities	4,354,791,394	4,347,665,504	2,871,047,497	2,875,152,503
Private sector debt securities	451,702,469	371,624,534	106,724,831	25,197,326
Foreign debt securities	-	-	166,711,777	166,802,289
Total	4,806,493,863	4,719,290,038	3,144,484,105	3,067,152,118
Add (less): Allowance for revaluation	(5,510,525)	-	4,361,313	-
Less: Allowance for impairment	(81,693,300)	-	(81,693,300)	-
Available-for-sale securities - net	4,719,290,038	4,719,290,038	3,067,152,118	3,067,152,118
Held-to-maturity debt securities				
Government and state enterprises securities	987,606,965		-	
Private sector debt securities	-		150,000,000	
Total	987,606,965		150,000,000	
Less: Allowance for impairment	(222,000,000)		-	
Total held-to-maturity debt securities - net	765,606,965		150,000,000	
Current investments - net	5,491,517,003		3,282,122,359	

	Consolidated and separate financial statements			
	31 December 2010		31 December 2009	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Long-term investments				
Available-for-sale securities				
Government and state enterprises securities	1,694,328,962	1,680,726,368	1,558,223,599	1,556,897,057
Private sector debt securities	-	-	370,135,686	373,827,316
Foreign debt securities	2,518,672,185	2,681,619,249	2,619,869,155	2,681,600,587
Domestic marketable equity securities	38,625,313	59,368,550	45,318,691	43,521,113
Total	4,251,626,460	4,421,714,167	4,593,547,131	4,655,846,073
Add: Allowance for revaluation	170,087,707	-	67,473,942	-
Less: Allowance for impairment	-	-	(5,175,000)	-
Available-for-sale securities - net	4,421,714,167	4,421,714,167	4,655,846,073	4,655,846,073
Held-to-maturity debt securities				
Government and state enterprises securities	46,424,807		1,105,031,772	
Private sector debt securities	400,000,000		400,000,000	
Total	446,424,807		1,505,031,772	
Less: Allowance for impairment	-		(222,000,000)	
Held-to-maturity debt securities - net	446,424,807		1,283,031,772	
General investments				
Domestic non-marketable equity securities	424,446,987		479,855,347	
Less: Allowance for impairment	(331,649,133)		(378,030,877)	
General investments - net	92,797,854		101,824,470	
Long-term investments - net	4,960,936,828		6,040,702,315	

As at 31 December 2010 and 2009, investments of the Bank and its subsidiary were not subject to any restrictions on their holding and disposal, except that the Bank has placed government bonds amounting to Baht 4 million and Baht 1 million, respectively, which it classifies as available-for-sale securities, with the Court as security.

7.2 Classified by the remaining periods to maturity of the debt securities

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2010			
	Periods to maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	4,354,791,394	1,694,328,962	-	6,049,120,356
Private sector debt securities	451,702,469 ⁽¹⁾	-	-	451,702,469
Foreign debt securities	-	1,434,244,369	1,084,427,816	2,518,672,185
Total	4,806,493,863	3,128,573,331	1,084,427,816	9,019,495,010
Add (less): Allowance for revaluation	(5,510,525)	69,946,066	79,398,403	143,833,944
Less: Allowance for impairment	(81,693,300)	-	-	(81,693,300)
Available-for-sale securities - net	4,719,290,038	3,198,519,397	1,163,826,219	9,081,635,654
Held-to-maturity debt securities				
Government and state enterprises securities	987,606,965	46,424,807	-	1,034,031,772
Private sector debt securities	-	400,000,000	-	400,000,000
Total	987,606,965	446,424,807	-	1,434,031,772
Less: Allowance for impairment	(222,000,000)	-	-	(222,000,000)
Held-to-maturity debt securities - net	765,606,965	446,424,807	-	1,212,031,772
Debt securities - net	5,484,897,003	3,644,944,204	1,163,826,219	10,293,667,426

⁽¹⁾ Includes debt securities that have already matured

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2009			
	Periods to maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	2,871,047,497	1,558,223,599	-	4,429,271,096
Private sector debt securities	106,724,831 ⁽¹⁾	370,135,686	-	476,860,517
Foreign debt securities	166,711,777	888,585,941	1,731,283,214	2,786,580,932
Total	3,144,484,105	2,816,945,226	1,731,283,214	7,692,712,545
Add: Allowance for revaluation	4,361,313	48,626,100	15,470,420	68,457,833
Less: Allowance for impairment	(81,693,300)	-	-	(81,693,300)
Available-for-sale securities - net	3,067,152,118	2,865,571,326	1,746,753,634	7,679,477,078
Held-to-maturity debt securities				
Government and state enterprises securities	-	1,105,031,772	-	1,105,031,772
Private sector debt securities	150,000,000	400,000,000	-	550,000,000
Total	150,000,000	1,505,031,772	-	1,655,031,772
Less: Allowance for impairment	-	(222,000,000)	-	(222,000,000)
Held-to-maturity debt securities - net	150,000,000	1,283,031,772	-	1,433,031,772
Debt securities - net	3,217,152,118	4,148,603,098	1,746,753,634	9,112,508,850

⁽¹⁾ Includes debt securities that have already matured

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

(Unit: Baht)

	Consolidated and separate financial statements					
	31 December 2010			31 December 2009		
	Cost	Fair value	Allowance for impairment	Cost	Fair value	Allowance for impairment
Listed companies under delisting conditions	110,120	-	(110,120)	110,120	-	(110,120)
Companies with problems regarding to financial status and operating performance	333,531,577	1,992,565	(331,539,012)	395,064,937	11,869,180	(383,195,757)
Defaulted debt securities	81,693,300	-	(81,693,300)	81,693,300	-	(81,693,300)

7.4 Investments in a subsidiary

The Bank has investment in the following subsidiary, which is accounted for under the cost method in the separate financial statements.

(Unit: Baht)

Company's name	Type of invested in securities	31 December 2010			Dividend received during the year ended 31 December 2010
		Paid-up capital	Shareholding percentage	Cost method	
Leasing Sinn Asia Company Limited	Ordinary shares	2,500,000,000	99.99	2,499,999,930	-
Total investment in a subsidiary				2,499,999,930	-

(Unit: Baht)

Company's name	Type of invested in securities	31 December 2009			Dividend received during the year ended 31 December 2010
		Paid-up capital	Shareholding percentage	Cost method	
Leasing Sinn Asia Company Limited	Ordinary shares	1,000,000,000	99.99	999,999,930	-
Total investment in a subsidiary				999,999,930	-

During the year, the subsidiary called up partial payment of the additional shares and the Bank made payment of Baht 1.5 billion on 15 July 2010. On 20 July 2010, the subsidiary registered with the Ministry of Commerce the increase of its share capital as a result of the issue of additional 200 million ordinary shares with a par value of Baht 10 each. Following the registration of the capital increase, the subsidiary's registered share capital stands at Baht 3 billion, comprising 300 million ordinary shares with a par value of Baht 10 each. As at 31 December 2010, the subsidiary had fully paid-up 200 million shares with a par value of Baht 10 each and 50% paid-up 100 million shares with a par value of Baht 10 each. The Bank made payment of Baht 500 million for the remaining unpaid shares on 26 January 2011.

7.5 Disposal of investment in a subsidiary

On 28 August 2009, the Bank entered into a share subscription and share sale and purchase agreement with Finansia Syrus Securities Public Company Limited, with both parties wishing to reorganize their securities businesses, as follows:

- The Bank agreed to sell all of 86,648,900 ordinary shares it holds in ACL Securities Company Limited ("subsidiary"), representing 86.65% of the issued shares of the subsidiary, for Baht 4.58 per share, or a total of Baht 397 million, which was the net book value as at 31 March 2009 of the subsidiary.
- Finansia Syrus Securities Public Company Limited agreed to sell 79,000,000 newly issued ordinary shares to the Bank for Baht 3.23 per share, or a total of Baht 255 million.

The parties completed execution of these agreements and settlement of the purchase prices were made on 15 September 2009.

In respect of the above share sale and purchase, the Bank signed a related agreement, whereby it agreed to provide a guarantee to Finansia Syrus Securities Company Limited for losses that arise from (a) Margin loan agreements, up to a maximum of 20 percent of the total balance outstanding as at the date that the subsidiary's shares were sold, which is determined proportionately to the shareholding in the

subsidiary that was sold to Finansia Syrus Securities Public Company Limited, for 12 months from the date of the sale of the subsidiary's shares. Finansia Syrus Securities Public Company Limited provides the same type of guarantee back to the Bank. The balance of margin loans on the date of the sale of the subsidiary's shares was Baht 312 million, and (b) The litigation cases brought against the subsidiary by the former executive of the subsidiary, with a claim of Baht 192 million. This amount included a labour lawsuit with a claim of Baht 75 million, which ruling of the chief juristic of the central Labour Court concludes that this case does not fall under the jurisdiction of the Labour Court, as detailed in Note 28.4.4 to the financial statements. As at 31 December 2010 and 2009, the Bank's management believes that such guarantee will result in no losses.

The Bank received full payment for its sale of investment in the subsidiary on 15 September 2009 and recognised a gain of Baht 29 million on disposal of investment in a subsidiary in the consolidated financial statements for the year ended 31 December 2009.

The net asset value of ACL Securities Company Limited on the date that the Bank sold its shares in such subsidiary (14 September 2009), was as follows:

(Unit: Baht)

	14 September 2009
Asset	
Cash	35,000
Deposits at financial institutions - net	197,954,970
Investments in equity securities - net	5,710,000
Receivables from Clearing House	67,532,753
Securities and derivatives business receivables - net	534,622,823
Leasehold improvement and equipment - net	29,962,887
Intangible assets - net	7,758,318
Other assets	33,477,676
Total assets	877,054,427
Liabilities	
Borrowings	100,000,000
Payables to Clearing House	56,400,973
Securities and derivatives business payables	226,167,863
Accrued expenses	16,743,489
Other liabilities	5,959,902
Total liabilities	405,272,227
Net asset value	471,782,200
Less: Minority interest - equity attributable to minority shareholders of subsidiaries	(104,044,150)
Equity of the subsidiary attributable to the Bank in the consolidated financial statements	367,738,050
 Selling price	 396,851,972
Less: Equity of the subsidiary attributable to the Bank in the consolidated financial statements	(367,738,050)
Gain on disposal of investments in a subsidiary recognised in the consolidated financial statements	29,113,922
 Selling price	 396,851,972
Less: Investments in a subsidiary under cost method on the selling date	(396,851,972)
Gain on disposal of investments in a subsidiary recognised in the separate financial statements	-

The consolidated statements of income and cash flows for the year ended 31 December 2009, categorised by continuing operations and discontinued operations as a result of disposal of investment in a subsidiary as mentioned above, are shown below.

(Unit: Baht)

	Consolidated financial statements			
	For the year ended 31 December 2009			
	Continuing operations	Discontinued operations ⁽¹⁾	Elimination entries	Total
Interest and dividend income				
Loans	1,973,389,243	24,751,824	-	1,998,141,067
Interbank and money market items	100,817,039	1,508,636	(1,019,870)	101,305,805
Hire purchase and financial lease income	610,849,658	-	-	610,849,658
Investments	380,364,006	300,000	-	380,664,006
Total interest and dividend income	3,065,419,946	26,560,460	(1,019,870)	3,090,960,536
Interest expense				
Deposits	634,845,898	-	-	634,845,898
Interbank and money market items	112,998,758	1,068,945	(1,019,870)	113,047,833
Borrowings	277,834,353	-	-	277,834,353
Fees and charges	399,329	1,014,037	-	1,413,366
Total interest expense	1,026,078,338	2,082,982	(1,019,870)	1,027,141,450
Net interest and dividend income	2,039,341,608	24,477,478	-	2,063,819,086
Bad debt and doubtful accounts	(1,179,209,478)	252,422	-	(1,178,957,056)
Loss on debt restructuring	(48,448,472)	-	-	(48,448,472)
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	811,683,658	24,729,900	-	836,413,558
Non-interest income				
Brokerage fees from securities business	-	69,203,996	(2,297,348)	66,906,648
Brokerage fees from derivatives business	-	9,166,227	-	9,166,227
Gains on investments	258,623,519	20,338,631	-	278,962,150
Share of profit from investments in an associated company under equity method	4,301,939	-	-	4,301,939
Gain on derivatives trading	-	5,550,700	-	5,550,700
Fees and services income	98,628,177	12,003,283	-	110,631,460
Gains on exchange	35,782,963	-	-	35,782,963
Gains (losses) on disposals of assets	120,754,841	(2,442,636)	-	118,312,205
Bad debts recovery	498,840,980	-	-	498,840,980
Other income	22,767,564	340,743	(31,037)	23,077,270
Total non-interest income	1,039,699,983	114,160,944	(2,328,385)	1,151,532,542
Net revenue	1,851,383,641	138,890,844	(2,328,385)	1,987,946,100

⁽¹⁾ The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

(Unit: Baht)

	Consolidated financial statements			
	For the year ended 31 December 2009			
	Continuing operations	Discontinued operations ⁽¹⁾	Elimination entries	Total
Non-interest expense				
Personnel expenses	559,738,444	83,132,030	-	642,870,474
Premises and equipment expenses	175,676,238	38,888,404	-	214,564,642
Taxes and duties	91,190,756	905,199	-	92,095,955
Fees and service expenses	45,132,052	25,103,988	(2,328,385)	67,907,655
Directors' remuneration	17,137,419	1,364,867	-	18,502,286
Contributions to the Deposit Protection Fund	138,237,321	-	-	138,237,321
Losses on impairment of properties foreclosed and other assets	100,649,466	-	-	100,649,466
Provision for liabilities	3,700,000	-	-	3,700,000
Other expenses	95,065,894	7,965,050	-	103,030,944
Total non-interest expense	1,226,527,590	157,359,538	(2,328,385)	1,381,558,743
Earnings (loss) before income tax	624,856,051	(18,468,694)	-	606,387,357
Income tax	(79,778,730)	-	-	(79,778,730)
Net income (loss)	545,077,321	(18,468,694)	-	526,608,627
Net income (loss) attributable to:				
Equity holders of the Bank	545,077,321	(16,003,124)	-	529,074,197
Minority shareholders of the subsidiaries	-	(2,465,570)	-	(2,465,570)
	545,077,321	(18,468,694)	-	526,608,627

⁽¹⁾ The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

(Unit: Baht)

	Consolidated financial statements			
	For the year ended 31 December 2009			
	Continuing operations	Discontinued operations ⁽¹⁾	Elimination entries	Total
Cash flows from operating activities				
Earnings (losses) before income tax	624,856,051	(18,468,694)	-	606,387,357
Adjustments to reconcile earnings (losses) before income tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in an associated company under equity method	(4,301,939)	-	-	(4,301,939)
Depreciation and amortisation	107,218,762	15,770,099	-	122,988,861
Gains on disposals of equipment	(2,608,286)	(17,268)	-	(2,625,554)
Gains on disposals of properties foreclosed	(118,146,555)	-	-	(118,146,555)
Gains on investments	(258,623,519)	(20,338,631)	-	(278,962,150)
Gains on derivatives trading	-	(5,550,700)	-	(5,550,700)
Bad debt and doubtful accounts (reversal of bad debt and doubtful accounts)	1,179,209,478	(252,422)	-	1,178,957,056
Loss on debt restructuring	48,448,472	-	-	48,448,472
Unrealised gains on exchange and derivatives	(92,678,336)	-	-	(92,678,336)
Decrease in expense as a result of transferring receivables under Legal Execution Department	(695,914)	-	-	(695,914)
Losses on impairment and write-off of equipment and intangible assets	21,428	2,459,901	-	2,481,329
Losses on impairment of properties foreclosed and other assets	100,649,466	-	-	100,649,466
Other income from revaluation of other receivables	(6,716,196)	-	-	(6,716,196)
Provision for liabilities	3,700,000	-	-	3,700,000
Increase in other accrued expenses	5,988,592	4,595,076	-	10,583,668
Income (loss) from operating activities before changes in operating assets and liabilities	1,586,321,504	(21,802,639)	-	1,564,518,865
(Increase) decrease in operating assets				
Interbank and money market items	2,972,470,717	(136,633,726)	(114,050,000)	2,721,786,991
Current investments	(44,295,244)	63,262,530	-	18,967,286
Receivables from Clearing House	-	(52,695,393)	-	(52,695,393)
Loans	(3,821,788,575)	(147,241,715)	-	(3,969,030,290)
Properties foreclosed	373,682,798	-	-	373,682,798
Receivables on credit support for derivative contracts	(43,126,976)	-	-	(43,126,976)
Other assets	192,905,940	(2,199,529)	(35,314,255)	155,392,156

⁽¹⁾ The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

(Unit: Baht)

	Consolidated financial statements			
	For the year ended 31 December 2009			
	Continuing operations	Discontinued operations ⁽¹⁾	Elimination entries	Total
Increase (decrease) in operating liabilities				
Deposits	(10,406,855,686)	10,397,659	-	(10,396,458,027)
Interbank and money market items	(145,574,484)	100,000,000	114,050,000	68,475,516
Liabilities payable on demand	170,888,286	-	-	170,888,286
Payables to Clearing House	-	26,438,331	-	26,438,331
Securities and derivatives business payables	-	159,160,366	35,314,255	194,474,621
Payables on credit support for derivative contracts	21,689,720	-	-	21,689,720
Other liabilities	202,361,622	1,436,221	-	203,797,843
Cash provided by (used in) operating activities	(8,941,320,378)	122,105	-	(8,941,198,273)
Interest and dividend income	(3,065,419,946)	(26,560,460)	1,019,871	(3,090,960,535)
Interest expenses	1,025,679,009	1,068,946	(1,019,871)	1,025,728,084
Cash received on interest income	2,703,961,401	26,306,600	151,534	2,730,419,535
Cash paid on interest expenses	(850,347,079)	(1,062,755)	(151,534)	(851,561,368)
Cash paid on income tax	(170,303,341)	-	-	(170,303,341)
Net cash used in operating activities	(9,297,750,334)	(125,564)	-	(9,297,875,898)
Cash flows from investing activities				
Cash received on disposal of investments in a subsidiary	396,851,972	-	-	396,851,972
Cash paid for investments in an associated company	(255,170,000)	-	-	(255,170,000)
(Increase) decrease in long-term investments	4,352,188,270	(71,200)	-	4,352,117,070
Cash received on interest income from investments	491,787,399	-	-	491,787,399
Cash received on dividend income	7,841,067	300,000	-	8,141,067
Cash received on disposals of equipment	3,420,463	66,490	-	3,486,953
Cash paid for purchases of premises and equipment	(59,899,133)	-	-	(59,899,133)
Cash paid for acquisition of intangible assets	(18,985,005)	(179,726)	-	(19,164,731)
Net cash provided by investing activities	4,918,035,033	115,564	-	4,918,150,597
Cash flows from financing activities				
Increase in borrowings	4,768,070,404	-	-	4,768,070,404
Cash paid on interest expense on borrowings	(327,600,450)	-	-	(327,600,450)
Net cash provided by financing activities	4,440,469,954	-	-	4,440,469,954
Net increase (decrease) in cash and cash equivalents	60,754,653	(10,000)	-	60,744,653
Cash and cash equivalents at beginning of the year	244,018,962	45,000	-	244,063,962
Less: Cash of the disposed subsidiary on the disposal date	-	(35,000)	-	(35,000)
Cash and cash equivalents at end of the year	304,773,615	-	-	304,773,615

⁽¹⁾ The amounts shown in the "Discontinued operations" were presented by the amounts recognised until the date the Bank sold its subsidiary (14 September 2009).

7.6 Investments in an associated company

As presented in Note 7.5 to the financial statements, the Bank purchased 79,000,000 newly issued ordinary shares of Finansia Syrus Securities Public Company Limited ("the associated company") for Baht 3.23 per share or a total of Baht 255 million. The Bank made full payment for the purchase on 15 September 2009.

7.6.1 Details of the associated company can be summarised as follows:

(Unit: Million Baht)

Company's name	Type of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Equity method		Cost method	
			31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Finansia Syrus Securities Public Company Limited Total investment in an associated company	Securities business	Thailand	%	%				
			24.51	24.51	290	259	255	255
					290	259	255	255

(Unit: Million Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Shares of profit from investment in an associated company for the years ended 31 December		Dividends received for the years ended 31 December	
	2010	2009	2010	2009
Finansia Syrus Securities Public Company Limited	32	4	2	-

The profit sharing from investment in an associated company for the years ended 31 December 2010 and 2009, amounting to Baht 32 million and Baht 4 million, respectively, was calculated from management accounts of the associated company as shown in Note 7.6.2.

7.6.2 Financial information of the associated company as at 31 December 2010 and 2009 and for the years ended 31 December 2010 and 2009, as summarised from its financial statements, which were prepared by the management of the associated company, is presented below.

(Unit: Million Baht)

Company's name	Paid-up share Capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenue for the years ended 31 December		Net income (loss) for the years ended 31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Finansia Syrus Securities Public Company Limited	516	516	2,732	1,950	1,467	806	1,290	569	128	15

7.6.3 As at 31 December 2010 and 2009, the fair values of the associated company, which were computed from the last bid price as at the last business day of Stock Exchange of Thailand only on the share portion held by the Bank, were Baht 253 million and 198 million, respectively.

7.7 Investment in a related company

The Bank has the following investment in a related company, where the Bank holds 10% or more of the paid-up share capital of the investee company, which is recorded as a part of general investments and classified as long-term investments, is presented below.

(Unit: Baht)

Consolidated and separate financial statements						
Company's name	Type of business	Type of invested in securities	Nature of relationship	31 December 2010		
				Paid-up capital	Shareholding percentage	Cost
<u>Related company</u>					%	
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's management	200,000,000	10.00	20,389,570
Total investment in a related company						20,389,570

(Unit: Baht)

Consolidated and separate financial statements						
Company's name	Type of business	Type of invested in securities	Nature of relationship	31 December 2009		
				Paid-up capital	Shareholding percentage	Cost
<u>Related company</u>					%	
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's management	200,000,000	10.00	20,389,570
Total investment in a related company						20,389,570

7.8 Promissory notes from Thai Asset Management Corporation

During 2001 to 2003, the Bank transferred non-performing loans to the Thai Asset Management Corporation ("TAMC") whereby TAMC issued non-transferable promissory notes for the value of the assets transferred. On the face of the notes indicated the amounts accounting to the transfer prices, the issuance dates (being the same as the transfer dates), and the maturity dates being 10 years after the issuance dates. The promissory notes are availed by the Financial Institutions Development Fund ("FIDF") and may be redeemed by TAMC prior to maturity.

The Bank is jointly responsible, together with TAMC, for future profit or loss sharing from TAMC's management of the non-performing loans.

- If there are profits, the first portion not exceeding 20 percent of the transfer price shall be equally shared between the Bank and TAMC. The second portion shall be fully given to the Bank; provided that, when added to the first portion, the sum shall not exceed the difference between the book value and the transfer price. Any remaining profits after the second portion shall be for TAMC.

- If there are losses, the first portion not exceeding 20 percent of the transfer price shall be borne solely by the Bank. The second portion remaining after the first portion that does not exceed 20 percent of transfer price shall be equally shared and borne between the Bank and TAMC. Any remaining losses after the second portion shall be borne by TAMC.

The Bank is still jointly liable for share of the profit or loss at the end of fifth and tenth years counting from 1 July 2001.

The Bank received performance reports on non-performing loan management from TAMC. TAMC informed the Bank that there are profits or losses to share. However, such share of profits or losses was on only certain transferred non-performing loans. The Bank has therefore not recorded such share of profits or losses. Total shares of profits or losses will be known at the end of the tenth year. However, as at 31 December 2010 and 2009, the Bank estimated its share of losses of Baht 222 million and Baht 222 million, respectively, that may be arisen from the management of the non-performing loans. Such amount has been presented as an allowance for impairment against promissory notes received from TAMC, which are recorded as a part of held-to-maturity debt securities.

On the last working day of each year, TAMC shall calculate interest based on a quarterly average deposit rate and pay interest on an annual basis at the end of every year.

As a result of transferring non-performing loans to TAMC, the Bank received promissory notes from TAMC of Baht 2,599 million, maturing on 31 October 2011, 30 November 2011, 29 March 2012, 12 April 2012, 31 October 2012, 31 March 2013 and 30 September 2013 in settlement for transfer prices of non-performing loans transferred, and the Bank classified such promissory notes as held-to-maturity debt securities. Up to 31 December 2010 and 2009, TAMC made payment and redeemed promissory notes totalling Baht 1,565 million and Baht 1,494 million, respectively. Following such redemptions, the balances of promissory notes as at 31 December 2010 and 2009 were Baht 1,034 million and Baht 1,105 million, respectively.

During the years ended 31 December 2010 and 2009, the Bank recognised interest income on promissory notes from TAMC totalling Baht 8 million and Baht 10 million, respectively.

7.9 Gains on investments

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2010	2009	2010	2009
Gains on revaluation of trading securities	2,216,422	4,374,569	2,216,422	4,020,379
Gains on sale of investments:				
- Trading securities	3,839,317	38,950,686	3,839,317	18,966,245
- Available-for-sale securities	18,126,582	209,859,373	18,126,582	209,859,373
- General investments	9,734,633	2,560,000	9,734,633	2,560,000
- Investments in a subsidiary (Note 7.5)	-	29,113,922	-	-
Losses on impairment of investments:				
- Available-for-sale securities	-	(5,175,000)	-	(5,175,000)
- General investments	(118,015)	(721,400)	(118,015)	(721,400)
- Investments in a subsidiary	-	-	-	(69,593,163)
Total gains on investments	33,798,939	278,962,150	33,798,939	159,916,434

7.10 Reconciliations of shareholders' equity between those stated in the consolidated financial statements and the separate financial statements

(Unit: Baht)

	31 December 2010	31 December 2009
Equity attributable to the Bank's shareholders in the separate financial statements	13,618,137,522	13,093,699,634
<u>Reconciled items</u>		
Accumulated share of gains (losses) from investments under equity method	351,138,128	(269,126,606)
Accumulated dividend received from subsidiaries and an associated company	(201,364,710)	(199,784,710)
Allowance for impairment on a subsidiary	-	469,593,163
Gains on disposal of investment in a subsidiary (Notes 7.5)	-	29,113,922
Total amounts of reconciled items	149,773,418	29,795,769
Equity attributable to the Bank's shareholders in the consolidated financial statements	13,767,910,940	13,123,495,403

8. Loans and accrued interest receivables

8.1 Classified by types of loans

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Loans and receivables:				
Overdrafts	1,130,157,897	1,185,347,873	1,130,157,897	1,185,347,873
Loans	20,872,622,177	24,150,715,811	20,609,301,138	23,872,636,124
Notes receivable	12,262,923,205	13,586,594,432	29,299,123,205	21,090,594,432
Hire purchase and financial lease receivables	20,438,294,848	9,104,550,932	-	1,690,307
Total loans and receivables	54,703,998,127	48,027,209,048	51,038,582,240	46,150,268,736
Add: Accrued interest receivables	112,650,448	141,942,544	116,259,848	143,566,776
Total loans, receivables and accrued interest receivables	54,816,648,575	48,169,151,592	51,154,842,088	46,293,835,512
Less: Allowance for doubtful accounts	(1,003,796,384)	(1,419,466,897)	(704,506,753)	(1,276,577,593)
Allowance for revaluation on debt restructuring	(11,724,811)	(12,358,109)	(11,724,811)	(12,358,109)
Loans, receivables and accrued interest receivables - net	53,801,127,380	46,737,326,586	50,438,610,524	45,004,899,810

8.2 Classified by remaining periods to maturity of loan agreements

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Not over 1 year	24,019,151,214	22,309,094,923	24,423,701,238	20,650,717,267
Over 1 year	30,684,846,913	25,718,114,125	26,614,881,002	25,499,551,469
Total loans	54,703,998,127	48,027,209,048	51,038,582,240	46,150,268,736
Add: Accrued interest receivables	112,650,448	141,942,544	116,259,848	143,566,776
Total loans and accrued interest receivables	54,816,648,575	48,169,151,592	51,154,842,088	46,293,835,512

8.3 Classified by currency and residency of debtors

(Unit: Baht)

	Consolidated financial statements					
	31 December 2010			31 December 2009		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	54,745,298,104	-	54,745,298,104	48,022,545,022	-	48,022,545,022
US dollar	59,037,504	-	59,037,504	111,720,980	-	111,720,980
Euro	12,312,967	-	12,312,967	34,885,590	-	34,885,590
Total loans and accrued interest receivables	54,816,648,575	-	54,816,648,575	48,169,151,592	-	48,169,151,592

(Unit: Baht)

	Separate financial statements					
	31 December 2010			31 December 2009		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	51,083,491,617	-	51,083,491,617	46,147,228,942	-	46,147,228,942
US dollar	59,037,504	-	59,037,504	111,720,980	-	111,720,980
Euro	12,312,967	-	12,312,967	34,885,590	-	34,885,590
Total loans and accrued interest receivables	51,154,842,088	-	51,154,842,088	46,293,835,512	-	46,293,835,512

8.4 Classified by types of business and loan classification

(Unit: Baht)

	Consolidated financial statements					
	31 December 2010					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	422,169,176	-	-	778,342	17,054,911	440,002,429
Manufacturing and commerce	18,731,180,325	36,325,253	420,099,241	63,823,070	769,383,920	20,020,811,809
Real estate and construction	3,478,420,819	20,072,428	264,929,895	193,718,162	354,398,181	4,311,539,485
Public utilities and services	5,730,694,279	341,350	369,038,940	6,386,783	44,103,923	6,150,565,275
Housing loans	74,709,843	13,643,562	7,593,282	3,776,085	19,334,417	119,057,189
Others	21,981,486,412	1,376,889,335	177,383,767	94,421,452	144,491,422	23,774,672,388
Total loans and accrued interest receivables	<u>50,418,660,854</u>	<u>1,447,271,928</u>	<u>1,239,045,125</u>	<u>362,903,894</u>	<u>1,348,766,774</u>	<u>54,816,648,575</u>

(Unit: Baht)

	Consolidated financial statements					
	31 December 2009					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	543,584,290	-	2,681,774	53,852,310	2,636,275	602,754,649
Manufacturing and commerce	22,740,543,450	814,404,523	385,571,570	534,786,270	446,522,749	24,921,828,562
Real estate and construction	4,154,206,508	117,677,198	11,366,754	292,335,803	364,138,212	4,939,724,475
Public utilities and services	5,246,492,498	14,554,190	320,900,803	8,732,963	51,913,287	5,642,593,741
Housing loans	103,318,336	18,320,506	2,846,391	6,568,661	34,809,187	165,863,081
Others	10,745,311,880	942,445,307	74,579,545	55,997,288	78,053,064	11,896,387,084
Total loans and accrued interest receivables	<u>43,533,456,962</u>	<u>1,907,401,724</u>	<u>797,946,837</u>	<u>952,273,295</u>	<u>978,072,774</u>	<u>48,169,151,592</u>

(Unit: Baht)

	Separate financial statements					
	31 December 2010					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	422,169,176	-	-	778,342	17,054,911	440,002,429
Manufacturing and commerce	35,507,668,687	36,325,253	420,099,241	63,823,070	769,383,920	36,797,300,171
Real estate and construction	3,478,420,819	20,072,428	264,929,895	193,718,162	354,398,181	4,311,539,485
Public utilities and services	5,730,694,279	341,350	369,038,940	6,386,783	44,103,923	6,150,565,275
Housing loans	74,709,843	13,643,562	7,593,282	3,776,085	19,334,417	119,057,189
Others	3,314,392,197	277,334	-	-	21,708,008	3,336,377,539
Total loans and accrued interest receivables	48,528,055,001	70,659,927	1,061,661,358	268,482,442	1,225,983,360	51,154,842,088

(Unit: Baht)

	Separate financial statements					
	31 December 2009					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	543,584,290	-	2,681,774	53,852,310	2,636,275	602,754,649
Manufacturing and commerce	30,246,531,139	535,961,379	385,571,570	534,786,270	446,522,749	32,149,373,107
Real estate and construction	4,154,206,508	117,677,198	11,366,754	292,335,803	364,138,212	4,939,724,475
Public utilities and services	5,246,492,498	14,554,190	320,900,803	8,732,963	51,913,287	5,642,593,741
Housing loans	103,318,336	18,320,506	2,846,391	6,568,661	34,809,187	165,863,081
Others	2,770,664,960	719,281	-	-	22,142,218	2,793,526,459
Total loans and accrued interest receivables	43,064,797,731	687,232,554	723,367,292	896,276,007	922,161,928	46,293,835,512

8.5 Classified by loan classification

(Unit: Baht)

	Consolidated financial statements			
	31 December 2010			
	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Allowance for doubtful accounts provided in the accounts
			%	
Pass	50,418,660,854	20,843,700,067	1	208,437,001
Special-mention	1,447,271,928	246,222,134	2	4,924,443
Sub-standard	1,239,045,125	317,310,177	100	317,310,177
Doubtful	362,903,894	85,258,179	100	85,258,179
Doubtful of loss	1,348,766,774	135,569,444	100	135,569,444
Total	54,816,648,575	21,628,060,001		751,499,244
Additional provision by qualitative criteria				252,297,140
Total				1,003,796,384

(Unit: Baht)

	Consolidated financial statements			
	31 December 2009			
	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Allowance for doubtful accounts provided in the accounts
			%	
Pass	43,533,456,962	22,511,113,526	1	225,111,136
Special-mention	1,907,401,724	604,769,731	2	12,095,394
Sub-standard	797,946,837	271,026,181	100	271,026,181
Doubtful	952,273,295	352,153,303	100	352,153,303
Doubtful of loss	978,072,774	60,602,566	100	60,602,566
Total	48,169,151,592	23,799,665,307		920,988,580
Additional provision by qualitative criteria				498,478,317
Total				1,419,466,897

⁽¹⁾ Debt balance after collateral is debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

(Unit: Baht)

	Separate financial statements			
	31 December 2010			
	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Allowance for doubtful accounts provided in the accounts
			%	
Pass	48,528,055,001	36,088,992,172	1	360,889,922
Special-mention	70,659,927	-	2	-
Sub-standard	1,061,661,358	243,724,609	100	243,724,609
Doubtful	268,482,442	41,060,596	100	41,060,596
Doubtful of loss	1,225,983,360	13,603,073	100	13,603,073
Total	51,154,842,088	36,387,380,450		659,278,020
Additional provision by qualitative criteria				45,228,553
Total				704,506,753

(Unit: Baht)

	Separate financial statements			
	31 December 2009			
	Loans and accrued interest receivables	Debt balance after collateral ⁽¹⁾	Minimum percentage	Allowance for doubtful accounts provided in the accounts
			%	
Pass	43,064,797,731	29,234,783,777	1	292,347,838
Special-mention	687,232,554	363,464,114	2	7,269,282
Sub-standard	723,367,292	241,499,897	100	241,499,897
Doubtful	896,276,007	333,644,624	100	333,644,624
Doubtful of loss	922,161,928	4,691,720	100	4,691,720
Total	46,293,835,512	30,178,084,132		879,453,361
Additional provision by qualitative criteria				397,124,232
Total				1,276,577,593

⁽¹⁾ Debt balance after collateral is debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

8.6 Non-accrued loans

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2010	2009	2010	2009
Non-accrued loans (principal only)	2,634,719,113	2,720,068,809	2,240,130,480	2,533,581,130
Percentage of total loans ⁽¹⁾	4.49%	5.02%	4.07%	4.85%

⁽¹⁾ The denominator base included interbank and money market items (loans).

8.7 Hire purchase receivables/financial lease receivables

As at 31 December 2010 and 2009, the Bank and its subsidiary had net hire-purchase and financial lease receivables amounting to Baht 20,438 million and Baht 9,105 million, respectively, the majority of which is hire purchase or financial lease contracts for motor vehicles, machinery and equipment for their customers' operating businesses. The average contract periods are 1 to 7 years and the interest rates are fixed as specified in the contracts.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2010				
	Amounts due under agreements				
	Not over 1 year	1-5 years	Over 5 years	Non-performing loans	Total
Aggregate initial investments under the contracts	6,935	15,865	579	203	23,582
Unearned income ⁽¹⁾	(1,299)	(1,798)	(17)	(30)	(3,144)
Present value of minimum lease payments	5,636	14,067	562	173	20,438
Allowance for doubtful accounts					297

⁽¹⁾ Net of commissions and initial direct expenses incurred at the inception of contracts.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2009				
	Amounts due under agreements				
	Not over 1 year	1-5 years	Over 5 years	Non-performing loans	Total
Aggregate initial investments under the contracts	3,471	6,778	45	125	10,419
Unearned income ⁽¹⁾	(605)	(690)	(1)	(18)	(1,314)
Present value of minimum lease payments	2,866	6,088	44	107	9,105
Allowance for doubtful accounts					143

⁽¹⁾ Net of commissions and initial direct expenses incurred at the inception of contracts.

(Unit: Million Baht)

	Separate financial statements as at 31 December 2010				
	Amounts due under agreements				
	Not over 1 year	1-5 years	Over 5 years	Non-performing loans	Total
Aggregate initial investments under the contracts	-	-	-	-	-
Present value of minimum lease payment	-	-	-	-	-
Allowance for doubtful accounts					-

(Unit: Million Baht)

	Separate financial statements as at 31 December 2009				
	Amounts due under agreements				
	Not over 1 year	1-5 years	Over 5 years	Non-performing loans	Total
Aggregate initial investments under the contracts	-	-	-	2	2
Present value of minimum lease payment	-	-	-	2	2
Allowance for doubtful accounts					2

8.8 Unearned income

As at 31 December 2010 and 2009, unearned income is summarized as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Unearned income ⁽¹⁾	3,143,747,757	1,313,817,951	-	-

⁽¹⁾ Unearned income from hire purchase contracts is stated net of commissions and initial direct expenses incurred at the inception of contracts.

8.9 Troubled debt restructuring

The Bank entered into troubled debt restructuring contracts with its debtors during the years ended 31 December 2010 and 2009 as follows:

(Unit: Million Baht)

	Separate financial statements			
	For the years ended 31 December			
	2010		2009	
	Number of debtors	Outstanding balances before restructuring	Number of debtors	Outstanding balances before restructuring
Restructured debts	26	398	54	1,300

The restructured debts discussed above can be classified by methods of debt restructuring as follows:

(Unit: Million Baht)

	Separate financial statements							
	For the year ended 31 December 2010							
	Number of debtors	Debt balances		Average period of the remaining term of debt restructuring	Type of assets transferred	Fair value	Loss on debt restructuring ⁽¹⁾	Present value loss from debt restructuring
Before restructuring		After restructuring						
Modification of terms of payments	26	398	398	2 years	-	-	-	-
Total restructured debts	26	398	398			-	-	-
Loans and accrued interest receivables as at 31 December 2010	890	51,155						

⁽¹⁾ Losses on debt restructuring are the amounts before deducting allowance for doubtful accounts already provided for troubled debts in the accounts on the restructuring dates.

(Unit: Million Baht)

	Separate financial statements							
	For the year ended 31 December 2009							
	Number of debtors	Debt balances		Average period of the remaining term of debt restructuring	Type of assets transferred	Fair value	Loss on debt restructuring ⁽¹⁾	Present value loss from debt restructuring
Before restructuring		After restructuring						
Modification of terms of payments	50	759	703	5 years	-	-	56	-
Transfer of assets and modification of terms of payments	4	541	541 ⁽²⁾	-	Land, buildings and machinery	239 ⁽³⁾	-	-
Total restructured debts	54	1,300	1,244			239	56	-
Loans and accrued interest receivables as at 31 December 2009	1,047		46,294					

⁽¹⁾ Losses on debt restructuring are the amounts before deducting allowance for doubtful accounts already provided for troubled debts in the accounts on the restructuring dates.

⁽²⁾ As at the balance sheets date, the debtors already signed the debt restructuring agreements but the transfers of assets have yet been completed. Hence, outstanding balances still remained as at the balance sheet date.

⁽³⁾ For debt restructuring by transfer of assets in settlement of debts, the transfer price of mortgaged and pledged assets can be determined after the debtors have fulfilled the conditions stipulated in the debt restructuring agreements. Thus, fair value is stated at the latest appraisal value and the Bank already provided for relevant allowance for doubtful accounts.

For debt restructuring by modification of terms of payments, the Bank will calculate the net realisable value on the basis of the present value of the future cash flows to be received under the new conditions, using the Bank's minimum interest rate for loan to large customers in discounting.

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

(Unit: Million Baht)

	Separate financial statements	
	For the year ended 31 December 2010	For the year ended 31 December 2009
Part of debt forgiven to debtors during the years in case that they fulfilled debt restructuring conditions during the years	32	60
Interest income recognised in statements of income	100	146
Settlement by debtors		
Principal	273	560
Interest	89	153

As at 31 December 2010 and 2009, troubled debtors, which the Bank has completed restructuring, can be summarized as follows:

(Unit: Million Baht)

	Separate financial statements	
	Number of debtors	Debt balances after restructuring
Balance of restructured debts up to 31 December 2010	153	1,683
Balance of restructured debts up to 31 December 2009	179	2,006

During the years ended 31 December 2010 and 2009, the Bank reversed allowance for revaluation on debt restructuring amounting to Baht 0.1 million and Baht 12 million, respectively, and amortised allowance for revaluation on debt restructuring as interest income totaling Baht 0.5 million and Baht 1 million, respectively.

As at 31 December 2010 and 2009, the Bank has no commitment to additionally lend to its debtors after debt restructuring.

The Bank was not able to estimate the amount of future losses on outstanding loans currently being restructured at this stage.

8.10 Loans to companies having problems with financial position and operating results

As at 31 December 2010 and 2009, the Bank had loans and accrued interest receivables due from companies having problems with their financial position and operating results, and set aside allowances for doubtful accounts as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements							
	Number of loans		Debt balances		Collateral		Allowance for doubtful accounts and allowance for revaluation	
	31 December		31 December		31 December		31 December	
	2010	2009	2010	2009	2010	2009	2010	2009
Listed companies under rehabilitation and/or delisting conditions	2	1	21	12	21	12	-	-

9. Allowance for doubtful accounts and allowance for revaluation on debt restructuring

9.1 Allowance for doubtful accounts

(Unit: Baht)

	Consolidated financial statements						
	For the year ended 31 December 2010						
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Provision in accordance with qualitative criteria	Total
Balance - beginning of the year	225,111,136	12,095,394	271,026,181	352,153,303	60,602,566	498,478,317	1,419,466,897
Allowance for doubtful accounts	(16,674,135)	(7,170,951)	46,428,663	(257,407,192)	1,043,318,115	(246,181,177)	562,313,323
Bad debt written-off	-	-	(144,667)	(9,487,932)	(968,351,237)	-	(977,983,836)
Balance - end of the year	208,437,001	4,924,443	317,310,177	85,258,179	135,569,444	252,297,140	1,003,796,384

(Unit: Baht)

	Consolidated financial statements						
	For the year ended 31 December 2009						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Provision in accordance with qualitative criteria	Total
Balance - beginning of the year	249,437,210	18,785,287	176,096,125	394,965,748	37,855,722	165,667,143	1,042,807,235
Allowance for doubtful accounts	(24,326,074)	(6,689,893)	102,103,929	(32,253,543)	758,624,834	332,811,174	1,130,270,427
Bad debt written-off	-	-	(7,173,873)	(10,558,902)	(722,769,426)	-	(740,502,201)
Decrease from disposal of investment in a subsidiary	-	-	-	-	(13,108,564)	-	(13,108,564)
Balance- end of the year	225,111,136	12,095,394	271,026,181	352,153,303	60,602,566	498,478,317	1,419,466,897

(Unit: Baht)

	Separate financial statements						
	For the year ended 31 December 2010						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Provision in accordance with qualitative criteria	Total
Balance - beginning of the year	292,347,838	7,269,282	241,499,897	333,644,624	4,691,720	397,124,232	1,276,577,593
Allowance for doubtful accounts	68,542,084	(7,269,282)	2,224,712	(292,584,028)	975,353,835	(351,895,679)	394,371,642
Bad debt written-off	-	-	-	-	(966,442,482)	-	(966,442,482)
Balance - end of the year	360,889,922	-	243,724,609	41,060,596	13,603,073	45,228,553	704,506,753

(Unit: Baht)

	Separate financial statements						
	For the year ended 31 December 2009						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Provision in accordance with qualitative criteria	Total
Balance - beginning of the year	243,885,825	13,402,140	151,740,211	382,087,853	4,886,072	155,089,750	951,091,851
Allowance for doubtful accounts	48,462,013	(6,132,858)	89,759,686	(48,443,229)	722,575,074	242,034,482	1,048,255,168
Bad debt written-off	-	-	-	-	(722,769,426)	-	(722,769,426)
Balance - end of the year	292,347,838	7,269,282	241,499,897	333,644,624	4,691,720	397,124,232	1,276,577,593

9.2 Allowance for revaluation on debt restructuring

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2010	2009
Balance - beginning of the years	12,358,109	25,540,758
Decrease during the years	(124,112)	(11,937,131)
Amortised during the years	(509,186)	(1,245,518)
Balance - end of the years	11,724,811	12,358,109

10. Properties foreclosed

The majority of properties foreclosed are from auction bidding and settlement of debts by the restructured debtors.

In cases where the debtors restructure their debts by means of a debt/asset swap, the Bank may grant buyback options or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements.

For the years ended 31 December 2010 and 2009, movement of properties foreclosed can be summarized as follows:

(Unit: Baht)

Type of properties foreclosed	Consolidated financial statements				
	For the year ended 31 December 2010				
	Balance as at 31 December 2009	Additions	Disposals	Balance as at 31 December 2010	Portion subject to disposal restrictions, buyback options or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraiser	430,332,936	-	(56,138,000)	374,194,936	39,476,614
External appraiser	938,805,463	-	-	938,805,463	69,404,000
Movable assets	2,057,812	163,539,993	(155,454,212)	10,143,593	-
Assets from auction bidding					
Immovable assets					
Internal appraiser	269,450,477	12,850,000	(68,587,160)	213,713,317	-
Total	1,640,646,688	176,389,993	(280,179,372)	1,536,857,309	108,880,614
Less: Allowance for impairment	(354,101,522)	1,215,822	30,881,702	(322,003,998)	(42,711,104)
Properties foreclosed - net	1,286,545,166	177,605,815	(249,297,670)	1,214,853,311	66,169,510

(Unit: Baht)

Type of properties foreclosed	Consolidated financial statements				
	For the year ended 31 December 2009				
	Balance as at 31 December 2009	Additions	Disposals	Balance as at 31 December 2010	Portion subject to disposal restrictions, buyback options or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraiser	442,915,020	91,707,309	(104,289,393)	430,332,936	39,476,614
External appraiser	522,342,713	416,462,750	-	938,805,463	69,404,000
Movable assets	3,874,843	114,770,167	(116,587,198)	2,057,812	-
Assets from auction bidding					
Immovable assets					
Internal appraiser	248,067,659	93,995,000	(72,612,182)	269,450,477	-
Total	1,217,200,235	716,935,226	(293,488,773)	1,640,646,688	108,880,614
Less: Allowance for impairment	(292,558,758)	(111,697,312)	50,154,548	(354,101,522)	(42,631,579)
Properties foreclosed - net	924,641,477	605,237,914	(243,334,225)	1,286,545,166	66,249,035

(Unit: Baht)

Type of properties foreclosed	Separate financial statements				
	For the year ended 31 December 2010				
	Balance as at 31 December 2009	Additions	Disposals	Balance as at 31 December 2010	Portion subject to disposal restrictions, buyback options or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraiser	430,332,936	-	(56,138,000)	374,194,936	39,476,614
External appraiser	938,805,463	-	-	938,805,463	69,404,000
Assets from auction bidding					
Immovable assets					
Internal appraiser	269,450,477	12,850,000	(68,587,160)	213,713,317	-
Total	1,638,588,876	12,850,000	(124,725,160)	1,526,713,716	108,880,614
Less: Allowance for impairment	(353,727,228)	27,574,461	6,275,129	(319,877,638)	(42,711,104)
Properties foreclosed - net	1,284,861,648	40,424,461	(118,450,031)	1,206,836,078	66,169,510

(Unit: Baht)

Type of properties foreclosed	Separate financial statements				
	For the year ended 31 December 2009				
	Balance as at 31 December 2009	Additions	Disposals	Balance as at 31 December 2010	Portion subject to disposal restrictions, buyback options or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraiser	442,915,020	91,707,309	(104,289,393)	430,332,936	39,476,614
External appraiser	522,342,713	416,462,750	-	938,805,463	69,404,000
Assets from auction bidding					
Immovable assets					
Internal appraiser	248,067,659	93,995,000	(72,612,182)	269,450,477	-
Total	1,213,325,392	602,165,059	(176,901,575)	1,638,588,876	108,880,614
Less: Allowance for impairment	(291,577,394)	(91,654,621)	29,504,787	(353,727,228)	(42,631,579)
Properties foreclosed - net	921,747,998	510,510,438	(147,396,788)	1,284,861,648	66,249,035

11. Premises and equipment

(Unit: Baht)

	Consolidated financial statements				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
31 December 2009	8,500,000	6,892,070	357,859,449	115,717,449	488,968,968
Additions	-	-	26,813,732	20,156,405	46,970,137
Transfer in	-	-	11,371,022	-	11,371,022
Transfer out	-	-	(12,745,972)	-	(12,745,972)
Disposals/written-off	-	-	(17,507,635)	(1,400,000)	(18,907,635)
31 December 2010	8,500,000	6,892,070	365,790,596	134,473,854	515,656,520
Accumulated depreciation					
31 December 2009	-	(78,275)	(217,011,697)	(65,130,250)	(282,220,222)
Depreciation charged for the year	-	(202,627)	(34,019,509)	(20,204,621)	(54,426,757)
Accumulated depreciation on disposals/written-off	-	-	16,486,607	778,142	17,264,749
31 December 2010	-	(280,902)	(234,544,599)	(84,556,729)	(319,382,230)
Net book value					
31 December 2009	8,500,000	6,813,795	140,847,752	50,587,199	206,748,746
31 December 2010	8,500,000	6,611,168	131,245,997	49,917,125	196,274,290
Depreciation included in statements of income for the years ended					
31 December 2009					65,224,115
31 December 2010					54,426,757

(Unit: Baht)

	Separate financial statements				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
31 December 2009	8,500,000	6,892,070	334,201,959	103,445,939	453,039,968
Additions	-	-	10,539,138	15,060,273	25,599,411
Transfer in	-	-	5,769,808	-	5,769,808
Transfer out	-	-	(7,144,758)	-	(7,144,758)
Disposals/written-off	-	-	(16,549,120)	-	(16,549,120)
31 December 2010	8,500,000	6,892,070	326,817,027	118,506,212	460,715,309
Accumulated depreciation					
31 December 2009	-	(78,275)	(201,444,221)	(56,824,279)	(258,346,775)
Depreciation charged for the year	-	(202,627)	(27,866,295)	(18,684,059)	(46,752,981)
Accumulated depreciation on disposals/written-off	-	-	15,849,460	-	15,849,460
31 December 2010	-	(280,902)	(213,461,056)	(75,508,338)	(289,250,296)
Net book value					
31 December 2009	8,500,000	6,813,795	132,757,738	46,621,660	194,693,193
31 December 2010	8,500,000	6,611,168	113,355,971	42,997,874	171,465,013
Depreciation included in statements of income for the years ended					
31 December 2009					45,851,912
31 December 2010					46,752,981

As at 31 December 2010 and 2009, the Bank and its subsidiary have motor vehicles acquired under financial leases with net book values amounting to Baht 11.7 million and Baht 0.7 million, respectively (the Bank only: as at 31 December 2010 the Bank has motor vehicles acquired under financial leases with net book value amounting to 8.4 Baht million).

As at 31 December 2010 and 2009, the Bank and its subsidiaries have certain assets which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 230 million and 111 million, respectively (the Bank only: Baht 228 million and Baht 109 million, respectively).

12. Intangible assets

(Unit: Baht)

	Consolidated financial statements				
	Net book value as at 31 December 2009	Increase	Transferred in/ (transferred out)	Amortisation	Net book value as at 31 December 2010
Computer software	162,692,755	2,118,639	10,964,788	(47,160,364)	128,615,818
Computer software under development	5,363,756	6,601,719	(589,838)	(9,000,000)	2,375,637
Total	168,056,511	8,720,358	10,374,950	(56,160,364)	130,991,455

(Unit: Baht)

	Separate financial statements				
	Net book value as at 31 December 2009	Increase	Transferred in/ (transferred out)	Amortisation	Net book value as at 31 December 2010
Computer software	159,430,720	187,439	1,964,788	(44,578,245)	117,004,702
Computer software under development	196,613	2,409,319	(589,838)	-	2,016,094
Total	159,627,333	2,596,758	1,374,950	(44,578,245)	119,020,796

13. Other assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Accounts receivable from sale of investments	19,160,600	13,951,266	19,160,600	13,951,266
Prepaid expenses	12,378,127	13,288,959	11,121,994	12,074,671
Deposits	11,503,897	9,196,015	8,440,081	7,031,474
Others	1,630,320	2,401,744	1,630,320	2,401,744
Other assets	44,672,944	38,837,984	40,352,995	35,459,155

14. Classification of assets in accordance with the Notification of the Bank of Thailand

As at 31 December 2010 and 2009, the quality of assets of the Bank and its subsidiary, operating leasing and hire purchase businesses, classified in accordance with the Notification of the Bank of Thailand are as follows:

(Unit: Million Baht)

	Consolidated financial statements									
	Loans and accrued interest receivables ⁽¹⁾		Investments		Properties foreclosed		Other assets		Total	
	31 December		31 December		31 December		31 December		31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Pass	54,417	49,654	-	-	-	-	-	-	54,417	49,654
Special-mention	1,447	1,908	-	-	-	-	-	-	1,447	1,908
Sub-standard	1,239	798	-	-	-	-	-	-	1,239	798
Doubtful	363	952	-	-	-	-	-	-	363	952
Doubtful of loss	1,349	978	635	687	322	354	38	26	2,344	2,045
Total	58,815	54,290	635	687	322	354	38	26	59,810	55,357

(Unit: Million Baht)

	Separate financial statements									
	Loans and accrued interest receivables ⁽¹⁾		Investments		Properties foreclosed		Other assets		Total	
	31 December		31 December		31 December		31 December		31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Pass	52,527	49,185	-	-	-	-	-	-	52,527	49,185
Special-mention	71	687	-	-	-	-	-	-	71	687
Sub-standard	1,062	724	-	-	-	-	-	-	1,062	724
Doubtful	268	896	-	-	-	-	-	-	268	896
Doubtful of loss	1,226	922	635	687	320	354	2	3	2,183	1,966
Total	55,154	52,414	635	687	320	354	2	3	56,111	53,458

⁽¹⁾ The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the balance sheets.

15. Deposits

15.1 Classified by types of deposits

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
At call	7,129,417,091	4,295,834,159	7,129,483,616	4,301,022,815
Savings deposits	2,505,295,687	4,983,060,236	2,507,934,325	4,983,433,162
Time deposits				
- Less than 6 months	6,011,162,562	9,181,734,944	6,011,162,562	9,181,734,944
- 6 months and up to 1 year	3,506,432,230	6,712,044,911	3,506,432,230	6,712,044,911
- Over 1 year	7,865,134,067	5,232,966,781	7,865,134,067	5,232,966,781
Total deposits	<u>27,017,441,637</u>	<u>30,405,641,031</u>	<u>27,020,146,800</u>	<u>30,411,202,613</u>

15.2 Classified by remaining periods of deposit contracts

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Not over 1 year (included matured contracts)	21,366,936,946	28,327,752,518	21,369,642,109	28,333,314,100
Over 1 year	5,650,504,691	2,077,888,513	5,650,504,691	2,077,888,513
Total deposits	<u>27,017,441,637</u>	<u>30,405,641,031</u>	<u>27,020,146,800</u>	<u>30,411,202,613</u>

15.3 Classified by currencies and residency of depositors

(Unit: Baht)

	Consolidated financial statements					
	31 December 2010			31 December 2009		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	26,894,732,212	66,479,289	26,961,211,501	30,362,900,409	29,077,641	30,391,978,050
US dollar	52,902,250	-	52,902,250	11,578,407	-	11,578,407
Other currency	3,327,886	-	3,327,886	2,084,574	-	2,084,574
Total deposits	<u>26,950,962,348</u>	<u>66,479,289</u>	<u>27,017,441,637</u>	<u>30,376,563,390</u>	<u>29,077,641</u>	<u>30,405,641,031</u>

(Unit: Baht)

	Separate financial statements					
	31 December 2010			31 December 2009		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	26,897,437,375	66,479,289	26,963,916,664	30,368,461,991	29,077,641	30,397,539,632
US dollar	52,902,250	-	52,902,250	11,578,407	-	11,578,407
Other currency	3,327,886	-	3,327,886	2,084,574	-	2,084,574
Total deposits	26,953,667,511	66,479,289	27,020,146,800	30,382,124,972	29,077,641	30,411,202,613

16. Interbank and money market items (liabilities)

(Unit: Baht)

	Consolidated financial statements					
	31 December 2010			31 December 2009		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand	-	4,600,000	4,600,000	-	10,600,000	10,600,000
Commercial banks	14,596	500,000,000	500,014,596	1,281,388	455,185,918	456,467,306
Other banks	-	-	-	-	62,400,000	62,400,000
Finance, finance and securities, securities and credit foncier companies	415,032,406	-	415,032,406	606,532,192	-	606,532,192
Other financial institutions	47,863,710	270,159,380	318,023,090	126,924,888	623,765,015	750,689,903
Foreign						
Baht currency	504,668,956	-	504,668,956	-	-	-
USD currency	-	301,513,000	301,513,000	-	-	-
Total interbank and money market items	967,579,668	1,076,272,380	2,043,852,048	734,738,468	1,151,950,933	1,886,689,401

(Unit: Baht)

	Separate financial statements					
	31 December 2010			31 December 2009		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand	-	4,600,000	4,600,000	-	10,600,000	10,600,000
Commercial banks	14,596	-	14,596	-	-	-
Finance, finance and securities, securities and credit foncier companies	415,032,406	-	415,032,406	606,532,192	-	606,532,192
Other financial institutions	47,863,710	270,159,380	318,023,090	126,924,888	623,765,015	750,689,903
Foreign						
Baht currency	504,668,956	-	504,668,956	-	-	-
USD currency	-	301,513,000	301,513,000	-	-	-
Total interbank and money market items	967,579,668	576,272,380	1,543,852,048	733,457,080	634,365,015	1,367,822,095

17. Borrowings

17.1 Short-term borrowings

As at 31 December 2010, the Bank had short-term borrowings in the form of bills of exchange amounting to Baht 27,333 million and carrying interest at the rates of 0.50 to 2.75 percent per annum, which will be due during January to December 2011 (31 December 2009: Baht 18,641 million carrying interest at the rates of 0.50 to 4.75 percent per annum, which were due during January to December 2010).

17.2 Long-term borrowings

As at 31 December 2010, the Bank had long-term borrowings in the form of bills of exchange amounting to Baht 198 million and carrying interest at the rates of 2.00 to 2.75 percent per annum, which will be due from January 2012 onwards. (31 December 2009: Baht 133 million carrying interest at the rates of 1.75 to 2.75 percent per annum, which will be due from January 2011 onwards).

18. Other liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Other payables	666,147,734	424,855,174	275,729,912	118,652,745
Accrued expenses	121,038,323	113,806,971	74,258,137	89,989,772
Withholding tax payable	12,425,947	10,374,780	10,903,491	9,842,478
Special business tax payable	8,206,105	8,966,946	8,206,105	8,966,947
Corporate income tax payable	127,699,246	21,599,258	84,521,062	-
Payables under finance lease contracts	12,334,235	886,943	8,066,836	-
Others	20,955,806	12,563,193	3,408,657	5,894,595
Total other liabilities	968,807,396	593,053,265	465,094,200	233,346,537

19. Share capital

Preference shares of the Bank are divided into Class A and Class B shares, both of which are non-cumulative dividend-paying shares. Holders of Class B preference shares are entitled to preferential receipt of dividends and return of capital over holders of Class A preference shares and ordinary shares. If the Bank reduces its capital as a result of operating losses on assets held prior to the injection of capital funds by the Ministry of Finance, the Bank is to reduce the capital of the ordinary shares and the Class A preference shares first, to the extent that this does not exceed the accumulated loss as at the date that the Ministry of Finance injected funds plus any subsequent losses on the assets held prior to that date. If the Bank reduces capital as a result of operating losses on assets acquired after the Ministry of Finance injected funds, the Bank is to reduce the capital of the ordinary shares first and the Class A preference shares and Class B preference shares proportionately. All preferences have a period of 10 years, which expired in November 2009. Hence, rights of preference shareholders are now the same as those of the ordinary shareholders.

Holders of both classes of preference shares are entitled to convert the shares they hold to ordinary shares, with the conversion ratio being 1:1. All Class A preference shares were already converted into ordinary shares and the preference shareholders are still entitled to convert the remaining Class B preference shares to ordinary shares.

During the year ended 31 December 2010, 2,323,139 Class B preference shares were converted into ordinary shares. After conversion, as at 31 December 2010, there were 1,589,988,613 ordinary shares in issue, and 464,332 Class B preference shares outstanding and during the year ended 31 December 2009, 500,486,942 Class B preference shares were converted into ordinary shares. After conversion, as at 31 December 2009, there were 1,587,665,474 ordinary shares in issue, and 2,787,471 Class B preference shares outstanding.

The registered capital of the Bank as presented in the balance sheets as at 31 December 2010 and 2009 is the registered capital per the Bank's Memorandum of Association.

Reconciliation of number of ordinary shares and preference shares

(Unit: Shares)

	For the years ended 31 December	
	2010	2009
<u>Registered share capital</u>		
<u>Ordinary shares</u>		
Number of ordinary shares at the beginning of the years	1,087,923,532	1,087,178,532
Registered conversion of preference shares into ordinary shares	499,795,772	745,000
Number of ordinary shares at the end of the years	1,587,719,304	1,087,923,532
<u>Preference shares</u>		
Number of preference shares at the beginning of the years	502,529,413	503,274,413
Registered conversion of preference shares into ordinary shares	(499,795,772)	(745,000)
Number of preference shares at the end of the years	2,733,641	502,529,413
<u>Issued and paid-up share capital</u>		
<u>Ordinary shares</u>		
Number of ordinary shares at the beginning of the years	1,587,665,474	1,087,178,532
Conversion of preference shares into ordinary shares	2,323,139	500,486,942
Number of ordinary shares at the end of the years	1,589,988,613	1,587,665,474
<u>Preference shares</u>		
Number of preference shares at the beginning of the years	2,787,471	503,274,413
Conversion of preference shares into ordinary shares	(2,323,139)	(500,486,942)
Number of preference shares at the end of the years	464,332	2,787,471

20. Revaluation surplus on investments

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2010	2009
Balances - beginning of the years	73,666,028	(15,848,824)
Increase from changes in value of securities	142,196,118	313,767,111
Decrease from changes in value of securities	(43,117,667)	(16,514,144)
Recognised losses on impairment of investments in statements of income	-	5,175,000
Transfer to gains on sale of investments	(8,167,298)	(212,913,115)
Balances - end of the years	164,577,181	73,666,028

21. 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. As at 31 December 2010 and 2009, the capital funds are as follows:

(Unit: Baht)

	Separate financial statements	
	31 December 2010	31 December 2009
<u>Tier 1 capital</u>		
Registered and fully paid share capital	15,904,529,450	15,904,529,450
Investments in instruments already counted as other financial institutions' capital funds	(289,282,879)	(384,631,994)
Deficit	(2,687,632,793)	(3,143,633,229)
Total	12,927,613,778	12,376,264,227
<u>Tier 2 capital</u>		
Reserve for assets classified as "Pass"	378,868,827	293,747,838
Revaluation surplus on investments in available-for-sale securities	9,334,457	2,343,688
Investments in instruments already counted as other financial institutions' capital funds	(289,282,879)	(296,091,526)
Total	98,920,405	-
Total capital funds	13,026,534,183	12,376,264,227

As at 31 December 2010 and 2009, the calculation of capital ratios which are determined in accordance with the criteria regulating capital funds of commercial banks as announced in the Notification of the Bank of Thailand, are as follows:

(Unit: Percentage)

Capital ratios	Separate financial statements			
	31 December 2010		31 December 2009	
	The Bank	Requirement	The Bank	Requirement
Tier I capital to risk assets	20.40	4.25	22.64	4.25
Total capital to risk assets	20.55	8.50	22.64	8.50

In compliance with Basel II's Pillar III about concerning the disclosure of capital adequacy information, in accordance with a relevant BOT Notification, on 24 September 2010 the Bank disclosed capital adequacy and capital risk exposure information as of 30 June 2010 through the Bank's website at www.icbcthai.com and will disclose capital adequacy and capital risk exposure information as of 31 December 2010 through the Bank's website within April 2011.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act, B.E. 2535, the Bank is required to set aside a statutory reserve of at least 5 percent of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of registered share capital. The statutory reserve is not available for dividend distribution.

23. Directors' remuneration

Directors' remuneration represents the benefits (exclusive of salaries and related benefits payable to executive directors) paid to the Bank and subsidiary's directors in accordance with Section 90 of the Public Limited Companies Act.

24. Income tax

Income tax has been calculated based on earnings before income tax after adding back certain expenses and provision non-deductible for tax computation purposes and deducting tax-exempted revenue.

25. Earnings per share

Basic earnings per share is calculated by dividing net income attributable to equity holders of the Bank, after deducting dividends for the preference shareholders (if any), by the weighted average number of ordinary shares and the preference shares, which have the same right as ordinary shares, in issue during the periods.

Diluted earnings per share is calculated by dividing net income attributable to equity holders of the Bank, after adjusting for the effect of transactions related to dilutive potential ordinary shares by the sum of the weighted average number of ordinary shares in issue during the periods and the weighted average number of ordinary shares, which would need to be issued for conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the periods or on the dates the potential ordinary shares were issued. Since the rights of the preference shareholders to convert into ordinary shares expired in November 2009 resulting in the preference shareholders having the same rights as the ordinary shareholders, there was no effect of dilutive potential ordinary shares for the year ended 31 December 2010.

The following tables set forth the computation of basic and diluted earnings per share:

	For the year ended 31 December 2010					
	Consolidated financial statements			Separate financial statements		
	Net income	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	Net income	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share
	Thousand Baht	Thousand shares	Baht	Thousand Baht	Thousand shares	Baht
Basic earnings per share						
Net income attributable to equity holders of the Bank	553,504	1,590,453	0.35	433,527	1,590,453	0.27

	For the year ended 31 December 2009					
	Consolidated financial statements			Separate financial statements		
	Net income	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share	Net income	Weighted average number of ordinary shares and potential ordinary shares	Earnings per share
	Thousand Baht	Thousand shares	Baht	Thousand Baht	Thousand shares	Baht
Basic earnings per share						
Net income attributable to equity holders of the Bank	529,074	1,142,817	0.46	415,548	1,142,817	0.36

26. Provident fund

The Bank, its subsidiary and their employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3% of their basic salaries, and by the Bank and its subsidiary at the same rate, and will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Asset Management Company Limited.

During the years ended 31 December 2010 and 2009, Baht 12,782,972 and Baht 11,570,585, respectively, (the Bank only: Baht 9,726,779 and Baht 9,102,696, respectively,) were contributed to the provident fund by the Bank and its subsidiary.

27. Related party transactions

As at 31 December 2010 and 2009, the Bank had significant business transactions with its subsidiary and related companies, including transactions with directors or management employees from executive vice president level upward or equivalent position,

persons related to the referred persons, entities in which the referred persons or the related persons have management authority, or entities in which the Bank or directors or such management employees from executive vice president level upward or equivalent position or persons related to the referred persons hold in the aggregate more than 10 percent of the issued share capital.

Relationship with related parties are summarised below.

1. The parent company of the Bank, holding 97.24 % of its paid-up share capital since 21 April 2010, is Industrial and Commercial Bank of China Limited.
2. The shareholder of the Bank with a stake more than 10 percent, was Bangkok Bank Public Company Limited, which has not been considered a related party of the Bank since 21 April 2010, when the current parent company of the Bank purchased the shares it held in the Bank.
3. Companies having transaction with the Bank in which Bangkok Bank Public Company Limited holds 20 or more percent of shares and over which it has management control consist of the following. These have not been related parties of the Bank since 21 April 2010, when the current parent company of the Bank purchased the shares it held in the Bank.
 - BBL Asset Management Company Limited
 - Bualuang Securities Company Limited
4. The subsidiary of the Bank is
 - Leasing Sinn Asia Company Limited
5. The accounting standard defines associated companies as those entities over which the investor has significant influence, but which is not a subsidiary. If the investor's direct and indirect voting rights total at least 20 percent of the issued share capital of such company, it is presumed that the investor has significant influence over the company. The associated company of the Bank is
 - Finansia Syrus Securities Public Company Limited (an associated company of the Bank since 15 September 2009)
6. The subsidiary of the Bank's associated company, which has transaction with the Bank, is
 - ACL Securities Company Limited
7. The companies that are related through the Bank's directors and management and have transactions with the Bank, consist of
 - Bangkok BTMU Company Limited
 - M-Home SPV 3 Company Limited
 - Siam Piwat Company Limited
 - Siam Piwat Holding Company Limited

Transactions occurring for the years ended 31 December 2010 and 2009 can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2010	2009	2010	2009
Interest income	8,043	5,556	502,523	308,125
Fees income	427	-	427	-
Dividend income	22,000	3,000	23,580	3,000
Brokerage fees from derivatives business	-	21	-	-
Rental income	-	-	105	180
Other income	-	-	36	67
Interest expense	3,566	18,203	3,591	18,200
Fee and service expenses	1,858	436	1,679	2,324

The Bank has established guidelines whereby interest rates, fees, service and rental charges are to be set for related companies as if the transactions were being executed with unrelated parties, with the key consideration being maximisation of benefit to the Bank.

The outstanding balances of transactions between the Bank and its subsidiary, or between the Bank or its subsidiary and their related parties can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Interbank and money market items (assets)				
Bangkok Bank Public Company Limited	- ⁽¹⁾	124,377	- ⁽¹⁾	45,504
Finansia Syrus Securities Public Company Limited	40,015	140,050	40,015	140,050
Industrial and Commercial Bank of China Limited	119,726	-	119,726	-
Industrial and Commercial Bank of China (Asia) Limited	4,947	-	4,947	-
Investments				
Leasing Sinn Asia Company Limited	-	-	2,500,000	1,000,000
Finansia Syrus Securities Public Company Limited	290,296	259,472	255,170	255,170
Bangkok BTMU Company Limited	20,390	20,390	20,390	20,390
Loans				
Leasing Sinn Asia Company Limited	-	-	17,036,200	7,504,000
Accrued interest receivables				
Leasing Sinn Asia Company Limited	-	-	3,968	1,988
Other assets				
Bangkok Bank Public Company Limited	- ⁽¹⁾	166	- ⁽¹⁾	-
Industrial and Commercial Bank of China Limited	10,493	-	10,493	-
ACL Securities Company Limited	-	13,951	-	13,951
Leasing Sinn Asia Company Limited	-	-	3	25
Finansia Syrus Securities Public Company Limited	19,727	-	19,727	-
Interbank and money market items (liabilities)				
Industrial and Commercial Bank of China Limited	504,669	-	504,669	-
ACL Securities Company Limited	58,200	241,450	58,200	241,450
Bualuang Securities Company Limited	- ⁽¹⁾	280,000	- ⁽¹⁾	280,000
Finansia Syrus Securities Public Company Limited	1,832	82	1,832	82

⁽¹⁾ There are still outstanding balances with the Bank as at the balance sheet data but they were not the Bank's related parties as of such date.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Deposits and borrowings				
Leasing Sinn Asia Company Limited	-	-	2,705	5,562
M-Home SPV 3 Company Limited	6,640	3,574	6,640	3,574
Siam Piwat Company Limited	15,000	95,000	15,000	95,000
Siam Piwat Holding Company Limited	10,000	50,000	10,000	50,000
Related persons	78,771	57,322	78,771	57,322
Accrued interest payables				
ACL Securities Company Limited	-	55	-	55
Bualuang Securities Company Limited	- ⁽¹⁾	316	- ⁽¹⁾	316
M-Home SPV 3 Company Limited	1	3	1	3
Siam Piwat Company Limited	39	80	39	80
Siam Piwat Holding Company Limited	26	119	26	119
Related persons	183	98	183	98
Off-balance sheet items				
Bangkok Bank Public Company Limited				
Forward contract - bought	- ⁽¹⁾	1,124,239	- ⁽¹⁾	1,124,239
Forward contract - sold	- ⁽¹⁾	728,905	- ⁽¹⁾	728,905
Industrial and Commercial Bank of China Limited				
Letter of guarantee	304,605	-	304,605	-
Industrial and Commercial Bank of China (Asia) Limited				
Forward contract - bought	32,052	-	32,052	-
Letter of guarantee	767	-	767	-

⁽¹⁾ There are still outstanding balances with the Bank as at the balance sheet date but they were not the Bank's related parties as of such date.

For restructured debts, interest rates will be according to conditions as stipulated in debt restructuring agreements.

The Bank's policy in setting up allowance for doubtful accounts on loans to related parties is similar to other debtors. As at 31 December 2010 and 2009, the Bank set up allowance for doubtful accounts and allowance for revaluation on loans to related parties totaling Baht 171 million and Baht 76 million, respectively.

The deposits and borrowings mentioned above are promissory notes, deposit receipts or bills of exchange, carrying interest rates of 0.75 to 3.00 percent per annum.

As at 31 December 2009, Bangkok Bank Public Company Limited obliged to guarantee the Bank totaling Baht 0.37 million. As at 31 December 2010, it was not the Bank's related parties as of such date.

Movements of loans (included interbank and money market items - assets) to related parties for the year ended 31 December 2010 are as follows:

(Unit: Thousand Baht)

	31 December 2009	Addition during the period	Repayment during the period	31 December 2010	Period of contracts
Leasing Sinn Asia Company Limited	7,504,000	11,134,700	(1,602,500)	17,036,200	Revolving loans
Finansia Syrus Securities Public Company Limited	140,000	-	(100,000)	40,000	16 Sep 09 - 16 Mar 11
Industrial and Commercial Bank of China Limited	-	288,246	(230,356)	57,890	19 Jul 10 - 14 Jan 11
Industrial and Commercial Bank of China Limited	-	180,991	(180,991)	-	At call

Movements of deposits and borrowings from related companies for the year ended 31 December 2010 are as follows:

(Unit: Thousand Baht)

	31 December 2009	Deposits/ borrowings during the period	Repayment during the period	31 December 2010	Period of contracts
Industrial and Commercial Bank of China Limited	-	504,669	-	504,669	At call
ACL Securities Company Limited	241,450	235,650	(418,900)	58,200	At call
ACL Securities Company Limited	-	3,087,700	(3,087,700)	-	Matured
Finansia Syrus Securities Public Company Limited	82	7,155	(5,405)	1,832	At call
Leasing Sinn Asia Company Limited	5,562	2,372,963	(2,375,820)	2,705	At call
M-Home SPV 3 Company Limited	3,574	11,596	(8,530)	6,640	At call
Siam Piwat Company Limited	95,000	285,000	(365,000)	15,000	12 Nov 10 - 14 Feb 11
Siam Piwat Holding Company Limited	50,000	46,000	(86,000)	10,000	12 Nov 10 - 14 Feb 11
Related persons	30,882	75,441	(87,555)	18,768	At call
Related persons	26,440	270,572	(237,009)	60,003	11 May 10 - 11 May 11

For the years ended 31 December 2010 and 2009, the Bank paid salaries, bonuses, meeting allowances and other remunerations to its key management personnel, including directors, totaling Baht 81 million and Baht 74 million, respectively.

28. Contingent liabilities and commitments

28.1 Commitments

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2010			31 December 2009		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bill	24	-	24	49	-	49
Letters of credit	21	1,513	1,534	46	150	196
Other contingencies						
Forward exchange contracts - bought	-	17,818	17,818	-	17,544	17,544
Forward exchange contracts - sold	-	19,145	19,145	-	19,826	19,826
Interest rate swap contracts	11,380	-	11,380	10,610	-	10,610
Cross currency swap contracts						
Bought contracts	-	-	-	-	1,001	1,001
Cross currency and interest rate swap contracts						
Sold contracts	-	693	693	-	1,643	1,643
Shipping guarantees	-	-	-	-	1	1
Others	808	309	1,117	992	46	1,038
Total	12,233	39,478	51,711	11,697	40,211	51,908

28.2 Commitments under long-term leases and service agreements

As at 31 December 2010 and 2009, the Bank and its subsidiary had the following commitments under long-term lease and service agreements for their office spaces and equipment, and other service agreements as follows:

(Unit: Million Baht)

Year	Consolidated financial statements		Separate financial statements	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
2010	71	75	59	62
2011	41	18	34	11
2012	33	10	32	7
2013	8	4	8	4
2014 onwards	45	27	45	26

28.3 Commitments under TAMC's management of the non-performing assets

From 2001 to 2003, the Bank transferred its non-performing loans to TAMC as described in Note 7.8 to the financial statements, the Bank is still jointly liable for a share of profits or losses arising from TAMC's management of the non-performing assets, at the end of fifth and tenth years, counting from 1 July 2001. The gains or losses cannot be estimated with certainty at this stage. However, as at 31 December 2010 and 2009, the Bank estimated its share of losses, of Baht 222 million and Baht 222 million respectively which may be arisen at the end of the tenth year from the management of the non-performing assets. This estimated loss amounts are presented as a part of allowance for impairment on short-term investments in held-to-maturity debt securities, which is presented as a deduction item against promissory notes received from TAMC in settlement for the transfer price.

28.4 Contingent liabilities from litigations

As at 31 December 2010 and 2009, the Bank and its subsidiary had contingent liabilities as a result of the following litigations for claims from the Bank and its subsidiary, which have been arisen in the ordinary course of business.

- 28.4.1 As at 31 December 2010, a litigation claim amounting to Baht 0.4 million has been filed against the Bank, which is currently being considered by the Appeals Court, and the Bank's management estimated loss of approximately Baht 0.4 million from such claim, which is recorded under "Provisions for liabilities" in the balance sheet. As at 31 December 2010, the Bank has litigation claim status and provision for liabilities, which are the same as those as at 31 December 2009.
- 28.4.2 As at 31 December 2010, a litigation claim amounting to Baht 243 million has been filed against the Bank. However, the Appeals Court ordered the Bank to pay the plaintiff a total of Baht 50 million plus interest at 7.5 percent per annum, calculated from 11 June 1998 onwards. Therefore, the Bank estimated its liabilities at Baht 97.5 million (31 December 2009: Baht 93.7 million), and recorded this amount under "Provisions for liabilities" in the balance sheet. The litigation claim status as at 31 December 2010 is the same as that as at 31 December 2009.
- 28.4.3 As at 31 December 2010, the Bank had three outstanding litigation claims totaling Baht 8.2 million. A litigation claim of Baht 5.9 million of which was ordered dismissed by the Court on 27 October 2009 but the case has yet to be finalised. The remaining claims are being considered by the Court. However as at 31 December 2010, the Bank's management expects that the Bank may incur losses from the outstanding cases, and therefore, the Bank estimated and recorded the amount of Baht 1.7 million under "Provisions for liabilities" in the balance sheet (31 December 2009: The Bank recorded no provision for those claims).
- 28.4.4 As at 31 December 2010 and 2009, ACL Securities Company Limited (a former subsidiary of the Bank), which the Bank divested as described in Note 7.5 to the financial statements, had contingent liabilities of Baht 75 million and Baht 75 million, respectively, as a result of a litigation claim made in a Labour Law case brought by a former executive, arising in the ordinary course of business of the subsidiary. Ruling of the Chief Justice of the Central Labour Court concluded that this case did not fall under the jurisdiction of the Labor Court. Later, ACL Securities Company Limited's former executive appealed this ruling to the Chief Justice of the Central Labour Court, which dismissed the petition to appeal. The former executive against appealed the Central Labor Court's order not to accept his appeal and ACL Securities Company Limited submitted an objection to the submission of appeal made by its former executive. Later, the former executive has filed a request to withdraw the appeal and withdraw the appeal petition previously submitted to the Central Labour Court. On 4 October 2010, the Central Labour Court summoned the parties to hear the order of the Supreme Court, that permitted the withdrawal of the appeal. Hence, the case is considered final and no loss was incurred.

Moreover, the plaintiff in the above cases also sued the Bank and ACL Securities Company Limited in a civil law case to claim for compensation of Baht 117 million on infringing the contract. This case is currently being considered by the civil Court. However, the lawyer of this case considers that there is less likely that the Bank and such company have to pay the claim amount, the Bank therefore recorded no provision for the claim as at 31 December 2010 which was the same as that as at 31 December 2009.

28.4.5 The Bank has contingent liabilities as a result of entering into the guarantee agreement described in Note 7.5 to the financial statements. This agreement terminated on 14 September 2010 and up to the date of the authorisation of these financial statements the Bank has still to receive notice of any claims as a result of such guarantee. Hence, as at 31 December 2010 and 2009, the Bank's management assessed that no loss would be incurred as a result of providing this guarantee and the Bank therefore recorded no provision in the accounts.

28.5 Other commitments

The Bank is obliged to make contributions to Deposit Protection Agency within one month after the periods ended 30 June and 31 December of every year, at a rate of 0.2 percent of the Bank's daily average deposit balance of each period.

29. Financial information by segments

The Bank and its subsidiaries' business operations involve 3 principal segments: (1) banking business (2) securities business and (3) hire purchase/finance leases business. These operations are mainly carried on in Thailand. However, during the third quarter of 2009, the Bank disposed of investment in the subsidiary that operates a securities business as described in Note 7.5 to the financial statements. Therefore the asset items by segment as at 31 December 2009 exclude that assets of such business. Below is financial information by segment of the Bank and its subsidiaries for the years ended 31 December 2010 and 2009 and as of 31 December 2010 and 2009:

(Unit: Million Baht)

	For the years ended 31 December											
	Banking business		Securities business		Hire purchase/ finance leases business		Total		Elimination entries		Total	
	2010	2009	2010	2009 ⁽²⁾	2010	2009	2010	2009	2010	2009	2010	2009
Interest and dividend income	2,553	2,740	-	27	1,065	628	3,618	3,395	(494)	(304)	3,124	3,091
Interest expenses	(861)	(1,021)	-	(2)	(523)	(308)	(1,384)	(1,331)	494	304	(890)	(1,027)
Net interest income and dividend income	1,692	1,719	-	25	542	320	2,234	2,064	-	-	2,234	2,064
Bad debt and doubtful accounts ⁽¹⁾	(443)	(1,098)	-	-	(192)	(130)	(635)	(1,228)	-	-	(635)	(1,228)
Net interest income and dividend income after bad debt and doubtful accounts	1,249	621	-	25	350	190	1,599	836	-	-	1,599	836
Non-interest income	376	975	-	114	134	65	510	1,154	-	(2)	510	1,152
Non-interest expenses	(1,000)	(1,037)	-	(157)	(326)	(189)	(1,326)	(1,383)	-	2	(1,326)	(1,381)
Earnings (loss) before income tax	625	559	-	(18)	158	66	783	607	-	-	783	607
Income tax	(161)	(41)	-	-	(69)	(39)	(230)	(80)	-	-	(230)	(80)
Net income (loss)	464	518	-	(18)	89	27	553	527	-	-	553	527

⁽¹⁾ Included loss on debt restructuring/reversal of loss on debt restructuring

⁽²⁾ Included operating results of securities business until 14 September 2009 due to the disposal of the investments in the subsidiary that operates a security business on that date

(Unit: Million Baht)

	As at 31 December									
	Banking business		Hire purchase/ finance leases business		Total		Elimination entries		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Investments - net	13,243	10,582	-	-	13,243	10,582	(2,500)	(1,000)	10,743	9,582
Loans and accrued interest receivables - net	50,439	45,005	20,402	9,238	70,841	54,243	(17,040)	(7,506)	53,801	46,737
Other assets	8,574	9,471	257	172	8,831	9,643	(3)	(5)	8,828	9,638
Total assets	72,256	65,058	20,659	9,410	92,915	74,468	(19,543)	(8,511)	73,372	65,957

Transfer prices between business segments are as set out in Note 27 to the financial statements.

30. Financial instruments

Financial instruments are any contracts which give rise to both a financial asset of one enterprise and a financial liability or equity security of another enterprise.

30.1 Credit Risk

Credit risk is the risk that the party to a financial agreement fails to honour an obligation and consequently cause the Bank and its subsidiary to incur a financial loss. The Bank and its subsidiary have disclosed significant concentrations of credit risk in Note 8.4 to the financial statements. The maximum amount of credit risk exposure is the carrying amount of the financial assets less provision for losses as stated in the balance sheets. The risk from off-balance sheet derivative financial instruments is presented in Note 28.1 to the financial statements.

In addition, the Bank manages credit risk by the following means, including through careful consideration of credit approval process, analysis of risk factors and the ability to service debts of borrowers and performing credit review to examine process, which examines and reviews the quality of the Bank's loan portfolio so as to prevent and provide a remedy for problem loans in the future.

30.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Bank manages interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

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

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2010			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Interbank and money market items - net	91	4,207	269	4,567
Investments - net	812	9,482	449	10,743
Loans	17,704	34,074	2,926	54,704
Financial liabilities				
Deposits	5,321	21,635	61	27,017
Interbank and money market items	2	1,536	506	2,044
Liabilities payable on demand	-	-	253	253
Borrowings	-	27,531	-	27,531

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2009			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Interbank and money market items - net	225	5,980	294	6,499
Investments - net	1,050	5,559	2,973	9,582
Loans	18,358	26,884	2,785	48,027
Financial liabilities				
Deposits	7,726	22,626	54	30,406
Interbank and money market items	528	1,356	3	1,887
Liabilities payable on demand	-	-	375	375
Borrowings	-	18,774	-	18,774

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2010			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Interbank and money market items - net	41	4,207	255	4,503
Investments - net	812	9,482	2,914	13,208
Loans	17,704	30,803	2,532	51,039
Financial liabilities				
Deposits	5,324	21,635	61	27,020
Interbank and money market items	2	1,036	506	1,544
Liabilities payable on demand	-	-	253	253
Borrowings	-	27,531	-	27,531

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2009			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Interbank and money market items - net	140	5,980	285	6,405
Investments - net	1,050	5,559	3,969	10,578
Loans	19,018	24,534	2,598	46,150
Financial liabilities				
Deposits	7,731	22,626	54	30,411
Interbank and money market items	9	1,356	3	1,368
Liabilities payable on demand	-	-	375	375
Borrowings	-	18,774	-	18,774

In addition, the Bank entered into interest rate swap contracts as described in Note 30.5 to the financial statements.

The periods of time from the balance sheet date to the repricing or maturity dates (whichever dates are earlier) of financial instruments which have fixed interest rates are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2010						
	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net	-	4,207	-	-	-	4,207	1.88%
Investments - net	-	651	4,068	3,599	1,164	9,482	3.39%
Loans	28	12,781	5,912	14,792	561	34,074	6.82%
<u>Financial liabilities</u>							
Deposits	4,252	9,004	2,728	5,651	-	21,635	2.02%
Interbank and money market items	460	1,076	-	-	-	1,536	1.80%
Borrowings	3,321	18,486	5,526	198	-	27,531	1.83%

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2009						
	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net	-	5,980	-	-	-	5,980	1.20%
Investments - net	-	150	396	3,266	1,747	5,559	5.35%
Loans	705	13,640	4,490	7,755	294	26,884	5.31%
<u>Financial liabilities</u>							
Deposits	1,500	12,325	6,723	2,078	-	22,626	1.42%
Interbank and money market items	722	615	19	-	-	1,356	1.13%
Borrowings	1,073	13,128	4,440	133	-	18,774	1.57%

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2010						
	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net	-	4,207	-	-	-	4,207	1.88%
Investments - net	-	651	4,068	3,599	1,164	9,482	3.39%
Loans	3,592	12,032	3,701	11,478	-	30,803	4.82%
<u>Financial liabilities</u>							
Deposits	4,252	9,004	2,728	5,651	-	21,635	2.02%
Interbank and money market items	460	576	-	-	-	1,036	1.38%
Borrowings	3,321	18,486	5,526	198	-	27,531	1.83%

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2009						
	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net	-	5,980	-	-	-	5,980	1.20%
Investments - net	-	150	396	3,266	1,747	5,559	5.35%
Loans	705	12,871	3,053	7,655	250	24,534	5.09%
<u>Financial liabilities</u>							
Deposits	1,500	12,325	6,723	2,078	-	22,626	1.42%
Interbank and money market items	722	615	19	-	-	1,356	1.13%
Borrowings	1,073	13,128	4,440	133	-	18,774	1.57%

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

(Unit: Million Baht)

	Separate financial statements					
	For the year ended 31 December 2010			For the year ended 31 December 2009		
	Average Balances	Interest and dividend	Average rate (% per annum)	Average balances	Interest and dividend	Average rate (% per annum)
Financial assets						
Interbank and money market items	5,449.55	87.46	1.60%	5,335.13	100.77	1.88%
Investments	11,223.26	356.82	3.18%	10,947.95	380.36	3.47%
Loans	46,180.62	2,110.70	4.57%	43,996.51	2,258.55	5.13%
Financial liabilities						
Deposits	30,771.69	425.03	1.38%	33,932.58	634.77	1.87%
Interbank and money market items	1,238.23	132.21	10.68%	1,552.48	107.74	6.94%
Borrowings	19,148.73	303.89	1.59%	13,715.92	277.83	2.03%

30.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Bank has established a liquidity management policy, to ensure that the Bank has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has the liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits. The liquidity management policy is approved by the Group Risk Management Committee, the Board of Executive Directors and the Board of Directors, respectively.

To manage the Bank's liquidity, the Treasury Division projects funding demand and identifies appropriate sources of funds consistent with the Bank's business and strategic plans. For the purpose of liquidity risk management, the Bank has set risk limits, required liquidity ratios, and liquidity control procedures, and the liquidity gap and liquidity management's performance are reported to the Asset and Liability Committee (ALCO) on a monthly basis. Moreover, the Risk Management Division closely monitors risk to ensure it remains within the limits set, and reports to the Group Risk Management Committee on a regular basis.

Moreover, the Bank has also formulated the liquidity contingency plans to handle any potential liquidity problems. These plans designate working procedures and explicitly assign roles and responsibilities to the relevant parties.

The Asset and Liability Committee has the following roles and responsibilities.

1. Review and verify the validity of the assumptions utilized by the Treasury Division in liquidity management
2. Formulate strategies relating to the regular and daily liquidity management
3. Ensure that liquidity management is efficient and appropriate policies and procedures for liquidity risk are established
4. Set interest rate policy
5. Ensure that the Bank has adequate information systems to measure, monitor, control and report liquidity risk
6. Approve the limits for mismatches in sources and uses of fund

7. Diversify sources of funds
8. Verify the liquidity contingency plan

Group liquidity management is decentralized, with the subsidiary, Leasing Sinn Asia Co., Ltd. independently managing its own cash inflows and outflows. Leasing Sinn Asia Co., Ltd. sources funds mainly from the Bank, which will provide liquidity support, with the amount of funds based on Limited of Authority via the Asset and Liability Committee. Nevertheless, the Bank performs regular monitoring of the liquidity risk of its subsidiary and the subsidiary's liquidity gap is reported to the Asset and Liability Committee on a monthly basis.

The major uses of funds by the Bank are lending to corporate customers and investment in investment grade securities, but the Bank also designates limits to diversify the use of funds, such as limits on individual industries and lending limits for each individual. The Bank's main sources of funds are public deposits and borrowings. The Bank has set guidelines to reduce deposit concentrations, such as limits of the amount deposited per customer and limits of the amount deposited per corporate customer and per state enterprise.

The Bank has employed a conservative liquidity management policy, whereby it holds appropriate amounts of liquid assets, which can be easily converted into cash if liquidity problems arise. The Bank also maintains liquidity ratios in accordance with its expected liquidity requirement levels, for which there are three defined levels, depending on the economic, political and money market conditions. Such ratios are closely monitored on a daily basis.

The Bank generates reports and sets limits in liquidity management as follows.

1. Daily reports on the liquidity ratios used in determining the required amount of liquid assets, including liquid assets to total deposits ratio, liquid assets to top 20 large depositors ratio
2. Daily reports on amounts and types of liquid assets and their returns
3. Liquidity gap report, indicating expected cash inflows and outflows in different tenors, and cumulative net liquidity excess or shortfall, which reflects the period to maturity both on the basis of the contract and after behavioral adjustment. Liquidity gap reports are prepared on a monthly basis for normal circumstances and on a quarterly basis for crisis situations.
4. Monthly reports on liquidity ratios, to be used to provide indications of the Bank's liquidity and early warnings, including loan to deposit ratio, loan to asset ratio, investment to asset ratio, liquid asset to total asset ratio, liquid asset to short-term to 1-month deposit ratio, borrowing to total asset ratio, deposit to total asset ratio, proportion of large depositors to total deposits, maximum deposit withdrawal per day and rollover rate
5. Annual liquidity risk self assessment report
6. Monthly reports on any transactions or facilities exceeding approved limits
7. The setting of liquidity risk limits for the ratio of net liquidity deficit to deposits, deposits from corporate customers and public enterprises and individual deposits.

The Bank also conducts stress tests on a quarterly basis and reviews the assumptions on a regular basis, to ensure they reflect current economic conditions, business strategies, and other relevant current and future factors. The stress test scenarios, based on the assumption of a severely adverse impact on the Bank, include a bank-specific crisis, a general market crisis and a combination of both scenarios. The liquidity risk stress tests are conducted on two tenors, namely, 0 - 7 days and 8 - 30 days, while the outcomes of the recent stress test can be described as follows.

1. Under the bank-specific crisis scenario, the Bank prepared the assumption based on the estimation from front office. The appropriateness of the assumption has also been reviewed by ALCO. The Bank has adequate liquidity to handle cash outflows for more than 30 days in a row, as a result of a large amount of liquid assets the Bank holds.
2. Under the general market crisis scenario and combination of both scenarios, based on the events of the financial crisis in 1997, the Bank has sufficient net positive liquidity to meet cash outflows for over seven days. However, this assumption does not take into account the change in the major shareholder to the Industrial and Commercial Bank of China Limited (ICBC) during the year, and as this is one of the largest commercial banks in the world, it will greatly strengthen the liquidity of the Bank in the stress test scenarios.

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

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2010							
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non - performing loans	Total
<u>Financial assets</u>								
Interbank and money market items - net	320	4,247	-	-	-	-	-	4,567
Investments - net	7	651	4,834	3,645	1,164	442	-	10,743
Loans	225	13,487	10,285	24,385	3,403	-	2,919	54,704
<u>Financial liabilities</u>								
Deposits	9,634	9,004	2,728	5,651	-	-	-	27,017
Interbank and money market items	968	1,076	-	-	-	-	-	2,044
Liabilities payable on demand	253	-	-	-	-	-	-	253
Borrowings	3,321	18,486	5,526	198	-	-	-	27,531
<u>Off-balance sheet items</u>								
Avals to bill	-	24	-	-	-	-	-	24
Letters of credit	-	1,515	18	-	-	-	-	1,533
Other contingencies	312	12,977	25,705	10,858	301	-	-	50,153

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2009							
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non - performing loans	Total
Financial assets								
Interbank and money market items - net	379	5,980	140	-	-	-	-	6,499
Investments - net	65	1,163	2,054	4,149	1,747	404	-	9,582
Loans	45	15,138	7,405	20,782	1,939	-	2,718	48,027
Financial liabilities								
Deposits	9,280	12,325	6,723	2,078	-	-	-	30,406
Interbank and money market items	735	615	432	105	-	-	-	1,887
Liabilities payable on demand	375	-	-	-	-	-	-	375
Borrowings	1,073	13,128	4,440	133	-	-	-	18,774
Off-balance sheet items								
Avals to bill	-	48	1	-	-	-	-	49
Letters of credit	-	187	9	-	-	-	-	196
Other contingencies	546	9,281	27,975	12,966	896	-	-	51,664

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2010							
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non - performing loans	Total
Financial assets								
Interbank and money market items - net	256	4,247	-	-	-	-	-	4,503
Investments - net	7	651	4,834	3,645	1,164	2,907	-	13,208
Loans	3,790	12,737	8,074	21,071	2,842	-	2,525	51,039
Financial liabilities								
Deposits	9,637	9,004	2,728	5,651	-	-	-	27,020
Interbank and money market items	968	576	-	-	-	-	-	1,544
Liabilities payable on demand	253	-	-	-	-	-	-	253
Borrowings	3,321	18,486	5,526	198	-	-	-	27,531
Off-balance sheet items								
Avals to bill	-	24	-	-	-	-	-	24
Letters of credit	-	1,515	18	-	-	-	-	1,533
Other contingencies	312	12,977	25,705	10,858	301	-	-	50,153

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2009							
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non - performing loans	Total
Financial assets								
Interbank and money market items - net	285	5,980	140	-	-	-	-	6,405
Investments - net	65	1,163	2,054	4,149	1,747	1,400	-	10,578
Loans	705	14,369	5,968	20,681	1,895	-	2,532	46,150
Financial liabilities								
Deposits	9,285	12,325	6,723	2,078	-	-	-	30,411
Interbank and money market items	734	615	19	-	-	-	-	1,368
Liabilities payable on demand	375	-	-	-	-	-	-	375
Borrowings	1,073	13,128	4,440	133	-	-	-	18,774
Off-balance sheet items								
Avals to bill	-	48	1	-	-	-	-	49
Letters of credit	-	187	9	-	-	-	-	196
Other contingencies	546	9,281	27,975	12,966	896	-	-	51,664

30.4 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 or the values of financial assets and liabilities.

Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to hedge this foreign exchange exposure through management of its net foreign exchange position and operating in accordance with a risk management policy.

The Bank and its subsidiary's significant foreign currency position as at 31 December 2010 and 2009 can be summarised as follows:

	Consolidated and separate financial statements as at 31 December 2010								
	Outstanding balances of financial instruments								
	US dollar	Euro	Yen	Pound sterling	New Zealand dollar	Australian dollar	Hong Kong dollar	Singapore dollar	Renminbi
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
<u>In-balance foreign currency position</u>									
Interbank and money									
market items (assets)	73.44	2.32	0.19	0.61	1.30	1.54	1.17	0.01	4.95
Investments - net	2,681.62	-	-	-	-	-	-	-	-
Loans and accrued									
interest receivables	129.82	12.31	-	-	-	-	-	-	-
Deposits and accrued									
interest payables	52.90	-	-	-	-	0.16	-	-	3.17
Borrowings and accrued									
interest payables	301.96	-	-	-	-	-	-	-	-
<u>Off-balance foreign currency position</u>									
Letters of credit	1,490.40	22.12	-	-	-	-	-	-	-
Bought forward contracts	17,747.18	39.94	0.58	-	-	0.16	-	-	30.30
Sold forward contracts	19,123.58	13.24	8.36	-	-	-	-	-	-
Cross currency swap contracts									
Bought contracts	-	-	-	-	-	-	-	-	-
Cross currency and interest rate									
swap contracts Sold contracts	693.48	-	-	-	-	-	-	-	-
Other contingencies	305.53	3.27	-	-	-	-	-	-	-
Average exchange rate									
as at 31 December 2010									
(Baht per 1 foreign currency unit)	30.1513	39.9394	0.3705	46.7968	23.1723	30.7226	3.8742	23.3264	4.5582

	Consolidated and separate financial statements as at 31 December 2009							
	Outstanding balances of financial instruments							
	US dollar	Euro	Yen	Pound sterling	New Zealand dollar	Australian dollar	Hong Kong dollar	Singapore dollar
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
<u>In-balance foreign currency position</u>								
Interbank and money market items (assets)	13.72	0.55	0.11	1.06	1.35	1.49	0.10	0.01
Investments - net	2,848.40	-	-	-	-	-	-	-
Loans and accrued interest receivables	111.72	34.89	-	-	-	-	-	-
Deposits	11.58	-	-	-	-	2.09	-	-
<u>Off-balance foreign currency position</u>								
Letters of credit	150.51	-	-	-	-	-	-	-
Bought forward contracts	17,529.49	12.05	-	-	-	2.08	-	-
Sold forward contracts	19,783.96	42.34	-	-	-	-	-	-
Cross currency swap contracts								
Bought contracts	1,001.06	-	-	-	-	-	-	-
Cross currency and interest rate swap contracts								
Sold contracts	1,643.08	-	-	-	-	-	-	-
Other contingencies	42.32	4.23	1.01	-	-	-	-	-
Average exchange rate as at 31 December 2009 (Baht per 1 foreign currency unit)	33.3688	47.7934	0.3623	53.0306	23.8741	29.7663	4.3027	23.7287

30.5 Financial derivatives

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

The Bank has a policy to mitigate risk associated with financial derivatives by stipulating policies and limits that require risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank manages the credit risk associated with financial derivatives on the basis of the credit limits granted to customers in general. The same credit approval process that is 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.

The Bank has entered into interest rate swap contracts in order to manage risk associated with loans and investments, as follows:

	Consolidated and separate financial statements			
	31 December 2010		31 December 2009	
	Notional amount	Maturity	Notional amount	Maturity
Interest rate swap contracts				
- swap the fixed interest rates for the floating interest	9,780 Million Baht	2011 - 2013	9,010 Million Baht	2010 - 2012
- swap the floating interest rates for the fixed interest rates	1,600 Million Baht	2011 - 2012	1,600 Million Baht	2011 - 2012

The Bank has entered into cross currency interest rate swap contracts in order to manage the risk associated with investments in foreign debt securities, as follows:

	Consolidated and separate financial statements			
	31 December 2010		31 December 2009	
	Notional amount	Maturity	Notional amount	Maturity
Cross currency interest rate swap contracts				
- receive interest at a floating rate on Baht notional amounts and to pay interest at a fixed rate on USD notional amounts	8 Million USD	2012	28 Million USD	2011 - 2017
- receive at a fixed rate on Baht notional amount and to pay interest at a fixed rate on USD notional amounts	15 Million USD	2012 - 2016	21 Million USD	2010 - 2016

During the year ended 31 December 2010, the Bank unwinded cross currency interest rate swap contracts with notional amounts totaling USD 20 million prior to the maturity date. Such contracts were recorded as assets having the book value on the unwinding date of Baht 27 million and the Bank paid Baht 4 million to unwind those contracts cancellation. As a result, the Bank incurred losses on the unwinding of these contracts amounting to Baht 31 million, which was already recognised by the Bank as loss in the statement of income for the year ended 31 December 2010.

In addition, the Bank has also entered into cross currency swap contracts for trading purposes for arbitrage profits, as follow:

	Consolidated and separate financial statements			
	31 December 2010		31 December 2009	
	Notional amount	Maturity	Notional amount	Maturity
Cross currency swap contracts				
- pay interest at a fixed rate on Baht notional amounts and to receive interest at a fixed rate on USD notional amounts	-	-	30 Million USD	2010

As at 31 December 2010 and 2009, financial derivatives, classified by their maturities, are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2010			31 December 2009		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward exchange contracts						
- Bought	16,609	1,209	17,818	15,542	2,002	17,544
- Sold	17,939	1,206	19,145	17,557	2,269	19,826
Interest rate swap contracts	3,430	7,950	11,380	2,530	8,080	10,610
Cross currency swap contracts						
- Bought	-	-	-	1,001	-	1,001
Cross currency interest rate swap contracts						
- Sold	-	693	693	213	1,430	1,643

30.6 Fair value

Fair value represents the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. The Bank has estimated the fair value of their financial instruments as follows:

(a) Financial assets

The methodology used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets are presented as the amount stated in the balance sheets, including cash, interbank and money market items and loans, which are considered to approximate their respective carrying value since they are predominantly subject to market interest rates. Financial instruments that have standard terms and conditions and which are traded on an active and liquid market, such as investments in securities, fair values are determined from the quoted market price.

(b) Financial liabilities

The fair values of financial liabilities, including deposits, borrowings and interbank and money market items, are considered to approximate their respective carrying values for the same reasons as described above.

As at 31 December 2010 and 2009, there are no material differences between the book value of financial instruments and their fair values.

31. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Balance sheets				
Receivables on Credit Support for derivative contracts	60,462	-	60,462	-
Other receivables - net	305,521	317,167	259,717	271,363
Financial derivative assets	470,438	-	470,438	-
Other assets - net	38,838	558,092	35,459	554,713

32. Approval of financial statements

These financial statements were authorised for issue by the Audit Committee of the Bank on 10 February 2011.

Auditors

Names of Auditors and Their Office

- Ms. Rungnapa Lertsuwankul	Certified Public Accountant No. 3516
- Ms. Ratana Jala	Certified Public Accountant No. 3734
- Ms. Nonglak Punnoi	Certified Public Accountant No. 4172

The auditors have no relationship with or interests in the Bank/subsidiaries/executives/major shareholders or related parties thereof.

Engaged Office

Ernst & Young Office Limited (E&Y)

193/136-137, Lake Rajada Office Complex, 33rd Floor, New Ratchadaphisek Road, Klongtoey, Bangkok 10110 Thailand

Tel. +66 2264 0777 Fax. +66 2264 0789-90

The Auditors of the Subsidiary and Affiliated Companies of the Bank

The auditors of Leasing Sinn Asia Company Limited (the Bank's subsidiary) and the auditors of Finansia Syrus Securities PLC (the Bank's affiliated company) are the auditors of E&Y, the same office as the auditors of the Bank.

Remuneration of Auditors

The audit fee of the Bank and its subsidiary for the year ended 31 December 2010 was 4,330,000 baht, broken down into the audit fee of the Bank of 3,530,000 baht and that of Leasing Sinn Asia Company Limited (the Bank's subsidiary) of 800,000 baht.

Management Structure

1. Board of Directors

The Board of Directors comprises 11 members, including qualified directors, directors who are ICBC representatives and four independent directors as follows:

Mr. Huiman Yi	Chairman
Mr. Youbin Chen	Vice Chairman
	Chief Executive Officer
Mr. Chanchai Leetavorn	Director
	Honorary Consultant to the Chairman
Dr. Kosol Petchsuwan	Independent Director
Dr. Prasit Damrongchai	Independent Director
Mr. Wencong Li	Director
Mr. Guohui Song	Director
Dr. Changwen Nie	Director
Dr. Nenghong Tao	Director
Mr. Plengsakdi Prakaspesat	Independent Director
Ms. Ladda Siri wattanakosol	Independent Director

According to the Bank's Articles of Association, the Board of Directors' meeting shall be held at least once every three months. At least one half of the total number of directors must be present to form a quorum.

The Board of Directors has duties and responsibilities to set the overall direction, strategic objectives and policies of the Bank and to supervise and oversee the efficient management of the Bank. It also has a responsibility to ensure that the Bank has appropriate risk management systems in place, has sufficient capital funds to cover current and future risks and operates in compliance with the regulations of the supervisory authorities. In addition, it has a responsibility ensure that the Bank has

effective internal control and audit systems in place and that the Bank's operations are in compliance with the laws, the Bank's policies, resolutions of the shareholders' meetings, and principles of good corporate governance which promote transparency and justice so that stakeholders and customers will have confidence in the Bank. In addition, it is responsible for assigning one or several directors or other persons to perform actions on its behalf.

The Board of Directors has determined the qualifications of the Bank's independent directors to be in compliance with the qualifications of independent directors specified by the Bank of Thailand (BOT) under the Principles of Corporate Governance for Financial Institutions, and by the Capital Market Supervisory Board. An independent director must be a director who does not have any business relationship with or participate in management of or have any interest in the Bank, which may affect his or her independent decision.

2. Committees under the Board of Directors' Direct Supervision

The Board of Directors has appointed four committees to oversee and ensure an efficient management system which is in compliance with the Bank's policies. Each committee's responsibilities have been clearly specified. The four committees which are under the direct supervision of the Board of Directors are the Board of Executive Directors, Audit Committee, Nomination, Compensation and Corporate Governance Committee and Group Risk Management Committee. Details are as follows:

2.1 The Board of Executive Directors comprises three directors as follows:

Mr. Youbin Chen	Chairman
Mr. Wencong Li	Member
Mr. Guohui Song	Member

The Board of Executive Directors has responsibilities to perform duties as delegated by the Board of Directors, including the formulation of criteria and procedures for consideration and approval of credit facilities, debt restructuring, securities investments, acquisition or disposal of immovable properties resulting from debt restructuring or mortgage of properties of the Bank, and any other normal businesses of the Bank. It has responsibilities to appoint sub-committees as well as set, amend, revise and alter the authorities and responsibilities of sub-committees. In addition, the Board of Executive Directors is responsible for considering all matters which are to be proposed to the Board of Directors. It must also monitor the Bank's operations and report findings to the Board of Directors on a regular basis.

2.2 The Audit Committee comprises three independent directors as follows:

Dr. Kosol Petchsuwan	Chairman
Mr. Plengsakdi Prakaspesat	Member
Ms. Ladda Siri wattanakosol	Member

The Audit Committee has responsibilities to review and ensure that the Bank and the companies in its financial business group have accurate and adequate financial reports as well as suitable and efficient internal control and internal audit systems. It must ensure that the operations of the Bank and the companies in its financial business group are in compliance with the relevant laws and regulations in relation to the business of the Bank and its financial

business group. It also has a responsibility to consider, select and nominate an independent person to be the Bank's statutory auditor and to propose such person's remuneration. Moreover, the Audit Committee has a duty to review transactions which may lead to conflicts of interest to ensure that they are conducted in compliance with relevant laws and regulations and are proceeded in a reasonable manner for the utmost benefits to the Bank.

2.3 The Nomination, Compensation and Corporate Governance Committee comprises three non-executive members. The Chairman is an independent director.

Dr. Prasit Damrongchai	Chairman
Dr. Changwen Nie	Member
Dr. Nenghong Tao	Member

The Nomination, Compensation and Corporate Governance Committee has duties and responsibilities as follows:

(1) Nomination

The Nomination, Compensation and Corporate Governance Committee has responsibilities to establish policies, criteria and procedures for the selection of directors and senior executives for the Board of Directors' approval. It also has a responsibility to recommend to the Board of Directors the appropriateness of the size and composition of the Board of Directors, as well as any other adjustment required in order to adapt to changes in the business environment.

Moreover, the Committee is responsible for nomination of board members and senior executives by selecting qualified candidates according to the Bank's criteria to be appointed as directors and senior executives. The candidates must not possess prohibited characteristics specified in the regulations of the Financial Institutions Businesses Act B.E. 2551, the BOT's criteria or other relevant

laws. For independent director positions, a candidate must possess all qualifications as set by the Bank's criteria, which are in line with the criteria of the supervisory authorities. The most suitable candidates will be recommended to the Board of Directors for appointment or for proposing to the shareholders' meeting for approval, as the case may be.

(2) Compensation

The Nomination, Compensation and Corporate Governance Committee has a responsibility to establish policies regarding compensation and benefits granted to the directors and senior executives for the Board of Directors' approval. The policies shall be based on clear and transparent criteria.

The Committee must ensure that compensation is reasonable, comparable to the rates of other comparable financial institutions, compatible with the Bank's performance and commensurate with the directors' or senior executives' duties, responsibilities and experience. Directors who have been assigned additional duties and responsibilities as a member of a sub-committee should receive compensation which is commensurate with such additional assignments.

(3) Corporate Governance

The Nomination, Compensation and Corporate Governance Committee has a responsibility to develop and review the Bank's corporate governance policies and procedures to ensure that they are in line with the principles of good corporate governance. The Committee also has a responsibility to advise the Board of Directors, the management and staff regarding corporate governance best practices and business ethics, while maintaining efficient management.

2.4 The Group Risk Management Committee comprises

10 members as follows:

Mr. Wencong Li	Chairman
Mr. Guohui Song	Member
Mr. Apichart Kasemkulsiri	Member
Ms. Suree Wipatakanok	Member
Mr. Chaiwat Tanchewawong	Member
Ms. Kanchana Vongratanakulthorn	Member
Mr. Som Pisarnsophon	Member
Ms. Sasiwadee Somboonthum	Member
Ms. Jungjai Loharangsikul	Member
Mr. Wisit Ausawalaithong	Member

The Group Risk Management Committee has a responsibility to formulate appropriate risk management policies for the Bank and the companies in its financial business group. It also has a responsibility to formulate risk management strategies which are in accordance with the Bank's risk management policies. The Committee must also monitor and manage risk to an appropriate level as well as review the appropriateness of policies, assess the risk management practice of the Bank and the companies in its financial business group, and report findings to the Board of Directors of the Bank.

In addition to the four committees mentioned above, the Bank has also set up 12 other management-level committees to manage the daily operations of the Bank, members of which are appointed from executives of different divisions. They include the Management Committee, Credit Committee, Asset and Liability Committee, Technology Committee, Asset Appraisal Committee, Asset Appraisal Sub-Committee, Appraisal Price Appeal Committee, Asset Management Committee, Asset Supervisory Committee, Movable Asset Sale Committee, Investment Committee, and Complaint Committee.

Remuneration for Directors and Executives for 2010

1. Remuneration to Directors for 2010

No.	Name	Amount (Baht)
Directors' Attendance Fee		
1	Mr. Chanchai Leetavorn	305,000.00
2	Dr. Charnchai Musignisarkorn	90,000.00
3	Mr. Thongchai Ananthothai	305,000.00
4	Mr. Vim Tayaputch	90,000.00
5	Dr. Kosol Petchsuwan	305,000.00
6	Mr. Plengsakdi Prakaspesat	305,000.00
7	Dr. Prasit Damrongchai	275,000.00
8	Ms. Ajarie Visessiri	90,000.00
9	Ms. Ladda Siri wattanakosol	305,000.00
10	Dr. Phadhadej Dhamcharee	90,000.00
11	Mr. Somchai Apiwattanapron	30,000.00
12	Ms. Rawittha Pongnuchit	30,000.00
	Total	2,220,000.00
Board of Directors Chairman's Fee		
1	Mr. Chanchai Leetavorn	339,000.00
	Total	339,000.00
Audit Committee Members' Fee		
1	Dr. Kosol Petchsuwan	600,000.00
2	Mr. Plengsakdi Prakaspesat	360,000.00
3	Ms. Ladda Siri wattanakosol	360,000.00
	Total	1,320,000.00

No.	Name	Amount (Baht)
Nomination, Compensation and Corporate Governance Committee Members' Fee		
1	Dr. Prasit Damrongchai	600,000.00
2	Mr. Plengsakdi Prakaspesat	113,000.00
	Total	713,000.00
Board of Executive Directors' Fee		
1	Dr. Charnchai Musignisarkorn	925,000.00
2	Mr. Vim Tayaputch	555,000.00
3	Ms. Ajarie Visessiri	555,000.00
4	Dr. Phadhadej Dhamcharee	555,000.00
	Total	2,590,000.00
Honorary Consultant to Chairman of the Board's Fee		
1	Mr. Chanchai Leetavorn	411,666.67
	Total	411,666.67
	Grand Total	7,593,666.67

Remarks:

- Mr. Chanchai Leetavorn
 - Resigned from his position as Chairman, effective 24 April 2010
 - Appointed Honorary Consultant to Chairman of the Board, effective 24 April 2010
- Dr. Charnchai Musignisarkorn
 - Resigned from the position of director, effective 22 April 2010
- Mr. Vim Tayaputch
 - Resigned from the position of director, effective 22 April 2010
- Ms. Ajarie Visessiri
 - Resigned from the position of director, effective 22 April 2010
- Dr. Phadhadej Dhamcharee
 - Resigned from the position of director, effective 22 April 2010
- Mr. Somchai Apiwattanaporn
 - Appointed to be a director, effective 9 March 2010
 - Resigned from the position of director, effective 21 April 2010
- Ms. Rawittha Pongnuchit
 - Appointed to be a director, effective 9 March 2010
 - Resigned from the position of director, effective 20 April 2010
- Mr. Thongchai Ananthothai
 - Resigned from the position of director, effective 31 March 2011

The directors who are ICBC representatives, i.e. Mr. Huiman Yi, Mr. Youbin Chen, Mr. Wencong Li, Mr. Guohui Song, Dr. Changwen Nie and Dr. Nenghong Tao will not receive any director remuneration pursuant to ICBC's internal policy.

2. Remuneration to Executives for 2010

Executives	2010	
	No. of Persons	Total Amount (Baht)
Total	13	74,762,732.65

Directors' and Senior Executives' holding of positions in other companies

Name	ICBC (Thai)	Position			Other Companies
		The Bank's Financial Business Group			
Mr. Chanchai Leetavorn	Director/Honorary Consultant to Chairman of the Board	Chairman	Leasing Sinn Asia Co., Ltd.	Executive Director Executive Director Executive Director Director Director Independent Director Independent Director	Bangkok BTMU Co., Ltd. Siam Piwat Co., Ltd. Siam Piwat Holding Co., Ltd. BIHC Trading Co., Ltd. Minebea Aviation Co., Ltd. True Corporation Plc. Dhipaya Insurance Plc.
Dr. Kosol Petchsuwan	Independent Director Chairman of the Audit Committee	-	-		
Dr. Prasit Damrongchai	Independent Director Chairman of the Nomination, Compensation and Corporate Governance Committee	-	-		
Mr. Plengsakdi Prakaspesat	Independent Director/Member of the Audit Committee	-	-	Independent Director/ Chairman of the Audit Committee Committee Director	Bangkok Insurance Plc.
Mr. Apichart Kasemkulsiri	Senior Executive Vice President, Treasury & Branch Operations Group	Executive Director	Leasing Sinn Asia Co., Ltd	Executive Director Executive Director Director	Aspac Co., Ltd. T. Krung Thai Industrial Plc. T. Thai Snack Foods Co., Ltd. Sri Sum-Ang Supplier Co., Ltd.
Ms. Suree Wipatakanak	Executive Vice President, Corporate Banking Division	Executive Director	Leasing Sinn Asia Co., Ltd.	-	-
Mr. Som Pisamsopon	Executive Vice President, Finance & Strategy Division	Executive Director	Leasing Sinn Asia Co., Ltd.	-	-
Ms. Kanchana Vongratanakulthorn	Executive Vice President, Recovery Division	-	-	Executive Director	M-Home SPV 3 Co., Ltd.

Corporate Governance

The Board of Directors recognizes that good corporate governance is crucial to adding permanent value and supporting sustainable growth of the Bank. The Board of Directors has prescribed a written corporate governance policy which is consistent with the BOT's principles of corporate governance for financial institutions. In setting up the organization structure, operational guidelines and responsibilities for good corporate governance, the Bank has given high priority to fairness, justice and transparency to ensure that the Bank's business operations are in accordance with the relevant laws and regulations.

In performing its duties, the Board of Directors has a responsibility to all stakeholders such as shareholders, employees and customers. It should perform its duties with honesty and good business ethics. The Board of Directors should promote understanding of the Bank's code of business ethics to the Bank's employees and management to ensure that the Bank continues to uphold its good corporate governance standards.

The Board of Directors recognizes the importance of sound management systems and has delegated the management to establish adequate and appropriate internal control systems to help to protect the Bank against damages or minimize risks or damages which may arise. This involves establishing policies which cover risk management, formulating policies relevant to corporate governance, prescribing a written operational rule and procedure manual, as well as supporting continuous

educational development of all employees to enhance their capabilities. The Bank has determined control activities to be important mechanisms which support concise work processes in order to prevent damages or reduce risks which may arise. The Bank's management has determined control activities to be an important part of operational processes for every working section of the Bank, including the structuring of the organizational set-up to maintain checks and balances, segregation of duties as well as operational controls to prevent conflicts of interest.

The Board of Directors has assigned the Audit Committee to review and assess, through the Internal Audit Department and Compliance Department, the efficiency and sufficiency of the aforementioned internal control systems and make certain that operations are continuously performed in compliance with the policies and regulations of the Bank's supervisory authorities. The Internal Audit Department and Compliance Department are independent departments which directly report to the Audit Committee. Moreover, the Board of Directors has assigned the Group Risk Management Committee to monitor and oversee the operations of all divisions and departments of the Bank to ensure that they are operating in compliance with the risk management policies of the Bank.

In addition, the Bank undertakes regular self-risk assessments which cover the five risk aspects according to the requirement of the Bank of Thailand. These include credit risk, market risk liquidity risk strategic risk and operational risk.

Related Party Transactions

As at 31 December 2010 and 2009, the Bank had significant business transactions with its subsidiary and related companies, including transactions with directors or executives from Executive Vice President level or higher, persons related to the referred persons, entities in which the referred persons or the related persons have management authority, or entities in which the Bank or directors or such executives from Executive Vice President level or higher or persons related to the referred persons holding an aggregate of more than 10 percent of the issued shares. Such transactions are summarized below: -

(Unit: Thousand Baht)

	Nature of relationship	31 December 2010				31 December 2009			
		Investment	Loans	Deposits	Contingencies	Investment	Loans	Deposits	Contingencies
Industrial and Commercial Bank of China Limited	The parent company of the Bank	-	119,726	504,669	304,605	-	-	-	-
Leasing Sinn Asia Company Limited	The Subsidiary company of the Bank	2,500,000	17,036,200	2,705	-	1,000,000	7,504,000	5,562	-
Asia Credit Securities Company Limited	The Subsidiary company of the Bank's associated company	-	-	58,200	-	-	-	241,450	-
Finansia Syrus Securities Public Company Limited	The Associated company of the Bank	255,170	40,015	1,832	-	255,170	140,050	82	-
Industrial and Commercial Bank of China (Asia) Limited	Related through the Bank's parent company	-	4,947	-	32,819	-	-	-	-
Bangkok BTMU Company Limited	Related through the Bank's management	20,390	-	-	-	20,390	-	-	-
Siam Piwat Company Limited	Related through the Bank's management	-	-	15,000	-	-	-	95,000	-
Siam Piwat Holding Company Limited	Related through the Bank's management	-	-	10,000	-	-	-	50,000	-
M-Home SPV 3 Company Limited	Related through the Bank's management	-	-	6,640	-	-	-	3,574	-
Bualuang Securities Company Limited	Related through the Bank's shareholder	-	-	-	-	-	-	280,000	-
Related Persons	The Bank's management	-	-	78,771	-	-	-	57,322	-
Bangkok Bank Public Company Limited	The Bank's shareholder	-	⁽¹⁾	-	⁽¹⁾	-	-	45,504	1,853,144

⁽¹⁾ There were still outstanding balances with the Bank as at the balance sheet date but they were not the Bank's related parties as of such date.

As at 31 December 2010 and 31 December 2009, the Bank and its subsidiaries had not granted any credit or made any commitments to directors or executives from Executive Vice President level or higher.

Transactions occurring during the years ended 31 December 2010 and 2009 are summarized as follows:-

(Unit: Thousand Baht)

Transactions		For the years ended 31 December	
		2010	2009
Income items	Interest income	502,523	308,125
	Dividend income	23,580	3,000
	Fee and service income	427	-
	Rental income	105	180
	Other income	36	67
Expense items	Interest expense and Other expenses	5,270	20,524

The Bank has established guidelines whereby interest rates, fee, service and building rental charges are to be set for related companies as if the transactions were being executed with unrelated parties, with the key consideration being maximization of benefit to the Bank. The interest rates used for the debt restructuring are based on the

conditions in debt restructuring contracts. Other related transactions such as accrued interest receivables, accrued interest payables, other assets, other liabilities, allowance for doubtful accounts and other transactions for the year ended 31 December 2010 and 2009 were entirely disclosed in the Notes to Financial Statements no. 27.

Capital Structure

Registered Capital

As of 31 December 2010, the Bank had registered capital of 15,904,529,450 baht, fully paid-up, divided into 1,589,988,613 ordinary shares at par value of 10 baht and 464,332 Class B preferred shares at par value of 10 baht.

Preferred Shares

The Bank's preferred shares were previously divided into Class A and Class B preferred shares. Currently, all Class A preferred shares have been converted into ordinary shares, and the remainder of the preferred shares are Class B. Class B preferred shares have rights and benefits

equal to ordinary shares, with the exception that the holders of Class B preferred shares are entitled to convert their shares into ordinary shares at a ratio of 1:1. The holders of Class B preferred shares are able to exercise the conversion of Class B preferred shares into ordinary shares four times a year. The exercise dates for the conversion of Class B preferred shares into ordinary shares are 22 February, 22 May, 22 August and 22 November. The holders of Class B preferred shares must lodge the application for conversion together with the share certificates or securities withdrawal forms to the Registrar during business hours on the specified dates.

General Information

(1) Industrial and Commercial Bank of China (Thai) Public Company Limited

Type of business	Commercial bank
Address of Head Office	11 th -13 th Floors, Emporium Tower, 622 Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110
Registration No.	0107536000251
Website	www.icbcthai.com
Telephone	+66 2663-9999
Facsimile	+66 2663-9888
Call Center	+66 2663-9333
Corporate Communication and Investor Relations Department	+66 2663-9461-64 Contact : Ms. Patsamon Sanghiran Ms. Wanngam Supunnagul
Registered capital	15,904,529,450 baht (as of 31 December 2010)
Paid-up capital	15,904,529,450 baht (as of 31 December 2010)
Par value	10 baht

(2) Entities in which the Bank has a stake of 10% or more of the issued shares

Leasing Sinn Asia Company Limited

Address	16 th Floor, K.S.L. Towers, 503/27, K.S.L Tower, Sri-ayudhaya Road, Thanonphayathai, Ratchathewi, Bangkok 10400
Type of Business	Hire purchase and lease financing
Telephone	+66 2626-8100
Facsimile	+66 2626-8191-6
Registered Capital	3,000,000,000 baht (as of 31 December 2010)
Paid-up capital	2,500,000,000 baht (as of 31 December 2010)
Par value	10 baht
Percentage of shareholding	99.99%

Finansia Syrus Securities Public Company Limited

Address	18 th Floor, The Offices at Central World, 999/9 Rama 1 Road, Patumwan, Bangkok 10330
Type of Business	Securities business
Telephone	+66 2658-9000
Facsimile	+66 2658-9292
Registered Capital	521,600,000 baht (as of 31 December 2010)
Paid-up capital	515,650,514 baht (as of 31 December 2010)
Par value	1.60 baht
Percentage of shareholding	24.51%

Bangkok BTMU Limited

Address	54 Harindhorn Tower 4 th Floor Unit A, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand
Type of business	Lending Business
Telephone	+66 2266-3075
Facsimile	+66 2266-3076
Registered capital	200,000,000 baht (as of 31 December 2009)
Paid-up capital	200,000,000 baht (as of 31 December 2009)
Par value	100 baht
Percentage of shareholding	10%

(3) Reference Information

- Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Khlong Toei, Bangkok 10110 Tel. +66 2229-2800 Fax. +66 2359-1259
- Auditors	Ernst & Young Office Limited (E&Y) 33 rd Floor, Lake Ratchada Office Complex 193/136-137 Ratchadapisek Road, Khlong Toei, Bangkok 10110 Tel. +66 2264-0777 Fax. +66 2264-0789-90

Branch Offices

Bangkok and Metropolitan

Head Office Branch	12 th Floor, Emporium Tower, 622 Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110 Tel. +66 2663-9695, +66 2663-9676, +66 2663-9715 Fax. +66 2663-9771
Bang Khun Tian Road Branch	90, 92, 94, 96 Bang Khun Tian Road, Bang Bon, Bangkok 10150 Tel. +66 2899-8275-6, +66 2899-8278-9 Fax. +66 2899-8280
Vibhavadirangsit-Donmuang Branch	161/2-5 Vibhavadi Rangsit Road, Si Kan, Don Muang, Bangkok 10210 Tel. +66 2996-9902-5 Fax. +66 2996-9906
Petchkasem Branch	79/15-18 Moo 2 Petchakasem Road, Nongkhangphlu, Nong Khaem, Bangkok 10160 Tel. +66 2812-4514-7 Fax. +66 2812-4507
Srinakharin Branch	990, 992 Srinakharin Road, Suan Luang, Bangkok 10250 Tel. +66 2752-6804 Fax. +66 2752-6808
Yaowaraj Branch	259 Yaowaraj Road, Samphanthawong, Bangkok 10100 Tel. +66 2623-2112 Fax. +66 2623-2116
Lat Phrao Branch	2308 Lat Phrao Road, Wang Thong Lang, Bangkok 10310 Tel. +66 2931-8420 Fax. +66 2931-8421
Sathon Branch	Bangkok Insurance Building 25 South Sathon Road, Thung Maha Mek, Sathon, Bangkok 10120 Tel. +66 2677-4415 Fax. +66 2677-4420
Samut Sakhon Branch	930/42 Sor and 930/42 Hor, Ekkachai Road, Mahachai, Muang, Samut Sakhon 74000 Tel. +66 3481-1452-5 Fax. +66 3481-1456

North Eastern

Khon Kaen Branch	4/6 Klang Mueang Road, Nai Mueang, Mueang, Khon Kaen 40000 Tel. +66 4324-2400, +66 4324-3507-9 Fax. +66 4324-3510
Ubon Ratchathani Branch	88 Chayangkul Road, Nai Mueang, Mueang, Ubon Ratchathani 34000 Tel. +66 4524-2299, +66 4524-0639, +66 4524-1699, +66 4524-1966 Fax. +66 4524-0988
Udon Thani Branch	104/5-6 Udondutsadi Road, Mak Khaeng, Mueang, Udon Thani 41000 Tel. +66 4234-3860-3 Fax. +66 4234-3030
Nakhon Ratchasima Branch	329/1-3 Yommarat Road, Nai Mueang, Mueang, Nakhon Ratchasima 30000 Tel. +66 4426-9491-4 Fax. +66 4426-9495

Northern

Chiang Mai Branch	615/5 Charoen Mueang Road, Nong Pakrang, Mueang, Chiang Mai 50000 Tel. +66 5330-4752-5 Fax. +66 5330-4756
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Eastern

Si Racha Branch	138 Sukhumvit Road, Si Racha, Si Racha, Chon Buri 20110 Tel. +66 3877-3483-4, +66 3877-3498-9 Fax. +66 3877-3559
Rayong Branch	360/23-25 Sukhumvit Road, Noen Phra, Mueang, Rayong 21000 Tel. +66 3886-0456, +66 3886-0692, +66 3886-0819, +66 3886-0873 Fax. +66 3886-0971

Southern

Hat Yai Branch	732 Petchakasem Road, Hat Yai, Songkhla 90110 Tel. +66 7436-4567, +66 7436-5820-7 Fax. +66 7436-4789
Phuket Branch	2, 4 Phangnga Road, Talat Yai, Mueang, Phuket 83000 Tel. +66 7621-8333, +66 7621-3381-3 Fax. +66 7621-3856
Surat Thani Branch	60/1-3 Moo 2 Makham Tia, Mueang Surat Thani, Surat Thani 84000 Tel. +66 7726-4950 Fax. +66 7726-4957



The integration with ICBC China will enable ICBC (Thai)'s fast pace forward and enhance ICBC (Thai)'s capability in providing financial services that respond to the customers' diverse needs.

11th-13th Fl., Emporium Tower 622 Sukhumvit Road,
Klong Ton, Klong Toei, Bangkok 10110
Tel. 0 2663 9999 Fax 0 2663 9888