

Inspire Each Other Grow Together



Industrial and Commercial Bank of China (Thai) Public Company Limited
Annual Report 2011

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



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Financial Highlights

	2011	2010	2009
Consolidated			
Financial position (million Baht)			
Loans to customers net of deferred revenue	67,552	54,704	48,027
Allowance for doubtful accounts and revaluation on debt restructuring	1,209	1,016	1,432
Non-performing loans	1,917	2,919	2,720
Total assets	90,789	73,372	65,957
Deposits and borrowings	72,284	54,803	49,180
Liabilities	4,143	4,801	3,654
Shareholders' equity	14,362	13,768	13,123
Performance results (million Baht)			
Net interest income	2,715	2,092	1,930
Net fee and service income	232	142	80
Other incomes	608	384	1,068
Other operating expenses	(1,500)	(1,210)	(1,244)
Profit from operation before bad debts, doubtful accounts and impairment losses	2,055	1,408	1,834
Bad debts, doubtful accounts and impairment losses	(948)	(624)	(1,227)
Profit from operation before income taxes	1,107	784	607
Income taxes	(412)	(230)	(80)
Profit for the years	695	554	527
Financial ratio (%)			
Return on average assets (ROA)	0.86	0.79	0.77
Return on average equity (ROE)	5.01	4.12	4.11
Capital adequacy ratio (the Bank only)	17.52	20.55	22.64
Basic earnings per share (Baht)	0.44	0.35	0.46
Book value per share (Baht)	9.03	8.66	8.25



WE SUPPORT

Thai Businessmen and Local Businesses
With Our Expertise and Understanding
of the Banking Business

Focus on Local Business Line



Message from the Chairman

Dear Shareholders and Valued Customers,

In 2011 there were noticeable changes in many aspects of Thailand that affected the country politically and economically. In particular, during the second half of 2011, Thailand experienced one of the most disastrous floods in the nation's history which caused a halt in manufacture, investment, as well as domestic consumption. Financial crisis in the EU region and economic recession in the USA also worsened the situation and hampered the ongoing growth of commercial and industrial sectors, as well as destabilizing the banking sector as a whole. However, with the strong determination and dedication of our staff, as well as prudent management, ICBC (Thai) and its subsidiary were able to pass through the unfavorable situation, and could satisfactorily achieve the targeted performance in 2011.

During the year, ICBC (Thai) established new divisions to handle development of the Chinese-Thai business relationship which helped increase international business transactions between both countries by more than 80%. Accordingly, transactions in CNY currency amounted to more than RMB 2,362 million.

The Bank also commenced the retail banking business during 2011 with the launch of several new products to serve a wider range of customer such as CNY Currency Deposit Account and Pre-fixed CNY Remittance.

In addition, during 2011, ICBC (Thai) was successful in the integration of technological system. The Bank migrated

the existing operational IT system to the FOVA system, a proprietary IT system specifically developed for the ICBC Group. This has significantly helped accelerate financial data transfers within the group, and facilitate knowledge transfers within the group. Consequently, ICBC (Thai) was the first company in the ICBC Group that successfully completed the migration of the operations system for the whole Bank. As a result of the success of the system migration to FOVA, ICBC (Thai) is now ready for the next step of innovation and customization of banking products and financial services, especially, of the retail banking segment to best serve customers' utmost satisfaction in the future.

In terms of financial performance, in 2011 ICBC (Thai) and its subsidiary had profits before tax of Baht 1,107 million an increase of 41% from the previous year. The total assets on consolidated basis were Baht 90,789 million, or increased by 24% from that of the previous year, which was largely due to the growth in loan portfolio. At the end of 2011, the total loan excluding deferred income increased from Baht 54,704 million to Baht 67,552 million, or by 23%.

ICBC (Thai) remained focused on maintenance of asset quality and continued to improve risk management and policy, as well as control of NPL. At the end of 2011, the NPL ratio of the Bank decreased to 1.73% reduced from 4.59% at the end of 2010.

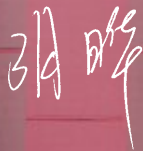
As for deposits, that include issued debt instruments and borrowings of ICBC (Thai) at the end of 2011, stood at Baht 72,284 million, increased 32% from 2010.

Capital adequacy of ICBC (Thai) remained strong. The total Capital to Risk Asset Ratio was 17.52%, or well above the BOT's minimum requirement of 8.5%. The high BIS Ratio of ICBC (Thai) reflects the bank's ability to support business growth in the future. Furthermore, the credit rating of AA+(tha) by Fitch Ratings affirms the Bank's financial position.

ICBC (Thai) is now ready and well-prepared for the next move to develop a broad range of new products and services to serve customers in all segments. This will be supported by our expertise in Thailand's financial market, and worldwide resources of ICBC Group's network

including 239 branches in 33 countries, as well as the group's 1,553 correspondent banks in 136 countries.

On behalf of ICBC (Thai), I would like to express my sincere gratitude and appreciation to our shareholders, valued customers, and patrons, for the continuous and strong support that have led the bank to a great success in the previous year. The Bank's Board of Directors, Executives, and staff will continue our total dedication to the progress and achievement of the Bank through continuous development of new products and services for the utmost benefit and satisfaction of our customers.



Dr. Ye Hu
Chairman



The Board of Directors



Dr. Ye Hu Age 48 years

Position	Chairman • Authorized Director
Education	PhD, Economic, Public Finance, Southwestern University of Finance and Economics, P.R. China
Work Experience	2011-Present Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2011 Vice President, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch • 2002-2005 President Assistant, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch • 2000-2002 Director, Accounting Department, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch
Shareholding (%)	-

Mr. Youbin Chen Age 42 years

Position	Vice Chairman • Authorized Director • Chief Executive Officer • Chairman of the Board of Executive Directors
Education	IMBA, Hong Kong University and Fudan University • MS, Mathematical Statistics, Xiamen University, P.R. China
Work Experience	2010-Present Vice Chairman/Chief Executive Officer/Chairman of the Board of Executive Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2009-2010 Deputy General Manager, Industrial and Commercial Bank of China Limited • 2007-2009 Director & Senior Executive Vice President, ICBC (Indonesia) • 2005-2007 President, ICBC Ningde Branch
Shareholding (%)	-



Mr. Chanchai Leetavorn Age 84 years

Position	Director • Honorary Consultant to the Chairman
Education	BS, Banking and Finance, University of Illinois, U.S.A.
Work Experience	2010-Present Director/Honorary Consultant to the Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1984-2010 Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-Present Chairman, ICBC (Thai) Leasing Company Limited • 2006-2009 Chairman, ACL Securities Company Limited • 1978-Present Director, Siam Piwat Company Limited • 2002-Present Director, Siam Piwat Holding Company Limited • 1996-Present Director, Siam Speciality Company Limited • 1990-Present Director, Minebea Aviation Company Limited • 1984-Present Chairman, Bangkok BTMU Company Limited
Shareholding (%)	-

Dr. Kosol Petchsuwan Age 73 years

Position	Independent Director • Chairman of the Audit Committee
Education	PhD, Engineering, Imperial College London, U.K.
Work Experience	2004-Present Independent Director/Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1992-Present Independent Director, Member of the Audit Committee, TRUE Corporation Plc. • 2001-2009 Director, Mahidol Wittayanusorn School
Shareholding (%)	-

Dr. Prasit Damrongchai Age 71 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	2006-Present Independent Director/Chairman of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-Present Director, Dhipaya Insurance Plc. • 2006-2010 Director, IRPC Oil Co., Ltd. • 2006-2010 Director, Thai ABS Co., Ltd. • 2006-2010 Director, IRPC Polyol Co., Ltd. • 2005-2008 Chairman, Wyncoast Industrial Park Plc. • 2005-2006 Director/Executive Director, Thai Airways International Plc. • 2004-2006 Director/Executive Director, Krung Thai Bank Plc.
Shareholding (%)	-



Mr. Wencong Li Age 42 years

Position Authorized Director • Executive Director • Senior Executive Vice President, Group Management Level, Risk Management Division

Education IMBA, Hong Kong University

Work Experience Feb 2012-Present Director/Executive Director/Senior Executive Vice President Group Management Level, In Charge of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2010-Feb 2012 Director/Executive Director/Senior Executive Vice President, Business Banking Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Head of Risk Management, ICBC (Asia) • 1991-2007 Manager, ICBC Xiamen Branch

Shareholding (%) -

Mr. Guohui Song Age 44 years

Position Authorized Director • Executive Director • Senior Executive Vice President, Supporting Group

Education MA, Economics, Southwestern University of Finance and Economics, P.R. China

Work Experience 2010-Present Director/Executive Director/Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Manager, Industrial and Commercial Bank of China Limited • 2003-2007 Head of Financial Control & IT, ICBC (London)

Shareholding (%) -

Dr. Changwen Nie Age 45 years

Position Director • Member of the Nomination, Compensation and Corporate Governance Committee

Education PhD, World Economy, Renmin University of China, P.R. China

Work Experience 2010-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) 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)

Shareholding (%) -


Dr. Li Lan Age 48 years

Position	Director • Member of the Nomination, Compensation and Committee Corporate Governance
Education	PhD, Economics, Tianjin University of Economics, P.R. China
Work Experience	2011-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Full-time Overseas Institutional Director, Industrial and Commercial Bank of China Limited • 2010-2011 Vice Head of Internal Auditing, Tianjin Regional Headquarters, Industrial and Commercial Bank of China Limited • 2005-2010 Deputy Head of Tianjin Branch, Industrial and Commercial Bank of China Limited
Shareholding (%)	-

Mr. Plengsakdi Prakaspesat Age 69 years

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

Ms. Ladda Siri Wattanakosol Age 55 years

Position	Independent Director • Member of the Audit Committee
Education	MBA, Thammasart University
Work Experience	2007-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2006 Chief of Credit Officer/Executive Vice President, Chief of Credit Corporate Strategy Group, TMB Bank Plc.
Shareholding (%)	-

Senior Executives



Mr. Youbin Chen Age 42 years

Position Vice Chairman • Authorized Director • Chief Executive Officer • Chairman of the Board of Executive Directors

Education IMBA, Hong Kong University and Fudan University • MS, Mathematical Statistics, Xiamen University, P.R. China

Work Experience 2010-Present Vice Chairman/Chief Executive Officer/Chairman of the Board of Executive Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2009-2010 Deputy General Manager, Industrial and Commercial Bank of China Limited • 2007-2009 Director & Senior Executive Vice President, ICBC (Indonesia) • 2005-2007 President, ICBC Ningde Branch

Shareholding (%) -

Mr. Wencong Li Age 42 years

Position Authorized Director • Executive Director • Senior Executive Vice President, Group Management Level, Risk Management Division

Education IMBA, Hong Kong University

Work Experience Feb 2012-Present Director/Executive Director/Senior Executive Vice President, Group Management Level, In Charge of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2010-Feb 2012 Director/Executive Director/Senior Executive Vice President, Business Banking Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Head of Risk Management, ICBC (Asia) • 1991-2007 Manager, ICBC Xiamen Branch

Shareholding (%) -

Mr. Guohui Song Age 44 years

Position Authorized Director • Executive Director • Senior Executive Vice President, Supporting Group

Education MA, Economics, Southwestern University of Finance and Economics, P.R. China

Work Experience 2010-Present Director/Executive Director/Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Manager, Industrial and Commercial Bank of China Limited • 2003-2007 Head of Financial Control & IT, ICBC (London)



Mr. Apichart Kasemkulsiri Age 45 years

Position	Senior Executive Vice President, Treasury and Branch Operations Group
Education	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Work Experience	2010-Present Senior Executive Vice President, Treasury and Branch Operations Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Executive Vice President/Treasury Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-Present Director, ICBC (Thai) Leasing Company Limited • 2007-Present Executive Director, Sri Sam Ank Suppliers Company Limited • 2004-Present Executive Director, T.Krung Thai Industry Public Company Limited
Shareholding (%)	-

Ms. Suree Wipatakanok Age 48 years

Position	Executive Vice President, Corporate Banking Division
Education	BA, Business Administration, Ramkhamhaeng University
Work Experience	2007-Present Executive Vice President, Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Executive Vice President, Corporate Banking, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-2006 Senior Vice President, Credit & Marketing-Medium Enterprise Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-Present Director, ICBC (Thai) Leasing Company Limited
Shareholding (%)	-

Mr. Chaiwat Tanchewawong Age 54 years

Position	Executive Vice President, Branch Banking Division
Education	MBA, Chulalongkorn University
Work Experience	2007-Present Executive Vice President, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, Branch Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited
Shareholding (%)	-



Dr. Wei Huang Age 40 years

Position Executive Vice President, Chinese Business Center Division
 Education PhD, Economics Jiang Xi Financial and Economic College, P.R. China
 Work Experience Feb 2012-Present Executive Vice President, Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2011 Deputy Head of Credit Management Division, Industrial and Commercial Bank of China Limited, Jiangxi Branch • 2005-2006 Deputy Head of International Banking Division, Industrial and Commercial Bank of China Limited, Jiangxi Branch
 Shareholding (%) -

Ms. Kanchana Vongratanakulthon Age 56 years

Position Executive Vice President, Risk Management Division
 Education BBA, Sukhothai Thammathirat Open University
 Work Experience Feb 2012-Present Executive vice President, Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-Feb 2012 Executive Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2006 Senior Vice President, Asset Management Department, Industrial and Commercial Bank of China (Thai) Public Company Limited
 Shareholding (%) -

Mrs. Orapin Sreesangkom Age 48 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 2007-Present Executive Vice President, Corporate Secretary & Legal Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, General Secretariat Division, Industrial and Commercial Bank of China (Thai) Public Company Limited
 Shareholding (%) -



Mr. Som Pisarnsopon Age 47 years

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

Ms. Sasiwadee Somboonthum Age 52 years

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

Mr. Wisit Ausawalaitong Age 44 years

Position Executive Vice President, Information Technology Division
 Education MS, Computer Science, Asian Institute of Technology
 Work Experience 2007-Present Executive Vice President, Information Technology Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 Senior Vice President, Information Technology Services Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1994-2007 Principal Consultant, Temenos (Thailand) Co., Ltd.
 Shareholding (%) -

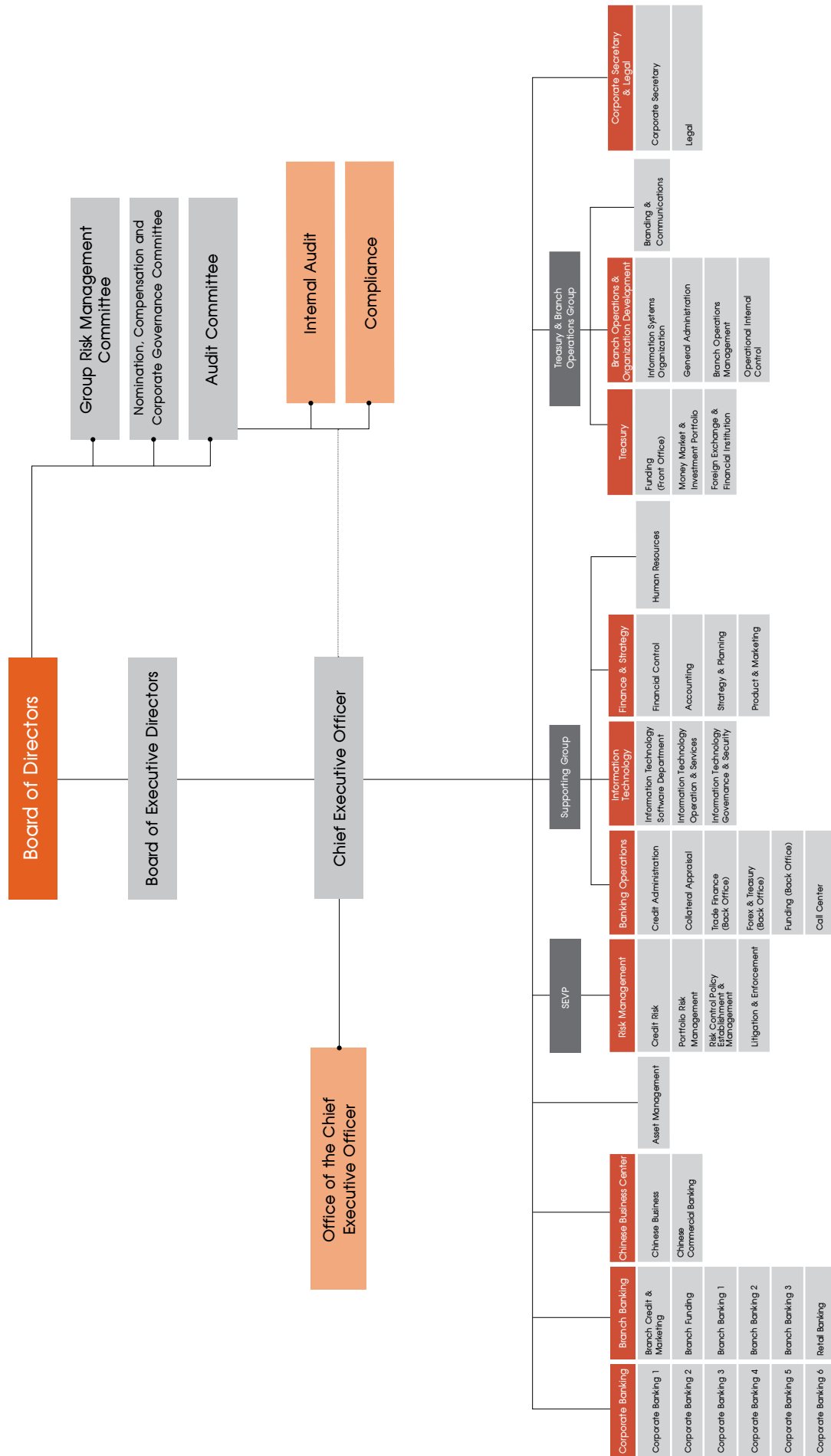
Mr. Yongmin Tang Age 38 years

Position Executive Vice President, Deputy Head of Division; Branch Banking Division
 Education BA, Finance and Banking, Shanxi Institute of Finance and Economics, P.R. China
 Work Experience Feb 2012-Present Executive Vice President, Deputy Head of Division; Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-2011 Deputy General Manager, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarter • 2005-2007 Division Head, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarter
 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	Mr. Wasun Muangmee	Senior Vice President	Credit Risk Department
6	Mrs. Araya Watanakun	Senior Vice President	Funding (Back Office) Department
7	Mr. Chanin Tivunluk	Senior Vice President	Human Resources Department
8	Mrs. Narumol Meksingvee	Senior Vice President	Funding (Front Office) Department
9	Ms. Kulnida Cheausuwan	Senior Vice President	Money Market & Investment Portfolio Department
10	Ms. Suwimol Itthiputh	Senior Vice President	Foreign Exchange & Financial Institution Department
11	Mrs. Saowanee Soonthornswad	Senior Vice President	Branch Operations Management Department
12	Mr. Gan Huang	First Vice President	Office of the Chief Executive Officer
13	Ms. Chuenchit Trakarnratti	First Vice President	Internal Audit Department
14	Ms. Linda Sirivibulya	First Vice President	Corporate Banking 1 Department
15	Mr. Vatcharasit Verayangkura	First Vice President	Corporate Banking 3 Department
16	Mrs. Rachanoke Vichitlekarn	First Vice President	Corporate Banking 4 Department
17	Ms. Phongpan Leksakul	First Vice President	Branch Credit & Marketing Department
18	Mr. Thanathorn Ariyasakulsaree	First Vice President	Branch Funding Department
19	Ms. Wanpen Yongchayanuntakul	First Vice President	Branch Banking 1 Department
20	Mrs. Hongmei Xiao	First Vice President	Retail Banking Department
21	Mr. Guangyu Guo	First Vice President	Risk Management Division
22	Mr. Seksan Chunserreechai	First Vice President	Portfolio Risk Management Department
23	Mr. Zhuhua Chen	First Vice President	Risk Control Policy Establishment & Management Department
24	Mr. Wichai Sakulkru	First Vice President	Litigation & Enforcement Department
25	Mrs. Sirinan Kanchanakom	First Vice President	Credit Administration Department
26	Mr. Supakij Thepworawuti	First Vice President	Collateral Appraisal Department
27	Mr. Chaveng Mahapornprajuck	First Vice President	Trade Finance (Back Office) Department
28	Mr. Wijit Sriwijitchok	First Vice President	Foreign Exchange & Treasury (Back Office) Department
29	Mr. Xing Zan	First Vice President	Information Technology Governance & Security Department
30	Mr. Liyong Zhang	First Vice President	Financial Control Department
31	Mrs. Suntaree Thummaratchapimon	First Vice President	Accounting Department
32	Ms. Naiyana Noibanchong	First Vice President	Information Systems Organization Department
33	Mr. Parames Tonnaming	First Vice President	General Administration Department
34	Mrs. Patsamon Sanghiran	First Vice President	Branding & Communications Department
35	Mr. Visanu Ua-amporn	Vice President	Chinese Commercial Banking Department
36	Mr. Chairat Kongkreingkrai	Vice President	Asset Management Department
37	Mr. Permsak Tananon	Vice President	Information Technology Operation & Services Department

Organization Chart





WE PROVIDE

Thai Businesses Expanding Overseas

With Our Exceptional ICBC Group Network

Focus on Thai Global Business Line



Background and Significant Developments



Incorporated on 28 August 1969, the Bank was founded as commercial company later obtaining a license to undertake finance and securities business from the Ministry of Finance on 26 October 1973 and was listed on the Stock Exchange of Thailand (SET) in 1978. On 23 December 2005, the Ministry of Commerce granted a commercial bank license to the Bank.

On 21 April 2010, the Industrial and Commercial Bank of China Limited (ICBC), the largest commercial bank in the world in terms of market capitalization, acquired 97.24% of the total issued shares of the Bank from a voluntary tender

offer of all shares traded on the SET and changed the name of the Bank to "Industrial and Commercial Bank of China (Thai) Public Company Limited" becoming a part of the ICBC Group.

After a successful tender offer, ICBC requested a delisting from the SET which took effect on 19 March 2011. At present, ICBC holds 97.70% of the total issued shares of the Bank.

As a full-licensed commercial bank, the Bank aims to be on the forefront of commercial banks in Thailand on international banking service. Being a part of the ICBC Group

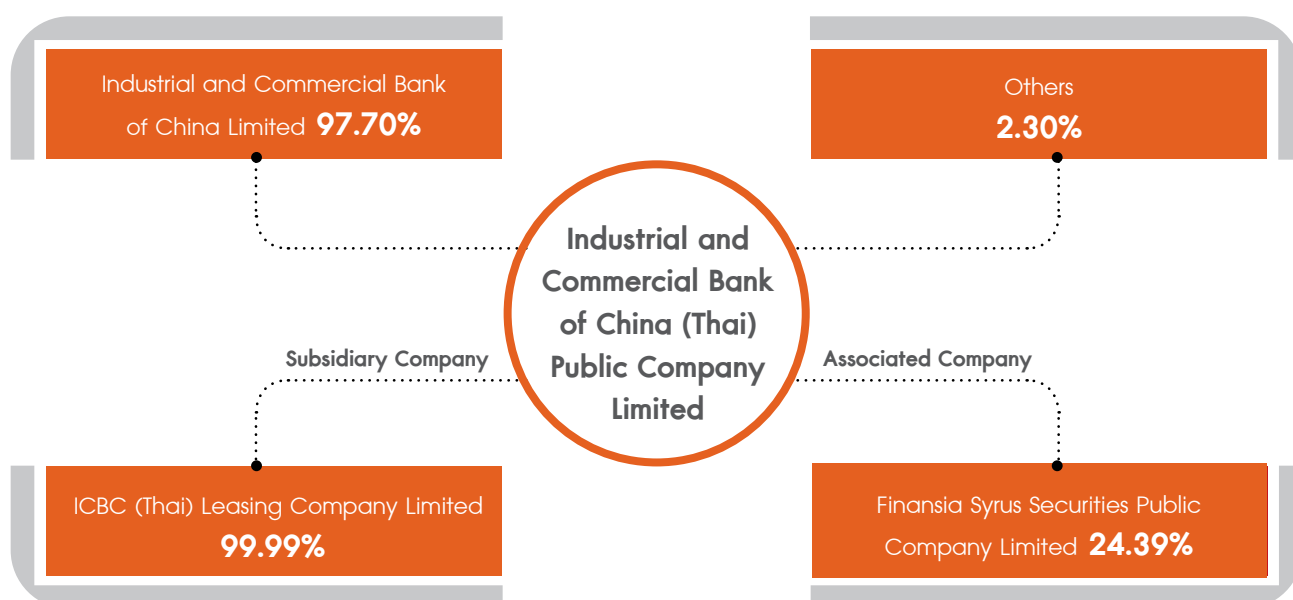
means customers of the Bank are able to fully utilize the services provided by the Group's network which is growing at a rapid pace in China as well as around the world. As of the end of 2011, ICBC Group has more than 16,000 branches and service centers in China and 239 additional branches in 33 countries around the world. Furthermore, ICBC also has 1,553 correspondent banks in 136 countries across the globe.

At present, the Bank provides a variety of services offered by a commercial bank with additional financial

services provided through the Bank's financial group, ICBC (Thai) Leasing Co., Ltd., a 99.99% owned Subsidiary of the Bank offering leasing and hire purchase services. Moreover, through an associated company, Finansia Syrus Securities, the Bank is able to offer a wide range of securities related services.

The Bank is proud to be rated by Fitch Ratings at 'AA+(tha)' for National Long-term rating and 'F1+(tha)' for National Short-term rating with Stable Outlook.

Shareholders' structure of ICBC (Thai) Group (as of 31 December 2011)



Banking Products and Services



The Bank remains steadfast in addressing the needs of its individual and corporate customers by offering a variety of financial products and services with the support from ICBC, the largest commercial bank in China with a strong network in China and around the world.

Deposits

Deposits are available for various types of customer such as individual persons, juristic entities, non-profit organizations, government agencies, financial institutions, etc. Here 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, divided into 2 types of account

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.

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:

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

2) Hi-Speed Savings: Giving a high interest rate similar to a TD (Time Deposit) 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 3 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 1 to 48 months.

5. Foreign Currency Deposit (FCD): This is offered in savings account and fixed deposit account of 1 to 12 months and available in 9 major currencies, Chinese Yuan, US Dollar, Euro, Pound Sterling, Japanese Yen, Singapore Dollar, Hong Kong Dollar, New Zealand Dollar and Australian Dollar.

6. Bill of Exchange (B/E): We provide our customers with another investment and savings channel that gives them better return than the fixed deposit rates receivable over a comparable period of time.

Lending

The Bank is ready to provide a complete range of commercial credit by a variety of services suitable to all types of businesses, including small, medium and large enterprises. We strive to support your business for smooth operation with potential to grow stably in the future.

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

1. **Liquidity-enhancement Facilities** to meet the working capital requirements or support sales promotion activities

- Overdraft
- Promissory note
- Short-term lending with tenor within 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 over three years
- Project financing
- Syndication loan

3. **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 payments upfront goods shipment, 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 document 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 term, the importer will make the goods payment to the Bank.

- **Import Bills for Collection**

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

- **Shipping Guarantees**

Shipping guarantees are provided for our customers to offer to a shipping company before the arrival of the shipping documents while goods already arrived. This helps the importer save the cost of 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 advanced, quick and efficient system, called SWIFT, which allows customers to transfer money to any destination of their desire. We primarily focus on customers in the international trade/business segment.

Chinese Business

In addition to the services described above, the Bank also provides special banking products and services to Chinese corporations in Thailand as well as Thai and foreign corporations in Thailand with businesses related to China such as trade products and service (contractor business) and investment between Thailand and China by utilizing ICBC

Group's resources and network and other privileges given by the Chinese Government.

The staff members from this division possesses knowledge and experience in banking products and services and are able to communicate in Chinese to help customers find practical business solutions.

The staff can also help customers match with business partners in China. The Chinese Business services that the Bank offers are as follows:

1. Deposit and Investment

Apart from normal deposits in THB, USD, and other foreign currencies, the Bank offers CNY deposit CNY and CNY direct money transfer services with competitive CNY/THB exchange rates. As for investment products, with our Investment Banking Center's support, the Bank also offers various international investment products as well as wealth management service.

2. Transactional Based Products

Cash Management: The Bank is well equipped to offer international cash management service to customers where customers can monitor overseas operations, especially in China from the Head Office of the Banks in Thailand through a private internet system.

Trade Finance: The Bank supports customers on trade financing through ICBC group's overseas branch networks of more than 30 countries as well as a large correspondent bank network more than 130 countries. Customers can pay for goods and services in RMB-currency directly without having to convert to USD.

3. Financing Products and Services

The Bank offers structure financing solutions for customers in accordance with their individual needs. Direct loans, syndicated loans as well as financial leases are just some of the financing options readily available for our customers. Moreover, The Bank also specializes in international lending, especially in China through over 16,000 ICBC's branches in China.

4. Risk Management Products and Services

The Bank provides international risk management products and services especially CNY FX risk hedging in offshore.

Chinese Yuan 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 1 to 12 months.

2. One-day CNY Remittance Service

This service features a 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 Dollar 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. For transactions made before 12.00 hrs. on the day of remittance, recipients will receive the money on the very same day but if the transactions are done through any other banks determined by the Bank or the transactions are made after 12.00 hrs., the recipients will receive the money on the following day.

3. CNY Cross-border Trade Settlement

Customers both individuals and juristic persons in Thailand are able to transfer Yuan to their trade partners in China, and vice versa, for the settlement of L/C, B/C and T/T transactions. This helps to expand business opportunities

for Thai importers who buy products from China and Chinese importers who buy products from Thailand. Customers in both countries are able to settle their payments in Yuan currency without having to exchange into Dollars before translating into Yuan or Baht; the currency risk is, thus, lessened. However, both Chinese importers and exporters must be located in the 19 provinces and municipalities prescribed by the government of China, as follows: Beijing, Tianjin, Inner Mongolia, Liaoning, Jiangsu, Zhejiang, Fujian, Shandong, Hubei, Guangxi, Hainan, Chongqing, Sichuan, Yunnan, Jilin, Heilongjiang, Tibet, Xinjiang, and Guangdong. These Chinese exporters also need approval from the People's Bank of China.

4. RMB Currency Exchange

The Bank offers RMB currency exchange service at 10 branches namely: Head Office, Yaowaraj, Sathon, Petchkasem, Srinakharin, Lat Phrao, Sri Racha, Chiang Mai, Phuket and Hat Yai. The rates offered are very competitive with no extra fees charged.

Debit Card

The ICBC (Thai) debit card with "UnionPay" brand is dual-currency card, including CNY account and THB account. Customers can process cash withdrawal or deposit, account inquiry, transfer and remittance, payment or purchasing in both CNY account and THB account. Customers can process certain business with the debit card at any counter and E-banking of ICBC (Thai). They can also withdraw cash at any of the 920,000 ATM with "UnionPay" brand and pay for goods and services at over 1,700,000 "UnionPay" acquiring merchants in 117 countries around the world. The debit card is particularly suitable for customer who has CNY preference.



WE SERVICE

Chinese Businesses in Thailand

And Thai Businesses in China

With Our Comprehensive Financial Transactions

Focus on Chinese Business Line



Report of the Audit Committee

The Audit Committee comprises of 3 Independent Directors who are fully qualified under the rules and sound practices stipulated by the Bank's supervisory authorities. The 3 Members are: Dr. Kosol Petchsuwan, Mr. Plengsakdi Prakaspesat and Ms. Ladda Siri Wattanakosol, who have been appointed by the Board of Directors of the Bank to perform duties of Audit Committee of the Bank and all holding a two-year term of office.

In 2011, 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 2011, the Audit Committee held 7 meetings with full attendance by Audit Committee Members, at every meeting. The Audit Committee reported the significance of its performed duties for each quarter to the Board of Directors with a summary as follows:

1. Financial Statements

The Audit Committee reviewed the Bank's half-year, annual and consolidated financial statements as well as the 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 management from the Accounting Department and always with the external auditors in attendance. 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 was of the opinion that the Bank has maintained adequate control system for preparing the financial statements. The Audit Committee's opinion was 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 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 the operations and information technology through the reports of Internal Audit Department and those of external auditor. 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 2011, 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 operations of the Compliance Department. The Audit Committee also considered and approved the annual compliance plan for ensuring that the adequate compliance functions were well in place. The Audit Committee also regularly acknowledged reports on regulatory changes affecting the banking operations.

As for business operations undertakings in the year 2011, there was no significant incompliance with the regulations of the Bank's supervisory authorities, nor any issue 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.

The Audit Committee was of the opinion that it was suitable to propose to maintain the auditors of Ernst & Young Office Limited to be the statutory auditors of the Bank and its subsidiary for the year 2012 and proposed their remuneration to the Board of Directors for consideration and further submission to the 2012 Annual General Meeting of Shareholders for approval.

In overall, the Audit Committee has performed its duties carefully, 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 conducted 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 2011

The Nomination, Compensation and Corporate Governance Committee (NCC) of Industrial and Commercial Bank of China (Thai) Public Company Limited (the Bank) comprises of three Non-executive Directors with the Chairman being an Independent Director.

The NCC has, in the past year, conducted its duties as assigned by the Board of Directors in accordance with the NCC Charter. The roles of the NCC are to nominate persons who possess the appropriate abilities, experience and qualifications to be appointed as Directors and Senior Executives, propose appropriate compensations for Directors and Senior Executives to the Board of Directors and oversee that the Bank's operations are in compliance with the principles of good corporate governance.

In 2011, the NCC held 7 meetings, in total, to conduct the following matters:

- Considered the nomination of qualified persons who were not prohibited by the regulations of the supervising authorities for the positions of Directors and Senior Executives of the Bank, including Directors who were retiring by rotation and to be reappointed for another term, to the Board of Directors and/or the Shareholders' Meeting for appointment.
- Reviewed the positions held in other companies by the Directors and Senior Executives of the Bank to ensure that they are able to fully devote time to perform their duties to the Bank effectively and submitted the review to the Board of Directors for approval.
- Considered the remunerations of Directors and Members of Committees to be comparable to the remunerations of other financial institutions and to commensurate with the duties and responsibilities given; and proposed to the Board of Directors for approval.
- Considered the annual increase of salaries and bonuses for the Senior Executives.
- Reviewed the complaint process of the Bank, recommended remedial actions to ensure justice to all parties and submitted such recommendations to the Board of Directors for approval.
- Considered the re-appointment of Audit Committee Members who were retiring by rotation and submitted to the Board of Directors for approval. Acknowledged the Audit Committee report according to the Audit Committee's scope and authority as defined in the Audit Committee Charter.
- Oversaw that the Bank reviewed its policies relating to Corporate Governance and business ethics to be in line with the requirements of supervisory authorities.

The NCC is determined to conduct its duties in adopting the principles of good governance and ethics to the practice of the Bank on a continuous basis including making recommendations on improving such practice to the Board of Directors by taking into consideration the utmost benefits of the shareholders and stakeholders of the Bank.



Dr. Prasit Damrongchai
Chairman of the Nomination,
Compensation and Corporate
Governance Committee

Analysis of Operating Results and Financial Position

Operating Results

In 2011, the Bank and its subsidiaries posted a net profit of 695 million Baht, representing an increase of 141 million Baht or 26% from 2010.

(Unit: Million Baht)

Profit & Loss Statements	2011	2010	% change
Net interest income	2,715	2,092	30
Non-interest income	840	526	60
Total net interest income and non-interest income	3,555	2,618	36
Operating expenses	(1,500)	(1,210)	24
Operating profit	2,055	1,408	46
Provision for doubtful accounts	(948)	(624)	52
Net profit before tax	1,107	784	41
Income tax	(412)	(230)	79
Net profit after tax	695	554	26

Net Interest amounted to 2,715 million Baht, representing an increase of 623 million Baht or 30% from 2010. Non-interest income was 840 million Baht, representing an increase of 314 million Baht or 60% from 2010. An increase in non-interest income was mainly due to increase in gain on disposals of properties foreclosed, income from bad debt recovery and fees and services income. Non-interest expense totaled 1,500 million Baht, representing an increase of 290 million Baht or 24% from 2010. An increase in non-interest expense was mainly due to increase in personnel expense and losses on impairment of property foreclosed and other asset.

In 2011, the Bank and its subsidiary recorded expenses related to bad debt and doubtful accounts including loss from debt restructuring in the amount of 948 million Baht, representing an increase of 324 million Baht from 2010. Overall the Bank had set aside higher provisions than required by the Bank of Thailand.

In 2011, net earnings per share for the Bank and its subsidiary amounted to 0.44 Baht, representing an increase of 0.09 Baht or 26% from the previous year.

Financial Position

The total assets of the Bank and its subsidiary at the end of 2011 amounted to 90,789 million Baht, representing an increase of 17,417 million Baht or 24% from the end of 2010. Total lending increased from 54,704 million Baht to 67,552 million Baht, representing an increase of 23%.

(Unit: Million Baht)

Key balance sheets items	31 Dec 11	31 Dec 10	% change
Total assets	90,789	73,372	24
Total loans to customers net of deferred revenue	67,552	54,704	23
Total deposit and borrowings	72,284	54,803	32

Total liabilities of the Bank and its subsidiaries at the end of 2011 amounted to 76,427 million Baht, increased from the end of 2010 by 16,823 million Baht or 28%. The main reason was the 17,481 million Baht or 32% increase in deposits and borrowings.

Shareholder's equity of the Bank and its subsidiaries at the end of 2011 stood at 14,362 million Baht, representing an increase of 594 million Baht or 4% from the end of 2010. This increase was mainly due to the net profit of the Bank and its subsidiaries which was 695 million Baht in 2011. The book value of the Bank and its subsidiaries as of 31 December 2011 was 9.03 Baht per share, increased from 8.66 Baht per share at the end of 2010.

Asset Quality

At the end of 2011, the Bank's ratio of non-performing loans (NPLs) to total loans, before the deduction of allowance for doubtful accounts, was 1.73%, representing a decrease of 4.59% from the end of 2010, while such ratio after deduction of allowance for doubtful accounts was 1.38%, which was a decrease from the ratio at the end of 2010 which was 4.08%.

Key financial ratios (%)	31 Dec 11	31 Dec 10
NPLs to total loans ratio (before deduct allowance for doubtful accounts)	1.73	4.59
NPLs to total loans ratio (after deduct allowance for doubtful accounts)	1.38	4.08
Capital adequacy ratio	17.52	20.55

Capital Adequacy Ratio

As at 31 December 2011, the Bank had capital fund of 13,754 million Baht, which was Tier-1 capital of 13,422 million Baht and tier-2 capital of 332 million Baht. The capital fund included 273 million Baht half-year net profit of the Bank. The BIS ratio stood at 17.52% of capital fund per risk assets.

(Unit: Million Baht)

Capital Funds	31 Dec 11	31 Dec 10
Tier 1 capital	13,422	12,928
Tier 2 capital	332	99
Total capital funds	13,754	13,027

Capital Funds (%)	31 Dec 11	31 Dec 10
Ratio of tier 1 capital to risk assets	17.10	20.40
Ratio of tier 2 capital to risk assets	0.42	0.15
Ratio of total capital to risk assets	17.52	20.55

Report of Independent Auditor

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

I have audited the accompanying consolidated statements of financial position of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary as at 31 December 2011 and 2010, the consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and 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 2011 and 2010, and the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements that during the current year, the Bank and its subsidiary adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in their preparation and presentation of these financial statements.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 16 March 2012

Statements of financial position

(Unit: Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Cash		289,865	272,817	289,369	272,364
Interbank and money market items-net	7	9,741,811	4,567,309	9,681,032	4,502,972
Derivative assets	8	403,884	1,184,159	403,884	1,184,159
Investments-net	9	11,428,643	10,452,454	11,428,643	10,452,454
Investments in a subsidiary and an associate-net	10, 11	336,816	290,296	3,540,920	2,755,170
Loans to customers and accrued interest receivables-net	13				
Loans to customers		72,334,970	57,818,612	63,343,799	51,039,688
Accrued interest receivables		140,539	112,650	147,027	116,260
Total loans to customers and accrued interest receivables		72,475,509	57,931,262	63,490,826	51,155,948
Less: Deferred revenue		(4,782,912)	(3,114,614)	(1,295)	(1,106)
Allowance for doubtful accounts	14.1	(1,196,682)	(1,003,796)	(824,401)	(704,507)
Allowance for revaluation on debt restructuring	14.2	(12,386)	(11,725)	(12,386)	(11,725)
Loans to customers and accrued interest receivables-net		66,483,529	53,801,127	62,652,744	50,438,610
Properties foreclosed-net	15	1,198,139	1,214,853	1,164,977	1,206,836
Premises and equipments-net	16	171,200	196,274	143,663	171,465
Intangible assets-net	17	89,998	130,992	76,296	119,021
Leasehold rights-net		197,062	207,714	197,062	207,714
Accrued income-net		113,400	78,244	102,895	71,087
Receivables on credit support for derivative contracts		64,572	465,638	64,572	465,638
Other receivables-net		246,119	465,045	173,931	333,223
Other assets	18	24,076	44,999	18,389	40,353
Total assets		90,789,114	73,371,921	89,938,377	72,221,066

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

Statements of financial position (continued)

(Unit: Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Liabilities and shareholders' equity					
Deposits	20	20,832,339	27,017,194	20,833,789	27,019,899
Interbank and money market items	21	1,491,510	1,788,852	1,491,510	1,288,852
Liabilities payable on demand		29,230	252,976	29,230	252,976
Derivative liabilities	8	671,593	1,056,405	671,593	1,056,405
Debts issued and borrowings	22	51,451,656	27,786,141	51,451,656	27,786,141
Provisions for post-employment benefits	23.1	113,130	-	94,671	-
Provisions for other liabilities	23.2, 40.2	326,050	99,650	326,050	99,650
Accrued interest payables		421,714	187,143	421,714	187,070
Payables on credit support for derivative contracts		-	446,842	-	446,842
Other liabilities	24	1,090,294	968,807	530,075	465,094
Total liabilities		76,427,516	59,604,010	75,850,288	58,602,929
Shareholders' equity					
Share capital	25				
Registered					
451,081 non-cumulative dividend preference shares of Baht 10 each					
(31 December 2010: 2,733,641 shares of Baht 10 each)		4,511	27,336	4,511	27,336
1,590,001,864 ordinary shares of Baht 10 each					
(31 December 2010: 1,587,719,304 shares of Baht 10 each)		15,900,018	15,877,193	15,900,018	15,877,193
Issued and fully paid					
451,081 non-cumulative dividend preference shares of Baht 10 each					
(31 December 2010: 464,332 shares of Baht 10 each)		4,511	4,643	4,511	4,643
1,590,001,864 ordinary shares of Baht 10 each					
(31 December 2010: 1,589,988,613 shares of Baht 10 each)		15,900,018	15,899,886	15,900,018	15,899,886
Other component of shareholders' equity					
- Revaluation surplus on investments	26	155,770	164,577	155,770	164,577
Deficit		(1,698,701)	(2,301,195)	(1,972,210)	(2,450,969)
Equity attributable to the Bank's shareholders		14,361,598	13,767,911	14,088,089	13,618,137
Non-controlling interest of a subsidiary		-	-	-	-
Total shareholders' equity		14,361,598	13,767,911	14,088,089	13,618,137
Total liabilities and shareholders' equity		90,789,114	73,371,921	89,938,377	72,221,066

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



Mr. Wencong Li
Senior Executive Vice President



Mr. Guohui Song
Senior Executive Vice President

Statements of comprehensive income

(Unit: Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest income	29	4,524,300	2,983,187	3,539,238	2,412,857
Interest expenses	30	(1,809,547)	(890,841)	(1,784,792)	(865,191)
Net interest income		2,714,753	2,092,346	1,754,446	1,547,666
Fees and service income	31	232,477	145,082	39,425	45,443
Fees and service expenses	31	-	(2,860)	-	-
Net fees and service income		232,477	142,222	39,425	45,443
Gains on tradings and foreign exchange transactions	32	9,337	13,339	9,337	13,339
Gains on investments	33	7,100	27,743	7,100	27,743
Share of profit from investment under equity method	11.1	20,250	32,404	-	-
Gains on disposals of properties foreclosed and other assets		160,085	42,405	149,712	36,605
Gain on disposal of non-performing loans	13.7	29,288	-	29,288	-
Bad debts recovery		323,011	209,067	304,486	196,355
Other operating income		59,704	58,701	33,773	44,172
Total operating income		3,556,005	2,618,227	2,327,567	1,911,323
Other operating expenses					
Personnel expenses		885,574	722,367	594,218	506,931
Directors' remuneration	35	4,525	7,782	3,925	7,182
Premises and equipment expenses		147,752	143,153	115,072	116,935
Amortisation expense on intangible assets		48,167	47,160	44,437	44,578
Taxes and duties		144,806	99,250	117,625	77,511
Fees and service expenses		55,671	35,193	26,695	22,292
Losses on impairment of properties foreclosed and other assets (reversal)		66,198	(1,243)	6,067	(26,261)
Loss on unwinding of cross currency interest rate swap contract	42.5	-	31,077	-	31,077
Provisions for liabilities		4,850	5,500	4,850	5,500
Others		142,861	119,314	78,074	87,698
Total other operating expenses		1,500,404	1,209,553	990,963	873,443
Bad debts, doubtful accounts and impairment losses	36	948,377	624,433	542,411	443,186
Profit from operation before income taxes		1,107,224	784,241	794,193	594,694
Income taxes	37	(412,537)	(230,736)	(235,434)	(161,167)
Profit for the years		694,687	553,505	558,759	433,527
Other comprehensive income					
Gains (losses) on revaluation of available-for-sale investments		(8,807)	90,911	(8,807)	90,911
Total other comprehensive income (loss)		(8,807)	90,911	(8,807)	90,911
Total comprehensive income		685,880	644,416	549,952	524,438

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

Statements of comprehensive income (continued)

(Unit: Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit for the years attributable to:					
Equity holders of the Bank		694,687	553,505	558,759	433,527
Non-controlling interest of a subsidiary		-	-		
		<u>694,687</u>	<u>553,505</u>		
Total comprehensive income attributable to:					
Equity holders of the Bank		685,880	644,416	549,952	524,438
Non-controlling interest of a subsidiary		-	-		
		<u>685,880</u>	<u>644,416</u>		
Earnings per share of equity holders of the Bank	38				
Basic earning per share (Baht per share)		<u>0.44</u>	<u>0.35</u>	<u>0.35</u>	<u>0.27</u>

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



Mr. Wencong Li
Senior Executive Vice President



Mr. Guohui Song
Senior Executive Vice President

Statements of changes in shareholders' equity

(Unit: Thousand Baht)

Consolidated financial statements							
	Equity attributable to the Bank's shareholders					Equity attributable to non-controlling interests of a subsidiary	Total
	Issued and paid-up share capital		Other component in shareholders' equity-Revaluation surplus on investments	Deficit	Total equity attributable to the Bank's shareholders		
	Preference shares	Ordinary shares					
Balance as at 31 December 2009	27,874	15,876,655	73,666	(2,854,700)	13,123,495	-	13,123,495
Total comprehensive income for the year	-	-	90,911	553,505	644,416	-	644,416
Conversion of preference shares to ordinary shares	(23,231)	23,231	-	-	-	-	-
Balance as at 31 December 2010	4,643	15,899,886	164,577	(2,301,195)	13,767,911	-	13,767,911
Balance as at 31 December 2010	4,643	15,899,886	164,577	(2,301,195)	13,767,911	-	13,767,911
Conversion of preference shares to ordinary shares	(132)	132	-	-	-	-	-
Cumulative effect of the change in accounting policy regarding employee benefit (Note 3)	-	-	-	(92,193)	(92,193)	-	(92,193)
Total comprehensive income (loss) for the year	-	-	(8,807)	694,687	685,880	-	685,880
Balance as at 31 December 2011	4,511	15,900,018	155,770	(1,698,701)	14,361,598	-	14,361,598

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

Statements of changes in shareholders' equity (continued)

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital		Other component in shareholders' equity-Revaluation surplus on investments	Deficit	Total
	Preference shares	Ordinary shares			
Balance as at 31 December 2009	27,874	15,876,655	73,666	(2,884,496)	13,093,699
Total comprehensive income for the year	-	-	90,911	433,527	524,438
Conversion of preference shares to ordinary shares	(23,231)	23,231	-	-	-
Balance as at 31 December 2010	4,643	15,899,886	164,577	(2,450,969)	13,618,137
Balance as at 31 December 2010	4,643	15,899,886	164,577	(2,450,969)	13,618,137
Conversion of preference shares to ordinary shares	(132)	132	-	-	-
Cumulative effect of change in accounting policy regarding employee benefit (Note 3)	-	-	-	(80,000)	(80,000)
Total comprehensive income (loss) for the year	-	-	(8,807)	558,759	549,952
Balance as at 31 December 2011	4,511	15,900,018	155,770	(1,972,210)	14,088,089

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

Statements of cash flows

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit from operation before income tax	1,107,224	784,241	794,193	594,694
Adjustments to reconcile profit from operation before income taxes to net cash provided by (paid from) operating activities:				
Share of profit from investment under equity method	(20,250)	(32,404)	-	-
Depreciation and amortisation	108,602	112,239	96,458	101,983
Bad debts, doubtful accounts and impairment losses	948,377	624,433	542,411	443,186
Gains on disposals of equipment	(3,859)	(2,141)	(3,884)	(1,989)
Gains on disposals of properties foreclosed	(156,226)	(42,016)	(145,828)	(36,368)
Losses on write-off of fixed assets	2,348	-	1,905	-
Losses on impairment of properties foreclosed and other assets (reversal)	64,360	(1,243)	4,214	(26,261)
Gains on investments	(7,100)	(27,743)	(7,100)	(27,743)
Gains on tradings and foreign exchange transactions	(9,337)	(13,339)	(9,337)	(13,339)
Losses on unwinding of cross currency interest rate swap contracts	-	31,077	-	31,077
Provisions for post-employment benefits	19,917	-	13,652	-
Provisions for other liabilities	4,850	5,500	4,850	5,500
Other income from revaluation of other receivables	(4,254)	(6,209)	(4,254)	(6,209)
Fees receivable	(3,348)	-	-	-
Decrease in expenses as a result of transferring receivables under Legal Execution Department	(1,143)	(975)	(1,143)	(975)
Increase (decrease) in other accrued expenses	26,934	(15,376)	6,211	(38,339)
Net interest income	(2,714,753)	(2,092,346)	(1,754,446)	(1,547,666)
Dividend income	(7,136)	(25,701)	(16,616)	(27,281)
Cash received on interest income	4,015,514	2,651,408	3,027,811	2,079,678
Cash paid on interest expenses	(585,202)	(477,024)	(560,446)	(451,317)
Cash received on dividend income	7,136	25,701	7,136	25,701
Cash paid on income taxes	(317,289)	(124,637)	(195,889)	(76,646)
Income from operating activities before changes in operating assets and liabilities	2,475,365	1,373,445	1,799,898	1,027,686
(Increase) decrease in operating assets				
Interbank and money market items	(5,160,523)	1,915,707	(5,164,083)	1,885,558
Derivative assets	1,211,657	(557,686)	1,211,657	(557,686)
Short-term investments	9,268	6,056	9,268	6,056
Loans to customers	(14,206,655)	(7,934,030)	(12,924,829)	(5,946,493)
Properties foreclosed	628,735	266,479	304,869	117,941
Receivables on credit support for derivative contracts	401,066	(405,176)	401,066	(405,176)
Other receivables	341,238	(54,321)	272,524	31,725
Other assets	16,959	(4,993)	21,067	(3,859)

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

Statements of cash flows (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Increase (decrease) in operating liabilities				
Deposits	(6,184,854)	(3,388,447)	(6,186,110)	(3,391,304)
Interbank and money market items	(297,343)	239,213	202,657	258,080
Liabilities payable on demand	(223,746)	(121,754)	(223,746)	(121,754)
Derivative liabilities	(809,504)	381,413	(809,504)	381,413
Payables on credit support for derivative contracts	(446,842)	425,152	(446,842)	425,152
Other liabilities	3,499	148,090	22,493	51,267
Net cash used in operating activities	(22,241,680)	(7,710,852)	(21,509,615)	(6,241,394)
Cash flows from investing activities				
Cash paid for investment in a subsidiary	-	-	(750,000)	-
Cash paid for investment in an associate	(35,750)	-	(35,750)	-
Increase in long-term investments	(749,024)	(984,753)	(749,024)	(2,484,753)
Cash received on interest income on investments	392,099	313,623	392,099	320,780
Cash received on dividend income from on associate	9,480	1,580	9,480	1,580
Cash received on disposals of equipment	4,004	1,435	3,972	340
Cash paid for purchases of equipment	(26,929)	(32,911)	(16,052)	(15,977)
Cash paid for acquisition of intangible assets	(6,974)	(8,720)	(1,712)	(2,597)
Net cash used in investing activities	(413,094)	(709,746)	(1,146,987)	(2,180,627)
Cash flows from financing activities				
Cash received on long-term debts issued and borrowings	519,443,406	8,675,403	519,443,406	8,675,403
Cash paid on repayments of long-term debts issued and borrowings	(495,777,891)	-	(495,777,891)	-
Cash paid on interest expense on borrowings	(989,775)	(283,954)	(989,702)	(283,954)
Cash paid for liabilities under lease agreements	(3,918)	(2,808)	(2,206)	(1,466)
Net cash provided by financing activities	22,671,822	8,388,641	22,673,607	8,389,983
Net increase (decrease) in cash and cash equivalents	17,048	(31,957)	17,005	(32,038)
Cash and cash equivalents at beginning of the years	272,817	304,774	272,364	304,402
Cash and cash equivalents at end of the years	289,865	272,817	289,369	272,364

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

Notes to financial statements

Industrial and Commercial Bank of China (Thai)
Public Company Limited and its subsidiary
Notes to financial statements
For the years ended 31 December 2011 and 2010

1. The Bank's general information

Industrial and Commercial Bank of China (Thai) Public Company Limited 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 2011 and 2010, the Bank has altogether 19 branches including a head office.

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.

Later on 25 June 2010, the Bank's Extraordinary General Meeting of the Shareholders No. 1/2010 resolved to approve the change of the Bank's name from ACL Bank Public Company Limited to Industrial and Commercial Bank of China (Thai) Public Company Limited. The change was registered with Department of Business Development, the Ministry of Commerce on 8 July 2010. In addition, the meeting also resolved to approve the voluntary delisting of the Bank's shares from the Stock Exchange of Thailand since following completion of the tender offer in April 2010, Industrial and Commercial Bank of China Limited had held 97.24% of the issued and paid-up share capital of the Bank and was thus duty-bound to comply with the conditions stated in the tender offer. Moreover, because of such shareholding of the Bank of Industrial and Commercial Bank of China Limited, the Bank would not be able to meet the listing requirement of the Stock Exchange of Thailand that a listed company must maintain not less than 150 minority ordinary shareholders with an aggregate shareholding of not less than 15% of the issued and paid-up share capital of the Bank.

Hence, Industrial and Commercial Bank of China Limited made a tender offer in order to delist the Bank's shares from Stock Exchange of Thailand, with the offer period running from 28 December 2010 until 3 March 2011. On 8 March 2011, Industrial and Commercial Bank of China Limited reported to the Secretary of the Office of the Securities and Exchange Commission that the results of its tender offer were that it had purchased 7,350,381 shares being offered for sale, or equivalent to 0.46% of the issued and paid-up share capital. The total shares of the Bank held by Industrial and Commercial Bank of China Limited is 1,553,918,982 shares, or equivalent to 97.70% of the issued and paid-up share capital. The Bank applied to delist its 1,590,452,945 shares, comprised 1,590,001,864 ordinary shares and 451,081 preferred shares, from the Stock Exchange of Thailand and the SET's Board of Governors ordered the shares of the Bank to be delisted from the Stock Exchange of Thailand with effective date on 19 March 2011.

As at 31 December 2011 and 2010, Industrial and Commercial Bank of China Limited is the major shareholder of the Bank, holding 97.70% and 97.24% of the issued and paid-up share capital of the Bank, respectively.

As at 31 December 2011 and 2010, the Bank has only one subsidiary, which has been established as a limited company under Thai laws, and operating its businesses in Thailand and has a core business in leasing and hire purchase businesses.

2. Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and the presentation of the financial statements has been made in compliance with the Bank of Thailand's notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010, which is effective for fiscal years beginning on or after 1 January 2011. Hence, the Bank and its subsidiary reclassified certain items of the comparative financial statements as described in Note 43 to the financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 5 to the financial statements regarding significant accounting policies.

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 these Thai language financial statements.

2.2 Basis of consolidation

(a) The consolidated financial statements include the financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary as follows:

Company's name	Type of business	Country of incorporation	Percentage of shares held by the Bank as at 31 December	
			2011	2010
ICBC (Thai) Leasing Company Limited (Formerly known as "Leasing Sinn Asia Company Limited")	Hire purchase	Thailand	99.99	99.99

(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, except that the subsidiary calculates depreciation of motor vehicles using the sum-of-the-year's-digits method. However, the effect of the use of a different method of depreciation for motor vehicles is not significant to the consolidated financial statements as a whole.

(d) Material balances and transactions between the Bank and its subsidiary have been eliminated from the consolidated financial statements.

(e) Non-controlling interests represent the portion of profit or loss and net assets of a subsidiary that is not held by the Bank and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

2.3 Separate financial statements

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

3. Adoption of revised and newly issued accounting standards during the year

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

Accounting standards:

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

Financial reporting standards:

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

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on these financial statements, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as an 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 retirement benefits using actuarial techniques. The Bank and its subsidiary previously accounted for such employee benefits when they were incurred.

Hence, the Bank and its subsidiary have changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. This resulted in the decrease in the retained earnings brought forward as at 1 January 2011 in the consolidated and separate financial statements by Baht 92 million and Baht 80 million, respectively. The cumulative effect of such changes in the accounting policy has already been presented under the heading of "Cumulative effect of the change in accounting policy regarding employee benefits" in the statements of changes in shareholders' equity.

In addition, the change in this accounting policy also has the effect of decreasing profit for the year (excluding other comprehensive income (loss)) in the consolidated and separate financial statements for the year ended 31 December 2011 by Baht 21 million, or 0.01 Baht per share and Baht 14 million, or 0.01 Baht per share, respectively.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Bank's and its subsidiary's management has assessed and believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard which the management expects the significant impact on the financial statements for the year when it is adopted.

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 evaluating the impact which may have, on the financial statements in the year when this standard is adopted.

5. Significant accounting policies

5.1 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 restructured 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 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 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.

(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) Gains (losses) on investments

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

(f) Gains (losses) on derivatives trading

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

(g) 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.

5.2 Expense recognition

(a) Interest expenses

Interest expenses are recognised as expense on an accrual basis. 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

Commissions 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 rate method, with the amortisation deducted from interest income.

5.3 Cash and cash equivalents

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

5.4 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 resale commitments are presented as assets under the caption of "Interbank and money market items" in the statements of financial position, 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 statements of financial position, 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.

5.5 Investments in securities

(a) Investments held for trading are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss from operation.

- (b) Available-for-sale investments are stated at fair value. Changes in the fair value of these investments are recorded in other comprehensive income (loss) and will be recorded in profit or loss from operation when the investments are sold.
- (c) Investments in held-to-maturity debt securities are recorded at amortised cost less allowance for impairment loss (if any). The premium/discount on debt securities is amortised/accreted by the effective interest 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 general investments, are stated at cost less allowance for impairment loss (if any).

Purchases and sales of investments in equity securities are recognised on the trade dates, while purchases and sales of investments in debt securities are recognised on the settlement dates.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount, together with the associated cumulative gain or loss that was previously reported in shareholders' equity, is recognised as income or expense in profit or loss from operation. If the Bank dispose of a part of its holding in a particular investment, the deemed cost of the part sold is determined using the weighted average method.

Losses on impairment of investments are recognised as expenses in profit or loss from operation.

In the event the Bank 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 in profit or loss from operation or recorded as revaluation surplus (deficit) on investments in shareholders' equity, depending on the type of investment that is reclassified.

Fair values of securities

For government securities and state enterprise securities, fair values are calculated by using the Bank of Thailand formula, based on the yield curve of The Thai Bond Market Association or other financial institutions.

For private sector debt securities which can be freely traded on an open market or for which quoted market prices are readily available, the last trading price quoted by The Thai Bond Market Association is used as a fair value. In the absence of such price, fair value is determined applying the yield curve of The Thai Bond Market Association or other financial institutions, adjusted for an appropriate risk premium, in accordance with the criteria established by the Bank of Thailand. For private sector debt securities, which cannot be freely traded on an open market or for which a quoted market price is not readily available, the Bank uses the fair value that is determined by its counter-party.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the year of the Stock Exchange of Thailand

Fair value of investment units is determined using the net asset value announced on the reporting year-end dates.

5.6 Investments in a subsidiary and an associate

Separate financial statements

Investments in a subsidiary and an associate, recorded in the separate financial statements, are stated at cost net of allowance for impairment loss (if any). Losses on impairment are recorded as expenses in profit or loss from operation.

Consolidated financial statements

Investment in an associate, recorded in the consolidated financial statements, is recorded using the equity method. Under this method, investment is initially recorded at the acquisition cost and is adjusted to reflect the attributable share of the profit or loss from the operation of associate proportionately to its investment holding percentage and is reduced by the amount of dividend received.

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 associate, respectively, but will treat it as a general investment since the Bank intends to hold such investment temporarily. Such investment is stated at cost less allowance for impairment losses (if any).

5.7 Loans to customers

Loans to customers are presented at the principal balances, excluding accrued interest receivables, except for overdrafts which are presented at the principal balances plus accrued interest receivables. Deferred revenue and unearned discounts on loans to customers are deducted from the loans to customers 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 balances of unearned income, which are presented net of deferred commission expenses and initial direct costs.

5.8 Allowance for doubtful accounts

- (a) The Bank provides allowance for doubtful accounts in accordance with the BOT guidelines, using the minimum rates stipulated by the BOT, and provides additional amounts, in excess of the BOT minimum required rates, to cover those expected not to be collectible from debtors, based on its analysis and evaluation of the current status of the debtors, taking into accounts its experiences in consideration of credit risk and the 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 finance leasing and hire-purchase businesses provides an allowance for doubtful accounts with reference to number of months past due 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 balances 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 date of the statement of financial position, the adequacy of the allowance for doubtful accounts is also reviewed taking into consideration past collection experience and the current status of receivables.

- (c) The Bank writes off bad debts in accordance with the BOT's guidelines and as approved by the Board of Executive Directors where by it will reverse the related allowance for doubtful accounts against the decrease in bad debts and doubtful accounts in profit or loss from operation. At the same time, the Bank writes off the balances of bad debts and charged them against bad debts and doubtful accounts as expenses in profit or loss from operation. All bad debts recovered are recognised as revenue in profit or loss from operation.

- (d) Allowance for doubtful debts additionally set up during the years is recognised as expense for the years.

5.9 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 debt/asset swaps and/or debt/equity swaps, the Bank records assets and/or equity received in settlement of debts at their fair value less estimated selling expenses (if any) provided that it does not exceed the book value of outstanding principal and accrued interest receivables. Losses arising from the excess of the carrying value over the fair value of those assets and equity transferred are recognised as expense in profit or loss from operation, 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 debts 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 rates on loans to large customers. The lower of the then-determined present value and the carrying value is accounted for as allowance for revaluation on debt restructuring and recognised as expenses in profit or loss from operation in the period in which the debt is restructured. Such allowance is amortised and recognised as revenue in profit or loss from operation 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 profit or loss from operation.

5.10 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 with reference to the appraisal value less estimated selling expenses.

Gains or losses on disposals of properties foreclosed are recorded as revenue or expenses in profit or loss from operation when significant risk and rewards have been transferred.

Impairment loss is recognised as expense in profit or loss from operation.

5.11 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 (except for the depreciation of motor vehicles of a subsidiary, which is calculated by reference to their cost less residual value on the sum-of-the-years'-digits method) over the following estimated periods of useful lives.

Buildings	34 years
Furniture, fixtures and office equipment	1-3, 5 and 10 years
Motor vehicles	5 years

No depreciation is determined for land.

Depreciation is recognised as expense in profit or loss from operation.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss from operation when the asset is derecognised

5.12 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and allowance for impairment loss (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 amortisation amounts are recognised as expenses in profit or loss from operation.

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

5.13 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and allowance for impairment loss (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 profit or loss from operation.

5.14 Long-term leases

Leases of motor vehicles which transfer substantially all the risks and rewards of ownership to the Bank and its subsidiary, as lessees, are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the net 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 recorded as expense in profit or loss from operation over the lease period. Assets acquired under finance leases are depreciated over the shorter of the useful lives of the assets and the lease periods.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss from operation on a straight line basis over the lease term.

5.15 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 other financial institutions, sold at a discount with recourse, are recorded by crediting the "Notes receivable" account, and disclosed such commitment as a part of "Contingent liabilities".

5.16 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 associates 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 closed family members of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

5.17 Impairment of assets

At the end of each reporting period, the Bank and its subsidiary perform impairment reviews in respect of the premises 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 Bank and its subsidiary 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 as expense in profit or loss from operation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Bank and its subsidiary estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss has been recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss from operation.

5.18 Employee benefits

Short-term employment benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Bank, its subsidiary and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Bank and its subsidiary. The fund's assets are held in a separate trust fund and the Bank and its subsidiary's contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank and its subsidiary treat the severance payments they must make to employees upon retirement under labor law as a post-employment retirement benefit plan.

The obligation under such post-employment benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss from operation.

For the first-time adoption of TAS 19 Employee Benefits, the Bank and its subsidiary elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

5.19 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 end of reporting period.

Gains or losses on exchange are recognised as income or expense in profit or loss from operation.

5.20 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.

5.21 Income taxes

Income taxes are provided in the accounts based on the taxable profits determined in accordance with tax legislation.

5.22 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 measured according to the purpose of entering into those transactions as follows.

Trading Book

As at the end of reporting period, foreign exchange contracts are measured at fair value. Gains or losses arising from revaluation are recognised as income or expense in profit or loss from operation.

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

Banking Book (Not held for trading)

As at the end of reporting period, 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 reporting year-end date, with unrealised gains or losses on translation are recognised as income or expense in profit or loss from operation. Premiums or discounts on contracts are amortised on a straight-line basis over the contract periods and recognised as income or expense in profit or loss from operation.
- (b) Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets or liabilities. That is, interest income or interest expense is recognised over the term of the contract periods as income or expense in profit or loss from operation.

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

6. 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:

6.1 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.

6.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether or not significant risk and rewards of ownership of the leased asset has been transferred to the Bank and its subsidiary, taking into consideration terms and conditions of the arrangement.

6.3 Allowance for doubtful accounts

Allowances for doubtful accounts provided on loans to customers and accrued interest receivables are intended to adjust the value of loans and receivables for probable credit losses. The management follows the BOT's guidelines regarding the provision of allowance for doubtful debts, including the use of judgment to estimate losses expected to be incurred on loans and/or accrued interest receivables, taking into consideration an analysis of each debtor's status, payment history, collection experience from the debtor, the value of collateral and surrounding 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.

6.4 Fair value of financial instruments

In determining the fair value of financial instruments that are not freely traded in an open market or for which quoted market prices are not readily available, the management exercises judgment in estimating the fair value of such financial instruments, using the generally accepted valuation method. The inputs used in such fair value calculation are comparable to those from the observable markets, taking into consideration of liquidity and correlation and long-term volatility of financial instruments.

6.5 Allowance for impairment loss on investments in securities

The Bank considers available-for-sale investments and general investments as impaired when 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 judgment of the management.

6.6 Allowance for impairment loss on properties foreclosed

The Bank and its subsidiary determine allowance for impairment loss on properties foreclosed when net realisable value of such assets falls below their carrying. The management uses the BOT's regulation judgment to estimate impairment losses, taking into consideration the latest appraisal values, 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 loss and adjustments to the allowances may therefore be required in the future.

6.7 Premises and equipment and Depreciation

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

In addition, the management is required to review premises and equipment for impairment loss on a periodical basis and record impairment loss (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.

6.8 Intangible assets

In consideration of allowance for impairment loss on intangible assets, it requires management to forecast cash flows that will be generated by the assets or the cash generating units, and to select a suitable discount rate in order to determine the present value of those cash flows. In addition, in amortising intangible assets, the management estimates the useful lives of those intangible assets that have finite useful lives and reviews these estimates whenever circumstances change.

6.9 Profit or 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 estimated amount of loss sharing already recorded.

6.10 Provisions for post-employment benefits

Provisions for post-employment retirement benefits are determined, using actuarial techniques. The determination is made involving various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate, which are based on the management's knowledge of current events and arrangement. However, actual post-employment benefit payment may differ from the estimates.

6.11 Litigation

The Bank and its subsidiary have contingent liabilities as a result of litigation being made against them 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 reporting period-ended date. However, actual results could differ from the estimates.

7. Interbank and money market items (assets)

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2011			31 December 2010		
	At call	Term	Total	At call	Term	Total
Domestic items						
Bank of Thailand	218,721	-	218,721	200,768	200,000	400,768
Commercial banks	104,115	5,860,000	5,964,115	100,197	3,000,000	3,100,197
Specialised financial institution	-	-	-	-	900,000	900,000
Other financial institutions	-	-	-	-	40,000	40,000
Total	322,836	5,860,000	6,182,836	300,965	4,140,000	4,440,965
Add: Accrued interest receivables	4	3,201	3,205	3	265	268
Less: Allowance for doubtful accounts	-	-	-	-	(17,400)	(17,400)
Domestic items - net	322,840	5,863,201	6,186,041	300,968	4,122,865	4,423,833
Foreign items						
USD currency	40,147	204,408	244,555	12,231	119,098	131,329
AUD currency	1,139	-	1,139	1,536	-	1,536
Renminbi currency	1,643	3,294,076	3,295,719	2	4,946	4,948
Euro currency	1,516	14,868	16,384	2,323	-	2,323
Pound sterling currency	266	-	266	614	-	614
Other currencies	4,013	-	4,013	2,676	-	2,676
Total	48,724	3,513,352	3,562,076	19,382	124,044	143,426
Add: Accrued interest receivables	-	28,807	28,807	-	629	629
Less: Allowance for doubtful accounts	-	(35,113)	(35,113)	-	(579)	(579)
Foreign items - net	48,724	3,507,046	3,555,770	19,382	124,094	143,476
Total domestic and foreign items	371,564	9,370,247	9,741,811	320,350	4,246,959	4,567,309

(Unit: Thousand Baht)

	Separate financial statements					
	31 December 2011			31 December 2010		
	At call	Term	Total	At call	Term	Total
Domestic items						
Bank of Thailand	218,721	-	218,721	200,768	200,000	400,768
Commercial banks	43,340	5,860,000	5,903,340	35,861	3,000,000	3,035,861
Specialised Financial Institutions	-	-	-	-	900,000	900,000
Other financial institutions	-	-	-	-	40,000	40,000
Total	262,061	5,860,000	6,122,061	236,629	4,140,000	4,376,629
Add: Accrued interest receivables	-	3,201	3,201	2	265	267
Less: Allowance for doubtful accounts	-	-	-	-	(17,400)	(17,400)
Domestic items - net	262,061	5,863,201	6,125,262	236,631	4,122,865	4,359,496
Foreign items						
USD currency	40,147	204,408	244,555	12,231	119,098	131,329
AUD currency	1,139	-	1,139	1,536	-	1,536
Renminbi currency	1,643	3,294,076	3,295,719	2	4,946	4,948
Euro currency	1,516	14,868	16,384	2,323	-	2,323
Pound sterling currency	266	-	266	614	-	614
Other currencies	4,013	-	4,013	2,676	-	2,676
Total	48,724	3,513,352	3,562,076	19,382	124,044	143,426
Add: Accrued interest receivables	-	28,807	28,807	-	629	629
Less: Allowance for doubtful accounts	-	(35,113)	(35,113)	-	(579)	(579)
Foreign items - net	48,724	3,507,046	3,555,770	19,382	124,094	143,476
Total domestic and foreign items	310,785	9,370,247	9,681,032	256,013	4,246,959	4,502,972

8. Derivatives

8.1 Trading book

(Unit: Thousand Baht)

Type of risk	Consolidated and separate financial statements				
	31 December 2011			31 December 2010	
	Fair value		Notional amount ⁽¹⁾	Fair value	
	Assets	Liabilities		Assets	Liabilities
Currency	150,091	146,153	9,651,648	975,407	972,248
Interest rate	-	-	-	-	-
Total	150,091	146,153	9,651,648	975,407	972,248

⁽¹⁾ Disclosed only in case that the Bank has the commitment on the payment side.

Below are the proportion of derivative trading transactions with counterparties, classified by types of counterparty, determined on the basis of the notional amount, as at 31 December 2011 and 2010.

Counterparties	Consolidated and separate financial statements	
	31 December 2011	31 December 2010
Financial institutions	94.93%	95.77%
Companies within Group	0.01%	0.09%
Third parties	5.06%	4.14%
Total	100.00%	100.00%

8.2 Banking book (derivatives not entered for trading purpose)

As at 31 December 2011 and 2010, the Bank has commitments under forward foreign exchange contracts, interest rate swap contracts and cross currency and interest rates swap contracts, which are measured based on an accrual basis. The gains or losses on exchange as a result of translation to the period-end rates under the accrual basis are recorded as a part of "Derivative assets" or "Derivative liabilities" in the statements of financial position and interest receivables or payables that are determined as they accrue based on the contracts as at the end of reporting period are recorded as a part of "Other assets" or "Accrued interest payables", as the case may be, in the statements of financial position.

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	31 December 2011			31 December 2010		
	Carrying value ⁽²⁾		Notional amount ⁽¹⁾	Carrying value ⁽²⁾		Notional amount ⁽¹⁾
	Assets	Liabilities		Assets	Liabilities	
Type of risk						
Currency	206,248	513,848	12,681,138	132,078	84,157	4,385,298
Interest rate	- ⁽³⁾	- ⁽³⁾	23,050,000	- ⁽³⁾	- ⁽³⁾	11,380,000
Currency and interest rate	47,545 ⁽³⁾	11,592 ⁽³⁾	894,980	76,674 ⁽³⁾	- ⁽³⁾	693,480
Total	253,793	525,440	36,626,118	208,752	84,157	16,458,778

⁽¹⁾ Disclosed only in case that the Bank has the commitment on the payment side.

⁽²⁾ Carrying value is the value determined based on an accrual basis as described in accounting policy regarding to derivatives for banking book.

⁽³⁾ Not include interest receivables and payables, which are recorded as a part of other assets or accrued interest payables in the statements of financial position, as the case maybe.

9. Investments

9.1 Classified by types of investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2011	31 December 2010
Investments held for trading		
Domestic marketable equity securities	-	6,620
Total investments held for trading securities	-	6,620
Available-for-sale investments - fair value		
Government and state enterprise securities	5,759,583	6,028,392
Private sector debt securities	-	371,624
Foreign debt securities	5,059,508	2,681,619
Domestic marketable equity securities	70,329	59,369
Total available-for-sale investments	10,889,420	9,141,004
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	46,425	1,034,032
Private sector debt securities	400,000	400,000
Total held-to-maturity debt securities	446,425	1,434,032
Less: Allowance for impairment	-	(222,000)
Held-to-maturity debt securities - net	446,425	1,212,032

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2011	31 December 2010
General investments - cost		
Domestic non-marketable equity securities	104,716	424,447
Less: Allowance for impairment	(11,918)	(331,649)
General investments - net	92,798	92,798
Investments - net	11,428,643	10,452,454

As at 31 December 2011 and 2010, 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 4 million, respectively, which it classifies as available-for-sale investments, with the Court as security.

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2011			
	Periods to maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprises securities	2,763,989	2,536,288	450,000	5,750,277
Foreign debt securities	789,160	3,406,225	749,363	4,944,748
Total	3,553,149	5,942,513	1,199,363	10,695,025
Add : Allowance for revaluation	2,252	50,073	71,741	124,066
Available-for-sale investments - net	3,555,401	5,992,586	1,271,104	10,819,091
Held-to-maturity debt securities				
Government and state enterprises securities	46,425	-	-	46,425
Private sector debt securities	400,000	-	-	400,000
Held-to-maturity debt securities	446,425	-	-	446,425
Debt securities - net	4,001,826	5,992,586	1,271,104	11,265,516

(Unit: Thousand 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 investments				
Government and state enterprises securities	4,354,791	1,694,329	-	6,049,120
Private sector debt securities	451,702 ⁽¹⁾	-	-	451,702
Foreign debt securities	-	1,434,244	1,084,428	2,518,672
Total	4,806,493	3,128,573	1,084,428	9,019,494
Add (less): Allowance for revaluation	(5,510)	69,946	79,398	143,834
Less: Allowance for impairment	(81,693)	-	-	(81,693)
Available-for-sale investments - net	4,719,290	3,198,519	1,163,826	9,081,635
Held-to-maturity debt securities				
Government and state enterprises securities	987,607	46,425	-	1,034,032
Private sector debt securities	-	400,000	-	400,000
Total	987,607	446,425	-	1,434,032
Less: Allowance for impairment	(222,000)	-	-	(222,000)
Held-to-maturity debt securities - net	765,607	446,425	-	1,212,032
Debt securities - net	5,484,897	3,644,944	1,163,826	10,293,667

⁽¹⁾ Includes debt securities that have already matured and defaulted

9.3 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 avaled by the Financial Institutions Development Fund ("FIDF") and may be redeemed by TAMC prior to maturity.

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.

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.

Shares of profits or losses on all transferred non-performing loans will be known when the liquidation process of TAMC is completed. Hence the Bank has not recorded the notified amount of such share of profits or losses and has estimated its share of losses that may arise from the management of all non-performing loans transferred at Baht 222 million, since the liquidation process of TAMC is not yet complete. As at 31 December 2011, such amount has been presented as a part of "Provision for other liabilities" while as at 31 December 2010, it was presented as "Allowance for impairment loss on held-to-maturity debt securities".

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 2011 and 2010, TAMC made payment and redeemed promissory notes totalling Baht 2,553 million and Baht 1,565 million, respectively. Following such redemptions, the balances of promissory notes as at 31 December 2011 and 2010 were Baht 46 million and Baht 1,034 million, respectively.

During the years ended 31 December 2011 and 2010, the Bank recognised interest income on promissory notes from TAMC totaling Baht 9 million and Baht 8 million, respectively.

9.4 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: Thousand Baht)

Consolidated and separate financial statements						
Company's name	Type of business	Type of invested in securities	Nature of relationship	31 December 2011		
				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	10.00	20,390
Total investment in a related company						20,390

(Unit: Thousand 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	10.00	20,390
Total investment in a related company						20,390

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	31 December 2011			31 December 2010		
	Cost	Fair value	Allowance for impairment	Cost	Fair value	Allowance for impairment
Listed companies under delisting conditions	-	-	-	110	-	(110)
Companies with problems regarding to financial status and operating performance	13,911	1,993	(11,918)	333,532	1,993	(331,539)
Defaulted debt securities	-	-	-	81,693	-	(81,693)

10. Investments in a subsidiary

As at 31 December 2011 and 2010, investments in a subsidiary, which is accounted for under the cost method in the separate financial statements, consist of investments in ordinary shares of the following company:

(Unit: Million Baht)

Company's name	Nature of business	Paid-up capital		Separate financial statements					
				Shareholding percentage		Book value under the cost method		Dividends received for the years ended 31 December	
		2011	2010	2011	2010	2011	2010	2011	2010
ICBC (Thai) Leasing Company Limited (Formerly known as "Leasing Sinn Asia Company Limited")	Hire purchase	3,250	2,500	99.99	99.99	3,250	2,500	-	-

As at 31 December 2010, the subsidiary's registered share capital was Baht 3 billion, comprising 300 million ordinary shares with a par value of Baht 10 each whereby 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.

Later, on 13 July 2011, the subsidiary's Extraordinary General Meeting of Shareholders No. 1/2011 resolved to approve the increase of its share capital by 100 million registered shares capital with a par value of Baht 10 each. Following the registration of the capital increase of the subsidiary, the subsidiary's registered share capital is Baht 4 billion, comprising 400 million ordinary shares with a par value of Baht 10 each. In addition, the meeting resolved to approve a call for partial payment of the additional shares from its shareholders, totaling Baht 250 million. The Bank made payment on such called up capital on 14 July 2011.

As at 31 December 2011, the subsidiary has registered share capital totaling Baht 4 billion, comprising 400 million ordinary shares with a par value of Baht 10 each while it has the issued paid-up share capital of Baht 3,250 billion, comprising fully paid-up 300 million shares with a par value of Baht 10 each and a 25% paid-up 100 million shares with a par value of Baht 10 each.

11. Investments in an associate

11.1 Details of investment in an associate

As at 31 December 2011 and 2010, investment in an associate in the consolidated and separate financial statements is investment in ordinary shares of the following company:

(Unit: Million Baht)

Company's name	Type of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying value under equity method		Carrying value under cost method	
			2011	2010	2011	2010	2011	2010
			%	%				
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	24.39	24.51	337	290	291	255

During the year 2011, Finansia Syrus Securities Public Company Limited issued and offered new shares to the existing shareholders proportionately to their shareholding percentage, at a ratio of 1 new share for every 2.5 existing shares. The Bank's Board of Executive Directors' Meeting No. 27/2011, held on 18 August 2011, resolved to approve the Bank to exercise its rights to subscribe to the new shares of such company. The Bank therefore purchased 22,343,978 newly issued ordinary shares for Baht 1.60 per share or a total of Baht 36 million. The Bank made full payment for such purchase on 30 September 2011. This resulted in the Bank holding 101,343,978 shares in Finansia Syrus Securities Public Company Limited, or equivalent to 24.39% of the issued and paid-up share capital of such company after the purchase of newly issued shares.

(Unit: Million Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Shares of profit from investment in an associate for the years ended 31 December		Dividends received for the years ended 31 December	
	2011	2010	2011	2010
Finansia Syrus Securities Public Company Limited	20	32	9	2

The share of profit from investment in an associate for the years ended 31 December 2011 and 2010, amounted to Baht 20 million and Baht 32 million, respectively, calculated based on the management accounts of the associate as shown in Note 11.2 to the financial statements.

11.2 Summarised financial information of the associate

Financial information of the associate as at 31 December 2011 and 2010 and for the years ended 31 December 2011 and 2010, as summarised from its financial statements, prepared by the management of the associate, is presented below.

(Unit: Million Baht)

Company's name	Paid-up share capital		Total assets		Total liabilities		Total revenue for the years ended 31 December		Profit for the years ended 31 December ⁽¹⁾	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Finansia Syrus Securities Public Company Limited	665	516	3,032	2,767	1,583	1,503	1,625	1,290	83	128

⁽¹⁾ Exclude other comprehensive income (loss)

As at 31 December 2011 and 2010, the fair values of the associate which were computed from the last bid price as at the last business day of the year of the Stock Exchange of Thailand, based on the Bank's shareholding percentage, were Baht 223 million and Baht 253 million, respectively.

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

(Unit: Thousand Baht)

	31 December 2011	31 December 2010
Equity attributable to the Bank's shareholders in the separate financial statements	14,088,089	13,618,137
<u>Reconciled items</u>		
Accumulated share of profit from investments under equity method	484,354	351,138
Accumulated dividend received from its subsidiary and associate	(210,845)	(201,364)
Total amounts of reconciled items	273,509	149,774
Equity attributable to the Bank's shareholders in the consolidated financial statements	14,361,598	13,767,911

13. Loans to customers and accrued interest receivables

13.1 Classified by types of loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Overdrafts	938,205	1,130,158	938,205	1,130,158
Loans	23,547,411	20,872,622	23,280,512	20,609,301
Notes receivable	11,530,752	12,264,029	39,125,082	29,300,229
Hire purchase receivables	35,903,334	23,178,032	-	-
Financial lease receivables	415,268	373,771	-	-
Total loans to customers	72,334,970	57,818,612	63,343,799	51,039,688
Less: Deferred revenues	(4,782,912)	(3,114,614)	(1,295)	(1,106)
Total loans to customers net of deferred revenues	67,552,058	54,703,998	63,342,504	51,038,582
Add: Accrued interest receivables	140,539	112,650	147,027	116,260
Total loans to customers, net of deferred revenues, plus accrued interest receivables	67,692,597	54,816,648	63,489,531	51,154,842
Less: Allowance for doubtful accounts				
- Provision at minimum rates required by BOT	(813,568)	(751,499)	(765,465)	(659,278)
- Provision in excess of minimum rates required by BOT	(383,114)	(252,297)	(58,936)	(45,229)
Allowance for revaluation on debt restructuring	(12,386)	(11,725)	(12,386)	(11,725)
Loans to customers and accrued interest receivables - net	66,483,529	53,801,127	62,652,744	50,438,610

Late in 2011, there was widespread flooding in Thailand, which has affected some of the Bank's debtors. Under the consideration of the Bank's management, which is also in line with the Bank of Thailand's policy, the Bank provided assistance to those debtors in term of postponing principal repayments or interest payments for a certain period and will not consider them as non-performing loans. As at 31 December 2011, there are 4,894 debtors with outstanding balances of Baht 3,208 million which are rescheduled to repay to the Bank and its subsidiary due to the impact of the flood (the Bank only: there are 33 debtors with outstanding balances of Baht 823 million). The Bank has set aside provision for these loans in accordance with the Bank of Thailand's guideline. The Bank's management has assessed the situation and believes that provision set aside on these loans is adequate to cover loan losses that might incur from of those debtors affected by the flood.

13.2 Classified by remaining periods to maturity of loan agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Not over 1 year ⁽¹⁾	24,471,920	24,019,151	27,074,577	24,423,701
Over 1 year	43,080,138	30,684,847	36,267,927	26,614,881
Total loans to customers ⁽²⁾	67,552,058	54,703,998	63,342,504	51,038,582
Add: Accrued interest receivables	140,539	112,650	147,027	116,260
Total	67,692,597	54,816,648	63,489,531	51,154,842

⁽¹⁾ Included expired contracts⁽²⁾ Total loans to customers net of deferred revenues

13.3 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2011			31 December 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	65,845,234	-	65,845,234	54,632,734	-	54,632,734
US dollar	416,952	1,113,768	1,530,720	59,002	-	59,002
Renminbi	147,964	-	147,964	-	-	-
Euro	27,986	-	27,986	12,262	-	12,262
Pound sterling	154	-	154	-	-	-
Total ⁽¹⁾	66,438,290	1,113,768	67,552,058	54,703,998	-	54,703,998

⁽¹⁾ Total loans to customers net of deferred revenues.

(Unit: Thousand Baht)

	Separate financial statements					
	31 December 2011			31 December 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	61,635,680	-	61,635,680	50,967,318	-	50,967,318
US dollar	416,952	1,113,768	1,530,720	59,002	-	59,002
Renminbi	147,964	-	147,964	-	-	-
Euro	27,986	-	27,986	12,262	-	12,262
Pound sterling	154	-	154	-	-	-
Total ⁽¹⁾	62,228,736	1,113,768	63,342,504	51,038,582	-	51,038,582

⁽¹⁾ Total loans to customers net of deferred revenues.

13.4 Classified by types of business and loan classification

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2011					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	298,851	69,498	-	-	13,163	381,512
Manufacturing and commerce	16,978,699	388,912	200,406	49,428	349,127	17,966,572
Real estate and construction	4,881,470	72,704	350	165,365	299,979	5,419,868
Public utilities and services	8,074,674	301,125	16,377	67,397	66,648	8,526,221
Housing loans	54,114	23,672	2,785	4,452	4,094	89,117
Others	31,270,631	3,220,700	414,944	244,063	18,430	35,168,768
Total ⁽¹⁾	61,558,439	4,076,611	634,862	530,705	751,441	67,552,058

⁽¹⁾ Total loans to customers net of deferred revenues.

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2010					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	420,262	-	-	778	17,055	438,095
Manufacturing and commerce	18,685,687	36,325	399,767	63,823	769,030	19,954,632
Real estate and construction	3,466,671	20,052	262,114	193,718	346,528	4,289,083
Public utilities and services	5,719,811	265	368,995	6,387	44,104	6,139,562
Housing loans	74,337	13,600	7,560	3,776	19,335	118,608
Others	21,970,832	1,376,889	177,384	94,422	144,491	23,764,018
Total ⁽¹⁾	50,337,600	1,447,131	1,215,820	362,904	1,340,543	54,703,998

⁽¹⁾ Total loans to customers net of deferred revenues.

(Unit: Thousand Baht)

	Separate financial statements					
	31 December 2011					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	298,851	69,498	-	-	13,163	381,512
Manufacturing and commerce	44,306,130	388,912	200,406	49,428	349,127	45,294,003
Real estate and construction	4,881,470	72,704	350	165,365	299,979	5,419,868
Public utilities and services	8,074,674	301,125	16,377	67,397	66,648	8,526,221
Housing loans	54,114	23,672	2,785	4,452	4,094	89,117
Others	3,614,616	173	-	-	16,994	3,631,783
Total ⁽¹⁾	61,229,855	856,084	219,918	286,642	750,005	63,342,504

⁽¹⁾ Total loans to customers net of deferred revenues.

(Unit: Thousand Baht)

	Separate financial statements					
	31 December 2010					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	420,262	-	-	778	17,055	438,095
Manufacturing and commerce	35,458,566	36,325	399,767	63,823	769,030	36,727,511
Real estate and construction	3,466,671	20,052	262,114	193,718	346,528	4,289,083
Public utilities and services	5,719,811	265	368,995	6,387	44,104	6,139,562
Housing loans	74,337	13,600	7,560	3,776	19,335	118,608
Others	3,303,738	277	-	-	21,708	3,325,723
Total ⁽¹⁾	48,443,385	70,519	1,038,436	268,482	1,217,760	51,038,582

⁽¹⁾ Total loans to customers net of deferred revenues.

13.5 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2011			
	Loans to customers and accrued interest receivables ⁽²⁾	Net balance used in made allowance for doubtful accounts ⁽¹⁾	Minimum rates required by BOT	Allowance for doubtful accounts
			%	
Pass	61,666,135	25,833,088	1	258,331
Special-mention	4,101,163	684,055	2	13,681
Sub-standard	635,283	345,574	100	345,574
Doubtful	530,705	193,069	100	193,069
Doubtful of loss	759,311	2,913	100	2,913
Total	67,692,597	27,058,699		813,568
Provision in excess of minimum rates required by BOT				383,114
Total				1,196,682

⁽¹⁾ Net balance used in setting allowance for doubtful accounts for pass and special-mention loans excluded accrued interest receivable net of collateral or debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals for substandard, doubtful and doubtful of loss loans.

⁽²⁾ Total loans to customers, net of deferred revenues, plus accrued interest receivables.

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2010			
	Loans to customers and accrued interest receivables ⁽²⁾	Net balance used in made allowance for doubtful accounts ⁽¹⁾	Minimum rates required by BOT	Allowance for doubtful accounts
			%	
Pass	50,418,661	20,843,700	1	208,437
Special-mention	1,447,272	246,222	2	4,924
Sub-standard	1,239,045	317,310	100	317,310
Doubtful	362,904	85,258	100	85,258
Doubtful of loss	1,348,766	135,570	100	135,570
Total	54,816,648	21,628,060		751,499
Provision in excess of minimum rates required by BOT				252,297
Total				1,003,796

⁽¹⁾ Net balance used in setting up allowance for doubtful accounts for pass and special-mention loans excluded accrued interest receivable net of collateral or debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals for substandard, doubtful and doubtful of loss loans.

⁽²⁾ Total loans to customers, net of deferred revenues, plus accrued interest receivables.

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2011			
	Loans to customers and accrued interest receivables ⁽²⁾	Net balance used in made allowance for doubtful accounts ⁽¹⁾	Minimum rates required by BOT	Allowance for doubtful accounts
			%	
Pass	61,344,039	50,678,574	1	506,786
Special-mention	880,636	35,056	2	701
Sub-standard	220,339	171,848	100	171,848
Doubtful	286,642	83,836	100	83,836
Doubtful of loss	757,875	2,294	100	2,294
Total	63,489,531	50,971,608		765,465
Provision in excess of minimum rates required by BOT				58,936
Total				824,401

⁽¹⁾ Net balance used in setting allowance for doubtful accounts for pass and special-mention loans excluded accrued interest receivable net of collateral or debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals for substandard, doubtful and doubtful of loss loans.

⁽²⁾ Total loans to customers, net of deferred revenues, plus accrued interest receivables.

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2010			
	Loans to customers and accrued interest receivables ⁽²⁾	Net balance used in made allowance for doubtful accounts ⁽¹⁾	Minimum rates required by BOT	Allowance for doubtful accounts
			%	
Pass	48,528,055	36,088,992	1	360,890
Special-mention	70,660	-	2	-
Sub-standard	1,061,661	243,725	100	243,725
Doubtful	268,483	41,060	100	41,060
Doubtful of loss	1,225,983	13,603	100	13,603
Total	51,154,842	36,387,380		659,278
Provision in excess of minimum rates required by BOT				45,229
Total				704,507

⁽¹⁾ Net balance used in setting allowance for doubtful accounts for pass and special-mention loans excluded accrued interest receivable net of collateral or debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals for substandard, doubtful and doubtful of loss loans.

⁽²⁾ Total loans to customers, net of deferred revenues, plus accrued interest receivables.

13.6 Non-performing loans

As at 31 December 2011 and 2010, the Bank and its subsidiary have the following non-performing loans.

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Non-performing loans (Thousand Baht)	1,917,008	2,919,267	1,256,565	2,524,678
Percentage of non-performing loans to total loans ⁽¹⁾	2.49%	4.97%	1.73%	4.59%

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

Non-performing loans as at 31 December 2011 and 2010, as presented above are in accordance with the Notification of the Bank of Thailand, defining the non-performing loans to be classified as "sub-standard", "doubtful" and "doubtful of loss", and exclude outstanding loans for which debt restructuring agreements have been made and which have already met the conditions for upgrade to "pass" or "special mention" under the Bank of Thailand's criteria.

13.7 Non-accrued loans to customers

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Non-accrued loans (principal only)	1,879,137	2,634,719	1,218,694	2,240,131
Percentage of total loans ⁽¹⁾	2.44%	4.49%	1.68%	4.07%

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

The above loans to customers exclude overdue loans, which have been already restructured and are qualified for classification as "Pass" or "Special-mention".

13.8 Sale of non-performing loans to Bangkok Commercial Asset Management Co., Ltd.

On 9 November 2011, the Bank entered into the sale and purchase agreements to sell non-performing loans (including relevant other assets), having the carrying value of approximately Baht 167 million to Bangkok Commercial Asset Management Co., Ltd. ("BAM"), which submitted the highest bid for these assets for Baht 200 million. This sale of non-performing loans and the underlying collateral is a compliance with the Royal Decree on Asset Management Companies, B.E.2541. On 30 November 2011, BAM already paid Baht 200 million to the Bank for these assets.

Under the above agreement, BAM can cancel the transfer of particular assets, in the event that the rights over the debt and collateral cannot be transferred to BAM because the documentation of the debt or collateral is absent or incomplete, the collateral is evicted, or the courts do not permit BAM to assume the rights of litigant from the Bank by no later than 120 days counting from 30 November 2011, which is the transfer date. Should the transfer of any assets be cancelled due to a fault of the Bank, BAM is to receive a refund of the price settled on such asset on the settlement date and the Bank is to receive any amount received from such asset over the cancellation period, after deducting any costs incurred during the period prior to the cancellation of the transfer. However, up to the authorisation date of these financial statements, BAM has yet to cancel any assets sold.

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

As at 31 December 2011 and 2010, the Bank and its subsidiary 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	
	2011	2010	2011	2010	2011	2010	2011	2010
Listed companies under rehabilitation and/or delisting conditions	1	2	9	21	9	21	-	-

13.10 Troubled debt restructuring

The Bank entered into troubled debt restructuring contracts with its debtors during the the years ended 31 December 2011 and 2010 as follows:

(Unit: Million Baht)

	Separate financial statements			
	For the year ended 31 December			
	2011		2010	
	Number of debtors	Outstanding balances before restructuring	Number of debtors	Outstanding balances before restructuring
Restructured debts	34	809	26	398

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 2011							
	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	32	740	740	6 years	-	-	-	8
Transfer of assets and modification of repayment conditions	2	69	69	3 years	Land and building	128	-	-
Total restructured debts	34	809	809			128	-	8
Loans and accrued interest receivables as at 31 December 2011	717		63,490					

⁽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 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.

Additional information for the years ended 31 December 2011 and 2010 relating to the restructured debts is as follows:

(Unit: Million Baht)

	Separate financial statements	
	For the years ended 31 December	
	2011	2010
Part of debt forgiven to debtors during the years in case that they fulfilled debt restructuring conditions during the years	11	32
Interest income recognised in profit or loss for the years	186	100
Settlement by debtors		
Principal	273	273
Interest	177	89

As at 31 December 2011 and 2010, troubled debtors, which the Bank has completed restructuring, can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements	
	Number of debtors	Debt balances after restructuring
Balance of restructured debts up to 31 December 2011	108	1,485
Balance of restructured debts up to 31 December 2010	153	1,683

During the years ended 31 December 2011 and 2010, the Bank reversed allowance for revaluation on debt restructuring amounting to Baht 6.3 million and Baht 0.1 million, respectively, and amortised allowance for revaluation on debt restructuring as interest income totaling Baht 1.1 million and Baht 0.5 million, respectively.

As at 31 December 2011 and 2010, 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.

13.11 Hire purchase receivables/financial lease receivables of a subsidiary

As at 31 December 2011 and 2010, the subsidiary had net hire-purchase and financial lease receivables amounting to Baht 31,537 million and Baht 20,438 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 2011				
	Amounts due under agreements				
	Not over 1 year	1-5 years	Over 5 years	Non-performing loans	Total
Aggregate initial investments under the contracts	10,838	24,506	821	187	36,352
Less: Unearned income ⁽¹⁾	(1,977)	(2,783)	(21)	(34)	(4,815)
Present value of minimum lease payments	8,861	21,723	800	153	31,537
Allowance for doubtful accounts					(370)
Hire purchases/finance leases receivables - net					31,167

⁽¹⁾ Net of commissions and initial direct expenses incurred at the inception of 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
Less: 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)
Hire purchases/finance leases receivables - net					20,141

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

13.12 Hire purchase receivables/financial lease receivables of a subsidiary classified by aging

As at 31 December 2011 and 2010, hire purchase and financial lease receivables balances of a subsidiary, engaged in leasing and hire businesses, are classified by the due date of the contracts (after elimination of inter-company transactions) as follows:

(Unit: Million Baht)

	31 December 2011	31 December 2010
Not yet due	23,926	16,528
Overdue not over 90 days	6,951	3,516
Overdue 91 - 180 day	415	177
Overdue 181-365 days	244	94
Overdue more than 365 days	1	123
Debtors under legal actions	-	-
Total	31,537	20,438
Allowance for doubtful accounts provided in the accounts	370	297

13.13 Loans to a subsidiary and an associate

As at 31 December 2011 and 2010, the Bank has loans to subsidiary and associated company as follows:

Company's name	Types of loans	Period of contract	Interest rates as at 31 December 2011 (percentage per annum)	Amounts outstanding	
				31 December	
				2011	2010
				Million Baht	Million Baht
<u>Subsidiaries</u>					
ICBC (Thai) Leasing	Revolving loan	At call	4.40	4,886	3,564
Company Limited (Formerly known as "Leasing Sinn Asia Company Limited")	Revolving loan	Jan 09 - Jan 15	3.70 - 5.22	22,708	13,472
<u>Associated</u>					
Finansia Syrus Securities Public	Term loan	Sep 09 - Mar 11	-	-	40
Company Limited					
Total				27,594	17,076

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

14.1 Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated financial statements						
	For the year ended 31 December 2011						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Excess reserve	Total
Balance - beginning of the year	208,437	4,924	317,310	85,258	135,570	252,297	1,003,796
Allowance for doubtful accounts	49,894	8,757	34,352	108,221	586,581	130,817	918,622
Bad debt written-off	-	-	-	-	(620,307)	-	(620,307)
Decrease as a result of disposal of loans	-	-	(6,088)	(410)	(98,931)	-	(105,429)
Balance - end of the year	258,331	13,681	345,574	193,069	2,913	383,114	1,196,682

(Unit: Thousand Baht)

	Consolidated financial statements						
	For the year ended 31 December 2010						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Excess reserve	Total
Balance - beginning of the year	225,111	12,095	271,026	352,153	60,603	498,478	1,419,466
Allowance for doubtful accounts	(16,674)	(7,171)	46,429	(257,407)	1,043,318	(246,181)	562,314
Bad debt written-off	-	-	(145)	(9,488)	(968,351)	-	(977,984)
Balance - end of the year	208,437	4,924	317,310	85,258	135,570	252,297	1,003,796

(Unit: Thousand Baht)

	Separate financial statements						
	For the year ended 31 December 2011						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Excess reserve	Total
Balance - beginning of the year	360,890	-	243,725	41,060	13,603	45,229	704,507
Allowance for doubtful accounts	145,896	701	(65,789)	43,186	374,955	13,707	512,656
Bad debt written-off	-	-	-	-	(287,333)	-	(287,333)
Decrease as a result of disposal of loans	-	-	(6,088)	(410)	(98,931)	-	(105,429)
Balance - end of the year	506,786	701	171,848	83,836	2,294	58,936	824,401

(Unit: Thousand Baht)

	Separate financial statements						
	For the year ended 31 December 2010						
	Pass	Special- mention	Sub-standard	Doubtful	Doubtful of loss	Excess reserve	Total
Balance - beginning of the year	292,348	7,269	241,500	333,644	4,692	397,125	1,276,578
Allowance for doubtful accounts	68,542	(7,269)	2,225	(292,584)	975,354	(351,896)	394,372
Bad debt written-off	-	-	-	-	(966,443)	-	(966,443)
Balance - end of the year	360,890	-	243,725	41,060	13,603	45,229	704,507

14.2 Allowance for revaluation on debt restructuring

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2011	2010
Balance - beginning of the years	11,725	12,358
Increase (decrease) during the years	1,804	(124)
Amortise during the years	(1,143)	(509)
Balance - end of the years	12,386	11,725

15. 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 rights or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements.

For the year ended 31 December 2011 and 2010, movements of properties foreclosed can be summarised as follows:

(Unit: Thousand Baht)

Type of properties foreclosed	Consolidated financial statements				
	For the year ended 31 December 2011				
	Balance as at 31 December 2010	Additions	Disposals	Balance as at 31 December 2011	Portion subject to disposal restrictions, buyback rights or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraisers	374,195	69,022	(48,360)	394,857	29,146
External appraisers	938,805	50,000	(109,286)	879,519	69,404
Movable assets	10,143	404,714	(372,440)	42,417	-
Assets from auction bidding					
Immovable assets					
Internal appraisers	213,714	2,130	(41,035)	174,809	-
Total	1,536,857	525,866	(571,121)	1,491,602	98,550
Less: Allowance for impairment	(322,004)	(83,013)	111,554	(293,463)	(37,232)
Properties foreclosed - net	1,214,853	442,853	(459,567)	1,198,139	61,318

(Unit: Thousand 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 rights or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraisers	430,333	-	(56,138)	374,195	39,477
External appraisers	938,805	-	-	938,805	69,404
Movable assets	2,058	163,539	(155,454)	10,143	-
Assets from auction bidding					
Immovable assets					
Internal appraisers	269,451	12,850	(68,587)	213,714	-
Total	1,640,647	176,389	(280,179)	1,536,857	108,881
Less: Allowance for impairment	(354,102)	1,216	30,882	(322,004)	(42,711)
Properties foreclosed - net	1,286,545	177,605	(249,297)	1,214,853	66,170

(Unit: Thousand Baht)

Type of properties foreclosed	Separate financial statements				
	For the year ended 31 December 2011				
	Balance as at 31 December 2010	Additions	Disposals	Balance as at 31 December 2011	Portion subject to disposal restrictions, buyback rights or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraisers	374,195	69,022	(48,360)	394,857	29,146
External appraisers	938,805	50,000	(109,286)	879,519	69,404
Assets from auction bidding					
Immovable assets					
Internal appraisers	213,714	2,130	(41,035)	174,809	-
Total	1,526,714	121,152	(198,681)	1,449,185	98,550
Less: Allowance for impairment	(319,878)	(3,113)	38,783	(284,208)	(37,232)
Properties foreclosed - net	1,206,836	118,039	(159,898)	1,164,977	61,318

(Unit: Thousand 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 rights or first refusal rights
Assets transferred in settlement of debts					
Immovable assets					
Internal appraisers	430,333	-	(56,138)	374,195	39,477
External appraisers	938,805	-	-	938,805	69,404
Assets from auction bidding					
Immovable assets					
Internal appraisers	269,451	12,850	(68,587)	213,714	-
Total	1,638,589	12,850	(124,725)	1,526,714	108,881
Less: Allowance for impairment	(353,727)	27,574	6,275	(319,878)	(42,711)
Properties foreclosed - net	1,284,862	40,424	(118,450)	1,206,836	66,170

16. Premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2011				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
31 December 2010	8,500	6,892	365,791	134,474	515,657
Additions	-	-	24,083	3,118	27,201
Disposals/written-off	-	-	(14,355)	(12,403)	(26,758)
31 December 2011	8,500	6,892	375,519	125,189	516,100
Accumulated depreciation					
31 December 2010	-	(281)	(234,545)	(84,557)	(319,383)
Depreciation charged for the year	-	(203)	(31,492)	(18,088)	(49,783)
Accumulated depreciation on disposals/written-off	-	-	12,359	12,403	24,762
31 December 2011	-	(484)	(253,678)	(90,242)	(344,404)
Allowance for impairment loss					
31 December 2010	-	-	-	-	-
Increase during the year	-	-	(283)	(213)	(496)
31 December 2011	-	-	(283)	(213)	(496)
Net book value					
31 December 2010	8,500	6,611	131,246	49,917	196,274
31 December 2011	8,500	6,408	121,558	34,734	171,200
Depreciation included in profit or loss from operation for the years ended					
31 December 2010					54,427
31 December 2011					49,783

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2010				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
31 December 2009	8,500	6,892	357,859	115,718	488,969
Additions	-	-	26,814	20,156	46,970
Transfer in	-	-	11,371	-	11,371
Transfer out	-	-	(12,746)	-	(12,746)
Disposals/written-off	-	-	(17,507)	(1,400)	(18,907)
31 December 2010	8,500	6,892	365,791	134,474	515,657
Accumulated depreciation					
31 December 2009	-	(79)	(217,012)	(65,130)	(282,221)
Depreciation charged for the year	-	(202)	(34,020)	(20,205)	(54,427)
Accumulated depreciation on disposals/written-off	-	-	16,487	778	17,265
31 December 2010	-	(281)	(234,545)	(84,557)	(319,383)
Net book value					
31 December 2009	8,500	6,813	140,847	50,588	206,748
31 December 2010	8,500	6,611	131,246	49,917	196,274
Depreciation included in profit or loss from operation for the years ended					
31 December 2009					65,224
31 December 2010					54,427

(Unit: Thousand Baht)

	Separate financial statements				
	For the year ended 31 December 2011				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
31 December 2010	8,500	6,892	326,817	118,506	460,715
Additions	-	-	12,442	3,119	15,561
Disposals/written-off	-	-	(13,013)	(12,403)	(25,416)
31 December 2011	8,500	6,892	326,246	109,222	450,860
Accumulated depreciation					
31 December 2010	-	(281)	(213,461)	(75,508)	(289,250)
Depreciation charged for the year	-	(203)	(24,329)	(16,837)	(41,369)
Accumulated depreciation on disposals/written-off	-	-	11,515	12,403	23,918
31 December 2011	-	(484)	(226,275)	(79,942)	(306,701)
Allowance for impairment loss					
31 December 2010	-	-	-	-	-
Increase during the year	-	-	(283)	(213)	(496)
31 December 2011	-	-	(283)	(213)	(496)
Net book value					
31 December 2010	8,500	6,611	113,356	42,998	171,465
31 December 2011	8,500	6,408	99,688	29,067	143,663
Depreciation included in profit or loss from operation for the years ended					
31 December 2010					46,752
31 December 2011					41,369

(Unit: Thousand Baht)

	Separate financial statements				
	For the year ended 31 December 2010				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
31 December 2009	8,500	6,892	334,202	103,446	453,040
Additions	-	-	10,539	15,060	25,599
Transfer in	-	-	5,770	-	5,770
Transfer out	-	-	(7,145)	-	(7,145)
Disposals/written-off	-	-	(16,549)	-	(16,549)
31 December 2010	8,500	6,892	326,817	118,506	460,715
Accumulated depreciation					
31 December 2009	-	(79)	(201,444)	(56,824)	(258,347)
Depreciation charged for the year	-	(202)	(27,866)	(18,684)	(46,752)
Accumulated depreciation on disposals/written-off	-	-	15,849	-	15,849
31 December 2010	-	(281)	(213,461)	(75,508)	(289,250)
Net book value					
31 December 2009	8,500	6,813	132,758	46,622	194,693
31 December 2010	8,500	6,611	113,356	42,998	171,465
Depreciation included in profit or loss from operation for the years ended					
31 December 2009					45,852
31 December 2010					46,752

As at 31 December 2011 and 2010, the Bank and its subsidiary have motor vehicles acquired under financial leases with net book values amounting to Baht 10 million and Baht 12 million, respectively (the Bank only: 7 Baht million and Baht 8 million, respectively).

As at 31 December 2011 and 2010, the Bank and its subsidiary 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 270 million and 230 million, respectively (the Bank only: Baht 246 million and Baht 228 million, respectively).

17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Net book value as at 31 December 2010	Increase	Transferred in/ (transferred out)	Amortisation	Net book value as at 31 December 2011
Computer softwares	128,616	4,338	1,700	(48,167)	86,487
Computer softwares under development	2,376	2,835	(1,700)	-	3,511
Total	130,992	7,173	-	(48,167)	89,998

(Unit: Thousand 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 softwares	162,693	2,118	10,965	(47,160)	128,616
Computer softwares under development	5,364	6,602	(9,590)	-	2,376
Total	168,057	8,720	1,375	(47,160)	130,992

(Unit: Thousand Baht)

	Separate financial statements				
	Net book value as at 31 December 2010	Increase	Transferred in/ (transferred out)	Amortisation	Net book value as at 31 December 2011
Computer softwares	117,005	598	-	(44,437)	73,166
Computer softwares under development	2,016	1,114	-	-	3,130
Total	119,021	1,712	-	(44,437)	76,296

(Unit: Thousand 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 softwares	159,431	187	1,965	(44,578)	117,005
Computer softwares under development	197	2,409	(590)	-	2,016
Total	159,628	2,596	1,375	(44,578)	119,021

As at 31 December 2011 and 2010, the remaining amortisation periods of intangible assets are 1 - 60 months and 2 - 59 months, respectively (the Bank only: 1 - 60 months and 6 - 42 months, respectively).

18. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Accounts receivable on disposals of investments	-	19,161	-	19,161
Prepaid expenses	11,754	12,378	10,201	11,122
Deposits	9,310	11,504	5,770	8,440
Others	3,012	1,956	2,418	1,630
Total other assets	24,076	44,999	18,389	40,353

19. Classification of assets

As at 31 December 2011 and 2010, the quality of assets of the Bank and its subsidiary classified in accordance with the Notification of the Bank of Thailand is as follows:

(Unit: Million Baht)

	Consolidated financial statements									
	Loans to customers and accrued interest receivables ⁽¹⁾		Investments		Properties foreclosed		Other assets		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Pass	71,069	54,417	-	-	-	-	-	-	71,069	54,417
Special-mention	4,101	1,447	-	-	-	-	-	-	4,101	1,447
Sub-standard	635	1,239	-	-	-	-	-	-	635	1,239
Doubtful	531	363	-	-	-	-	-	-	531	363
Doubtful of loss	759	1,349	12	635	293	322	79	38	1,143	2,344
Total	77,095	58,815	12	635	293	322	79	38	77,479	59,810

⁽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 statements of financial position.

(Unit: Million Baht)

	Separate financial statements									
	Loans to customers and accrued interest receivables ⁽¹⁾		Investments		Properties foreclosed		Other assets		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Pass	70,747	52,527	-	-	-	-	-	-	70,747	52,527
Special-mention	881	71	-	-	-	-	-	-	881	71
Sub-standard	220	1,062	-	-	-	-	-	-	220	1,062
Doubtful	287	268	-	-	-	-	-	-	287	268
Doubtful of loss	758	1,226	12	635	284	320	2	2	1,056	2,183
Total	72,893	55,154	12	635	284	320	2	2	73,191	56,111

⁽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 statements of financial position.

20. Deposits

20.1 Classified by types of deposits

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
At call	4,542,389	7,129,169	4,542,409	7,129,236
Savings deposits	1,113,220	2,505,296	1,114,650	2,507,934
Time deposits				
- Not over 6 months	8,961,174	6,011,163	8,961,174	6,011,163
- 6 months and up to 1 year	675,011	3,506,432	675,011	3,506,432
- Over 1 year	5,540,545	7,865,134	5,540,545	7,865,134
Total deposits	20,832,339	27,017,194	20,833,789	27,019,899

20.2 Classified by remaining periods of deposit contracts

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Not over 1 year (included matured contracts)	20,528,439	21,366,689	20,529,889	21,369,394
Over 1 year	303,900	5,650,505	303,900	5,650,505
Total deposits	20,832,339	27,017,194	20,833,789	27,019,899

20.3 Classified by currencies and residency of depositors

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2011			31 December 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	20,513,093	163,586	20,676,679	26,894,484	66,480	26,960,964
US dollar	130,366	-	130,366	52,902	-	52,902
Other currencies	23,529	1,765	25,294	3,328	-	3,328
Total deposits	20,666,988	165,351	20,832,339	26,950,714	66,480	27,017,194

(Unit: Thousand Baht)

	Separate financial statements					
	31 December 2011			31 December 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	20,514,543	163,586	20,678,129	26,897,189	66,480	26,963,669
US dollar	130,366	-	130,366	52,902	-	52,902
Other currencies	23,529	1,765	25,294	3,328	-	3,328
Total deposits	20,668,438	165,351	20,833,789	26,953,419	66,480	27,019,899

21. Interbank and money market items (liabilities)

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2011			31 December 2010		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand	-	-	-	-	4,600	4,600
Commercial banks	-	1,020,008	1,020,008	15	500,000	500,015
Other financial institutions	461,207	4,033	465,240	427,396	50,659	478,055
Total domestic items	461,207	1,024,041	1,485,248	427,411	555,259	982,670
Foreign						
Baht currency	6,262	-	6,262	504,669	-	504,669
USD currency	-	-	-	-	301,513	301,513
Total foreign items	6,262	-	6,262	504,669	301,513	806,182
Total domestic and foreign items	467,469	1,024,041	1,491,510	932,080	856,772	1,788,852

(Unit: Thousand Baht)

	Separate financial statements					
	31 December 2011			31 December 2010		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand	-	-	-	-	4,600	4,600
Commercial banks	-	1,020,008	1,020,008	15	-	15
Other financial institutions	461,207	4,033	465,240	427,396	50,659	478,055
Total domestic items	461,207	1,024,041	1,485,248	427,411	55,259	482,670
Foreign						
Baht currency	6,262	-	6,262	504,669	-	504,669
USD currency	-	-	-	-	301,513	301,513
Total foreign items	6,262	-	6,262	504,669	301,513	806,182
Total domestic and foreign items	467,469	1,024,041	1,491,510	932,080	356,772	1,288,852

22. Debts issued and borrowings

As at 31 December 2011 and 2010, the Bank and its subsidiary had debts issued and borrowings as follow:

(Unit: Thousand Baht)

Type of loans	Currency	Interest rate (as at 31 December 2011)	Maturities	Consolidated and separate financial statements	
				31 December 2011	31 December 2010
Bill of Exchange	Baht	2.00% - 4.25%	2012 - 2015	51,451,656	27,785,893
Promissory Notes	Baht	-	Matured	-	248
Total				51,451,656	27,786,141

23. Provisions

23.1 Provisions for post-employment benefits

The Bank and its subsidiary treat the severance payments they must make to employees upon retirement under labor law as a post-employment retirement benefit plan.

Change in provisions for post-employment benefits is as follows:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policies regarding employee benefit (Note 3)	92	80
Current service cost	22	16
Interest cost	4	3
Benefits paid during the year	(5)	(5)
Balance as at 31 December 2011	113	94

The Bank and its subsidiary had long-term employee benefit expenses included in profit or loss from operation for the year ended 31 December 2011 amounted to Baht 21 million (the Bank only: Baht 14 million).

The principal assumptions used in determining provision for post-employment benefits, determined using the actuarial techniques, are shown below.

	Consolidated and separate financial statements	
	31 December 2011	31 December 2010
	(% per annum)	(% per annum)
Future salary increases	6	6
Turnover rate (depending on age of employees)	0 - 20	0 - 20
Discount rate	4	4

23.2 Provisions for other liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Share of losses from management of non- performing loans (Note 9.3)	Loss from lawsuit	Total
Balance - beginning of the year	-	99,650	99,650
Increase during the year	-	4,850	4,850
Paid during the year	-	(450)	(450)
Transferred from allowance for impairment loss on investment ⁽¹⁾	222,000	-	222,000
Balance - ending of the year	222,000	104,050	326,050

⁽¹⁾ Provision for share of loss from management of non-performing loans, for which the Bank is jointly liable with Thai Asset Management Corporation ("TAMC"), was formerly shown as a deduction from promissory notes received from TAMC.

24. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Other payables	524,534	666,148	169,567	275,730
Accrued expenses	246,635	121,038	179,132	74,258
Withholding tax payable	16,251	12,426	14,418	10,903
Special business tax payable	13,628	8,206	13,628	8,206
Payables under finance lease contracts	8,416	12,334	5,861	8,067
Corporate income tax payable	222,946	127,699	124,065	84,521
Others	57,884	20,956	23,404	3,409
Total other liabilities	1,090,294	968,807	530,075	465,094

25. 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 then the Class A preference shares and Class B preference shares proportionately. All preferences had a period of 10 years, which expired in November 2009. Hence, rights of preference shareholders has been the same as those of the ordinary shareholders since then.

Holders of both classes of preference shares are entitled to convert the shares they hold into ordinary shares, with the conversion ratio of 1:1. All Class A preference shares were already converted into ordinary shares before the year 2010 and the Class B preference shareholders are still entitled to convert the remaining Class B preference shares into ordinary shares.

During the year ended 31 December 2010, 2,323,139 Class B preference shares were converted into ordinary shares. After conversion, there were 1,589,988,613 ordinary shares in issue, and 464,332 Class B preference shares outstanding as at 31 December 2010.

During the year ended 31 December 2011, 13,251 Class B preference shares were converted into ordinary shares. After conversion, there were 1,590,001,864 ordinary shares in issue, and 451,081 Class B preference shares outstanding as at 31 December 2011.

The registered capital of the Bank as presented in the statements of financial position as at 31 December 2011 and 2010 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	
	2011	2010
<u>Registered share capital</u>		
<u>Ordinary shares</u>		
Number of ordinary shares at the beginning of the years	1,587,719,304	1,087,923,532
Registered conversion of preference shares into ordinary shares	2,282,560	499,795,772
Number of ordinary shares at the end of the years	1,590,001,864	1,587,719,304
<u>Preference shares</u>		
Number of preference shares at the beginning of the years	2,733,641	502,529,413
Registered conversion of preference shares into ordinary shares	(2,282,560)	(499,795,772)
Number of preference shares at the end of the years	451,081	2,733,641
<u>Issued and paid-up share capital</u>		
<u>Ordinary shares</u>		
Number of ordinary shares at the beginning of the years	1,589,988,613	1,587,665,474
Conversion of preference shares into ordinary shares	13,251	2,323,139
Number of ordinary shares at the end of the years	1,590,001,864	1,589,988,613
<u>Preference shares</u>		
Number of preference shares at the beginning of the years	464,332	2,787,471
Conversion of preference shares into ordinary shares	(13,251)	(2,323,139)
Number of preference shares at the end of the years	451,081	464,332

26. Other component of shareholders' equity - revaluation surplus on investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2011	2010
Balances - beginning of the years	164,577	73,666
Increase from changes in value of securities	73,522	142,196
Decrease from changes in value of securities	(87,840)	(43,118)
Transfer from (transfer to) gains (losses) on sale of investments	5,511	(8,167)
Balances - end of the years	155,770	164,577

27. Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551. As at 31 December 2011 and 2010, the capital funds are as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	31 December 2011	31 December 2010
<u>Tier 1 capital</u>		
Registered and fully paid share capital	15,904,529	15,904,529
Investments in instruments already counted as other financial institutions' capital funds	(224,659)	(289,283)
Deficit	(2,257,639)	(2,687,632)
Total	13,422,231	12,927,614
<u>Tier 2 capital</u>		
Reserve for assets classified as "Pass"	541,899	378,869
Revaluation surplus on investments in available-for-sale equity securities	14,267	9,334
Investments in debt securities already counted as other financial institutions' capital funds	(224,659)	(289,283)
Total	331,507	98,920
Total capital funds	13,753,738	13,026,534

As at 31 December 2011 and 2010, 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 2011		31 December 2010	
	The Bank	Requirement	The Bank	Requirement
Tier I capital to risk assets	17.10	4.25	20.40	4.25
Total capital to risk assets	17.52	8.50	20.55	8.50

In order to comply with the Bank of Thailand's notification on Basel II's Pillar III, re: Public Disclosure of Capital Maintenance Information for Commercial Banks, the Bank disclosed capital adequacy and capital risk exposure information as of 30 June 2011 through the Bank's website at www.icbcthai.com on 21 October 2011, and will disclose capital adequacy and capital risk exposure information as of 31 December 2011 through the Bank's website within April 2012.

28. Statutory reserve

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

29. Interest income

Interest income for the years ended 31 December 2011 and 2010 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Interest income on:				
Interbank and money market items	190,777	77,834	190,584	77,754
Investments in debt securities	438,183	338,422	438,183	338,422
Loans to customers	1,950,549	1,522,097	2,909,431	1,996,589
Hire purchase and finance lease	1,944,791	1,044,834	1,040	92
Total interest income	4,524,300	2,983,187	3,539,238	2,412,857

30. Interest expenses

Interest expenses for the years ended 31 December 2011 and 2010 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Interest expenses on:				
Deposits	531,887	425,121	531,894	425,146
Interbank and money market items	72,068	32,894	47,306	7,454
Debts issued and borrowings	1,114,401	306,683	1,114,401	306,448
Contributions to the Deposit Protection Agency	91,191	126,143	91,191	126,143
Total interest expenses	1,809,547	890,841	1,784,792	865,191

31. Fees and service income - net

Fees and service income - net for the years ended 31 December 2011 and 2010 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Fees and service income				
- Acceptances, aval and guarantees	13,305	15,542	13,305	15,542
- Letter of credit fee income	9,339	7,560	9,339	7,560
- Hire purchase/finance lease fee income	193,052	99,639	-	-
- Others	16,781	22,341	16,781	22,341
Total fees and service income	232,477	145,082	39,425	45,443
Fees and service expenses	-	(2,860)	-	-
Net fees and service income	232,477	142,222	39,425	45,443

32. Gains (losses) on foreign currency trading and exchange transactions

Gains on foreign currency trading and exchange transactions for the years ended 31 December 2011 and 2010 consisted of:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2011	2010
Foreign currencies and derivatives on foreign exchange	6,689	7,283
Equity securities	2,648	6,056
Total	9,337	13,339

33. Gains on investments

Gains on investments for the years ended 31 December 2011 and 2010 consisted of:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2011	2010
Gains on sales of investments		
- Available-for-sale investments	7,100	18,126
- General investments	-	9,735
Losses on impairment of general investments	-	(118)
Total	7,100	27,743

34. 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 Bank, its subsidiary and their employees contribute to the fund on a monthly basis at the rate of 3 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

During the years ended 31 December 2011 and 2010, the Bank and its subsidiary contributed Baht 14 million and Baht 13 million, respectively, to the provident fund (the Bank only: Baht 10 million and Baht 10 million, respectively).

35. Directors' remuneration

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

36. Bad debts, doubtful accounts and impairment loss

Bad debts, doubtful accounts and impairment loss in the statement of comprehensive income for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Bad debts and doubtful accounts				
Interbank and money market items	17,134	17,579	17,134	16,579
Loans to customers	918,622	574,619	512,656	394,372
Losses on debt restructuring	12,621	32,235	12,621	32,235
Total	948,377	624,433	542,411	443,186

37. Income tax

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

38. Earnings per share

Basic earnings per share is calculated by dividing profit for the years attributable to equity holders of the Bank (excluding other comprehensive income/loss), by the weighted average number of ordinary shares and the preference shares, which have the same right as ordinary shares, in issue during the years.

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the years (Thousand Baht)	694,687	553,505	558,759	433,527
Weighted average number of ordinary shares and potential ordinary shares (Thousand shares)	1,590,453	1,590,453	1,590,453	1,590,453
Earnings per share (Baht per share)	0.44	0.35	0.35	0.27

39. Related party transactions

As at 31 December 2011 and 2010, the Bank had significant business transactions with its major shareholder of the Bank, companies that are related with the major shareholder of the Bank, the Bank's subsidiary and related companies, including transactions with directors or management employees from executive vice president level or equivalent position upward (collectively called these related individuals as "the related persons"), persons related to the related persons, entities in which the related persons have management authority, or entities in which the Bank or directors or such management employees from executive vice president level or equivalent position upward or persons related to the related persons hold in the aggregate more than 10 percent of the issued share capital.

Relationship with related parties are summarised below.

1. The major shareholder of the Bank, holding 97.70% of the Bank's paid-up share capital, is Industrial and Commercial Bank of China Limited.
2. The shareholder of the Bank with a shareholding of more than 10 percent, had been Bangkok Bank Public Company Limited, which had not been considered a related party of the Bank since 21 April 2010, the date on which the existing major shareholder of the Bank purchased the Bank's shares.
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 companies have not been treated as related parties of the Bank since 21 April 2010, the date on which the existing major shareholder of the Bank purchased the Bank's shares.
 - BBL Asset Management Company Limited
 - Bualuang Securities Company Limited
4. The subsidiary of the Bank is
 - ICBC (Thai) Leasing Company Limited
5. The accounting standard defines associates as those entities over which the investor has significant influence, but are not treated as subsidiaries. If the investor's direct and indirect voting rights are 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 associate of the Bank is
 - Finansia Syrus Securities Public Company Limited

6. The subsidiary of the Bank's associated, which has transaction with the Bank, is
 - ACL Securities Company Limited
7. The Companies that are related with Industrial and Commercial Bank of China Limited, the major shareholder of the Bank, are
 - Industrial and Commercial Bank of China (Asia) Limited
 - China Construction Bank Corporation
 - Shenzhen Investment Limited
 - PT. Bank ICBC Indonesia or Industrial and Commercial Bank of China (Indonesia) Limited
 - China CITIC Bank Corporation Limited, CNCB
8. 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

During the years, the Bank and its subsidiary had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Bank and those related parties. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	For the year ended 31 December		For the year ended 31 December		
	2011	2010	2011	2010	
Parent company					
Interest income	12	4	12	4	With reference to the terms and prices as offered to other customers
Fees income	3	1	3	1	With reference to the terms and prices as offered to other customers
Subsidiary (eliminated from the consolidated financial statements)					
Interest income	-	-	978	494	With reference to the terms and prices as offered to other customers
Associated company					
Interest income	1	4	1	4	With reference to the terms and prices as offered to other customers
Dividend income	-	-	9	2	As announced by the investee companies
Fees and Service Expense	1	-	1	-	Market Price
Related company					
Interest income	14	-	14	-	With reference to the terms and prices as offered to other customers
Interest expenses	-	2	-	2	Market rates and/or charged in compliance with the criteria specified by the Bank of Thailand

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	For the year ended 31 December		For the year ended 31 December		
	2011	2010	2011	2010	
Dividend income	2	22	2	22	As announced by the investee companies
Fee and service expenses	-	1	-	1	Market price
Related directors and management					
Interest expenses	1	1	1	1	Market rates and/or charged in compliance with the criteria specified by the Bank of Thailand

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.

As at 31 December 2011 and 2010, the outstanding balances of transactions between the Bank and its subsidiary and their related parties, or between the Bank or its subsidiary and their related parties can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Interbank and money market items (assets)				
Finansia Syrus Securities Public Company Limited	-	40	-	40
Industrial and Commercial Bank of China Limited	109	120	109	120
Industrial and Commercial Bank of China (Asia) Limited	23	5	23	5
Industrial and Commercial Bank of China (Indonesia) Limited	95	-	95	-
China CITIC Bank Corporation Limited, CNCB	816	-	816	-
Investments				
ICBC (Thai) Leasing Company Limited	-	-	3,250	2,500
Finansia Syrus Securities Public Company Limited	337	290	291	255
Bangkok BTMU Company Limited	20	20	20	20
Loans to customers				
ICBC (Thai) Leasing Company Limited	-	-	27,594	17,036
Shenzhen Investment Limited	1,109	-	1,109	-

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Accrued interest receivables				
ICBC (Thai) Leasing Company Limited	-	-	7	4
Other assets				
Industrial and Commercial Bank of China Limited	16	10	16	10
Finansia Syrus Securities Public Company Limited	1	20	1	20
Interbank and money market items (liabilities)				
Industrial and Commercial Bank of China Limited	-	505	-	505
ACL Securities Company Limited	-	58	-	58
Finansia Syrus Securities Public Company Limited	36	2	36	2
Deposits, debts issued and borrowings				
ICBC (Thai) Leasing Company Limited	-	-	1	3
M-Home SPV 3 Company Limited	5	7	5	7
Siam Piwat Company Limited	-	15	-	15
Siam Piwat Holding Company Limited	-	10	-	10
Related persons	48	82	48	82
Off-balance sheet items				
Letter of guarantee				
Industrial and Commercial Bank of China Limited	928	305	928	305
Industrial and Commercial Bank of China (Asia) Limited	1	1	1	1
Forward-bought				
Industrial and Commercial Bank of China (Asia) Limited	55	32	55	32

For restructured loans, 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 2011 and 2010, the Bank set up allowance for doubtful accounts and allowance for revaluation on loans to related parties totaling Baht 281 million and Baht 171 million, respectively.

The deposits, debts issued and borrowings mentioned above are promissory notes, deposit receipts or bills of exchange, carrying interest rates of 2.80 to 4.00 percent per annum (31 December 2010: 0.75 to 3.00 percent per annum).

Movements of loans (included interbank and money market items - assets) to related parties for the year ended 31 December 2011 are as follows:

(Unit: Million Baht)

	31 December 2010	Addition during the period	Repayment during the period	31 December 2011	Period of contracts
ICBC (Thai) Leasing Company Limited	3,564	25,040	(23,718)	4,886	At call
ICBC (Thai) Leasing Company Limited	13,472	22,219	(12,983)	22,708	19 Dec 08 - 12 Jan 15
Finansia Syrus Securities Public Company Limited	40	-	(40)	-	Matured
Industrial and Commercial Bank of China Limited	58	1,714	(1,662)	110	16 Dec 11 - 15 Mar 12
China CITIC Bank Corporation Limitd, CNCB	-	805	-	805	8 Aug 11 - 8 Aug 12
Shenzhen Investment Limited	-	1,109	-	1,109	30 Sep 11 - 16 Sep 12
Industrial and Commercial Bank of China (Asia) Limited	-	2,954	(2,930)	24	30 Dec 11 - 4 Jan 12
Industrial and Commercial Bank of China (Indonesia) Limited	-	95	-	95	16 Dec 11 - 17 Jan 12

Movements of deposits, debts issued and borrowings from related companies for the year ended 31 December 2011 are as follows:

(Unit: Million Baht)

	31 December 2010	Deposits/ borrowings during the period	Repayment during the period	31 December 2011	Period of contracts
Industrial and Commercial Bank of China Limited	505	6	(505)	6	At call
ACL Securities Company Limited	58	1,146	(1,204)	-	Matured
Finansia Syrus Securities Public Company Limited	2	1,416	(1,381)	37	At call
ICBC (Thai) Leasing Company Limited	3	940	(942)	1	At call
M Home SPV 3 Company Limited	7	-	(2)	5	At call
Siam Piwat Company Limited	15	-	(15)	-	Matured
Siam Piwat Holding Company Limited	10	-	(10)	-	Matured
Related persons	16	105	(117)	4	At call
Related persons	66	60	(82)	44	27 Jan 10 - 8 Feb 12

Directors and management's benefit

For the years ended 31 December 2011 and 2010, the Bank and its subsidiary had employee benefit expenses on their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	141	123	90	81
Post-employment benefits	7	-	4	-

The Bank's directors and executives from the rank of department manager upwards do not receive benefits, either in monetary or non-monetary terms, other than the normal benefits such as monthly directors' remuneration, meeting allowances, salaries and bonuses, as the case may be. Directors who are executives of the Bank do not receive remuneration, in accordance with the Bank's policy, and the representative directors who are executives of Industrial and Commercial Bank of China Limited do not receive remuneration, in accordance with Industrial and Commercial Bank of China Limited's policies, except for those benefits granted in accordance with employment agreements such as housing allowances, medical expenses, life and accident insurance and home trip expenses, in accordance with the established criteria. Nevertheless, directors with permanent residence abroad can reimburse expenses of travelling and accommodation incurred in connection with the operation of the Bank's business, at the amount actually incurred.

40. Contingent liabilities and commitments

40.1 Commitments

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2011			31 December 2010		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bill	2	100	102	24	-	24
Letters of credit	5	207	212	21	1,512	1,533
Other contingencies						
Forward exchange contracts - bought	-	8,419	8,419	-	17,818	17,818
Forward exchange contracts - sold	-	13,900	13,900	-	19,145	19,145
Interest rate swap contracts	23,050	-	23,050	11,380	-	11,380
Cross currency and interest rate swap contracts						
Bought contracts	-	162	162	-	-	-
Sold contracts	-	729	729	-	693	693
Undraw committed lines	2,703	-	2,703	-	-	-
Others	781	947	1,728	808	310	1,118
Total	26,541	24,464	51,005	12,233	39,478	51,711

40.2 Contingent liabilities from litigations

- 40.2.1 On 21 October 1999, the Bank was sued by a provident fund claiming compensation of Baht 220 million (an unrealized loss from investment) plus accrued interest of Baht 23 million (calculated from the default date to the filing date) on the grounds that the Bank had breached an agreement dated 8 June 1995, under which the Bank was appointed as the provident fund manager. On 31 January 2003, the Court of First Instance dismissed the plaintiff's case. On 27 February 2007, the Appeal Court overturned this decision and the Bank was ordered to pay the plaintiff Baht 50 million plus interest at 7.5 percent per annum counting from 11 June 1998. The Bank does not agree with the Appeal Court's decision and has appointed a law firm to lodge an appeal with the Supreme Court. The case is currently being considered by the Supreme Court. However, as at 31 December 2011 and 2010, the Bank recorded provisions for liabilities of Baht 101.3 million and Baht 97.5 million, respectively.
- 40.2.2 A Supreme Court judgment made in 2006 found in favor of a homebuyer, as plaintiff, and ordered the Bank to pay Baht 0.7 million to the homebuyer. The Bank paid the homebuyer Baht 0.3 million, which is the amount after deducting the settlement already received by the homebuyer from the house seller in accordance with a rehabilitation plan. However, the homebuyer disagreed with the paid amount and on 21 January 2008 petitioned the First Instance Court to issue a writ of execution forcing the Bank to pay the balance. The Bank disagreed with the execution order of the First Instance Court and lodged an appeal with the Appeal Court, which on 21 July 2011 confirmed the judgment of the First Instance Court. On 2 September 2011, the Bank already paid Baht 0.4 million as per the First Instance Court's judgement so the case is considered final.
- 40.2.3 In November 2009, the Bank foreclosed one guarantor's assets, as per an order of the Court of First Instance, and the guarantor petitioned the Court of First Instance to order the Bank to release the assets. The Court of First Instance dismissed the petition at the execution stage, but the guarantor lodged an appeal. On 22 February 2011, this guarantor filed another case against the Bank with the Court of First Instance, seeking compensation of Baht 5 million for a tort. Later on 4 January 2012, this guarantor filed a petition to withdraw such lawsuit and the Court approved this and ordered the case be struck from the system on 9 January 2012. The Bank therefore recorded no provision for the claim as at 31 December 2011 and 2010.
- 40.2.4 In September 2010, the Bank and a real estate development company, which had transferred assets to the Bank to settle debt, were ordered by the Court of First Instance to jointly return house booking deposits amounting to Baht 1.7 million plus interest at 7.5 percent per annum to 3 homebuyers, who had lodged complaints via Office of the Consumer Protection Board. The Bank disagreed with the order and has lodged an appeal with the Appeal Court. However, as at 31 December 2011 and 2010, the Bank recorded provisions for liabilities of Baht 1.7 million.
- 40.2.5 As at 31 December 2011 and 2010, ACL Securities Company Limited (a former subsidiary of the Bank from which it has already divested) 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. The Chief Justice of the Central Labour Court ruled 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 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 the former executive. Later, the former executive 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, which permitted the withdrawal of the appeal. Hence, the case is considered final and no loss was incurred.
- The plaintiff in the above cases also sued the Bank and ACL Securities Company Limited in a civil law case, claiming compensation of Baht 117 million for a breach of contract. The Court of the First Instance dismissed the case on 18 August 2011. Later on 17 October 2011, the plaintiff appealed the case. The case is currently being considered by the Appeal Court. The Bank's management opines there it is highly unlikely that the Bank and such company will have to pay the claimed amount. As at 31 December 2011 and 2010, the Bank therefore recorded no provision for the claim.

40.2.6 The Bank has contingent liabilities as a result of entering into a guarantee agreement with Finansia Syrus Securities Public Company Limited, for losses which may arise from margin loan agreements existing on the date of the sale of ACL Securities Company Limited's shares, and as a result of the litigation against that securities company by a former executive. This agreement terminated on 14 September 2010 and up to the date of the authorisation of these financial statements the Bank has still not receive notice of any claims as a result of such guarantee. Hence, as at 31 December 2011 and 2010, 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.

40.3 Commitments under agreement to transfer non-performing assets to TAMC

From 2001 to 2003, the Bank transferred its non-performing loans to TAMC as described in Note 9.3 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. The gains or losses cannot be estimated with certainty at this stage. However, the Bank has estimated and recorded its share of losses that may arise from the management of all non-performing loans transferred at Baht 222 million, since the liquidation process of TAMC is not yet complete. As at 31 December 2011, such amount has been presented as a part of "Provision for other liabilities" while as at 31 December 2010, it was presented as "Allowance for impairment loss on held-to-maturity debt securities".

40.4 Operating lease commitments

The Bank and its subsidiary have entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 1 and 12 years.

As at 31 December 2011, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Payable within:		
Less than 1 year	85	70
1 to 5 years	74	64
More than 5 years	23	23

40.5 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.

41. Segment information

The Bank and its subsidiaries' business operations involve 2 principal segments: (1) banking business and (2) hire purchase/finance leases business. These operations are mainly carried on in Thailand. Below is financial information by segment of the Bank and its subsidiaries:

41.1 Financial position classified by business activity.

Financial position classified by business activity as at 31 December 2011 and 2010 can be summarised as follows:

(Unit: Million Baht)

	Banking business		Hire purchase/finance		Total		Elimination entries		Total	
	2011	2010	leases	business						
			2011	2010	2011	2010	2011	2010	2011	2010
Total assets	89,984	72,256	31,658	20,659	121,642	92,915	(30,853)	(19,543)	90,789	73,372
Interbank and money markets - net (assets)	9,681	4,503	62	67	9,743	4,570	(1)	(3)	9,742	4,567
Investments - net	15,016	13,243	-	-	15,016	13,243	(3,250)	(2,500)	11,766	10,743
Loans to customers and accrued interest receivables - net	62,653	50,439	31,432	20,402	94,085	70,841	(27,601)	(17,040)	66,484	53,801
Properties foreclosed - net	1,165	1,207	33	8	1,198	1,215	-	-	1,198	1,215
Deposits	20,833	27,020	-	-	20,833	27,020	(1)	(3)	20,832	27,017
Interbank and money market (liabilities)	1,492	1,289	27,594	17,536	29,086	18,825	(27,594)	(17,036)	1,492	1,789
Debts issued and borrowings	51,452	27,786	-	-	51,452	27,786	-	-	51,452	27,786
Commitments	51,005	51,711	-	-	51,005	51,711	-	-	51,005	51,711

41.2 Results of operations classified by business activity.

Results of operations classified by business activity for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Million Baht)

	Banking business		Hire purchase/finance		Total		Elimination entries		Total	
	2011	2010	leases	business						
			2011	2010	2011	2010	2011	2010	2011	2010
Interest income	3,539	2,412	1,963	1,065	5,502	3,477	(978)	(494)	4,524	2,983
Interest expenses	(1,784)	(864)	(1,003)	(521)	(2,787)	(1,385)	978	494	(1,809)	(891)
Net interest income	1,755	1,548	960	544	2,715	2,092	-	-	2,715	2,092
Net fees and service income	40	45	193	97	233	142	-	-	233	142
Gain on tradings and foreign exchange transactions	9	13	-	-	9	13	-	-	9	13
Gain on investments	7	28	-	-	7	28	-	-	7	28
Share of profit from investments in an associated company under equity method	20	32	-	-	20	32	-	-	20	32
Other operating income	508	275	64	36	572	311	-	-	572	311
Total operating income	2,339	1,941	1,217	677	3,556	2,618	-	-	3,556	2,618
Other operating expenses	(991)	(873)	(509)	(337)	(1,500)	(1,210)	-	-	(1,500)	(1,210)
Bad debt, doubtful accounts and impairment loss ⁽¹⁾	(543)	(443)	(406)	(181)	(949)	(624)	-	-	(949)	(624)
Profit before income tax	805	625	302	159	1,107	784	-	-	1,107	784
Income tax expense	(235)	(161)	(177)	(69)	(412)	(230)	-	-	(412)	(230)
Profit for the years	570	464	125	90	695	554	-	-	695	554

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

Transfer prices between business segments are as set out in Note 39 to the financial statements.

42. 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.

42.1 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 13.4 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 statements of financial position. The risk from off-balance sheet derivative financial instruments is presented in Note 40.1 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.

42.2 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 2011 and 2010, financial assets and liabilities classified by types of interest rate are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2011			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Cash	-	-	290	290
Interbank and money market items - net	33	9,370	339	9,742
Derivative assets	-	-	404	404
Investments - net	1,785	9,481	499	11,765
Loans to customers net of deferred revenues	15,578	51,313	661	67,552
Financial liabilities				
Deposits	2,676	18,095	61	20,832
Interbank and money market items	5	1,480	7	1,492
Liabilities payable on demand	-	-	29	29
Derivative liabilities	-	-	672	672
Debts issued and borrowings	-	51,452	-	51,452

(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
<u>Financial assets</u>				
Cash	-	-	273	273
Interbank and money market items - net	91	4,207	269	4,567
Derivative assets	-	-	1,184	1,184
Investments - net	812	9,482	449	10,743
Loans to customers net of deferred revenues	17,704	34,074	2,926	54,704
<u>Financial liabilities</u>				
Deposits	5,321	21,635	61	27,017
Interbank and money market items	2	1,281	506	1,789
Liabilities payable on demand	-	-	253	253
Derivative liabilities	-	-	1,056	1,056
Debts issued and borrowings	-	27,786	-	27,786

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2011			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	No interest	Total
<u>Financial assets</u>				
Cash	-	-	289	289
Interbank and money market items - net	1	9,370	310	9,681
Derivative assets	-	-	404	404
Investments - net	1,785	9,481	3,704	14,970
Loans to customers net of deferred revenues	20,464	42,878	1	63,343
<u>Financial liabilities</u>				
Deposits	2,677	18,095	62	20,834
Interbank and money market items	5	1,480	7	1,492
Liabilities payable on demand	-	-	29	29
Derivative liabilities	-	-	672	672
Debts issued and borrowings	-	51,452	-	51,452

(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				
Cash	-	-	272	272
Interbank and money market items - net	41	4,207	255	4,503
Derivative assets	-	-	1,184	1,184
Investments - net	812	9,482	2,914	13,208
Loans to customers net of deferred revenues	17,704	30,803	2,532	51,039
Financial liabilities				
Deposits	5,324	21,635	61	27,020
Interbank and money market items	2	781	506	1,289
Liabilities payable on demand	-	-	253	253
Derivative liabilities	-	-	1,056	1,056
Debts issued and borrowings	-	27,786	-	27,786

In addition, the Bank entered into interest rate swap contracts as described in Note 42.5 to the financial statements.

The periods of time from the end of reporting period 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 2011						
	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items - net	-	7,229	2,141	-	-	9,370	3.27%
Investments - net	-	1,880	2,076	4,254	1,271	9,481	3.99%
Loans to customers net of deferred revenues	5,572	12,739	7,614	23,960	1,428	51,313	6.35%
Financial liabilities							
Deposits	2,918	10,526	4,347	304	-	18,095	3.11%
Interbank and money market items	456	1,024	-	-	-	1,480	3.04%
Debts issued and borrowings	1,896	39,110	10,101	345	-	51,452	3.46%

(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		
Financial assets							
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 to customers net of deferred revenues	28	12,781	5,912	14,792	561	34,074	6.82%
Financial liabilities							
Deposits	4,252	9,004	2,728	5,651	-	21,635	2.02%
Interbank and money market items	424	857	-	-	-	1,281	1.80%
Debts issued and borrowings	3,357	18,705	5,526	198	-	27,786	1.83%

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2011						
	Repricing or maturity date					Total	Average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items - net	-	7,229	2,141	-	-	9,370	3.27%
Investments - net	-	1,880	2,076	4,254	1,271	9,481	3.99%
Loans to customers net of deferred revenues	5,572	11,804	6,585	18,282	635	42,878	4.88%
Financial liabilities							
Deposits	2,918	10,526	4,347	304	-	18,095	3.11%
Interbank and money market items	456	1,024	-	-	-	1,480	3.04%
Debts issued and borrowings	1,896	39,110	10,101	345	-	51,452	3.46%

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2010						Average interest rates
	Repricing or maturity date					Total	
	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 to customers net of deferred revenues	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	424	357	-	-	-	781	1.24%
Debts issued and borrowings	3,357	18,705	5,526	198	-	27,786	1.83%

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 years, and the average interest rates for the years ended 31 December 2011 and 2010 can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December 2011			For the year ended 31 December 2010		
	Average Balances	Interest	Average rate (% per annum)	Average balances	Interest	Average rate (% per annum)
Financial assets						
Interbank and money market items	8,534	191	2.23%	5,955	78	1.31%
Investments	9,002	438	4.87%	10,866	338	3.11%
Loans to customers net of deferred revenues	56,731	2,909	5.13%	46,181	1,997	4.32%
Financial liabilities						
Deposits	23,123	532	2.30%	30,771	425	1.38%
Interbank and money market items	1,997	47	2.37%	1,807	7	0.41%
Debts issued and borrowings	39,370	1,114	2.83%	19,428	306	1.58%

42.3 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, ICBC (Thai) Leasing Co., Ltd. independently managing its own cash inflows and outflows. ICBC (Thai) Leasing 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 controlling and 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. Monthly reports on the ratio of net liquidity deficit to deposits, the ratio of 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 showed that the Bank has liquidity surplus more than 30 days in all this three scenarios since the Bank had high liquid assets and the committed line received from other financial institutions.

The periods to maturity, counting from the end of reporting period, of financial instruments outstanding as at 31 December 2011 and 2010, are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2011							
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non - performing assets	Total
Financial assets								
Interbank and money market items - net	372	7,229	2,141	-	-	-	-	9,742
Investments - net	-	1,880	2,122	5,993	1,271	499	-	11,765
Loans to customer net of deferred revenues	154	14,130	10,389	35,396	5,566	-	1,917	67,552
Financial liabilities								
Deposits	5,655	10,526	4,347	304	-	-	-	20,832
Interbank and money market items	468	1,024	-	-	-	-	-	1,492
Liabilities payable on demand	29	-	-	-	-	-	-	29
Debt issued and borrowings	1,896	39,110	10,101	345	-	-	-	51,452
Off-balance sheet items								
Avals to bill	-	52	50	-	-	-	-	102
Letters of credit	15	197	-	-	-	-	-	212
Other contingencies	448	15,039	12,562	22,642	-	-	-	50,691

(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 assets	Total
Financial assets								
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 to customer net of deferred revenues	225	13,487	10,285	24,385	3,403	-	2,919	54,704
Financial liabilities								
Deposits	9,634	9,004	2,728	5,651	-	-	-	27,017
Interbank and money market items	932	857	-	-	-	-	-	1,789
Liabilities payable on demand	253	-	-	-	-	-	-	253
Debts issued and borrowings	3,357	18,705	5,526	198	-	-	-	27,786
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 2011							
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non-performing assets	Total
Financial assets								
Interbank and money market items - net	311	7,229	2,141	-	-	-	-	9,681
Investments - net	-	1,880	2,122	5,993	1,271	3,704	-	14,970
Loans to customer net of deferred revenues	5,040	13,195	9,361	29,718	4,772	-	1,257	63,343
Financial liabilities								
Deposits	5,657	10,526	4,347	304	-	-	-	20,834
Interbank and money market items	468	1,024	-	-	-	-	-	1,492
Liabilities payable on demand	29	-	-	-	-	-	-	29
Debts issued and borrowings	1,896	39,110	10,101	345	-	-	-	51,452
Off-balance sheet items								
Avals to bill	-	52	50	-	-	-	-	102
Letters of credit	15	197	-	-	-	-	-	212
Other contingencies	448	15,039	12,562	22,642	-	-	-	50,691

(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 assets	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 to customer net of deferred revenues	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	932	357	-	-	-	-	-	1,289
Liabilities payable on demand	253	-	-	-	-	-	-	253
Debts issued and borrowings	3,357	18,705	5,526	198	-	-	-	27,786
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

42.4 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 2011 and 2010 can be summarised as follows:

	Consolidated and separate financial statements as at 31 December 2011								
	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									
(asset)	244.73	16.38	0.27	0.27	1.43	1.14	2.29	0.03	3,324.34
Investments - net	4,843.59	-	-	-	-	-	-	-	215.92
Loans to customers and accrued interest receivables	1,531.04	28.05	-	0.15	-	-	-	-	148.43
Deposits and accrued interest payables	130.37	14.87	-	-	-	-	-	-	10.44
<u>Off-balance foreign currency position</u>									
Letters of credit	186.98	11.50	8.39	-	-	-	-	-	-
Forward contracts - Bought	8,184.24	80.85	-	-	-	-	-	-	154.00
Forward contracts - Sold	13,790.75	108.84	-	0.15	-	-	-	-	-
Cross currency swap contracts									
Bought contracts	161.55	-	-	-	-	-	-	-	-
Cross currency and interest rate swap contracts									
Sold contracts	728.90	-	-	-	-	-	-	-	-
Other contingencies	946.44	0.18	-	-	-	-	-	-	100.66
<u>Average exchange rate as at 31 December 2011</u>									
(Baht per 1 foreign currency unit)	31.6912	41.0274	0.4084	48.8578	24.4950	32.1971	4.0795	24.3854	5.0328

	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									
(asset)	131.38	2.32	0.19	0.61	1.31	1.54	1.17	0.01	4.95
Investments - net	2,681.62	-	-	-	-	-	-	-	-
Loans to customers and accrued interest receivables	59.04	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	-	-	-	-	-	-	-
Forward contracts - Bought	17,747.18	39.94	0.58	-	-	0.16	-	-	30.30
Forward contracts - Sold	19,123.58	13.24	8.36	-	-	-	-	-	-
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

42.5 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 2011		31 December 2010	
	Notional amount	Maturity	Notional amount	Maturity
Interest rate swap contracts				
- swap the fixed interest rates for the floating interest	21,550 Million Baht	2012 - 2015	9,780 Million Baht	2011 - 2013
- swap the floating interest rates for the fixed interest rates	1,500 Million Baht	2012 - 2014	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 2011		31 December 2010	
	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	8 Million USD	2012
- Receive interest at a fixed rate on Baht notional amounts and to pay interest at a fixed rate on USD notional amounts	15 Million USD	2012 - 2016	15 Million USD	2012 - 2016
- Receive interest at a fixed rate on USD notional amounts and to pay interest at a fixed rate on CNY notional amounts	33 Million CNY	2012	-	-

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 expense for the year ended 31 December 2010.

As at 31 December 2011 and 2010, financial derivatives, classified by their maturities, are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2011			31 December 2010		
	Not over 1 year	Over 1 year	Total	Not over 1 year	Over 1 year	Total
Forward exchange contracts						
- Bought	7,151	1,268	8,419	16,609	1,209	17,818
- Sold	12,442	1,458	13,900	17,939	1,206	19,145
Interest rate swap contracts	4,950	18,100	23,050	3,430	7,950	11,380
Cross currency swap contracts						
- Bought	162	-	162	-	-	-
Cross currency interest rate swap contracts						
- Sold	412	317	729	-	693	693

42.6 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 statements of financial position, including cash, interbank and money market items and loans to customers, which are considered to approximate their respective carrying values 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, liabilities payable on demand, interbank and money market items and debt issued and borrowings are considered to approximate their respective carrying values for the same reasons as described above.

As at 31 December 2011 and 2010, the fair value of financial instruments of the Bank and its subsidiary are as follow.

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2011		31 December 2010	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	290	290	273	273
Interbank and money market items - net	9,742	9,742	4,567	4,567
Derivative assets	404	248	1,184	1,246
Investments - net	11,765	11,699	10,743	10,749
Loans to customers - net	66,484	66,484	53,801	53,801
Total	88,685	88,463	70,568	70,636
Financial liabilities				
Deposits	20,832	20,832	27,017	27,017
Interbank and money market items	1,492	1,492	1,789	1,789
Liabilities payable on demand	29	29	253	253
Derivative liabilities	672	449	1,056	1,091
Debt issued and borrowings	51,452	51,452	27,786	27,786
Total	74,477	74,254	57,901	57,936

(Unit: Million Baht)

	Separate financial statements			
	31 December 2011		31 December 2010	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	289	289	272	272
Interbank and money market items - net	9,681	9,681	4,503	4,503
Derivative assets	404	248	1,184	1,246
Investments - net	14,970	14,904	13,208	13,214
Loans to customers - net	62,653	62,653	50,439	50,439
Total	87,997	87,775	69,606	69,674
Financial liabilities				
Deposits	20,834	20,834	27,020	27,020
Interbank and money market items	1,492	1,492	1,289	1,289
Liabilities payable on demand	29	29	253	253
Derivative liabilities	672	449	1,056	1,091
Debt issued and borrowings	51,452	51,452	27,786	27,786
Total	74,479	74,256	57,404	57,439

43. Reclassification

Certain items in the financial statements as at 31 December 2010 and for the year ended 31 December 2010 have been reclassified to conform to the current period's classification, in accordance with the Bank of Thailand's notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", date 3 December 2010 which is effective for fiscal years beginning on or after 1 January 2011, but no effect to previously reported profit for the year or shareholders' equity. The reclassifications are as follow:

(Unit: Thousand Baht)

	31 December 2010			
	Consolidated financial statement		Separate financial statement	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of financial position				
Accrued interest and dividend income receivables - net	-	71,087	-	71,087
Accrued income - net	78,244	-	71,087	-
Other receivables - net	465,045	472,528	333,223	333,223
Other assets	44,999	44,673	40,353	40,353
Deposits	27,017,194	27,017,442	27,019,899	27,020,147
Interbank and money market items (liabilities)	1,788,852	2,043,852	1,288,852	1,543,852
Debts issued and borrowings	27,786,141	27,530,893	27,786,141	27,530,893

(Unit: Thousand Baht)

	For the year ended 31 December 2010			
	Consolidated financial statement		Separate financial statement	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of comprehensive income				
Interest income	2,983,187	-	2,412,857	-
Interest and dividend income	-	3,123,730	-	2,554,981
Interest expenses	890,841	889,641	865,191	861,132
Contributions to the Deposit Projection Agency	-	126,143	-	126,143
Fees and service income	145,082	152,323	45,443	52,684
Fees and service expenses	2,860	-	-	-
Gains on foreign currency trading and exchange transactions	13,339	7,283	13,339	7,283
Gains on investments	27,743	33,799	27,743	33,799
Other operating income	58,701	33,000	44,172	16,890
Premises and equipment expenses	143,153	190,313	116,935	161,514
Amortisation expense on intangible assets	47,160	-	44,578	-
Reversal of losses on impairment of properties foreclosed and other assets	(1,243)	(11,917)	(26,261)	(26,261)
Bad debt, doubtful accounts and impairment loss	624,433	-	443,186	-
Bad debt and doubtful accounts	-	602,872	-	410,951
Loss on debt restructuring	-	32,235	-	32,235

44. Events after reporting period

44.1 Capital increase of a subsidiary

On 21 December 2011, the subsidiary's Extraordinary General Meeting of Shareholders No. 3/2011 approved the increase of its share capital by 100 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 5 billion, comprising 500 million ordinary shares with a par value of Baht 10 each. In addition, the meeting approved a call for partial payment of the additional shares from the Bank, totaling Baht 250 million. The Bank made payment on 14 February 2012.

44.2 Capital increase of an associate

On 30 January 2012, Board of Directors' meeting No. 1/2012 of Finansia Syrus Securities Public Company Limited resolved to offer the remaining 35,751,715 shares unissued to the existing shareholders proportionately to their shareholding, at a ratio of 1 new share for every 11.662022 existing shares for Baht 1.60 per share. Later at the Bank's Board of Executive Directors' Meeting No. 5/2012 held on 2 February 2012, it is resolved to approve the Bank to exercise its rights to subscribe to the new shares of such company in a quantity that will not cause the Bank to hold more than 24.9 percent of the total shares in issue, in accordance with the waiver granted by the Bank of Thailand. The Bank paid for the purchase of 8,721,347 newly issued ordinary shares of such Company for a total of Baht 14 million, on 24 February 2012. Following the purchase of the additional shares of this company, the Bank holds 110,065,325 shares in Finansia Syrus Securities Public Company Limited, or equivalent to 24.39% of the issued and paid-up share capital of such company.

44.3 Debt issuance

On 9 February 2012, the meeting No. 5/2012 of the Board of Executive Directors of the Bank resolved to approve the issuance of 1,000,000 units of senior unsecured debentures with a face value of Baht 1,000 each. The debentures carry interest at fixed rate of 3.78% per annum, payable semi-annually. The debentures shall be issued to specific investors under private placement with the first 630,000 units with a face value of Baht 1,000 each, due on 25 November 2013, being issued on 9 March 2012.

Moreover on 15 March 2012, the meeting No.11/2012 of the Board of Executive Directors of the Bank resolved to approve the issuance of senior unsecured debentures in an amount up to Baht 600 million. The debentures carry interest at fixed rate of 3.78% per annum, payable semi-annually, for the tenor of 1 year and 10 months. The debentures shall be issued to specific investors under private placement within March 2012.

45. Approval of financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Bank on 16 March 2012.

Auditor

Names of Auditors and Their Office

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

The proposed 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)

The Auditors of the Subsidiary and Associated Companies of the Bank

The auditors of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) and the auditors of Finansia Syrus Securities PLC (the Bank's Associated company) are the auditors of E&Y, the same audit firm as the auditors of the Bank.

Remuneration of Auditors

The audit fee of the Bank and its subsidiary for the year ended 31 December 2011 was 3,480,000 Baht, broken down into the audit fee of the Bank of 2,630,000 Baht and that of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) of 850,000 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:

Dr. Ye Hu	Chairman
Mr. Youbin Chen	Vice Chairman and Chief Executive Officer
Mr. Chanchai Leetavorn	Director and Honorary Consultant to the Chairman
Dr. Kosol Petchsuwan	Independent Director
Mr. Prasit Damrongchai	Independent Director
Mr. Wencong Li	Director
Mr. Guohui Song	Director
Dr. Changwen Nie	Director
Dr. Li Lan	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 the 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 and sufficient capital funds to cover current and future risks. In addition, it has a responsibility to monitor the Bank's business operations to 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 so that the 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.

2 Independent Directors

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. The qualifications stipulates that an Independent Director must be a Director who does not have any business relationship with or participate in the management of or have any interest in the Bank which may affect his or her independent decision.

3 Committees under the Board of Directors' Direct Supervision

The Board of Directors has appointed three 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:

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 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 The Audit Committee comprises three Independent Directors as follows:

Dr. Kosol Petchsuwan	Chairman
Mr. Plengsakdi Prakaspesat	Member
Mrs. 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.

3 The Nomination, Compensation and Corporate Governance Committee comprises three Non-executive Members with the Chairman being an Independent Director.

Dr. Prasit Damrongchai	Chairman
Dr. Changwen Nie	Member
Dr. Li Lan	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, Members of Committees 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 the nomination of Directors, Members of Committees and Senior Executives by selecting qualified candidates according to the Bank's criteria

to be appointed as Directors, Members of Committees and Senior Executives. The candidates shall not possess prohibited characteristics specified in the Financial Institutions Businesses Act B.E. 2551, the BOT's criteria and other relevant laws. For the position of Independent Director, a candidate shall 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, Members of Committees 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' Members of Committees' or senior executives' duties, responsibilities and experience. Directors assigned with additional duties and responsibilities as members of Committees should receive additional compensations that commensurate 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.

(4) The Group Risk Management Committee comprises of 10 Members as follows:

Mr. Wencong Li	Chairman
Mr. Guohui Song	Member
Mr. Apichart Kasemkulsiri	Member
Ms. Suree Wipatakanok	Member
Mr. Chaiwat Tanchewawong	Member
Dr. Wei Huang	Member
Ms. Kanchana Vongratanakulthorn	Member
Mr. Som Pisarnsophon	Member
Ms. Sasiwadee Somboonthum	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 sub-committees to manage the daily operations of the Bank, members of which are appointed from Executives from different Divisions. They include (1) the Management Committee, (2) Credit Committee, (3) Asset and Liability Committee, (4) Technology Committee, (5) Collateral Appraisal Committee, (6) Collateral-Appraisal Sub-Committee, (7) Appraisal Appeal Committee, (8) Asset Management Committee, (9) Asset for Sale Sub-Committee, (10) Movable Asset Sub-Committee, (11) Complaint Consideration Sub-Committee, (12) Financial Approval Committee.

Remuneration for Directors and Executives for 2011

1 Remuneration to Directors

No.	Name	Amount
Board of Directors		
1	Mr. Chanchai Leetavorn	380,000.00
2	Mr. Thongchai Ananthothai*	105,000.00
3	Dr. Kosol Petchsuwan	380,000.00
4	Mr. Plengsakdi Prakaspesat	380,000.00
5	Dr. Prasit Damrongchai	380,000.00
6	Mrs. Ladda Siri wattanakosol	380,000.00
	Total	2,005,000.00
Audit Committee		
1	Dr. Kosol Petchsuwan	600,000.00
2	Mr. Plengsakdi Prakaspesat	360,000.00
3	Mrs. Ladda Siri wattanakosol	360,000.00
	Total	1,320,000.00
Nomination, Compensation and Corporate Governance Committee		
1	Dr. Prasit Damrongchai	600,000.00
	Total	600,000.00
Honorary Consultant to Chairman of the Board's Fee		
1	Mr. Chanchai Leetavorn	600,000.00
	Total	600,000.00
	Grand Total	4,525,000.00

Remarks: * Mr. Thongchai Ananthothai resigned from his position as Director, effective 31 March 2011

2. Remuneration to Executives for 2011

Executives	2011	
	No. of Person	Total Amount (Baht)
Total	15	90,361,369.26

Directors' and Senior Executives' holding of positions in other companies as of 31 December 2011

Name	ICBC (Thai)	Position			
		The Bank's Financial Business Group		Other Companies	
Mr. Chanchai Leetavorn	Director/ Honorary Consultant to Chairman of the Board	Chairman	ICBC (Thai) Leasing Co., Ltd.	Executive Director Executive Director Executive Director Executive Director Director Independent Director/ Member of the Audit Committee Director	Bangkok BTMU Co., Ltd. Siam Piwat Co., Ltd. Siam Piwat Holding Co., Ltd. Siam Speciality Co., Ltd. Minebea Aviation Co., Ltd. True Corporation Plc.
	Independent Director Chairman of the Audit Committee	-	-		
	Independent Director Chairman of the Nomination, Compensation and Corporate Governance Committee	-	-		Dhipaya Insurance Plc.
Dr. Prasit Damrongchai	Independent Director/ Member of the Audit Committee	-	-	Independent Director/ Chairman of the Audit Committee Director Executive Director Executive Director Senior Advisor Advisor Director	Bangkok Insurance Plc. Aspac Co., Ltd. Metro Resources Plc. Sikrungsattana Property Co., Ltd. Thai Central Chemical Plc. United Flour Mill Plc. Pace Development Corporation Plc.
Mrs. Ladda Siriwattanakosol	Independent Director Member of Audit Committee	-	-	Executive Director Executive Director	T.Krung Thai Industrial Plc. Sri Sam Ank Supplier Co., Ltd.
	Senior Executive Vice President, Treasury & Branch Operations Group	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-
Mr. Apichart Kasemkulsiri	Executive Vice President, Corporate Banking Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.	Executive Director Executive Director	M-Home SPV 3 Co., Ltd. Chonburi Motor Express Co., Ltd.
Ms. Suree Wipatanakorn	Executive Vice President, Risk Management Division	-	-	-	-
Ms. Kanchana Vongratandakulthorn	Executive Vice President, Finance & Strategy Division	Executive Director	ICBC (Thai) Leasing 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, customers and others. It should perform its duties with honesty and good business ethics. The Board of Directors shall 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 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 report directly 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.

Capital Structure

Registered Capital

As at 31 December 2011 the Bank had a registered capital of 15,904,529,450 Baht with paid-up capital of 15,904,529,450 Baht divided into 1,590,001,864 ordinary shares at par value of 10 Baht and 451,081 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 to 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 holder of Class B preferred shares must lodge the application for the conversion together with the share certificates of 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
Registered capital	15,904,529,450 Baht (as of December 31, 2011)
Paid-up capital	15,904,529,450 Baht (as of December 31, 2011)
Par value	10 Baht

2 Entities in which the Bank has a stake of 10% or more of their paid-up capital ICBC (Thai) Leasing Company Limited

Address	503/27 K.S.L Tower 16 th Floor Sri-Ayudhaya Road, Phayathai, Ratchathewi Bangkok 10400
Type of business	Leasing Business
Telephone	+66 2626 8100
Facsimile	+66 2626 8191-6
Registered capital	4,000,000 Baht (as of December 31, 2011)
Paid-up capital	3,250,000,000 Baht (as of December 31, 2011)
Par value	10 Baht
Percentage of shareholding	99.99%

Finansia Syrus Securities Public Company Limited

Address	999/9 The Offices at Central World 18 th Floor, Rama I Road, Pathumwan, Bangkok 10500
Type of business	Securities Business
Telephone	+66 2658 9000
Facsimile	+66 2658 9292
Registered capital	747,693,118.80 Baht (as of December 31, 2011)
Paid-up capital	664,707,974.80 Baht (as of December 31, 2011)
Par value	1.60 Baht
Percentage of shareholding	24.39%

Bangkok BTMU Limited

Address	54 Harindhorn Tower 4 th Floor Unit A, North Sathorn Road, Silom, Bangkok, Bangkok, 10500
Type of business	Lending Business
Telephone	+66 2266 3075
Facsimile	+66 2266 3076
Registered capital	200,000,000 Baht (as of December 31, 2011)
Paid-up capital	200,000,000 Baht (as of December 31, 2011)
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)
 33rd 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, +66 2899 8278-9 Fax. +66 2899 8280
Vibhavadirangsit-Donmuang Branch	161/2-5 Vibhavadi Rangsit Road, Sikan, Donmuang, Bangkok 10210 Tel. +66 2996 9902-5 Fax. +66 2996 9906
Petchkasem Branch	79/15-18 Moo 2 Petchkasem Road, Nongkhangphlu, Nongkhaem, Bangkok 10160 Tel. +66 2812 4514-7 Fax. +66 2812 4507
Srinakharin Branch	990, 992 Srinakharin Road, Suanluang, 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 4415-6 Fax. +66 2677 4420
Samut Sakhon Branch	930/42 Sor and 930/42 Hor, Eakkachai Road, Mahachai, Mueang, 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, Naimuang, 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

Eastern

Si Racha Branch 138 Sukhumvit Road, Si Racha, Si Racha, Chon Buri 20110
Tel. +66 3877 3843-4, +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 3866 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
Fax. +66 7436 4789

Phuket Branch 2, 4 Phang-nga 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 Makam Tia, Mueang Surat Thani, Surat Thani 84000
Tel. +66 7726 4950
Fax. +66 7726 4957

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