

A NEW CHAPTER BEGINS

TMB BANK
PUBLIC COMPANY LIMITED
ANNUAL REPORT 2014



Make **THE** Difference

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VISION

TO BE THE LEADING
THAI BANK
WITH WORLD-CLASS
FINANCIAL SOLUTIONS

TMB MISSION

Understand our customers and offer high quality financial services designed to meet their needs and aspirations

Create shareholder value with appropriate and sustainable shareholder returns

Trust in employees and provide opportunities to develop and perform to their full capabilities as well as reward them based on their performance

Create value to society while operating our business with internationally accepted standards of good corporate governance

HISTORICAL FINANCIAL PERFORMANCE

Consolidated Financial Statement

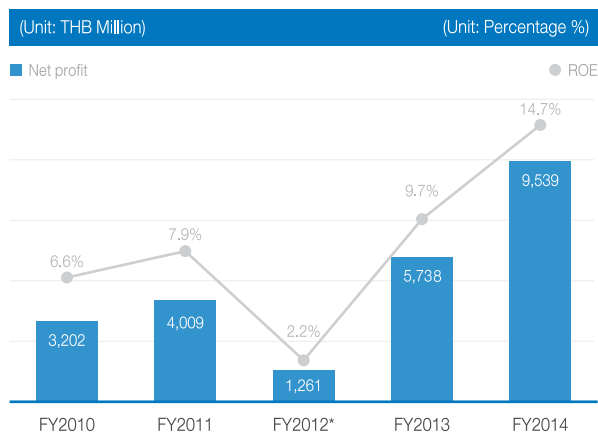
(Unit: THB million)

	2014	2013	2012*	2011	2010
Selected Statement of Comprehensive Income Items					
Interest income	35,848	34,826	30,678	26,148	18,249
Interest expenses	14,253	14,004	13,613	11,912	7,833
Net interest income	21,595	20,822	17,065	14,236	10,416
Net fees and operating income	8,358	8,385	7,641	6,581	5,751
Total operating income	29,953	29,207	24,706	20,817	16,167
Other operating expenses	15,774	14,550	14,291	13,641	11,288
Bad debts, doubtful accounts and impairment loss	3,437	7,613	8,751	3,104	1,654
Income tax expenses	1,190	1,296	376	40	14
Profit for the year	9,552	5,748	1,288	4,032	3,211
Equity holders of the Bank	9,539	5,738	1,261	4,009	3,202
Non-controlling interest of the subsidiaries	13	10	27	23	9
Other comprehensive income (loss)	0	(25)	815	142	(147)
Total comprehensive income	9,552	5,723	2,103	4,174	3,064
Basic earning per share (Baht per share)	0.22	0.13	0.03	0.09	0.07

	2014	2013	2012*	2011*	2010
Selected Statement of Financial Position Items					
Loans to customers and accrued interest receivables	531,429	500,478	453,674	398,373	363,741
Total assets	810,167	765,732	716,925	723,963	589,200
Deposits	571,625	529,606	496,158	452,316	412,723
Total liabilities	740,374	703,899	659,543	667,388	539,345
Total shareholders' equity	69,793	61,833	57,382	56,575	49,855
Equity attributable to equity holders of the Bank	69,704	61,757	57,316	56,471	49,772
Non-controlling interests of the subsidiaries	89	76	66	104	83

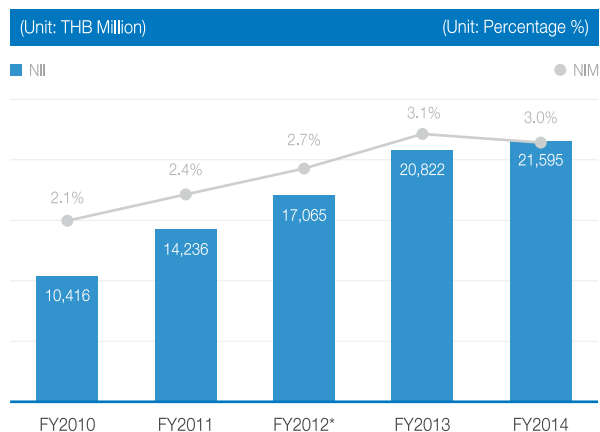
Note: * Restated

Net profit and Return on equity (ROE)



Note: Consolidated financial statement

Net interest income (NII) and Net interest margin (NIM)



Note: Consolidated financial statement

	2014	2013	2012*	2011	2010
Key financial ratios					
Profitability					
Return on equity (ROE)	14.7%	9.7%	2.2%	7.9%	6.6%
Return on assets (ROA)	1.2%	0.8%	0.2%	0.6%	0.6%
Cost to income ¹	52.5%	50.5%	56.6%	63.2%	73.5%
Net interest margin (NIM)	3.0%	3.1%	2.7%	2.4%	2.1%
Liquidity					
Loan to deposit (LDR) ²	92.8%	94.3%	91.3%	87.9%	88.0%
% Current and saving accounts to total deposits (CASA) ³	69.3%	62.5%	65.1%	60.2%	46.3%
Capital adequacy (Bank-only)					
Tier 1 capital ratio ^{1 4}	11.0%	10.6%	11.1%	11.1%	11.3%
Capital adequacy ratio (CAR) ⁴	18.3%	15.9%	18.2%	16.1%	16.6%
Asset quality					
NPL ratio	2.9%	3.9%	4.1%	5.7%	8.3%
NPL coverage ratio	156.8%	140.4%	112.8%	72.9%	57.0%
Others					
Book value per share (Baht per share)	1.60	1.42	1.32	1.20	1.15
Number of employees	8,854	9,015	9,106	8,968	8,750
Number of branches	460	458	466	458	455
Number of ATMs	2,365	2,379	2,357	2,398	2,300

Note: * Restated

¹ Excluded one-time items

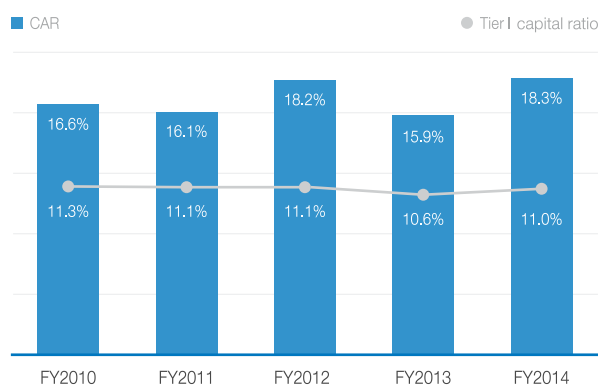
² Exclude Bill of exchange

³ Exclude NCD and FCD

⁴ Since 2013, the calculation based on Basel III

Capital adequacy ratio (CAR) and Tier I capital ratio

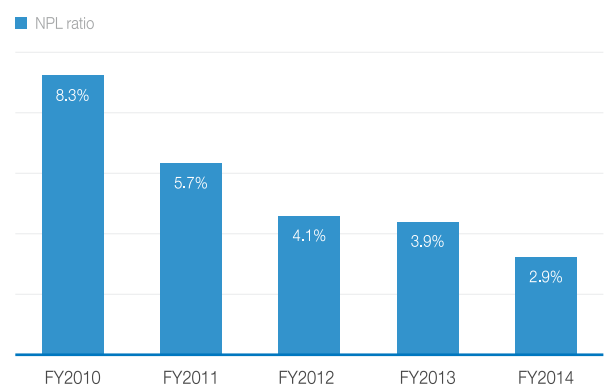
(Unit: Percentage %)



Note: Bank-only financial statement

Non-performing loan ratio (NPL ratio)

(Unit: Percentage %)



Note: Consolidated financial statement



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

2014 was another year where Thailand's economy was affected by various unfavorable factors such as ongoing global economic slowdown, domestic political tension and high level of household debt. Consequently, GDP barely grew by 0.7%, compared to 2.9% in 2013. Despite economic disturbances, TMB continued to improve, reflected by 2014 performance. In line with target, deposit expanded by 8% with the success in growing transactional deposit by 18%. Expansion in loan, however, was more selective. Therefore, performing loan rose by 7%. At the same time, the Bank continued to enhance its asset quality and reduce non-performing loan (NPL). Hence, NPL ratio dropped further from 3.9% to 2.9% and coverage ratio advanced to 157%. Overall, TMB could increase net profit by 66% to THB9,539 million which represented ROE of 14.7%. The Bank also delivered higher dividend to the shareholders at THB0.04 per share which was paid on 8 May 2014.

TMB remained fully committed to create value for customers in accordance with our brand 'Make THE Difference' by emphasising on serving customers' unmet financial needs and developing products and services that truly match customer requirements and make customers' lives better. TMB continued to create branded customer experience by promoting staff's product knowledge and engaging all TMB employees to work together to create service excellence via all service channels.

In addition to creating value for customers, TMB continued to engage the community by empowering youths in a low socio-economy via the 'FAI-FAH' project. The program aims at empowering youths through the arts and life skills so that they become catalysts to changes in their communities. In 2014, 1,861 youths participated in 'FAI-FAH' program as 'FAI-FAH' members.

Recognizing importance and benefits of good corporate governance to stakeholders, we continued to ensure that TMB upholds good corporate governance as key priority with a commitment to continuously enhance the standard of corporate governance and supervision. TMB is pleased to report that, in 2014, the Bank once again received the highest score of 'Excellent' in corporate governance for six consecutive years. The assessment was conducted by the Thai Institute of Directors Association supported by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors would like to express our gratitude to shareholders, customers and employees for supporting the Bank's business growth and strengthening its fundamental values, which would drive TMB towards future success. TMB is confident that the dedication of employees and management who work as one team under 'Make THE Difference' culture will create excellence in financial products and services that are meaningfully different so as to delight our customers, improve their quality of life, and deliver good and sustainable returns to shareholders.



Mr Rungson Sriworasat
Chairman of the Board



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

2014 was a key milestone for TMB. We have now reached the end of our first chapter of the Transformation phase, the culmination of this being a significant improvement in all areas of the Bank's performance.

When we embarked on TMB's Transformation in 2009, we knew the road to success would be difficult at times. Through those moments, we persevered, leaving a significant trail of accomplishments that we can be proud of today. Amongst the biggest of these accomplishments, the evolution of the Bank into a solid financial institution that is transparent and has a robust governance structure. Another source of great pride was our return to profitability. Our customer-centric approach to innately understanding customer behavior spearheaded the creation of products and services that Make THE Difference in our customers' lives – and improve the paradigm of the Thai banking industry. Our corporate responsibility programs empowered low-income children and their communities, dramatically improving the lives of neglected nooks and crannies within Thailand. Inside TMB, we have worked hard to create a culture that instills a sense of pride in our employees, by empowering them to Make THE Difference for our stakeholders every day. Personally, I am very proud of all of our employees, whose dedication and hard work helped us accomplish this major transformation. Yet there is still much more to do.

TMB begins a new chapter, moving from a period of Transformation to one of sustainable quality growth. We will continue to pioneer better ways to improve the lives for our customers as we gear up to sustain the momentum we have created over the last five years, while continuing to be a game changer for all of our stakeholders.

An Overhaul – Financial Performance

Despite unforeseen challenges in 2014, TMB maintained strength in its operating performance. The Bank reported pre-provision operating profits of THB14,152 million and net profits at THB9,539 million, representing an ROE of 14.7%.

For 2014, the Bank achieved 8% in deposits growth, a growth that was accelerated by the transactional accounts, which grew by 18%. This growth was aligned to TMB's aim of providing the best transactional banking services to date for our customers, with deposits being at the forefront of this ambition. Loan growth was moderate at 6%, resulting from performing loan growth of 7% and a reduction of 19% in non-performing loans (NPLs).

The 19% NPL reduction in 2014 highlighted TMB's success in improving its asset quality. Consolidated NPL ratios were reduced to 2.9% from 3.9% in the year prior. This reduction of NPLs, coupled with conservative provisioning policies, also resulted in an increase of provision coverage ratios to 157% from 140% during the same period. All of these ratios were achieved simultaneously with the Bank's solid capital. The CAR ratio rose to 18.3%, a result of successful issuance of Basel III compliant Tier 2 during September 2014. Tier 1 capital also improved to 11.0% as of December 2014.

TMB has come a long way when compared with the beginnings of our Transformation. The improvements were far-reaching, ranging from ROE improvement from 4.3% in 2009 to 14.7% in 2014. The achievement of this ROE was essentially a result of fundamental changes throughout all the various operational systems and financial processes in our Bank, such as NIM enhancement from 1.9% to 3.0% and cost-to-income ratio improvement from 77% to 53%. Over the same period, NPL ratios were reduced from 12.7% to 2.9% and coverage ratios accelerated from 58% to 157%, reflecting the strengthened quality of the Bank's assets.

The consistent improvements in our financial performance have been recognized by credit rating agencies. In September 2014, Moody's upgraded TMB's credit rating to Baa2 from Baa3, an action that followed S&P's upgrade of TMB's credit rating to BBB- at the end of 2013.

Being Genuine – Products & Services

Never one to back down from a challenge, TMB continued its relentless search to find better ways to serve our customers through the introduction of products and services that genuinely benefited and improved their lives. At TMB branches, for example, customers could compare and choose mutual fund products from a variety of asset management companies, all in one location – our Bank branches. Our strategy of always putting our customers at the heart of everything we do, reaped rewards with this initiative resulting in over 30% increase in fee from mutual fund products during the year.

The launch of TMB Touch, a transformative mobile banking application that leverages the same intuitive platform as our internet banking channel, helped the Bank to further cement its space in the digital world. Paramount to the application is convenience and simplicity giving customers the freedom to utilize transactional Banking services anywhere, at any time.

As we turn to our next chapter, TMB will continue to look for more innovative and holistic ways to transform the lives of our customers and their banking experience.

A Metamorphosis – Our People

Passion runs deep. This deep passion is seeded, then unearthed, in TMB's continual programs to transform and empower our employees, who in turn pay it forward, through their tenacious efforts to deliver the best service to our customers. The interactions between the Bank and our people, and in turn, with our customers, result in a holistic TMB Branded Customer Experience. An example is our "First-Hand Day" experience, where TMB's top management directly interacts with customers at our branches, alongside Relationship Managers and call centers, to ensure that we genuinely understand the customer journey end-to-end. This experience helps the Bank to formulate strategies to make the customer experience more seamless while helping to transform all customer interactions into pleasant ones.

TMB now, more than ever, has an employee base of passionate game changers who are always growing and evolving in order to improve the status quo. They are single-minded in their goals to improve the customer experience and find solutions that will help evolve the banking industry.

Leading at the Edge – CSR

Implemented in 2009, TMB's corporate responsibility platform FAI-FAH continues to be a catalyst for community improvement and a leading example of an effective, far-reaching CSR program in Thailand. By empowering youths through the arts, we have created a society transforming the lives of low-income children to feel a sense of worth and value. With the help of TMB volunteers, nearly 2,000 children learn to Make THE Difference for the communities in which they live, while learning skills for a more promising future, in work and in life.

To date, 133,200 students in BMA schools have participated in FAI-FAH related arts programs, along with community improvement projects gearing towards the sustainable development of communities. In 2014, thanks to 630 TMB volunteers clocking in 2,887 volunteering hours, our projects have benefited 14 communities, 525 households, and 3,997 community residents.

Full Cycle – from Transformation to Evolution

Throughout our Transformation, TMB has consistently delivered genuine value to all our stakeholders, including the society we are a part of. Our Transformation has allowed us to build a strong foundation upon which to uphold our reputation as a formidable pioneer that continues to lead by example. The next chapter holds more exciting opportunities. All of us at TMB excited to improve the Thai Banking industry. I would like to thank our shareholders, customers and employees who have stood by TMB over the years, and am grateful for your continual support as we grow TMB in the years to come.



Mr Boontuck Wungcharoen
Chief Executive Officer

A NEW CHAPTER BEGINS

LOOKING BACK BEFORE MOVING FORWARD

TMB has strengthened tremendously over the past five years. Underpinned by our Make THE Difference philosophy, TMB strives to always challenge and improve upon the status quo in everything that we do, with the ultimate goal being the transformation of banking services that better answer customer needs and increase value for all of our stakeholders.

The TMB brand has transformed to become more recognized and trusted over the years. But to us, the brand is not just a sticker or a logo. The brand's foundation is built on delivering for our customers, whilst simultaneously providing them with the highest level of branded customer experience at all touchpoints across the Bank.





At TMB, we believe that everyone has the power to Make THE Difference. We have walked, talked, lived and breathed this philosophy the past five years of our Transformation. In Making THE Difference, our Transformation has gone full circle – we constantly challenged the status quo and successfully created positive ripples, touching the lives of everyone that came into contact with us, from shareholders, customers and employees, to society at large.

Our Make THE Difference ethos has been instrumental in the success of TMB's Transformation into the Bank that allows consumers to take greater control of their financial lives. Key achievements from the 5-year Transformation have been evident in the following areas outlined below.



TRANSFORMATIVE FINANCIAL SUCCESS

Financial fundamentals have improved, reflected by our ability to pay dividends consistently since the first dividend payment in 14 years in 2011.

PROFITABILITY
Net profit transformed from THB1.9 billion in 2009
to THB9.5 billion in 2014

THB
9.5 Billion

ASSET QUALITY
NPL ratios dropped dramatically from 12.7% in 2009
to 2.9% in 2014

2.9%

LOSS-ABSORBING BUFFERS
NPL coverage ratios were up from 58% in 2009
to 157% in 2014

157%

EFFICIENCY
Cost-to-income ratios decreased from 77% in 2009
to 53% in 2014

53%

A TRANSFORMATIVE CORPORATE CULTURE

To deliver the best transactional banking services available to customers, TMB focuses on the continual development of its employees, via a transformative corporate culture. This culture is aptly defined as the TMB WAY, where Customer-Centricity, Integrity, Open Communications, Risk Management, and High Performance, form the key propositions by which employees operate; LEAN management system is utilized for internal efficiency improvement; and our Branded Customer Experience, a key internal and external touchpoint, ensures that we consistently deliver services that Make THE Difference to our customers.

After five years of development, TMB has successfully cultivated a corporate culture that enhances employees' engagement and working efficiencies. These successes are reflected by in-depth customer experience feedback and monitoring, cost savings, and the results seen in corporate customers' successes via **Lean Supply Chain: Efficiency Improvement Program** by TMB.

EMPLOYEE ENGAGEMENT SCORE SUMMARIES

THE AVERAGE MEAN SCORE
has increased from 3.49
in 2009 to 4.09 in 2014

4.09

THE MEAN PERCENTILE
increased from 13th in 2009
to 73rd in 2014

73rd

EMPLOYEE ENGAGEMENT
RESPONSE RATES
increased from 96% in 2009
to 98.8% in 2014

98.8%

OVERALL SATISFACTION
SCORES
increased from 3.88 in 2009
to 4.19 in 2014

4.19

COST SAVINGS

TMB DELIVERED
87 PROJECTS
with an estimated
THB99 million
in cost savings per annum

THB
99M

CORPORATE CUSTOMERS
ACHIEVEMENTS
included 21 projects with
an estimated of THB80 million
in cost savings per annum

THB
80M

CUSTOMER EXPERIENCE IMPROVEMENTS

CUSTOMER QUEUE TIMES
Reduced customer queue
times from 8 minutes
to 3 minutes

3Mins

ATM CLOSE-OUT TIME
Reduced cash-fill times at
ATM machine from 50 minutes
to 20 minutes

20Mins

DIRECT DEBIT
SUBSCRIPTION
Reduced direct debit
subscription wait times
from 90 days to 30 days

30Days

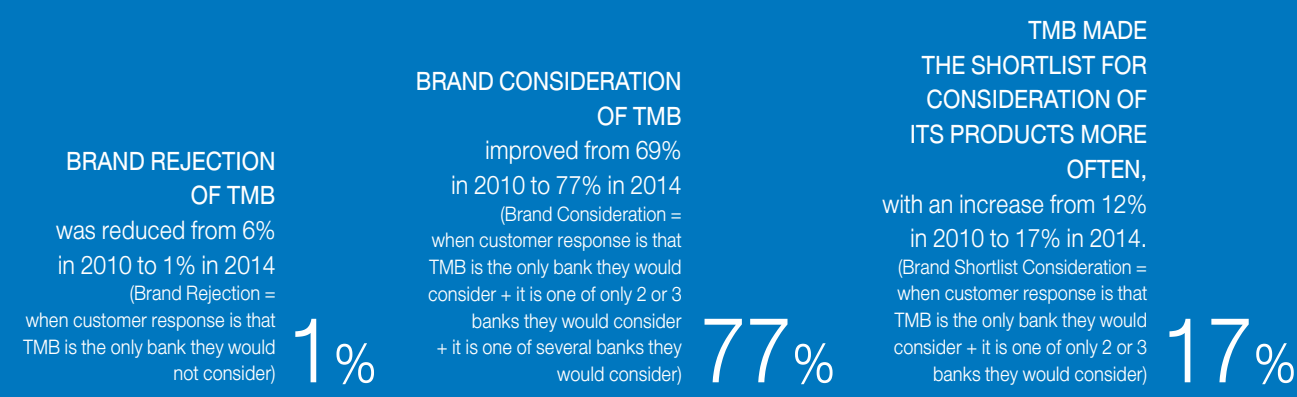
CASH-TO-GO
Reduced cash-to-go
subscription wait times
from 95 hours to 24 hours

24Hrs.

BRANDING TRANSFORMATION

BRAND PERCEPTION PERFORMANCE

TMB's main area of emphasis was to strengthen our transactional banking services. By being a pioneer of the banking industry we introduced products & services that transformed the Thai banking landscape – and our customers' lives. Such products include No Fee, No Boundary, ME by TMB, TMB One Bank, and Open Architecture Mutual Funds. These products effectively helped to build a positive brand perception in the eyes of consumers, with the results outlined below:



BRANDING ACTIVATION



After 5 years of brand awareness building, we pushed the bar further in 2014, with a TV commercial that built on the foundation 'Make THE Difference' had already built by turning it into concrete action seen in everyday scenarios. 'Never Stop Asking' encourage members of the public to always question the assumption that they needed to tolerate the status quo, and instead, encouraged them to undertake positive action to change the status quo so that everyone could partake in a better quality of life.

To make 'Never Stop Asking' relevant to our target's everyday life, 'Invisible Thailand' a grassroots campaign, was launched through social media, with the aim to inspire the public to be aware of existing problems around us which had previously been ignored, overlooked, and accepted as the status quo. The campaign encouraged anyone who was willing to Make THE Difference to join in on the efforts to make our lives better by capturing images of problematic sites and situations nationwide that could be improved and post them on Instagram, using hashtags #invisibleTH and #makeTHEdifference.

TMB also took action to physically challenge the everyday problems we face when following the status quo, as part of rollout that tied in with the commercial. TMB organized an on-field project to improve the physical conditions and environment of the walkway along Klong Saen Saeb in Prathumwan District, Bangkok, with members of www.makeTHEdifference.org's social media community. Over 300 volunteers joined this “Invisible Thailand” project and together, assisted in garbage collection, fence repair, walkway and surroundings clean-ups, artistic wall paintings, lamp post setups, and police red-box checkpoint installations.



FAI-FAH BY TMB



EMPOWER YOUTH TO MAKE THE DIFFERENCE IN THEIR LIVES



TMB has helped transform our communities for the better by leveraging our employee base in our CSR program FAI-FAH to actively work with low-income children and empower them to Make THE Difference in their lives and the lives of people within the communities in which they live. The results of FAI-FAH's endeavors for 2014 are outlined below.

In 2014, 3,863 youth from communities were empowered through the learning of arts and life skills, which led them to bring sustainable changes to their communities. A ripple effect was created, with the participation of 692 TMB staff volunteers and FAI-FAH youth in doing good in communities, who in turn, carried on the work and good feelings it encompassed. 209 TMB staff also worked as Thought volunteers, guiding FAI-FAH youth in the creation community improvement projects for sustainable community change.

The work also included the implementation of seven sustainable community improvement projects and three successful community business startups (which will be developed to be social enterprises in the near future).

MAKE THE DIFFERENCE PRODUCTS AND SERVICES

TMB Makes THE Difference every year by rewarding loyal customers with upgraded benefits and offering even more convenience and intelligence in the upgrade of products they are currently utilizing. In 2014, this included:

TMB ONE BANK FOR BUSINESS CUSTOMERS

Customers get more even more benefits than in previous years, for example:

- When buying 1 cheque book, they receive another one free of charge
- Free-of-charge inter-bank transfers with up to 30 transactions
- Free-of-charge deposits, withdrawals, and inter-region transfers within TMB
- Free-of-charge deposits of non-TMB cheques

OPEN ARCHITECTURE MUTUAL FUNDS INVESTMENT

TMB is the only Thai bank which offers mutual funds from various fund house and management experts, all in one place. We carefully select a range of mutual funds, based on internationally-accepted standards, in order to offer our customers the convenience of purchasing quality funds from various fund houses all in one place. Currently, the list of participating asset management companies includes CIMB Principle, Aberdeen, UOB, and TMBAM.

COLLABORATION WITH THE GOVERNMENT SAVINGS BANK

The Government Savings Bank branches nationwide became another channel to deposit money into TMB bank accounts, enabling customers to access TMB services with more convenience.

FREE CHEQUE PICK UP SERVICES

Another new free service that helped to enhance customer business efficiency, this service caters to the clients providing TMB with THB50-500 million in turnovers per annum through the use of cheques for their banking transactions. This service also provided an unlimited number of cheque and transaction amounts.

DIGITAL BANKING APPLICATIONS

TMB further developed its footprint in the digital area with the mobile application TMB Touch, to supplement its Internet Banking platform. TMB Touch is synchronized with the TMB Internet Banking, so information is updated in real time. Customers can transfer up to THB500,000 per day.

Additionally, ME by TMB continues its offerings of higher interest rates and more flexibility in digital account self-management as a better value electronic banking service.



BOARD OF DIRECTORS



1. MR RUNGSON SRIWORASAT

- Chairman of the Board

3. MR PHILIPPE G.J.E.O. DAMAS

- Director
- Chairman of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee

5. MR RACHANE POTJANASUNTORN

- Independent Director
- Chairman of the Nomination, Remuneration and Corporate Governance Committee
- Member of the Risk Management Committee

2. GENERAL VEERUN CHANTASATKOSOL

- Director

4. MR SINGHA NIKORNPUN

- Independent Director
- Chairman of the Audit Committee

6. MS SWEE-IM UNG

- Director
- Chairperson of the Risk Management Committee
- Member of the Credit Committee



7. MR PONGPANU SVETARUNDR

- Director
- Chairman of the Credit Committee
- Member of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee

8. MR VAUGHN NIGEL RICHTOR

- Director
- Member of the Board of Executive Directors

9. MR CHRISTOPHER JOHN KING

- Independent Director
- Member of the Audit Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

10. GENERAL KAMON SAENISSARA

- Independent Director
- Member of the Audit Committee

11. MR BOONTUCK WUNGCHAROEN

- Director and Chief Executive Officer
- Member of the Board of Executive Directors
- Member of the Credit Committee
- Member of the Risk Management Committee

MR RUNGSON SRIWORASAT

59 years old

CHAIRMAN OF THE BOARD

Date of Appointment

June 5, 2013

EDUCATION AND TRAINING COURSE

- Master of Business Administration, Prince of Songkla University
- Bachelor of Law, Sukhothai Thammathirat Open University
- Bachelor of Accounting, Ramkhamhaeng University
- National Defence College
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- Politics and Governance in Democratic System for Executive Course, King Prajadhipok's Institute
- The Program for Senior Executive on Criminal Justice Administration, Judicial Training Institute
- Senior Executive Program, Office of the Civil Service Commission
- International Financial Fraud Training Program (IFFT), Internal Revenue Service (IRS) Georgia, USA
- Executive Program for Senior Management 2006 Development Course for Organization Leaders under Globalization Current Fiscal Policy Research Institute Foundation, Kingdom of Thailand in cooperation with Kellogg School of Management and the Maxwell School of Syracuse University, Schulich School of Business York University
- Anti-Corruption for Executive Program, Financial Institutions Governance Program, Role of the Chairman Program, Finance for Non-Finance Director, Audit Committee Program, Successful Formulation & Execution the Strategy, and Director Certification Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

Jul 2014 - Present

Director and Chairman of Remuneration Committee, PTT Plc.

Apr 2014 - Present

Director and Chairman of Nomination and Remuneration Committee, Thai Airways International Plc.

POSITIONS IN NON-LISTED COMPANIES

Oct 2013 - Present

Permanent Secretary, Ministry of Finance

Oct 2013 - Present

Chairman, Government Pension Fund

Oct 2013 - Present

Chairman, Student Loan Fund

Oct 2013 - Present

Chairman, Office of Insurance Commission (OIC)

Oct 2013 - Present

Chairman of State Enterprises Directors List Preparation Committee, The Secretariat of the Cabinet

Oct 2013 - Present

Member of the Committee on Public and Private Sectors Economic Problems

Oct 2013 - Present

Member of the Board, Office of Securities and Exchange Commission (SEC)

Oct 2013 - Present

Member of the Committee on the National Strategy for the Prevention and Suppression of Corruption in the State, Ministry of Justice

Feb 2013 - Present

Director, Judicial Officer Commission



WORK EXPERIENCE

Apr 2014 - Jul 2014

Director, National Credit Bureau Co., Ltd.

Aug 2013 - Apr 2014

Director, State Railway of Thailand (SRT)

Oct 2012 - Mar 2014

Director, The Government Pharmaceutical Organization

Oct 2012 - Oct 2013

Deputy Permanent Secretary, Ministry of Finance

Apr 2013 - May 2013

Director, General Hospital Products Public Co., Ltd.

Jan 2013 - May 2013

Director, Deposit Protection Agency

Feb 2011 - May 2013

Director, Tourism Authority of Thailand

2005 - Feb 2013

Director, Bank for Agriculture and Agricultural Co-Operatives

2010 - 2012

Director, Judicial Administration Commission

2010 - 2012

Director-General, The Comptroller General Department, Ministry of Finance

2011 - 2012

Director, Eastern Water Resources Development and Management Public Co., Ltd.

2010 - 2012

Director, Government Pension Fund

2010 - 2012

Director, Malaysia - Thailand Joint Authority (MTJA)

2010 - 2012

Director and Secretary, Student Loans Fund

2009 - 2010

Inspector-General, Ministry of Finance

2009 - 2010

Director, Provincial Waterworks Authority

2009 - 2010

Director, Dhanarak Asset Development Company Limited

GENERAL VEERUN CHANTASATKOSOL

59 years old

DIRECTOR

Date of Appointment
Dec 3, 2014

EDUCATION AND TRAINING COURSE

- Master of Arts (Social Development), National Institute of Development
- Bachelor of Science, Chulachomklao Royal Military Academy
- National Defence College

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

- Oct 2014 - Present
Senior Army Advisor
- Oct 2014 - Present
Director, Royal Thai Army Radio and Television
- Jul 2014 - Present
Member of the National Legislative Assembly
- Jul 2014 - Present
Director, Metropolitan Waterworks Authority

WORK EXPERIENCE

- Oct 2012 - Sep 2014
Commanding General, Army Air Defense Command
- Oct 2011 - Sep 2012
Deputy Commanding General, Army Air Defense Command
- Oct 2009 - Sep 2011
Chief of Staff, Army Air Defense Command



MR PHILIPPE G.J.E.O. DAMAS

64 years old

DIRECTOR

CHAIRMAN OF THE BOARD OF EXECUTIVE DIRECTORS

MEMBER OF THE NOMINATION, REMUNERATION AND
CORPORATE GOVERNANCE COMMITTEE

Date of Appointment
December 28, 2007

EDUCATION AND TRAINING COURSE

- MBA (Accounting & International Finance), Columbia University, USA
- Military Service, Belgian Army
- Advanced Automatics, Ecole Nationale de l'Aéronautique et de l'Espace, Toulouse, France
- Ingénieur Civil Electricien Mécanicien, Université Libre de Bruxelles, Brussels, Belgium
- Directors Refresher Program, ING Vysya Bank Ltd. (India)

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

2014 - Present

Board member, Armstrong Asset Management (Singapore)

2014 - Present

Board member, The Blue Circle (Singapore)

2014 - Present

Board member, Sport Sevens (Singapore)

Dec 2013 - Present

Board member, Capstone Partners (Asia)

Apr 2013 - Present

Board member, CM Houlder (SEA) Pte. Ltd.

Apr 2013 - Present

Board member, CM Houlder Insurance Brokers (Singapore) Pte. Ltd.

Dec 2011 - Present

Board member, Eurofin Asia (Singapore)

May 2011 - Present

International Advisory Board member, Pacific Star (Singapore)

WORK EXPERIENCE

2006 - May 2012

Director, ING Mauritius

2006 - Sep 2011

Vice Chairman of the Board, ING Vysya Bank Ltd. (India)

2001 - Jan 2010

Director, ING Asia Private Bank (Singapore)



MR SINGHA NIKORNPUN

60 years old

INDEPENDENT DIRECTOR

CHAIRMAN OF THE AUDIT COMMITTEE

Date of Appointment

January 10, 2014

EDUCATION AND TRAINING COURSE

- Master of Science (Human Relations and Management),
Abilene Christian University, Dallas, Texas, USA
- Bachelor's Degree in Economics (Money and Banking),
Kasetsart University
- Senior Executive Program Certificate, Capital Market Academy
(CMA)
- Politics and Governance in Democratic Systems for Executives,
King Prajadhipok's Institute
- Advanced Management for Bankers Wharton School, University of
Pennsylvania, USA
- Director Certification Program Update, Role of the Chairman
Program, Advanced Audit Committee Program, Anti-Corruption for
Executive Program, Financial Institutions Governance Program, Role
of the Compensation Committee, and Director Certification Program,
Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

2013 - Present

Independent Director and Member of Audit Committee, IFS Capital
(Thailand) Plc.

Nov 2012 - Present

Independent Director and Member of Audit Committee, Tirathai Plc.

POSITIONS IN NON-LISTED COMPANIES

Apr 2014 - Present

Independent Director, The Thai Bond Market Association (ThaiBMA)

Feb 2013 - Present

Member of Advisory Committee and Member of Audit
Sub-Committee, Thailand Professional Qualification Institute
(Public Organization)

2006 - Present

Director, Association of Provident Fund

WORK EXPERIENCE

2008 - 2012

President, Deposit Protection Agency

2005 - 2011

Vice Chairman and Chairman of the Audit Committee, Thai Bond
Market Association



MR RACHANE POTJANASUNTORN

62 years old

INDEPENDENT DIRECTOR

CHAIRMAN OF THE NOMINATION, REMUNERATION
AND CORPORATE GOVERNANCE COMMITTEE

MEMBER OF THE RISK MANAGEMENT COMMITTEE

Date of Appointment
October 8, 2012

EDUCATION AND TRAINING COURSE

- MBA (Honors), National Institute of Development Administration
- BS (Forestry), Kasetsart University
- National Defence College
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- Top Executive Program in Commerce and Trade (TEPCOT)
Commerce Academy
- Senior Executive Program (SES 20)
- Director Accreditation Program and Financial Institutions
Governance Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

2014 - Present

Member of Sub Committee on Revenue Collective, Committee on
Economics, Monetary and Finance, The National Legislative
Assembly

2014 - Present

Advisor to the Board of Director, The Gem and Jewelry Institute of
Thailand (Public Organization)

2009 - Present

Vice Chairman, Gems and Jewelry Promotion Foundation

WORK EXPERIENCE

2009 - Sep 2012

Deputy Permanent Secretary, Ministry of Commerce

2008 - 2009

Director-General, Department of Export Promotion,
Ministry of Commerce

2006 - 2008

Director-General, Department of Foreign Trade,
Ministry of Commerce



MS SWEE-IM UNG

63 years old

DIRECTOR

CHAIRPERSON OF THE RISK MANAGEMENT COMMITTEE

MEMBER OF THE CREDIT COMMITTEE

Date of Appointment

September 30, 2011

EDUCATION AND TRAINING COURSE

- M.Sc. in Administrative Sciences, City University Business School, London, UK
- Bachelor of Accountancy (Merit Honors), University of Singapore
- Director Accreditation Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

2006 - Present

Sole Director, Chianti Investors Ltd.

WORK EXPERIENCE

2005 - 2007

Global Head of Credit Risk Management, ING Direct

2003 - 2007

Head of Issuer Risk Management, ING Group N.V.



MR PONGPANU SVETARUNDRA

56 years old

DIRECTOR

CHAIRMAN OF THE CREDIT COMMITTEE

MEMBER OF THE BOARD OF EXECUTIVE DIRECTORS

MEMBER OF THE NOMINATION, REMUNERATION AND
CORPORATE GOVERNANCE COMMITTEE

Date of Appointment

February 23, 2012

EDUCATION AND TRAINING COURSE

- MA (Economics), Northwestern University, USA
- B.Com (Econ), University of Auckland, New Zealand
- Advanced Management Program, Harvard Business School
- National Defence College
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- Senior Executive Program, Office of the Civil Service Commission
- The Program for Senior Executive on Criminal Justice Administration, Judicial Training Institute
- Certificate Course in Good Governance for Directors and Top Executives, Public Director Institute (PDI)
- Financial Institutions Governance Program, Director Certification Program, Financial Statement for Directors, and Role of Chairman Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

Dec 2013 - Present

Director, Thai Airways International Plc.

2011 - Present

Director, Crown Seal Plc.

2009 - Present

Director, Thaisri Insurance Plc.

POSITIONS IN NON-LISTED COMPANIES

2011 - Present

Deputy Permanent Secretary, Ministry of Finance

2008 - Present

Director, Mass Rapid Transit Authority of Thailand

WORK EXPERIENCE

2004 - Feb 2014

Director, Cathay Leaseplan Plc.

2011 - Dec 2013

Director, PEA ENCOM International Co., Ltd.

2009 - Apr 2012

Director, Bangkok Metro Plc.

2010 - 2011

Director General, Excise Department, Ministry of Finance

2008 - 2011

Chairman, Small and Medium Enterprise Development
Bank of Thailand

2009 - 2010

Director-General, Comptroller General's Department,
Ministry of Finance

2009 - 2010

Director and Secretary, Student Loans Fund

2009 - 2010

Director, Government Pension Fund



MR VAUGHN NIGEL RICHTOR

59 years old

DIRECTOR

MEMBER OF THE BOARD OF EXECUTIVE DIRECTORS

Date of Appointment
December 28, 2007

EDUCATION AND TRAINING COURSE

- BA (Business Studies, First Class Honors), London Southbank University, UK
- Corporate Finance Diploma, London Business School, UK
- General Management Program and Management in International Banking, CEDEP, Insead, Fontainebleu, France
- Directors Colloquium on Corporate Governance, International Financial Reporting Standards (IFRS) and its implications on Indian Banking Sector and Director's Liabilities and Competition Law, ING Vysya Bank Ltd. (India)
- Legal Developments in Corporate Governance, Accounting and Finance Developments, Developments in Directors and Officers, Insurance and Regulator Update – APRA, ING Direct, Australia
- Various other courses in Insurance, Asset Management, Credit and Financial Analysis, Capital Market, also lectured and written for Euromoney, The Treasurer and the FTA Journal
- Regular speaking & writing engagements on Leadership, Customer Service, Corporate Culture, IT and ING Direct Philosophy and Business Model

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

- Sep 2014 - Present
Member, Challengers & Growth Countries Management Team, ING Group N.V.
- Sep 2014 - Present
Leadership Council, ING Group N.V.
- 2014 - Present
Member of Board IT Steering Committee, ING Vysya Bank Ltd. (India)
- Aug 2012 - Present
CEO and Member of the Board, ING Bank (Australia) Limited
- Aug 2012 - Present
Member Council, Australian Bankers' Association
- Aug 2012 - Present
CEO Retail Banking Asia, ING Group N.V.
- Feb 2010 - Present
Member of Board of Executive Directors, Member of Risk Committee, Member of Audit Committee, and Member of Remuneration Committee, ING Bank (Australia) Limited
- Jun 2009 - Present
Member of Corporate Governance Committee, Member of Audit Committee, Member of Board Credit Committee, Chairman of Risk Management & Review Committee, and Member of Remuneration Committee, ING Vysya Bank Ltd. (India)



WORK EXPERIENCE

- Mar 2012 - Sep 2014
Member of Retail Banking International Management Team and
Member of Senior Leadership Team, ING Group N.V.
- 2000 - Jul 2014
Member of Management Council, ING Group N.V.
- Feb 2011 - Mar 2013
Non Executive Director and Member of Strategy Committee,
KF Financial Group
- Jan 2010 - Jul 2012
CEO, ING Banking Asia

MR CHRISTOPHER JOHN KING

70 years old

INDEPENDENT DIRECTOR

MEMBER OF THE AUDIT COMMITTEE

MEMBER OF THE NOMINATION, REMUNERATION AND
CORPORATE GOVERNANCE COMMITTEE

Date of Appointment
September 1, 2004

EDUCATION AND TRAINING COURSE

- Bachelor of Laws (LL.B) (Honors), University of Bristol, UK
- Postgraduate Practical Certificate in Law, University of Singapore
- Director Certification Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

2005 - Present

Independent Director, Chairman of Nominating and Remuneration Committee, and Member of Audit Committee, Singer Thailand Plc.

POSITIONS IN NON-LISTED COMPANIES

Nov 2012 - Present

Director, Singer Leasing (Thailand) Limited

Jun 2009 - Present

Director, Kingfisher Holdings Ltd. and three subsidiaries, namely,

- Southeast Asian Packaging and Canning Ltd.,
- Oceanic Cannery Co., Ltd., and
- KF Foods Ltd.

1992 - Present

Director, Thivatharn Ltd.

WORK EXPERIENCE

Apr 2013 - Apr 2014

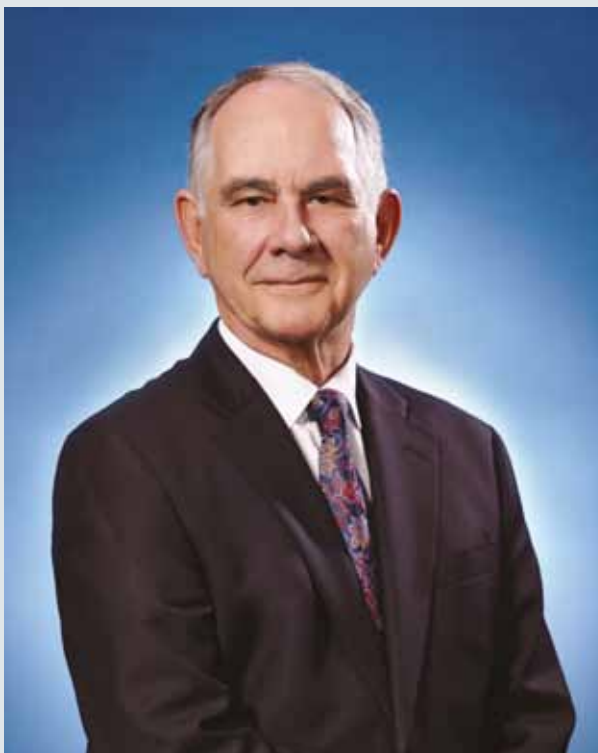
Director, Big C Supercenter Plc.

1997 - 2004

Partner, Linklaters LLP., London

1997 - 2003

Managing Partner, Linklaters (Thailand) Ltd.



GENERAL KAMON SAENISSARA

66 years old

INDEPENDENT DIRECTOR
MEMBER OF THE AUDIT COMMITTEE

Date of Appointment
April 11, 2012

EDUCATION AND TRAINING COURSE

- Master of Public Administration (Executive MPA), Sripatum University
- Bachelor of Science, Chulachomklao Royal Military Academy
- Diploma, RTA Command and General Staff College
- National Defence College
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- Top Executive Program in Commerce and Trade (TEPCOT), Commerce Academy
- Certificate Course in Good Governance for Directors and Top Executives, King Prajadhipok's Institute
- Infantry Officer Advance Course and Instructor Course, FT.BENNING, GA, USA
- Anti-Corruption for Executive Program, Director Certification Program, Role of Compensation Committee, and Financial Institutions Governance Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

Nov 2012 - Present

Chairman of Internal Audit, The National Broadcasting and Telecommunication Commission (NBTC)

2011 - Present

Chairman of Advisory Board, Basketball Association of Thailand

2010 - Present

Member of Advisory Board, Royal Thai Armed Forces' Strategy Learning Center Commemorating His Majesty the King's 80th Birthday

2009 - Present

Special Officer, 21st Infantry Regiment, Queen's Guard

2008 - Present

Advisor, National Defence College Association of Thailand

2008 - Present

Advisor, National Defence College Alumni Think Tank

2007 - Present

Special Officer, 1st Infantry Regiment, King's Own Bodyguard

2007 - Present

Special Aide-de-Camp, Royal Aide-de-Camp Department

2003 - Present

Special Officer, Cadet Regiment, King's Guard

1997 - Present

Special Officer, 11th Infantry Regiment, King's Guard



WORK EXPERIENCE

May 2012 - Nov 2012

Director of Internal Audit, The National Broadcasting and Telecommunication Commission (NBTC)

2010 - 2011

Honorary Advisor, Senate Energy Committee

2009 - 2011

Vice Chairman, Chairman of Risk Management Committee, and Chairman of Remuneration Committee, Aeronautical Radio of Thailand Ltd.

MR BOONTUCK WUNGCHAROEN

58 years old

DIRECTOR AND CHIEF EXECUTIVE OFFICER
MEMBER OF THE BOARD OF EXECUTIVE DIRECTORS
MEMBER OF THE CREDIT COMMITTEE
MEMBER OF THE RISK MANAGEMENT COMMITTEE

Date of Appointment
July 14, 2008

EDUCATION AND TRAINING COURSE

- MBA (Finance and International Business), New York University, USA
- B.Eng. (Chemical Engineering), Chulalongkorn University
- Director Accreditation Program, Thai Institute of Directors Association

POSITIONS IN OTHER LISTED COMPANIES

- None -

POSITIONS IN NON-LISTED COMPANIES

Aug 2014 - Present

Member of the National Committee on Competitive Advantage

Jul 2014 - Present

Member of the National Legislative Assembly

Jul 2014 - Present

Member of the Board of Investment of Thailand (BOI)

Jun 2014 - Present

Member of the Committee on Public and Private Sectors
Economic Problems

Jun 2014 - Present

Member of Policy Committee on Special Economic Development Zone

May 2014 - Present

Member of the Joint Standing Committee on Commerce,
Industry and Banking

May 2014 - Present

Member of the Payment Systems Committee (PSC),
The Bank of Thailand

May 2014 - Present

Chairman of the Thai Bankers' Association

WORK EXPERIENCE

1999 - 2007

Executive Vice President, KASIKORNBANK PCL



CHIEF OFFICERS



**MR BOONTUCK
WUNGCHAROEN**

58 years old

CHIEF EXECUTIVE OFFICER

DIRECTOR OF THE BOARD

MEMBER OF THE BOARD
OF EXECUTIVE DIRECTORS

MEMBER OF THE CREDIT
COMMITTEE

MEMBER OF THE RISK
MANAGEMENT COMMITTEE

EDUCATION

- MBA in Finance and International Business, New York University, USA
- B.Eng. (Chemical Engineering), Chulalongkorn University

WORK EXPERIENCE

2008 - Present

Chief Executive Officer,
TMB Bank Plc.

1999 - 2007

Executive Vice President,
KASIKORN BANK PCL.



**MR JAN HENRI
VAN WELLEN**

58 years old

CHIEF RISK OFFICER

MEMBER OF THE CREDIT
COMMITTEE

MEMBER OF THE RISK
MANAGEMENT COMMITTEE

EDUCATION

- Master Degree in Applied Economics, Sint-Ignatius University in Antwerp, Belgium
- Industrial Engineer Electro-Mechanics, Don Bosco, Hoboken, Belgium

WORK EXPERIENCE

2013 - Present

Chief Risk Officer, TMB Bank Plc.

2012 - 2013

Senior Credit Officer – Structured Finance, ING Bank N.V., Amsterdam

2008 - 2012

Chief Risk Officer IVBL,
ING Vysya Bank Ltd., India

2003 - 2008

Head of Credit Risk Management,
ING Asia Private Bank Ltd.,
Singapore

1995 - 2003

Risk Manager for Greater China
at ING Bank N.V., Hong Kong



**MR LORENZO
TASSAN-BUSSUT**

48 years old

CHIEF OPERATING OFFICER

EDUCATION

- Master Degree, Computer Engineer, Hogeschool Enchede, The Netherlands
- Bachelor Degree, H.A.V.O Diploma, Griffand College, The Netherlands

WORK EXPERIENCE

2013 - Present

Chief Operating Officer,
TMB Bank Plc.

2010 - 2013

Chief Operating Officer,
Managing Director in ING Bank
(EurAsia) ZAO, Commercial
Banking, Moscow, Russia

2007 - 2010

Chief Operating Officer,
Assistant Managing Director,
ING Bank N.V. Hungary Branch,
Commercial Banking, Budapest,
Hungary

2000 - 2007

Regional Head of IT Infrastructure
Asia, Chief Operating Officer,
ING Shanghai and ING Bank N.V.
Hong Kong Branch



**MR BERNARD
MARIE-JEANNE
COUCKE**

54 years old

CHIEF RETAIL BANKING OFFICER

EDUCATION

- Master of Laws, Katholieke Universiteit Leuven (KUL), Belgium
- Bachelor in Management, Katholieke Universiteit Leuven (KUL), Belgium
- Bachelor of Laws, Katholieke Universiteit Leuven (KUL), Belgium

WORK EXPERIENCE

2012 - Present

Chief Retail Banking Officer,
TMB Bank Plc.

2007 - 2012

Global Head Private Banking
Clients, ING Bank N.V.,
Amsterdam, The Netherlands

2006 - 2007

Head of Europe Private Banking
and Deputy Head Global PB,
ING Bank N.V., Amsterdam

2004 - 2006

CEO, ING Luxemburg



**MR PITI
TANTAKASEM**

44 years old

**CHIEF WHOLESALE BANKING
OFFICER**

EDUCATION

- Ph.D. in Strategic Management under the collaboration program between the University of Nebraska at Lincoln and Bangkok University
- Master of Business Administration, Kenan-Flagler Business School, The University of North Carolina at Chapel Hill

WORK EXPERIENCE

- 2008 - Present
Chief Wholesale Banking Officer,
TMB Bank Pcl.
- 2007 - 2008
First Senior Vice President,
KASIKORNBANK PCL.



**MR TRIRONG
BUTRAGAHT**

44 years old

CHIEF SME BANKING OFFICER

EDUCATION

- Master of Business Administration, Concentration in Finance and International Management , University of Japan, Niigata, Japan
- Bachelor of Business Administration, Major in Marketing (with honors), Thammasat University, Bangkok

WORK EXPERIENCE

- 2015 - Present
Chief SME Banking Officer,
TMB Bank Pcl.
- 2013 - 2014
Senior Executive Vice President,
Head of Business Banking
Segment, TMB Bank Pcl.
- 2012 - 2013
Head of Global Transactional
Service Division and Marketing
Division, Siam Commercial Bank
PLC
- 2009 - 2012
Head of Strategy and Product,
Business Banking Group (SME),
Siam Commercial Bank PLC
- 2000 - 2009
Head of SME Business,
BKK2 Network,
KASIKORNBANK PCL.



**MR THANOMSAK
CHOTIKAPRAKAI**

52 years old

CHIEF FINANCIAL OFFICER

EDUCATION

- Master of Business Administration, University of Eastern Michigan, USA
- B .Eng. (Electrical Engineering), Chulalongkorn University

WORK EXPERIENCE

- 2009 - Present
Chief Financial officer,
TMB Bank Plc.
- 2003 - 2009
Chief Financial Officer,
Standard Chartered Bank (Thailand)

MANAGEMENT TEAM

Chief Executive Officer

Mr Agapol Na Songkhla	Head of Strategy and Transformation and Head of Corporate Governance
Mrs Patraporn Sirodom	Head of Human Resources
Miss Thanawan Teekautamakorn	Head of Audit
Mr Paradai Theerathada	Head of Corporate Branding and Communications

Chief Risk Officer

Mr Sunthorn Ruckpanich	Head of Corporate Credit Underwriting
Mr Kraisit Tanpaitoonditi	Head of Business Banking and Small Enterprise Underwriting
Mr Martin Alan Searle	Head of Consumer Credit
Mr Maxence Lavalle	Head of Credit Risk Intelligence
Miss Supreeya Pipatmanomai	Head of Credit Risk Management
Miss Oranuj Tantimedh	Head of Market Risk Management
Mr Rabil Pompatkul	Head of Credit Policy Management
Mr Cornelius Henricus Maria de Rooij	Head of Corporate Operational Risk Management
Mr Somsak Woravijak	Head of Legal
M.L. Ayuth Jayant	Head of Compliance
Mrs Chirdprapa Chaladsoontornvatee	Head of Credit Restructuring

Chief Operating Officer

Miss Saipin Kittipornpimol	Head of Information Technology
Mrs Rattana Arkachaisri	Head of Operations and Services
Miss Utoomphorn Kunakorn	Head of Corporate Services
Miss Ubolluck Luevoravinyu	Head of Enterprise Architecture Management and IT Strategy

Chief Retail Banking Officer

Miss Chompoonoot Pathomporn	Head of Branch Banking
Mrs Supaporn Angchaisuksiri	Head of Branch Services Delivery
Mr Prompong Pattanateeradej	Head of Customer Segment Middle Income
Mr Wilhelmus Lek	Head of Customer Segment Wealth and Mass Affluent
Miss Mingkwan Pattanawong	Head of Retail Marketing
Mrs Marie Ramlie	Head of Retail Products
Mrs Tamara van den Ban	Head of Digital Strategy & Channels

Chief Wholesale Banking Office

Mr Vikran Paovarokit	Head of Multi-Corporate Banking Segment
Mr Alexander Nondh Langfeldt	Head of Multi - Corporate Banking 1
Mr Weerachai Amornrat-Tana	Head of Multi - Corporate Banking 2
Mr Pirapong Nithikraiwt	Head of Corporate Banking Segment 1
Mr Ekanat Kieatinapasin	Head of Corporate Banking Segment 2
Mr Trirong Butragat ¹	Head of Business Banking Segment
Miss Vipasiri Chantanumat	Head of Business Banking Segment - BKK
Mr Jakrpant Jarutirasarn	Head of Business Banking Segment - UPC
Mr Thanawat Veerachayapornkul	Head of Lower Business Banking Segment
Miss Somkid Preechasammakul	Head of Commercial Credit Product
Mr Saranya Phuphatana	Head of Capital Markets
Mr Jarin Pintusopon	Head of Corporate Finance and Debt Capital Markets
Mrs Pamkae Nandavisai	Head of International Transaction Banking

Chief SME and Supply Chain Officer²

Mr Vithaya Sintharapantorn	Head of Commercial Banking Marketing Management
Mr Ed Sirivallop	Head of Supply Chain Product and Sales Management
Mr Rungsun Tamanakijprasart	Head of Supply Chain Channel and Implementation
Miss Sukanya Treesanaejit	Head of Small SME Customer Management
Mr Samuel Yan-Fai Cheung	Head of Small SME Product and Portfolio Management
Mr Pichit Jongsaliswang	Head of Small SME Segment

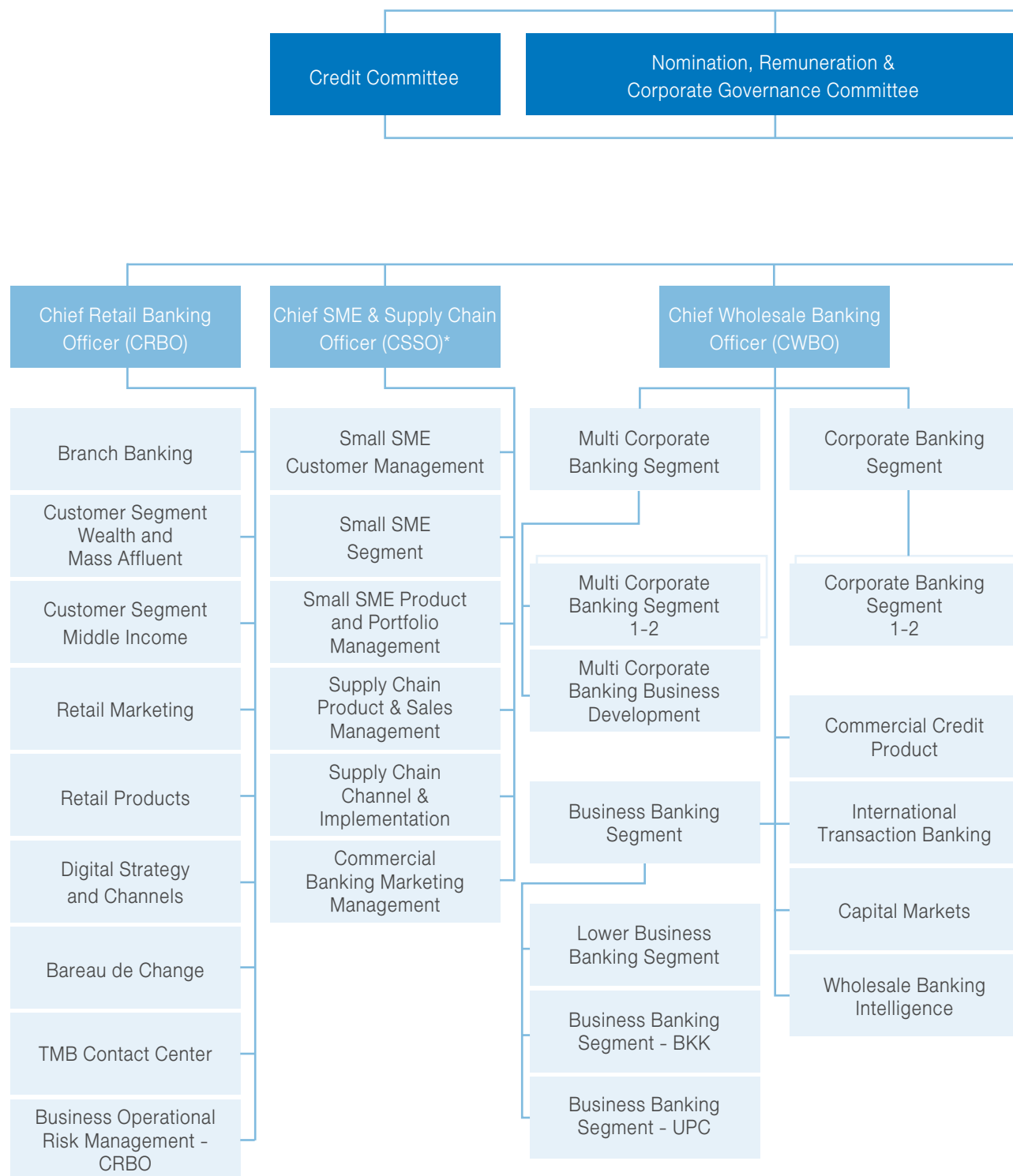
Chief Financial Officer

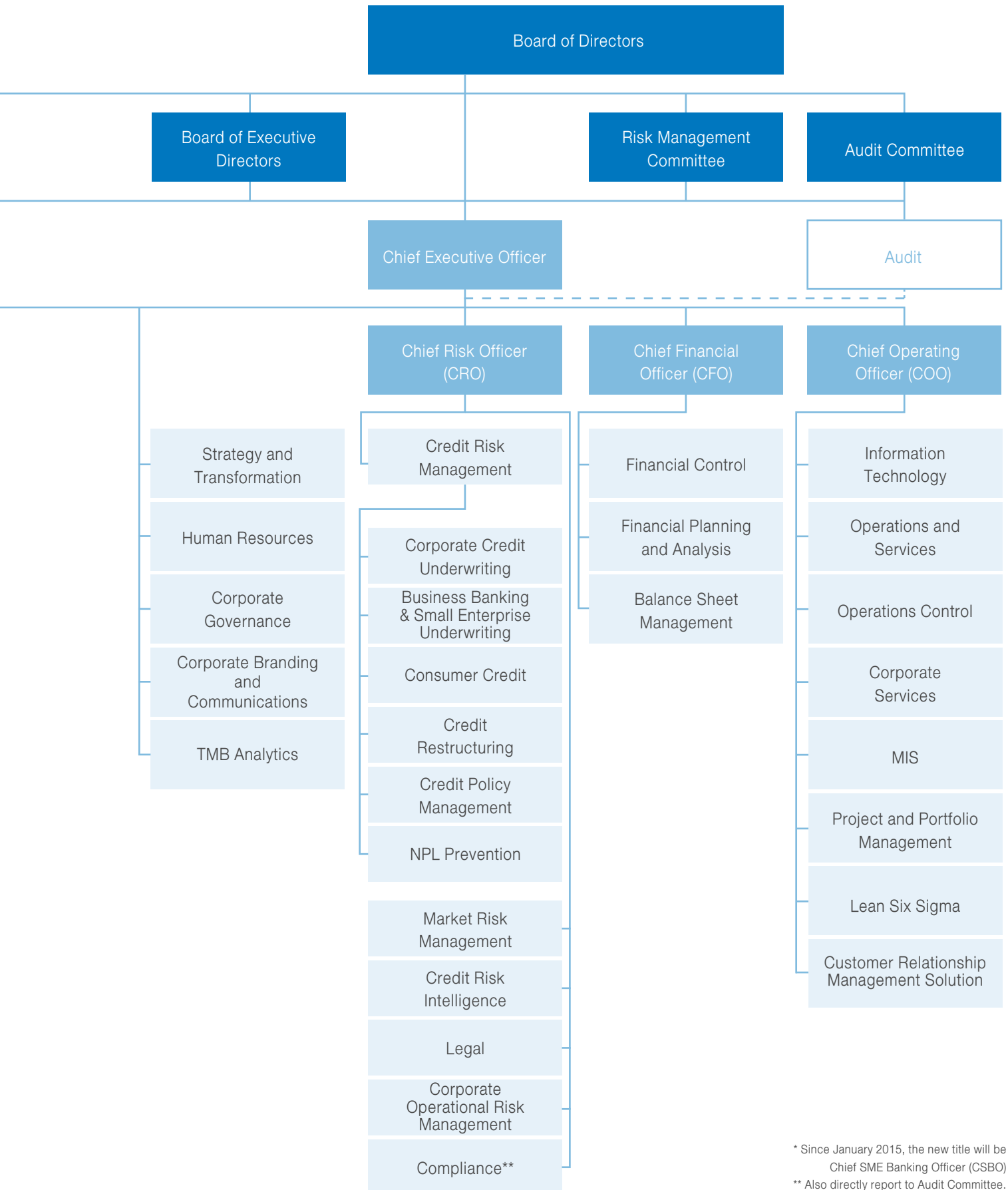
Miss Waewalai Wattana	Financial Controller
Miss Arwiwan Tangtrongchit	Head of Financial Planning and Analysis
Mr Chirasak Chantarachoti	Head of Balance Sheet Management

As of December 31, 2014

¹ Since January 1, 2015, appointed as Chief SME Banking Officer² Since January 1, 2015, new title is Chief SME Banking Officer

ORGANIZATION CHART





* Since January 2015, the new title will be Chief SME Banking Officer (CSBO)

** Also directly report to Audit Committee.

THAI ECONOMY AND BANKING INDUSTRY

Thai Economic Outlook in 2014

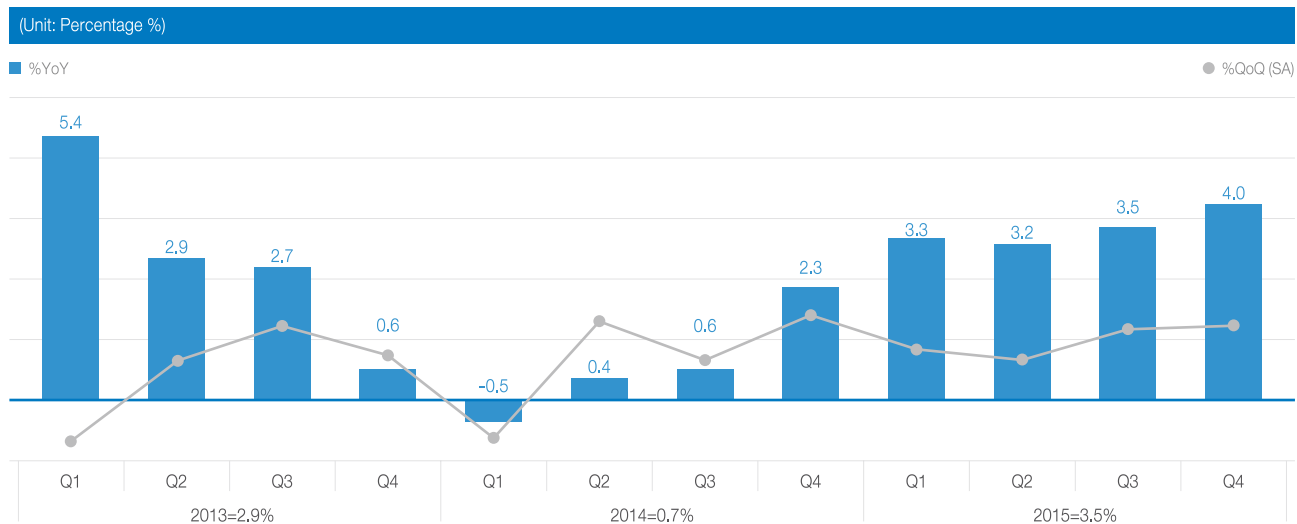
In 2014, Thai economy suffered from both internal and external problems. The prolonged political conflict since late 2013 weighed domestic demand, both consumption and investment, further down particularly in the first half of the year as consumers and investors were waiting for a clarity in political situation. On top of that, government's mega projects were suspended due to the absence of fully-functioning government. Tourism sector was also severely hit from political transition. Given particularly weak activities in consumption and investment, a slow recovery in exports was not sufficient to drive Thai economy. Consequently, Thai economy in the first half of the year did not grow compared to the same period in the previous year.

Fortunately, after political situation was resolved, Thai economy started to recover in the second half of the year. The government could, once again, stimulate economy through various policies such as payment in rice-pledging scheme, short-run economic stimulus package, and 8-year infrastructure development plan (2015-2022). As a result, both private consumption and investment began picking up, but at a rather slow pace. Consumption recovery was limited by lower income in the agricultural sector and high household debt. Moreover, private investment was not well supported due to delayed disbursement of public investment as most projects were just in the preliminary procurement stage. However, economic recovery in the last quarter was largely supported by exports that grew again from improving economic situation in the trading partners' economies, especially in the United State. In addition, tourism sector grew continually, driven by more entrance from Chinese tourists. In summary, major engines for Thai economy started to operate again in the last quarter. All in all, Thai economy in 2014 grew at 0.7%, but decelerated from 2.9% in the previous year.

Thai Economic Outlook in 2015

After Thai economy recovered only slowly in 2014, the momentum passing through 2015 is quite small. As Thailand is currently in a reform mode, most government economic policies will be focused on transparency, prudent, and fiscal discipline. Private consumption should still be on a recovering trend where improving sentiment, lower oil price, employment situation, and higher income in non-agricultural sector are all supportive factors. However, a slump in agricultural-related prices and high household debt are negative factors against consumption recovery. Private investment should also accelerate following a recovery in consumption and infrastructure investment, e.g. dual-track railways and sky-train, where THB60 billion is expected to be invested this year. In addition, five new special economic zones across borders should jump start further investment in logistics in order to connect cross-border trade with the first new economic zone will be piloted at Mae-sot district in Tak. Additionally, low oil price and low interest rate will reduce cost for business operations and provide support for investment recovery. Expansion in tourism industry is expected as well. However, economic recovery across the globe is uneven. The U.S. economy is expanding robustly, while the economic growth of China is also expected to decelerate and the European economy remains very fragile. In addition to European Union's expiration of Generalized System of Preferences (GSP) for Thai exporters, exports sector will face a challenge from depreciation of trading partners' currencies, e.g. in Europe and Japan, and competitors' currencies, e.g. Indonesia, Vietnam, and India. Even though, Thai baht is depreciating against dollar, but it is still stronger than other regional currencies. In sum, the overall economic outlook is not spectacularly good. Thai economy is expected to grow 3.5%, lower than potential.

2015 Economic Growth Projection



Thai Commercial Banks in 2014

Thai banking industry has expanded with slower rate from the year 2013. Total assets increased by 3.5% to around THB16.7 trillion. Loans rose 4.6% to THB11.3 trillion whereas total deposits grew 7.0% to THB11.7 trillion. Credit expanded at a slower pace than funding via deposits and borrowings and caused L/DB ratio to decrease from 91.8% last year to 90.5%. Likewise, L/D ratio was down from 99.1% to 96.9%. Liquidity in Thai banking system stood at THB1.3 trillion. The total industry-wide capital adequacy ratio was at 16.8%.

Less lending growth was driven by slower retail loans and wholesale and retail trade which grew only 7.4% and 5.1% from 11.5% and 17.4% last year respectively. Manufacturing loans increased 4.0% from 8.3%. Share of retail loans accounted for 27% of total loans while share of manufacturing and trade occupied 18% and 14% of total loans respectively. Three types of loan therefore comprise nearly 60% of total loans. After excluding lending to financial activities, corporate loan grew 8.1%, while SMEs expanded only 2.8%. Share of corporate loans increased to 29% from 28%, whereas share of SMEs lending slightly decreased to 36% from 37%. Retail lending's share was higher to 35% from 34%.

As of December 2014, total non-performing loans increased by THB12 billion from 2013-end to THB277 billion. Gross NPL ratio was stable at 2.2%. The sectors that featured high NPL ratio of around 4%-5% were construction, real estate activities, and agriculture, while manufacturing and trade's NPL ratios were 3.4% and 2.7%, respectively. Personal consumption NPL ratio increased from 2.2% last year to 2.4%.

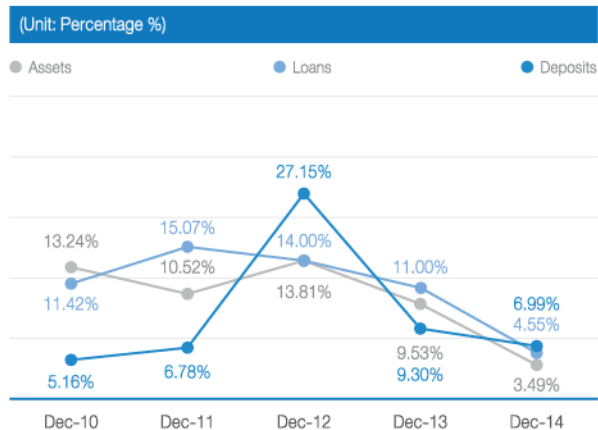
Industry-aggregate operating performance improved in 2014 with THB224 billion in net profit, growing at 4.7% year-on-year. Net interest incomes increased 7.3%, while fee-based incomes, which accounted a bit higher to 17% of total incomes, grew 6.2%. Of all fee incomes, 82% came from debit and credit card services and e-bankings, money transfer, commission, and other fee income such as bancassurance and safe deposit boxes. Net interest margin (NIM) slightly increased to 2.7% from the previous year. This was driven by less decreasing of lending rates than deposit rates after the Monetary Policy Committee cut the policy rate once by 25bps on March 12th. Hence, the policy rate dropped to 2.00% from 2.25% at the end of 2013. Four largest banks' average interest rates also changed as follows: saving deposit rate -13bps to 0.50%, 3-m fixed deposit rate -46bps to 1.11%, 12-m fixed deposit rate -48bps to 1.73%, and MLR -9bps to 6.75%.

Trend of Commercial Banks in 2015

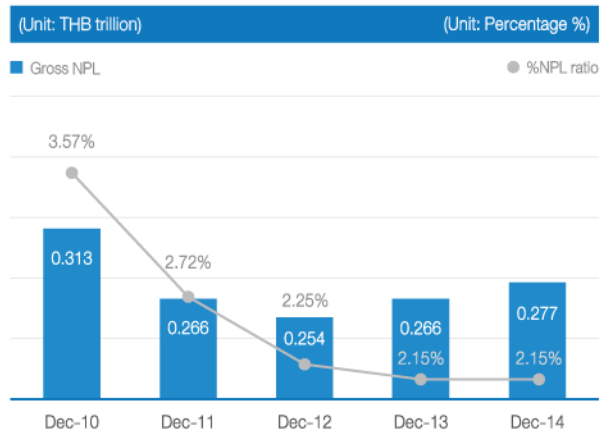
The commercial banking industry is expected to expand at a higher rate than its performance in the previous year, thanks to political stability and government's effort to revive domestic investment via mega-infrastructure projects. Consequently, business lending seems to have more supporting factors this year in contrast to retail lending. Moderate deposit funding competition is expected, especially in the second half of the year, due to higher deposit growth than lending growth in Y2014 stocking banking system with ample liquidity. Deeper competition should be on "Digital Banking Products and Services" due to lower cost of access to technology by mass consumers at all levels. High technology integration will provide banks with more opportunity of fee incomes at lower operating cost. The four major themes that could potentially affect the landscape of the Thai banking industry in 2015 are as follows:

1. Significant investment expenditure in digital infrastructure is expected due to more competition in modernizing banking services. Banks will focus on user-friendliness and user experiences with new technology adoption as well as investing for reliability, precision, and security of transactions and data preservation.
2. Competition in trade finance will likely intensify as it is a growing source of banks' fee income. Focus will be on SME businesses who are expanding in ASEAN countries. In addition, the ASEAN central banks' have adopted of the Principles for Product Transparency and Disclosure on Cross-Border Trade Settlement to improve the level of transparency on charges and service level offered by financial institutions in the ASEAN region on cross-border trade settlement. This allows trade customers to transparently compare charges and services, leveling playing field for access to both domestic and ASEAN clients base.
3. Alliance and partnership among ASEAN banks plus Chinese and Japanese counterparts will increase owing slower financial liberalization than trade and investment activities. However, as plans for further economic cooperation in the region moves forward, businesses and consumers will demand more convenient cross-border financial transactions across the region. In addition to among ASEAN banks, as their economic influence grow, China and Japan will emerge as leading investors in the region, creating more demand for more transactions with each of them.
4. Banks will likely rely on deeper data analytics to understand customer's preference and behaviors. The database is necessary for banks to develop suitable financial products for their customers, suited to their needs. It also allows banks to risks more effectively. Such strategic choices are needed for building more resilient bank, against the backdrop of heightened volatility in the financial markets and under stronger competition from both domestic and foreign players.

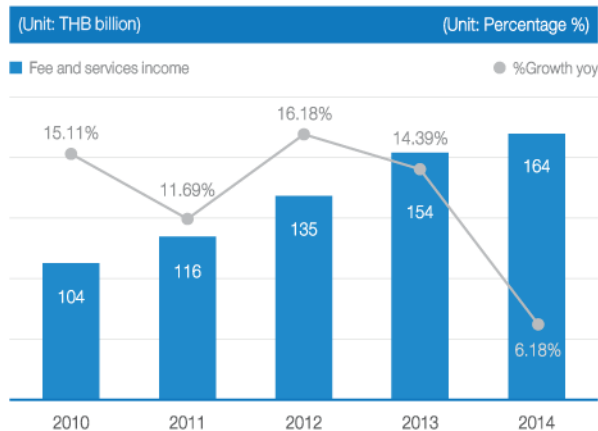
Banking Industry: Asset Growth, Loan Growth and Deposit Growth



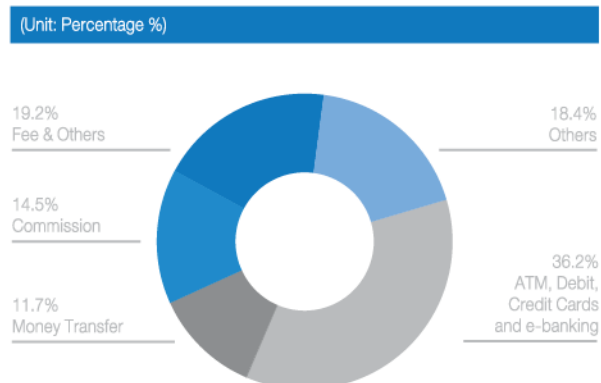
Banking Industry: NPLs



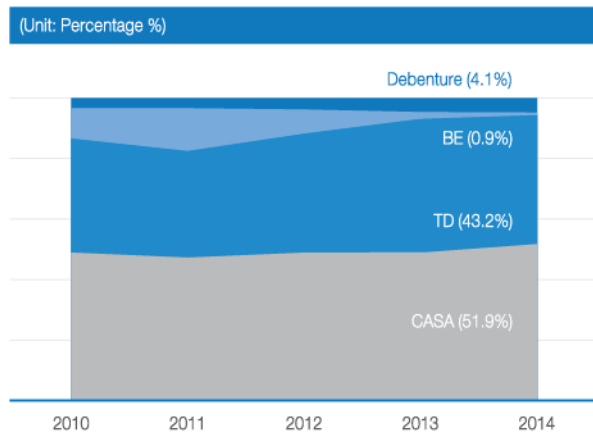
Banking Industry: Fee Income



Banking Industry: Fee Income Structure



Banking Industry: Funding Structure



STRATEGY AND BUSINESS

Our Vision

**Be the leading Thai bank
with world-class financial solutions**

- Main bank with sustained profitability
- Value long-term relationships with customers
- Cultivate customer centricity
- Realize benefits of partnerships

Our Brand

TMB Brand, Make THE Difference

Rooted in core brand DNAs:

- **Genuine** – Offer financial services that put customers' best interests first
- **Simple and Easy** – Make banking easy for our customers
- **Intelligent** – Understand our customers well enough to provide products and services that cater to their real financial needs
- **Why Not Attitude** – Challenge markets norms with creative financial solutions that are beneficial to customers

How We Plan to Deliver – TMB 6 Strategic Intents

Have Strong Customer Understanding

TMB emphasizes on the importance to understand customers at both individual and community levels (including cross-segment) so that the Bank can develop products and services that match with customers' needs and never exist in Thai banking industry.

Grow Quality Deposits

TMB aims to acquire quality deposits while managing the cost of deposits to be in line with leading peers. This will help TMB establish new relationships with customers while the quality deposits can in turn be redeployed into quality assets that provide the Bank with sustainably profitable returns.

Build Transactional Banking Excellence

TMB prioritizes transactional banking since it serves the basic banking needs of all customers and thus allows the Bank to become closer to and understand customers better.

Better visibility of customer transactions also provides the Bank with better liquidity management, better risk management and lower funding cost.

For TMB, transactional banking excellence also means serving customers in the most efficient and effective way.

Recurring Non-interest Income

TMB intends to build non-interest income capability with a healthy balance of non-credit related income and credit fee income. This will ensure sustainable bottom-line through business cycles.

TMB is strongly committed to delivering the level of profits expected by investors.

Optimize Capital and Liquidity Utilization

To achieve this, the Bank focuses on growing in customer segments with higher risk-adjusted return, such as SME segment, while proactively managing our liquidity, as well as increasing share of wallet by cross-selling value-added products and services to existing customers.

As TMB grows, the Bank must ensure greater levels of efficiency in terms of business model and operational processes.

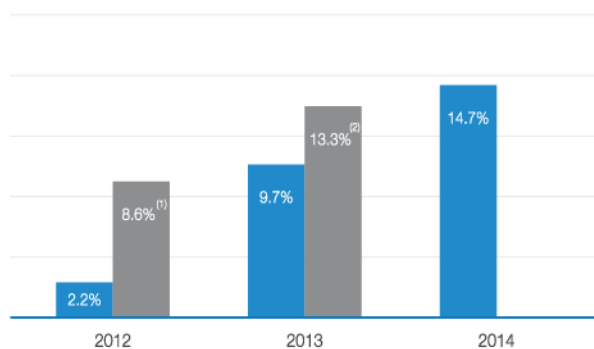
Ensure Cost Efficiency

Efficiency will be driven forwards in every part of the organization through Lean Organization and Lean Six Sigma initiatives to support the strong growth of sales and servicing transactions.

Key Performance Indicators

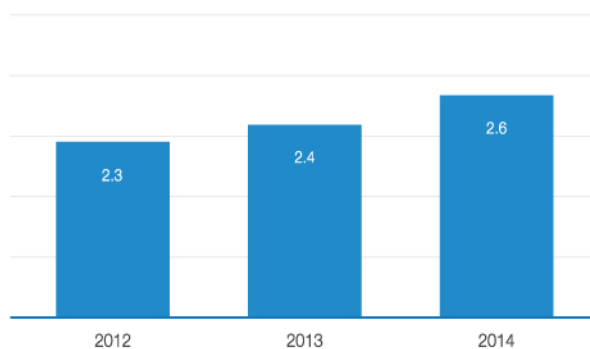
ROE %

(Unit: Percentage %)



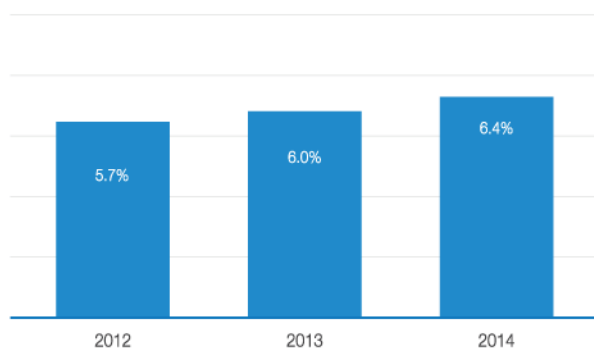
Quality Active Retail Customers

(Unit: million)⁽³⁾



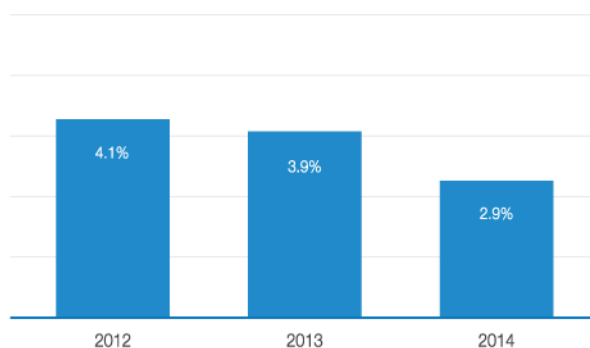
TMB CASA Market Share^{(4) (5)}

(Unit: Percentage %)



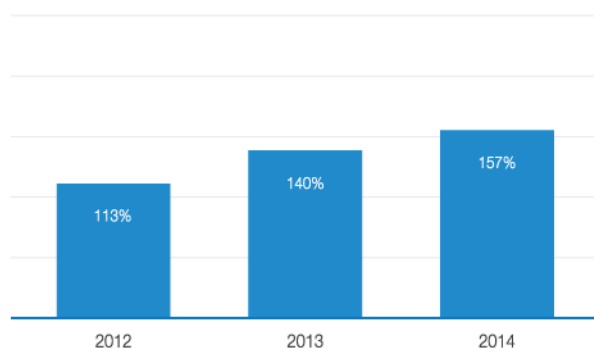
NPL Ratio

(Unit: Percentage %)



NPL Coverage Ratio

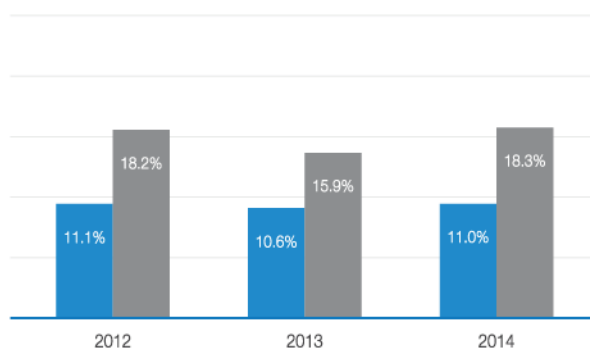
(Unit: Percentage %)



Capital Adequacy Ratios

(Unit: Percentage %)

■ Tier 1 capital ■ CAR



(1) Excluding one-time items in 2012 net profit was THB4.9 bn or 8.6% ROE, while reported net profit was THB1.3 bn or 2.2% ROE.

(2) Excluding one-time items in 2013 net profit was THB7.9 bn or 13.3% ROE, while reported net profit was THB5.7 bn or 9.7% ROE.

(3) Based on monthly transactional activity and average deposit balance.

(4) TMB CASA includes Current, Savings, No Fixed and ME.

(5) Numbers of 2012 are adjusted to be comparable to those of 2013.

TMB Transformation Program

To deliver our strategic business model, the Bank is following a four-stage plan to transform TMB into a customer-centric, high-performance organization.

The transformation program will affect every aspect of the Bank, enhancing value for all stakeholders, including customers, shareholders, employees and Thai society.

Stage	Key Highlights	Status
1. Strengthen the foundation 2008 – 2009	<ul style="list-style-type: none"> • Reorganization • End-to-end process improvement • HR transformation • Raised service standards • Enhanced risk management 	Complete <ul style="list-style-type: none"> • Improved overall asset quality • Achieved top quartile employee engagement
2. Acquire good customers 2010 – 2011	<ul style="list-style-type: none"> • Customer base expansion in SME and retail banking • Service and operational excellence • Products and services that match with customers' needs and are not offered by other big banks • Physical channel optimization • Brand enhancement 	Complete <ul style="list-style-type: none"> • Successfully grew customer base through improvement of quality services and products which matched with customers' needs • Branch renovation and relocation • Launch of Make THE Difference
3. Differentiate and deepen share of wallet 2012 – 2014	<ul style="list-style-type: none"> • Transactional banking excellence and branded customer experience • Leverage transactional relationship with customers to offer the right products that answer customers' needs • Better quality of assets (larger proportion of SME and unsecured lending) • Introduce integrated channel with focus on digital transformation 	Complete <ul style="list-style-type: none"> • Successful release of flagship transactional products • Cross-selling based on customer understanding at community level • Optimization of loan portfolio • Offer best-in-class e-Channels
4. Induce a game change and enter into new business 2015 onwards	<ul style="list-style-type: none"> • Become the best transactional bank in Thailand • Potentially enter into new business 	2015 onwards

Income structure

Income of TMB and its subsidiaries consists of interest income, fees and service income and other operating income. In 2014, interest income remained the largest component of the Bank's revenue. It represented 77.4% of total income while 17.0% was from fees and service income. The shares of interest income and fees and service income in total income were relatively stable when compared to 2013 figures of 77.0% and 16.4%, respectively. Likewise, the proportion of income from trading and foreign exchange transactions to total income was at 4.3%, almost unchanged from 4.2% last year.

The income generation was supported by all customer segments, which were described in the next session. For further details of the Bank's operating income were also shown in Management Discussion & Analysis.

Income Structure for the years ended December 31, 2012-2014 was shown in the table below.

(Unit: THB Million)

Income structure	Accounting year ended December 31					
	2014	%	2013	%	2012 (Restated)	%
Interest income	35,848	77.4	34,826	77.0	30,678	76.3
Interbank and money market items	2,229	4.8	2,430	5.4	2,488	6.2
Investments and trading transactions	289	0.6	457	1.0	323	0.8
Investments in debt securities	2,658	5.8	2,878	6.3	2,994	7.5
Interest on loans	30,210	65.2	28,579	63.2	24,495	60.9
Others	462	1.0	482	1.1	378	0.9
Fees and service income	7,874	17.0	7,611	16.8	6,583	16.4
Net gains on trading and foreign exchange transactions	1,991	4.3	2,258	5.0	1,703	4.2
Net loss on financial liabilities designated at fair value through profit or loss	(51)	(0.1)	(9)	-	(2)	-
Net gains on investments	193	0.4	142	0.3	86	0.2
Other operating income	491	1.0	415	0.9	1,165	2.9
Total income	46,346	100	45,243	100.0	40,213	100.0

Note: Consolidated financial statement

Wholesale Banking

Our Intent

- Become the transactional bank of choice for wholesale customers, providing best-in-class transactional services via supply chain solutions and trade finance
- Become a trusted banking partner to our customers, thereby gaining share of wallet by providing value added products, services and channels

How We Plan to Deliver

- Gain strong customer insights at all levels which enable the development of product flagship solutions
- Improve market position and share of wallet through superior products and services
- Build transactional banking excellence through superior domestic transactional banking and Trade Finance Solutions
- Develop sales and servicing model to enhance customer experience and ensure long-term competitive advantage

2014 Summary

In-depth customer understanding is the core of TMB's wholesale strategy. TMB has focused on fulfilling customers' unmet and underserved financial needs based on clear customer understanding. This enables the Bank to offer right products and services, while minimizing costs, maximizing resources and optimizing capital utilization.

Achievement in 2014 is a great evidence that TMB is on the right direction to become a transactional bank of choice for corporate customers. Over the past 5 years, TMB's annual trade finance volume has tremendously grown to the level beyond a trillion Baht, despite the slowdown of country's import-export activities. In 2014, 175 new trade finance customers were acquired and already started their first transactions, accounting for 19% increase in customer base.

Supply Chain Solution has reached the next pace of multi-layer program (sub-dealer program). It helped Thai corporate and MNCs improve efficiency of their business throughout the value chain. The success has been proven by nearly 50% growth in credit limit. As a result, TMB's corporate customer base continues to expand to nearly 1,600 customers.

TMB launched the first **E-Guarantee** in Thailand for corporate customers in 2014. The solution links the transactions to the letter of guarantee process. Almost 60% of the chain has signed up for **E-Guarantee** limit which helps them to save time on unnecessary issuance process from days to minutes.

Launched in 2013, **TMB's One Bank** products have attracted more than 40,000 new accounts from medium and large corporate customers. **One Bank** products aim to reduce customer pains, and encourage wholesale customers to transact more via TMB. The volume of current and saving operating accounts contributes to over 70% of total wholesale deposits.

Growing quality loan portfolio remains one of TMB's top priorities, especially during uncertain economic situation. TMB has identified target industries resulting in prudent loan acquisition. In addition to improving credit monitoring standard, TMB also sets regular customer visit as key preventive and risk management. Overall, wholesale lending portfolio has been more diversified, resulting in decreasing NPL by one-third of total NPL portfolio.

Plan for 2015

- Build strong customer insights to develop flagship solution which fulfills both existing and future needs of customers
- Improve customer experience throughout banking journey by leveraging Customer Relationship Management (CRM) for comprehensive account planning, optimizing end-to-end process, and implementing customer knowledge management
- Develop electronic banking platform to enhance customers' business management and efficiency
- Empower customer growth capability with complete business-cycle strategy, using both domestic and international solution, and supply chain solution
- Become customers' main bank through transactional banking excellence that provides superior customer experience and efficient servicing expense management
- Become a trusted banking partner for the customers in fund-raising and business expansion activities, including cross-border and domestic, as well as providing comprehensive hedging best designed to fit customer's goal
- Enhance prudent monitoring process, including increasing customer face-time amidst economic downturn

SME Banking

Our Intents

- Become the best transactional bank for SMEs offering suitable solutions driven by customer insights
- Become top 3 preferred banking partner of SMEs

How We Plan to Deliver

- Offer efficient product and service delivery that Make THE Difference
- Improve customer understanding of transactional and financial needs across different business profiles

2014 Summary

The year 2014 presented economic and political uncertainty with small pace of private consumption growth. Most of SMEs were affected by this situation. TMB understands and adapts itself to respond to customers' difficulties during the impeding environment.

TMB places strong emphases in helping SMEs enhance business competency. The Bank aims to fulfill entrepreneurs' needs by offering efficient product and service delivery and thinking like the customers as a way to enhance their competitiveness. With the aspiration to become the best transactional bank for SMEs, TMB provides transactional products which are simple, flexible and convenient.

One Bank One Account answers customers' needs to optimize their transaction fees and enjoy favourable interest rates. It combines checking and saving accounts with transaction expense saving features, such as money transfers and cheque deposit. In addition, **Cheque Pickup Service** helps SMEs to save their travel time to TMB branches to deposit cheque. TMB arranges messengers to pick up and deliver according to customers' required schedules and locations. As a result, TMB successfully expanded active customer base acquiring many new customers to the Bank and encouraged existing customers to transact more with TMB.

3 Times 3 Flows is still a popular product among SME customers as it serves their critical needs of funding. Its 3 core elements, including (1) SME credit up to 3 times of collateral value; (2) emergency short-term for customers with good credit behaviour and active transactional relationship; and (3) additional credit for business expansion, are developed to support SMEs' funding throughout

business life cycle. **3 Times 3 Flows** helped the Bank to achieve a significant loan growth by expanding 9% from the previous year despite the economic downturn. SME loan contribution to overall TMB loan portfolio expanded to 37% at the end of 2014 in line with bankwide strategic direction to shift loan portfolio mix towards such higher risk-adjusted return segments as SME. TMB plans to reach 50% SME contribution to overall loan portfolio within next 5 years.

Supply Chain Solutions continues with success and help improve liquidity, cost efficiency of SMEs and strengthen overall competitiveness of supply chain through efficient products, such as Buyer Financing, Receivable Financing and Supplier Financing. The Bank promotes SMEs in improving their entire business chain through **TMB's Efficiency Improvement for Supply Chain program**. TMB, together with industry's leading speakers and experts, shares theoretical and practical solutions with classes and workshop activities to enhance SMEs' competencies. Business owners also have an opportunity to expand their business network, and receive further consultation after the program.

TMB continued to strengthen relationship with SME customers through dual-relationship model. The Bank's relationship managers and TMB SME Relationship Management Center fulfill advisory role, provide value-added services, and are closely in touch with customers. The regular communications help the Bank to promote more responsive and superior care to the customers, as well as enhancing loyalty. Currently, TMB serves SMEs through nationwide business network of 53 zone offices for Medium Enterprise (ME) and 71 zone offices for Small Enterprise (SE).

Plans for 2015

- Improve customer understanding to deliver products and services that serve SMEs' needs, including specific industry solutions
- Offer trade finance products which fit the nature of SMEs business
- Provide seamless multi-channel experience and expanding coverage
- Deepen customer relationship through customer visit and communication to truly understand customer business
- Provide suitable credit products based on understanding in SME transaction behaviors
- Offer Supply Chain Solutions to help improving customers' efficiency throughout value-chain and business life cycle

Retail Banking

Our Intent

- Become the first-choice transactional bank
- Build customer values by offering products that customers need but have not been provided by other large banks

How We Plan to Deliver

- Understand and fulfill needs of target customers through dynamic behavioral sub-segmentation
- Acquire quality customers and grow deposits by providing superior transactional banking services
- Provide the right value-added products and services relevant to customers' immediate needs
- Offer superior integrated channels with best-in-class accessibility, flexibility, functionality and efficiency

2014 Summary

Customer centricity is a core element of TMB's retail banking strategy to become a leading transactional bank in Thailand. TMB continues to offer products and services which fulfill customers' immediate needs through the Bank's nationwide network of 460 branches and 2,365 ATMs.

2014 was a pivotal year in which TMB made a great development on **Channel Transformation**: to enhance customer experience to another level through superior integrated servicing channels. The Bank has made tremendous headway in delivering our brand promise to **Make THE Difference** whenever and wherever possible. All customer touch-points, including physical branches, mobile booths, self-served machines, contact center 1558 and digital banking, together take customers' needs as priority. In 2014, TMB opened 13 new branches to expand coverage in core areas. In addition, the Bank installed ATMs and ADMs in high-traffic zones of retail customers, such as office building and shopping malls. Contact Center 1558 also increased its capacity of customer service staff by more than 30%. For e-Channel, TMB introduced the new version of Internet Banking and TMB Touch Mobile Banking Application, specifically designed based on customers' needs with greater accessibility, security and functionality. Customers can see all of their activities with TMB, such as bill payment, deposit, credit card and mortgage, from any devices anytime they want as the channels and customers are integrated.

TMB highly focuses on retail deposit as a key component of the Bank's total deposit and as a stable funding base. The Bank's ongoing **deposit-led strategy** aims to further strengthen TMB's financial position and operating results, as well as boosting customers' confidence. Building on the successes of previous years on such deposit products as **No Fee, Free Flow** and **No Fixed**, TMB now offers another choice of retail deposit products: **Savings Care**, which provides both savings account and life insurance protection up to 20 times of deposit balance without charging customers any insurance fee. The quality customer base continues to expand with positive momentum largely due to customer understanding and efforts to innovate financial solutions that serve customers' needs. Overall, 1.2 million retail deposit accounts were opened in 2014, increasing total retail deposit by 7% over 2013.

TMB challenges the status quo by transferring the cost benefits of a pure digital banking to customers in the form of a higher interest through **ME by TMB**. The self-service feature of **ME by TMB** builds a sense of ownership and freedom to the customers, strengthening the Bank's key signature experience. Since it launched in early 2012, **ME by TMB** has successfully attracted more than 150,000 customers to date.

TMB identifies customers' needs through studying customer transaction behaviors with a **Propensity to Buy** model. As such, TMB is able to offer relevant products, such as bancassurance, mutual fund and credit card, to customers in a timely manner. In 2014, TMB released **So Smart** credit card in which customers can enjoy both cash back from credit card spending and high interest rate of **No Fixed** account. TMB also established **Open Architecture** platform to offer a wide variety of mutual fund products which match different customers' needs and risk profiles. TMB is currently the selling agent of a broad range of mutual fund products managed by 4 leading asset management companies. As a result, retail fee income improved by 7%.

Unsecured loan has been the key focus of TMB's consumer lending. In 2014 alone, the portfolio of personal loans and credit card grew by approximately 20% over 2013, taking the total volume to over THB30 billion.

Plan for 2015

- Continue to acquire quality customers through transactional banking excellence
- Enhance customer experience by focusing on service-based selling
- Deepen share of wallet by offering products that match customers' needs
- Offer integrated digital channels as a core customer interface channel

RISK MANAGEMENT AND KEY RISK FACTORS

Risk Management

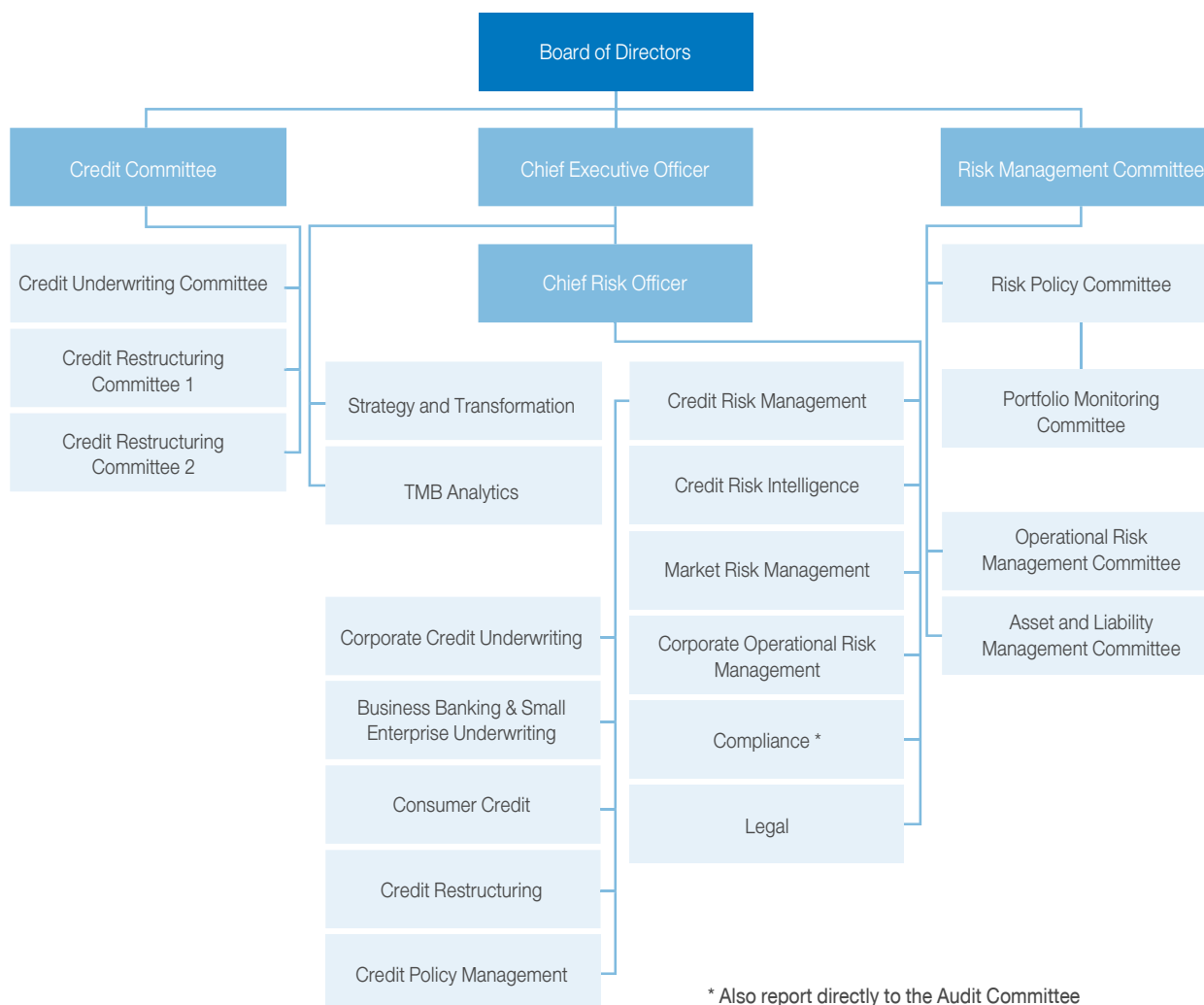
Overview of TMB's Risk Management

Risk management is essential to TMB's business. It primarily enables the Bank to create shareholder value with appropriate and sustainable shareholder returns. Risk management is embedded in the daily business activities and strategic planning with the objective to optimize risks and returns. Our approach to risk management can be founded in solid risk governance where all employees are aware of, consider the impacts, and apply appropriate risk mitigation strategies. Risk management is embedded in corporate culture.

Risk Governance Structure

TMB maintains a risk governance structure that is intended to strengthen risk management while ensuring that risk-taking authorities are cascaded down from the Board to the appropriate committees and functional levels. Risk issues and the changing regulatory and business environment are managed in an efficient and effective manner. Moreover, to maintain the independence of the compliance function, Compliance has dual reporting line to the Audit Committee and Chief Risk Officer.

TMB Risk Governance Structure



The Board of Directors (BoD) holds ultimate responsibility of bank-wide risk management. The Risk Management Committee (RMC) has been delegated by the Board of Directors to review and oversee the management of all risks across the Bank and is authorized to approve the Bank's overall risk management strategies, policies, frameworks and standards, as well as aggregate risk tolerance and risk concentration levels.

Several risk committees provide forums to discuss specific risk areas:

- The Risk Policy Committee: assists the RMC in fulfilling its oversight of internal policies, frameworks, standards, risk appetite targets and boundaries, as well as issues related to credit risk management.
- The Portfolio Monitoring Committees serve as a discussion forum for Business functions and Risk functions with a primary focus on credit portfolio monitoring to ensure appropriate proactive credit portfolio management and alignment with business strategy.
- The Operational Risk Management Committee: assists the RMC in all matters related to the operational risk management.
- The Asset and Liability Management Committee: assists the RMC in all matters related to the asset and liability management and balance sheet management.

However, Business Units as the 1st Line of Defense are primarily responsible for managing risks within their responsible portfolio.

All the risk management related functions are under the stewardship of the Chief Risk Officer (CRO). The CRO, a member of the Bank's executive committee (CEC) and reporting directly to the Chief Executive Officer, oversees and promotes the development and implementation of consistent bank-wide risk management.

Risk Management Process

Risk Management in TMB consists of 4 key risk management processes:

1. Risk Identification: TMB classifies risks which are arising in daily business activities into 5 key risk areas: Strategic Risk, Credit Risk, Market Risk (which includes Foreign Exchange Risk and Interest Rate Risk), Liquidity Risk, and Operational Risk.
2. Risk Measurement: TMB uses different methods and tools to measure various risk types in both quantitative and qualitative measures. In addition, TMB also conducts Stress Testing to measure quality and resilience of the Bank's portfolio and the Bank's tolerance to stress event scenarios.
3. Risk Monitoring and Control: TMB controls and monitors risks by setting key risk indicators and risk boundaries, as well as risk limits at the bank-wide level, portfolio level, product level, and other levels as may be appropriate. TMB also implemented the Early Warning System for credit risk as one of the tools to detect customers who have possibility to move toward adverse classification or to have further deterioration of their performance.
4. Risk Reporting: Status of various risk types as well as actions taken / to be taken are reported to relevant parties / committees and top management on a regular basis. The risk reports cover product level, functional level, and the bank-wide level.

Key Risk Factors

1. Strategic risk

TMB is aware of the possible strategic risk that results from the strategic plans, business plans, strategic implementations and controls which may be inappropriate and/or inconsistent with both internal and external business environments.

TMB's vision is, **"To be the leading Thai bank with world-class financial solutions"** and **"customer-centric organization"**. In order to achieve this vision, TMB has developed a 5-year rolling strategic plan focusing on a Deposit-Led Strategy and Transactional Banking Excellence. This will create a strong foundation for sustainable growth whilst TMB builds towards achieving market leadership.

The crystallization of our strategy are reflected in continuous improvements in fundamental results. In order to better manage the strategic risk, TMB has improved the processes of performance tracking and strategic risk control. Regular meetings of the management team and business units are held to review performance results together with remedial planning in case of target shortfalls. A strategic risk dashboard has been developed and is updated regularly to keep management informed and aware of the changing strategic risk status. A self assessment of strategic risk is also regularly evaluated by management.

In all, TMB is strongly determined to maintain a high level of strategic risk management. Starting from the process of strategic planning, organization restructuring, staffing and project implementation as well as performance monitoring, all must be in line with the Bank's key strategies. In addition, the strategic plan itself is reviewed regularly to ensure it is consistent with the changing business environment.

2. Credit risk

Credit risk is the risk of loss to TMB as a result of borrowers and/or counterparties failing to meet their financial and contractual obligations in accordance with agreed terms. It arises principally from granting loans and undertaking contingent liabilities, and also from certain off-balance sheet products such as guarantees and credit derivatives.

TMB's credit risk management objective is to maximize the Bank's risk-adjusted return by maintaining credit risk exposure within acceptable levels and build a sustainable competitive advantage by integrating risk management into business activities and strategic planning.

In recent years, TMB has improved and continues to improve its credit risk management capabilities with investments in people, risk management governance, processes, measurement tools and systems including the development of an economic capital framework, improved risk measurement processes, credit assessment & origination and tools, such as risk rating models, application- and behavioral scorecards, and established frameworks which set out credit policies, procedures, and guidelines covering the measurement and management of credit risk. This has been achieved while further building a stronger credit culture within TMB, based on thorough knowledge of our borrowers and executed by well-trained staff according to our 3 lines of defense risk management framework.

The 3 lines of defense principle helps us to mitigate credit risk within TMB and consists of 3 principles:

- Management of TMB Bank business units have primary responsibility and accountability for the effective control of credit risks incurred by their business units ("**1st line of defense**").
- Credit Risk Management ("**2nd line of defense**") partner with and support the 1st line of defense's risk management activities. Risk management functions are independent of the management and staff that originate the credit risk exposures.
- Audit operates as the "**3rd line of defense**". Audit is to provide an independent assurance of the design and effectiveness of internal controls over the credit risks inherent to TMB's business performance.

Key credit risk factors

- **Credit quality**

Further improving the quality of TMB's assets remains a priority. Non-Performing Loan (NPL) arises when debtors fail to repay debts according to an agreed schedule. This may lead to loss of interest income but sometimes also of the principal balance, whether in whole or in part, which thereby will affect TMB's profitability and capital adequacy.

TMB manages the quality of its credit portfolios by monitoring and reviewing status of our borrowers and/or counterparties constantly, both at individual level and at portfolio level. Also here the 3 lines of defense approach is applicable: dedicated Relationship Managers monitor their Wholesale and SME Customers at an individual level. Credit Risk data is supporting them on a portfolio level. In our Retail portfolio, the focus is on portfolio management. Special attention is paid to problem exposures, which are subject to more frequent review and reporting. Early warning triggers are in place to detect customers that may be moving toward adverse classification or further deterioration of their performance. Dedicated Credit Restructuring teams and Credit Restructuring Committees are established to restructure problem loans in an effective manner and to provide advice on debt restructuring conditions. TMB sets aside loan loss provision in accordance with guidelines from the Bank of Thailand (BOT). TMB also takes IBNR provisions (loss incurred but not yet recognized) for performing loans as a further cushion for losses expected as a result of future events. IBNR provisioning is calculated using PD (Probability of Default) based on risk level, EAD (Exposure at Default) based on loan types or debtor types, and LGD (Loss Given Default) based on collateral types.

- **Impairment in value of physical collateral**

A substantial portion of TMB's loan portfolio is secured by physical collateral and other assets, the value of which may be affected by the overall economic conditions of Thailand. For example, a downturn in the real estate market could result in the principal amount of loans secured by real estate exceeding the loan-to-value proportion compared to that at the time of origination. A decline in the value of collaterals securing loans may result in an increase in the Bank's allowance for doubtful accounts. TMB manages collateral value impairment risk by establishing a collateral appraisal policy and executing procedures which are in accordance with BOT's regulations. The reappraisal frequency is also driven by the level of risk measured by the borrower's loan performance.

- **Credit concentration**

Concentration risk in credit portfolios is an important aspect of credit risk management. TMB manages and monitors credit concentration with respect to industries, countries and borrowers by establishing and managing Bank-wide industry diversification thresholds, country limits and customer concentration to manage both existing and potential exposures within acceptable levels to ensure appropriate diversification of the portfolio and avoid excessive credit risk exposure in certain industries, countries or borrowing groups. In addition, TMB has established a risk-based Single Exposure Limit to manage the maximum exposure for single obligor and related lending. Managing concentration risk remains a major focus in TMB's Credit Risk Management prioritization.

3. Market risk

Market risk is defined as the potential losses due to changes in the price of market parameters. The main parameters are interest rates, foreign exchange (FX) rates, equity and commodity prices.

For risk management purposes, the Bank has established various market risk policies, which set standards and guidelines for market risk management. The business unit designated with the responsibility for market risk management accomplishes this task under the standards set in the policies, while Market Risk Management independently monitors the bank-wide market risk.

The Bank controls the actual market risk exposure by setting limits within the maximum exposure and maximum loss approved by the Board of Directors. The significant market risks are as follows:

3.1 Foreign exchange risk

Foreign Exchange Risk means the potential losses of earnings and/or shareholder value of the Bank resulting from changes in foreign exchange rates arising from exposures in, both on- and off-balance-sheet, the Trading and/or Banking Book. The losses may arise from the devaluation on the conversion of foreign currency positions, including losses from foreign exchange trading transactions, or translations from one currency to another.

The Bank's Capital Markets is responsible for managing foreign exchange positions of the Bank's Trading Book. In addition, Market Risk Management puts in place a framework of market risk management measures. These measures are designed to minimise the excessive risk from unfavourable changes in market conditions, which adversely affect the prices or returns on the Bank's trading portfolios related to foreign currencies, with strict limits on:

1. Delta – Defined as the rate of change of the option value with respect to changes in the price of underlying asset.
2. Gamma – Defined as the rate of change of the delta with respect to changes in the price of the underlying asset.
3. Vega – Defined as the rate of change of the option value with respect to the volatility of the underlying asset.
4. Foreign Exchange – Defined as both the gross amount (the aggregated amounts of individual long and short positions) and net amount (the net difference of both long and short positions) for individual FX positions.

Within these limits, Capital Markets is responsible for trading and managing the portfolio and optimising the return on the funds invested. Adherence to the limits is monitored by Market Risk Management.

3.2 Interest rate risk

Interest rate movements directly affect the Bank's earning or economic value. Interest rate risk management is undertaken in accordance with the policy framework as approved by the Bank's Board of Directors, by establishing and monitoring various risk curbing limits such as Earnings-at-Risk limit, Economic Value-at-Risk limit. The ALCO is delegated by the Board of Directors to oversee the firm-wide structural interest rate risk to stay within the Bank's aggregated interest rate risk limit.

The Bank has adopted interest rate risk management measures to cushion the interest rate volatility, e.g. rebalancing of assets and liabilities or setting of a proper mismatch by considering external and internal factors including interest rate forecasted by TMB Analytics.

In 2014, The Bank and its subsidiaries had net interest income THB 21,595 million increased by THB 773 million or 4% from 2013. Net interest income was 72% of total operating income higher than the 71% of 2013. Of the Bank and subsidiaries' loans to customer net of deferred revenue as of 31 December 2014, 61% were floating rate less than the 62% as of 31 December 2013.

4. Liquidity risk

Liquidity risk is the risk that the Bank fails to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds deemed adequate for its operations causing damage to the Bank. The Asset and Liability Management Committee (ALCO) is responsible for the oversight of liquidity management. The primary aim is to provide liquidity to the Bank in order to ensure that the liquidity position is sufficient for the Bank's normal operations as well as for any crisis that may arise and that the Bank's liquidity level is to exceed the minimum as required by BoT and comply with the risk framework approved by the Risk Management Committee and the Board of Directors. The Bank reviews its liquidity management plan and strategy for a normal and critical situation at least once a year, or under special situation due to material changes that may impact the Bank's position. This is to ensure the alignment with the Bank's core policy, the organization structure, the regulations, and the ever-changing market condition. The Bank and each company in the Bank's financial group manage liquidity risk separately.

The Balance Sheet Management (BSM) is the unit of the Bank responsible for overall liquidity management and Capital Markets is responsible for day-to-day liquidity management. Balance Sheet Management is also responsible for liquidity risk measurement, and reporting the performance of the liquidity management to the ALCO. The Market Risk Management is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has a liquidity risk management policy, which is reviewed at least once a year, or when necessary, to ensure that it is appropriate with the prevailing environment.

In order to manage liquidity, the Bank continuously monitors its funding sources and access to capital markets. The Bank recognizes the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

According to its funding structure as of 31 December 2014, the Bank's deposits, interbank & money market items, short-term and long-term borrowings were 84.0%, 10.7%, 1.4% and 3.9% respectively, most of which were mainly from deposits. The Bank's ongoing quality deposit strategy seeks to further strengthen its financial position and operating results in order to boost depositors' and customers' confidence. Meanwhile, priority is also given to liquidity risk management by maintaining the level of liquid assets, keeping abreast of risk levels on a daily, weekly and monthly basis, setting risk indicators limits, and taking proactive steps to contain risks at an acceptable level. Plans for risk management in critical situations have been devised to ensure that the Bank has strategic plans for taking remedial action, should an early warning indicator be triggered.

5. Operational risk

Operational risk is defined as the risk of loss, both financial and non-financial, resulting from inadequate or failed internal processes, people, and systems, or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Effective operational risk management leads to more stable business processes and lower operational losses. TMB adopts the Basic Indicator Approach (BIA) for the capital assessment of operational risk by using gross income as a proxy for overall operational risk exposure.

Operational Risk Management at the Bank is managed through a governance structure where the Board of Directors holds the ultimate responsibility for bank-wide risk management. The Board has delegated several operational risk management related authorities to the Operational Risk Management Committee (ORC), chaired by the CEO, whose responsibilities are to identify, measure, monitor, and manage the operational risks of the Bank and its subsidiaries with appropriate quality of coverage (granularity) and to ensure that appropriate management action is taken by the responsible line managers at the appropriate level of granularity.

The Bank has established a dedicated Corporate Operational Risk Management (CORM), reporting to the CRO, to oversee specific operational risk management concerns such as processing risk, control risk, unauthorized activity risk, information (technology) risk, crisis management & business continuity / disaster recovery risk, fraud risk, personal & physical security risk, and workplace safety risk.

Business and Support Units are primarily responsible and accountable for their own operational risk management and control. The Bank has appointed a number of Unit Operational Risk Managers (UORM) in the Business and Support Units who, with support from Corporate Operational Risk Management, take on / carry out the operational risk management responsibilities of their respective units.

Audit operates as the "third line of defense". Their mission is to provide an independent assurance of the design and effectiveness of internal controls established by the first and second line of defense. In carrying out this work, Audit will provide specific recommendations for improving the governance and the risk & control framework.

The Bank has developed an Operational Risk Management Framework to ensure that the operational risks are properly identified, assessed, monitored, reported, analysed, and controlled in a systematic and consistent manner. The Framework provides the foundation and common infrastructure for delivering, maintaining, and governing operational risk management. The Framework consists of an Operational Risk Governance Structure applying the three lines of defense risk governance model, and aligning with the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) risk management framework.

The Bank has established its risk appetite level for operational risk utilizing the potential loss (probability and impact) concept. The level is determined based on consideration of the historical loss data of the Bank, its financial strength, and the overall operational risk management environment. For potential loss over a threshold amount, the Bank will take further mitigating action to bring down the potential loss level to within threshold.

Various policies, minimum standards, and guidelines have been established to manage the different operational risks as per Basel New Capital Accord (Basel II) guideline, including coverage of all key processes and tools, such as Risk & Control Self-Assessment (R&CSA), Key Risk Indicators (KRI), and Incident Management.

R&CSA is a process that helps to identify and assess key risks and controls as well as to determine the mitigating actions. The Bank has also established KRI's at corporate and business level to be warning signal for all levels of management, enabling them to proactively manage and control their operational risks. Incident management is established to enable detection, resolution, analysis of operational risk incidents, as well as collection of loss data. This incident reporting and response is key in order to facilitate management's insight in and awareness of the actual costs of operational risks, existing control weaknesses, and the Bank's specific risk profile.

Other major Operational Risk Mitigation Programs and Mechanisms include the Product and Service Approval Process (PSAP), Action Tracking, Outsourcing / Insourcing Risk Management, and Business Continuity Plan and Disaster Recovery Plan (BCP / DRP).

To ensure that products and services are offered in a safe and responsible manner, the Product and Service Approval Process (PSAP) is established to set guidelines for sign-off and approval of new products and services. This due diligence process ensures that the potential risks created by the new products and services are properly identified and addressed, and that the necessary infrastructure and controls are in place to support the new business.

To ensure adequate and timely resolution of audit and non-audit items, the Bank has also implemented an action tracking system as a tool to keep track of the status of these items. Through this action tracking system, all outstanding audit and non-audit findings can be monitored and managed efficiently by all relevant parties.

The Bank has established its Outsourcing / Insourcing Risk Management Policy to set out the principles and standards for the effective identification of major risks created by outsourcing / insourcing and management of such risks.

The Bank has established its Business Continuity Management (BCM) Policies and Standards to provide guidance and standards for all units to develop a Business Continuity Plan. The Business Continuity Management under CORM is set up to oversee the implementation of BCM Policies and Standards, monitor and lead the co-ordination of group-wide BCP initiatives to raise the overall BCP / DRP readiness of the Bank.

In terms of operational risk management at the subsidiaries, the subsidiaries have aligned with and adopted TMB's Operational Risk Management Framework, Policies, and Minimum Standards, where applicable. Their organization structure includes their own dedicated operational risk management. They also implemented operational risk tools such as R&CSA, incident reporting, KRI, and BCP.

6. Risk from material changes in the regulations that govern the Banks and its business activities

Key regulatory non-compliance risks of the Bank lie in compliance to Financial Institutions' Businesses Act, Bank of Thailand's Regulations and Notifications, The Securities and Exchanges Act, the Securities Laws and Regulations as issued by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Anti Money Laundering Laws and their Royal Decrees. Besides, there is one foreign act which have a substantial impact to the banking business environment. Details as appeared below.

Bank of Thailand reviews its Notifications to streamline its supervision of the Market and Liquidity risk. The keys Notifications which impact business processes could be grouped into 3 topics

- 1) Notification with respect to derivative business, which will be enforced at the beginning of 2015, enhances the scope of BoT general permission to bank in undertaking the derivative business. This includes the required reporting and reclassifying the investor type as well as the relevant investor suitability
- 2) Notification regarding BIBOR submission process which aims to enforce early 2015 onwards. This rule requires the bank to establish the qualification of Prime Bank and supervision of senior management over the submission process
- 3) Notification regarding Collateral Management Facilities will be enforced starting from early 2015. The concept of this guideline is the using of bonds as the collateral for settlement in Securities Requirement for Settlement System (SRS). The certain collateral is required from each bank to retain at BoT and it will be forcefully sold to settle bank short liquidity position. It aims to minimize the interbank money market settlement risk.

The Capital Market Supervisory Board issued an announcement no. ThorLorThor.8/2557 re: Criteria relating to personnel in capital market, effective from 1 July 2014, which the main change can be summarized as adding personnel of the following jobs as personnel in capital market:

- 1) Personnel working in controlling, overseeing and managing business units relating to investment advisory, investment planning or branch managing
- 2) Personnel working in controlling and managing business units relating to operations, compliance, internal audit or risk management.

Personnel mentioned in 1) and 2) must be compliance to the following criteria:

- (A) Have qualifications and do not have any prohibited characteristics according to Section 103 of the Securities and Exchange Act B.E.2535 or Section 23 of the Derivatives Act B.E.2546.
- (B) Have qualifications and do not have any prohibited characteristics according to Category 3 of this announcement.

TMB has to check the personnel's qualifications and that they do not have prohibited characteristics before appointment without request for approval from SEC.

The Credit Information Protection Committee (CIPC) has announced five Notifications in order to give fairness and reduce obstacles in accessing credits for customers. At the same time, the Bank will benefit from receiving sufficient information and time to access debtors' repayment behavior. The five Notifications are related to data aging of the credit information provided by the NCB to process, members' submission of information, additional account status code, specification on how to update customer information, inclusion of cooperative and credit unions to become members of the NCB.

According to the CIPC Notification Re: Age of the Information Processing, Processing of NCB and Submission of information of Members, dated September 5, 2014 which became effective on September 20, 2014 and was reviewed as follows:

- The Bank is to continue to submit information for 5 years starting the day after the 90 day overdue payment date, regardless of the debt types for all default customers.
- The NCB is to continue processing the information for another 3 years from the date that the bank stopped sending credit information. The age of information processing was reduced from formerly not more than 5 years for general loans to no more than 3 years. This timeframe is the same criteria for personal loans and credit card loan.

- The credit information must not include any debt collection costs
- Where there are Debt Restructuring Agreements in place and repayments have been made as per such agreements, and fulfilled as stipulated by the BOT's regulation, such credit information must be reported as normal loans.

The mention notifications have affected the Bank's operations regarding the submission of customer information to the NCB and the usage of information from NCB for analyses and credit approval processes. As the Bank is to stop sending information on those 5-years or more for Non-Performing Loan customer information and that information on some customers experiencing repayment problems has been erased from the NCB database, the Bank has to update its work procedures, credit analytical and credit approval process to be in line with the conditions that have been changed.

FATCA (Foreign Account Tax Compliance Act) is one of US laws which aim to prevent any avoidance of Individual and corporate tax payer regarding the taxable amount on the international money transmission by using the bank account with the financial institutions outside US or transferring the profit sharing to outside US. In 2014, The Bank has registered itself with U.S. IRS to be Participating Foreign Financial Institution: PFFI at the same period the other Thai banks have had. Such registration helps the bank avoiding any possible business disruption resulted from this legislation. The Bank also has been working with all banks under the Thai Bankers Association to assist and consult with Thai authorities in negotiating the agreement Thai government may have with US.IRS.

7. Risk from economic condition

Key risks to Thai economy growth in 2015 are from both internal and external factors. A slump in agricultural-related prices and high household debt remain negative factors against domestic consumption recovery. Moreover, economic recovery across the globe is uneven. While the U.S. economy is expanding robustly, the economic growth of China is expected to decelerate and the European economy remains very fragile. Depreciation of trading partners' and competitors' currencies, due to the divergence in monetary policies, is another challenge that may affect growth and competitiveness in export sector. Consequently, Thai economy may not grow spectacularly or grow lower than potential.

MANAGEMENT STRUCTURE

1. Board of Directors

The Board of Directors as of December 31, 2014 consisted of 11 members, 6 holding non-executive directors positions, 4 independent directors, and 1 holding executive director position.

Name	Position	Date of Appointment	Term of Office (Year-Month)	No of the meeting in attendance
Mr Rungson Sriworasat	- Chairman of the Board	5 June 2013	1 year - 7 months	14/15
General Veerun Chantasatkosol	- Director	3 December 2014	1 month	1/1
Mr Philippe G.J.E.O. Damas	- Director - Chairman of the Board of Executive Directors - Member of the Nomination, Remuneration and Corporate Governance Committee	28 December 2007	7 years	15/15
Mr Singha Nikornpun	- Independent Director - Chairman of the Audit Committee	10 January 2014	1 year	15/15
Mr Rachane Potjanasuntorn	- Independent director - Chairman of the Nomination, Remuneration and Corporate Governance Committee - Member of the Risk Management Committee	8 October 2012	2 years - 3 months	15/15
Ms Swee-Im Ung	- Director - Chairperson of the Risk Management Committee - Member of the Credit Committee	30 November 2011	3 years - 1 month	14/15
Mr Pongpanu Svetarundra	- Director - Chairman of the Credit Committee - Member of the Board of Executive Directors - Member of the Nomination, Remuneration and Corporate Governance Committee	23 February 2012	2 years - 10 months	14/15
Mr Vaughn Nigel Richtor	- Director - Member of the Board of Executive Directors	28 December 2007	7 years	9/15

Name	Position	Date of Appointment	Term of Office (Year-Month)	No of the meeting in attendance
Mr Christopher John King	- Independent director - Member of the Audit Committee - Member of the Nomination, Remuneration and Corporate Governance Committee	1 September 2004	10 years - 4 months	15/15
General Kamon Saenissara	- Independent director - Member of the Audit Committee	11 April 2012	2 years - 9 months	15/15
Mr Boontuck Wungcharoen	- Director - Member of the Board of Executive Directors - Member of Credit Committee - Member of the Risk Management Committee - Chief Executive Officer	14 July 2008	6 years - 6 months	15/15

Mr Agapol Na Songkhla is Secretary to the Board.

The Board meeting shall be held at least once a month. In case of an urgent case, the Board can arrange a special meeting as deemed necessary.

Amendment of Directors Authorized to Sign to Bind the Bank

Mr Rungson Sriworasat, Chairman, or Mr Boontuck Wungcharoen, Chief Executive Officer, or any two directors are authorized to co-sign with the Bank's seal affixed.

The scope of roles and responsibilities of the Board of Directors is as follows:

1.1 Principles for Directors

- Understand and execute their oversight role, including understanding the Bank's risk profile.
- Exercise their fiduciary duty, duty of loyalty, and duty of care to the Bank under applicable Thai laws and supervisory standards.
- Avoid conflicts of interest and the appearance of such conflicts, and institute and enforce measures to monitor and avoid potential conflicts by the Bank's personnel in dealings with other persons and organizations.
- Commit sufficient time and energy to fulfilling their responsibilities.
- Avoid direct participation in day-to-day management of the Bank except executive director.
- Secure information from management to enable the Board to fulfill its functions. It is the Board's responsibility to decide what information it wants.
- Excuse themselves from decisions when they themselves or someone related to or connected with them have a conflict of interest.
- Provide oversight of the senior management of the Bank by exercising their duty and authority to question and insist upon straightforward explanations from management, and receive on a timely basis sufficient information to judge the performance of management.
- Ensure that the Bank's confidential information and customer information is not given either inadvertently or deliberately to third parties, and shall not use the information to seek gains without the Bank's consent or permission by law.

1.2 Function of the Board

The Board has delegated the management and day to day running of the Bank to the Chief Executive Officer including implementation of the strategy approved by the Board. The functions of the Board are to:

Strategy and Policy

- Approve the overall business strategy of the Bank, risk policy and risk management procedures.
- Approve budget including overall risk appetite and business plan.
- Safeguard the longer-term values of the Bank, which include the brand and corporate reputation.
- Approve all credit limits for amounts in excess of the amount delegated to management.
- Approve all other risk limits and policies as prescribed by the Bank of Thailand and other relevant regulators.
- Determine a calendar each year that sets forth and schedules the issues to be discussed by the Board during the year. Substantive issues such as strategy, financial performance and progress against budget and operational plans, capital planning, actual risk profile, Chief Executive Officer performance evaluation and operational oversight issues such as product approval process should be prioritized over formalistic issues.
- Approve the authority or the delegation of authority to approve credit, market risk limits, acquisitions, disposals, investments, or realization or creation of a new venture.

Compliance

- Oversee management's actions and consistency with Board policies as part of the checks and balances embodied in sound corporate governance.
- Meet regularly with senior management to review policies, establish communication lines and monitor progress toward corporate objectives.
- Promote Bank safety and soundness, understand the regulatory environment and ensure the Bank maintains an effective relationship with its regulators.
- Provide sound advice to management and recommend sound practices gleaned from other situations.
- Review and, where permissible or required under applicable regulations, consider approval of connected transactions as prescribed by the Securities and Exchange Commission and related party credit limits as prescribed by the Bank of Thailand.

Organization

- Organize the Board and its committees in a way that promotes efficiency and strategic discussion.
- Establish certain specialized committees to assist the Board in its oversight function and to advise the Board on issues requiring specific technical expertise.
- Periodically assess the effectiveness of their own governance practices, including nomination and election of Board members and management of conflicts of interest, determining where weaknesses exist, and making changes as necessary.
- Develop and maintain an appropriate level of expertise as the Bank grows in size and complexity.
- Select, monitor and where necessary replace key executives, while ensuring that the Bank has an appropriate plan for executive succession and that any intended successor(s) will be qualified, fit and proper to manage the affairs of the Bank.
- Select, evaluate and determine the compensation of the Chief Executive Officer as well as certain key senior executives.
- Ensure that Bank's compensation and benefits programs are appropriate and consistent with the strategic objectives and are compliant with relevant regulations.
- Continuously review the internal structure of the Bank to ensure that there are clear lines of accountability for management throughout the organization.

The delegation of authority and responsibilities of the Board of Directors shall not be the delegation or sub-delegation that will allow for the Board of Directors or the persons so authorized to approve any transactions that they themselves or their related parties (as defined in the Securities and Exchange Commission's notification or by other concerned authorities) have vested interest or conflicts of interest with the Bank or any of its subsidiaries, unless it is an approval of the transactions that is in accordance with the policies and regulations approved by the shareholders' meeting or the Board of Directors.

2. Senior Management

As of December 31, 2014, the Bank's senior management (according to SEC definition*) are comprised of 27 persons as follows:

Name-Surname	Position
Mr Boontuck Wungcharoen	Chief Executive Officer
Mr Bernard Marie-Jeanne Maurice Coucke	Chief Retail Banking Officer
Mr Paphon Mangkhalathanakun **	Chief SME and Supply Chain Officer
Mr Piti Tantakasem	Chief Wholesale Banking Officer
Mr Jan Henri Van Wellen	Chief Risk Officer
Mr Lorenzo Tassan-Bassut	Chief Operating Officer
Mr Thanomsak Chotikaprakai	Chief Financial Officer
Miss Waewalai Wattana	Executive Vice President, Financial Controller
Mr Chirasak Chantarachoti	Executive Vice President, Head of Balance Sheet Management
Miss Arwiwan Tangtrongchit	Executive Vice President, Head of Financial Planning and Analysis
Mrs Soontaree Cheevaphat	First Vice President, Liability Management Executive and Cayman Branch Manager
Mr Mate Kanokpibool	Senior Vice President, Team Head of Financial Reporting and Tax
Mr Thawatchai Trongnamsukki	Vice President, Senior Accounting Policy Specialist
Mrs Prapasiri Khuncharoen	First Vice President, Team Lead of Financial Statement
Mrs Kamolmarn Staworn	Vice President, Team Lead of Special Accounts
Mrs Suleeporn Pratippornkul	Senior Vice President, Team Head of General Accounting
Ms Pawinee Chayavuttikul	Senior Vice President, Team Head of General Accounting
Mrs Jarinee Yimudom	Vice President, Team Lead of Accounts Compiling
Mr Chanpichai Chinsamran	First Vice President, Team Head of Management Accounting Application System Support

Note: * See page 73, section 6.2 for the definition

** Resigned since December 2014

Name-Surname	Position
Miss Doungjan Saenim	Senior Vice President, Team Head of Cost Management and Budget Control
Miss Pimolwan Puarattana-aroonkorn	First Vice President, Team Head of Commercial Banking Business Finance
Mr Pornchai Prakobvanichakul	First Vice President, Team Head of Retail Banking Business Finance
Mrs Suphavadee Wuthithien	Vice President, Team Lead of Regulatory Report Management
Mr Surin Matayatana	First Vice President, Team Head of Regulatory Data Center
Miss Supaporn Taechachokewiwat	Senior Vice President, Team Head of Asset and Liability Management
Mr Chalermchai Paisithmongkol	Senior Vice President, Team Head of Investment Management and Fund Transfer Pricing
Mr Paul Fletcher Melling	Senior Vice President, Team Head of Capital Management

3. Changes in TMB Shares held by Directors and Chiefs in 2014

Name	Position	TMB shares held as of 31 Dec 2013	TMB shares held as of 31 Dec 2014	Change (net) Increase (Decrease) in TMB shares held in 31 Dec 2014
Mr Rungson Sriworasat	Chairman	-	-	-
Spouse and minor children		-	-	-
General Veerun Chantasatkosol	Director	1,314	1,314	-
Spouse and minor children		-	-	-
Mr Philippe G.J.E.O. Damas	Director	2,116,900	10,580	(2,106,320)
Spouse and minor children		-	-	-
Mr Singha Nikornpun	Independent Director	-	-	-
Spouse and minor children		-	-	-
Mr Rachane Potjanasuntorn	Independent Director	-	-	-
Spouse and minor children		-	-	-
Ms Swee-Im Ung	Director	-	-	-
Spouse and minor children		-	-	-
Mr Pongpanu Svetarundra	Director	105	105	-
Spouse and minor children		-	-	-

Name	Position	TMB shares held as of 31 Dec 2013	TMB shares held as of 31 Dec 2014	Change (net) Increase (Decrease) in TMB shares held in 31 Dec 2014
Mr Vaughn Nigel Richtor	Director	-	-	-
Spouse and minor children		-	-	-
Mr Christopher John King	Independent Director	-	-	-
Spouse and minor children		-	-	-
General Kamon Saenissara	Independent Director	-	-	-
Spouse and minor children		-	100,000	100,000
Mr Boontuck Wungcharoen	Director and Chief	20,618,500	30,664,667	10,046,167
Spouse and minor children	Executive Officer	-	-	-
Mr Piti Tantakasem	Chief Wholesale	2,763,867	1	(2,763,866)
Spouse and minor children	Banking Officer	-	-	-
Mr Thanomsak Chotikaprakai	Chief Financial Officer	2,308,900	3,218,933	910,033
Spouse and minor children		-	-	-
Mr Paphon Mangkhalathanakun *	Chief SME and Supply	1,164,433	NA	NA
Spouse and minor children	Chain Officer	-	-	-
Mr Jan Henri Van Wellen	Chief Risk Officer	-	-	-
Spouse and minor children		-	-	-
Mr Bernard Marie-Jeanne Maurice Coucke	Chief Retail Banking Officer	-	-	-
Spouse and minor children		-	-	-
Mr Lorenzo Tassan Bassut	Chief Operating Officer	-	-	-
Spouse and minor children		-	-	-

Remark: * Resigned on December 16, 2014

4. Company Secretary

The Board of Directors has appointed Mr Agapol Na Songkhla to hold position of Company Secretary¹. (see more detail about education, work experience, and training course related to company secretary's function in attachment 1)

The Company Secretary's roles and responsibilities are to perform duty in compliance with laws and follow up activities of the Board of Directors, management, and the Bank's to be in line with relevant laws, regulations, and articles of association of the Bank. The Company Secretary is also to support the Board of Directors, board committee, management, and the Bank to implement operation in line with good corporate governance.

The Company Secretary has roles and responsibilities as follows:

For the Bank

- To monitor and supervise the Bank's overall operation to comply with relevant laws and regulatory requirements including resolution of Board of Directors, resolution of annual general meeting of shareholders.
- To file and keep the Bank's important documentation such as certificate, memorandum & articles of association, shareholder register, licenses and power of attorney, etc.
- To push for guidelines so that the Bank shall formulate policies, comply with good corporate governance and conduct regular review.
- To act as contact person of the Bank

For the Board

- To advise the Board of Directors and management on laws and regulations relevant to their duties
- To oversee and conduct meetings of the Board and board committees established by the Board of Directors to be in line with laws, regulations, articles of association, charters, and best practices
- To perform the Board's secretary and board committees' secretary as assigned including Chief Executive Committee, record accurate and complete minutes, inform to relevant management the resolution and follow up the resolution implementation
- To oversee the changes of directors and examine director's qualifications in case of appointment of new directors and director to replace director who resigned by rotation in line with regulatory requirements, including propose the issue to the Bank of Thailand for endorsement
- To review director's qualifications during the directorship period to ensure that the qualifications are always in line with regulatory requirements
- To oversee insider information practices of directors
- To facilitate directors' training and development
- To provide Board's performance assessment
- To arrange Directors and Officers Liability Insurance (D&O Insurance) for the directors and management.

For the Shareholders

- To conduct shareholders' meeting to be in line with laws, articles of association and good corporate governance principle, including perform duty of secretary to the shareholders' meeting.
- To oversee the right of shareholders and create good relationship with shareholders.

Note:¹ Since January 1, 2015 Miss Nopawan Saengteerakij is appointed as company secretary

5. Board of Directors' Meeting

In 2014, details of the meeting attendance of the Board of Directors and board committee members are as follows:

Name	Board of Directors	Board of Executive Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Risk Management Committee	Credit Committee
Total no. of meetings in 2014	15	15	14	15	13	16
Mr Rungson Sriworasat	14	-	-	-	-	-
General Prayut Chan-o-cha ¹	4	-	-	-	-	-
General Veerun Chantasatkosol ²	1	-	-	-	-	-
Mr Philippe G.J.E.O. Damas	15	15	-	14	-	-
Mr Singha Nikornpun	15	-	14	-	-	-
Mr Rachane Potjanasuntorn	15	-	-	15	12	-
Ms Swee-Im Ung	14	-	-	-	12	12
Mr Pongpanu Svetarundra	14	13	-	15	-	16
Mr Vaughn Nigel Richtor	9	10	-	-	-	-
Mr Amorn Asvanunt ¹	8	10	-	-	7	7
Mr Christopher John King	15	-	14	14	-	-
General Kamon Saenissara	15	-	13	-	-	-
Mr Boontuck Wungcharoen	15	14	-	-	10	14

¹ Not currently a board member

² General Veerun Chantasatkosol was appointed as a director to replace General Prayut Chan-o-cha from the Board of Directors' meeting no. 11/2557 on November 20, 2014 and effective from December 3, 2014

Notes: (1) Mr Philippe G.J.E.O. Damas is a director who does not have residence in Thailand.

- The Nomination, Remuneration and Corporate Governance Committee meetings no. 12/2557, Mr Philippe G.J.E.O. Damas joined the meetings through Skype system.

(2) Mr Vaughn Nigel Richtor is a director who does not have residence in Thailand.

- The Board of Executive Directors meetings no. 1/2557, 3/2557 and 4/2557, Mr Vaughn Nigel Richtor joined the meetings through teleconferencing system.

(3) Ms Swee-Im Ung is a director who does not have residence in Thailand.

- The Credit Committee meetings no. 4/2557, and 14/2557, Ms Swee-Im Ung joined the meetings through teleconferencing system

6. Remuneration for Directors and Senior Management

6.1 Remuneration for Directors

The Bank has fairly set the directors' remuneration criteria, compositions and amounts based on Fiduciary Duty at appropriate level. In addition, the directors' remuneration shall be in accordance with accountability and responsibility of the directors compared with the companies in the same industry and similar size.

In addition, directors' remuneration must be sufficient and attractive to nominate qualified directors and retain good directors to perform their duty and dedicate themselves to contribute to the Bank. The Nomination, Remuneration and Corporate Governance Committee has reviewed the directors' remuneration on an annual basis, and then propose to the Board for endorsement and also put it in agenda of the Annual General Meeting of Shareholders for approval annually.

Directors' remuneration criteria

Monthly fee consist of

- Retaining fee Director is entitled to the retaining fee for one position only.
- Committee fee Director is entitled to the committee fee for every board and committee that he/she sits on.

Attendance fee Director is entitled to the attendance fee for every meeting where he/she is present.

Cash remuneration

		Remuneration (Baht)		
		Retaining Fee (Per Year)	Committee Fee (Per Year)	Attendance Fee (Per Meeting)
Board of Directors	Chairman	1,800,000	1,800,000	40,000
	Member	384,000	384,000	30,000
Board of Executive Directors	Chairman	1,440,000	1,440,000	40,000
	Member	422,400	422,400	31,200
Audit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Nomination, Remuneration and Corporate Governance Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Risk Management Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Credit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600

The directors who are the Bank's executives do not receive the remuneration according to TMB's regulations and the representative directors who are the executives of ING Bank N.V. will not receive the remuneration under ING's policy.

In case additional remuneration is required for newly formed committees, the Board of Directors shall provide such remuneration and ensure that the total remuneration for the directors shall not exceed THB 40 million as approved by the shareholders' meeting.

In 2014, the Annual General Meeting of Shareholders has approved the distribution of directors' bonus at the rate 0.5 percent of dividend among the directors for 2013 operational performance and the Board be granted the authority to set up detail of the allocation. In this regard, the director who is the Bank's executive and the representative directors who are the executives of ING Bank N.V. will not receive the directors' bonus.

In 2014, all of the 14 directors received remuneration for serving on the Board of Directors and other committees in a total amount of THB 37,473,597 and directors' bonus amount of THB 7,133,997 The details are as follows:

Name of director	Details
Mrs Saowanee Kamolbutr ¹ (Until May 2, 2013)	Receiving THB 349,420 for Directors' bonus.
Mr Rungson Sriworasat (Since June 5, 2013)	Receiving THB 4,160,000 for serving as Chairman of the Board of Directors. Receiving THB 611,485 for directors' bonus.
General Prayut Chan-o-cha ¹ (Until June 26, 2014)	Receiving THB 504,000 for serving on the Board of Directors. Receiving THB 698,840 for directors' bonus.
General Veerun Chantasatkosol ² (Since December 3, 2014)	Receiving THB 94,000 for serving on the Board of Directors.
Mr Philippe G.J.E.O. Damas	Receiving THB 5,032,800 for serving on the Board of Directors and as Chairman of the Board of Executive Directors and Member of the Nomination, Remuneration and Corporate Governance Committee. Receiving THB 698,840 for directors' bonus.
Dr Vijit Supinit ¹ (Until April 12, 2013)	Receiving THB 174,710 for Directors' bonus.
Mr James Parks Stent ¹ (from April 12, 2013 to November 30, 2013)	Receiving THB 407,657 for Directors' bonus.
Mr Singha Nikornpun ³ (Since January 10, 2014)	Receiving THB 2,679,600 for serving on the Board of Directors and as Chairman of the Audit Committee.

Note : ¹ Not holding a board member.

² General Veerun Chantasatkosol was appointed as a director to replace General Prayut Chan-o-cha, effective on December 3, 2014.

³ Mr Singha Nikornpun was appointed as a director and the chairman of the Audit Committee to replace Mr James Parks Stent, effective on January 10, 2014.

Name of Director	Details
Mr Rachane Potjanasuntorn	Receiving THB 3,381,600 for serving on the Board of Directors and as Chairman of the Nomination, Remuneration and Corporate Governance Committee, and Member of the Risk Management Committee. Receiving THB 698,840 for directors' bonus.
Ms Swee-Im Ung	Receiving THB 3,254,400 for serving on the Board of Directors and as Chairperson of the Risk Management Committee and Member of the Credit Committee. Receiving THB 698,840 for directors' bonus.
Mr Pongpanu Svetarundra	Receiving THB 4,285,800 for serving on the Board of Directors and as Chairman of the Credit Committee, Member of the Board of Executive Directors and Member of the Nomination, Remuneration and Corporate Governance Committee. Receiving THB 698,840 for directors' bonus
Mr Vaughn Nigel Richtor	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of ING Bank N.V.
Mr Amorn Asvanunt ¹ (Until October 1, 2014)	Receiving THB 2,379,600 for serving on the Board of Directors and as Member of the Board of Executive Directors, Member of the Credit Committee and Member of the Risk Management Committee. Receiving THB 698,840 for directors' bonus.
Mr Christopher John King	Receiving THB 2,655,600 for serving on the Board of Directors and as Member of the Audit Committee and Member of the Nomination, Remuneration and Corporate Governance Committee. Receiving THB 698,840 for directors' bonus.
General Kamon Saenissara	Receiving THB 1,912,200 for serving on the Board of Directors and as Member of the Audit Committee. Receiving THB 698,840 for directors' bonus.
Mr Boontuck Wungcharoen	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of TMB.

Other remuneration and benefits

No other benefits

6.2 Remuneration for senior management

During the accounting year ended December 31, 2014, the Bank's 27 executives (according to the SEC definition) received remuneration in a total amount of THB 260 million, consisting of salary, bonus, provident fund, TMB PSBP 2010 Shares (only employees who participated in the Program) and other benefits. (According to the definition of SEC, Executives refer to managers, the first four ranks of executives under each manager's command line, those in the positions equivalent to the first 4th ranked person at the executive level, and refer to those in the positions at the executive level in the Accounting or Finance areas at the level of Department Head or equivalence)

On June 24, 2010, "TMB Performance Share Bonus Program 2010" or "TMB PSBP 2010" was established by resolution of the Extraordinary General Meeting of Shareholders No. 1/2010's approving the selling of 400 million shares of TMB's newly issued shares. The objective of the TMB PSBP 2010 is to support and reinforce the Bank's high performance value, by offering long-term incentives to employees whose decisions and actions materially impact the Bank's performance or who have strategic value to the Bank. The long-term incentives come in the form of newly issued shares, and thus give the program

participants opportunities to share the value they help create for the Bank in years to come. Each employee may, at their own discretion, choose to participate in the TMB PSBP 2010 while senior management are automatically participants in the program. Each participant shall receive 50 percent of his or her variable performance incentive in cash and shall be granted the right to subscribe for the awarded shares. The award share is deemed to represent the remainder of his or her variable performance incentive. There might be some special award of the shares for the sake of human resources management, to be approved by the Nomination, Remuneration and Corporate Governance Committee. TMB PSBP 2010's term is five years from the first award date or the date on which all the shares available for issuance under TMB PSBP 2010 have been issued, whichever is earlier.

7. Personnel

7.1 Total number of employees

As of December 31, 2014, TMB had a total number of 8,856 employees, broken down by group as follows:

Group	No. of employees (Persons)	Group	No. of employees (Persons)
Chief Executive Officer	1	Operations and Services	652
Direct Report to Chief Executive Officer	14	Operations Control	30
Audit	67	Chief Retail Banking Officer	1
Corporate Branding and Communications	28	Direct Report to Chief Retail Banking Officer	613
Corporate Governance	21	Branch Banking	4,205
Human Resource	78	Customer Segment Middle Income	4
Strategy and Transformation	10	Customer Segment Wealth and Mass Affluent	5
Chief Financial Officer	1	Digital Strategy & Channels	134
Direct Report to Chief Financial Officer	2	Retail Marketing	64
Balance Sheet Management	21	Retail Products	77
Financial Control	104	Chief Risk Officer	1
Financial Planning and Analysis	41	Direct Report to Chief Risk Officer	3
Chief Operating Officer	1	Business Banking and Small Enterprise Underwriting	86
Direct Report to Chief Operating Officer	55	Compliance	41
Corporate Services	243	Consumer Credit	172
Information Technology	243	Corporate Credit Underwriting	18

Group	No. of employees (Persons)
Corporate Operational Risk Management	30
Credit Policy Management	85
Credit Restructuring	122
Credit Risk Intelligence	64
Credit Risk Management	76
Legal	31
Market Risk Management	18
Chief SME and Supply Chain Officer	1
Commercial Banking Marketing Management	27
Small SME Customer Management	500
Small SME Product and Portfolio Management	22
Small SME Segment	3
Supply Chain Channel & Implementation	38
Supply Chain Product and Sales Management	68
Chief Wholesale Banking Officer	1
Direct Report to Chief Wholesale Banking Officer	7
Business Banking Segment - Bangkok	151
Business Banking Segment - UPC	93
Business Banking Segments	16
Capital Markets	60
Commercial Credit Product	28

Group	No. of employees (Persons)
Corporate Banking Segment	5
Corporate Banking Segment 1	64
Corporate Banking Segment 2	49
International Transaction Banking	18
Lower Business Banking Segment	108
Multi-Corporate Banking Segment	11
Multi-Corporate Banking Segment 1	59
Multi-Corporate Banking Segment 2	65
Grand Total	8,856

7.2 Changes in the number of Staff during the past 3 years

From 2012-2014, the total number of TMB's employees was displayed as following:

- As of December 31, 2012, the total number of TMB's employees was 9,106 persons
- As of December 31, 2013, the total number of TMB's employees was 9,015 persons
- As of December 31, 2014, the total number of TMB's employees was 8,856 persons

7.3 Key labor disputes during the past three years

As of December 31, 2014

Type of case	No. of cases	Status
Lawsuit brought by TMB against employees		
Internal fraud	7	
- Case not yet finalized	4	Cases are under the Court's proceedings.
- Case finalized	3	The Criminal Court sentenced.
Performed duty with negligence	-	
- Case not yet finalized	-	
- Case finalized	-	
Lawsuit brought by employees against TMB		
Staff welfare (Car Park)	1	
- Case not yet finalized	-	
- Case finalized	1	Case has been dropped by the Court.
Unfair termination of employment	15	
- Case not yet finalized	10	Cases are under the Court's proceedings.
- Case finalized	5	Cases has been dropped by employee. The Supreme Court remains the Civil Court's judgement . The appeal has been dropped by the Supreme Court.
Bonus payment	4	
- Case not yet finalized	3	Cases are under the Court's proceedings.
- Case finalized	1	Case has been dropped by the Court.
Demotion	2	
- Case not yet finalized	2	Cases are under the Court's proceedings.
- Case finalized	-	
Request for adjustment of 2006 performance evaluation	2	
- Case not yet finalized	1	Cases are under the Court's proceedings.
- Case finalized	1	Case has been dropped by plaintiff.
Request for payment of unused vacation leave	4	
- Case not yet finalized	4	Cases are under the Court's proceedings.
- Case finalized	-	
Request for payment for commission from selling asset	1	
- Case not yet finalized	-	
- Case finalized	1	The Bank paid according to the Court's judgement.

7.4 Staff's compensation

TMB is well aware that employees are its valued resources and key contributors to its success. Therefore, the Bank gives priority to the boosting of the employees' morale and ensure that they receive compensation based on their performance, skills and competence, as well as other welfare and benefits that are reasonable, fair and comparable to other financial institutions'.

- **Total compensation and types of compensation for employees**

The Bank considers the employee's Compensation to ensure to benchmark with market, also fairness within the Bank. It also provides other financial allowances for the employees such as allowance for working in the upcountry, allowance for office locations in some island area and the three risky southernmost provinces, allowance for staff at branches that are opened seven days a week, etc. The Bank reviews the payment appropriateness to align within the whole bank, and also compares with the market rate for competitiveness.

The Bank annually conducts the employee performance evaluation for annual performance-based salary increase and performance bonus. In 2014, total compensation for the employees given in the forms of salary, cost of living allowance, special gratuity, allowance for working in the upcountry, position allowance, overtime, bonus, TMB Performance Share Bonus Program 2010 (TMB PSBP 2010) (for employees who participated in the Program only) and others accounted for THB 7,240 million.

- **Other allowances**

The Bank gives other forms of allowances to employees on several occasions, eg. uniform allowance, grants for staff's wedding, childbirth, ordination, Islamic pilgrimage, and scholarship for staff's children. The Bank also grants gratuity to the employees in case they themselves or any of their family members have passed away.

- **Provident fund**

The Bank and Employees have jointly established The Registered Provident Fund of TMB Bank Public Company Limited which is managed by The Board of Directors of The Registered Provident Fund of TMB Bank Public Company Limited that comprised of 1) employers, which come from the appointment and 2) employees which come from the election from the member. The fund is managed with Employee's Choice which contribution at 5% - 10% of the staff's salary is paid by the Bank into the Fund and The Bank's employee may choose to pay their own portion into the Fund at the rate of 2% - 10% of their salary.

- **Other welfares and fringe benefits**

Medical care The Bank provides medical services to staff through health insurance company with efficient and convenient service standards, and cover dental treatment. The Bank also provides annual health checkup for all levels of staffs in term of health preventive. In 2014, the Bank adds some physical check-up items with consideration on the range of staff ages and risk opportunity that might occurs from work environment in some functions. The Bank also provides in-house medical clinic at the Head Office and AIA Capital Center Building with specialized physicians to give medical treatment and health consultancy, with a few beds for sick staffs and initial medical care during the work hours.

Group life insurance, severe deceases insurance, personal accident insurance, and medical financial support for work-related accident

The Bank provides options for staffs to choose the health insurance program to suit with their needs. These insurance programs are aimed at strengthening the employees' security while working with the Bank. The insurance has been taken out in several types with around-the-clock coverage. Including the preparation of life insurance to staffs who work in areas including four risky southernmost provinces namely, Yala, Pattani, Narathiwat and Songkhla, as well as the medical financial support occurred by work-related accident

Welfare loans The Bank has been providing staff welfare loans, both secured and unsecured loan that are referred to processes and products which provide to customers, as well as encourage employees to adhere to the financial discipline. Staff Welfare Loan are consisted of:

- Staff Home Loan and Refinance Home Loan
- Home Equity Loan
- Multi-Purpose Loan
- TMB Care : Emergency Loan and Education Loan

Employee clubs and activities The Bank supports a wide range of clubs and activities for employees based on their own interests. These allow employees to relax and enjoy recreational activities together, creating work life balance and happiness in the workplace. In addition, spaces at the Head Office are renovated and made available for indoor sports and workout.

Canteen The Bank has provided the canteen at its Head Office where employees can enjoy quality food and drinks in a nice environment.

Library To encourage staff to study, research and enrich their knowledge, the Bank has provided a library where books, textbooks, publications and audio-visual media for learning are available

7.5 Human Resource Development

● TMB Policy on Human Resources Development

TMB focuses on human resource development and employee learning. From the first day with Orientation Program provided to all staff levels, to build the understanding corporate values and culture, organizational structure and core banking systems, employees can quickly adapt to the organization.

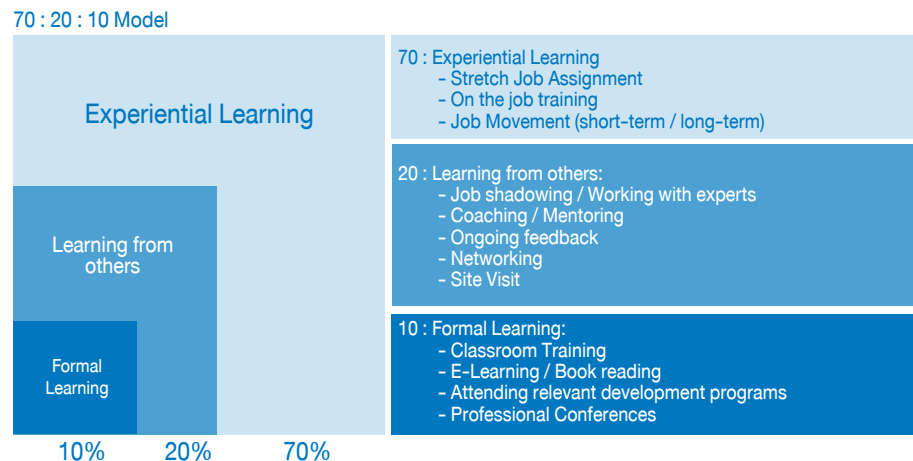
TMB places emphases in embedding TMB Way's core value, including Core Competency and Leadership Competency, into our employees' development. Talent Development and Succession Plan are also critical to build a strong foundation for employees. In addition, our HR policy supports business plans through Functional Competency to fulfill staff competency needs of each Business Unit.

We have realized that human resource development is a long-term investment. To increase people potential, TMB has provided quality training programs which have been delivered by external experts and also by internal certified facilitators to ensure that our employees acquire and demonstrate the practical knowledge, skills and desirable attributes. We have also encouraged sharing knowledge both within and across functions.

TMB aims to develop employees at headquarters and all branches based on TMB Way, which is one of the Bank's core values. This is to ensure that our people live with integrity and work professionally to deliver the great experiences for customers and stakeholders and fulfill their needs in order to drive the sustainable growth of TMB.

● Human Resources Development with the Business Plan Alignment

Core and Leadership Competency Learning Roadmap After launching the development framework based on TMB Core, Leadership and Functional Competency, we have created TMB learning roadmap in 2014 to develop Core and Leadership Competency of our people. We customized training contents and topics to fit staff and management at all levels through analyzing key behaviors and skills required for TMB employees at different proficiency levels. Also, the development methods i.e. workshop, e-learning, coaching and self-study are carefully selected to ensure the quality and effectiveness of the development as the 70:20:10 Model.



In order to develop our executive to have a deeply understanding on “Focusing on Customer” which is one of TMB Culture, we have initiated the First Hand Day project which our executive of all levels have to meet with customer and understand their business needs, bring back to improve the bank internal work process. With this project, we ensure that our services and products will benefit to our customers based on their real needs.

Functional Expertise Enhancement. Not only the Core & Leadership Competency based training programs, TMB has also provided the essential functional training programs to our employees through classroom training and e-learning i.e. Credit Analysis, TMB product knowledge, crucial rules and regulations and banking & financial system to maximize their performance outcome and accuracy.

Process Improvement In order to align with the bank strategy on maximizing TMB resources for cost and quality control, TMB has applied Six Sigma and Lean concept to improve working process within the organization. The training program on process improvement is thus provided to all level of our employees to create awareness among them.

Operational Risk Management With the concern on the impact of operational risks on customers, TMB reputation and related parties, risk management is one of the aspects that TMB has seriously focused. We have then provided various risk related training programs i.e. Information Risk Management, Business Continuity Management and Incident Reporting to our people through TMB E-Learning system which our employees in all over the country can easily get access to study at any their convenience time.

For the training topics to be delivered through classroom training method and E-learning, we have placed them in the bank-wide training roadmap as the standard training to enhance sustainable learning atmosphere that encourages the development of core and leadership competency of our employees.

In summary, in 2014 TMB employees have spent 21 hours in average for self development through classroom training and 5 hours in average through e-learning. To align with TMB business direction, we will continue developing our employees to enhance their capability as the key resource for TMB business achievement.

CORPORATE GOVERNANCE

1. Corporate Governance Policy

The Board of Directors is well aware of the importance and benefits of good Corporate Governance and thereby set out the Corporate Governance Policy as written guideline since 2006. The Corporate Governance Policy has also been posted on the Bank's website for information of the Bank's employees and for public. The Board of Directors has ensured strict and on-going compliance by the employees.

In 2014, the Bank's Corporate Governance Policy has been revised to comply with the good corporate governance principles of SET-listed companies and international organizations, aiming at better management efficiency, integrity, absence of fraud and corruption, transparency and accountability so as to enhance confidence of shareholders, investors, stakeholders, society and all related parties.

The Board of Directors has put its best efforts in ensuring that the Bank's operation is in accordance with the Corporate Governance Policy. It is considered an important duty of the directors and employees to drive the Bank's business efficiency and effectiveness, create security, build public confidence in investment, and increase the business value for continuous and sustainable growth.

2. Board Committees

To achieve effective and efficient performance, the Board has appointed board committees to relieve its burden in monitoring or consideration of important businesses of the Bank. The board committees have the authority to make decision on behalf of the Board subject to the Board's delegation of authority.

The Board has determined the scope of duties and responsibilities of the board committees in accordance with their mission. The segregation of duty is clearly defined without duplication of work, as well as in compliance with the regulatory requirements. In addition, the board committees' meetings must be held on a regular basis to report their performance for the Board's acknowledgement.

The board committees comprise:

1. The Board of Executive Directors
2. Audit Committee
3. Nomination, Remuneration and Corporate Governance Committee
4. Risk Management Committee
5. Credit Committee

2.1 Board of Executive Directors

As of December 31, 2014, the Board of Executive Directors was composed of 4 members as follows:

Name	Position	Note	No of the meeting in attendance
Mr Philippe G.J.E.O. Damas	Chairman	Non Executive Director	15/15
Mr Pongpanu Svetarundra	Committee Member	Non Executive Director	13/15
Mr Vaughn Nigel Richtor	Committee Member	Non Executive Director	10/15
Mr Boontuck Wungcharoen	Committee Member	Executive Director (Chief Executive Officer)	14/15

Mr Agapol Na Songkhla is Secretary to the Board of Executive Directors.

The Board of Executive Directors' meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Board of Executive Directors.

The scope of responsibilities is as follows:

- To review business performance of the Bank in details on behalf of the Board.
 - Review and recommend annual budget and business plan of TMB including capital planning.
 - Conduct tracking of financial result and performance by business segment of TMB.
 - Oversee performance of subsidiaries.
- Review and recommend or approve large capital expenditure in relation to plan and strategy according to delegation of authority.
- Review and recommend new business models that are strategic for the Bank including equity participation.
- Monitor progress of transformation that build capabilities of the Bank for the future.
- Monitors progress of the branding and corporate communications programs
- Review the overall performance of the Chief Executive Committee and provide advice to management as appropriate on urgent or important issues and review the critical issues raised by the management and propose to the Board.
- Undertake such additional tasks as are related to and considered by the BoED to be necessary to achievement of the foregoing responsibilities or as may be assigned to it by the Board.

The delegation of authority and responsibilities of the Board of Executive Directors shall not be the delegation or sub-delegation that will allow for the Board of Executive Directors or the persons so authorized to approve any transactions that they themselves or their related parties (as defined in the SEC's notification or by other concerned authorities) have vested interest or conflicts of interest with the Bank or any of its subsidiaries, unless it is an approval of the transactions that is in accordance with the policies and regulations approved by the shareholders' meeting or the Board of Directors.

2.2 Audit Committee

As of December 31, 2014, the Audit Committee was comprised of 3 members whose qualifications must conform to the Securities and Exchange Commission's requirements as follows :

Name	Position	Note	No of the meeting in attendance
Mr Singha Nikornpun	Chairman	Independent Director	14/14
Mr Christopher John King	Committee Member	Independent Director	14/14
General Kamon Saenissara	Committee Member	Independent Director	13/14

Miss Thanawan Teekautamakorn is Secretary to the Audit Committee.

The Audit Committee's meeting is usually held once a month or as deemed necessary and instructed by the Chairman of the Audit Committee.

The scope of responsibilities is as follows:

- To review the Bank's financial statements to ensure accuracy and adequacy.
- To review and ensure that the Bank has suitable and efficient internal control system and internal audit, and reviewing to ascertain that internal audit function is independence. Hiring, transferring, removal and performance appraisal of Chief Internal Audit shall be concurred by Audit Committee.
- To review to ensure compliance with the laws and regulations imposed by the SEC, SET and other relevant regulators including compliance report prepared by the Bank's Compliance unit.

- To select, nominate and recommend remuneration of the Bank's external auditor by taking into account the credibility, adequacy of resources, experience and independence. The Audit Committee shall meet with the External Auditors without the members of the Executive Management being presented as often as it determines but at least once a year.
- To approve audit-related and other services engagements with the Bank's external auditor.
- To review connected transaction or transaction that may lead to conflict of interest to ensure transactions are conducted and disclosed in compliance with the law and regulation and that transactions are entered with reasonableness for the benefit to the Bank.
- To prepare audit committee report, signed by the chairman of the audit committee, and disclose it in an annual report of the Bank. The report should at least contain the following information;
 - The audit committee's opinion regarding the accuracy, completeness and integrity of the Bank's financial statements.
 - The audit committee's opinion regarding adequacy of the Bank's internal controls.
 - The audit committee's opinion regarding compliance to the applicable laws and regulations.
 - The audit committee's opinion regarding suitability of the Bank's External Auditor.
 - The audit committee's opinion regarding transaction that may lead to conflict of interest.
 - Number of the meeting held during the year and number of each member's attendance.
 - Overall opinion arisen from discharging of audit committee's duties according to the charter.
 - Other information, within the scope of the roles and responsibilities of audit committee, which is deemed to be necessary for shareholders and general investors
- To commence investigation without delay upon being informed by external auditor of suspicious circumstance and report SEC and external auditor the preliminary result within 30 days. The Committee also is to report to the Board of Directors so that the board can rectify the issues within the timeline specified by audit committee on the following findings or suspected transactions or actions:
 - Conflict of interest;
 - Fraud, possible fraud, or significant deficiency of internal control;
 - Breaching of the applicable laws and regulations.

In case where the Board of Directors or Executive Management failed to rectify the issues within the specified timeline, audit committee shall report such deed to the Bank of Thailand, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and disclose in the Bank's annual report.
- To review the appropriateness of corrective measures and actions taken by management in response to the reports or instructions from the Bank of Thailand, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and any other relevant regulators.
- To review the accuracy and reliability of the financial statements of the Bank's subsidiaries, and to review compliance with the policies, processes and standards set by the bank for its subsidiaries, including those related to internal controls and audit.
- To perform any other duties as delegated by the Board of Directors and agreed by the Audit Committee.
- To perform other duties as required by law.

2.3 Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2014, the Nomination, Remuneration and Corporate Governance Committee was comprised of 4 directors not holding executive position, namely:

Name	Position	Note	No of the meeting in attendance
Mr Rachane Potjanasuntorn	Chairman	Independent Director	15/15
Mr Philippe G.J.E.O. Damas	Committee Member	Non Executive Director	14/15
Mr Pongpanu Svetarundra	Committee Member	Non Executive Director	15/15
Mr Christopher John King	Committee Member	Independent Director	14/15

Mr Agapol Na Songkhla is secretary to the Nomination, Remuneration and Corporate Governance Committee.

The meeting of this Committee is usually held once a month or as deemed necessary and instructed by the Chairman of the Nomination, Remuneration and Corporate Governance Committee.

The scope of responsibilities is as follows:

Nomination

- Review and recommend to the Board policies, criteria and methods for the recruitment, selection and nomination of
 - Members of the Board
 - Members and chairpersons of each Board Committee of the Board
 - Representatives of the Bank as directors, chairpersons and chief executives of companies which are Subsidiaries or where the Bank is entitled to nominate one or more representatives as director
 - Senior Management
- Screen, shortlist and propose to the Board for nomination or appointment qualified candidates for the positions mentioned in 1 above.
- Recommend to the Board appropriate succession plans for Senior Management.
- Review and monitor the implementation and effectiveness of the policies, criteria, methods and plans referred to in 1 and 3 above and report thereon to the Board at least annually.

Remuneration

- Review the overall remuneration structures policies and practices of the Group, including those on benefits, performance evaluation, incentive awards and severance payments, to ensure they are consistent with the decisions of the Board and the Bank's culture, objectives, strategy and control environment, promote long term shareholder value, and take fair account of the roles, responsibilities, management of risk and performance of the individuals concerned, and of market benchmarks; and make recommendations to management and the Board as appropriate.
- Recommend to the Board (subject to further approval by the shareholders where required) the amount of actual remuneration and benefits of members of the Board and of Board Committees.
- Approve (or in the case of the CEO of the Bank recommend to the Board for approval) the actual remuneration and benefits, including any incentive award or severance payment, of Senior Management.

Corporate Governance

1. Review and where appropriate recommend to the Board changes to applicable policies, codes, rules and guidelines to ensure the highest standards of good corporate governance and ethics in line with best international practice, and supervise, monitor and report to the Board at least annually on the implementation and effectiveness thereof.
2. Recommend to the Board the appropriate size and composition of the Board and Board Committees, and the mandates of each Board Committee.
3. Recommend to the Board policies criteria and methods for the periodic evaluation of the performance of the Board and Board Committees, implement the same and report the results to the Board.

Other Responsibilities

1. Undertake such additional tasks as are related to and considered by the NRCC to be necessary to achievement of the foregoing responsibilities or as may be assigned to it by the Board
2. Make such reports and disclosures on its work to the Board, regulators, shareholders and the public as are required by applicable regulations or deemed appropriate in the interests of good governance.

2.4 Risk Management Committee

As of December 31, 2014, the Risk Management Committee was comprised of 4 members as follows:

Name	Position	Note	No of the meeting in attendance
Ms Swee-Im Ung	Chairperson	Non Executive Director	12/13
Mr Rachane Potjanasuntorn	Committee Member	Independent Director	12/13
Mr Boontuck Wungcharoen	Committee Member	Executive Director (Chief Executive Officer)	10/13
Mr Jan Henri Van Wellen	Committee Member	Management (Chief Risk Officer)	12/13

Miss Oranuj Tantimedh is Secretary to the Risk Management Committee.

The meeting of this Committee is usually held on a monthly basis or as deemed necessary and instructed by the Chairperson of the Risk Management Committee.

The scope of responsibilities is as follows:

- To propose to the Board a policy for overall risk management, including major risks such as credit risks, market risks, liquidity risks, operational risks, strategic and reputational risks, etc.
 - To advise the Board on its risk appetite, tolerance and strategy for the Bank and its business units.
 - To recommend the risk and concentration levels for approval by the Board, in alignment with the Board's risk appetite.
 - To approve significant policies and framework that govern the management of risks, including risk governance matters, and which have been delegated to RMC by the Board.

- To formulate strategies that are consistent with the risk management policy and which can assess, monitor, and ensure that the financial institution's risks are at appropriate levels.
 - To approve the supplemental risk limits as defined in the relevant policies and frameworks.
 - To review the adequacy of the Bank's risk management policy and systems, and the effectiveness of policy and systems implementation in terms of identifying, measuring, aggregating, controlling and reporting these risks.
 - To review and monitor all risks and risk management practices, including internal control and compliance processes and systems.
- To approve the appointment, review of committee structure and composition, and roles and duties of the management – level risk management committees.
- To report the risk management performance and all risk management matters and measures to the Board, and to the Audit Committee for any improvements needed to ensure the effectiveness of the policy implementation.
- To advise on the development and maintenance of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact of their actions on the Bank and its business units.
- To advise on the alignment of compensation structures in relation to the management of risk, within the Board's risk appetite.

2.5 Credit Committee

As of December 31, 2014, the Credit Committee was composed of 4 members as follows:

Name	Position	Note	No of the meeting in attendance
Mr Pongpanu Svetarundra	Chairman	Non Executive Director	16/16
Ms Swee-Im Ung	Committee Member	Non Executive Director	12/16
Mr Boontuck Wungcharoen	Committee Member	Executive Director (Chief Executive Officer)	14/16
Mr Jan Henri Van Wellen	Committee Member	Management (Chief Risk Officer)	14/16

Mr Sunthorn Ruckpanich is Secretary to the Credit Committee.

The Credit Committee's meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Credit Committee.

The scope of responsibilities is as follows:

- To approve followings which exceed the management's approval authority
 - Credits
 - Credit restructuring
 - NPL write-off
 - NPA acquisition, NPA sales and NPA write-off
- To review specific credit proposals prior to submission to the Board for approval.
- To review the credit decisions of the most senior executive credit committees.
- To approve credit and related risks for transactional investments or underwriting commitments which exceed the management's approval authority.

2.6 Other committees/working groups

The Board or the Board Committees will appoint committees/working groups in management level for supporting the Board or Board Committee to perform duty under scope and responsibility approved by the Board or Board Committee.

Committees are as follows:

Policy issues : 7 main committees

1. Chief Executive Committee (CEC)

The CEC is to operate long term strategy of the Bank and conduct regular review of progress in achieving its goals. To propose the Annual Business Plan, Annual Budget, Capital Budget, Headcount Plan to the Board for consideration and approval and control headcount against headcount plan, to consider and approve investment, main projects of the Bank, branding, advertising, corporate communication, and measures to deal with crisis situations. In addition, the CEC is to consider strategic plan of subsidiaries and review their performance.

2. Asset and Liability Management Committee (ALCO)

The ALCO is to define and decide on the formulation and execution of asset and liability management policies and to endorse / approve for all matters relating to the asset and liability management of the Bank. In addition, The ALCO is to define the policies regarding liquidity risk management, market risk management, balance sheet management, and market risk economic capital management.

3. Risk Policy Committee (RPC)

The RPC is to assess the integrity and adequacy of the credit management of the Bank, to review and endorse or approve the Bank's credit risk policies, framework, guidelines, credit underwriting guidelines and standards, and credit criteria of products within the delegated authority.

4. Credit Underwriting Committee (CUC)

The CUC is to consider, recommend, and approve for all matters relating to credit risk and issuer risk and approve credit within delegated authority, to endorses credit that exceed approval authority to the Credit Committee for consideration. In addition, the CUC is able to sub-delegation and power to sign to related person.

5. Credit Restructuring Committee (CRC)

The CRC is to approve credit restructuring in management level, to consider and approve for all matters relating to credit risk, investment risk, The CRC is to review status and plan for all matters relating to credit restructuring, nursing period and write off.

6. Operational Risk Management Committee (ORC)

The ORC is to oversee develop tools and techniques for risk identification, approve operational risk minimum standard and guidelines, set targets for key risk indicators, initiate action on reported incidents or events and approval new products.

7. Corporate Social Responsibility Committee (CSR)

The CSR is to advise and endorse policy and framework regarding Bank innovative Corporate Social Responsibility (CSR) initiatives, endorse the development of strategic CSR initiatives prior to submit to the relevant committees for endorsement or approval as indicated in delegation of authority. In addition, to ensure the success of initiatives.

Information technology

IT and Work Process Development Committee (IT Steering Committee)

The IT Steering Committee is to endorse IT Strategic Plan and Blueprint to ensure proper alignment with corporate plan, to be informed and updated of the Bank and Market crucial banking technology.

Human resources:

Human Resource Committee (HRC)

The HRC is to consider and approve the framework governing the Bank's human resources management policy, compensation standards, rules and regulations, succession plan, performance review, salary adjustment, bonus and incentive award of employees at below Group Head . The HRC is to approve the governance structure of job grading and function title or any issues under HR transformation and also to approve the Bank's human resource development structure and corporate culture.

Health and safety:

Safety, Occupational Health and Work Environment Committee

To consider policy and plan on workplace safety and safety outside works ; organize projects encouraging and supporting safety-related activities; and investigate regulations and manuals on safety, occupational health and working environment to be in line with Ministerial official laws.

Energy Management:

Energy Management Working Group

To manage energy conservation program to be in line with the Ministerial regulations and the energy conservation policies and procedures of the bank. To arrange training programs or activities with an aim to raise staff consciousness in this regards.

3. Recruitment and Appointment of Directors and Top Executive Officers

3.1 Independent Director and Director Nomination

● **Independent Director**

The Bank has been aware that independent directors take a vital role in safeguarding the interests of the Bank and the minor shareholders. To enhance independence of the Board of Directors and manage conflicts of interest pursuant to the regulatory criteria and the corporate governance principles, the Board has formulated criteria for nomination of independent directors from professionals of diversified fields with proper qualifications and experience who can deliver independent opinions and have fairness in the performance of duty. The Nomination, Remuneration and Corporate Governance Committee shall make preliminary consideration of the nomination of independent directors before submission to the Board meeting or the shareholders' meeting (as the case may be) for appointment thereof. The basic qualifications of an independent director shall be as defined by the Bank which more stringent than that under the criteria set by the Capital Market Supervisory Board.

Qualification of Independent Directors

- Not hold shares in excess of 0.5 percent of total voting shares of the Bank, or the Bank's parent company, subsidiary, associated company, major shareholder, or any person with controlling power over the Bank, whilst the number of shares held by any related person of that independent director must also be counted.
- Not be and have not been a director participating in management role, an employee, an officer, an advisor who receives regular salary, or a person having controlling power over the Bank, the Bank's parent company, subsidiary, associated company, subsidiary at the same level, or major shareholder, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

- Not be a person having relationship either through bloodline or legal registration as the father, mother, spouse, sibling and child, as well as the spouse of a child of an executive, major shareholder, a person having controlling power, or a person to be nominated as the executive or that who has controlling power over the Bank or its subsidiary.
- Have no or have had no any business relationship with the Bank or its parent company, subsidiary, associated company, major shareholder, or person having controlling power over the Bank, in a manner that may prevent his/her due and independent use of discretion. The independent director shall not be and have not been a shareholder in material respect or a person who has controlling power over the person with business relationship with the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power over the Bank, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

Business relationship in the above paragraph shall cover any ordinary course of business or trade for business engagement purpose, property rent, transaction relevant to asset or service, giving or receiving financial assistance in form of loan or guarantee, offering assets as collateral, and any other similar conduct, which causes the Bank or its counterparty to be liable for debt settlement to another party in an amount equivalent to 3 percent or more of the net tangible assets of the Bank or twenty million baht or more, whichever is lower. The calculation of the said debt shall accord with the calculation of a connected transaction prescribed in the Capital Market Supervisory Board's notification regarding criteria on connected transactions *mutatis mutandis*. However, consideration of the said debt shall include the debt incurred during the one-year period prior to the date on which such business relationship takes place.

- Not be and have not been an auditor of the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person having controlling power, a partner of an auditing firm for which the auditor of the Bank, or that of its parent company, subsidiary, major shareholder, or a person with controlling power over the Bank has been working, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.
- Not be and have not been a professional advisor, including legal or financial advisor, who obtains fee more than two million baht a year from the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person with controlling power, or a partner of such professional service provider, unless the independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.
- Not be a director who has been appointed as a representative of the Bank's director, the major shareholder, or the shareholder related to the Bank's major shareholder.
- Not engage in the business of the same nature as or competing with that of the Bank or its subsidiary. The independent director shall not be a partner in material respect in a partnership, or director participating in management role, an employee, officer, or advisor obtaining regular salary, or a shareholder holding more than one percent of total voting shares of any other company which engages in the business of the same nature as or competing with that of the Bank or its subsidiary.
- Not have any characteristics that prevent the director from giving independent opinions on the Bank's operations.

• Member of the Board of Directors

The Board of Directors has put in place a definite and transparent director nomination policy and process. the Nomination, Remuneration and Corporate Governance Committee is responsible for the selection, screening, and nomination of qualified persons to the Board of Directors for consideration before proposing to the shareholders' meeting for further election as directors of the Bank. Apart from the qualifications prescribed in the Bank's Articles of Association and the appropriate personal qualifications, the persons nominated must be competent, knowledgeable and experienced in business operations with the possession of leadership skills, visionary and strategic ideas that can lead the Bank to a strong and sustainable growth and must be able to dedicate their time for the optimum benefits of the Bank.

In case of vacancy due to the resignation of a director before finishing the term, the Board of Directors shall appoint a person to fill the vacant position through the nomination made by the Nomination, Remuneration and Corporate Governance Committee. The said new director shall hold office only for the remaining term of office of the director whom he/she has replaced.

The shareholders are allowed to vote for the election of directors by individual. This voting use the majority votes of the shareholders who attend the meeting and have voting rights.

- **Member of the Board Committee**

For recruitment of board committees' members, the Nomination, Remuneration and Corporate Governance Committee shall consider and endorse the nominees before submission for approval and appointment by the Board of Directors. The selection is based on the expertise specifically required for each particular board committee. Members of the board committees shall have professional skills, specific experience, and free from conflict of interest. In addition, each committee shall have the composition and qualifications as prescribed by the regulatory criteria.

3.2 Recruitment of Top Executive Officers

In the appointment process of the executive officers at "Head of" and/or and Executive Vice President level and higher, the Nomination, Remuneration and Corporate Governance Committee is responsible for selecting and screening qualified persons from both internal and external sources as defined by TMB's rules and regulations. The nominated persons will be proposed for approval from the Board of Directors and others as required to comply with laws and regulations of government authorities related to financial service business.

Regarding the appointment process of the executive officers at "Team Head" level and lower, the Management shall consider, select and appoint qualified persons as deemed appropriate.

In this regard, the recruitment process to fill the position of the executive officer who will soon complete a specific term of office shall be made at least 6 months in advance.

4. Subsidiaries Supervision

The Bank has determine the management and control structure of the subsidiaries in aspect of generating strategic plan and nominating representative directors to jointly manage the subsidiaries and reorganize to take responsibility of the subsidiaries as appropriate.

4.1 Mechanism for Supervision

The Bank has mechanism to supervise subsidiaries for controlling the operation of subsidiaries in which to keep benefit covering investment, The Board of Directors has determined "Consolidated Supervision Policy", which includes policies as follows

- **Financial Reporting Policy**

To determine the accounting and financial report policy for the Bank to collect related information from the subsidiaries for generating consolidated financial report correctly, in the same direction and in compliance with the Bank of Thailand's rule and regulation and analyzing performance and financial status of the subsidiaries correctly and promptly for controlling and following.

- **Risk Management Policy**

To determine the risk management policy of the subsidiaries covering various aspects of risk relating to companies' performance that are market risk management, liquidity risk management, credit risk management and operational risk management impacting the stability of the subsidiaries.

- **Corporate Governance Policy**

To determine the policy for the subsidiaries to conduct under business ethic and the morality and the best practices are concerning in good corporate governance and best practices which should be in line with Good Corporate Governance Policy.

- **Anti-Corruption Policy**

To determine the policy for the subsidiaries to conduct under the Bank's Anti-Corruption Policy and relevant policy of the bank.

- Compliance Policy

To determine the policy for the subsidiaries to conduct under Compliance Policy and relevant Regulatory Policy such as Regulatory Compliance, Related Parties or Connected Persons Policy, Bank of Thailand's Regulatory Compliance and Know your Customer and Anti-Money Laundering.

- Corporate Communication Policy

To determine the policy for the subsidiaries to conduct in the same way and promote Bank image in aspect of name and brand and disclose information of the subsidiaries.

- Audit Policy

To determine the roles of Audit unit and the Audit Committee's oversight role in conjunction with the roles of the Bank management and external auditor on auditing, controlling and monitoring the subsidiaries. The ultimate objective is to ensure sound control culture and good governance throughout the subsidiaries.

4.2 Representative Director Appointment

The objective is to manage and control the subsidiaries carefully under policy TMB sets guideline of representative director appointment as follows:

- The Bank nominates directors by proportion of the Bank's share holding.
- Chairman of the Board must be appointed by the Bank's Board of Directors.
- Managing Director or Chief Executive Officer's nomination must be endorsed by the Bank's Board of Directors. The nomination of Managing Director of all companies in Solo Consolidation Group must be approved by the Bank of Thailand.
- Chief supervising the subsidiaries companies proposes the Bank's executives as representative directors by:
 - Propose to the Board of Directors (BoD) the appointment of new representative directors through Chief Executive Committee (CEC), and Nomination, Remuneration and Corporate Governance Committee (NRCC) respectively or other guidelines that will be set up by the Board of Directors in the future.
 - Propose to the CEC the re-appointment of the existing representative directors.
- The Bank may consider appointing outside expert to be a director as appropriate.
- In case there are more than one Bank's representative directors in the subsidiaries, the Bank may nominate a Lead Director who are position Executive Vice President (EVP) up on to gather and propose information and performance for each company.
- The person who is appointed to be a representative director could be appointed as managing director or authorized director or others. However, such person must not be appointed in aforementioned positions in more than 3 business groups.
- Bank's representative director has no conflict of interest with the Company to which the Bank will send the representative director.

4.3 Duty of Representative Directors

- All representative directors shall not receive any remuneration in terms of cash and non-cash for being representative directors.
- Attend all Board meetings to determine Bank Policy and strategy to drive and transmit the policy form the Bank
- Supervise the operation of the subsidiaries to be compliance with Bank's policies, plans, rule and regulation efficiently and effectively, as well as ensure no Conflict of Interest issue.
- Propose policy, strategy, performance and opinion to the Bank.
- Report performance of the subsidiaries or any material change that may have an impact on the Bank such as capital increase/decrease of the subsidiaries, business sale and purchase/merging, change in financial status, change in business group or change in rules/regulatory bodies/ specific laws of each business.
- Monitor and protect all benefits of the Bank.
- Other duty as specified by the Bank.

4.4 Transactions that requires approval by the Bank before Voting in the subsidiaries' Board Meetings

- Policy and strategy that will significantly impact on going business operation or nature of business.
- Increase or decrease of registered capital.
- Approvals of dividend payout.
- Investment or divestiture of other business which subsidiary holds more than 10% of paid-up capital.
- Selling of core asset.
- Entering into business contract/agreement that is worth more than 15% of net tangible asset (NTA).
- Liquidation/ Debt Moratorium /Bankruptcy.
- Transactions related to TMB and connected persons to the company following Compliance Policy.
- Borrowing transaction over 15% of NTA and Letter of Guarantee to third party with transaction over 15% of NTA.
- Change of image, business format or brand.
- Other matters that have significant impacts on TMB's business and the liability for representative directors.

5. Control on use of inside information

5.1 Policy and procedure on insider information

The bank is aware of the importance of monitoring the use of inside information, especially non-public information that may impact its share price. As such, the bank has assigned Financial Reporting and Tax Department to be the only unit responsible for submitting the financial statements and all financial reports to the SET and the SEC after undergoing a correctness and completeness review by the Audit Committee and the Board of Directors respectively to make sure The bank's inside information is not prematurely disclosed to the public.

Additionally, to ensure the control of inside information usage complies with relevant laws and regulations and also good corporate governance principles, The bank has specified policy on Confidential & Insider Information and Conflicts of Interest to ensure that the confidential information is efficiently and effectively managed.

The bank has accordingly issued Policy, Regulations and Guidelines to prevent its staff with potential access to inside information from exploiting such information for personal benefits and/or the others' benefits before the information is disclosed to the public by setting a black-out period prohibiting staff, who has right or opportunity to access the inside information by nature of their job function / responsibility, from trading on The bank's financial instruments until insider information is disclosed to the public. Compliance Group is responsible for assisting Management with the implementation, enforcement and updating of the aforementioned policy and regulations and also provides for appropriate monitoring mechanism to ensure compliance with the policy as well as relevant laws and regulations.

5.2 Penalty measures

The Bank's punishment for the use of inside information accords with the provisions of the Securities and Exchange Act B.E. 2535 and all other relevant rules and regulations of the authorities. It has also imposed punishment for employees' disciplinary misconduct regarding business code of conduct and ethics to ensure the management and the staff perform duties with transparency and based on professional code of conduct and treat all stakeholders fairly.

6. Auditor's remuneration

6.1 Audit fees

The Bank and its subsidiaries paid audit fees to:

- The Bank's auditor in the previous accounting year amounting to THB11,428,000.
- The respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year amounting to THB495,000.

6.2 Non-audit fees

The Bank and its subsidiaries paid fees for non-audit services i.e. special audit required by BOT's regulation, review summation of gross profit margin on foreign exchange transactions and foreign money, information technology review on electronic fund transfer system, review financial information for debt issuance, review financial information required by Risk Sharing Agreement and Credit Risk Model validation to:

- The Bank's auditor in the previous accounting year amounting to THB2,060,000 and will pay in the future due to incomplete work in the previous accounting year totaling amount of THB2,850,000.
- The respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year amounting to THB550,000.

7. Other Corporate Governance Practices

The Bank continuously adheres to the Corporate Governance Policy to ensure that the Bank's management system is efficient, free from corruption, transparent and accountable so as to build trust and confidence among its shareholders, investors, stakeholders, society and all related parties.

In 2014, the Bank implemented Corporate Governance guidelines in accordance with the good corporate governance principles of listed companies prescribed by the SET and international standard. The summary is as follows:

7.1 Rights of shareholders

The Bank places importance on protection of the rights of the shareholders and encourages the shareholders to fully exercise their rights. This covers the shareholders' basic rights, i.e. sale/purchase or transfer of shares, business profit sharing, receipt of relevant and adequate information of the Bank. The shareholders are also encouraged to exercise their rights to attend the shareholders' meeting and vote on appointment or discharge of directors, appointment of auditor and on other issues affecting the Bank such as dividend allocation, capital increase/decrease, approval of connected transactions, and determination or adjustment of Articles of Association and Memorandum of Association, etc. In this regard, the Bank shall not commit any conduct infringing or undermining shareholders' rights.

Annual General Meeting of Shareholders

The Bank has policy to encourage all groups of shareholders including minority shareholders, institutional shareholders, and foreign shareholders to attend the annual general meeting of shareholders. In 2014, the Annual General Meeting of Shareholders was held on Friday, April 11, 2014, at the Auditorium, 7th Floor, TMB Head Office, 3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok. The date, time and venue of the Annual General Meeting of Shareholders were set taking into account mainly the convenience of the shareholders. The meeting procedures conformed to the good corporate governance principles as summarized below:

- **Before the Meeting Date**

For the 2014 Annual General Meeting of Shareholders, the shareholders were informed of the date and agenda of the meeting via SET's communication system on February 20, 2014 or 50 days prior to the meeting date. The Bank also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Bank's website (www.tmbbank.com) in the section "Investor Relations" under the title of "Annual General Meeting of Shareholders" on March 7, 2014 or 35 days prior to the meeting date to enable the shareholders to have sufficient time to study the information. The Bank also assigned its registrar, Thailand Securities Depository Co., Ltd. (TSD), to deliver the said documents in printed copies to the shareholders 22 days before the meeting date, which was longer than the legal requirement.

The invitation letter contained objectives and rationale as well as the opinions of the Board of Directors on each agenda item, accompanied by complete and sufficient details of each item for consideration. The shareholders were clearly informed which item would be for consideration and which one for acknowledgement. Moreover, in the invitation letter, the shareholders were informed of the details regarding necessary evidence documents to be brought to the meeting as well as meeting procedure, voting rules with a CD-Rom of the Bank's annual report (the shareholders can request for the annual report in printed form) and other relevant information attached thereto. In addition, the invitation letter was also published in the newspaper for 3 consecutive days in accordance with the law.

A proxy form was also enclosed to allow the shareholders to appoint any independent directors or other persons as their proxies in case they could not attend the meeting.

For convenience of registration, the Bank coordinated with institutional investors on preparation of proxy prior to the meeting date

- **On the Meeting Date**

The meeting was carried out with transparency, fairness, and equitable treatment of all shareholders. Appropriate registration procedure was prepared by the Bank, with facilities provided by Bank staff, classified by type of attendees, i.e. shareholders attending in person and proxies attending on shareholders' behalf. The barcode system was used to ensure rapid and accurate registration procedure. Voting card was available for each attendee to vote on each item of the agenda. Moreover, the Bank also provided shuttle bus service at various spots and sufficient parking space to serve the shareholders.

In 2014, the Annual General Meeting of Shareholders was attended by a total of 3,617 shareholders and proxies holding an aggregate number of 30,314,098,102 shares which accounted for 69.52 % of the total issued and paid-up shares, and by 10 directors. The Chairman of the Board of Directors served as Chairman of the meeting, and Chairman of each board committee including the Executive Board of Directors, the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, and the Risk Management Committee were present to clarify and answer questions of relevant issues. The Chief Executive Officer and Chiefs were also present at the meeting.

Before starting the meeting, the Chairman assigned the Company Secretary to clearly inform the meeting of the voting and counting methods. For more convenience of foreign shareholders, a simultaneous English translation was provided by the Bank's staff. In this regard, the shareholders' rights to study the Bank's information memorandum would not be undermined, such as no abrupt distribution of additional document with key information during the meeting, no addition of new items on the agenda or change in the key information without prior notice to the shareholders, no prohibition of meeting attendance of late attendees, and so on.

During the meeting, the Chairman proceeded with the meeting in order of the items on the agenda. The Chairman also encouraged the shareholders to cast votes and raise questions and comments. Importance was given to all the recommendations or comments made by the shareholders, with all questions comprehensively clarified and all useful suggestions brought into account.

The vote casting and vote counting were undertaken openly and transparently. Weerawong, Chinnavat and Peangpanor Ltd., external legal consultant represented by Miss Sawita Petawan, and volunteers for shareholders, namely Mr Perasak Sittipitak and Mr Sittisak Wilaikij, were invited to be inspectors of the voting method, collection of ballots, counting and the voting results on all agenda items. The Company Secretary announced the voting result of all agenda items.

In addition, assessment forms of shareholders' meeting were disseminated to gather feedback and comments from the shareholders to improve and develop future shareholders' meetings for more efficiency and to maximize benefits for the shareholders.

The meeting minutes and detailed votes on all items, as well as essence of shareholders' inquiries, clarifications of the Board of Directors & CEO and resolutions were recorded completely and accurately by the Company Secretary.

- **After the Meeting**

After the meeting, resolutions of the meeting were disclosed via the SET system on Friday 11 April 2014, at 19.16 hrs. with voting details, i.e. approved, disapproved and abstain, of each agenda item. Minutes of the meeting which contained complete details including attendance record of the directors, clarification on key items, summary of questions, answers and comments during the meeting were submitted to the SET and related agencies within 14 days after the meeting date, and posted on the Bank's website (www.tmbbank.com), both Thai and English version, for verification by the shareholders. The Bank also arranged systematic filing for the minutes of the shareholders' meeting.

Furthermore, the Bank provided a video recording of the meeting in DVD format for the shareholders who could not attend the meeting, the notice of which was posted on the Bank's website. Interested shareholders can contact the Bank for details.

7.2 Equitable Treatment of Shareholders

The Bank places importance on and assures all shareholders of their rights to fair and equitable treatment, i.e. major shareholders, minority shareholders, institutional investors, and foreign shareholders. All shareholders are treated with fairness and equality as summarized below:

Rights to purchase, sale, or transfer the Bank's shares

Thailand Securities Depository Co., Ltd. (TSD) has been appointed as the Bank's registrar to facilitate all services for all transactions related to registration of the Bank's shares, namely sale/purchase or transfer of shares.

Rights to profit sharing

The Bank allocates profit to its shareholders in form of dividend payment, taking into account sustainable long-term growth built upon the Bank's full potential and capability. The dividend payment is also in line with the capital adequacy, reserve allocation and conditions of relevant laws.

Rights to regularly and timely obtain adequate information on business performance

The Bank ensures that the shareholders are provided with complete news and information apart from those disclosed via the SET's communication system. All significant and updated information are posted on the Bank's website (www.tmbbank.com).

Rights to attend the shareholders' meeting

All shareholders have equitable right to attend the meeting. Opportunity is opened to those who are unable to attend the meeting in person to appoint proxies to attend at the meeting on their behalf. The Bank has arranged to have available for appointment as proxies its independent directors who do not have interests in the business on the agenda.

Right to vote at the shareholders' meeting

At each meeting of shareholders, the Bank specifies that the rights to vote shall be accordance with the amount of shares held by the shareholders, with one share equivalent to one vote. The vote counting will be carried out openly and accurately. The majority votes will be considered as the resolution except for special resolutions of certain cases set forth by the laws requiring the votes of at least three-fourths of the votes of all the shareholders attending the meeting and having the rights to vote. With regards to the voting method, the shareholders can vote to agree, not agree, or abstain from on each agenda in the voting card. The Bank collects the voting cards from the shareholders on every agenda item that needs to be voted for resolution. The barcode system is used for vote counting to facilitate fast and accurate process. The Bank will notify the shareholders of the voting result on every item once the counting is finished, divided into approval votes, dissenting votes and abstentions, as well as invalid ballots. The resolutions of the meeting according to the voting result on each item will be recorded in writing and all ballots will be kept for further examination.

Right to propose agenda item and nominate persons to be elected as directors

The Bank allows the shareholders to propose agenda items and nominate persons to be elected as directors in advance. The shareholders must comply with criteria specified by the Bank. At the 2014 Annual General Meeting of Shareholders, the Bank allowed the minority shareholders to propose agenda items and nominate persons to be elected as directors 3 months in advance prior to the ending date of the fiscal year or from October 1 onwards. Details, procedures and methods of the proposal and nomination were provided on the Bank's website (www.tmbbank.com) in "Investor Relations" section under the title of "Proposal of Meeting Agenda and Nomination of Directors in Advance"

Right to appoint directors individually and determine directors' remuneration

At every Annual General Meeting of Shareholders, one-third of the total number of the directors of the Bank shall retire. The Bank has set an agenda item concerning election of the Bank's directors. The shareholders are allowed to vote for election of individual directors. The shareholders have the right to choose the person (s) that they deem having proper qualifications to perform duties as directors so as to safeguard the shareholders' interests. This will enable the Bank to have directors from diversified fields to represent the shareholders.

In addition, the shareholders have the rights to consider and approve the directors' remuneration. Adequate information on directors' remuneration is also provided to support the shareholders' consideration.

Right to appoint Auditors and determine audit fees

At every Annual General Meeting of Shareholders, the Bank has set an agenda on appointment of the Bank's auditors and consideration of the audit fees. The Bank also provides sufficient details of the proposed auditors and audit fees for consideration of the shareholders.

7.3 Role of Stakeholders

The Bank places importance on the rights of all stakeholders including shareholders, employees, customers, business partners, creditors, competitor, investors, government authorities, and the society and environment. The Bank sets clear guidelines covering rights and interest of all stakeholders, and provides channels for the stakeholders to send opinion, suggestion, or complaint to the Bank. In 2014, the Bank laid down relevant policies for all stakeholders as follows:

Policy for Shareholders

The Bank has policy to protect interest of shareholders and equitable treatment of all shareholders including major shareholders, minority shareholders, institutional investors and foreign shareholders, e.g. right to attend and vote at the shareholders' meeting, right to express their opinion independently at the shareholders' meeting, right to propose agenda items and nominate persons to be elected as directors in advance, right to profit sharing, and right to completely, transparently, regularly and timely obtain adequate information on business performance.

The Bank's guidelines for shareholders

(See more details in "Rights of Shareholders" and "Equitable Treatment of Shareholders".)

Policy for Employees

The Bank has policy to support and develop employees' capability to optimize their performance. The employment is fair and appropriate for all employees to ensure career advancement opportunities with returns that reflect their ability. Consideration of employment, promotion, rotation, and punishment of employees are based on fair treatment. Employees' opinions are welcome. Team work is supported. Employees are treated politely and their individuality is respected.

The Bank's guidelines for employees

The Bank shall provide good benefits and favorable work environment by determining occupational health and safety standard and assure comprehensive well-being of all employees. For instance, nurse(s) are stationed at the infirmary everyday at the Bank's office building and doctor is available for treatment of ill employees. The Bank also provides medical treatment welfare for employees (in case of out-patient) who are treated at government and private hospitals. The employees are entitled to the annual medical treatment fee according to their level. Annual health check-up and provident fund (employee's choice) to secure their career as well as group life insurance, group health insurance (in case of accident), personal accident insurance, and health and accident insurance while traveling for the Bank's business are also provided. The Bank offers loans to help alleviate employees' difficulties, i.e. staff welfare loans, etc.

In addition, the Bank continuously develops employees' capability by offering development programs for all levels of employees on a regular basis, including internal and external training courses as well as e-learning.

Details about the Bank's guidelines for employees are provided under "Employee Compensation", "Human Resources Development" and "Measures for Employee Security".

Policy for Customers

The Bank has policy to apply customer centricity strategy in its business operations to provide the customers with diversified services and products that can well respond to their needs and to create maximum customer satisfaction.

The Bank's guidelines for customers

The Bank emphasizes on application of technologies to enhance its service efficiency and product design for customers. These technologies enable the Bank to render 24-hours service everyday under stable, safe, and flexible systems, e.g. Internet Banking, Mobile Banking, Phone Banking, and SMS Notification which allow customers to make financial transactions via the internet and fixed telephone system anytime anywhere. This serves the lifestyle of customers today and in the future.

The Banks has developed its products and services, i.e. "One Touch", the new account opening process using an innovative "ID Card Reader" system which only requires the use of a smart ID card, with no need for filling in personal data. The Bank's customers can also apply for the use of Internet Banking and Mobile Banking services at one time without filling in the form again. Another service "No Slip" is a form-free deposit, withdrawal and cash transfer service. Customers can simply express their wishes to make transactions and sign. The 'Say & Sign' service model has provided convenience and gained highest satisfaction among the customers.

In addition, the Bank has in place the work unit in charge of providing consultation on products, services, solutions to problems, and receiving customer complaints. This assures the customers of the Bank's confidentiality policy and that their information is treated as strictly confidential without disclosure or misuse for personal benefits.

Policy for Business Partners

The Bank has policy to conduct business with partners as good business alliance for mutual benefits. To select business partners, the Bank has strictly complied with the criteria to ensure transparent and corruption-free partnership in procurement, employment, leasing and hire purchase process. Qualified business partners are included in the Vendor List and price comparison is carried out before any procurement, employment, leasing and hire purchase.

The Bank's guidelines for business partners:

The Bank has set out guidelines for employees responsible for procurement, employment, leasing and hire purchase as follows:

1. Procurement officers and those related to procurement process shall perform duty impartially, honestly, independently and transparently regarding contact and coordination with suppliers.
2. Procurement officers and relevant persons, including their direct family members, who have direct or indirect vested interest with procurement and employment, for example, employee, director, partner or advisor of the sale company, shall not participate in considering the specific procurement whether there is remuneration or not.
3. Procurement officers and relevant persons, including their direct family members, shall not obtain any personal gain of commission, fee or token of appreciation from suppliers.
4. In case of receiving presents and/or gifts, procurement officers and relevant persons, including their direct family members, shall comply with the regulation on "Accepting Gifts"
5. Procurement officers and relevant persons, including their direct family members, should not be the one borrowing from or lending to the existing suppliers or suppliers who are making an offer to the Bank.
6. Procurement officers and persons related to procurement shall not disclose names of the persons selecting supplier, price, offer or technical information of procurement apart from public information of the selection team to those not being directly responsible or other suppliers to prevent non-transparent supplier selection and to provide fair treatment to all suppliers making price proposal to the Bank.

Policy for Creditors

The Bank has policy to honor and strictly conform to conditions with creditors. Loan and interest repayments are completely and timely made to all creditors. Loan conditions are rigorously complied with and no misuse of the loans is allowed.

The Bank's guidelines for creditors:

The Bank shall operate business based on its full potential and capability to build creditors' confidence in the Bank's good financial status and debt service capacity. Complete and accurate information shall also be reported to the creditors.

Policy for Competitors

The Bank has policy to conduct business based on fair and free competition with honesty and integrity and rejection of corruption in all its forms, and not to damage, sabotage, destroy or restrict the business of the competitors.

The Bank's guidelines for competitors:

The Bank shall not engage in any dishonest or inappropriate action in order to obtain the competitors' confidential information and shall refrain from attacking the competitors' reputation with false allegations.

Policy for Investors

The Bank shall disclose correct, complete and sufficient information for investors' decision in a timely and appropriate manner.

The Bank's guidelines for investors:

(See more details in "Disclosure and Transparency".)

Policy for Government Agencies

The Bank has policy to conduct its business to ensure strict compliance with the laws, rules and regulations and relevant regulatory requirements, as well as to provide good cooperation to the regulators such as to comply with the national anti-corruption law, etc.

Policy on Social and Environmental Responsibility

The Bank operates its business based on Corporate Social Responsibility (CSR) principles, supporting various activities to promote sustainable quality development of the society and environment. The Bank also builds good relationships with the communities in which the Bank operates, and allocates budget from its income to implement CSR activities according to the policy.

The Bank's guidelines on Corporate Social Responsibility:

(See more details in "Corporate Social Responsibility".)

Policy on Compliance with International Human Rights Principle

The Bank places importance on equality of all employees and shall not commit any conduct that violates human rights, including discrimination on grounds of the difference in origin, race, language, age, education, institution, gender, disability, physical or health condition, personal status, economic or social standing. These practical policies have been specified in the Code of Conduct of the Bank.

Policy on Non-Violation Against Intellectual Property Rights or Copyrights

The Bank operates its business without violating or exploiting copyrighted works or intellectual property, unless legal permission is granted by the copyright owners. The Bank has specified the policy on usage of information technology system and software program of the employee shall be inspected to prevent any usage of piracy software and software which is unrelated to work.

The Bank's guidelines on non-violation against intellectual property rights or copyrights:

In aspect of information technology, system development, procurement of IT program and equipments, the Bank complies with the Copyright Act and supports the legal protection of the Department of Intellectual Property. The Bank also welcomes inspection by the copyright owner. In addition, the Bank ensures that the employees do not, either in part or whole, copy, modify or publicize the copy or original material. Programs which are not licensed to the Bank/ .exe file/ songs/ games/ and other links to automatic installation are prohibited.

Anti-Fraud, Anti-corruption, and Anti-Bribery Policy

The Bank emphasizes on prevention and suppression of fraud, bribery, and corruption within the Bank. The Bank sets out policies, standards and procedures with strict measures for fraud and corruption detection in order to reduce fraud and corruption-related losses and to enhance efficiency and effectiveness in fraud prevention and suppression within the Bank.

The Bank provides preventive measures prohibiting an outsider to use the Bank to commit illegal actions as well as measures protecting persons who deny corruption or make complaints on fraud, corruption, and bribe, such as Anti Fraud Policy, Anti-Corruption Policy and TMB Bank Minimum Standard- Anti-Money Laundering/Combating of Financing Terrorism (ALM/CFT), etc.

In addition, the Bank places importance on anti-bribery for the Bank's business benefits or anti-bribery in any business agreement with government and private organizations. The Bank also determines Gift, Entertainment & Anti Bribery Policy for use as guideline by the employees.

(See more details in "Anti-Corruption".)

Policy on Whistle Blowing or Complaints

The Bank has whistle blowing policy and guideline for employees' complaints to ensure that all stakeholders are able to communicate, report, or complain about improper actions such as violations of laws and regulations, misconduct and unethical behaviors, embezzlement, frauds, and corruption.

The Bank provides channels to enable the stakeholders to report or make complaints either in writing or through the Bank's website. Policies and procedures are in place to ensure that the complaints will be forwarded to the concerned work units for quick investigation and correction. The whistleblowers will be notified of the Bank's action.

In addition, the Bank has measures to protect whistleblowers from harassment, harm, penalty, demotion or threats from the whistle blowing.

Policy on Management of Conflict of Interest

The Bank imposes strict measures on management of conflict of interest or related transaction or connected transaction. The transactions that may pose a conflict of interest are performed in accordance with the rules and regulations of the related agencies. These transactions are treated in the same manner as those made with the outsiders (an arm's length basis) and the stakeholders shall not participate in the approval process.

The Bank has policy on transactions with persons having conflict of interest for employees in order to treat such transactions with fairness, transparency and in accordance with the relevant regulatory requirement. The Bank also discloses accurate and complete information on such transactions in Form 56-1 and annual report.

Furthermore, at the Board of Directors' meeting, directors shall inform the Board of their conflict of interest before consideration of such particular agenda item. Such conflicts of interest shall be minuted by Secretary to the Board. The director with conflict of interest shall also abstain from participating in the discussion of such particular agenda item.

Policy on Protection of Inside Information

The Bank provides policy and measures to prevent abuse of inside information for personal benefits. Use of confidential information of the Bank or customers for business operation to compete with the Bank or the customers, exploitation of authority for one's own benefits as well as trading of the Bank securities within 15 days prior to disclosure of either Bank's financial performance or any other information that may affect securities' price are prohibited.

The Bank requires that the directors, Chief Executive Officer, Chiefs, Senior Executive Vice President, Executive Vice President or Heads (or equivalent), and Team Heads (or equivalent), in Finance Control, Financial Planning and Analysis, Balance Sheet Management, and other persons defined by Chief Financial Officer shall disclose and report to the Securities and Exchange Commission (SEC) the Bank-issued securities held by them, their spouses and minor children, as well as any changes thereof, such as sale, purchase, transfer or acceptance of transfer of those securities within 3 business days from the transaction date.

In addition, a monthly report on the Bank-issued securities held by directors, management, their spouses, and minor children is prepared for the Board of Directors' acknowledgement. The Bank also provides report on the interest of the management, their spouses, and minor children, and submits it to the Chairman of the Audit Committee and Chairman of the Board of Directors on a quarterly basis. In addition, the Bank prepares a summary report on any changes of Bank-issued securities held by directors, management, their spouses, and minor children and discloses such information in the annual report.

Policy on Internal Control

The Bank sets out internal control policy for both managing and operational levels and puts in place the efficient, appropriate and adequate internal control systems with regular assessment. The Audit Committee of which all members are the Independent Directors is assigned to oversee the internal control system. The Audit Department, which directly reports to the Audit Committee, has duty to audit performance of all units such as accounting, finance, management to ensure that the operations are in accordance with the related rules, regulations and laws as well as the annual audit plan, and that the benefits of the Bank and the stakeholders are best protected.

Business Ethics and Code of Conduct

The Board of Directors realizes that good practice enables the Bank to conserve and uplift its honor and reputation. The Business Ethics and Code of Conduct are thus prepared as guidelines for the directors, executives and employees. The strict compliance which is reflected in their daily work will enhance reliability and trust among the stakeholders.

7.4 Disclosure and Transparency

Disclosure

The Bank's financial and non-financial information relevant to the business and operating results are disclosed correctly, completely, sufficiently and timely, which reflects its actual business operation and financial status. All stakeholders have equal access to the information. The significant information is disclosed to the public in accordance with the criteria and regulations concerning the disclosure of information of the SET and SEC, and the good corporate governance principles such as to submit the financial report to the SET and SEC within the specified timeframe. The Bank's financial statements did not contain any transactions to which the auditor had qualified opinion. The financial statements have never been revised under the order of the SET and SEC. In addition, the Bank performs Management Discussion and Analysis (MD&A) on a quarterly basis and discloses such information on the Bank's website to inform the investors and enable them to better understand changes in the Bank's financial position and operating results in each quarter. The Bank also discloses remuneration for the directors and executives in Form 56-1 as well as annual report, and the shareholding of the Bank's securities by the directors and executives in Form 56-1.

Investor Relations

The Bank places importance on management of investor relations, both institutional and individual investors, domestic and overseas, taking into account the quality, correctness, completeness, transparency, adequacy and timeliness of information disclosed to investors, securities analysts, etc. The Bank's management team arranges meetings with investors and securities analysts on a regular basis to present the quarter and annual operating results of the Bank. The management team also attends seminars with the investors and securities analysts, domestic and overseas. This is to build their confidence in the Bank's performance and establish long-term relationship.

The Bank has established Investor Relations unit to correspond and communicate with investors, securities analytics, etc. as well as to provide them with accurate and complete information of the Bank, both financial and general information, in a timely manner and in accordance with the relevant laws or regulations. This is to support the decision-making, create confidence and enhance good image of the Bank. The Bank's Investor Relations could be contacted at Floor 28, TMB Head Office Tel. 02-299-1178 Fax. 02-299-1211, E-mail address: investor.rel@tmbbank.com or Website: <http://www.tmbbank.com>. Shareholder Services can be contacted at Floor 28, TMB Head Office Tel. 02-299-2769 Fax. 02-299-2758.

In 2014, the Bank provided information to analysts and investors regularly as summarized in the table below:

Types of meeting	Number of times	Number of companies	Number of persons
One-on-one meeting	37	41	77
Group analyst and Investor Meeting	13	147	191
Non-deal Roadshow	5	43	69
Total	55	231	337

The Bank's website

At present, disclosure of information on the website is a fast and convenient way that allows easy and equitable access to information by shareholders and the public. The Bank therefore provides information about the Bank on the its website (www.tmbbank.com) in both languages, Thai and English, in addition to those disclosed in the annual report and Form 56-1. The information is also downloadable.

The Board of Directors' Responsibility for Financial Report

The Board of Directors is responsible for the Bank's financial statements. The financial statements have been prepared in accordance with the generally accepted accounting standards with appropriate accounting policies applied on a conservative and consistent basis. Judgment and estimates where required have been applied with careful and reasonable considerations, with adequate material information disclosures made available in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unqualified opinions.

The Board has adopted and maintained and appropriate and effective risk management, internal control, and compliance systems to assure that the financial records are accurate, complete and adequate for maintenance of the Bank's assets. These controls also serve as preventive measures against any significant operational risk of the Bank. The Board of Directors has appointed and the Audit Committee of which all members are independent directors to take charge of the quality of Bank's financial reporting, internal control systems as well as complete, sufficient and appropriate disclosure of connected transactions. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Report. The Bank also includes the Board of Directors' responsibility for financial report in the Annual Report.

7.5 Responsibilities of the Board of Directors**Board of Directors' structure**

The Bank requires that the Board of Directors' structure has diversity of necessary experiences, professional skills, expertise and gender. The Board shall contain proper composition of members according to the resolution of annual general meeting. The Board shall also establish a clear scope of responsibilities with balance of management power without allowing any person or group of persons to have unlimited power.

Composition of the Board of Directors

The Board shall comprise non-executive directors, executive directors and independent directors. The independent directors shall have at least the number set by the Capital Market Supervisory Board. Each independent director must have qualifications as prescribed by the Bank which are more stringent than the criteria set by the Capital Market Supervisory Board.

The Board of Directors consists of 12 directors who have experience, professional skill, and expertise in diversified fields as follows:

- 4 Independent Directors (one-third of the total number of directors)
- 7 Non-Executive Directors
- 1 Executive Director

The shareholders can be assured that the directors as representatives of the shareholders could perform their duty independently and there is appropriate balance of power.

Board Meeting

The Board meeting shall be held at least once a month. In an urgent case, the Board may arrange a special meeting as deemed necessary. The meeting date shall be scheduled in advance so that the Board members are able to plan the attendance of every meeting. The meeting agenda shall be endorsed by the Chief Executive Officer and approved by the Board Chairman.

The Bank sends the meeting documents and invitation letter to directors at least 5 business days in advance so that the directors will have sufficient time to study and consider in advance the information to support their decision making on each agenda. The directors can additionally request necessary information regarding the meeting agenda from the management. The average length of the meeting is approximately 3 hours. The Chairman shall declare the meeting open and proceed with the business on the agenda. The time shall be adequately allocated for the management to present the information and for the Board members to make careful consideration before decision making. The voting of each agenda, the Board almost pass unanimously. The Chairman shall summarize issues as the meeting resolution. Directors who have conflict of interest on that agenda shall leave the meeting and shall have no right to vote.

The Board Secretary is responsible for preparation of written minutes of the meeting, arrangement of systematic filing for inspection and submission of the minutes to the government agencies within the specified period. See more detail in "Board of Directors' meeting".

Non-Executive Directors and Independent Directors' Meeting

Non-executive directors and independent directors shall arrange meeting without presence of the executive directors to consider and discuss important issues.

Independent Directors' Meeting

The Bank provide the Independent Directors with opportunities to call meeting among themselves as deemed necessary to discuss issues of common interest without attendance of the management.

Segregation of Duties and Balance of Power of Non-Executive Directors

Chairman of the Board of Directors, and Chief Executive Officer shall not be the same person to prevent any person or group of persons to have unlimited power and to ensure balance of power. The Chairman of the Board of Directors shall not serve in any position of the committees. In addition, member of the Board (except the executive directors) shall not be the Bank's staff and shall not involve in normal daily management activities of the Bank.

Terms of Directorship

The terms of directorship shall be in accordance with Clause 17 of the Bank's Article of Association which states that at each annual general shareholders' meeting, at least one third of the directors shall retire. Should the total number of directors cannot be divided exactly by 3, the number of directors closest to the 1/3 ratio shall apply. Retiring directors may be re-elected.

Role Assumption of Directorship in Other Companies

To ensure that the directors have adequate time to perform their duties for the Bank, the Board limits directors from assuming a position in other companies as per regulations of the SET, the SEC and the Bank of Thailand, taking into account the effectiveness of the directors assuming position in companies. Details are as follows:

1. A director of the Bank may assume directorship in not more than 5 listed companies.
2. Directors of the Bank are able to assume a position or several positions, including chairman of the board, executive director, or an authorized signatory director in other companies in not more than 3 business groups. A company that is not a part of a business group shall be treated as one business group.
3. Directors shall disclose the information regarding assumption of directorship in other companies to the Bank as per regulatory requirements and the Bank's regulation.

Assumption of Position in Other Companies by Chief Executive Officer

The Chief Executive Officer of the Bank shall perform full-time duties for the Bank. An assumption by the Chief Executive Officer of any position in other companies or organization shall require approval by the Board.

Roles and Responsibilities of Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible as the leader of the Board of Directors, to act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting to ensure that the meeting is effectively and efficiently achieved and to have a casting vote in case the Board of Directors' meeting has a tie vote.

Roles and Responsibilities of Chief Executive Officer

The Chief Executive Officer's principal duties are to implement the Bank's strategies and ensure the smooth functioning of the Bank according to the policies set by the Board. The Chief Executive Officer has ultimate responsibility for the performance of the Bank.

Board of Directors

The Board of Directors plays a vital part in determining the Bank's vision & mission, and both short-term and long-term strategies in line with the economic condition and competition in the financial market. In the last financial year, the Board of Directors reviewed strategies regularly so that the strategies are practicable, flexible and adjustable to match the complicated and fast changing financial business. Additionally, the Board of Directors regularly monitors the management's performance to ensure that the established plan is effectively, efficiently and transparently achieved. (See more details in "Board of Directors".)

Board Committees

(See more details in "Board Committee", page 80)

Company Secretary

(See more details in "Company Secretary", page 69)

Directors' Remuneration

(See more details in "Directors' Remuneration", page 71)

Directors' Performance Assessment

The NRCC has arranged assessment of directors' performance to reflect their performance efficiency and problems and obstacles during the year, and will send the assessment form to all directors.

Assessment's criteria

The criteria for assessment covers various areas including Structure of the Board, Board meeting, the Board's performance of duties, Relationship with management, Self-development of directors, and Roles and responsibilities of the Board.

Assessment's Process

The self-assessment is undertaken in three tiers as follows:

1. Assessment of the whole Board of Directors' performance
2. Assessment of the performance of each board committee (i.e. Board of Executive Directors, Audit Committee, NRCC, Risk Management Committee and Credit Committee)
3. Self-assessment of individual Board member

Assessment's Method

1. The self-assessment of the Board of Directors shall be made by all Board members.
2. The self-assessment of the board committees shall be made by all members of the board committees, member of the Board (by volunteer) and the Bank's executives who take position in the board committees on an individual committee basis.
3. The self-assessment of individual board members shall be made by all board members.
4. The Board Secretary and secretary of each committee shall also join in the assessment.

Enhancement of Directors' Performance

New Director Orientation

The Bank provides an orientation for new directors whenever there is a change of director. Director's manual, documents and useful information are provided in order to prepare the new directors in performing his/her duty. In this regard, the Company Secretary shall have the following responsibilities:

- To provide the Bank's Information such as the Bank's history, important official documents, major shareholders, vision and mission, financial statements, business structure, management structure, term of directorship, directors' remuneration, etc.
- To provide information on the regulations and best practices for directors, e.g. rules and regulations for directors of related regulatory agencies, the Bank's policies and practices for directors, do's and don'ts for Bank directors, director fiduciary duty checklist, directors & officers liability & corporate reimbursement insurance.
- To arrange meeting with the Bank's executives to enquire in-depth information about business operation of the Bank.

Director Training

The Bank encourage the directors to participate in training courses to expand their knowledge especially the Director Accreditation Program (DAP) and Director Certification Program (DCP) arranged by the Thai Institute of Directors (IOD) or other programs relevant to director's roles and responsibilities or the Bank's business operations. This aims at enhancing directors' skills and competency, and the Bank will be responsible for all expenses.

Currently, 6 of the existing directors had joined DCP program and 4 director joined DAP program. Furthermore, the Bank also provides internal training for directors to enhance knowledge about to the Bank's business and director's responsibilities.

Foreign directors who do not reside in Thailand have joined overseas training course which is equivalent to the program of IOD. The Bank also encourages them to attend training courses of IOD.

In 2014, the directors have attended the additional training courses as follows:

Directors	Training Courses
Mr Singha Nikornpun	1. Director Certification Program Update 2. Role of the Chairman Program 3. Advanced Audit Committee Program 4. Anti-Corruption for Executive Program
Mr Rachane Potjanasuntorn	Director Accreditation Program
General Kamon Saenissara	Anti-Corruption for Executive Program

Executive Succession Plan

The Bank determines that the executive succession plan is a key composition for the strategic human resource planning in connection with the vision, mission and business goal. The succession plan is put in place for the Chief Executive Officer level and subsequent management levels so as to ensure that the executive succession is carried out smoothly and the operations of the Bank can continue in a timely manner.

OTHER RELATED INFORMATION AND EFFECTING FACTORS

Related transaction

Transactions with related parties which occurred during the years

Related party disclosures, which comprised of definitions and characteristics of relationship, pricing policy, significant agreements with related parties, senior management personnel compensation, other benefits payable to the directors and executives, transactions with related parties which occurred during the years and outstanding balances with related parties, were disclosed in notes to financial statements for the year ended December 31, 2014.

Measures or Procedures to approve the making of related transactions

The Board of Directors arranged to have the regulation on any transaction having or considered having possible conflict of interest in order to ensure such transactions are treated correctly and completely according to the BoT's, the SEC's and the SET's regulations on credit transactions, investment, incurrence of commitments or credit-like transactions, including other transactions, for example, asset lending and leasing, property lending and leasing, procurement, entering into any service agreement, asset buying or selling, etc.

The consideration of the transactions that may involve conflict of interest or the connected transactions or the related transactions has been made stringently in accordance with the regulatory regulations and international standards. These transactions have been treated the same as those made with outside parties (Arm-Length Basis). Stakeholders in any transaction shall not participate in the consideration and approval of such transaction. The information is disclosed transparently under corporate governance practice.

Persons who may have conflicts of interest to hold more than a 5% of stake in subsidiary company or associated company instead of direct shareholding by the Bank

The Bank has not allowed any person who may have a conflicts of interest to hold more than a 5% of stake in subsidiary company or associated company on its behalf.

Legal Disputes

1. Legal disputes in which TMB is defendant

As of December 31, 2014, TMB Bank Plc. (TMB) or its subsidiary was involved in one case of legal dispute, which is not yet finalized. This could negatively affect TMB's assets in an amount of higher than 5% of its shareholders' equity as per financial statements, ending December 31, 2014. Details of the case are summarized as follows:

Legal dispute between Luang Bumrung Limited Partnership and TMB

On August 7, 2000, Luang Bumrung Limited Partnership ("LBP") which is a juristic person registered with the Ministry of Commerce, with a registered capital of THB 5 million, was the plaintiff bringing a lawsuit to the Southern Bangkok Civil Court against DBS Thai Danu Bank Plc. ("DTDB") (which has now merged with TMB, hence all of the rights and obligations has been transferred to TMB) as the 1st defendant together with 16 directors with regards to the violation of guarantee agreement, and claimed for compensation of about THB 140.261 billion. The court accepted only the claim against DTDB and dismissed the claim against all the directors.

Pursuant to the claim by LBP, LBP had contacted and entered into agreement with Bangchak Petroleum Plc. (BCP) regarding oil purchase. DTDB, Ladprao Branch, by Mrs. Panee Boonnak (Mrs. Panee), is claimed to have issued a letter of guarantee (L/G) to LBP to guarantee the trading of oil with BCP in an amount of up to THB 200 million. Later, BCP informed LBP that an account for the trading of oil with LBP could not be opened as, upon examination of the L/G, DTDB was not the issuer of the L/G. DTDB then requested to have the L/G returned to be used in bringing a criminal case against its staff. LBP deems that DTDB's denial of being the issuer of the L/G is considered as a violation of the agreement with LBP and has caused damage to LBP.

DTDB defended the case that the L/G was fraudulently issued. Mrs. Panee, DTDB's Assistant Branch Manager, issued the L/G upon LBP's request without the due authorization of DTDB. Furthermore, as regards the case which DTDB together with the public prosecutor were plaintiffs bringing a criminal case against Mrs. Panee, the final judgment was passed and the court ruled that the L/G was a forgery. Therefore, in informing BCP that DTDB was not the issuer of the L/G, DTDB could not be deemed as having violated the agreement and did not do any harm to LBP.

On December 29, 2004, the Southern Bangkok Civil Court passed a judgment for the red case no. 10000/2547 that the L/G used by LBP in the litigation was the L/G fraudulently issued by Mrs. Panee without the due authorization of DTDB. Moreover, the final judgment already passed for the case which DTDB together with the public prosecutor were plaintiffs bringing a criminal case against Mrs. Panee regarding the issue of the L/G. The criminal court ruled that such L/G was a forgery and that DTDB was not the issuer of the L/G to LBP. Therefore, DTDB did not have to be liable for the L/G. The Southern Bangkok Civil Court, in this regard, dismissed the claim.

On March 15, 2005, LBP appealed this judgment to the Appellate Court, and on August 31, 2005, TMB defended the case. The Appellate Court, on May 14, 2010, decided to uphold the earlier judgment (Case Dismissal).

Later, on August 16, 2011, LBP submitted the case further to the Supreme Court, including making motion requesting to sue in forma pauperis (court fees waived). TMB defended the case and its motion on October 20, 2010. On November 15, 2010 the Court dismissed the motion to sue by court fees waived and ordered LBP to pay the Supreme Court Fee within 15 days from the hearing date of dismissal order. LBP further submitted the appeal motion. The Court's hearing date on July 2, 2013, however, upheld dismissal of the motion and ordered LBP to fulfill court fees payment within 15 days from the date of acknowledgement order so as to continue the case. LBP made request to extend the period for court fee payment. LBP completed the full payment on September 27, 2013. Then, the Court's summons was served to TMB in November 2013 notifying TMB to make defense in the stage of the Supreme Court. TMB submitted case defense on February 28, 2014,

In this respect, TMB's Management deems that the appeal submitted by LBP in the Supreme Court has little merit and is unlikely to succeed; therefore, TMB will not have to be liable for this case.

2. Legal disputes in which TMB is plaintiff

Apart from the above case, TMB is still engaged in another case of legal dispute in which TMB is plaintiff. In this regard, TMB deems it suitable to inform the investors of the matter. Details of the case are summarized as follows:

Legal dispute between TMB and Thai Asset Management Corporation (TAMC)

On April 2, 2007, TMB brought a lawsuit to the civil court against Thai Asset Management Corporation (TAMC) and Financial Institution Development Fund (FIDF) as the 1st and 2nd defendants respectively with regards to the violation of promissory notes and aval, claiming for compensation of about THB 7.196 billion.

Pursuant to the case that DTDB and the Industrial Finance Corporation of Thailand (IFCT) entered into asset transfer agreements with TAMC. Later, following TMB's merger with DTDB and IFCT, all of the rights and obligations under these asset transfer agreements were transferred to TMB.

Later, TAMC sent a letter requesting downward adjustment of the NPA transfer price comprising machinery and/ or other assets pledged as guarantee on the basis that machinery and/ or other assets pledged as guarantee were not legally perfected. TMB did not consent to this request and sent a letter contradicting such downward adjustment. On July 20, 2006, TAMC informed TMB to return three promissory notes totaling about THB 6.525 billion to TAMC, as TAMC would like to adjust the amount and redeem the notes via a partial payment. In this respect, TAMC agreed to issue and deliver new promissory notes with aval provided by FIDF to TMB. Therefore, TMB returned the promissory notes to TAMC. However, TAMC did not comply with the agreement, i.e. TAMC would not issue and deliver new promissory notes with aval provided by FIDF to TMB.

Moreover, on November 14, 2006, TAMC did not make debt repayment of about THB 520 million to TMB, refused to make a partial payment and revoked one promissory note with aval provided by FIDF for the partial payment of the transfer price of the NPAs.

On April 2, 2007, therefore, TMB initiated legal proceedings against TAMC and FIDF to the Civil Court to seek the following relief from the Court. Details are summarized as follows:

1. TAMC to issue a promissory note of about THB 4.432 billion avaled by FIDF with a maturity date on December 31, 2012 and with interest to be payable on the last business day of every year to TMB which is entitled to the payment. If TAMC and FIDF fail to do this, they are required to jointly pay such amount plus interest from the date of the court filing.
2. TAMC to issue a promissory note of about THB 2.027 billion avaled by FIDF with a maturity date on October 31, 2011 and with interest to be payable on the last business day of every year to TMB which is entitled to the payment. If TAMC and FIDF fail to do this, they are required to jointly pay such amount plus interest from the date of the court filing.
3. TAMC to issue a promissory note of about THB 12 million avaled by FIDF with a maturity date on February 28, 2013 and with interest to be payable on the last business day of every year to TMB which is entitled to the payment. If TAMC and FIDF fail to do this, they are required to jointly pay such amount plus interest from the date of the court filing.
4. TAMC and FIDF to jointly pay about THB 520 million plus interest calculated from the average deposit interest rate until the date of the court filing amounting to about THB 15 million, hence a total amount of about THB 535 million plus interest from the date of the court filing onwards.

On April 27, 2010, the Civil Court passed a judgment for the red case no. 1681/2553 that TAMC to issue 3 (three) Promissory Notes. The first note amount THB 4,431,879,337.93 with a maturity date on December 31, 2012. The second one amount THB 2,027,134,274.65 with a maturity date on October 31, 2011 and, the third one amount THB 12,002,000 with a maturity date on February 28, 2013. All ones shall be honored at the issuer bank with interest, to be payable on the last business day of every year, at rate quarterly calculation from the arithmetic mean of the average deposit nterest rate weighted on all kind of deposit accounts (including currency account) only in Thai Baht provided by Bangkok Bank PLC, Krung Thai Bank PLC, Kasikorn Bank PLC, Thai Commercial Bank PLC and Bank of Ayudhya PLC. They shall be avaled by FIDF and delivered to TMB entitling as payee. FIDF and TAMC shall be mutual responsibly for the judicial fees incurred and the lawyer fee amount THB 200,000. Other filing claims apart from the judgment are dismissed.

The aforesaid judgment has dismissed the filing claim no. 4 mentioned hereinabove on the basis that TMB has not right to filing this claim since, on the filing date (April 2, 2007), the Promissory Note of THB 520 million being hold by TMB is not honored yet due to its maturity date on February 14, 2013.

TMB appealed case on August 23, 2010. Both FIDF and TAMC made their appeal file on September 21, 2010 as well. On February 4, 2014, the Appellate Court reversed the earlier judgment and made decision to dismiss the case. On 30 April 2014, TMB submitted the case into consideration of the Supreme Court and awaited the final judgment.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

TMB prioritizes the value of Corporate Social Responsibility (CSR) and is working effortlessly to operate in alignment with sustainability development principles by supporting in many projects and activities that aim to enhance the quality of society in various aspects, together with appropriately monitor the results for further development.

In addition, The Bank has Corporate Responsibilities unit under Corporate Communication for CSR activities and sustainability development. The unit takes responsibility on ensuring the continuous of activities and projects that are targeted to improve quality of life for the communities, as well as sustainable development of the society. The Bank's employees and other stakeholders are persuaded to voluntarily join these projects to drive these projects to accomplish the goals (Please referred to "After Process CSR").

1. Policy and Direction towards Social Responsibility

The Bank has clear strategy to operate under the principles of social and economic responsibility. The Bank's policy toward key stakeholders can be highlighted as follows.

Shareholders and Investors

The Bank is committed to contribute to sustainable economic growth, and willing to use The Bank's core capabilities at fullest potentials to yield the best performance. This is to enhance the Bank's value in terms of both share price appreciation and attractive dividend payment.

The Bank is also committed to disclose correct, complete, and sufficient information regarding Bank's operation and future prospects, in order to enable investors' understanding, as well as support the decision making in a timely manner.

In addition, the Bank has a comprehensive Risk Management policy, which complies with international standards covering multiple risk aspects to ensure clear and transparent operations. The Bank's investors can be assured that the Bank's does not involve in businesses that are conflicted with international ethic principles.

Customers

Customer Centricity is a core business philosophy that the Bank has embedded in all aspects of business operations. This enables the Bank to best offer the customers with diversified services and products that can well respond to their needs, enhance maximum customer satisfaction, and maintain strong customer relationships.

TMB is committed to "Make THE Difference" brand. The Bank offers innovative financial products and services possibility to the market that truly focus on the benefits to the customers. The Bank has cultivated good working attitude for the employees in order to create the best experience for the Bank's customers under the following practices.

1. Acknowledge and understand the customers' needs
2. Understand products, services and our own responsibility in order to provide the best experiences to the customers
3. Provide quick and convenient services beyond the customers' expectation
4. Be ready to challenge things for the highest benefits of the customers
5. Protect the customers' benefits as if they are our own benefits

Employees

The Bank aware that employees are the most valuable resources and important factor for the Bank's success. All employees are supported and developed to have the highest ability in performing work. The employment conditions are fair and appropriate for all employees to have career advancement opportunities, while remunerations reflect their abilities. Employees' opinions are always welcome, and The Bank regularly seeks feedback from our employees and makes improvements based on their suggestions. The Bank ensures good benefit and good work environment with occupational safety standard and takes an interest in every employee's well-being, as the well-being of the employee is the foundation of company's success. Employees are treated with politeness, and their individualities are respected. The consideration of employment, promotion and rotation of employees are based on fair treatment and utilization of human resources for the Bank's optimum benefits.

The Bank has built up an organization culture, the TMB WAY, which is a significant foundation to help all employees fully unleash their work potential. It encourages the employees to have working attitude in the same direction to further drive the Bank to the goal. TMB WAY comprises Customer Centricity, Open Communications, High Performance, Risk Management and Integrity.

Moreover, the Bank is committed to Human Resource policies, which continuously reinforce the Bank to be the organization that can attract and maintain the quality employees; the Bank strives to be a great place to work for. The essential components include Clear Career, Performance Recognition, Best Development and "Make THE Difference" culture.

Business Partners

The Bank realizes the importance of cooperation with business partner in long-term and sustainable way for strong business alliances. The Bank has clear policies for practices to business partner; for example, procurement of goods and services, employment, leasing and hire purchase. The practices have been orderly and strictly complied to, in order to ensure fair treatment, transparency, audit ability, and mutual ultimate benefits in terms of quality, price, terms and conditions of services and products.

Creditors

The Bank has a policy to strictly honor and comply with conditions of creditors. Loan and interest payments are monitored to ensure complete and timely payment to all creditors. Loan utilization is rigorously complied with loan objective whereby any violation of loan agreement is prohibited. In addition, the Bank operates business in the way to build up creditability from strong financial position and concrete debt service ability as well as reports the complete and accurate information to creditors.

Competitors

TMB's operation is based on free competitive environment while the Bank has strong adherence to business morale and honesty, without any intention to sabotage or obstruct business of the competitors. In addition, the Bank takes active role in cooperation with other financial institutions in order to enhance the efficiency of entire commercial banks and strengthen Thai financial market.

Government Agencies

The Bank strictly conducts its business in compliance with laws, rules, regulations and relevant regulatory required by government with the willingness to maintain good collaboration with the regulators.

Moreover, the Bank is determined to promote fraud protection and anti-corruption, as it is a subject of strong importance to the country. Accordingly, TMB has clear policy statements and initiatives of Anti-Fraud and Anti-Corruption that are in line with international standards such as compliance with Thai Law relevant to Collective Anti-Corruption.

The Bank's practices to all stakeholders can be summarized under 8 core principles as follows.

(1) Fair Trade Practice

TMB emphasizes on policy of transparent in business operations, which include business administration and dealings in order to build strong trust and confidence to all stakeholders. The Bank has good management in dealing with confidential trading information and has implemented policy and procedures that will ensure fair trade practices.

(2) Anti-Fraud and Anti-Corruption

The Bank places importance on prevention and suppression of fraud within the Bank. The Anti-Fraud Policy with strict measures for fraud detection is stipulated in order to reduce losses that are occurred from fraudulent events. The relevant policies, standards and procedures have been determined to enhance efficiency and effectiveness in fraud prevention and suppression within the Bank. This includes the Bank's measures to prevent outsiders to use the Bank as means to commit illegal actions. For Example;

- 2.1 Defining and assigning roles and responsibilities with respect to combating against fraud
- 2.2 Defining measures and controls to increase fraud prevention and fraud detection
- 2.3 Creating a network of anti-fraud specialists to assist the Bank entities in integrating and coordinating their anti-fraud activities
- 2.4 Defining measures in order to embed anti-fraud into the Bank entire operating units
- 2.5 Defining measures to create awareness of risk arisen from fraudulent events to management and staff and also defining clear statement of the Bank's expectation.

In addition, The Bank places importance on anti-bribery for the Bank's benefit or anti-bribery in business dealing with government and private organization.

(3) Human Rights

The Bank places importance on treating all employees equally. The Bank shall not commit any action that might be considered as violation of human rights from discrimination against individual based on the difference in place of origin, race, language, age, education, institution, gender, disability, physical or health condition, personal status, and economic or social status.

(4) Fair Labor Treatment

The Bank treats its employees fairly, with policy to develop capabilities and skills of the Bank's employees. Employee relation management is in place. The policy of fair compensations and benefits are implemented. Furthermore, the Bank fully supports to the establishment of employee's clubs and activities in order to promote quality working-environment.

(5) Responsibility to Customers

Customer Centricity policy allows the Bank to focus and able to serve the customers with high quality financial products and services that met our customers' needs. In addition, the Bank is committed to provide services that are convenient to customers, as well as, facilitation of accurate information. TMB strongly emphasizes on in-depth understanding of the difficulties and inconveniences that the customers are facing, which include the cross-relationship of each customer segments, in order to innovate the products and services that response to those problems.

(6) Community and Social Development

The Bank supports the activities of employee's community and family in order to improve their life's quality beyond work life, for instance, by promoting social activities of the employee's clubs. In addition, TMB also has the policy implementation to set working standards that ensure the safe workplace environment.

(7) Environmental Management

TMB undertakes the role in environmental preservation through credit underwriting policy, which is an instrument to prevent environmental impact that may arise from customers' businesses. The Bank also supports the customers to improve the efficiency of their business operations by taking natural resource consumption into account. Moreover, the Bank has a policy for management of the Bank's premises that aligns with the United Nation Global Compact (UNGC) principles such as, managing TMB Office building in an environmental friendly and efficient way.

(8) Innovations and Distribution of Innovations

The Bank stipulates the policy in introducing new products and services to the customers. Those products and services aim to serve customers needs as well as have the environmental friendly attributes.

The policy towards TMB's stakeholders and 8 principles mentioned above can be summarized in table as follows.

8 Core Principles /Stakeholders	Fair Trade Practice	Anti-Corruption	Human Rights	Fair Labor Treatment	Responsibility to customer	Community and social development	Environmental management	Innovation and Distribution of Innovation
Shareholders	●	●			●	●		
Customers	●	●			●		●	●
Employees		●	●	●		●	●	●
Business partners	●	●		●				
Creditors	●							
Competitors	●							
Investors	●	●						
Government Agencies		●						

2. Sustainability Report

This Sustainability Report is a part of TMB's Annual Report 2014 that contains the disclosure of the Bank's operations related to Corporate Social Responsibility (CSR) and Environmental Management during the period of 1 January – 31 December 2014. The report is based on SEC's Guideline for Corporate Social Responsibility 2014.

The contents of the report are contributed by different operating functions in the Bank namely; Corporate Governance, Human Resources, Legal, Risk Management, Compliance, and Corporate Social Responsibility.

3. Policy Implementation

The policy implementation for corporate social responsibility is part of the Bank's daily business operations. The Bank adheres to 8 principles of CSR which can be described as follows.

3.1 Fair Trade Practice

The Bank operates under the righteousness and ethical policies through the delivering of financial products and services that are both beneficial and efficient to our customers, and at the same time, against the involvement of unethical businesses.

The Bank also operates under the transparency and traceability principles as governed by suitable audit structure and policy approved by the Bank's Board of Directors that complies with standard practices. In addition to good corporate governance, the Bank also has implemented standard practices for annual credit review together with debt restructuring review in order to ensure the fairness is embedded in the business and to earn the trust of stakeholders.

Regarding the procurement process, the Bank has regulated the Seller/Contractor to provide covenants and assure that there is no violation of patent or copyright of any third party from the production of goods/service. In case of such violation, the Seller/Contractor shall be solely liable for all indemnification to the said third party or the Bank including penalty, charge or any expenses. In addition, the Seller/Contractor is responsible for delivering of goods/service as committed in purchase order/purchase requisition in a timely manner. To build transparency, the Bank has stipulated procurement guidelines with detail as follows.

1. Procurement officers and those related to procurement process shall perform their duty with fairness, honesty, independence and transparency in contact and coordination with the suppliers.
2. Procurement officers and relevant persons, including their direct family members, who have direct or indirect vested interest with procurement and employment, for example, employee, director, partner or advisor of the sale company, shall not participate in considering the specific procurement whether there is remuneration or not.
3. Procurement officers and relevant persons, including their direct family members, shall not obtain any personal benefits from commission, fee or token of appreciation from suppliers.
4. In case of receiving presents and/or gifts, procurement officers and relevant persons, including their direct family members, shall comply with the regulation of "Gift, Entertainment & Anti-bribery policy".
5. Procurement officers and relevant persons, including their direct family members, should not be borrowers or debtors of the existing suppliers or potential suppliers.
6. Procurement officers and related persons shall not disclose any information related to the Bank's procurement for supplier; including names of the procurement committees, bidding price, supplier's offering term or technical information apart from public information of the supplier, to external parties in order to prevent non-transparency and conduct to fair treatment to all suppliers who participated in the bidding process.

3.2 Anti-Corruption

TMB has given an emphasis in controlling and preventing internal and external corruption, and has adhered with the responsibilities to the Bank's stakeholders. The Bank already has practices on preventing risks in place. Nonetheless, to ensure the effectiveness of anti-corruption in the long term, the Bank also signs participating in the Collective Action Coalition Against Corruption (CAC) and conducts the self evaluation to analyze strengths and weakness according to the CAC's requirement on the objective to safeguard against risk on corruption apart from the Bank's practices. Additionally, the Anti-Corruption Policy is implemented in addition to the anti-corruption-related policies and practices. The Anti-Corruption Policy has already approved by the Board of Directors and has been communicated to the directors and employees at all levels for strong adherence adherence in the same manner as the code of conduct. The Anti-Corruption Policy is also publicized to all relevant persons and public via the Bank's website. Furthermore, the policies and practices relevant to anti-corruption have been improved to be consistent with the Anti-Corruption Policy such as the procurement Policy.

With the above-mentioned actions, the Bank is ready to apply for the CAC's certificate. At present, the Bank is qualified and awarded the Certificate of Membership from CAC in October 2014. The next step is the Bank will continually arrange training programs for the executives and employees at all levels in order to ensure the compliance with the policy and the awareness of regulations and criteria relevant to the business operation. Regarding the disciplines, the Bank gives the employees fairness and protection to refuse or provide information pertaining to the corruption and the non-compliance with the policy in order to implant the corruption-free culture. Also, the Bank arranges activities to enhance and support the anti-corruption culture in the long term and to the international standard.

3.3 Human Rights Policy

TMB focuses on the compliance with Human Right Law and Constitutional Law with the emphasis on equality of all employees and is strongly against discrimination of any individual persons. The Bank treats the employees fairly without any prejudice and regardless of place of birth, race, language, age, education, institution, gender, disability, physical or health status, social status and financial status.

TMB has opened for the recruitment of disability candidates and fully complied with Empowerment of Persons with Disabilities Act. The Bank also joined donating to Fund for Empowerment of Persons with Disabilities to support the improvement of their knowledge and skills.

3.4 Fair Labor Practice

The Bank has set up the policies and regulations to enhance the fair labor practice at the Bank. The details are as follows.

- (1) "TMB Way" Guidebook has been developed to not only provide employees with useful information, it also consists of the Bank's core culture, employee's rights and code of conduct. In addition to the guidebook, which is primary given to new joiners, these information are also accessible for all current employees via channel, such as intranet at HR Webpage.
- (2) TMB fully complies with the Labor Protection Act B.E.2541, Labour Relation Act B.E.2518, Social Security Act and Promotion and Development of Quality of Life for Disabled Person Act B.E. 2550 by setting up rules and regulations to enforce internally, for instance, regulations in according to working days/normal working hours/holidays and wage payment/overtime pay/holiday pay and holiday overtime pay, holiday, leave, discipline, disciplinary action and procedure, grievance, discharge of employment and severance payment.
- (3) TMB's "Total Compensation" policy is aligning with the Bank's strategic direction, which aims to encourage and enhance staff performance. The compensation is, therefore, evaluated on both the Bank's operating performance and individual performance, so called Pay-for-Performance. The objective is to provide opportunities for career development. Moreover, the Bank benchmarks its staff compensation with market rates on regular basis to ensure the fair remuneration.
- (4) Other welfare and benefits are provided to support employees' working and living standard such as Provident Fund, Medical Welfare, Social Security Fund, Welfare Loan and etc.

- (5) TMB places high importance in the career path of current employees, thus encourages employees to learn and understand themselves in order to best improve their skills and grow their career path, regardless of whether it is inside or outside their current functions with the support of their supervisors and the Bank. For example, the Bank regularly provides both internal and external training for employees. There are a knowledge management system for research and study and E-learning for self-development. "CAREER by ME" and Job Search system allow employees to explore job opportunities available internally so that employees are able to plan and develop their career path efficiently.
- (6) TMB has the policy of employee's skill development. The Bank provides training for all staff on a regular basis to enhance employee's ability to work. The contents and training methods are always revised and updated. Doing so, staff could develop the skills they need for their job and future roles. In addition, TMB continues to promote a culture of self-improvement by cultivate the awareness and positive attitudes and encouraging employees to be innovative.
- (7) TMB understands the importance of communication with employees. Therefore, HR Message and HR Website have been initiated as a channel for the Bank to communicate with employees, at the same time, to be a channel for employees to share useful information. Moreover, HR Website is an easy-to-access source of information and as a result, supports employees for more opportunities to participate in the Bank's activities.

3.5 Responsibility to consumers

Fair and transparent business operation under the good governance and responsibility to the customers is of the Bank's concern. The Bank adheres with the customer centricity to ensure the customer's utmost satisfaction on the Bank's products and services. In this regard, the bank gives importance to the transparency and completeness of information disclosed to the customers. Also, the customers will be provided sufficient information for they can consider and decide to use the Bank's products and services on their own discretion. The Bank complies with the relevant laws and regulations as well as the Consumer Protection Act B.E. 2522.

TMB develops the corporate culture of TMB WAY, which is the key foundation of encouraging employees to show their ability and skills. Inspired by TMB WAY, the Bank focuses on "Customer Centricity", trying to offer the products that best fit with customers' needs. The Bank represents the focus on Customer Centricity under the branding concept of "Make THE Difference" and encourages employees to work with the following attitudes.

- (1) Always challenge the status quo
- (2) Know our business well and strive to make our function a world-class one
- (3) Understand all aspects of customers' lives and invent better solutions for them that they may not realize they need
- (4) Create a paradigm improvement in stakeholders' value
- (5) Never mislead customer
- (6) Simplify wherever possible

Consequently, serving the customers' needs and delivering TMB Branded Customer Experience would be the employees' major priority. Bank has improved the practice to manage relationship with the customers continuously, pre- and post-sale, in order to ensure the customers' most satisfaction. Channels are provided for the customers to make a complaint, suggestion, and recommendation on the Bank's products and services as well as other opinion for improvement on the products, services, and procedures in relevant. In addition, the Bank takes proactive role by routinely measuring customers' satisfaction via survey. Customers' feedback and opinion are important for the improvement of operations.

The Bank realizes the importance of clear and transparent marketing communications. For instance, an unconditional upgrade program for TMB customers has been well recognized by the customers as the message was clear and easy to understand.

TMB has set up the 24-hour call center 1558 to serve the customers who find difficulties with the Bank's services. For Whistle Blowing, TMB has set up a protocol that allows customers to leave their complaints directly to relevant departments or working groups. Importantly, this protocol is carried out strictly to ensure confidentiality of the whistle blowers.

3.6 Community and social development

TMB supports and participate in community and social development in several ways, some of which are described as follows.

- (1) TMB supports a wide range of clubs and activities and allows employees to join in on their own interests, including the photography club, the Buddhist society, various sports clubs, etc. Such recreational activities would create work-life balance for staff as well as cheerful environment in the workplace.
- (2) “Work Heart” project has been initiated since 2009 to survey employee’s engagement towards the Bank. All employees share their ideas to improve the working atmosphere and strengthen relationship within the unit.

Community and social development activities outside normal operations of the Bank are described in details under the section After Process CSR.

3.7 Environmental management

At TMB, the Bank operates not only for the best performance, but is also fully aware of the importance of environmental impact from its daily energy and natural resource consumption. As a result, TMB is fully committed to environmental conservation and efficiency usage in order to ensure the sustainable growth of society and economic development.

The Bank has a policy not to engage in credit funding for businesses that may associate with environmental and social issues. TMB has developed the Environmental and Social Risk Policy to emphasize on proper measures and working procedures. So far, the Bank has screened out the businesses that could have negative impact on environment. Consequently, TMB does not engage in funding projects for environmentally harmful businesses such as a large dam construction. Going forward, TMB will continue to operate under this principle.

Moreover, The Bank has formulated various projects in accordance with UNGC principles. The Bank’s Building Management and the Chief of Corporate Service is responsible for the implementation and improvement of the Environmental Management.

Accordingly, the Bank has introduced Blue Planet project, which consists of several environmental-friendly activities as follows.

- Elevator Improvement Project : Improve elevator systems of headquarter so that it could operate in more energy efficient way, and reduce the amount of CO2 produced
- Waste water treatment Project: Waste water is treated before being discharged.
- Electric Saving: Replacing: Replacing fluorescent lights with LED and setting up an automatic turn-off system after 6.00 pm.
- Paper Recycling Project: Providing left-over paper to paper-recycling companies.

The Bank commits to operate with full awareness of social and environment by initiating appropriate policy to support the environmental conservation.

3.8 The innovation development under social responsibility principles

Organizations from around the world develop their new roles to operate their business by taking into account of social responsibilities in order to diminish the possible negative impact to societies and environment. They also implement the principles of sustainability development to their business operations. TMB is no exception; the Bank has also put utmost importance to the contribution to society and act as a good corporate citizen. With the brand philosophy “Make THE Difference”, the Bank introduces differentiation to the Thai Banking industry by offering Banking product innovation to every customer segments continuously.

“**Make THE Difference**” is the Bank’s commitment to offer customers the differentiation in product and services for their better way of lives.

“**Make THE Difference**” is not only a fancy slogan, but it is the genuine operation of the Bank with the willingness to offer the best benefit to all of customer segments and also to the system. The best benefit is being offered to customers through all aspects ranking from banking service, lending and deposit products. Examples of products and services are highlighted below.

Small and Medium Enterprise (SME) Customers:

TMB is one of the very first few commercial banks in Thailand that put a strong focus on SMEs. The Bank believes SMEs is a growth engine that drives Thai economy and has been underserved by the incumbent of banking industry.

As TMB sees the importance of efficiency improvement, the Bank, therefore, has launched “Efficiency Improvement for Supply Chain” for SME business. The program aspired to equip Thai SMEs with tools they can use to improve their own business. As such, the Bank invited our SMEs customers to participate in workshops with notable guest speakers and industry experts who helped walk them through the chain from upstream to downstream. As participants were grouped based on the industry, SME customers not only received useful knowledge from this program but also have access to valuable business connection. TMB has continued to support SMEs even after the program through advisory clinic and other seminar/activities.

Through deep customer understanding and game-changing innovation, TMB has also introduced flagship products and services that support a sustainable growth of Thai SMEs as described below.

- **3 Times 3 Flows** unlocks the limitation of SMEs access to capital
- **SE Assistance Program:** provides up to seven-year tenor that help relieve pressure on SME cash flow management. It comes with an option to repay only loan interest in the first year.
- **One Bank Series: One Bank One Account** helps SMEs manage transaction, saving and liquidity more easily and efficiently.
- **TMB Cheque Pick Up Service:** helps free up time that SME do not have to travel to TMB branch for cheque deposit. Instead, TMB arranges messengers to serve SME at their premises according to agreed date and time.
- **SMEs Relationship Management Center** provides dedicated Relationship Manager (RM) reachable by phone to fulfill the servicing gap. With TMB’s SME Relationship Management Center, SMEs are served as if they are large enterprises.

Retail Customers:

Over the past recent years, TMB has continued its intention to develop retail products to meet customer demands and to response to evolving behaviors by breaking through any limitation of Banking transactions. Many retail products have been initiated as follows.

- **TMB No Fee**
Nowadays, many retail customers manage banking transactions themselves by automated and electronic Banking channels while interest rates of saving accounts have consistently declined. Having realized that, TMB offers accounts that help them save fee expenses, so called TMB No Fee and Free Flow, as our best alternatives for transactional accounts where customers can do transaction freely without being over-concerned on fees and charges. This helps customer to save hundreds of Baht every month, which could be more than possible interest earned from a savings account.
- **TMB No Fixed Account**
On another instance, it has become a norm that in order for customers to get high interest rate from a bank on a deposit account, they must deposit a large enough amount of cash for a fixed period of time. In short, only large deposit and fixed term will get high interest rate. If customers need money before the fixed time, or if they would like to gradually save money, they would lose opportunity to earn high interest rate. Seeing this point, TMB has developed TMB No Fixed Account where customers can receive high interest rate regardless of their deposit amount or term.

- **TMB Credit Card**

Last but not the least, **TMB So Good 0% 3-Month Credit Card Installment Service** was genuinely created as the simplest solution to empower retail customers. TMB credit cardholders can choose which transaction, what amount and how often that they want to make payment installment at 0% interest rate for 3 months whereas traditionally the choice was dictated by the bank or the merchant. The service enables TMB cardholders a full control of their money and spending.

In 2014, TMB introduced 2 new credit cards focusing on consumers spending preferences; on one side, customers can spend and save the benefit proposed by the bank, on the other side, customers who love to accumulate benefits from spending, may enjoy the accelerated generation of loyalty points.

So Smart Card offers customers to maximize the benefits on each transaction. The more they spend, the more they save, thanks to 1% cash back from the first baht of spending that is transferred to a high saving rate account: TMB No Fixed Account.

- **TMB MF Open Architecture**

Complementary to banking products, TMB proposes to fulfill customers' needs with a complete investment offer of Mutual Funds. In 2014, TMB became "The 1st local bank to propose all customers to have access to "TMB Mutual Fund Open Architecture". This concept provides TMB with the international standard of best selected funds through a recognized selection methodology where a variety of award winning and stable funds recognized by the international investment community for their quality and consistency will be made available to Thai consumers at TMB Bank. This service will provide all TMB customers with maximum benefits on their investments.

4. In-process business that impacts to social and environment

To ensure that TMB operations are under principles of the responsibility in social and environment, the Bank has investigated current operations that could potentially impact the environment and society. In 2014, the under investigation cases that related to the 8 principles are reported as the table below.

Principle	Impact to Social and Environment
Fair Trade Practice	No case
Anti-corruption	No case
Human Right	No case
Fair Labor Treatment	Refer to section: Labor Disputes
Responsibility to Customer	No case
Environment Management	No case
Community and Social Development	No case
Innovation and Distribution to Innovation	No case

5. After Process CSR

Apart from in-process CSR, where the Bank incorporates the social responsibility principles into the business operation, TMB has also initiated several after-process CSR projects that support social development and environmental conservation as follows.

- **FAI-FAH, TMB's CSR program for children**

FAI-FAH is TMB's innovative and inspirational social responsibility program that TMB intends to contribute to society. The first FAI-FAH project was found on Pradiphat road in 2010 with a goal to offer better environment and to help youth age between 12-17 years old to optimize their time in a variety of activities such as arts, sport, music and computer. The skills that have been taught in FAI-FAH program, where children could participate for 3 years free of charge, include vocational skill, academic skill and life skill. Furthermore, FAI-FAH encourages these children to leverage the skills they have learned from FAI-FAH, and give back to community where they are from, with support from volunteers from TMB employee and non-TMB employee. Currently, TMB operates three FAI-FAH centers, Pradiphat, Prachautit and Chan.

In 2014, through three FAI-FAH centers, the program has inspired more than 135,000 children in Bangkok, which are 30% more than previous year. These children are inspired by life skills they have learned from FAI-FAH, and used their skills through Community Improvement Projects. The projects' goals are to improve community in sustainable ways, by applying knowledge learned from FAI-FAH to co-develop skills for community residents to use them for addition income and help improve the communities.

Moreover, in 2014 TMB volunteers from branches in BKK area have participated in FAI-FAH In-a-Box program, by spending more than 1,800 volunteer hours in working collaboratively with 4 communities that are located around branches. The goal is to inspire these communities to improve status quo, start changing without waiting for supports from others, and address issues in sustainable way.

- **TMB Foundation**

With a strong commitment and awareness of its accountability to the society, the Bank has supported various activities relating to the sustainable social development. Apart from FAI-FAH, the inspirational social responsibility program, and Blue Planet, the program that promotes environmental conservation and energy saving, TMB also established TMB Foundation in December 2012. The foundation focuses on promoting development of children and community as well as environment conservation. The foundation also aims to conduct charitable activities and work in collaboration with organizations or philanthropists for general charitable activities. In 2014, TMB Foundation presented a donation of over THB2.7 million to the Cardiac Children Foundation of Thailand, which aims to provide cardiac operations to children who are in need but lacks of financial supports. The sources of the donation include revenue from sales of tickets for TMB ING Parkrun 2014 and donations from TMB and customers.

BANK'S SECURITIES AND SHAREHOLDERS

Bank's Securities

Bank's capital

As of December 31, 2014, the Bank's registered capital was THB 41,903,301,555.05 of which THB 41,494,826,073.60 was paid up, comprising ordinary shares 43,678,764,288 shares at par value of THB 0.95/share.

Thai Trust Fund

As of December 31, 2014, Thai Trust Fund was no longer issued by the Bank.

The number of shares or impacts on shareholders' voting rights from the issuance of Non-Voting Depository Receipt (NVDR)

Non-Voting Depository Receipt (NVDR) is a trading instrument issued by Thai NVDR Co., Ltd., a subsidiary wholly owned by Stock Exchange of Thailand (SET). By investing in NVDRs, investors will receive all financial benefits including dividends, right issues or warrants, as if they had invested in a company's ordinary shares. Unlike ordinary shareholders, NVDR holders are not entitled to voting rights in a shareholders' meeting except for the case of voting to pass a resolution concerning the delisting of shares from the SET. If the Bank's shares are issued as NVDRs in a great number, its shares with voting rights will decrease and the voting rights of other shareholders will increase.

As of April 24, 2014, the latest share register closing date for the right to receive the dividend payment from the 2013 operating profit, Thai NVDR Co., Ltd. issued NVDRs with TMB shares as reference asset amounting to 3,889,068,312 shares or 8.90% of TMB's issued and paid-up ordinary shares. However, the issuance of NVDR securities does not fall within the realm of the Bank's control. Investors may check the information on NVDR shares from website of the SET at www.set.or.th/nvdr.

Dividend payment policy

The Bank's policy

The Bank has set out a policy on the dividend payment from financial statements (Bank only). The dividend payment is subject to the Bank's operating performance, the long term benefits to the Bank's shareholders, the Bank's capital adequacy and reserve requirements as well as the relevant legal conditions.

In addition, the dividend payment must be in line with the BOT's Notification, SorNorSor 31/2551, Re: Classification and Provision of the Financial Institutions, dated August 3, 2008 which stated that as long as financial institutions have not yet written off the impaired assets or have not yet made full provision for the assets and contingent liabilities whether they are impaired or not, financial institutions are not allowed to pay dividends nor any other forms of returns to its shareholders; and the BOT's Notification, SorNorSor 21/2555, Re: Regulation for Accounting Treatment of the Financial Institutions, Section 8: Dividend Policy dated December 17, 2012, requiring that financial institutions should not make dividend payments out of unrealized profits or profits that are not based on actual cash flows, such as profits from mark to market values of securities, or out of any profits derived from the reclassifying of financial assets, nor should financial institutions make dividend payments out of profits from the sale of assets, which are not actually completed and which may result in abnormal profits or losses such as profits from the sale of properties foreclosed where a repurchase option is part of the agreement. In addition under the BOT's Notification SorNorSor 12/2556, starting from 1 January 2016 onwards, the Bank is required to maintain a capital conservation buffer above regulatory minimum capital requirements, and if the Bank's minimum capital requirements fall within certain specified ranges, constraints would be imposed and distributions including dividends would be restricted. Although not effective until 2016, the Bank aims to maintain capital levels above these ranges as part of its capital planning and dividend policy considerations.

Policy of subsidiary companies

Subsidiary companies' dividend payments are subject to the approval of their respective boards of directors and are to be proposed at their meetings of shareholders for approval. The Bank has not set out a payment rate. Their dividend payments will depend on their operational performance and business plans and must be in compliance with each company's regulations and relevant laws governing the company's dividend payment.

Major shareholders

Below is the list of the 10 largest shareholders at the latest share register closing date on April 24, 2014, in order to determine the rights to receive the dividend payment from the 2013 operating profit as follows:

Major shareholders	Number of ordinary shares	%
Ministry of Finance	11,364,282,005	26.02
ING Bank N.V.	10,970,893,359	25.11
Thai NVDR Co., Ltd.	3,889,068,312	8.90
HSBC (SINGAPORE) NOMINEES PTE LTD	908,039,688	2.08
DBS BANK	865,000,000	1.98
Mrs Somporn Jungrungrueangkit	840,000,000	1.92
State Street Bank Europe Limited	802,224,873	1.84
Royal Thai Army	546,499,860	1.25
Thai Life Insurance Public Company Limited	336,867,474	0.77
Chase Nominees Limited 50	275,375,900	0.63

Source : Information on the latest share register closing date on April 24, 2014 prepared by Thailand Securities Depository Co., Ltd.

Investors may look for the list of major shareholders from www.set.or.th

Holding Company

-None-

INTERNAL CONTROL

Opinion of the Board of Directors on Internal Controls and Risk Management

Internal control system is an important cornerstone of the Bank's policy and the strategic direction both at the management and the operational levels emphasizing on sound organizational structure, segregation of duties, and assignment of authority and the level of approval over the transactions. This is to ensure that the benefits of the customers and the Bank are appropriately taken care of. The Board of Directors through the Audit Committee, Risk Management Committee, and Nomination, Remuneration and Corporate Governance Committee was tasked with oversight of internal controls, risk management process and good governance. Audit carries out reviews over the Bank's overall operations and the related and connected transactions and reports findings to the Audit Committee and the Board of Directors.

The Board of Directors meeting no. 1/2558 held on 22 January 2015 which was attended by members including ones represented in the Audit Committee has reviewed the report on the Bank's internal control assessment proposed by Head of Audit. Auditors conducted the assessment based on the Internal Control Core Components; Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

The Board of Directors is aware of the current status of the Bank's internal control and has taken a close supervision on management's efforts on internal control improvement. Moreover, Audit Committee has recommended management taking remedial actions to address deficiencies identified and reporting progress to the committee and the Board of Directors regularly.

Gate Keepers

Head of Audit

The Board of Directors has appointed Miss Thanawan Teekautamakorn to hold position of Head of Audit.

Head of Compliance

The Board of Directors has appointed M.L. Ayuth Jayant to hold position of Head of Compliance.

(See more details of gate keepers in attachment 1)

STATEMENT OF THE AUDIT COMMITTEE

In 2014, the Bank's Audit Committee, served fully by independent directors who were not the bank's executives or employees of any kind, carried out its responsibilities, within its given authority and in accordance with the guidelines set out by the Stock Exchange of Thailand and the Bank of Thailand. Major areas of responsibilities can be summarised as follows.

1. Review the Bank's financial statements to ensure accuracy and adequacy.
2. Review and ensure adequate and efficient internal control.
3. Review connected transaction or transaction which may lead to conflict of interest to ensure transactions are conducted and disclosed in compliance with the law and SET regulation and that transactions are entered with reasonableness for the benefit to the Bank.
4. Review to ensure compliance with the laws and regulations imposed by the SEC, SET and other relevant regulators including compliance report prepared by the Bank's Compliance unit.
5. Select and propose to the Board of Directors and Shareholder meetings the appointment of Bank's auditor and annual audit fee. In addition, the Committee is responsible for approving other non-audit-related engagements with the Bank's external auditor.
6. Closely supervise the Bank's internal audit function including approving internal audit plans and assessing audit performance to ensure sufficient audit resources and that all auditing activities were independently and effectively conducted in accordance with the regulatory requirements.
7. Review and follow up on observations of regulators, and external and internal auditors to ensure appropriate response actions.

The Audit Committee held 14 meetings in 2014, and the attendance record of each committee member is reported in the Shareholding and Management section in the Annual Report. Overall, the Audit Committee gained full co-operation from the Management as well as full access to all information relevant to the Bank's operations, necessary for them to discharge their responsibilities. Relevant executive officers were invited to attend and clarify issues in the meetings. The Audit Committee made inquiries and took into account clarifications from the Management and the external auditor as to the accuracy and adequacy of the financial statements and the sufficient disclosure of information. The Audit Committee is of the opinion in agreement with external auditor that the Bank's financial reports fairly present accurate and reliable information in material aspects in compliance with generally accepted accounting principles. In addition, any transactions which may cause conflict of interest were reviewed to verify they were reasonable and appropriate, most of them being found to be in the normal course of business or supporting normal course of business conducted on an arm's length basis. Furthermore, the Audit Committee has assessed the performance, independence of external auditor and also periodically changes of the external auditor has been made appropriately and compliance with the regulatory requirement. The Audit Committee agreed to propose the Board of Directors to seek shareholders' meeting approval on the appointment and remuneration of the independent auditors of KPMG to be the Bank's independent auditors for the year 2015.

The Bank's internal control systems and regulatory related compliance are generally good, and there have been continual improvements in order to meet changes and emerging risk in business environment. The bank continually pays high attention to the internal control execution and enforcement, providing necessary training to the staff including follow up issues, investigation, root causes and corrective measures, imposing of disciplinary action to assure internal control effectiveness. Moreover, Audit Committee has emphasized the management to take remedy actions to address deficiencies identified and report progress to the Audit Committee regularly.



Mr Singha Nikornpun
Chairman of Audit Committee

REPORT OF THE NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Nomination, Remuneration and Corporate Governance Committee ("NRCC") was appointed by the Board of Directors comprising four committee members - two independent directors and two non-executive directors. In 2014, the Committee carried out its responsibilities within the scope of authority given by the Board of Directors holding 15 meetings in total in order to consider key matters in response to duties and responsibilities assigned by the Board of Directors. The key areas of responsibilities can be summarized as follows:

Nomination and Remuneration

The Committee assists the Board of Directors to formulate policies and criteria for the selection of the Bank's directors and high level executives; considers and nominates qualified persons to be the Bank's directors and senior executives; and formulates structure and policies on remuneration and other benefits including considers those offered to directors and senior executives. Other responsibilities are to ensure that the Bank's employees receive appropriate remuneration, set guidelines for performance appraisal of the Board and Chief Executive Officer in view of the scope of responsibilities, relevant risks involved; and increasing shareholder's value in the long term.

The Committee has selected and nominated the candidates who are to serve as directors and Bank's senior executives in order to ensure that they have proper qualifications, competence, capability and experience. The Committee gives importance to the process of checking the qualifications of persons who were nominated before proposing to the Board and the Bank of Thailand for approvals respectively, and propose candidates for directors to the Annual General Meeting of Shareholders for approval. In addition, the Committee has considered the amount of compensation of the members of the Board and Board Committees and senior management prior to proposing the amount to the Board of Directors for approval by taking into account the suitability and reasonableness based on their scope of duties and responsibilities.

Corporate Governance

The Committee reviews and improves corporate governance policies, code of conduct for directors, and code of conduct for employees in line with the newly revised corporate governance standards of the Stock Exchange of Thailand as well as the international corporate governance criteria which are based on ASEAN CG Scorecard criteria.

The Committee assists the Board of Directors to oversee and ensure that the Bank's conduct, practices and operations conform to the principles of good corporate governance. The Committee also prepares and monitors the Company's Corporate Governance Policy and disseminates to internal and external parties involved, to keep them informed of the Bank's code of conduct. Other responsibilities are to review and revise relevant policies, principles, and performance guidelines regularly; recommend requirements relating to principles and business ethics; consider good corporate governance practices of other institutions in Thailand and abroad, and recommend the adoption of such practices where appropriate to the Bank.

In this regards, the Committee is confident that the Bank emphasizes and is determined to improve efficiency of business operations together with the corporate governance principles. These principles shall be served as significant factors that can make the Bank grow steadily and become a sustainable organization.



Mr Rachane Potjanasuntorn
Chairman of the Nomination,
Remuneration and Corporate Governance Committee

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTS

The Board of Directors is responsible for the Bank's financial statements. The financial statements for the year ended December 31, 2014 have been prepared in accordance with generally accepted accounting standards with appropriate accounting policies applied on a conservative and consistent basis. Judgement and estimates where required have been applied with careful and reasonable considerations, with adequate material information disclosures made available in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unqualified opinions.

The Board has also adopted and maintained the appropriate and effective risk management, internal control, and compliance, so that the Bank can be assured that the financial records are accurate, complete and the protections are appropriate for the Bank's assets. These controls also serve as preventive measures against any significant operational risk of the Bank. The Board of Directors has appointed the Audit Committee entirely comprising independent directors responsible for the quality of the Bank's financial reporting, the internal control systems as well as complete and appropriate disclosure of connected transactions. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Report.

The Board is of the view that the Bank has maintained an effective internal control system which provides an adequate and appropriate level of protection, and therefore can assure the credibility of the Bank's financial statements as of December 31, 2014.



Mr Boontuck Wungcharoen
Chief Executive Officer



Mr Rungson Sriworasat
Chairman of the Board

MANAGEMENT DISCUSSION & ANALYSIS

Executive Summary

TMB reported net profit of THB9,539 million in 2014, representing an ROE of 14.7%. The Bank's core operation remained solid with pre-provision profit of THB14,152 million. Deposit showed a 7.9% growth together with a success in transactional deposit expansion. Loan growth was moderate at 6.2% with improvement of asset quality. NPL declined by 19.3% YoY and NPL ratio reduced to 2.85%. Coverage ratio rose from 140% to 157% at the end of the year. Over the past 5 years that TMB has implemented its Transformation program, TMB has delivered broad-based improvement in its financial profile and emerged as a strong bank in all fronts.

Core operating profit remained solid: A slowdown in Thai economy made 2014 a challenging year. Growth in loan was, consequently, selective. Small enterprise loan growth slowed down comparing to an earlier year. Together with low interest rate, average loan yield declined in 2014. However, the Bank managed to grow net interest income by 3.7%. Total non-interest income was flat mainly from lower foreign exchange transactions, despite the bank's improving fee income generation. Expenses rose in line with business expansion. Pre-provision profit (PPOP), as a result, was unchanged compared to last year but yet remained solid at THB14,152 million.

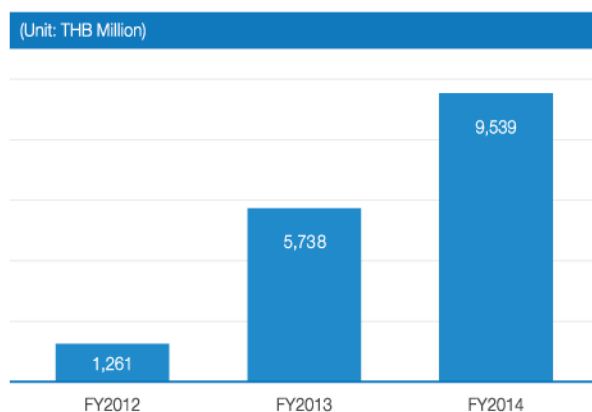
Success of deposit base enhancement: Deposit growth was 7.9%, supported by broad-base growth in all customer segments. More importantly, the Bank was able to grow transactional deposit by 18%, which helped the Bank manage cost of fund well in 2014. Gross loan showed 6.2% growth, which combined 7.4% performing loan growth and 19.3% reduction of NPL. The performing loan growth was also broad-based, from corporate, medium-size SME and retail customers.

Asset quality maintained well: Asset quality maintained its improving momentum. Consolidated NPLs decreased further by 19.3% from THB22,421 million in 2013 to THB18,093 million at the end of 2014. The reduction was resulted from loan restructure, NPL sale and control of new NPL formation. NPL ratio reduced to 2.85% from 3.87% at end of last year. Coverage ratio, consequently, rose to 157% from 140%.

Solid capital with CET1 at 11.0% and CAR at 18.3%: TMB retired its foreign currency hybrid Tier 1 in April 2014. Tier 1 at the end of 2014 (under Basel III) of 11.0% was then a Core Tier 1. TMB also successfully issued Basel III compliant Tier 2 in September amounted to THB15,000 million, which raised CAR to 18.3% at the end of 2014.

Looking forward, TMB will continue to enhance those key areas and aim to position to increase market share and to strengthen market position for sustainable profit.

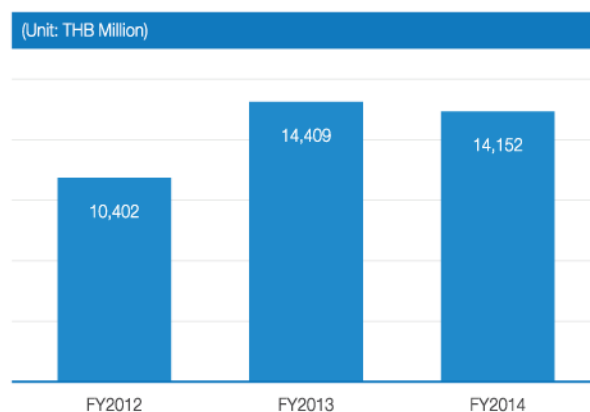
Figure 1: Net Profit to equity holders of the Bank



Note: Consolidated financial statement

FY2012 figures were restated to reflect the adoption of new accounting standards for comparative purpose.

Figure 2: Pre-provision profit (PPOP)



Note: Consolidated financial statement

(For the disclosure of full details of capital under BASEL III, please visit investor relations webpage at www.tmbbank.com)

Discussion of Operating Performance

Political uncertainties and economic slowdown made 2014 a challenging year. Sluggish economy reduced business activities especially in 1H14 before the situation started to restore 2H14. Yet, the recovery was slower than market expectation. The Bank's operating profit also picked up well from recovery in loan growth and fee income generation in second half of the year. Coupled with benefit from asset quality improvement, 2014 operating performance remained fairly on track. Details of key operating performance are as follows.

Figure 3: Selective comprehensive income statement

(Unit: THB Million)	FY2014	FY2013	Change	%YoY
Interest income	35,848	34,826	1,022	2.9%
Interest expenses	14,253	14,004	249	1.8%
Net interest income	21,595	20,822	773	3.7%
Fees and service income	7,874	7,611	263	3.5%
Fees and service expense	2,140	2,032	108	5.3%
Net fees and service income	5,734	5,579	155	2.8%
Total other operating income	2,624	2,807	(183)	-6.5%
Non-interest income	8,358	8,385	(27)	-0.3%
Total operating income	29,953	29,207	746	2.6%
Non-interest expenses	15,774	14,550	1,224	8.4%
Bad debt and doubtful accounts and impairment loss	3,437	7,613	(4,176)	-54.9%
Profit before income tax expense	10,742	7,044	3,698	52.5%
Income tax expense	1,990	1,296	(106)	-8.2%
Profit for the year	9,552	5,748	3,804	66.2%
Profit to non-controlling interest of subsidiaries	13	10	3	30.0%
Profit to equity holders of the Bank	9,539	5,738	3,801	66.3%
Other comprehensive income (loss)	0	(25)	25	N/A
Total comprehensive income	9,552	5,723	3,829	66.9%
Basic earnings per share (Baht per share)	0.22	0.13	0.09	69.2%

Note: Consolidated financial statement

Net interest income (NII)

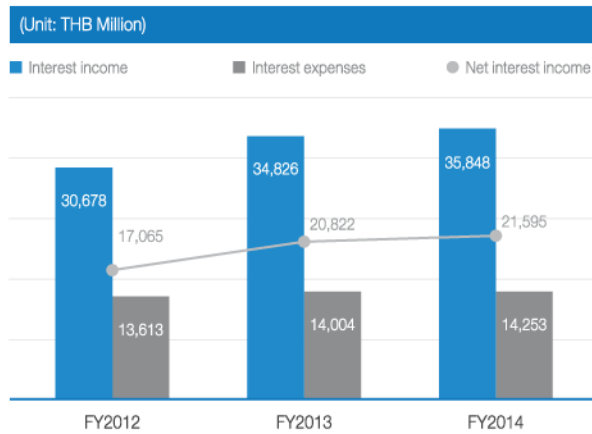
Interest income was THB35,848 million, an increase of 2.9% YoY or THB1,022 million from THB34,826 million in 2013. The increase in performing loan helped subside the effect from lower earning asset yield, which was in line with lower market interest rate.

Interest expenses rose only 1.8% YoY or THB249 million from THB14,004 million to THB14,253 million in 2014. Key reason was well-managed funding cost, thanks to growth of transactional deposit as well as market interest rate trend.

Net interest income (NII): For 2014, TMB reported THB21,595 million of NII, an increase of 3.7% or THB773 million from THB20,822 million in 2013. The increase was largely from performing loan growth and well-managed funding cost.

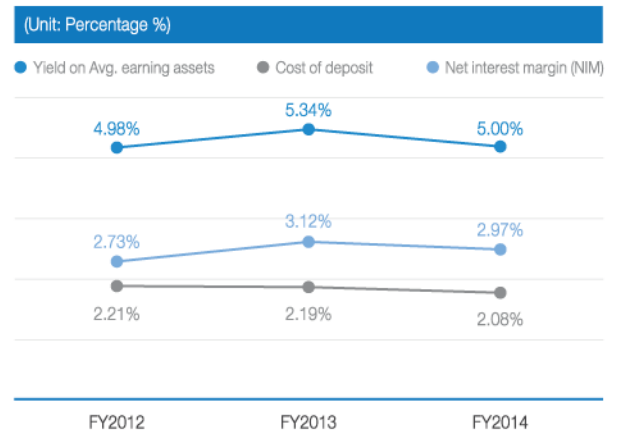
Net interest margin (NIM): 2014 net interest margin (NIM) was at 2.97%, down from 3.12% in 2013. The YoY drop was in line with market interest rate trend. (Note that, in 2013, if excluded one-time unearned interest income from one large debt restructured, NIM was 3.04%)

Figure 4: Net interest income (NII)



Note: Consolidated financial statement

Figure 5: Net interest margin (NIM), Cost of deposit and Yield on Avg. earning assets



Note: Consolidated financial statement

Figure 6: Net interest income (NII)

(Unit: THB Million)	FY2014	FY2013	Change	%YoY
Interest income	35,848	34,826	1,022	2.9%
Interest on interbank and money market items	2,229	2,430	(201)	-8.3%
Investments and trading transactions	289	457	(168)	-36.7%
Investments in debt securities	2,658	2,878	(220)	-7.6%
Interest in loans	30,210	28,579	1,631	5.7%
Others	462	482	(20)	-4.2%
Interest expenses	14,253	14,004	249	1.8%
Interest on deposits	9,142	8,567	575	6.7%
Interest on interbank and money market items	1,054	1,510	(456)	-30.2%
Contributions to the Deposit Protection Agency and BoT	2,669	2,348	321	13.7%
Interest on debt issued and borrowings	1,369	1,555	(186)	-11.9%
Borrowing fee	14	14	(0)	-2.0%
Others	5	9	(4)	-44.4%
Net interest income (NII)	21,595	20,822	773	3.7%

Note: Consolidated financial statement

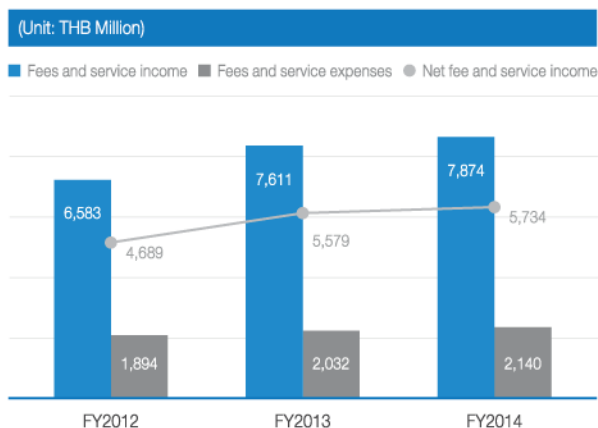
Non-interest income and expenses

Non-interest income of THB8,358 million in 2014 was relatively flat compared to THB8,385 million in 2013. Key revenue driver was from net fee and service income which increased by 2.8% YoY or THB155 million to THB5,734 million from THB5,579 million in 2013. This was thanks to retail segment, especially fees from mutual fund, bancassurance and deposit-related fee. However, gain on foreign exchange transaction declined by 11.8% mainly from lower business activities.

Non-interest expenses were THB15,774 million or increased by 8.4% YoY or THB1,224 million from THB14,550 million in 2013, in line with business plan to sustain future growth. Key factors were employee expenses and premise expenses.

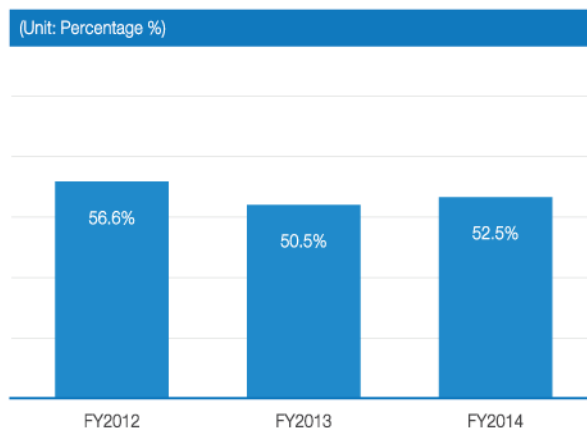
As a result, cost to income ratio was at 52.5% in 2014, compared to 50.5% in 2013. TMB targets to continue to enhance profitability and efficiency to reduce cost to income ratio further.

Figure 7: Net fee and service income



Note: Consolidated financial statement

Figure 8: Operating cost to income ratio



Note: Consolidated financial statement

Figure 9: Non-interest income

(Unit: THB Million)	FY2014	FY2013	Change	%YoY
Fees and service income	7,874	7,611	263	3.5%
Acceptances, aval and guarantees	394	335	59	17.6%
Others	7,480	7,276	204	2.8%
Fees and service expenses	2,140	2,032	108	5.3%
Net fees and service income	5,734	5,579	155	2.8%
Gains (losses) on tradings and foreign exchange transactions	1,991	2,258	(267)	-11.8%
Gains (losses) on financial instrument designated at fair value	(51)	(9)	(43)	N/A
Gains (losses) on investments	193	141	52	36.9%
Gains on sale of assets	184	87	97	111.5%
Dividend income	55	65	(10)	-15.4%
Others	252	264	(12)	-4.5%
Non-interest income	8,358	8,385	(27)	-0.3%

Note: Consolidated financial statement

Figure 10: Non-interest expenses

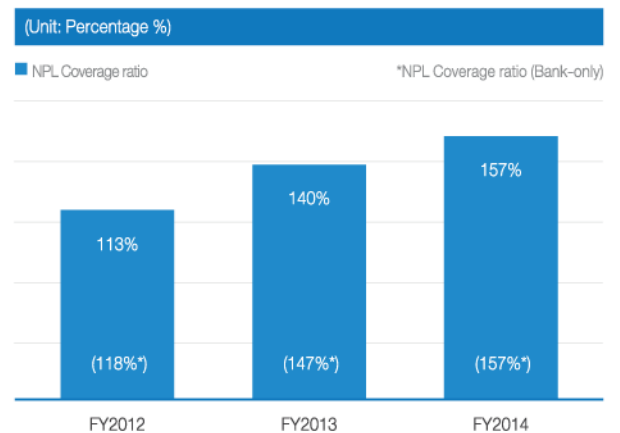
(Unit: THB Million)	FY2014	FY2013	Change	%YoY
Personnel expenses	8,048	7,595	453	6.0%
Directors' remuneration	38	32	6	18.7%
Premises and equipment expenses	3,003	2,780	223	8.0%
Taxes and duties	1,198	1,145	53	4.6%
Loss on impairment of properties foreclosed	23	43	(20)	-46.5%
Loss on diminution in value of other assets	80	87	(7)	-8.1%
Provisions of obligation on transfers of non-performing assets (reversal)	0	(296)	296	N/A
Provisions for other liabilities (reversal)	36	(1)	37	N/A
Other expenses	3,348	3,165	183	5.8%
Non-interest expenses	15,774	14,550	1,224	8.4%

Note: Consolidated financial statement

Loan loss provision

For 2014, THB3,437 million was set as a provision, compared to THB7,613 million in 2013. The lower provision in 2014 was due mainly to well-managed asset quality, while in 2013 the Bank set up extra counter-cyclical provision. Therefore, the coverage ratio further increase to 157% compared to 140% at the end of 2013. Such a level of coverage ratio is on par with top-tier banks in Thai banking industry.

Figure 11: Coverage ratio



Note: Consolidate and Bank-only financial statements

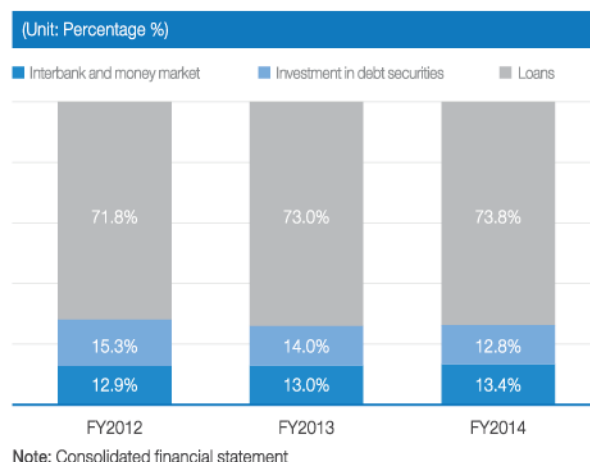
Discussion of Financial Position

Despite economic turbulence, TMB continued to improve its asset quality as well as maintained its strong liquidity and robust capital base. Key areas of financial position discussion are as follows.

Assets and asset quality

As of 31 December 2014, consolidated total assets were THB810,167 million, which increased by 5.8% or THB44,435 million from 2013. The increase derived from loan to customers, interbank and money market items and investment while property foreclosed decreased. Loans remained the largest portion of earning assets (73.8%), followed by interbank and money market items (13.4%) and investment in debt securities (12.8%).

Figure 12: Composition of earning assets

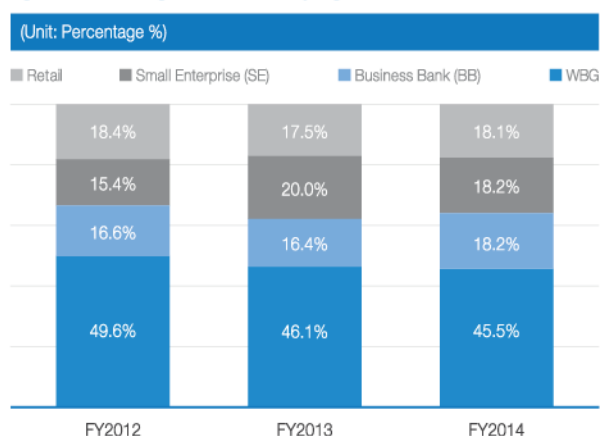


Loans: As of 31 December 2014, total loans on consolidated basis increased by 6.2% YoY or THB30,886 million to THB530,360 million. Meantime, performing loans grew by 7.4% or THB35,214 million to THB512,266 million from 2013. Loan growth was in line with the tightened loan underwriting criteria and prudent risk management policy.

Growth in performing loan was from both commercial and retail clients. Corporate lending and business banking (BB) or medium-size SME grew by 6.1% and 18.9%, respectively. Retail segment also expanded by 11.3% YoY, led mainly by unsecured loan and credit card. Small enterprise (SE), however, dropped from 2013 as a result of economic circumstances and TMB's tightened underwriting. Yet, the proportion of SME loan (BB and SE) to total loans as of December 2014 increased slightly to 37.6%, compared to 37.1% in 2013. The gradual shift in loan mix toward SME segment has helped support yield on loans as the segment offered the best risk-adjusted return.

In terms of loan product composition, term loans/promissory notes, OD and trade finance respectively, represented 52.0%, 27.1% and 14.4% of total loans as of 31 December 2014.

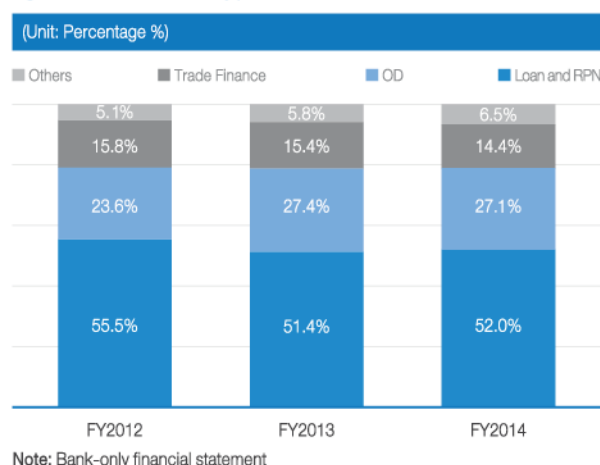
Figure 13: Performing loan breakdown by segment



Definitions of customer segments:

- Corporate (WBG): customers with total annual revenue of over THB500 million
- Business Banking (BB): customers with total annual revenue more than THB50 million but less than THB500 million
- Small Enterprise (SE): customers with total annual revenue of less than THB50 million, including owner operator
- Retail: individual person

Figure 14: Loan breakdown by product



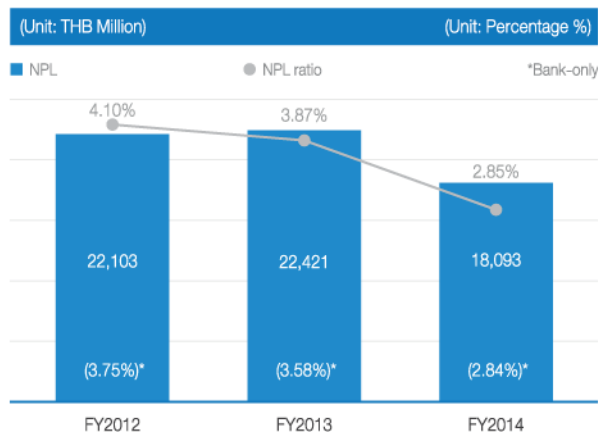
Non-performing loan (NPL): As of 31 December 2014, consolidate NPL amounted to THB18,093 million, down by 19.3% or THB4,328 million from last year. On bank-only basis, NPL decreased by 12.9% or THB2,665 million from 2013 to THB18,051 million. The significant reduction was due the Bank's successful effort to manage asset quality, including problem loan resolution, NPL sale and write-off. Note that there were NPL sales of THB3.3 billion in June and THB1.7 billion in October 2014.

Therefore, consolidated NPL ratio reduced to 2.85% from 3.87% as of December 2013. On bank-only basis, the ratio dropped to 2.84% from 3.58% in the previous year.

Net property foreclosed (NPA): As of 31 December 2014, NPA was THB1,860 million which dropped by 2.0% or THB37 million from last year due to sale of property foreclosed as per business plan.

The continued decrease in NPL ratio and NPA showed the development in asset quality, and TMB aims to continue to enhance the asset quality further.

Figure 15: NPL and NPL ratio



Note: Consolidate and Bank-only financial statements

Liabilities and liquidity

As of 31 December 2014, consolidated total liabilities were THB740,374 million; increased by 5.2% or THB36,475 million from 2013. Key drivers were deposits and interbank and money market. Deposits remained the largest composition of interest-bearing liabilities or 84.0%. This followed by interbank and money market items of 10.7% and debt-issued and borrowings of 5.3%.

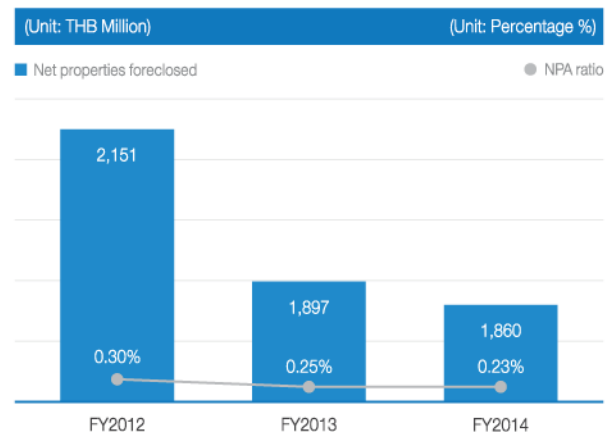
Deposits: Consolidated deposits of THB571,625 million showed an increase of 7.9% or THB42,019 million from 2014. Key growth factors were CASA accounts (+18%) and No Fixed & ME accounts (+21%).

Importantly, transactional accounts grew on track. The Bank's transactional products, "TMB One Bank One Account" (launched in June 2012 focused on SME customers) and "TMB Free Flow Daily Account" (launched in October 2012 focused on retail customers), expanded by 40.5% or THB18.8 billion from December 2013.

Liquidity: TMB has maintained strong liquidity position with well-balanced allocation of liquid and low-risk assets. As of 31 December 2014, on consolidated basis, total liquid assets represented 25.0% of the total assets, compared with 20.0% as of December 2013. The liquid assets consisted of cash 2.0%, interbank & money market 14.0% and the short-term investment 9.0%.

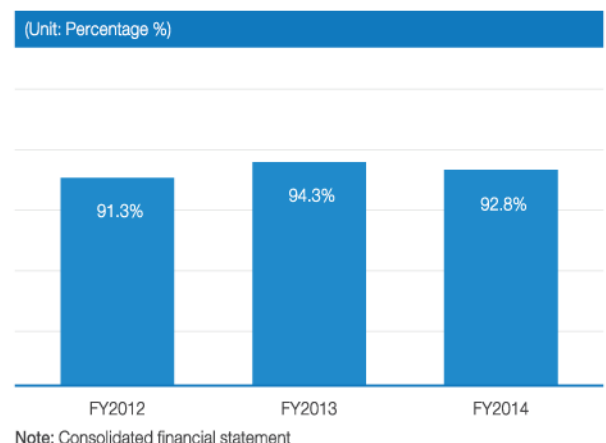
In terms of loan to deposit ratio (LDR), the figure stayed at 92.8% at the end of December 2014, compared to 94.3% last year. The main reason of such a slight decline was due to high deposit growth especially during the first half of 2014. Overall, the ratio was still in a comfortable level and in line with business plan.

Figure 16: NPA and NPA ratio



Note: Consolidated financial statement

Figure 17: Loan to deposit (LDR)



Note: Consolidated financial statement

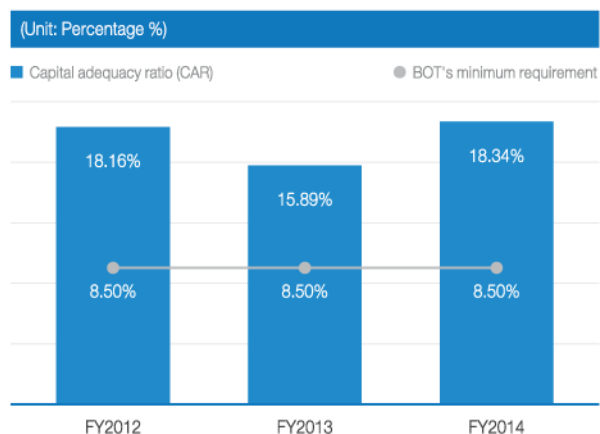
Shareholders' equity and capital adequacy

Shareholders' equity: As of 31 December 2014, the consolidated shareholders' equity was THB69,793 million, increased by 12.9% or THB7,960 million from December 2013 due to higher profit generation during the year.

Capital adequacy: At the end of December 2014, Capital Adequacy Ratio (CAR) under the Basel III was 18.3% while CET 1 and Tier 1 were at the same level of 11.0%. The YoY increase in CAR was due mainly to the issuance of THB15,000 million subordinated-debenture that can be counted as Tier 2. Such levels of capital ratios suggested that TMB has maintained the robust capital well above the Bank of Thailand's minimum requirement of 8.5%, 4.5% and 6.0% of CAR, CET 1 and Tier 1, respectively.

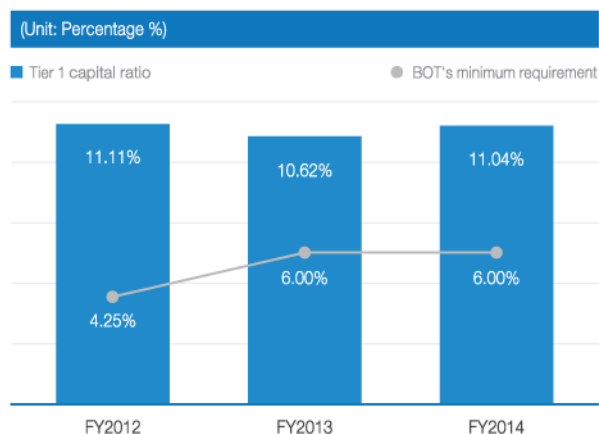
Looking forward, TMB will continue to enhance its revenue generation together with improving asset quality and maintaining healthy level of coverage ratio and capital base. The Bank will also focus on efficiency improvement to further strengthen the Bank's foundations for sustainable profit and growth.

Figure 18: Capital adequacy ratio



Note: Bank-only financial statement
Since 2013, the calculation based on Basel III

Figure 19: Tier 1 capital ratio



Note: Bank-only financial statement
Since 2013, the calculation based on Basel III

CREDIT RATING

Following the upgrade by Standard & Poor's in November 2013, TMB's credit rating was upgraded in 2014 by Moody's Investors Service. This is evidence that TMB has steadily improved its operating performance and shown ability to manage asset quality.

In September 2014, Moody's upgraded TMB's foreign currency deposit ratings to Baa2 from Baa3 with stable outlook. The rating upgrade reflected TMB's improvement in risk profile, supported by lower levels of non-performing loans (NPLs), and an improvement in its loss absorbing buffers; namely its capitalization levels and loan loss reserves.

The table below shows credit ratings of TMB assigned by Standard & Poor's, Moody's Investor Services, Fitch Rating and TRIS Rating as of December 2014 and 2013.

Credit Rating	December 31, 2014	December 31, 2013
Standard & Poor's (S&P)		
Foreign Currency		
Long-term : Debt instrument	BBB-	BBB-
Short-term : Deposits / Debt instrument	A-3	A-3
Stand-Alone Credit Profile (SACP)	bb+	bb+
Outlook	Stable	Stable
Moody's Investors Service		
(Upgraded in September 2014)		
Foreign Currency		
Long-term : Deposits	Baa2	Baa3
Short-term : Deposits / Debt instrument	Prime-2	Prime-3
Outlook	Stable	Stable
BFSR	D	D-
Outlook	Stable	Stable
Fitch Ratings		
Foreign Currency		
Long-term IDR	BBB-	BBB-
Short-term IDR	F3	F3
National		
Long-term	A+(tha)	A+(tha)
Short-term	F1(th)	F1(th)
Subordinated	A(th)	A(th)
Viability Rating	bbb-	bbb-
Support Rating	3	3
Supporting Rating Floor	BB+	BB+
Outlook	Stable	Stable
TRIS Rating		
Local currency		
Long-term : Debt instrument	A+	A+
Long-term : Unsecured subordinated debt instrument	A	A
Outlook	Stable	Stable

AUDITOR'S REPORT AND FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TMB Bank Public Company Limited

I have audited the accompanying consolidated financial statements of TMB Bank Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the separate financial statements of TMB Bank Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TMB Bank Public Company Limited and its subsidiaries and of TMB Bank Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 18 February 2015

TMB Bank Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Cash		16,427,953	16,576,203	16,427,874	16,556,121
Interbank and money market items - net	9	113,096,814	96,437,473	112,426,118	95,887,849
Claims on securities		22,689,700	24,639,000	22,689,700	24,639,000
Derivatives assets	10	10,875,999	16,757,143	10,875,999	16,757,143
Investments - net	11, 48.7	110,859,350	103,276,604	108,785,569	101,753,683
Investments in subsidiaries and associate - net	12.1	8	8	3,229,428	2,872,442
Loans to customers and accrued interest receivables	13, 48.7				
Loans to customers		530,446,525	499,550,714	530,403,628	497,844,546
Accrued interest receivables		1,068,201	1,004,085	1,068,201	1,004,085
Total loans to customers and accrued interest receivables		531,514,726	500,554,799	531,471,829	498,848,631
Less: Deferred revenue		(86,162)	(76,680)	(86,162)	(76,680)
Allowance for doubtful debts	15, 48.7	(28,252,268)	(31,399,709)	(28,224,616)	(30,342,798)
Revaluation allowance for debt restructuring	16	(109,818)	(68,214)	(109,818)	(68,214)
Loans to customers and accrued interest receivables - net		503,066,478	469,010,196	503,051,233	468,360,939
Customers' liability under acceptance		15,095	7,886	15,095	7,886
Properties foreclosed - net	17	1,860,150	1,897,105	1,817,253	1,847,357
Premises and equipment - net	18	10,672,208	11,412,117	10,645,551	11,382,742
Goodwill and other intangible assets - net	19	1,002,878	914,623	937,812	849,317
Deferred tax assets	20.1	3,050,163	3,472,239	3,028,881	3,402,232
Other receivables - net	21, 48.7	12,973,198	12,328,621	12,188,199	12,125,842
Other assets - net	22, 48.7	3,577,057	9,002,708	3,432,069	8,902,833
Total assets		810,167,051	765,731,926	809,550,781	765,345,386

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

TMB Bank Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities and shareholders' equity					
Liabilities					
Deposits	23, 48.7	571,625,314	529,606,021	571,720,372	529,663,495
Interbank and money market items	24, 48.7	72,716,662	66,037,751	72,716,662	66,037,751
Liability payable on demand		3,145,176	3,275,886	3,145,176	3,275,886
Liabilities to deliver securities		22,689,700	24,639,000	22,689,700	24,639,000
Financial liabilities designated at fair value					
through profit or loss	25	183,337	362,695	183,337	362,695
Derivatives liabilities	10	10,171,992	16,498,729	10,171,992	16,498,729
Debts issued and borrowings	26, 48.7	36,249,255	38,172,802	36,249,255	38,172,802
Bank's liability under acceptance		15,095	7,886	15,095	7,886
Provisions for obligation on transfers of					
non-performing assets	8, 48.7	5,998,333	5,998,333	5,998,333	5,998,333
Provisions for employee benefits	27.2	1,534,712	1,424,437	1,513,303	1,401,717
Provisions for other liabilities	28	534,751	538,877	529,490	524,604
Deferred tax liabilities	20.1	984,793	1,022,756	971,295	1,017,705
Other payables	29	5,636,688	5,251,893	5,629,503	5,236,144
Other liabilities	30, 48.7	8,888,207	11,061,473	8,673,907	10,983,775
Total liabilities		740,374,015	703,898,539	740,207,420	703,820,522
Shareholders' equity					
Share capital					
Registered share capital					
44,108,738,479 ordinary shares of Baht 0.95 each		41,903,302	41,903,302	41,903,302	41,903,302
Issued and paid-up share capital					
43,678,764,288 ordinary shares of Baht 0.95 each					
(31 December 2013 : 43,606,322,266 shares)	31.3	41,494,826	41,426,006	41,494,826	41,426,006
Share premium	31.3	157,690	81,196	157,690	81,196
Other components of shareholders' equity		4,164,566	4,276,071	4,116,641	4,260,833
Retained earnings					
Appropriated - Statutory reserve	33, 34	1,250,000	770,000	1,250,000	770,000
Unappropriated		22,637,090	15,203,983	22,324,204	14,986,829
Equity attributable to equity holders of the Bank		69,704,172	61,757,256	69,343,361	61,524,864
Non-controlling interests of the subsidiaries		88,864	76,131	-	-
Total shareholders' equity		69,793,036	61,833,387	69,343,361	61,524,864
Total liabilities and shareholders' equity		810,167,051	765,731,926	809,550,781	765,345,386

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



Mr Boontuck Wungcharoen
Chief Executive Officer



Mr Rungson Sriworasat
Chairman of the Board

TMB Bank Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Interest income	35, 48.6	35,848,295	34,825,723	35,694,944	34,655,251
Interest expenses	36, 48.6	14,253,242	14,004,059	14,253,406	14,004,241
Net interest income		21,595,053	20,821,664	21,441,538	20,651,010
Fees and service income	37, 48.6	7,874,418	7,610,856	7,341,024	7,150,859
Fees and service expenses	37, 48.6	2,140,092	2,032,251	2,049,027	1,956,562
Net fees and service income		5,734,326	5,578,605	5,291,997	5,194,297
Net gains on trading and foreign exchange transactions	38	1,991,435	2,258,041	1,991,435	2,258,041
Net loss on financial liabilities designated at fair value through profit or loss	39	(51,367)	(8,683)	(51,367)	(8,683)
Net gains on investments	40	193,257	141,748	550,244	296,112
Other operating income	41, 48.6	490,230	415,527	420,998	484,764
Total operating income		29,952,934	29,206,902	29,644,845	28,875,541
Other operating expenses					
Employee's expenses		8,047,621	7,594,647	7,835,472	7,382,563
Director remuneration		37,834	32,479	37,473	31,999
Premises and equipment expenses		3,003,243	2,780,296	2,948,441	2,725,023
Taxes and duties		1,198,474	1,145,077	1,195,282	1,143,665
Other operating expenses	42, 48.6	3,486,900	2,997,235	3,360,011	2,848,361
Total other operating expenses		15,774,072	14,549,734	15,376,679	14,131,611
Bad debts, doubtful accounts and impairment losses	43, 48.6	3,436,748	7,612,759	3,801,349	7,686,226
Profits from operation before income tax expenses		10,742,114	7,044,409	10,466,817	7,057,704
Income tax expenses	20.2	1,190,505	1,296,588	1,023,673	1,258,495
Profits for the years		9,551,609	5,747,821	9,443,144	5,799,209

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

TMB Bank Public Company Limited and its subsidiaries
 Statements of comprehensive income (continued)
 For the year ended 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Other comprehensive income (loss) :	44				
Changes in revaluation surplus on assets		(60,506)	(57,896)	(60,506)	(57,896)
Gains (losses) on revaluation of available-for-sale investments		61,240	(2,468)	20,381	(1,418)
Gains arising from translating the financial statements					
of foreign operations		-	29,557	-	29,557
Other comprehensive income (loss)		734	(30,807)	(40,125)	(29,757)
Add (less): Relevant income taxes	20.3	(147)	6,161	8,025	5,951
Other comprehensive income (loss) - net of relevant income taxes		587	(24,646)	(32,100)	(23,806)
Total comprehensive income		9,552,196	5,723,175	9,411,044	5,775,403
Profits for the years attributable to:					
Equity holders of the Bank		9,538,876	5,737,345	9,443,144	5,799,209
Non-controlling interests of the subsidiaries		12,733	10,476		
		9,551,609	5,747,821		
Total comprehensive income attributable to:					
Equity holders of the Bank		9,539,463	5,712,699	9,411,044	5,775,403
Non-controlling interests of the subsidiaries		12,733	10,476		
		9,552,196	5,723,175		
Earnings per share of equity holders of the Bank:					
Basic earnings per share	45	0.2185	0.1316	0.2163	0.1330
Diluted earnings per share		0.2177	0.1312	0.2155	0.1326

(Unit: Baht)

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



Mr Boontuck Wungcharoen
 Chief Executive Officer



Mr Rungson Sriworasat
 Chairman of the Board

TMB Bank Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to equity holders of the Bank												
Other components of shareholders' equity												
	Transition adjustment arising from translating the financial statements of foreign operations - net						Total equity attributable to equity holders of the Bank					
Note	Issued and paid-up share capital	Share premium	Other reserve - share-based payments (Note 31.3)	Revaluation surplus on assets - net (Note 32)	Revaluation surplus on investments - net (Note 11.4)	Total other components of shareholders' equity	Appropriated - Statutory reserve	Unappropriated				
											Total	
Balance as at 1 January 2013												
Profit for the year	41,372,425	27,008	196,924	4,048,700	59,756	19,918	4,325,298	480,000	11,111,320	57,316,051	65,655	57,381,706
Other comprehensive income (loss) - net of relevant income taxes	-	-	-	-	-	-	-	-	5,737,345	5,737,345	10,476	5,747,821
	-	-	-	(46,316)	(1,976)	23,645	(24,646)	-	-	(24,646)	-	(24,646)
Total comprehensive income (loss)	-	-	-	(46,316)	(1,976)	23,645	(24,646)	-	5,737,345	5,712,699	10,476	5,723,175
Transferred revaluation surplus on assets directly to retained earnings	-	-	-	(84,253)	-	-	(84,253)	-	84,253	-	-	-
Expenses in relation to share-based payments	-	-	167,999	-	-	-	167,999	-	-	167,999	-	167,999
Issued ordinary shares to employees	53,581	54,746	(108,327)	-	-	-	(108,327)	-	-	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(558)	-	-	-	-	-	-	-	(558)	-	(558)
Appropriated to statutory reserve	-	-	-	-	-	-	-	290,000	(290,000)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,438,935)	(1,438,935)	-	(1,438,935)
Balance as at 31 December 2013	41,426,006	81,196	256,596	3,918,131	57,781	43,563	4,276,071	770,000	15,203,983	61,757,256	76,131	61,833,387
Balance as at 1 January 2014												
Profit for the year	41,426,006	81,196	256,596	3,918,131	57,781	43,563	4,276,071	770,000	15,203,983	61,757,256	76,131	61,833,387
Other comprehensive income (loss) - net of relevant income taxes	-	-	-	-	-	-	-	-	9,538,876	9,538,876	12,733	9,551,609
	-	-	-	(48,405)	48,992	-	587	-	-	587	-	587
Total comprehensive income (loss)	-	-	-	(48,405)	48,992	-	587	-	9,538,876	9,539,463	12,733	9,552,196
Transferred revaluation surplus on assets directly to retained earnings	-	-	-	(121,332)	-	-	(121,332)	-	121,332	-	-	-
Expenses in relation to share-based payments	-	-	155,130	-	-	-	155,130	-	-	155,130	-	155,130
Issued ordinary shares to employees	68,820	77,070	(145,860)	-	-	-	(145,860)	-	-	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(576)	-	-	-	-	-	-	-	(576)	-	(576)
Appropriated to statutory reserve	-	-	-	-	-	-	-	480,000	(480,000)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,747,101)	(1,747,101)	-	(1,747,101)
Balance as at 31 December 2014	41,494,826	157,690	265,806	3,748,394	106,773	43,563	4,164,566	1,250,000	22,637,090	69,704,172	88,864	69,793,036

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

TMB Bank Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2014

(Unit: Thousand Baht)

Separate financial statements										
Other components of shareholders' equity										
	Issued and paid-up share capital	Share premium	Other reserve - share-based payments (Note 31.3)	Revaluation surplus on assets - net (Note 32)	Revaluation surplus on investments - net (Note 11.4)	Translation adjustment arising from translating the financial statements of foreign operations - net	Total other components of shareholders' equity	Appropriated - Statutory reserve	Unappropriated	Total
Balance as at 1 January 2013	41,372,425	27,008	196,924	4,048,700	43,678	19,918	4,309,220	480,000	10,832,302	57,020,955
Profit for the year	-	-	-	-	-	-	-	-	-	5,799,209
Other comprehensive income (loss) - net of relevant income taxes	-	-	-	(46,316)	(1,135)	23,645	(23,806)	-	-	(23,806)
Total comprehensive income (loss)	-	-	-	(46,316)	(1,135)	23,645	(23,806)	-	-	5,775,403
Transferred revaluation surplus on assets directly to retained earnings	-	-	-	(84,253)	-	-	(84,253)	-	84,253	-
Expenses in relation to share-based payments	-	-	167,999	-	-	-	167,999	-	-	167,999
Issued ordinary shares to employees	53,581	54,746	(108,327)	-	-	-	(108,327)	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(558)	-	-	-	-	-	-	-	(558)
Appropriated to statutory reserve	-	-	-	-	-	-	-	290,000	(290,000)	-
Dividend paid	-	-	-	-	-	-	-	-	(1,438,935)	(1,438,935)
Balance as at 31 December 2013	41,426,006	81,196	256,596	3,918,131	42,543	43,563	4,260,833	770,000	14,986,829	61,524,864
Balance as at 1 January 2014	41,426,006	81,196	256,596	3,918,131	42,543	43,563	4,260,833	770,000	14,986,829	61,524,864
Profit for the year	-	-	-	-	-	-	-	-	-	9,443,144
Other comprehensive loss - net of relevant income taxes	-	-	-	(48,405)	16,305	-	(32,100)	-	-	(32,100)
Total comprehensive income (loss)	-	-	-	(48,405)	16,305	-	(32,100)	-	-	9,411,044
Transferred revaluation surplus on assets directly to retained earnings	-	-	-	(121,332)	-	-	(121,332)	-	121,332	-
Expenses in relation to share-based payments	-	-	155,130	-	-	-	155,130	-	-	155,130
Issued ordinary shares to employees	68,820	77,070	(145,890)	-	-	-	(145,890)	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(576)	-	-	-	-	-	-	-	(576)
Appropriated to statutory reserve	-	-	-	-	-	-	-	480,000	(480,000)	-
Dividend paid	-	-	-	-	-	-	-	-	(1,747,101)	(1,747,101)
Balance as at 31 December 2014	41,494,826	157,690	265,836	3,748,394	58,848	43,563	4,116,641	1,250,000	22,324,204	69,343,361

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

TMB Bank Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profits from operation before income tax expenses	10,742,114	7,044,409	10,466,817	7,057,704
Adjustments to reconcile profits from operation before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,215,462	1,105,707	1,203,473	1,092,900
Bad debts, doubtful accounts and impairment losses	3,436,748	7,612,759	3,801,349	7,686,226
Impairment losses on premises and equipment	12,319	8,377	12,319	8,377
Impairment losses on properties foreclosed and other assets	102,859	129,923	105,455	129,519
Provisions for employee benefits and other liabilities (reversal)	247,451	(113,332)	247,111	(191,329)
Impairment losses on investments (reversal)	(2,623)	1,791	(359,610)	(187,208)
(Gains) losses on revaluation of trading investments	8,538	(1,836)	8,538	(1,836)
Gains on disposals of equipment	(37,429)	(36,242)	(37,838)	(35,484)
Gains on disposals of investments	(190,634)	(143,539)	(190,634)	(108,904)
Unrealised (gains) losses on remeasurement of financial liabilities designated at fair value through profit or loss	20,642	(603)	20,642	(603)
Unrealised (gains) losses on exchange on borrowings and derivatives	(464,896)	400,678	(464,896)	400,678
Expenses in relation to share-based payments	155,130	167,999	155,130	167,999
(Increase) decrease in other accrued income	(138,378)	39,460	(118,206)	51,587
Increase in other accrued expenses	36,022	96,482	9,715	94,110
Net interest income	(21,595,053)	(20,821,664)	(21,441,538)	(20,651,010)
Dividend income	(54,557)	(64,905)	(54,557)	(64,905)
Cash received on interest income	32,990,508	31,953,076	32,838,791	31,784,639
Cash paid on interest expenses	(12,206,500)	(12,330,687)	(12,206,790)	(12,331,016)
Cash refund on income taxes	736,257	81,458	736,257	81,458
Cash paid on income taxes	(229,643)	(221,343)	(196,695)	(192,543)
Profits from operating activities before changes in operating assets and liabilities	14,784,337	14,907,968	14,534,833	14,790,359

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

TMB Bank Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
(Increase) decrease in operating assets				
Interbank and money market items	(16,610,159)	(232,538)	(16,490,721)	(150,695)
Trading investments	(11,659,577)	1,388,458	(11,659,577)	1,388,458
Loans to customers	(37,719,527)	(47,813,058)	(38,717,641)	(48,047,374)
Properties foreclosed	666,479	449,910	659,128	449,910
Other receivables	1,482,901	2,722,409	2,065,123	2,729,566
Other assets	4,737,006	(3,244,794)	4,743,160	(3,243,628)
Increase (decrease) in operating liabilities				
Deposits	41,609,898	33,444,038	41,647,482	33,244,608
Interbank and money market items	6,678,911	(15,417)	6,678,911	(15,417)
Liability payable on demand	(130,710)	(604,380)	(130,710)	(604,380)
Financial liabilities designated at fair value through profit or loss	(200,000)	150,000	(200,000)	150,000
Short-term debts issued and borrowings	(3,373,124)	(3,567,464)	(3,373,124)	(3,567,464)
Provisions for obligation on transfer of non-performing assets	-	(85,552)	-	-
Provisions for employee benefits	(100,726)	(56,685)	(95,199)	(56,642)
Provisions for other liabilities	(71,819)	(44,401)	(66,682)	(44,401)
Accounts payable	(1,219,719)	1,337,289	(1,211,155)	1,336,963
Other liabilities	(2,999,782)	1,109,213	(3,017,595)	1,122,876
Net cash used in operating activities	(4,125,611)	(155,004)	(4,633,767)	(517,261)

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

TMB Bank Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Cash received on interest income	2,500,525	2,418,015	2,509,181	2,417,348
Cash received on dividend income	54,557	64,905	54,557	64,905
Purchases of available-for-sale investments	(68,355,991)	(48,890,169)	(67,845,991)	(47,236,294)
Proceeds from sales of available-for-sale investments	70,780,303	51,036,468	70,780,303	49,732,593
Investments in held-to-maturity debt securities	(2,001,758)	(16,284,069)	(2,001,758)	(16,284,069)
Proceeds from redemptions of debt securities held to maturities	3,536,048	19,942,729	3,536,048	19,925,316
Investments in general investments	-	(18,901)	-	(18,901)
Capital distribution from investment units and proceeds from sales of general investments	124,715	291,539	124,715	291,539
Purchases of premises and equipment	(645,032)	(1,119,980)	(636,989)	(1,111,769)
Cash paid for leasehold rights	(11,272)	(103,624)	(11,272)	(103,624)
Purchases of intangible assets	(369,510)	(402,377)	(367,719)	(398,930)
Proceeds from disposals of equipment	53,753	178,030	53,359	176,646
Net cash provided by investing activities	5,666,338	7,112,566	6,194,434	7,454,760
Cash flows from financing activities				
Cash repayments on long-term debts issued and borrowings	(4,239,407)	(2,004,013)	(4,239,407)	(2,004,013)
Cash paid on interest on long-term debts issued and borrowings	(1,401,893)	(1,566,383)	(1,401,830)	(1,566,309)
Cash receipts on subordinated debentures issued	15,000,000	-	15,000,000	-
Cash paid for redemption of subordinated debenture	(9,300,000)	-	(9,300,000)	-
Expenses in relation to issuance of ordinary shares to employees	(576)	(558)	(576)	(558)
Dividends paid	(1,747,101)	(1,438,935)	(1,747,101)	(1,438,935)
Net cash used in financing activities	(1,688,977)	(5,009,889)	(1,688,914)	(5,009,815)
Net increase (decrease) in cash and cash equivalents	(148,250)	1,947,673	(128,247)	1,927,684
Changes in translation adjustments of foreign operations	-	29,557	-	29,557
Cash and cash equivalents as at 1 January	16,576,203	14,598,973	16,556,121	14,598,880
Cash and cash equivalents as at 31 December	16,427,953	16,576,203	16,427,874	16,556,121
Supplemental cash flows information				
Non-cash transactions:				
Issuance of ordinary shares to employees	145,890	108,327	145,890	108,327
Increase (decrease) in available-for-sale investments as a result of revaluation	61,240	(2,468)	20,381	(1,418)
Decrease in premises as a result of transfer of revaluation surplus on assets directly to retained earnings	(212,172)	(163,212)	(212,172)	(163,212)

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

TMB Bank Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2014

1. General information

TMB Bank Public Company Limited ("the Bank"), is a public company incorporated and domiciled in Thailand. The Bank has been operating commercial banking businesses whereby its head office is located at No. 3000, Phaholyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok. As at 31 December 2014, the Bank had altogether 460 branches, including the Head Office, in all regions throughout Thailand and 2 overseas branches (31 December 2013: 458 branches in Thailand and 2 overseas branches).

All subsidiaries are incorporated as limited companies under Thai laws and have been operating in Thailand, with their core businesses being provisions of asset management and fund management services.

2. Basis of preparation of financial statements**2.1 Basis of preparation of financial statements**

These financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the Bank of Thailand ("BOT")'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.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding a summary of 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 the financial statements in Thai language.

2.2 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of TMB Bank Public Company Limited and the following subsidiaries:

	Type of business	Percentage of shares held by the Bank as at		Assets included as a percentage to the consolidated totals as at		Revenue included as a percentage to the consolidated totals for the year ended	
		31	31	31	31	31 December	
		December	December	December	December	31 December	
		2014	2013	2014	2013	2014	2013
Phayathai Asset Management Co., Ltd.	Asset management business	100.00	100.00	0.37	0.34	0.45	0.42
Designee for ETA Contract Ltd.	Financial support business	99.50	99.50	-	-	-	-
TMB Asset Management Co., Ltd.	Fund management business	87.50	87.50	0.11	0.09	2.62	2.20

- (b) The Bank and its subsidiaries do not treat investments in any mutual funds in which they hold more than 50% of outstanding units as investments in subsidiaries because the Bank does not have control over the financial and operating policies of these funds. In case that the Bank and its subsidiaries receive shares as a result of debt restructuring of a borrower, which causes the Bank and its subsidiaries to hold more than 50% of the paid-up share capital of such company, the Bank and its subsidiaries will not treat that investee company as a subsidiary, since they intend to hold such investment temporarily.
- (c) Subsidiaries' financial statements have been fully consolidated since the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Bank.
- (e) Material balances and transactions between the Bank and its subsidiaries have been eliminated from the consolidated financial statements. The investments in subsidiaries as recorded in the Bank's books of accounts have been eliminated against shareholders' equity of the subsidiaries.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated statements of comprehensive income and within shareholders' equity in the consolidated statements of financial position.

2.3 Separate financial statements

The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

3.1 Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits

TAS 21 (revised 2012)	The effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards.

The management of the Bank and its subsidiaries already assessed and believe that the above-mentioned financial reporting standards, do not have an impact on the financial statements.

3.2 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of new or revised financial reporting standards that are effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. The management of the Bank and its subsidiaries have assessed the effect of these financial reporting standards and believes that they will not have any significant impact on the financial statements for the year when they are initially applied. However, some of these financial reporting standards are relevant to the businesses and the preparation of financial statements of the Bank and its subsidiaries and involve changes to key principles as summarised below:

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Bank and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Bank and its subsidiaries believes that this standard will not have an impact on the Bank and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no impact to the financial statements of the Bank and its subsidiaries.

TFRS 13 Fair Value Measurement

TFRS 13 sets out a framework for measuring fair value and requires disclosure about fair value measurement.

The objective of the fair value measurement is to estimate the exit price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions from the market participant's viewpoint.

This financial reporting standard shall be applied prospectively as of the beginning of the annual period in which it is initially applied. For fair value measurement of financial assets and liabilities into which credit risks shall be taken into account, this financial reporting standard allows the alternative option to recognise such financial impact by adjustment to the 2015 beginning balance of retained earnings.

For the first-time adoption in 2015, the beginning balance of retained earnings in the consolidated and separate financial statements as at 1 January 2015 would be reduced by approximately Baht 50 million.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss and against retained earnings.

At present, the Bank and its subsidiaries recognised actuarial gains and losses immediately in other comprehensive income. The management of the Bank and its subsidiaries believes that this standard will not have any significant impact on the Bank and its subsidiaries' financial statements.

4. Summary of significant accounting policies

4.1 Revenue Recognition

(a) Interest Income

The Bank and its subsidiaries recognise interest income on loans on an accrual basis, except for loans on which interest has been accrued longer than 3 months, or loans classified as sub-standard, doubtful and doubtful of loss in accordance with the Bank of Thailand's regulations. Interest on these loans is then recognised when received and the Bank and its subsidiaries will reverse all interest income previously accrued for these loans. Interest on these loans will be recognised on an accrual basis once they are restructured and meet all of the following conditions:

1. The loans are qualified to be classified as "pass".
2. There are no interest receivables and present value loss on debt restructuring outstanding.

Interest on investment in debt securities is recognised as revenue based on the effective yield rates over the holding periods.

(b) Dividend income

Dividends are recognised as revenue on the date that the Bank's and its subsidiaries' right to receive the dividends is established.

(c) 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 of the services provided. In case that the Bank and its subsidiaries give away customer loyalty programmes, such as award points to redeem goods or services, etc. to their customers to motivate them to become their loyal customers, the Bank and its subsidiaries shall allocate the fair value of the award points earned by customers each time they use services of the Bank and its subsidiaries from considerations received on services they provide each time. The then allocated amount is recorded as deferred revenue, which is presented as a part of "other liabilities" in the statements of financial position and it will be recognised as revenue in profit or loss from operation when the customers redeem the award points.

4.2 Recognition of expense

(a) Interest expenses

The Bank and its subsidiaries recognise interest expenses on an accrual basis.

(b) Fees and service expenses

The Bank and its subsidiaries recognise fees and service expenses on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in the process of collection.

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

The Bank enters into agreements to purchase securities or to sell securities that include agreements to sell or purchase the securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets in the statements of financial position under the caption of "Interbank and money market items - assets" or "Loans to customers", depending upon the type of its counterparty, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities in the statements of financial position under the caption of "Interbank and money market items - liabilities" or "Debt issued and borrowings", depending upon the type of its counterparty at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

4.5 Investments

The Bank and its subsidiaries classify their investments in debt securities as trading investments, available-for-sale investments, held-to-maturity debt securities as the case may be, and classify their investments in equity securities as trading investments, available-for-sale investments, general investments, investments in subsidiaries or associate as the case may be. Purchases and sales of investments are recorded on trade dates.

Impairment losses are recognised in profit or loss from operation. In the event the Bank and its subsidiaries reclassify investment from one type to another, such investment will be readjusted to its fair value as at the reclassification date. The difference between the carrying amount and the fair value of such investment on the date of reclassification is recorded in profit or loss from operation or against revaluation surplus (deficit) on investments in shareholders' equity, depending on the type of investment that is reclassified.

Investments in subsidiaries and associate

Investments in subsidiaries and associate as stated in the separate financial statements are accounted for using the cost method (cost less allowance for impairment, if any). Losses on impairment are recorded as expenses in profit or loss from operation.

Investment in an associate as stated in the consolidated financial statements is accounted for using the equity method. Investment in the associate is initially recorded at the acquisition cost and are adjusted to reflect the attributable share of profits or losses from the operations of the associate proportionately according to the investment holding percentage and reduced by the amount of dividends received.

If the Bank and its subsidiaries receive shares as a result of debt restructuring of a borrower, which cause them to hold more than 50% or 20% of the paid-up share capital of such company, they will not treat that investee company as a subsidiary or an associate, respectively, since they intend to hold such investment temporarily. Such investments are classified as general investments and stated at cost less allowance for impairment (if any).

The Bank and its subsidiaries do not treat investments in any mutual funds in which they hold more than 50% or 20% of the issued units of the fund as investments in a subsidiary or an associate, respectively, because the Bank and its subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund managers in accordance with the details stipulated in the mutual fund prospectus and under the supervision of the Office of Securities and Exchange Commission. Such investments are classified as general investments and stated at cost less allowance for impairment (if any).

Investments in debt and equity securities

Debt securities and marketable equity securities held for trading are classified as trading investments and are stated at fair value. Changes in the fair value of these securities are recognised as income or expense in profit or loss from operation.

Debt securities, including rights to receive non-negotiable promissory notes availed by the Financial Institution Development Fund ("FIDF") on the transfer of non-performing assets to Thai Asset Management Corporation ("TAMC"), that the Bank and its subsidiaries intend and are able to hold to maturity, are stated at amortised cost less allowance for impairment (if any). The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the remaining period to maturity, counting from acquisition date or investment date.

Debt securities and marketable equity securities, other than those held for trading or held to maturity, are classified as available-for-sale investments and are stated at fair value. Changes in the fair value are recorded as income or expense in other comprehensive income, and will be included in profit or loss from operation when those securities are sold.

Investments in (a) non-marketable equity securities, (b) investment units with conditions regarding the return on the investments similar to those of debt securities, (c) equity securities that were received as a result of debt restructuring, or (d) mutual funds, which are not classified as investments in subsidiaries or associate, are classified as general investments and stated at cost less allowance for impairment (if any).

Fair value of securities

The fair value of marketable equity securities held for trading and as available-for-sale is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period.

Fair value of an investment unit is determined using the net asset value announced on the reporting period-end date.

The fair value of investments in government-sector debt securities is determined, using yield rate or price quoted on the Thai Bond Market Association ("TBMA"). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the TBMA's yield rates adjusted by appropriate risk factors.

Disposal of investments

When disposal of an investment is made, the difference between the net disposal proceeds and the carrying amount, together with the associated cumulative gain or loss that has been recorded in shareholders' equity, is recognised as gain or loss in profit or loss from operations.

For equity securities, cost of both investments sold and those still held are determined using the weighted average method.

For debt securities, cost of both investments that are disposed of and are still held are determined using the first-in, first-out method.

4.6 Loans to customers

Loans to customers are presented exclusive of accrued interest receivables (except for overdrafts, which are presented inclusive of accrued interest receivables). Unearned discounts received in advance on loans to customers are presented as deductions from the loans.

4.7 Bill purchased, Trade Finance and Factoring

The Bank classifies bill purchased transactions, trade finance transactions by purchasing, discounting or rediscounting bills under letters of credit, and factoring transactions as assets based on the business type of the counterparty whom the Bank has its legal recourses. In case that there is acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of "Interbank and money market items-assets". In case that there is no acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of "Loans to customers" or "Interbank and money market items-assets" depending upon the business type of its counterparty.

The Bank recognises the difference between purchase price and the face value of bill as unearned discounts which are presented as deductions against "Loans to customers" or "Interbank and money market items - assets" as the case may be and gradually amortises such unearned discounts as interest income using the effective interest rate over the term of discounting or rediscounting periods.

4.8 Allowance for doubtful debts

Allowance for doubtful debts is determined based on relevant BOT's criteria and regulations. The allowance for doubtful debts includes (a) an allowance determined at the minimum percentage as specified in the BOT notifications, (b) an allowance in excess of such minimum percentage as specified in the BOT's notifications to cover losses incurred but not yet reported and (c) an additional provision following its business plan and management of non-performing loans. The allowance for doubtful debts is calculated based on the shortfall between the carrying value of the outstanding debts and the present value of future cash flows expected to be collected from debtors or from the disposal of the underlying collateral, which is determined in accordance with the BOT's notifications.

The allowance in excess of such minimum percentage as specified in the BOT's notifications to cover losses incurred but not yet reported is determined, taking into accounts the relevant factors such as the types of lendings, historical loss, the debtor's credit risk, management's experience and so on. The additional provision is determined, taking into accounts the debtor's payment ability, the expected amount to be collected from the underlying collateral and debt management plan.

Any additional allowances for doubtful debts are charged to expense in each accounting period. The Bank and its subsidiaries write off bad debts against the allowance for doubtful debts for uncollectible amounts and bad debts recovered (principal portion) are credited to the allowance for doubtful debts.

4.9 Troubled debt restructuring

Foreclosed assets transferred as a result of troubled debt restructuring are recorded at the fair value of the assets net of estimated disposal expenses, to the extent that this does not exceed the book value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Where restructuring a loan involves modification of its terms, the present value of the future cash flows expected to be collected from the debtor is calculated by using a discount rate. The difference between the then-determined present value and the outstanding balances of loans to customers and accrued interest receivables is recorded as a revaluation allowance on debt restructuring in the statements of financial position. Such revaluation allowance is reviewed using the present value of the projected expected cash to be received over the remaining terms.

For debt restructuring agreements made before 1 January 2014, the present value of the future cash flows expected to be collected from the debtor is determined using the market rates at the restructuring dates as the discount rates. For debt restructuring agreements made since 1 January 2014 onwards, the Bank uses the effective interest rates under the original loan agreements as the discount rates.

4.10 Properties foreclosed

Properties foreclosed are stated at the lower of cost or net realisable value. Loss on impairment is recognised as an expense in profit or loss from operation. Gain or loss on disposal is recognised in profit or loss from operation when a disposal is made.

Cost of properties foreclosed as a result of settlement from a debtor is stated at the lower of the appraised value or carrying value of the related debt for properties acquired from debt settlement before 2002, and at fair value less estimated direct cost to sell for properties acquired from debt settlement after 2002, to the extent that this does not exceed the carrying value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Cost of properties foreclosed through a public auction process is the purchase price plus transfer costs and less estimated direct cost sell.

The Bank and its subsidiaries consider net realisable value for each unit of properties foreclosed. Net realisable value is the recoverable value from disposal of properties foreclosed less estimated selling expenses. The recoverable value from disposal of properties foreclosed is assessed with reference to the appraisal value of each unit of properties foreclosed and is adjusted down by varying discount rates, taking into consideration the quality of assets (location, infrastructure and property usage potential), holding period, historical disposal experience and market demand.

4.11 Premises and equipment

Land is stated at revalued amount less allowance for impairment (if any), buildings are stated at revalued amount less accumulated depreciation and allowance for impairment (if any), and equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

The Bank and its subsidiaries initially record land, buildings and equipment at their costs on the acquisition dates. The Bank, thereafter, arranges to have the independent valuers appraise the land and buildings on a regular basis and records them at the revalued amount (Revalued amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings) such that the carrying values of such assets as at the end of the reporting period do not materially differ from their fair values.

The Bank recognises surplus/deficit arising as a result of revaluation of their assets as follows:

- (a) When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in shareholders' equity under the heading of "Revaluation surplus on assets". However, if the asset is previously devalued and the Bank used to recognise such revaluation decrease as an expense in profit or loss from operation, a revaluation increase from this revaluation is then recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- (b) When an asset's carrying amount is decreased as a result of a revaluation of the asset, the decrease is recognised in profit or loss from operations. However, if the asset was previously revalued and an outstanding balance of revaluation surplus remains in shareholders' equity under the heading of "Revaluation surplus on assets", the revaluation decrease is then charged to other comprehensive income to the extent that it does not exceed the amount already held in "Revaluation surplus on assets" in respect of the same asset and the revaluation decrease in excess of the amount already held in "Revaluation surplus on assets" in respect of the same asset is recognised in profit or loss from operations.

Depreciation of buildings and equipment is calculated by reference to their cost or the revalued amounts, on a straight-line basis over the following estimated periods of useful lives. (Depreciation of fixed assets of overseas branches is computed at a rate specified by the applicable laws, which is at the rate of 20% of the cost or the estimated useful life of 5 years.)

Buildings	-	50 years
Equipment	-	3 - 10 years

Depreciation is included in profit or loss from operation. No depreciation is determined for land and assets under construction and installation.

The revaluation surplus on assets is amortised, using the straight-line method, over the estimated remaining periods of those assets' estimated useful lives and directly charged to retained earnings. The remaining of revaluation surplus on an item of land and buildings, that is derecognised of, is transferred directly to retained earnings when the asset is derecognised of.

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 (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is recognised in profit or loss from operation when the asset is derecognised.

4.12 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and are presented as a part of "other assets" in statements of financial position. Leasehold rights are amortised and recognised as the expenses, using a straight-line method, over the lease periods.

4.13 Intangible assets

Goodwill

Goodwill arising on the acquisition of an interest in a subsidiary represents the excess of the cost of the investment over the carrying amount of the net assets acquired at the date of acquisition. Goodwill is stated at cost less allowance for impairment (if any) in the statements of financial position.

Other intangible assets

Other intangible assets are carried at cost less accumulated amortisation and allowance for impairment (if any). Intangible assets with finite useful lives or with useful lives that can be estimated are amortised on a systematic basis over the periods of their economic benefit and are tested for impairment whenever there is an indication that the asset may be impaired. The amortisation periods and methods for such intangible assets are reviewed at least at each financial year-end. The amortisation amount and loss on impairment (if any) are recognised as expenses in profit or loss from operation.

The Bank's and its subsidiaries' other intangible assets are computer softwares, which are amortised over the estimated period of their economic benefits of 5 years. No amortisation is made for computer softwares under development.

4.14 Allowance for impairment

Impairment

The carrying amounts of the Bank's and its subsidiaries' assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any of such indication exists, the assets' recoverable amounts are estimated.

Goodwill and other intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually or when indicators of impairment are identified earlier.

An impairment loss is recognised whenever the carrying value of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss from operation unless it reverses a previous revaluation surplus on assets credited to equity, in which case an impairment loss on a revalued asset is recognised in equity to the extent that the impairment does not exceed the amount of the remaining balance of the revaluation surplus for the same asset.

When a decrease in the fair value of an available-for-sale investments, which has been recognised in shareholders' equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had already been recognised in shareholders' equity is then transferred to be recognised in profit or loss from operation. The amount of impairment loss that is recognised in profit or loss from operation is the difference between the acquisition cost and the fair value, less any impairment loss on that financial asset previously recognised in profit or loss from operation.

Calculation of recoverable amount

The recoverable amount of the Bank's and its subsidiaries' investments in held-to-maturity securities is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of available-for-sale investments is calculated by reference to their fair value.

The recoverable amount of loans to customers and accrued interest receivables is calculated as described in Notes 4.6 to 4.9 to the financial statements.

The recoverable amount of non-financial assets is the greater of the assets' net selling price and value in use. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss recorded in respect of a financial asset is reversed if a subsequent increase in the recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost, available-for-sale investments, general investments and investments in subsidiaries and associate, the reversal is recognised in profit or loss from operations. However, any reversal is not to exceed the amount previously recognised as the impairment loss in profit or loss from operations. An impairment loss recorded in respect of goodwill is not reversed.

Impairment loss recognised in prior periods in respect of other non-financial assets is assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and will be reversed only to the extent that the asset's carrying value does not exceed the carrying value, net of accumulated depreciation or amortisation, that would have been determined if no impairment loss had been recognised.

4.15 Hybrid instruments

The Bank records financial liabilities that are created in the form of hybrid instruments with reference to the BOT's Notification, which requires the Bank to apply International Accounting Standard No.39 (IAS 39) in relation to financial liabilities whereby it has an option to classify financial liabilities as "Financial liabilities designated at fair value through profit or loss" when one of the following criteria is met:

1. Such classification is made to reduce a mismatch in profit or loss that would otherwise arise from different accounting recognition between financial assets and financial liabilities; or
2. The financial instrument is for management and evaluation of a group of financial assets or financial liabilities under a documented risk management or investment strategy policy as approved by the Board of Directors of the Bank; or
3. It is a financial instrument containing an embedded derivative.

When the Bank classifies its hybrid instrument liabilities as "Financial liabilities designated at fair value through profit or loss", it will not be able to reclassify such liabilities over their remaining lives to recognise them under another accounting method.

The fair value of financial liabilities designated at fair value through profit or loss is calculated based on a valuation model, using market data obtained from reliable sources. Changes in the fair value are recorded as income or expense in profit or loss from operation.

If the Bank opts not to classify the hybrid instrument liabilities as "Financial liabilities designated at fair value through profit or loss" or the criteria for classifying them are not met, the Bank is to classify and account for hybrid instrument liabilities in accordance with IAS 39 regarding hybrid instruments, taken into consideration all of the following criteria:

1. The hybrid instrument is not measured at fair value with changes in fair value recognised in profit or loss from operation.
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
3. The economic characteristics and risks of the embedded derivative and the host contract are not closely related.

If all 3 conditions are met, the Bank will account for the host contract at cost or amortised cost and measure the embedded derivative separately from the host contract at fair value with changes in the fair value of the embedded derivative recognised as income or expense in profit or loss from operation. If any of the 3 conditions is not met, the Bank will recognise the hybrid instrument at cost or amortised cost.

4.16 Provisions

Provisions for contingent liabilities as a result of obligation having credit risk exposures

The Bank provides provisions for those off-balance sheet contingencies having credit risk exposures, such as loan guarantees, avals or commitments irrevocable by financial institutions, or obligation according to letter of guarantee of which the Bank was claimed against, using the same criteria and methods applied to allowance for doubtful debts that are described in Note 4.8 to the financial statements.

Provisions for other liabilities

Provisions are recognised when the Bank and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash outflows by a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4.17 Derivatives

Trading derivatives are initially and subsequently measured at fair value. Gain or loss on measurement of derivatives is recognised as revenue or expense in profit or loss from operation. In case where there is an active market, the Bank and its subsidiaries use the market value as the fair value of derivatives and if there is no active market, the fair value is derived from valuations incorporating market data obtained from reliable sources. The market value or market data obtained from reliable sources are mainly based on exchange-traded prices, broker/dealer quotations, or counterparties quotations.

Derivatives, entered for the banking book purpose, with interest components are recognised on an accrual basis, in the same manner as the hedged assets and liabilities. That is, the interest income or interest expense is recognised over the term of the contracts. Derivatives with foreign exchange components are recognised based on exchange rates ruling on the reporting period-end date. Unrealised gain or loss on exchange rate is recognised in profit or loss from operation and the difference between the forward rate and the spot rate at the contract date is recognised as revenue or expense using the straight-line basis over the contract periods.

4.18 Translation of foreign currencies

Transactions in foreign currencies are translated into Thai Baht at the buying or selling rates as specified by the Bank when the transactions occur.

Monetary assets and liabilities denominated in foreign currencies outstanding on the reporting period-end dates are translated into Thai Baht at the reference rates announced by the Bank of Thailand. Foreign exchange differences arising on translation are recognised in profit or loss from operation.

The financial statements of overseas branches are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting period-end dates. Foreign exchange differences arising on translation are recognised in other comprehensive income until dissolution of the branch's business, except for the Cayman Islands Branch, for which the foreign exchange differences arising on translation are recognised in profit or loss from operation.

4.19 Employee benefits

Short-term employee benefits

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

Post employment benefits and other long-term employee benefits

Defined contribution plan

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

Defined benefit plans

The Bank and its subsidiaries treat the severance payments they must make to employees upon retirement under labour law and other benefit (if any) as a post-employment benefit plan and the obligation to provide memorable gifts to employees when the employees have worked for the Bank and its subsidiaries for the specified length of years in service as other long-term employee benefit plan.

Provisions for post-employment benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. These actuarial techniques involve assumptions with reference to various variables such as demographic assumptions (e.g. staff turnover rate, mortality rate, etc.) and financial assumptions (e.g. salary incremental rate, discount rate, etc.).

Actuarial gain or loss arising from a post-employment benefit plan is recognised in other comprehensive income and taken as a part of retained earnings.

Actuarial gain or loss arising from other long-term employee benefit plan is recognised in profit or loss from operation.

4.20 Share-based payments

The cost of the TMB Performance Share Bonus Project ("Share-based payment plan") is recognised when services are rendered by employees. The cost of the share-based payment plan is measured by reference to the fair value of the issued shares on the grant date (date of offering of new ordinary shares to the employees).

The cost of the share-based payment plan is recognised as expense in profit or loss from operation with a corresponding increase in "Other reserve - share-based payments" in shareholders' equity over the periods in which the performance and service conditions are fulfilled. The cumulative expense, which involves the Bank's management best estimate of number of ordinary shares that will ultimately vest, is recognised for the share-based payment plan at each reporting period-end until the vesting date. The expense or reversal of expense for a period represents the movement in cumulative expense recognised as at the beginning and at the end of the reporting period.

4.21 Long-term leases

Leases of motor vehicles which transfer substantially all the risks and rewards of ownership to the Bank and its subsidiaries, 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.

4.22 Income tax expenses

Income tax expenses consist of current income taxes and deferred taxes.

Current income taxes

The Bank and its subsidiaries recognise current taxes at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income taxes

The Bank and its subsidiaries recognise deferred income taxes of temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting periods.

The Bank and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences, including brought-forward tax losses, to the extent that it is probable that their future taxable profit will be available against which such deductible temporary differences, including brought-forward tax losses, can be utilised.

At each reporting date, the Bank and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Bank and its subsidiaries record deferred income taxes directly to shareholders' equity if the taxes relate to items that are recorded directly to shareholders' equity.

4.23 Related party transactions

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain.

These judgements and estimates affect reported amounts and disclosures and actual results could differ.

Significant accounting judgements and estimates are as follows:

5.1 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 judgement 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.

5.2 Allowance for doubtful debts on loans to customers and accrued interest receivables

Allowances for doubtful debts 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 judgement to estimate losses expected to be incurred on loans to customers and accrued interest receivables, taking into consideration an analysis of each debtor's status, payment history, collection experience from the debtor, probability of default rates, loss rates given default, the value of collateral and surrounding economic conditions.

5.3 Allowance for impairment on investments/Reversal of allowance for impairment on investments

The Bank and its subsidiaries consider that investments are impaired when there has been a significant and prolonged decline in the fair value below their cost or an indicator of impairment. The determination of what is "significant" or "prolonged" or "indicator of impairment" requires judgement of management. In addition, the Bank and its subsidiaries may consider the reversal of allowance for impairment on investments when the management considers that those impairment indicators no longer exist or there are other indicators, including the current fair value of investments that cause the management to believe that the investments previously provided for impairment loss are no longer impaired.

5.4 Allowance for impairment on properties foreclosed

The Bank and its subsidiaries consider allowance for impairment of properties foreclosed when their recoverable amounts are below their carrying value. The management uses judgement to estimate impairment loss, taking into consideration the latest appraisal values, holding periods, the types, the characteristics of the assets and historical loss experiences.

5.5 Premises and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to estimate the useful lives and residual values of the Bank's buildings and equipment and to review estimated useful lives and residual values when there are any changes.

The Bank measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review premises and equipment for impairment on a periodic basis and record impairment losses in the period when it is determined that their recoverable amounts are lower than the carrying values. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.6 Intangible assets

In consideration of allowance for impairment loss on intangible assets, it requires the 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.

5.7 Recognition and derecognition of assets and liabilities

In considering whether to recognise or derecognise assets and liabilities, the management is required to make judgement on whether significant risk and rewards have been transferred.

5.8 Provisions for employee benefits

The provisions for post-employment benefits and other long-term employee benefits are determined based on actuarial techniques, which involve various assumptions. The management has to exercise judgement to determine the appropriateness of these assumptions such as discount rate, salary incremental rate, staff turnover rate and mortality rate, based on their best knowledge of current events and arrangements.

5.9 Claims, litigation and the transfer of non-performing assets

The Bank and its subsidiaries have contingent liabilities as a result of (a) claims, (b) litigation cases being made against them and (c) loss sharing from the transfer of non-performing assets. The determination of these provisions for liabilities to be recognised on the statement of financial position requires the use of various assumptions and judgements by the management.

5.10 Leases

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

6. The Bank's risk management

Risk management approach

The Bank has set up its risk management structure in order to efficiently manage its core risks, i.e. credit, market, operational, liquidity, reputational and strategic risks. Appropriate risk policies and risk management procedures have been established to provide common guidelines and standards to be consistently applied across the Bank and its subsidiaries.

The Bank manages its risks under the following key principles: core risks must be identified, measured, monitored, reported, analysed and controlled; business activities are managed under a risk-return framework to ensure that risks undertaken are commensurate with an appropriate return.

The Bank's risk governance structure consists of the Board of Directors (BOD), which holds the ultimate responsibility for the Bank's overall risk management, the Risk Management Committee (RMC), which has been delegated by the BOD the authority to review and oversee the management of all risks across the Bank and is authorised to approve certain risk management strategies, policies, frameworks and standards, as well as risk appetite and risk concentration levels, and senior management risk committees that oversee specific risk areas including the Risk Policy Committee (RPC), the Operational Risk Management Committee (ORC), the Asset and Liabilities Management Committee (ALCO) and the Portfolio Monitoring Committees (PoMoCo).

While business units are primarily responsible for managing risks within their own responsible areas as per the defined operating framework, the following dedicated risk management related functions are under the stewardship of the Chief Risk Officer (CRO): Credit Risk Management, Credit Risk Intelligence, Market Risk Management, Corporate Operational Risk Management, Compliance and Legal. Under Credit Risk Management function, sub-functions including Corporate Underwriting, Business Banking and Small Enterprise Underwriting, Consumer Credit, Credit Restructuring, NPL Prevention Team and Credit Policy Management are set in order to manage credit risk of each portfolios. These functions are responsible for establishing firm-wide risk management policies and guidelines, and take care of the following roles: developing tools for managing risks; proposing risk management strategy and recommending risk appetite to top management for approval in order to be used for monitoring, controlling and managing risk levels of the Bank.

6.1 Credit risk

Credit risk is the risk of loss to the Bank as a result of borrowers and/or counterparties failing to meet their financial or contractual obligations in accordance with agreed terms. It arises principally from granting loans and undertaking contingent liabilities, and also from certain off-balance sheet item products such as guarantees and derivatives.

The maximum credit risk exposure is the carrying values of the financial assets after deducting allowance for losses as presented in the statements of financial position, and the provision for contingent liabilities arising as a result of loan guarantees and other guarantees.

Credit policies/framework

The Bank's credit risk appetite and strategy are approved by the Board of Directors. To properly manage credit risk, the Bank has put in place the Core Credit Risk Policies (CCRP) and frameworks to ensure that credit decisions are prudently made and make credit risk management an integral part of all credit-related business processes.

All relevant Business Units and Support Units are required to formulate their own specific policies and supplementary policies under the CCRP. The Bank has also established policies to ensure diversification of its credit portfolio to address various concentration risks covering single exposure concentration risk on a group basis that is economically interdependent, industry / business sector concentration risk and country exposure concentration risk. Additionally, the Bank's Stress Testing Policy ensures a consistent framework to assess the Bank's ability to withstand extreme but plausible adverse changes to economic conditions.

Credit approval process

In managing credit risk, the Bank segregates the roles and responsibilities of the credit marketing function from the credit granting function to ensure proper checks and balance. Individual credit risk is analysed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and risk levels of credit requested.

Where appropriate, the Bank demands the placement of adequate collateral by customers in various forms including, for example, land and building, bank deposits, securities, and personal/corporate guarantees.

The Bank has contingent liabilities by issuing loan payment and other forms of guarantees, as well as issuing letters of credit and endorsing aval on commercial bills and notes for its customers. Such contingent transaction activities require assessment on financial condition of customers in the same manner as done for direct lending. The Bank also makes a standard practice to set credit terms and conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

Independent Credit review

The Audit unit is responsible for performing the independent assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the risk management processes. Moreover, the Independent Credit Review (ICR) team, under the Audit unit, performs individual credit reviews to ensure that the credit process and account administration are effectively conducted in accordance with policies and procedures, and in compliance with the regulatory requirements.

6.2 Market risk

Market risk refers to losses that may happen due to the fluctuations of foreign exchange rates, interest rates, and prices of equity securities and commodities, all of which may impact the Bank's assets, liabilities, and off-balance sheet items.

The ALCO holds the responsibility to assist the BOD and the RMC to ensure that bank-wide market risk management complies with the relevant risk policies and defined levels of risk appetite. The Bank classifies the overall market risk management into two parts: trading book and banking book. The Bank has developed a policy to set standards on the book definitions and transaction classification criteria as well as the treatment of each book.

Market risk in the trading book consists of market risk from exposures of financial instruments and derivatives that are held with trading intent or for hedging other positions in the trading book. The Bank has established Market Risk Management: Trading Book Policy to ensure the proper management of market risks in the trading book as well as impose limits to control the risks.

Market risk in the banking book consists of market risks incurred from the Bank's both on- and off-balance sheet items, and derivatives designated to hedge other banking book items. The Bank has established Market Risk Management: Banking Book Policy, which outlines the approach for managing market risks in the banking book and setting the relevant limits appropriate to the positions of the risks in the book and in line with the Bank's risk appetite. The Bank also analyses risks and regularly assesses the impact, the results of which are used as tools to manage the Bank's balance sheet structure to be in line with the changing market environment.

6.2.1 Interest rate risk

Interest rate risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in interest rates.

The Bank's and its subsidiaries' principal financial assets, namely loans to customers mostly earn interest at floating rates, based on MRR, MLR, MOR, interest rates of time deposits or other benchmark floating rates (such as BIBOR, LIBOR, etc.).

As at 31 December 2014 and 2013, financial assets and liabilities classified by types of interest rates are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2014			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash	-	-	16,428	16,428
Interbank and money market items	21,713	86,013	5,280	113,006
Investments - net	2,950	105,147	2,762	110,859
Loans to customers net of deferred revenue	322,247	203,240	4,873	530,360
Other financial assets	2,183	662	13,383	16,228
<u>Financial Liabilities</u>				
Deposits	373,335	173,236	25,054	571,625
Interbank and money market items	7,162	63,624	1,931	72,717
Liability payable on demand	-	-	3,145	3,145
Financial liabilities designated at fair value				
through profit or loss	137	-	-	137
Debts issued and borrowings	2,055	34,172	22	36,249
Other financial liabilities	281	-	14,077	14,358

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2013			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash	-	-	16,576	16,576
Interbank and money market items	9,790	75,965	10,641	96,396
Investments - net	5,056	95,228	2,993	103,277
Loans to customers net of deferred revenue	311,685	183,506	4,283	499,474
Other financial assets	7,821	103	12,986	20,910
<u>Financial Liabilities</u>				
Deposits	308,267	196,503	24,836	529,606
Interbank and money market items	8,493	56,011	1,534	66,038
Liability payable on demand	-	-	3,276	3,276
Financial liabilities designated at fair value				
through profit or loss	340	-	-	340
Debts issued and borrowings	6,098	32,048	27	38,173
Other financial liabilities	1,184	-	14,937	16,121

(Unit: Million Baht)

	Separate financial statements			
	31 December 2014			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash	-	-	16,428	16,428
Interbank and money market items	21,711	85,350	5,280	112,341
Investments - net	2,950	105,147	689	108,786
Investments in subsidiaries and associate - net	-	-	3,229	3,229
Loans to customers net of deferred revenue	322,204	203,240	4,873	530,317
Other financial assets	2,079	105	13,119	15,303
<u>Financial Liabilities</u>				
Deposits	373,416	173,236	25,068	571,720
Interbank and money market items	7,162	63,624	1,931	72,717
Liability payable on demand	-	-	3,145	3,145
Financial liabilities designated at fair value				
through profit or loss	137	-	-	137
Debts issued and borrowings	2,055	34,172	22	36,249
Other financial liabilities	281	-	13,865	14,146

(Unit: Million Baht)

	Separate financial statements			
	31 December 2013			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash	-	-	16,556	16,556
Interbank and money market items	9,789	75,421	10,641	95,851
Investments - net	5,056	95,228	1,470	101,754
Investments in subsidiaries and associate - net	-	-	2,872	2,872
Loans to customers net of deferred revenue	310,016	183,470	4,282	497,768
Other financial assets	7,717	103	12,794	20,614
<u>Financial Liabilities</u>				
Deposits	308,315	196,503	24,845	529,663
Interbank and money market items	8,493	56,011	1,534	66,038
Liability payable on demand	-	-	3,276	3,276
Financial liabilities designated at fair value				
through profit or loss	340	-	-	340
Debts issued and borrowings	6,098	32,048	27	38,173
Other financial liabilities	1,184	-	14,844	16,028

Financial assets and liabilities, classified by interest repricing periods, as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2014					
	Repricing periods			Non-		
	Within	Over	Over	performing	Non-interest	
	3 months	3-12 months	1 year	assets	bearing	Total
Financial Assets						
Cash	-	-	-	-	16,428	16,428
Interbank and money market items	107,304	422	-	-	5,280	113,006
Investments - net	33,147	40,238	34,712	-	2,762	110,859
Loans to customers net of						
deferred revenue	411,141	56,250	40,003	18,093	4,873	530,360
Other financial assets	2,844	-	1	-	13,383	16,228
Financial Liabilities						
Deposits	450,533	88,818	7,220	-	25,054	571,625
Interbank and money market items	65,490	1,588	3,708	-	1,931	72,717
Liability payable on demand	-	-	-	-	3,145	3,145
Financial liabilities designated at						
fair value through profit or loss	137	-	-	-	-	137
Debts issued and borrowings	1,010	9,855	25,362	-	22	36,249
Other financial liabilities	281	-	-	-	14,077	14,358

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2013					
	Repricing periods			Non-	Non-interest	
	Within	Over	Over	performing	bearing	Total
	3 months	3-12 months	1 year	assets		
Financial Assets						
Cash	-	-	-	-	16,576	16,576
Interbank and money market items	85,313	442	-	-	10,641	96,396
Investments – net	19,068	21,778	59,438	-	2,993	103,277
Loans to customers net of						
deferred revenue	393,113	50,628	29,029	22,421	4,283	499,474
Other financial assets	7,549	359	16	-	12,986	20,910
Financial Liabilities						
Deposits	376,991	114,914	12,865	-	24,836	529,606
Interbank and money market items	58,959	972	4,573	-	1,534	66,038
Liability payable on demand	-	-	-	-	3,276	3,276
Financial liabilities designated at						
fair value through profit or loss	340	-	-	-	-	340
Debts issued and borrowings	1,071	18,002	19,073	-	27	38,173
Other financial liabilities	1,184	-	-	-	14,937	16,121

(Unit: Million Baht)

Separate financial statements						
31 December 2014						
	Repricing periods			Non-performing assets	Non-interest bearing	Total
	Within 3 months	Over 3-12 months	Over 1 year			
Financial assets						
Cash	-	-	-	-	16,428	16,428
Interbank and money market items	107,061	-	-	-	5,280	112,341
Investments - net	33,147	40,238	34,712	-	689	108,786
Investments in subsidiaries and associate - net	-	-	-	-	3,229	3,229
Loans to customers net of deferred revenue	411,141	56,249	40,003	18,051	4,873	530,317
Other financial assets	2,183	-	1	-	13,119	15,303
Financial liabilities						
Deposits	450,614	88,818	7,220	-	25,068	571,720
Interbank and money market items	65,490	1,588	3,708	-	1,931	72,717
Liability payable on demand	-	-	-	-	3,145	3,145
Financial liabilities designated at fair value through profit or loss	137	-	-	-	-	137
Debts issued and borrowings	1,010	9,855	25,362	-	22	36,249
Other financial liabilities	281	-	-	-	13,865	14,146

(Unit: Million Baht)

Separate financial statements						
31 December 2013						
	Repricing periods			Non-performing assets	Non-interest bearing	Total
	Within 3 months	Over 3-12 months	Over 1 year			
Financial assets						
Cash	-	-	-	-	16,556	16,556
Interbank and money market items	85,210	-	-	-	10,641	95,851
Investments - net	19,068	21,778	59,438	-	1,470	101,754
Investments in subsidiaries and associate - net	-	-	-	-	2,872	2,872
Loans to customers net of deferred revenue	393,113	50,628	29,029	20,716	4,282	497,768
Other financial assets	7,445	359	16	-	12,794	20,614
Financial liabilities						
Deposits	377,039	114,914	12,865	-	24,845	529,663
Interbank and money market items	58,959	972	4,573	-	1,534	66,038
Liability payable on demand	-	-	-	-	3,276	3,276
Financial liabilities designated at fair value through profit or loss	340	-	-	-	-	340
Debts issued and borrowings	1,071	18,002	19,073	-	27	38,173
Other financial liabilities	1,184	-	-	-	14,844	16,028

The average balances of the interest-bearing financial assets and liabilities and the average rates of interest income and expenses for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2014			For the year ended 31 December 2013		
	Average balances	Interest income/ expenses ⁽¹⁾	Average rates (% per annum)	Average balances	Interest income/ expenses ⁽¹⁾	Average rates (% per annum)
<u>Interest-bearing financial assets</u>						
Interbank and money market items	104,311	2,229	2.14	89,073	2,000	2.25
Investments in debt securities	106,773	2,947	2.76	106,465	3,334	3.13
Loans to customers net from deferred revenue	514,285	30,210	5.87	462,365	29,173	6.31
<u>Interest-bearing financial liabilities</u>						
Deposits	542,838	11,806	2.17	475,037	10,907	2.30
Interbank and money market items	46,218	1,054	2.28	55,010	1,510	2.75
Debts issued and borrowings	36,581	1,388	3.79	40,898	1,577	3.86

⁽¹⁾ Excludes interest income and interest expenses on derivatives entered into by the Bank for banking book purpose for group of financial assets or financial liabilities

(Unit: Million Baht)

	Separate financial statements					
	For the year ended 31 December 2014			For the year ended 31 December 2013		
	Average balances	Interest income/ expenses ⁽¹⁾	Average rates (% per annum)	Average balances	Interest income/ expenses ⁽¹⁾	Average rates (% per annum)
<u>Interest-bearing financial assets</u>						
Interbank and money market items	103,668	2,211	2.13	88,528	1,983	2.24
Investments in debt securities	106,773	2,947	2.76	106,462	3,334	3.13
Loans to customers net from deferred revenue	513,100	30,086	5.86	460,531	29,019	6.30
<u>Interest-bearing financial liabilities</u>						
Deposits	542,981	11,807	2.17	475,206	10,908	2.30
Interbank and money market items	46,218	1,054	2.28	55,010	1,510	2.75
Debts issued and borrowings	36,581	1,388	3.79	40,898	1,577	3.86

⁽¹⁾ Excludes interest income and interest expenses entered into by the Bank for banking book purpose for group of financial assets or financial liabilities

6.2.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements, as at 31 December 2014 and 2013, the Bank had the following net foreign currency positions categorised by major foreign currencies:

(Unit: USD Million)

	Separate financial statements							
	31 December 2014				31 December 2013			
	USD	Euro ⁽¹⁾	Other currencies ⁽¹⁾	Total	USD	Euro ⁽¹⁾	Other currencies ⁽¹⁾	Total
Spot	626	26	15	667	651	17	27	695
Forward	(584)	(28)	(15)	(627)	(674)	(19)	(28)	(721)
Net position	42	(2)	-	40	(23)	(2)	(1)	(26)

⁽¹⁾ Balances denominated in Euro and other currencies are stated in USD equivalents.

6.2.3 Equity price risk

Equity price risk is the risk that the Bank's earnings or value of financial assets may fluctuate due to changes in the price of equities.

The equity portfolio of the Bank is managed by specific units depending on the strategy, the types of business of the issuers, and the objectives for holding such equities. The equity investment management is under the supervision of the ALCO and/or the Chief Executive Committee (CEC). All equity investments must comply with the bank-wide investment policy and framework, and related risk policies. The criteria for equity investments include consideration of risk factors such as credit, market, and liquidity risks. Various limits are set, including Gross Limit and Loss Limit. All of these measures are established to ensure that securities investments comply with policies and remain within the approved limits taking into consideration the capital adequacy.

6.3 Liquidity risk

Liquidity risk refers to the risk that the Bank fails to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds necessary for its operations causing damage to the Bank.

The ALCO is responsible for assisting the BOD and the RMC in supervising the liquidity risk management of the Bank in compliance with the BOT's regulations, and ensuring that the Bank has sufficient liquidity for its operations in both normal and crisis situations. In addition, the ALCO is responsible for ensuring that appropriate funding sources are secured in line with the changing market environment.

The Balance Sheet Management unit is responsible for overall liquidity management and the Capital Markets unit is responsible for day-to-day liquidity management. Additionally, the responsibilities of the Balance Sheet Management unit include liquidity risk measurement and reporting the performance of the liquidity management to the ALCO. The Market Risk Management unit is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has a liquidity risk management policy, which is reviewed at least once a year or when necessary, to ensure that it is appropriate with the prevailing environment. The Bank and each company in the Bank's financial business group manage their liquidity risk separately.

In order to manage liquidity, the Bank continually monitors its funding sources and access to capital markets. The Bank recognises the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

Risk indicators are used as tools to measure and monitor liquidity risk. These comprise financial ratios such as Loans to Deposits Ratio, Liquidity Coverage Ratio, and Net Stable Funding Ratio, as well as cash flow models incorporating contractual and behavioural maturities. Aside from this, the Bank has its own internal ratio to monitor its daily net liquid assets called Marketable Liquid Asset Ratio or MLAR. The components under MLAR are similar to Basel III's Liquidity Coverage Ratio which includes both cash inflows, cash outflows and liquid assets. The Bank sets risk limits and indicators in order to maintain its liquidity risk within the Bank's approved risk appetite. The liquidity position is monitored daily for day-to-day management and reported to the ALCO on a monthly basis.

Stress tests are performed under various scenarios, in accordance with the BOT's guidelines, in order to assess the Bank's ability to withstand a crisis. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

Risk Ratios or Indicators

	31 December 2014	31 December 2013
Loans to Deposits Ratio	94.3 %	94.2%

The financial instruments classified by remaining periods to maturity, counted from the date of statements of financial position, as at 31 December 2014 and 2013 are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2014						
	At call ⁽¹⁾	Within 3 months	Over 3-12 months	Over 1-5 years	Over 5 years	No maturity	Total
Financial assets							
Cash	16,428	-	-	-	-	-	16,428
Interbank and money market items	6,490	100,094	422	6,000	-	-	113,006
Investments - net							
Trading securities and general investments	-	10,825	5,734	3,641	-	685 ⁽²⁾	20,885
Available-for-sale securities	-	6,997	21,301	13,252	-	2,077 ⁽²⁾	43,627
Held-to-maturity debt securities	-	3,015	18,937	24,395	-	-	46,347
Loans to customers net of deferred revenue	124,993	120,202	101,799	103,074	62,199	18,093 ⁽³⁾	530,360
Other financial assets	989	6,636	243	1,338	893	6,129	16,228
Total financial assets	148,900	247,769	148,436	151,700	63,092	26,984	786,881
Financial liabilities							
Deposits	397,768	77,092	89,303	7,462	-	-	571,625
Interbank and money market items	7,445	59,976	1,588	3,708	-	-	72,717
Liability payable on demand	3,145	-	-	-	-	-	3,145
Financial liabilities designated at fair value through profit or loss	-	-	-	-	137	-	137
Debts issued and borrowings	141	574	8,816	26,637	81	-	36,249
Other financial liabilities	1,238	5,382	-	-	1,157	6,581	14,358
Total financial liabilities	409,737	143,024	99,707	37,807	1,375	6,581	698,231
Net cash flow on derivatives	-	466	391	88	15	-	960

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ The full amount is investment in equity securities.

⁽³⁾ The full amount is non-performing loans.

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2013						
	At call ⁽¹⁾	Within 3 months	Over 3-12 months	Over 1-5 years	Over 5 years	No maturity	Total
Financial assets							
Cash	16,576	-	-	-	-	-	16,576
Interbank and money market items	13,127	82,827	442	-	-	-	96,396
Investments - net							
Trading securities and general investments	-	42	3,688	5,071	-	803 ⁽²⁾	9,604
Available-for-sale securities	-	8,287	18,272	16,144	746	2,190 ⁽²⁾	45,639
Held-to-maturity debt securities	-	6	3,531	35,297	9,200	-	48,034
Loans to customers net of deferred revenue	122,814	120,534	76,973	98,056	58,676	22,421 ⁽³⁾	499,474
Other financial assets	2,331	6,915	1,156	2,498	879	7,131	20,910
Total financial assets	154,848	218,611	104,062	157,066	69,501	32,545	736,633
Financial liabilities							
Deposits	331,813	68,766	115,601	13,426	-	-	529,606
Interbank and money market items	7,894	52,599	972	4,573	-	-	66,038
Liability payable on demand	3,276	-	-	-	-	-	3,276
Financial liabilities designated at fair value through profit or loss	-	-	-	-	340	-	340
Debts issued and borrowings	94	567	16,371	21,037	104	-	38,173
Other financial liabilities	2,901	4,512	-	-	1,061	7,647	16,121
Total financial liabilities	345,978	126,444	132,944	39,036	1,505	7,647	653,554
Net cash flow on derivatives	-	371	673	22	24	-	1,090

⁽¹⁾ Including transactions with 1-day term.⁽²⁾ The full amount is investment in equity securities.⁽³⁾ The full amount is non-performing loans.

(Unit: Million Baht)

	Separate financial statements						
	31 December 2014						
	At call ⁽¹⁾	Within 3 months	Over 3-12 months	Over 1-5 years	Over 5 years	No maturity	Total
Financial assets							
Cash	16,428	-	-	-	-	-	16,428
Interbank and money market items	6,488	99,853	-	6,000	-	-	112,341
Investments - net							
Trading securities and general investments	-	10,825	5,734	3,641	-	685 ⁽²⁾	20,885
Available-for-sale securities	-	6,997	21,301	13,252	-	4 ⁽²⁾	41,554
Held-to-maturity debt securities	-	3,015	18,937	24,395	-	-	46,347
Investments in subsidiaries and associate - net	-	-	-	-	-	3,229 ⁽²⁾	3,229
Loans to customers net of deferred revenue	124,993	120,202	101,798	103,074	62,199	18,051 ⁽³⁾	530,317
Other financial assets	989	6,079	243	1,234	884	5,874	15,303
Total financial assets	148,898	246,971	148,013	151,596	63,083	27,843	786,404
Financial liabilities							
Deposits	397,863	77,092	89,303	7,462	-	-	571,720
Interbank and money market items	7,445	59,976	1,588	3,708	-	-	72,717
Liability payable on demand	3,145	-	-	-	-	-	3,145
Financial liabilities designated at fair value through profit or loss	-	-	-	-	137	-	137
Debts issued and borrowings	141	574	8,816	26,637	81	-	36,249
Other financial liabilities	1,238	5,365	-	-	1,156	6,387	14,146
Total financial liabilities	409,832	143,007	99,707	37,807	1,374	6,387	698,114
Net cash flow on derivatives	-	466	391	88	15	-	960

⁽¹⁾ Including transactions with 1-day term.⁽²⁾ The full amount is investment in equity securities.⁽³⁾ The full amount is non-performing loans.

(Unit: Million Baht)

	Separate financial statements						
	31 December 2013						
	At call ⁽¹⁾	Within 3 months	Over 3-12 months	Over 1-5 years	Over 5 years	No maturity	Total
Financial assets							
Cash	16,556	-	-	-	-	-	16,556
Interbank and money market items	13,126	82,725	-	-	-	-	95,851
Investments - net							
Trading securities and general investments	-	42	3,688	5,071	-	803 ⁽²⁾	9,604
Available-for-sale securities	-	8,287	18,272	16,144	746	667 ⁽²⁾	44,116
Held-to-maturity debt securities	-	6	3,531	35,297	9,200	-	48,034
Investments in subsidiaries and associate - net	-	-	-	-	-	2,872 ⁽²⁾	2,872
Loans to customers net of deferred revenue	122,814	120,534	76,973	98,055	58,676	20,716 ⁽³⁾	497,768
Other financial assets	2,331	6,915	1,156	2,394	878	6,940	20,614
Total financial assets	154,827	218,509	103,620	156,961	69,500	31,998	735,415
Financial liabilities							
Deposits	331,870	68,766	115,601	13,426	-	-	529,663
Interbank and money market items	7,894	52,599	972	4,573	-	-	66,038
Liability payable on demand	3,276	-	-	-	-	-	3,276
Financial liabilities designated at fair value through profit or loss	-	-	-	-	340	-	340
Debts issued and borrowings	94	567	16,371	21,037	104	-	38,173
Other financial liabilities	2,901	4,496	-	-	1,061	7,570	16,028
Total financial liabilities	346,035	126,428	132,944	39,036	1,505	7,570	653,518
Net cash flow on derivatives	-	371	673	22	24	-	1,090

⁽¹⁾ Including transactions with 1-day term.⁽²⁾ The full amount is investment in equity securities.⁽³⁾ The full amount is non-performing loans.

6.4 Fair value of financial instruments

Methods and assumptions in estimating market value or fair value of financial instruments are as follows:

- Cash, interbank and money market items (assets), investments in subsidiaries and associate and other financial assets:

The fair value is approximated based on its carrying value.

- Investments - net:

The fair value of investments is based on the method disclosed in Note 4.5 to the financial statements.

- Loans to customers and accrued interest receivables:

The fair value is based on the carrying value of loans to customers and accrued interest receivable net of deferred revenue and allowance for doubtful debts as most loans are floating rate loans or fixed rate loans with repricing periods of less than 1 year.

- Deposits and interbank and money market items (liabilities):

The fair value is approximated based on the carrying value of deposits or interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at interest rates currently being offered on such deposits or interbank and money market items or similar deposits.

- Financial liabilities designated at fair value through profit or loss:

Fair value is calculated based on a valuation model, using market data obtained from reliable sources.

- Debts issued and borrowings:

The fair value is approximated based on their carrying value, except for the fair value of fixed rate borrowings with remaining maturities greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at the market rates of interest at the reporting dates, in cases where there is no active market, and the market value, in cases where there is an active market.

- Liability payable on demand and other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

In cases where there is an active market, the Bank uses the market value as the fair value of derivatives and if there is no active market, the fair value is derived from valuations incorporating market data obtained from reliable sources. The market price or market data are mainly based on exchange-traded prices, broker/dealer quotations, or counterparties' quotations.

The fair values in comparison with carrying values of each line item of financial assets and financial liabilities as shown in the statements of financial position at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2014		31 December 2013	
	Carrying value	Fair value	Carrying value	Fair value
<u>Financial assets</u>				
Cash	16,428	16,428	16,576	16,576
Interbank and money market items - net	113,097	113,097	96,437	96,437
Derivatives assets	10,876	10,974	16,757	16,859
Investments - net	110,859	111,761	103,277	103,710
Loans to customers and accrued interest receivable - net	503,066	503,066	469,010	469,010
Other financial assets	16,228	16,228	20,910	20,910
Total financial assets	770,554	771,554	722,967	723,502
<u>Financial liabilities</u>				
Deposits	571,625	571,627	529,606	529,709
Interbank and money market items	72,717	72,717	66,038	66,038
Liability payable on demand	3,145	3,145	3,276	3,276
Financial liabilities designated at fair value through profit or loss	183	183	363	363
Derivatives liabilities	10,172	10,136	16,499	16,443
Debts issued and borrowings	36,249	37,970	38,173	38,462
Other financial liabilities	14,358	14,358	16,121	16,121
Total financial liabilities	708,449	710,136	670,076	670,412

(Unit: Million Baht)

	Separate financial statements			
	31 December 2014		31 December 2013	
	Carrying value	Fair value	Carrying value	Fair value
<u>Financial assets</u>				
Cash	16,428	16,428	16,556	16,556
Interbank and money market items - net	112,426	112,426	95,888	95,888
Derivatives assets	10,876	10,974	16,757	16,859
Investments - net	108,786	109,688	101,754	102,187
Investments in subsidiaries and associate - net	3,229	3,229	2,872	2,872
Loans to customers and accrued interest receivable - net	503,052	503,052	468,361	468,361
Other financial assets	15,303	15,303	20,614	20,614
Total financial assets	770,100	771,100	722,802	723,337
<u>Financial liabilities</u>				
Deposits	571,720	571,722	529,663	529,766
Interbank and money market items	72,717	72,717	66,038	66,038
Liability payable on demand	3,145	3,145	3,276	3,276
Financial liabilities designated at fair value through profit or loss	183	183	363	363
Derivatives liabilities	10,172	10,136	16,499	16,443
Debts issued and borrowings	36,249	37,970	38,173	38,462
Other financial liabilities	14,146	14,146	16,028	16,028
Total financial liabilities	708,332	710,019	670,040	670,376

7. Capital fund

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 Financial Institution Business Act B.E. 2551 and the Bank of Thailand ("BOT")'s regulations. As at 31 December 2014 and 2013, capital funds of the Bank consisted of the following:

(Unit: Million Baht)

	Separate financial statements	
	31 December 2014	31 December 2013
<u>Common Equity Tier 1 capital</u>		
Paid-up share capital	41,495	41,426
Share premium	157	81
Statutory reserve	1,250	480
Net profits after appropriation	15,770 ⁽¹⁾	4,728
Other items of shareholders' equity	3,658	3,848
Deduction items from Common Equity Tier 1 capital	(3,208)	-
Total Common Equity Tier 1 capital	59,122	50,563
<u>Additional Tier 1 capital</u>		
Hybrid Tier 1 debentures	-	3,600
Total Tier 1 capital	59,122	54,163
<u>Tier 2 capital</u>		
Provisions for assets classified as "pass"	5,700	5,600
Subordinated debentures	33,350	21,285
Total Tier 2 capital	39,050	26,885
Total capital funds	98,172	81,048

⁽¹⁾ Including a part of net profit for the six-month period ended 30 June 2014 amounting to Baht 2,530 million according to the resolution of the Board of Directors Meeting on 21 August 2014.

(Unit: Percentage)

	Minimum requirement	Separate financial statements	
		31 December 2014	31 December 2013
Common Equity Tier 1 capital ratio	4.50	11.04	9.91
Tier 1 capital ratio	6.00	11.04	10.62
Total capital ratio	8.50	18.34	15.89

The Bank will disclose capital adequacy ratio and capital risk exposure information for the Bank and the full consolidation as at 31 December 2014 through the Bank's website at www.tmbbank.com within April 2015.

8. Sale of non-performing assets to Thai Asset Management Corporation ("TAMC")⁽¹⁾

8.1 Asset transfer agreements and profit or loss sharing

In accordance with the conditions of the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, the Bank and a subsidiary entered into the Asset Transfer Agreements with TAMC in 2001 for sales of non-performing assets to TAMC, and the Bank and its subsidiary (as the transferors) received promissory notes from TAMC (as the transferee) for settlement of the transfer prices. Under the agreements, TAMC and the transferors were jointly responsible for sharing the profits or losses from TAMC's management of the non-performing assets, in accordance with the following conditions as specified in the agreements, at the end of the fifth year and the tenth year commencing 1 July 2001.

- In the case of losses, the transferor will be responsible for the first portion of losses, not exceeding 20% of the transfer price. The second portion of losses, not exceeding 20% of the transfer price, will be equally shared between TAMC and the transferor. The remaining losses will be absorbed by TAMC.
- In case of profits, the first portion of profits, not exceeding 20% of the transfer price, will be equally shared between TAMC and the transferor. Should there be any profits remaining, the transferor is entitled to the remaining profits up to an amount not exceeding the book value of the non-performing assets after deducting the transfer price and the transferors' share in the first portion of the profits.

In September 2013, the Bank and its subsidiary received letters from TAMC on the subject of "Results of calculating profits or losses from the management of the non-performing assets as of 30 November 2012, official version, and lodging claims for settlement with TAMC", informing them of their losses sharing of Baht 1,403 million (the Bank only: Baht 1,317 million) from the management of assets transferred (excluding the portion in dispute with respect to transfer price reduction requests) from the Bank and its subsidiary. The Bank and its subsidiary therefore adjusted provisions for liabilities to correspond to the information received from TAMC. Later in October 2013, the subsidiary already paid Baht 86 million to TAMC. Hence, as at 31 December 2014 and 2013, the Bank had outstanding balance of loss sharing of Baht 1,317 million, which are included under the caption of "Provisions for obligations on transfers of non-performing assets" in the statements of financial position.

⁽¹⁾ TAMC was liquidated on 8 June 2013 and has already delivered the remaining assets and liabilities to the Ministry of Finance for further arrangement.

8.2 Promissory notes disputed over transfer price adjustment requests

Over the period of asset management by TAMC, TAMC issued letters to the Bank informing its requests of transfer price adjustments as summarised below:

- (a) In November 2006, TAMC informed the Bank that it requested a transfer price adjustment of Baht 4,341 million, being the collateral value of the pledged machinery transferred to TAMC. The Bank has refused the adjustment request since it breached the conditions of the Asset Transfer Agreements dated 12 October 2001, and therefore has no legal enforcement. The Bank took legal action against TAMC. On 27 April 2010, the Court of First Instance judged in favour of the Bank. On 4 February 2014, however, the Appeal Court reversed the earlier Court's verdict by making decision to dismiss the case. Currently, the case is in the proceeding session of the Supreme Court.
- (b) In June 2011, the Bank sued TAMC for an additional sum of Baht 242 million over TAMC's refusals to make settlement of four items of non-performing assets transferred to TAMC of Baht 56 million and interest on promissory notes for the years 2006 and 2007. On 27 September 2012, the Court of First Instance already dismissed the case. On 22 January 2014, the Appeal Court decided to uphold the earlier Court's verdict. Currently, the case is in the proceeding session of the Supreme Court.

As at 31 December 2014 and 2013, the Bank recorded liabilities provisions Baht 4,681 million, as a result of the transfer price adjustment requested for non-performing loans against which machinery is pledged as collateral, as mentioned in 8.2 (a) (including accrued interest receivable of Baht 276 million), and TAMC's refusals to make settlement for non-performing assets transferred to TAMC, as mentioned in 8.2 (b). Such amounts are included under the caption of "Provisions for obligation on transfers of non-performing assets" in the statements of financial position.

8.3 Settlement of promissory notes

As at 31 December 2014, the Bank has outstanding promissory notes of Baht 4,413 million due from TAMC (Baht 15 million of which has yet been matured and presented as a part of "Investments" in the statements of financial position, as described in Note 11.1 to the financial statements, and Baht 4,398 million of which was matured and presented as a part of "Other receivables" in the statements of financial position). These promissory notes of Baht 4,413 million, which consist of Baht 4,398 million in dispute with TAMC regarding the transfer price adjustment as described in Note 8.2 to the financial statements. On 11 June 2012, the Bank and TAMC jointly signed the memorandum of promissory notes redemption whereby the criteria and guidelines in management of matured promissory notes are as follows:

1. Non-disputed promissory notes, TAMC will pay principal and interest when due.
2. Disputed promissory notes
 - 2.1 If no legal action has been taken over the disputed promissory notes, when the notes mature TAMC will
 - (a) Pay the undisputed portion of the disputed promissory notes together with interest thereon.
 - (b) Deposit with the Bank an amount equal to the disputed portion of the disputed promissory notes together with interest thereon. Such deposit is entitled to interest at the deposit rate announced by the Bank. TAMC will withdraw such deposit with interest and make a settlement with the Bank.
 - 2.2 If legal action has been taken over the disputed promissory notes, when the notes mature, TAMC will deposit the amounts due with the Bank. Such deposit is entitled to interest at the deposit rate announced by the Bank. The deposit will be divided into two accounts:
 - (a) Account A - the undisputed portion of the notes and interest thereon; when TAMC and the Bank jointly declare to the court, TAMC will withdraw such deposit and interest thereon to settle the notes with the Bank.
 - (b) Account B - the disputed portion of the notes and interest thereon; TAMC will continue to deposit such amounts with the Bank until the disputes are resolved or the court judgement is finalised. If the disputes are resolved or judgement is finalised in favour of the Bank, TAMC will withdraw such deposit and interest thereon to settle with the Bank. If the amount withdrew is not adequate to settle the Bank, TAMC is liable to settle to the Bank the remaining in full according to the resolution amount or the amount ordered by the court judgement.

However, the Bank is not to call for any penalties, default interest or remedies from TAMC and the Financial Institutions Development Fund in case of late redemption of disputed promissory notes, for which the disputes have yet to be resolved or the court judgement has yet been finalised.

9. Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2014			31 December 2013		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	3,390	62,300	65,690	8,567	34,400	42,967
Commercial banks	16	22,167	22,183	9	32,044	32,053
Specialised financial institutions	20	6,001	6,021	-	2,812	2,812
Other financial institutions	19	14,063	14,082	60	11,978	12,038
Total domestic items	3,445	104,531	107,976	8,636	81,234	89,870
Add: Accrued interest receivables	-	123	123	-	69	69
Less: Deferred revenues	-	-	-	-	(1)	(1)
Allowance for doubtful debts	-	(27)	(27)	-	(26)	(26)
Domestic items - net	3,445	104,627	108,072	8,636	81,276	89,912
Foreign						
US Dollars	1,724	1,930	3,654	3,118	2,019	5,137
Yen	389	-	389	281	-	281
Euro	251	-	251	258	-	258
Other currencies	681	55	736	834	16	850
Total foreign items	3,045	1,985	5,030	4,491	2,035	6,526
Less: Allowance for doubtful debts	-	(5)	(5)	-	(1)	(1)
Foreign items - net	3,045	1,980	5,025	4,491	2,034	6,525
Domestic and foreign items - net	6,490	106,607	113,097	13,127	83,310	96,437

(Unit: Million Baht)

	Separate financial statements					
	31 December 2014			31 December 2013		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	3,390	62,300	65,690	8,567	34,400	42,967
Commercial banks	15	21,504	21,519	8	31,500	31,508
Specialised financial institutions	20	6,001	6,021	-	2,812	2,812
Other financial institutions	19	14,063	14,082	60	11,978	12,038
Total domestic items	3,444	103,868	107,312	8,635	80,690	89,325
Add: Accrued interest receivables	-	116	116	-	65	65
Less: Deferred revenues	-	-	-	-	(1)	(1)
Allowance for doubtful debts	-	(27)	(27)	-	(26)	(26)
Domestic items - net	3,444	103,957	107,401	8,635	80,728	89,363
Foreign						
US Dollars	1,724	1,930	3,654	3,118	2,019	5,137
Yen	389	-	389	281	-	281
Euro	251	-	251	258	-	258
Other currencies	681	55	736	834	16	850
Total foreign items	3,045	1,985	5,030	4,491	2,035	6,526
Less: Allowance for doubtful debts	-	(5)	(5)	-	(1)	(1)
Foreign items - net	3,045	1,980	5,025	4,491	2,034	6,525
Domestic and foreign items - net	6,489	105,937	112,426	13,126	82,762	95,888

10. Derivatives assets/liabilities

As at 31 December 2014 and 2013, fair value of derivatives held for trading book, readjustment based on an accrual basis of derivatives held for banking book and notional amounts classified by type of risk are as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements					
	31 December 2014			31 December 2013		
	Fair value/ Readjustment based on an accrual basis		Notional amount	Fair value/ Readjustment based on an accrual basis		Notional amount
	Asset	Liabilities		Asset	Liabilities	
Foreign exchange rates						
- Trading Book	5,866	5,005	712,512	13,964	13,110	626,452
- Banking Book	66	167	25,992	61	623	24,870
Interest rate						
- Trading Book	4,944	5,000	673,940	2,729	2,761	503,934
- Banking Book	77 ⁽¹⁾	174 ⁽¹⁾	15,000	82 ⁽¹⁾	176 ⁽¹⁾	23,650
Commodity						
- Trading Book	-	-	17	4	4	148
Total	10,953	10,346	1,427,461	16,840	16,674	1,179,054

⁽¹⁾ Readjustment made on an accrual basis for interest rate swap contracts held for banking book are adjustments of accrued interest receivables or payables or interest paid or received in advance based on the contracts at the year end. Accrued interest receivables and interest paid in advance are presented as a part of "Other assets" and accrued interest payable and interest received in advance are presented as a part of "Other liabilities" in the statements of financial position.

As at 31 December 2014 and 2013, the proportion, determined based on the notional amounts, of derivatives transactions divided by type of counterparty is as follows:

(Unit: Percentage)

Counterparty	Consolidated and separate financial statements	
	31 December 2014	31 December 2013
Financial institutions	82.27	82.91
Others	17.73	17.09
Total	100.00	100.00

11. Investments

11.1 Classified by investment type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<u>Trading securities – fair value</u>				
Government and state enterprise securities	20,201	8,801	20,201	8,801
Total trading securities	20,201	8,801	20,201	8,801
<u>Available-for-sale securities – fair value</u>				
Government and state enterprise securities	41,549	43,449	41,549	43,449
Domestic marketable equity securities	2,078	2,190	5	667
Total available-for-sale securities	43,627	45,639	41,554	44,116
<u>Held-to-maturity debt securities – cost/ amortised cost</u>				
Government and state enterprise securities	46,346	48,034	46,346	48,034
Total held-to-maturity debt securities	46,346	48,034	46,346	48,034
<u>General investments – cost</u>				
Non-marketable equity securities				
– Domestic	1,467	1,587	1,467	1,587
Non-marketable equity securities				
– Foreign	34	35	34	35
Total general investments	1,501	1,622	1,501	1,622
Less: Allowance for impairment	(816)	(819)	(816)	(819)
General investments – net	685	803	685	803
Investments – net	110,859	103,277	108,786	101,754

As at 31 December 2014 and 2013, the Bank has non-transferable promissory notes of Baht 15 million and Baht 46 million, respectively, availed by the Financial Institutions Development Fund, which were received from TAMC for transfer price settlement as described in Note 8 to the financial statements. The Bank classified them as held-to-maturity debt securities. The notes are due during 2015 and bear interest rates at the average rates of deposit rates announced by the 5 major Thai banks and the interest is payable on the last working day of each year.

11.2 Investments in entities in which the Bank and its subsidiaries hold 10% or more

As at 31 December 2014 and 2013, the Bank had investments in entities in which the Bank holds 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associate. Those investments were summarised below:

(Unit: Million Baht)		
	Consolidated and separate financial statements	
	31 December 2014	31 December 2013
Property development and construction	34	34
Public utilities and services	14	14
Mutual funds and financial services	452	568
Others	11	11
Total	511	627
Less: Allowance for impairment	(41)	(41)
Investments - net	470	586

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

As at 31 December 2014 and 2013, the Bank had the following investments in listed companies which meet criteria for delisting from the Stock Exchange of Thailand ("SET"), default debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET:

(Unit: Million Baht)						
	Consolidated and separate financial statements					
	31 December 2014			31 December 2013		
	Cost value/ book value	Fair value	Allowance for impairment	Cost value/ book value	Fair value	Allowance for impairment
1. Listed companies under delisting conditions/ defaulted debt securities	62	-	(62)	62	-	(62)
2. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	733	-	(733)	733	-	(733)
Total	795	-	(795)	795	-	(795)

11.4 Revaluation surplus on investments

As at 31 December 2014 and 2013, revaluation surplus on investments can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Revaluation surplus on investments:				
Debt securities	76	66	76	66
Equity securities	60	19	-	-
Total	136	85	76	66
Revaluation deficit on investments:				
Debt securities	(2)	(13)	(2)	(13)
Total	(2)	(13)	(2)	(13)
Revaluation surplus on investments	134	72	74	53
Less : Relevant income taxes	(27)	(14)	(15)	(11)
Revaluation surplus on investment - net relevant income taxes	107	58	59	42

12. Investments in subsidiaries and associate

12.1 Detail of investments in subsidiaries and associate

Investments in subsidiaries and associate as at 31 December 2014 and 2013 were as follows:

(Unit: Million Baht)

Separate financial statements											
Type of business		Percentage of shareholding		Paid-up share capital		Cost		Allowance for impairment		Investment value - cost method	
		as at		as at		as at		as at		as at	
		31	31	31	31	31	31	31	31	31	31
		December 2014	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013
		(%)	(%)								
Subsidiaries											
Phayathai Asset Management Co., Ltd.	Asset management business	100.00	100.00	1,070	1,070	3,870	3,870	(945)	(1,302)	2,925	2,568
Designee for ETA Contract Ltd.	Financial support business	99.50	99.50	-	-	-	-	-	-	-	-
TMB Asset Management Co., Ltd.	Fund management business	87.50	87.50	100	100	304	304	-	-	304	304
Investments in subsidiaries - net						4,174	4,174	(945)	(1,302)	3,229	2,872
Associate											
Metro Designee Co., Ltd.	Financial support business	30.00	30.00	-	-	-	-	-	-	-	-
Investment in associate						-	-	-	-	-	-
Investments in subsidiaries and associate – net						4,174	4,174	(945)	(1,302)	3,229	2,872

12.2 The statements of cash flow of Phayathai Asset Management Company Limited

The statements of cash flows for the years ended 31 December 2014 and 2013 of Phayathai Asset Management Company Limited, the subsidiary, which were extracted from the management accounts of the subsidiary, were disclosed herein in accordance with the BOT's requirement.

(Unit: Million Baht)		
For the years ended 31 December		
	2014	2013
Cash flows from operating activities		
Profits from operation before income tax expenses	447	141
Adjustments to reconcile profits from operation before income tax expenses to net cash provided by (paid from) operating activities:		
Reversal of bad debts, doubtful accounts and impairment losses	(296)	(74)
Reversal of provisions for other liabilities	-	(12)
Net interest income	(166)	(154)
Cash received on interest income	124	153
Gains on disposals of investments in securities	-	(35)
Others	(2)	-
Profits from operating activities before changes in operating assets and liabilities	107	19
(Increase) decrease in operating assets		
Investments in receivables	134	15
Loans to customers	226	99
Properties foreclosed	7	-
Other receivables	39	41
Other assets	16	(1)
Decrease in operating liabilities		
Other payables	(9)	(11)
Other liabilities	(3)	(1)
Net cash provided by operating activities	517	161
Cash flows from investing activities		
Cash paid for available-for-sale investments	(510)	(1,654)
Cash received from sales of available-for-sale investments	-	1,304
Proceeds from redemptions of matured held-to-maturity debt securities	-	17
Net cash used in investing activities	(510)	(333)
Net increase (decrease) in cash and cash equivalents	7	(172)
Cash and cash equivalents at beginning of the years	54	226
Cash and cash equivalents at end of the years	61	54

13. Loans to customers and accrued interest receivables

13.1 Classified by loan type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Overdrafts	145,808	138,873	145,808	138,824
Loans	228,249	205,942	228,207	204,419
Bills	156,331	154,417	156,331	154,353
Others	58	319	58	249
Less: deferred revenue	(86)	(77)	(86)	(77)
Loans to customers net of deferred revenue	530,360	499,474	530,318	497,768
Add: Accrued interest receivables	1,068	1,004	1,068	1,004
Loans to customers and accrued interest receivables	531,428	500,478	531,386	498,772
Less: Allowance for doubtful debts				
- Provision at BOT's minimum rates required	(12,362)	(15,468)	(12,334)	(14,411)
- Provision in excess of BOT's minimum rates required	(15,890)	(15,932)	(15,890)	(15,932)
Less: Revaluation allowance for debt restructuring	(110)	(68)	(110)	(68)
Loans to customers and accrued interest receivables - net	503,066	469,010	503,052	468,361

13.2 Classified by currency and residency of debtors

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	498,436	5,780	504,216	467,504	5,649	473,153
US Dollars	23,726	1,178	24,904	24,247	1,297	25,544
Other currencies	1,149	91	1,240	765	12	777
Total loans to customers net of deferred revenue	523,311	7,049	530,360	492,516	6,958	499,474

(Unit: Million Baht)

	Separate financial statements					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	498,394	5,780	504,174	465,798	5,649	471,447
US Dollars	23,726	1,178	24,904	24,247	1,297	25,544
Other currencies	1,149	91	1,240	765	12	777
Total loans to customers net of deferred revenue	523,269	7,049	530,318	490,810	6,958	497,768

13.3 Classified by type of business and by loan classification

(Unit: Million Baht)

Consolidated financial statements						
31 December 2014						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	6,108	247	12	-	500	6,867
Manufacturing and commerce	305,541	9,494	775	148	11,784	327,742
Property development and construction	13,389	337	34	10	678	14,448
Infrastructure and services	57,376	3,395	190	23	1,306	62,290
Housing loans	50,106	1,519	174	196	1,042	53,037
Others	63,290	1,465	639	291	291	65,976
Total loans to customers net of deferred revenue	495,810	16,457	1,824	668	15,601	530,360

(Unit: Million Baht)

Consolidated financial statements						
31 December 2013						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	7,243	176	25	18	595	8,057
Manufacturing and commerce	288,945	8,375	2,469	1,102	10,608	311,499
Property development and construction	9,668	270	97	15	1,404	11,454
Infrastructure and services	52,886	4,117	199	118	2,148	59,468
Housing loans	47,454	1,384	268	192	1,937	51,235
Others	55,334	1,201	558	207	461	57,761
Total loans to customers net of deferred revenue	461,530	15,523	3,616	1,652	17,153	499,474

(Unit: Million Baht)

Separate financial statements						
31 December 2014						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	6,108	247	12	-	491	6,858
Manufacturing and commerce	305,541	9,494	775	148	11,773	327,731
Property development and construction	13,389	337	34	10	656	14,426
Infrastructure and services	57,376	3,395	190	23	1,306	62,290
Housing loans	50,106	1,519	174	196	1,042	53,037
Others	63,290	1,465	639	291	291	65,976
Total loans to customers net of deferred revenue	495,810	16,457	1,824	668	15,559	530,318

(Unit: Million Baht)

Separate financial statements						
31 December 2013						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	7,243	176	25	18	510	7,972
Manufacturing and commerce	288,945	8,375	2,469	1,102	9,830	310,721
Property development and construction	9,668	270	97	15	1,031	11,081
Infrastructure and services	52,886	4,117	199	118	2,002	59,322
Housing loans	47,454	1,384	268	192	1,771	51,069
Others	55,333	1,201	558	207	304	57,603
Total loans to customers net of deferred revenue	461,529	15,523	3,616	1,652	15,448	497,768

13.4 Classified by loan classification

The Bank and its subsidiary have classified loans to customers and accrued interest receivables (excluding interbank and money market items) in accordance with the BOT's notifications, regarding the Classification and Provisions made by Financial Institutions, as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2014				31 December 2013			
	Loans to customers and accrued interest receivables	Balance net of collateral ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful debts ⁽²⁾	Loans to customers and accrued interest receivables	Balance net of collateral ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful debts ⁽²⁾
Provision at BOT's minimum rates required								
Pass	496,806	382,378	1	4,491	462,474	347,704	1	4,218
Special mention	16,529	10,143	2	297	15,583	11,892	2	285
Sub-standard	1,824	973	100	1,058	3,616	1,895	100	1,979
Doubtful	668	330	100	368	1,652	382	100	468
Doubtful of loss ⁽³⁾	15,601	4,397	100	6,148	17,153	8,134	100	8,518
Provision in excess of BOT's minimum rates required				15,890 ⁽⁴⁾				15,932 ⁽⁴⁾
Total	531,428	398,221		28,252	500,478	370,007		31,400

⁽¹⁾ Balance net of collateral: In the case of loans that are classified as pass and special mention means the principal balance net of the value of collateral, excluding land, buildings and constructions thereon, leasehold rights and machinery. In the case of loans that are classified as sub-standard, doubtful and doubtful of loss, it means the debt balance after deduction of the present value of future cash flows expected to be received from debt collection, or from the disposal of collateral, excluding machinery.

⁽²⁾ Allowance for doubtful debts on loans guaranteed by Small Business Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the Bank of Thailand's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Small Business Credit Guarantee Corporation.

⁽³⁾ Loans classified as doubtful of loss in the consolidated financial statements included the balances of the Bank and Phayathai Asset Management Co., Ltd.

⁽⁴⁾ As at 31 December 2014 and 2013, this included provision of Baht 3,285 million and Baht 3,839 million, respectively, provided for non-performing loans.

(Unit: Million Baht)

Separate financial statements								
	31 December 2014				31 December 2013			
	Loans to customers and accrued interest receivables	Balance net of collateral ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful debts ⁽²⁾	Loans to customers and accrued interest receivables	Balance net of collateral ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful debts ⁽²⁾
Provision at BOT's minimum rates required								
Pass	496,806	382,377	1	4,491	462,473	347,702	1	4,218
Special mention	16,529	10,143	2	297	15,583	11,892	2	285
Sub-standard	1,824	973	100	1,058	3,616	1,895	100	1,979
Doubtful	668	330	100	368	1,652	382	100	468
Doubtful of loss	15,559	4,370	100	6,120	15,448	7,077	100	7,461
Provision in excess of BOT's minimum rates required				15,890 ⁽³⁾				15,932 ⁽³⁾
Total	531,386	398,193		28,224	498,772	368,948		30,343

⁽¹⁾ Balance net of collateral: In the case of loans that are classified as pass and special mention means the principal balance net of the value of collateral, excluding land, buildings and constructions thereon, leasehold rights and machinery. In the case of loans that are classified as sub-standard, doubtful and doubtful of loss, it means the debt balance after deduction of the present value of future cash flows expected to be received from debt collection, or from the disposal of collateral, excluding machinery.

⁽²⁾ Allowance for doubtful debts on loans guaranteed by Small Business Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the Bank of Thailand's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Small Business Credit Guarantee Corporation.

⁽³⁾ As at 31 December 2014 and 2013, this included provision of Baht 3,285 million and Baht 3,839 million, respectively, provided for non-performing loans.

13.5 Non-performing loans (NPLs)

NPLs per BOT's regulations refer to all sub-standard, doubtful, doubtful of loss and loss loans.

As at 31 December 2014 and 2013, the Bank and its subsidiary' NPLs (including interbank and money market items) were summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements ⁽¹⁾		financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Net NPLs (principal net of allowance for doubtful debts)				
NPLs after allowance for doubtful debt on NPLs	7,234	7,617	7,220	6,969
Total loans after allowance for doubtful debts on NPLs	623,890	564,785	623,875	564,136
Percentage of net NPLs	1.16	1.35	1.16	1.24
NPLs (principal)				
NPLs	18,093	22,421	18,051	20,716
Total loans	634,749	579,589	634,706	577,883
Percentage of NPLs	2.85	3.87	2.84	3.58

⁽¹⁾ Non-performing loans in the consolidated financial statements included the balances of the Bank and Phayathai Asset Management Co., Ltd.

On 18 June 2014, the Bank sold the non-performing loans to Bangkok Commercial Asset Management Company Limited ("BAM"), with principal totaling approximately Baht 3,300 million. On 28 October 2014, the Bank and a subsidiary sold their non-performing loans and properties foreclosed with an aggregate carrying value of Baht 1,100 million (the Bank only: Baht 600 million) to 2 asset management companies. The selling price in excess of the carrying value of those non-performing loans was presented as a deduction from "Bad debts, doubtful accounts and impairment losses" in the statement of comprehensive income.

As at 31 December 2014 and 2013, the Bank had loans to customers, amounting to Baht 27,466 million and Baht 27,698 million, respectively, on which it ceased recognition of interest income on an accrual basis.

13.6 Troubled debt restructuring

For the year ended 31 December 2014 and 2013, the Bank and its subsidiary entered into contracts for troubled debt restructuring, (only the case where debtor has present value loss/losses on debt structuring is presented), which can be summarised as follows:

(Unit: Million Baht)

	For the year ended 31 December 2014					
	Consolidated financial statements			Separate financial statements		
	Number	Amount		Number	Amount	
	of	Before	After	of	Before	After
	debtors	restructuring	restructuring	debtors	restructuring	restructuring
Type of restructuring						
Modification of terms of payments	1,761	4,609	4,608	1,760	4,604	4,604
Total	1,761	4,609	4,608	1,760	4,604	4,604
Term of debt restructuring agreements						
Not over 5 years	1,273	2,859	2,858	1,272	2,854	2,854
5 - 10 years	414	1,314	1,314	414	1,314	1,314
over 10 years	74	436	436	74	436	436
Total	1,761	4,609	4,608	1,760	4,604	4,604

(Unit: Million Baht)

	For the year ended 31 December 2013					
	Consolidated financial statements			Separate financial statements		
	Number	Amount		Number	Amount	
	of	Before	After	of	Before	After
	debtors	restructuring	restructuring	debtors	restructuring	restructuring
Type of restructuring						
Modification of terms of payments	10	259	259	10	259	259
Combination of methods	2	29	20	-	-	-
Total	12	288	279	10	259	259
Term of debt restructuring agreements						
Not over 5 years	12	288	279	10	259	259
Total	12	288	279	10	259	259

Supplemental information for the years ended 31 December 2014 and 2013 relating to the restructured debts is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
Interest income on restructured debts, which is				
recognised for the years	91	91	87	91
Cash settlement by debtors	586	1,362	552	1,345
Losses on debt restructuring (reversal)	43	(51)	43	(51)

As at 31 December 2014 and 2013, the Bank and its subsidiary have the outstanding balances with troubled debt restructuring debtors which had been performing in accordance with debt restructuring agreements, as follows:

	31 December 2014				31 December 2013			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
	Number of debtors (Number)	Outstanding balance (Million Baht)	Number of debtors (Number)	Outstanding balance (Million Baht)	Number of debtors (Number)	Outstanding balance (Million Baht)	Number of debtors (Number)	Outstanding balance (Million Baht)
Troubled debt restructuring debtors	932	2,397	931	2,386	107	1,171	90	1,102

13.7 Loans to customers having problems with financial position and operating results

As at 31 December 2014 and 2013, the Bank and its subsidiary had loans and accrued interest receivables due from listed companies having problems with their financial position and operating results, and set aside allowances for doubtful debts as follows:

	(Unit: Million Baht)							
	Consolidated and separate financial statements							
	31 December 2014				31 December 2013			
	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts
Listed companies under delisting conditions	2	6	-	-	1	5	4	3

14. Classified assets

Classified assets, as at 31 December 2014 and 2013, were classified in accordance with the BOT's regulation including the BOT's notification No. Phor Nor Sor.(23) Wor. 1564/2554 regarding clarification on measures on providing assistance to debtors affected by the flood disaster, consisting of investments (including investments in subsidiaries and associate), loans to customer and accrued interest receivables (including interbank and money market items), properties foreclosed, premises and equipment and other assets as follows:

(Unit: Million Baht)

Consolidated financial statements													
31 December 2014						31 December 2013							
Categories of assets						Categories of assets							
	Loans and accrued interest		Properties foreclosed	Premises and equipment	Other assets	Total		Loans and accrued interest		Properties foreclosed	Premises and equipment	Other assets	Total
	Investments	receivables					Investments	receivables					
Pass	-	601,312	-	-	-	601,312	-	542,654	-	-	-	-	542,654
Special mention	-	16,529	-	-	-	16,529	-	15,583	-	-	-	-	15,583
Sub-standard	-	1,824	-	-	2	1,826	-	3,616	-	-	-	2	3,618
Doubtful	-	668	-	-	1	669	-	1,652	-	-	-	4	1,656
Doubtful of loss	879	15,601	401	442	328	17,651	884	17,153	687	445	261	19,430	
Total	879	635,934	401	442	331	637,987	884	580,658	687	445	267	582,941	

(Unit: Million Baht)

Separate financial statements												
31 December 2014							31 December 2013					
Categories of assets							Categories of assets					
Investments	Loans and accrued interest	Properties foreclosed	Premises and equipment	Other assets	Total	Investments	Loans and accrued interest	Properties foreclosed	Premises and equipment	Other assets	Total	
	receivables						receivables					
Pass	-	601,311	-	-	-	601,311	-	542,653	-	-	-	542,653
Special mention	-	16,529	-	-	-	16,529	-	15,583	-	-	-	15,583
Sub-standard	-	1,824	-	-	2	1,826	-	3,616	-	-	2	3,618
Doubtful	-	668	-	-	1	669	-	1,652	-	-	4	1,656
Doubtful of loss	1,824	15,559	399	442	328	18,552	2,186	15,448	649	445	258	18,986
Total	1,824	635,891	399	442	331	638,887	2,186	578,952	649	445	264	582,496

15. Allowance for doubtful debts

Allowance for doubtful debts for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

Consolidated financial statements							
For the year ended 31 December 2014							
	Provision at BOT's minimum rates required					Provision in excess of BOT's minimum rates required	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
Balance - beginning of the year	4,218	285	1,979	468	8,518	15,932	31,400
Allowance for doubtful debts	273	12	(921)	(100)	4,888	(42)	4,110
Bad debt recovery	-	-	-	-	417	-	417
Bad debts written-off	-	-	-	-	(4,316)	-	(4,316)
Allowance for doubtful debts of the disposed debts	-	-	-	-	(3,359)	-	(3,359)
Balance - end of the year	4,491	297	1,058	368	6,148	15,890	28,252

(Unit: Million Baht)

Consolidated financial statements							
For the year ended 31 December 2013							
	Provision at BOT's minimum rates required					Provision in excess of BOT's minimum rates required	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
Balance - beginning of the year	3,808	258	758	332	8,378	11,271	24,805
Allowance for doubtful debts	410	27	1,221	136	1,199	4,661	7,654
Bad debt recovery	-	-	-	-	672	-	672
Bad debts written-off	-	-	-	-	(1,715)	-	(1,715)
Others	-	-	-	-	(16)	-	(16)
Balance - end of the year	4,218	285	1,979	468	8,518	15,932	31,400

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2014						
	Provision at BOT's minimum rates required					Provision in excess of BOT's minimum rates required	
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		Total
Balance - beginning of the year	4,218	285	1,979	468	7,461	15,932	30,343
Allowance for doubtful debts	273	12	(921)	(100)	5,015	(42)	4,237
Bad debt recovery	-	-	-	-	348	-	348
Bad debts written-off	-	-	-	-	(3,779)	-	(3,779)
Allowance for doubtful debts of the disposed debts	-	-	-	-	(2,925)	-	(2,925)
Balance - end of the year	4,491	297	1,058	368	6,120	15,890	28,224

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2013						
	Provision at BOT's minimum rates required					Provision in excess of BOT's minimum rates required	
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	required	Total
Balance - beginning of the year	3,808	258	758	332	7,237	11,271	23,664
Allowance for doubtful debts	410	27	1,221	136	1,272	4,661	7,727
Bad debt recovery	-	-	-	-	672	-	672
Bad debts written-off	-	-	-	-	(1,704)	-	(1,704)
Others	-	-	-	-	(16)	-	(16)
Balance - end of the year	4,218	285	1,979	468	7,461	15,932	30,343

16. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated and separate financial statements	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
Balance - beginning of the year	68	119
Increase (decrease) during the year	42	(51)
Balance - end of the year	110	68

17. Properties foreclosed

(Unit: Million Baht)

	Consolidated financial statements							
	For the year ended 31 December 2014				For the year ended 31 December 2013			
	Beginning balance	Increase	Disposal/ Decrease	Ending balance	Beginning balance	Increase	Disposal/ Decrease	Ending balance
Assets foreclosed in settlement of debts								
Immovable assets	2,129	462	(824)	1,767	2,436	4	(311)	2,129
Appraised by internal appraiser				335				617
Appraised by external appraiser				1,432				1,512
Movable assets	24	-	(24)	-	85	-	(61)	24
Assets for sales	431	467	(404)	494	415	298	(282)	431
Total	2,584	929	(1,252)	2,261	2,936	302	(654)	2,584
Add (less): Allowance for impairment	(687)	(16)	302	(401)	(786)	(42)	141	(687)
Properties foreclosed - net	1,897	913	(950)	1,860	2,150	260	(513)	1,897

(Unit: Million Baht)

	Separate financial statements							
	For the year ended 31 December 2014				For the year ended 31 December 2013			
	Beginning balance	Increase	Disposal/ Decrease	Ending balance	Beginning balance	Increase	Disposal/ Decrease	Ending balance
Assets foreclosed in settlement of debts								
Immovable assets	2,065	462	(805)	1,722	2,372	4	(311)	2,065
Appraised by internal appraiser				333				615
Appraised by external appraiser				1,389				1,450
Movable assets	-	-	-	-	61	-	(61)	-
Assets for sales	431	467	(404)	494	415	298	(282)	431
Total	2,496	929	(1,209)	2,216	2,848	302	(654)	2,496
Add (less): Allowance for impairment	(649)	(16)	266	(399)	(748)	(42)	141	(649)
Properties foreclosed - net	1,847	913	(943)	1,817	2,100	260	(513)	1,847

18. Premises and equipment

Premises and equipment (including the incremental revaluation of which the latest reappraisal was made in 2012) for the years ended 31 December 2014 and 2013 are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	For the year ended 31 December 2014						
	Land		Buildings			Equipment	Total
	Cost	The incremental revaluation	Cost	The incremental revaluation	Leasehold improvements		
Cost/Reappraised value							
1 January 2014	2,779	2,994	5,072	3,628	1,168	5,747	21,388
Purchases	-	-	118	-	112	415	645
Disposals/written-off	-	-	(3)	-	(80)	(335)	(418)
Transfer out	(200)	(122)	(194)	(149)	-	-	(665)
31 December 2014	2,579	2,872	4,993	3,479	1,200	5,827	20,950
Accumulated depreciation							
1 January 2014	-	-	(2,567)	(1,813)	(797)	(4,354)	(9,531)
Depreciation during the year	-	-	(203)	(71)	(92)	(486)	(852)
Accumulated depreciation on disposals/written-off/transfer out	-	-	73	80	64	330	547
31 December 2014	-	-	(2,697)	(1,804)	(825)	(4,510)	(9,836)
Allowance for impairment							
1 January 2014	(342)	-	(103)	-	-	-	(445)
Loss on impairment during the year	-	-	(3)	-	(8)	-	(11)
Allowance for impairment on disposals/written-off/transfer out	3	-	3	-	8	-	14
31 December 2014	(339)	-	(103)	-	-	-	(442)
Net book value							
1 January 2014	2,437	2,994	2,402	1,815	371	1,393	11,412
31 December 2014	2,240	2,872	2,193	1,675	375	1,317	10,672
Depreciation included in profit or loss from operation for the years ended							
31 December 2013							789
31 December 2014							852

(Unit: Million Baht)

Consolidated financial statements							
For the year ended 31 December 2013							
	Land		Buildings				
	The		The		Leasehold		
	Cost	incremental revaluation	Cost	incremental revaluation	improvements	Equipment	Total
Cost/Reappraised value							
1 January 2013	2,983	3,034	4,921	3,706	1,120	5,564	21,328
Purchases	-	-	398	-	143	579	1,120
Disposals/written-off	-	-	(132)	-	(95)	(396)	(623)
Transfer out	(204)	(40)	(115)	(78)	-	-	(437)
31 December 2013	2,779	2,994	5,072	3,628	1,168	5,747	21,388
Accumulated depreciation							
1 January 2013	-	-	(2,458)	(1,779)	(779)	(4,301)	(9,317)
Depreciation during the year	-	-	(176)	(72)	(106)	(435)	(789)
Accumulated depreciation on disposals/written-off/transfer out	-	-	67	38	88	382	575
31 December 2013	-	-	(2,567)	(1,813)	(797)	(4,354)	(9,531)
Allowance for impairment							
1 January 2013	(366)	-	(111)	-	(1)	-	(478)
Loss on impairment during the year	-	-	(2)	-	(5)	-	(7)
Allowance for impairment on disposals/written-off/transfer out	24	-	10	-	6	-	40
31 December 2013	(342)	-	(103)	-	-	-	(445)
Net book value							
1 January 2013	2,617	3,034	2,352	1,927	340	1,263	11,533
31 December 2013	2,437	2,994	2,402	1,815	371	1,393	11,412

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2014						
	Land		Buildings		Leasehold improvement	Equipment	Total
	Cost	The incremental revaluation	Cost	The incremental revaluation			
Cost/Reappraised value							
1 January 2014	2,779	2,994	5,072	3,628	1,165	5,635	21,273
Purchases	-	-	118	-	112	407	637
Disposals/written-off	-	-	(3)	-	(77)	(322)	(402)
Transfer out	(200)	(122)	(194)	(149)	-	-	(665)
31 December 2014	2,579	2,872	4,993	3,479	1,200	5,720	20,843
Accumulated depreciation							
1 January 2014	-	-	(2,567)	(1,813)	(794)	(4,271)	(9,445)
Depreciation during the year	-	-	(203)	(71)	(92)	(477)	(843)
Accumulated depreciation on disposals/written-off/transfer out	-	-	73	80	61	319	533
31 December 2014	-	-	(2,697)	(1,804)	(825)	(4,429)	(9,755)
Allowance for impairment							
1 January 2014	(342)	-	(103)	-	-	-	(445)
Loss on impairment during the year	-	-	(3)	-	(8)	-	(11)
Allowance for impairment on disposals/written-off/transfer out	3	-	3	-	8	-	14
31 December 2014	(339)	-	(103)	-	-	-	(442)
Net book value							
1 January 2014	2,437	2,994	2,402	1,815	371	1,364	11,383
31 December 2014	2,240	2,872	2,193	1,675	375	1,291	10,646
Depreciation included in profit or loss from operation for the years ended							
31 December 2013							778
31 December 2014							843

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2013						
	Land		Buildings		Leasehold improvement	Equipment	Total
	Cost	The incremental revaluation	Cost	The incremental revaluation			
Cost/Reappraised value							
1 January 2013	2,983	3,034	4,921	3,706	1,117	5,449	21,210
Purchases	-	-	398	-	143	571	1,112
Disposals/written-off	-	-	(132)	-	(95)	(385)	(612)
Transfer out	(204)	(40)	(115)	(78)	-	-	(437)
31 December 2013	<u>2,779</u>	<u>2,994</u>	<u>5,072</u>	<u>3,628</u>	<u>1,165</u>	<u>5,635</u>	<u>21,273</u>
Accumulated depreciation							
1 January 2013	-	-	(2,458)	(1,779)	(776)	(4,220)	(9,233)
Depreciation during the year	-	-	(176)	(72)	(106)	(424)	(778)
Accumulated depreciation on disposals/written-off/transfer out	-	-	67	38	88	373	566
31 December 2013	<u>-</u>	<u>-</u>	<u>(2,567)</u>	<u>(1,813)</u>	<u>(794)</u>	<u>(4,271)</u>	<u>(9,445)</u>
Allowance for impairment							
1 January 2013	(366)	-	(111)	-	(1)	-	(478)
Loss on impairment during the year	-	-	(2)	-	(5)	-	(7)
Allowance for impairment on disposals/written-off/transfer out	24	-	10	-	6	-	40
31 December 2013	<u>(342)</u>	<u>-</u>	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(445)</u>
Net book value							
1 January 2013	<u>2,617</u>	<u>3,034</u>	<u>2,352</u>	<u>1,927</u>	<u>340</u>	<u>1,229</u>	<u>11,499</u>
31 December 2013	<u>2,437</u>	<u>2,994</u>	<u>2,402</u>	<u>1,815</u>	<u>371</u>	<u>1,364</u>	<u>11,383</u>

As at 31 December 2014 and 2013, the Bank and its subsidiaries have certain equipment which has been fully depreciated but is still in use. The original costs (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to approximately Baht 3,410 million and Baht 3,352 million, respectively (The Bank only: Baht 3,357 million and Baht 3,286 million, respectively).

19. Goodwill and other intangible assets

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements		
		Computer softwares	Computer softwares under development	Total	Computer softwares	Computer softwares under development	Total
Cost							
1 January 2013	60	3,655	74	3,789	3,560	74	3,634
Additions	-	35	367	402	33	365	398
Written-off	-	(284)	-	(284)	(284)	-	(284)
Transfer in (out)	-	306	(303)	3	305	(302)	3
31 December 2013	60	3,712	138	3,910	3,614	137	3,751
Additions	-	30	340	370	28	340	368
Written-off	-	(38)	-	(38)	-	-	-
Transfer in (out)	-	333	(334)	(1)	333	(333)	-
31 December 2014	60	4,037	144	4,241	3,975	144	4,119
Accumulated amortisation							
1 January 2013	-	(3,008)	-	(3,008)	(2,916)	-	(2,916)
Amortisation during the year	-	(271)	-	(271)	(270)	-	(270)
Accumulated amortisation on transfer out	-	284	-	284	284	-	284
31 December 2013	-	(2,995)	-	(2,995)	(2,902)	-	(2,902)
Amortisation during the year	-	(281)	-	(281)	(279)	-	(279)
Accumulated amortisation on transfer out	-	38	-	38	-	-	-
31 December 2014	-	(3,238)	-	(3,238)	(3,181)	-	(3,181)
Net book value							
1 January 2013	60	647	74	781	644	74	718
31 December 2013	60	717	138	915	712	137	849
31 December 2014	60	799	144	1,003	794	144	938
Amortisation expenses included in profit or loss from operation for the years ended							
31 December 2013				271			270
31 December 2014				281			279

As at 31 December 2014 and 2013, computer softwares have amortisation periods of 0-5 years remained.

20. Deferred tax assets/liabilities and income tax expenses

20.1 Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities consisted of tax effects of temporary differences as shown below:

(Unit: Million Baht)

	Consolidated financial statements			
			Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the years ended	
	31 December	31 December	31 December	
	2014	2013	2014	2013
Deferred tax assets				
Investments	176	174	(2)	2
Loans to customers and accrued interest receivables ⁽¹⁾	690	617	(73)	1,653
Properties foreclosed	85	147	62	14
Premises and equipment	100	100	-	6
Provisions for liabilities	1,615	1,594	(21)	54
Other payables and other liabilities	260	281	21	(12)
Unused tax losses ⁽²⁾	-	456	456	(390)
Others	124	103	(21)	(21)
Total deferred tax assets	3,050	3,472	422	1,306
Deferred tax liabilities				
Premises and equipment	939	981	(42)	(32)
Others	46	42	4	(4)
Total deferred tax liabilities	985	1,023	(38)	(36)

⁽¹⁾ The Bank and its subsidiaries have tax-deductible temporary differences in respect of loans to customers and accrued interest receivables, for which deferred tax assets have not been recognised since it is uncertain as to whether the Bank and subsidiary would be able to utilise such temporary differences.

⁽²⁾ As at 31 December 2013, a subsidiary had unused brought-forward tax losses totalling Baht 332 million, for which the subsidiary has not yet recognised as deferred tax assets totalling Baht 66 million because the management assessed that the subsidiary's future taxable profits may not be sufficient to allow utilisation of the unused brought-forward tax losses before they gradually expire. During the years ended 31 December 2014, the subsidiary has recognized unused brought-forward tax losses as deferred tax assets because the subsidiary has sufficient taxable profits to utilise the unused brought-forward tax losses.

(Unit: Million Baht)

	Separate financial statements			
			Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the years ended	
	31 December	31 December	31 December	
	2014	2013	2014	2013
Deferred tax assets				
Investments ⁽¹⁾	176	174	(2)	2
Loans to customers and accrued interest receivables ⁽²⁾	677	606	(71)	1,664
Properties foreclosed	84	139	55	14
Premises and equipment	100	100	-	6
Provisions for other liabilities	1,608	1,585	(23)	50
Other payables and other liabilities	260	281	21	(12)
Unused tax losses	-	414	414	(414)
Others	124	103	(21)	(21)
Total deferred tax assets	3,029	3,402	373	1,289
Deferred tax liabilities				
Premises and equipment	937	979	(42)	(33)
Others	34	39	(5)	(3)
Total deferred tax liabilities	971	1,018	(47)	(36)

⁽¹⁾ As at 31 December 2014 and 2013, the Bank had tax-deductible temporary differences in relation to investment in subsidiaries totalling Baht 945 million and Baht 1,302 million, respectively, for which deferred tax assets of Baht 189 million and Baht 260 million, respectively have not yet been recognised because certain recognition criteria were not met.

⁽²⁾ The Bank has tax-deductible temporary differences in respect of loans to customers and accrued interest receivables, for which deferred tax assets have not been recognised since it is uncertain as to whether the Bank would be able to utilise such temporary differences.

20.2 Income tax expenses

Income tax expenses for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2014	2013	2014	2013
Current income tax:				
Corporate income tax for the year	807	20	690	-
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	384	1,277	334	1,258
Income tax expenses recognised in profit or loss from operation	1,191	1,297	1,024	1,258

Reconciliations between income tax expenses and the product of accounting profits for the years ended

31 December 2014 and 2013 and the applicable tax rate are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Accounting profits before income tax expenses	10,742	7,044	10,467	7,058
Applicable tax rate	20%	20%	20%	20%
Amount of income taxes at the applicable tax rates	2,148	1,409	2,093	1,411
Adjustment in respect of income tax expenses of previous year	(75)	(21)	(75)	(21)
Deferred tax expense which previously unrecognized deductible temporary difference had been met the recognition criteria and utilised during the year				
- Investment in subsidiaries	-	-	(71)	(38)
- Loans to customers and accrued interest receivables	(918)	(86)	(918)	(86)
- Unused tax losses	(66)	-	-	-
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profit	102	(5)	(5)	(8)
Income tax expenses recognised in profit or loss from operation	1,191	1,297	1,024	1,258

20.3 Income taxes relating to the components of other comprehensive income

Income taxes expenses (revenue) relating to the components of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Changes in revaluation surplus on assets	(12)	(12)	(12)	(12)
Gain on revaluation of available-for-sale investments	12	-	4	-
Gain arising from translating the financial statements of foreign operations	-	6	-	6
Income taxes expenses (revenue) relating to the components of other comprehensive income	-	(6)	(8)	(6)

21. Other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Receivables on sales of investments	5,578	3,501	5,578	3,501
Promissory notes from transfer of non-performing assets to BAM	2,241	3,730	1,580	3,626
TAMC's promissory notes and interest receivable	4,398	4,398	4,398	4,398
Other receivables	867	810	743	709
Total	13,084	12,439	12,299	12,234
Less: Allowance for impairment	(111)	(110)	(111)	(108)
Other receivables - net	12,973	12,329	12,188	12,126

22. Other assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Accrued income	1,360	1,206	1,249	1,124
Collateral on derivative transactions	497	4,173	497	4,173
Suspense accounts - debtors	859	1,631	859	1,630
Suspense accounts between head office and branches	130	480	130	480
Others	943	1,662	909	1,644
Total	3,789	9,152	3,644	9,051
Less: Allowance for impairment	(212)	(149)	(212)	(148)
Other assets - net	3,577	9,003	3,432	8,903

23. Deposits**23.1 Classified by types of deposits**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Current accounts	51,497	37,112	51,511	37,120
Savings accounts	346,104	294,506	346,185	294,555
Time deposits	174,688	199,061	174,688	199,061
Total	572,289	530,679	572,384	530,736
Less: prepaid interest expenses	(664)	(1,073)	(664)	(1,073)
Deposits - net	571,625	529,606	571,720	529,663

23.2 Classified by currency and residency of depositors

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	564,884	5,290	570,174	523,237	5,391	528,628
US Dollars	1,175	152	1,327	659	179	838
Other currencies	109	15	124	120	20	140
Total	566,168	5,457	571,625	524,016	5,590	529,606

(Unit: Million Baht)

	Separate financial statements					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	564,979	5,290	570,269	523,294	5,391	528,685
US Dollars	1,175	152	1,327	659	179	838
Other currencies	109	15	124	120	20	140
Total	566,263	5,457	571,720	524,073	5,590	529,663

24. Interbank and money market items (liabilities)

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2014			31 December 2013		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial Institutions Development Fund	-	4,957	4,957	-	5,815	5,815
Commercial banks	135	36,150	36,285	121	37,550	37,671
Specialised financial institutions	1,049	19,775	20,824	1,044	12,185	13,229
Other financial institutions	4,881	70	4,951	3,844	461	4,305
Total domestic items	6,065	60,952	67,017	5,009	56,011	61,020
Foreign						
US Dollars	351	3,296	3,647	1,599	2,133	3,732
Other currencies	2,052	-	2,052	1,286	-	1,286
Total foreign items	2,403	3,296	5,699	2,885	2,133	5,018
Total domestic and foreign items	8,468	64,248	72,716	7,894	58,144	66,038

25. Financial liabilities designated at fair value through profit or loss

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2014	31 December 2013
Debts issued	183	363
Total	183	363

Proportion of transactions classified by type of counterparty as at 31 December 2014 and 2013 is as follows:

(Unit: Percentage)

Counterparty	Consolidated and separate financial statements	
	31 December 2014	31 December 2013
Financial institutions	100.00	100.00
Total	100.00	100.00

26. Debts issued and borrowings

(Unit: Million Baht)

	Interest rates as at 31 December 2014 (%)	Maturities	Consolidated and separate financial statements					
			31 December 2014			31 December 2013		
			Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures ⁽²⁾	4.50, 4.70 and 5.50	2015 ⁽³⁾ , 2017 ⁽³⁾ and 2019 ⁽³⁾	33,350	-	33,350	23,650	-	23,650
Perpetual non-cumulative Tier 1 hybrid securities ⁽¹⁾	7.00	2014 ⁽³⁾	-	-	-	4,000	-	4,000
Bills of exchange	2.00 - 4.50	2015	724	-	724	4,165	-	4,165
Other borrowings	0.00 - 2.00	2015 - 2031	131	2,220	2,351	222	6,312	6,534
Total			34,205	2,220	36,425	32,037	6,312	38,349
Less : prepaid interest expenses			(176)	-	(176)	(176)	-	(176)
Debts issued and borrowings - net			34,029	2,220	36,249	31,861	6,312	38,173

⁽¹⁾ Counted as a part of Tier 1 capital, which is determined under the conditions as specified in the BOT's Notification (Note 7)⁽²⁾ Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BOT's Notification (Note 7)⁽³⁾ The years in which call option exercise periods start

26.1 Subordinated debentures

26.1.1 On 6 November 2009, the Bank issued the Subordinated Debenture No.1/2552, amounting to Baht 5,300 million, which has a 10-year maturity period and carries a fixed interest rate of 5.00% per annum for the first 3 years, 5.25% per annum for the fourth and the fifth years and 6.50% per annum for the sixth to the tenth years. Interest is payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Debenture No.1/2552 after 5 years from the issue date or according to certain specified conditions.

On 6 November 2014, the Bank early redeemed its Subordinated Debenture No.1/2552 with a principal amount of Baht 5,300 million, together with interest thereon since the debenture has already had a five-year period and it was no longer qualified as Tier 2 capital of the Bank. Such early redemption has already been approved by the Bank of Thailand.

26.1.2 On 2 April 2010, the Bank issued the Subordinated Debenture No.1/2553, amounting to Baht 8,000 million, which has a 10-year maturity period and carries a fixed rate of 4.70% per annum for the first 5 years and 6.00% per annum for the sixth to the tenth years. Interest is payable quarterly in January, April, July and October of every year. The Bank can early redeem the Subordinated Debenture No.1/2553 after 5 years from the issue date or according to certain specified conditions.

26.1.3 On 18 May 2012, the Bank issued the Subordinated Debenture No.1/2555, amounting to Baht 9,400 million, which has a 10-year maturity period and carries a fixed interest rate of 4.50% per annum, payable annually in advance on 18 May of every year with the exception of the first interest payment, which was made on 25 May 2012. The Bank can early redeem the Subordinated Debenture No.1/2555 under each of the following circumstances:

1. On or after the fifth anniversary of the issue date.
2. The Bank can show that the interest on the debenture could not be treated as tax-deductible expenses.
3. The Bank of Thailand issues additional regulations which allow the Bank to early redeem the debenture.

26.1.4 On 25 May 2012, the Bank issued the Subordinated Debenture No.2/2555, amounting to Baht 950 million, which has a 10-year maturity period and carries a fixed interest rate of 4.50% per annum, payable annually in advance on 25 May of every year with the exception of the first interest payment, which was made on 1 June 2012. The Bank can early redeem the Subordinated Debenture No.2/2555 under each of the following circumstances:

1. On or after the fifth anniversary of the issue date.
2. The Bank can show that the interest on the debenture could not be treated as tax-deductible expenses.
3. The Bank of Thailand issues additional regulations which allow the Bank to early redeem the debenture.

26.1.5 On 29 August 2014, the Bank issued the Subordinated Notes No.1/2557 to be counted as tier 2 capital under Basel III requirement, amounting to Baht 15,000 million, which has a 10-year maturity period and carries a fixed interest rate of 5.50% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Notes No.1/2557 after 5 years from the issue date or according to certain specified conditions. The Bank has to get The Bank of Thailand's approval before early redemption of the Subordinated Notes.

26.2 Perpetual non-cumulative Tier 1 hybrid securities

On 30 April 2009, the Bank issued Baht 4,000 million in aggregate as a principal amount of the Perpetual Non-Cumulative Tier 1 Hybrid Securities ("Hybrid Tier 1"). The securities are perpetual. However, the Bank has an early redemption option subject to the prior written approval of the Bank of Thailand and the Bank being solvent at that time. Early redemption is permitted under each of the following circumstances:

1. At every interest payment date, after the fifth year of the issue date.
2. In the event that any change or amendment in the tax laws resulting in the more tax liabilities to the Bank or the Bank not being able to claim interest on such securities as tax-deductible expenses.
3. In the event that the Hybrid Tier 1 is no longer qualified as Tier 1 capital of the Bank.

The securities carries a fixed interest rate of 7.00% per annum for the first 10 years and a floating interest rate based on the 6-month Time Deposit rate of the Bank plus 7.00% per annum from the eleventh year onwards. Interest is semi-annually payable on 30 April and 30 October of every year.

In case that the Bank incurs loss in the latest financial period before the interest payment date or in case that the interest payment for the Hybrid Tier 1 on any interest payment date results in the Bank having a loss in the latest financial period before such interest payment date, the Bank will not be obliged to make any interest payment for that period and such interest will be non-cumulative and will not be carried forward to the next payment period unless allowed by the Bank of Thailand to pay such interest.

On 30 April 2014, the Bank early redeemed its entire perpetual non-cumulative Tier 1 hybrid securities of Baht 4,000 million together with interest thereon, since the securities' period are five years and the securities are no longer qualified as Tier 1 capital of the Bank. Such early redemption has already been approved by the Bank of Thailand.

26.3 Other Borrowings

Borrowings with specific uses (other borrowings) as at 31 December 2014 and 2013 are as follows:

Borrowings from	Objectives of borrowings	Consolidated and separate financial statements			
		31 December 2014		31 December 2013	
		Outstanding balances	Baht equivalent (Million Baht)	Outstanding balances	Baht equivalent (Million Baht)
Energy Conservation Promotion Fund	For enterprises investing for energy conservation	THB 110 million	110	THB 195 million	195
National Science and Technology Development Agency	For enterprises involving in research and development activities	THB 21 million	21	THB 27 million	27
Nordic Investment Bank (NIB)	For joint ventures with the Nordic countries and businesses using Nordic machinery/equipment	USD 12 million	408	USD 19 million	629
Japan Bank for International Cooperation (JBIC)	For equity investment & on-lending to non-SET listed enterprises and non-environmental impact having a joint-venture with Japanese or Japanese connection, or Tsunami adversely affected entrepreneurs having Japanese connection	USD 50 million	1,648	USD 67 million	2,188
KfW Bankengruppe (KfW)	For small industry businesses	EUR 4 million	164	EUR 5 million	214
International Finance Corporation (IFC) ⁽¹⁾	For SMEs affected in the flood areas	-	-	USD 100 million	3,281
Total			2,351		6,534

⁽¹⁾ The loan agreement contains covenants that require the Bank to maintain certain financial ratios.

27. Provisions for employee benefits

27.1 Defined contribution plan

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 2 - 10 percent of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 5 - 10 percent, depending on the number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. The fund assets are held separately from those of the Bank and its subsidiaries, under the management of the fund manager.

For the years ended 31 December 2014 and 2013, the Bank and its subsidiaries contributed Baht 372 million and Baht 360 million, respectively to the funds (the Bank only: Baht 364 million and Baht 352 million, respectively).

27.2 Defined benefits plans

Movements in provisions for employee benefits for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2014			For the year ended 31 December 2013		
	Retirement benefit plan	Other long- term employee benefit plan	Total provisions for employee benefits	Retirement benefit plan	Other long- term employee benefit plan	Total provisions for employee benefits
Provisions for employee benefits at beginning of the year	1,409	15	1,424	1,284	14	1,298
Current service cost	162	2	164	142	2	144
Interest cost	52	-	52	43	1	44
Benefits paid during the year	(98)	(2)	(100)	(55)	(2)	(57)
Past service costs	(5)	-	(5)	(5)	-	(5)
Provisions for employee benefits at end of the year	1,520	15	1,535	1,409	15	1,424

(Unit: Million Baht)

	Separate financial statements					
	For the year ended			For the year ended		
	31 December 2014			31 December 2013		
	Retirement benefit plan	Other long- term employee benefit plan	Total provisions for employee benefits	Retirement benefit plan	Other long- term employee benefit plan	Total provisions for employee benefits
Provisions for employee benefits at beginning of the year	1,387	15	1,402	1,265	14	1,279
Current service cost	158	2	160	139	2	141
Interest cost	51	-	51	42	1	43
Benefits paid during the year	(93)	(2)	(95)	(54)	(2)	(56)
Past service costs	(5)	-	(5)	(5)	-	(5)
Provisions for employee benefits at end of the year	1,498	15	1,513	1,387	15	1,402

The expenses relating to defined benefits plans, included in the profit or loss from operation, was recorded in "Employee expenses" as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Current service cost	164	144	160	141
Interest cost	52	44	51	43
Past service cost	(5)	(5)	(5)	(5)
Total employee benefit expenses	211	183	206	179

Accumulated amounts of actuarial gains, which have been recognised in the other comprehensive income of the Bank and its subsidiaries, up to 31 December 2014 and 2013 were Baht 143 million and Baht 143 million, respectively (the Bank only: Baht 143 million and Baht 143 million, respectively).

Amounts of defined benefit obligation at the end of the current year and previous years are as follows:

	(Unit: Million Baht)	
	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
As at 31 December 2014	1,493	1,472
As at 31 December 2013	1,378	1,355
As at 31 December 2012	1,247	1,228
As at 31 December 2011	1,246	1,231
As at 1 January 2011	1,179	1,160

The amounts of experience adjustments⁽¹⁾ for the current year and previous years are as follows:

	(Unit: Million Baht)
	Consolidated and separate financial statements
For the year ended 31 December 2014	-
For the year ended 31 December 2013	-
For the year ended 31 December 2012	(38)
For the year ended 31 December 2011	(45)

⁽¹⁾ Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred, which are presented as a part of "Actuarial gains".

The principal assumptions used in determining provisions under retirement benefit plan on an actuarial basis are shown below:

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Discount rates	3.28%, 3.73%, 3.95%	3.28%, 3.73%, 3.95%	3.73%	3.73%
Future salary incremental rates	5.00%, 5.50%	5.00%, 5.50%	5.00%	5.00%
Staff turnover rates (depending on range of age)	0.00% - 18.00%	0.00% - 18.00%	0.00% - 18.00%	0.00% - 18.00%

28. Provisions for other liabilities

(Unit: Million Baht)

Consolidated financial statement				
For the year ended 31 December 2014				
	Commitment from letters of guarantee issued, avals and other guarantee	Obligation for litigation cases (Note 47.2)	Others	Total
Balances - beginning of the year	412	63	64	539
Increase in provisions	27	1	43	71
Decrease in provisions	-	(4)	-	(4)
Paid during the period	-	(12)	(59)	(71)
Balances - end of the year	439	48	48	535

(Unit: Million Baht)

Separate financial statement				
For the year ended 31 December 2014				
	Commitment from letters of guarantee issued, avals and other guarantee	Obligation for litigation cases (Note 47.2)	Others	Total
Balances - beginning of the year	412	54	59	525
Increase in provisions	27	1	42	70
Paid during the period	-	(12)	(54)	(66)
Balances - end of the year	439	43	47	529

29. Other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Payables on purchases of investments	4,780	3,176	4,780	3,176
Others	857	2,076	850	2,060
Total other payables	5,637	5,252	5,630	5,236

30. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Accrued expenses	3,872	3,109	3,722	3,078
Accrued interest expenses	1,156	1,061	1,156	1,061
Deposits and guarantees received	716	1,490	702	1,476
Collateral on derivative transactions	178	1,159	178	1,159
Suspense accounts - creditors	2,293	3,536	2,285	3,525
Others	673	706	631	685
Total other liabilities	8,888	11,061	8,674	10,984

31. Share-based payments - TMB Performance Share Bonus Scheme**31.1 Information of TMB Performance Share Bonus Scheme**

On 24 June 2010, the Extraordinary General Meeting of Shareholders No.1/2553 approved the TMB Performance Share Bonus 2010 Project (TMB PSBP 2010 scheme) which will offer newly issued ordinary shares of the Bank to its employees (including employees who hold a position of director of the Bank) who have qualifications under TMB PSBP 2010. The Employees under TMB PSBP 2010 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TMB PSBP 2010 with mandatory participation of top management but optional participation of staff at other levels.

Term of Continuing Scheme:	5 years starting from the first offering date.
Number of Ordinary Shares to be Offered:	Not exceeding the total of 400,000,000 newly issued ordinary shares with the par value of Baht 0.95 each, which will be offered pursuant to the continuing scheme.
Offering Price per Share:	The offering price per share to be offered to the employees under TMB PSBP 2010 is equivalent to the average closing price of ordinary shares of the Bank on the Stock Exchange of Thailand ("SET") on each trading day for the period of 90 calendar days prior to each offering date of the newly issued shares.

Offering Price per Share (continued):

The offering price may be lower than 90% of the market price as prescribed in the notification of the Securities and Exchange Commission relating to the calculation of the offering price and the determination of the offering price for issuance of the newly issued shares.

In the case that the calculation of the offering price in any offering is lower than the par value of the ordinary shares of the Bank, the Bank is required to offer newly issued shares to the employees under TMB PSBP 2010 Project at the price equivalent to the par value of the ordinary shares of the Bank.

Condition of Subscription for the Newly Issued Shares:

The employees under TMB PSBP 2010 who will subscribe for the newly issued shares shall be employees of the Bank as of the subscription date of such newly issued shares (the rights for employees who are retired pursuant to the Bank's regulation or death are still retained).

During the years ended 31 December 2014 and 2013, the Bank recorded expenses of Baht 155 million and Baht 168 million, respectively, in relation to share-based payments.

31.2 The offering of new ordinary shares

The offering of new ordinary shares	Par value	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾	Ordinary shares not to be issued	Balance of new ordinary shares unissued as at
						31 December 2014
	(Baht/ share)	(Baht/ share)	(share)	(share)	(share)	(share)
The first offering, 2011	0.95	2.25	68,393,400	(61,556,286)	(6,837,114)	-
The second offering, 2012	0.95	1.67	101,795,300	(62,844,529)	(12,470,196)	26,480,575
The third offering, 2013	0.95	2.28	82,597,700	(25,624,994)	(12,940,492)	44,032,214
The fourth offering, 2014	0.95	2.30	85,191,700	-	(11,122,700)	74,069,000

⁽¹⁾ The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

31.3 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve – share-based payments

	Consolidated and separate financial statements			
	For the year ended 31 December 2014			
	Issued and paid-up ordinary share capital		Share premium	Other reserve – share-based payments
	No. of shares	Baht	Baht	Baht
Balance – beginning of the year	43,606,322,266	41,426,006,153	81,196,245	256,594,958
Issued ordinary shares to employees	72,442,022	68,819,921	77,069,887	(145,889,808)
Expenses in relation to issuance of ordinary shares to employees	-	-	(576,486)	-
Expenses in relation to share-based payments (Note 31.1)	-	-	-	155,130,632
Balance – end of the year	<u>43,678,764,288</u>	<u>41,494,826,074</u>	<u>157,689,646</u>	<u>265,835,782</u>

	Consolidated and separate financial statements			
	For the year ended 31 December 2013			
	Issued and paid-up ordinary share capital		Share premium	Other reserve – share-based payments
	No. of shares	Baht	Baht	Baht
Balance – beginning of the year	43,549,920,569	41,372,424,541	27,008,318	196,923,463
Issued ordinary shares to employees	56,401,697	53,581,612	54,745,871	(108,327,483)
Expenses in relation to issuance of ordinary shares to employee	-	-	(557,944)	-
Expenses in relation to share-based payments (Note 31.1)	-	-	-	167,998,978
Balance – end of the year	<u>43,606,322,266</u>	<u>41,426,006,153</u>	<u>81,196,245</u>	<u>256,594,958</u>

32. Revaluation surplus on assets

This represents surplus arising from revaluation of land and buildings. The revaluation surplus can neither be offset against deficit nor used for dividend distribution.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
Balance - beginning of the years	4,898	5,061
Amortised during the years	(71)	(72)
Derecognised during the years	(81)	(33)
Transferred out during the years	(60)	(58)
Balance - end of the years	4,686	4,898
Less: Relevant income taxes	(937)	(980)
Balance - end of the year, net of relevant income taxes	3,749	3,918

33. Statutory reserve

Pursuant to section 116 of the Public Limited Company Act B.E. 2535 and under the Bank's Articles of Association, the Bank is required to set aside a statutory reserve at least 5 percent of its net earnings 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.

34. Appropriation of the profit and dividend payment

34.1 The appropriation of the 2013 operating profits and dividend payment

On 11 April 2014, the 2014 Annual General Meeting of Shareholders passed the resolutions regarding the appropriation of the 2013 operating profit and dividend payment as follows:

1. Appropriation of net profit of Baht 290,000,000 to be statutory reserve.
2. Paying of a dividend from the 2013 operating profit to ordinary shareholders, totaling 43,678,764,288 shares at Baht 0.04 per share, totaling a dividend payment of Baht 1,747 million.

The Bank already paid such dividend to its shareholders on 8 May 2014.

34.2 The appropriation of the 2012 operating profits and dividend payment

On 12 April 2013, the 2013 Annual General Meeting of Shareholders passed the resolutions regarding the appropriation of the 2012 operating profit and dividend payment as follows:

1. Appropriation of net profit of Baht 80,000,000 to be statutory reserve.
2. Paying of a dividend from the 2012 operating profit to ordinary shareholders, totaling 43,606,322,266 shares at Baht 0.033 per share, totaling a dividend payment of Baht 1,439 million.

The Bank already paid such dividend to its shareholders on 9 May 2013.

35. Interest income

Interest income for the years ended 31 December 2014 and 2013 consisted of the following:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Interbank and money market items	2,229	2,431	2,211	2,414
Investments and trading transactions	289	457	289	457
Investments in debt securities	2,658	2,877	2,658	2,877
Loans to customers	30,210	28,581	30,086	28,427
Others	462	480	451	480
Total interest income	35,848	34,826	35,695	34,655

36. Interest expenses

Interest expenses for the years ended 31 December 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Deposits	9,141	8,567	9,141	8,567
Interbank and money market items	1,054	1,510	1,054	1,510
Contributions to the Deposit Protection				
Agency and Bank of Thailand	2,669	2,348	2,669	2,348
Debts issued				
- Subordinated debentures	1,218	1,263	1,218	1,263
- Others	94	215	94	215
Borrowings	63	87	63	87
Borrowing fees	14	14	14	14
Total interest expenses	14,253	14,004	14,253	14,004

37. Net fees and service income

Fees and service income and expenses for the years ended 31 December 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Fees and service income				
- Acceptances, aval and guarantees	394	335	394	335
- Credit card and ATM	2,402	2,367	2,402	2,367
- Funds and Bancassurance	3,109	2,569	2,544	2,082
- Others	1,969	2,340	2,001	2,367
Total fees and service income	7,874	7,611	7,341	7,151
Fees and service expenses				
- Credit card and ATM	1,357	1,348	1,357	1,348
- Others	783	684	692	609
Total fees and service expenses	2,140	2,032	2,049	1,957
Net fees and service income	5,734	5,579	5,292	5,194

38. Net gains on trading and foreign exchange transactions

Net gains on trading and foreign exchange transactions for the years ended 31 December 2014 and 2013 consisted of the following:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2014	2013
Gains (losses) on tradings and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	1,542	2,216
- Derivatives on interest rates	339	18
- Derivatives on commodity	1	1
- Debt securities	110	23
Net gains on tradings and foreign exchange transactions	1,992	2,258

39. Net loss on financial liabilities designated at fair value through profit or loss

Net loss on financial liabilities designated at fair value through profit or loss for the years ended 31 December 2014 and 2013 consisted of the following: (Unit: Million Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2014	2013
Net change in fair value	(34)	(9)
Net loss on financial liabilities transferred	(17)	-
Net loss on financial liabilities designated at fair value through profit or loss	(51)	(9)

40. Net gains on investments

Net gains on investments for the years ended 31 December 2014 and 2013 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Gains on sales of investments				
- Available-for-sale securities	186	79	186	45
- General investments	4	64	4	64
Total gains on sales of investments	190	143	190	109
Reversal of allowance for impairment (losses on impairment)				
- Available-for-sale securities	-	(2)	-	(2)
- General investments	3	-	3	-
- Investments in subsidiaries	-	-	357	189
Total reversal of allowance for impairment (losses on impairment)	3	(2)	360	187
Net gains on investments	193	141	550	296

At the end of the reporting period, the management of the Bank considered the status of Phayathai Asset Management Company Limited ("the subsidiary") and noted that its financial position has improved and that it is expected to be able to increase its profitability. These are indicators for reversal of allowance for impairment and the Bank, therefore, reversed allowance for impairment on investment in the subsidiary in order to reflect the expected recoverable amount.

41. Other operating income

Other operating income for the years ended 31 December 2014 and 2013 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Net gains on disposals of assets	183	87	152	157
Dividend income	55	65	55	65
Bad debt recovery (interest portion)	86	121	52	121
Others	166	143	162	142
Total other operating income	490	416	421	485

42. Other operating expenses

Other operating expenses for the years ended 31 December 2014 and 2013 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Marketing and business promotion expenses	1,247	1,249	1,165	1,203
Communication expenses	373	374	371	372
Amortisation of intangible assets	281	271	279	270
Losses on impairment of properties foreclosed and other assets	103	130	106	130
Reversal of provisions for obligation on transfers of non-performing assets (Note 8)	-	(296)	-	(382)
Others	1,483	1,269	1,439	1,255
Total other operating expenses	3,487	2,997	3,360	2,848

43. Bad debts, doubtful accounts and impairment losses

Bad debts, doubtful accounts and impairment losses for the years ended 31 December 2014 and 2013 consisted of the following:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	For the years ended	For the years ended
	31 December	31 December
	2014	2013
	2014	2013
Bad debts and doubtful accounts		
Interbank and money market items	4	10
Loans to customers	3,390	7,654
Allowance for debt restructuring on loans to customers (reversal)	43	(51)
Total bad debts, doubtful accounts and impairment losses	3,437	7,613

44. Components of other comprehensive income

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	For the years ended	For the years ended
	31 December	31 December
	2014	2013
	2014	2013
Other comprehensive income		
(a) Changes in revaluation surplus on assets	(60)	(58)
(b) Gains (losses) on revaluation of available-for-sale investments		
Unrealised gains (losses) during the years	113	73
Less: Reclassification of realised gains recognised in profit or loss from operation	(52)	(75)
Total	61	(2)
(c) Gains arising from translating the financial statements of foreign operation	-	29
(d) Income taxes relating to components of other comprehensive income	-	6
Total other comprehensive gains (loss) for the years	1	(25)

45. Earnings per share

Basic earnings per share is calculated by dividing profits for the years (excluding other comprehensive income) attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue and held by outside shareholders during the years.

Diluted earnings per share is calculated by dividing profits for the years (excluding other comprehensive income) attributable to equity holders of the Bank by the sum of weighted average number of ordinary shares in issue and held by outside shareholders during the years and the weighted average number of ordinary shares which would need to be issued to convert all potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the years or on the date the potential ordinary shares were issued. In calculation of diluted earnings per share, the potential ordinary shares include number of ordinary shares as offered in according to the TMB PSBP 2010 scheme as described in Note 31.2 to the financial statements.

Basic earnings per share and diluted earnings per share are presented below:

Consolidated financial statements						
For the years ended 31 December						
		Weighted average number of ordinary shares		Earnings per share		
Profits for the years						
2014	2013	2014	2013	2014	2013	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profits for the years attributable to equity holders of the Bank						
9,539	5,737	43,659	43,591	0.2185	0.1316	
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme						
-	-	161	151			
Diluted earnings per share		43,820	43,742	0.2177	0.1312	
Separate financial statements						
For the years ended 31 December						
		Weighted average number of ordinary shares		Earnings per share		
Profits for the years						
2014	2013	2014	2013	2014	2013	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profits for the years attributable to equity holders of the Bank						
9,443	5,799	43,659	43,591	0.2163	0.1330	
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme						
-	-	161	151			
Diluted earnings per share		43,820	43,742	0.2155	0.1326	

46. Assets under restriction

As at 31 December 2014 and 2013, the assets under restriction were as follows:

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	31 December 2014	31 December 2013
Investment in securities (face value)		
Pledged as collateral with the courts	13	27
Pledged as securities for daily liquidity	3,437	824
Pledged as collateral against repurchase transactions	26,705	21,352

47. Commitments and contingencies

47.1 Commitments

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	31 December 2014	31 December 2013
Avals to bills	543	1,447
Guarantees of loans	3	-
Liabilities under unmatured import bills	1,855	1,358
Letters of credit	28,131	23,735
Other commitments		
Other guarantees	40,428	37,024
Unused overdraft credit lines	82,935	74,475
Others	624	773
Total	154,519	138,812

In addition, the Bank and its subsidiaries have commitments from derivative contracts, as mentioned in Note 10 to the financial statements.

As at 31 December 2014 and 2013, the Bank had commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand, amounting to Baht 11 million and Baht 11 million, respectively.

47.2 Litigation

As of 31 December 2014 and 2013, the Bank and its subsidiary were claimed pursuant to obligations under the letters of guarantee and other claims for 106 cases and 142 cases, respectively in the approximate dispute amounts of Baht 11,705 million and Baht 16,010 million, respectively (The Bank only: claims for 97 cases and 119 cases, respectively, in the approximate dispute amounts of Baht 10,872 million and Baht 13,451 million, respectively). The said claims were made against the Bank and its subsidiary for the approximate liability amounts of Baht 1,421 million⁽¹⁾ and Baht 811 million⁽¹⁾, respectively (The Bank only: Baht 1,350 million⁽¹⁾ and Baht 606 million⁽¹⁾, respectively).

As of 31 December 2014 and 2013, the Bank and its subsidiary have recognised provisions which may be incurred losses from the litigation cases totalling Baht 48 million and Baht 63 million, respectively (The Bank only: Baht 43 million and Baht 54 million, respectively). The management assesses and believes that the provision established for such potential losses due to the said litigation cases is adequate.

In addition, the Bank was claimed in another lawsuit with the sum of Baht 140,261 million due to its issuance of the letter of guarantee in the credit limit of Baht 200 million. The Court of First Instance and the Appeals Court dismissed the case. At present, this case is in the process of filing the petition with the Supreme Court. The management was advised that there is no sufficient supporting ground for filing the petition with the Supreme Court and it is unlikely that the plaintiff will win the case, the management believes that the Bank will not be liable in this case.

⁽¹⁾ Exclude the liabilities of the Bank as of 31 December 2014 and 2013 for Baht 1,761 million and Baht 3,827 million, respectively, which the Court of First Instance and the Appeals Court dismissed the cases or rendered the judgment to decrease the Bank's liabilities.

47.3 Non-cancellable operating lease commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Payable within				
Within one year	303	168	291	154
After one year but within five years	689	211	680	188
Total	992	379	971	342

47.4 Commitments with the Bank's subsidiary

In prior years, the Bank sold non-performing assets to Phayathai Asset Management Company Limited ("PAMC").

As at 31 December 2014 and 2013, the Bank still has obligations to transfer the mortgage rights in collateral for these non-performing assets to PAMC.

48. Related party disclosures

48.1 Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Entities with joint control or significant influence over the entity are
 - 2.1 Related companies of major shareholders
 - 2.2 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
 - 2.3 Entities in which the Bank holds over 10% of paid-up share capital (excluding subsidiaries and associate)
3. Subsidiaries
4. Associate
5. Key management personnel of the Bank are directors, management personnel at the level 'Head of' or executive vice president and above, and related management personnel of Accounting or Finance.
6. Other related parties are
 - 6.1 Close family members of key management personnel
 - 6.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
 - 6.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence

The additional information on investments in subsidiaries and associate is disclosed in Note 12 to the financial statements.

The followings are relationships with related parties that control or jointly control the Bank or are being controlled or jointly controlled by the Bank.

Name of entities	Country of incorporation	Nature of relationships
Ministry of Finance	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Bank N.V.	The Netherlands	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the Ministry of Finance	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital
ING Life Plc. ⁽¹⁾	Thailand	Related through the major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Funds (Thailand) Co., Ltd. ⁽²⁾	Thailand	Related through the major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Phayathai Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Designee for ETA Contract Ltd.	Thailand	Subsidiary, 99.50% shareholding, more than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd.	Thailand	Subsidiary, 87.50% shareholding, more than 50% of directors are representatives of the Bank
Metro Designee Co., Ltd.	Thailand	Associate, 30.00% shareholding, less than 50% of directors are representatives from the Bank

(1) This entity had been considered a related party until 28 February 2013 (The date on which ING Group completed the process to sell shares it held in such company). Currently, it is known as FWD Life Insurance Plc.

(2) This entity had been considered a related party until 3 May 2013 (The date on which ING Group completed the process to sell shares it held in such company). Currently, it is known as UOB Asset Management (Thailand) Co., Ltd.

48.2 Pricing policy

Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The Bank's pricing and interest rate policy is as follows:

1. Interest rates of loans are in accordance with the market rate and the collateral consideration process is the same as the Bank's normal course of business except for the interest rate of staff welfare loans which are in accordance with the Bank's regulation.
2. Fee and service income as a result of the Bank's providing registrar and related services, money transfer services for unitholders, agent and support services for funds managed by its subsidiary and related company are charged at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into accounts the size of funds and the purchase and sale volumes of investment units.
3. Interest rates on deposits and borrowings are in accordance with the market rates.
4. Fee and service income for other types of services is in accordance with the market price.
5. The branches and office rental and related services are based on market rates.
6. Sale of non-performing assets to a subsidiary is made at the fair value or market price.

48.3 Significant agreements with related parties

On 25 April 2008, the Annual General Meeting of Shareholders approved the connected transaction between the Bank and companies under the ING Group which are connected persons of the Bank as follows:

1. Distribution Agent Agreement between the Bank and ING Funds (Thailand) Co., Ltd. ⁽¹⁾ The agreement has a duration of 10 years. The agreement provides co-exclusive distribution rights to ING Funds (Thailand) Co., Ltd. and TMB Asset Management Co, Ltd. Prior to the expiration of the agreement, negotiations can be conducted to review the appropriateness of the agreement and conditions, and should the Bank wish to continue the arrangement, this must be proposed at the shareholders' meeting for approval.

Fees to be received by the Bank vary according to the type of fund, and will be determined jointly by the parties.

On 24 June 2010, the Meeting of the Board of Directors approved the amendment to Distribution Agent Agreement. The Bank will offer service of provident fund and private fund to its clients and will refer them to ING Funds (Thailand) Co., Ltd., which will act as a fund manager, and receive fee in return. Additionally, ING Funds' right for exclusivity is relaxed such that the Bank can offer asset management products of other asset management companies to particular client segments of the Bank.

2. Bancassurance Product Distribution Agreement between the Bank and ING Life Ltd.,⁽²⁾ The agreement, which is exclusively precluded the Bank from selling life insurance products for other companies except ING Life, has a duration of 10 years. Prior to the expiration of the agreement, negotiations can be conducted to review the appropriateness of the agreement and conditions, and should the Bank wish to continue the arrangement, this must be proposed at the shareholders' meeting for approval.

Fees and other commercial terms are to be mutually agreed by both parties.

⁽¹⁾ This entity had been considered a related party until 3 May 2013 (The date on which ING Group completed the process of selling the shares it held in such company). Currently, it is known as UOB Asset Management (Thailand) Co., Ltd.

⁽²⁾ This entity had been considered a related party until 28 February 2013 (The date on which ING Group completed the process of selling the shares it held in such company). Currently, it is known as FWD Life Insurance Plc.

3. On 23 December 2013, the Bank disposed written-off NPLs to PAMC at selling price of Baht 71 million (presented as a part of "Other operating income" in the separate statement of comprehensive income for the year ended 31 December 2013.)

Significant agreements with Thai Asset Management Corporation (Entities whose shares are owned or controlled by the Ministry of Finance) are disclosed in Note 8 to the financial statements.

48.4 Senior management personnel compensation

For the years ended 31 December 2014 and 2013, senior management personnel compensation, included in profit or loss from operation, was classified as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2014	2013	2014	2013
Short-term employee benefits - directors	38	32	37	32
Short-term employee benefits - managements	663	577	624	534
Post-employment benefits	48	44	42	38
Termination benefit	3	-	-	-
Share-based payments (performance share bonus)	136	134	136	133

Senior management personnel of the Bank are directors, management personnel at the level 'Head of' or executive vice president and above, and related management personnel of Accounting or Finance.

Senior management of the subsidiaries are those at the level of director and executive officer upwards.

48.5 Other benefits payable to the senior management personnel

The Bank's senior management personnel do not receive other benefits both in term of monetary and non-monetary items, except for the benefits that are normally received as mentioned in Note 31 and Note 48.4 to the financial statements such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank's executives and the representative directors who are the executive of ING Bank N.V. shall not receive director remuneration as per the criteria of the Bank and ING Bank N.V.. Nevertheless, directors with permanent residence abroad can reimburse travelling and accommodation expenses in connection with the operation of the Bank's business as actually incurred. Foreign executives are eligible for additional benefits, which are housing allowances, including utilities, telephone and home trip expenses in accordance with the established criteria.

48.6 Transactions with related parties which occurred during the years

For the years ended 31 December 2014 and 2013, significant transactions with related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	For the year ended 31 December 2014						
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Bad debt, doubtful accounts and impairment loss
1. Major shareholders	139	1	-	-	-	11	-
2. Entities with joint control or significant influence over the entity	381	448	24	-	44	241	14
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	4	-	-	-	-	-
6. Other related parties	-	4	-	-	-	16	-

(Unit: Million Baht)

Consolidated financial statements							
For the year ended 31 December 2013							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses (reversal)	Reversal of bad debt, doubtful accounts and impairment loss
1. Major shareholders	77	1	1	-	-	9	-
2. Entities with joint control or significant influence over the entity	385	787	324	160	60	(86)	(52)
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	3	-	-	-	-	-
6. Other related parties	-	2	-	-	-	2	-

(Unit: Million Baht)

Separate financial statements							
For the year ended 31 December 2014							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Bad debt, doubtful accounts and impairment loss
1. Major shareholders	139	1	-	-	-	11	-
2. Entities with joint control or significant influence over the entity	372	448	24	-	44	241	14
3. Subsidiaries	-	-	662	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	4	-	-	-	-	-
6. Other related parties	-	4	-	-	-	16	-

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2013						
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses (reversal)	Reversal of bad debt, doubtful accounts and impairment loss
1. Major shareholders	77	1	1	-	-	9	-
2. Entities with joint control or significant influence over the entity	378	787	324	160	60	(172)	(52)
3. Subsidiaries	-	-	516	-	73	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	3	-	-	-	-	-
6. Other related parties	-	2	-	-	-	2	-

48.7 Outstanding balances with related parties

As at 31 December 2014 and 2013, outstanding balances with related persons or parties are as follows:

48.7.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	31 December 2014	31 December 2013
Loans to customers and accrued interest receivables		
Ministry of Finance	6,553	3,031
Deposits (including interbank and money market items - liabilities)		
ING Bank N.V.	326	196
Debts issued and borrowings (including interbank and money market items - liabilities)		
ING Bank N.V.	1,648	-
Contingencies - Derivatives⁽¹⁾		
ING Bank N.V.	600	12,080
Other contingencies		
ING Bank N.V.	16	16
Other liabilities		
ING Bank N.V.	1	-

⁽¹⁾ Presented in notional amount

48.7.2 Significant balances between the Bank and its subsidiaries and other entities with joint control or significant influence over the entities as at 31 December 2014 and 2013 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Investment in debt securities				
Entities whose shares are owned or controlled by				
the Ministry of Finance	15	46	15	46
Interbank and money market items – assets				
 and loans to customers and accrued interest				
 receivables				
Entities whose shares are owned or controlled by				
the Ministry of Finance	27,021	27,991	26,743	27,728
Thai Charoenpol Industry Co., Ltd.	3	3	3	3
Allowance for doubtful debts				
Entities whose shares are owned or controlled by				
the Ministry of Finance	74	59	74	59
Other receivables				
Entities whose shares are owned or controlled by				
the Ministry of Finance	4,398	4,398	4,398	4,398
Other assets				
Entities whose shares are owned or controlled by				
the Ministry of Finance	277	276	277	276
Deposits (including interbank and money				
 market items – liabilities)				
Entities whose shares are owned or controlled by				
the Ministry of Finance	15,635	14,792	15,635	14,792
TMB Property Development Co., Ltd.	4	4	4	4
Debts issued and borrowings (including				
 interbank and money				
 market items – liabilities)				
Entities whose shares are owned or controlled by				
the Ministry of Finance	30,725	18,111	30,725	18,111

(Unit: Million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Provisions for obligation on transfers of non-performing assets				
Entities whose shares are owned or controlled by the Ministry of Finance	5,998	5,998	5,998	5,998
Other liabilities				
Entities whose shares are owned or controlled by the Ministry of Finance	29	54	29	54
Contingencies - Derivatives⁽¹⁾				
Entities whose shares are owned or controlled by the Ministry of Finance	141,128	125,539	141,128	125,539
Other contingencies				
Entities whose shares are owned or controlled by the Ministry of Finance	626	1,072	626	1,072
⁽¹⁾ Presented in notional amount				

48.7.3 Significant balances between the Bank and its subsidiaries and associate as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Other assets				
Phayathai Asset Management Co., Ltd.	-	-	3	-
TMB Asset Management Co., Ltd.	-	-	57	39
Deposits				
Phayathai Asset Management Co., Ltd.	-	-	61	34
TMB Asset Management Co., Ltd.	-	-	34	23
Other liabilities				
Phayathai Asset Management Co., Ltd.	-	-	4	-
TMB Asset Management Co., Ltd.	-	-	31	-

- 48.7.4 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	31 December 2014	31 December 2013
Loans to customers and accrued interest receivables	11	8
Welfare loans	44	48
Deposits	186	158
Allowance for doubtful debts	1	1

- 48.7.5 Significant balances between the Bank and its subsidiaries, and other related parties as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Loans to customers and accrued interest receivables	3	3	3	3
Deposits	184	111	184	111
Other liabilities	1	-	1	-

49. Operating segments

For management purposes, the Bank's businesses are divided into the following core segments, based on customer segmentation:

1. Commercial Banking
 - 1.1 Wholesale Banking and Business Banking: These are corporate customers and owner operators with annual revenues of Baht 50 million and over. The main products and services are corporate loans, letters of guarantee, deposits, trade finance, supply chain solution and financial management, syndicated loans, and investment banking.
 - 1.2 Small Enterprise: These are corporate customers and owner operators with annual revenues of less than Baht 50 million. The main products and services are corporate loans, letters of guarantee, deposits, trade finance, supply chain solution and financial management.

2. Retail Banking: This represents individual person. The main products and services are deposits, housing and personal loans, cards services, bancassurance and mutual funds, and foreign currency services.

The Bank evaluates segment performance based on profit from operation, using the same accounting policies as those used in its preparation of the financial statements.

The inter-segment transfer pricing policy is to set prices with reference to market rates. Direct operating expenses are recorded as expenses for each operating segment and certain expenses are allocated to each operating segments based on relevant variables e.g. number of transactions, asset base, liabilities base, etc.

The operating segment information, as reported below, is reported in a manner consistent with the Bank's internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions on the allocation of resources to the operating segments and assess their performance. The chief operating decision maker has been identified as the Chief Executive Committee.

(Unit: Million Baht)

Consolidated financial statements					
For the year ended 31 December 2014					
	Commercial Banking	Retail Banking	Other segments	Elimination	Total operating segment
Net interest income	13,569	6,258	2,079	-	21,906
Other operating income	3,139	4,076	679	(32)	7,862
Total operating income	16,708	10,334	2,758	(32)	29,768
Operating expenses	(7,183)	(7,827)	(643)	32	(15,621)
Profits from operation	9,525	2,507	2,115	-	14,147
Other income (expenses) - net					7
Provision for doubtful debts on loans and loan-related transactions					(3,412)
Profits before income tax expenses					10,742
Income tax expenses					(1,191)
Profits for the year					9,551
Depreciation and amortisation	132	677	405	-	1,214
Source of operating income breakdown by operating segments					
Third party	24,972	1,577	3,219	-	29,768
Inter-segment	(8,264)	8,757	(461)	(32)	-
Total operating income	16,708	10,334	2,758	(32)	29,768

(Unit: Million Baht)

Consolidated financial statements					
For the year ended 31 December 2013					
	Commercial Banking	Retail Banking	Other segments	Elimination	Total operating segment
Net interest income	12,755	6,129	1,865	-	20,749
Other operating income	3,910	3,794	696	(30)	8,370
Total operating income	16,665	9,923	2,561	(30)	29,119
Operating expenses	(7,049)	(7,341)	(362)	30	(14,722)
Profits from operation	9,616	2,582	2,199	-	14,397
Other income (expenses) - net					276
Provision for doubtful debts on loans and loan-related transactions					(7,629)
Profits before income tax expenses					7,044
Income tax expenses					(1,297)
Profits for the year					5,747
Depreciation and amortisation	111	562	431	-	1,104
Source of operating income					
breakdown by operating segments					
Third party	24,248	1,616	3,255	-	29,119
Inter-segment	(7,583)	8,307	(694)	(30)	-
Total operating income	16,665	9,923	2,561	(30)	29,119

Reconciliation between segment reporting and consolidated financial statements for the years ended

31 December 2014 and 2013. (Present only items those differ with consolidated financial statements)

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2014				
	Net interest income	Other operating income	Operating expenses	Other income (expenses)	Loan loss provision
Segment reporting	21,906	7,862	(15,621)	7	(3,412)
Bad debts, doubtful accounts and impairment losses	-	80	(55)	-	(25)
Losses on impairment of properties foreclosed and other assets	-	(7)	(80)	87	-
Gains on unwinding of interest rate swap contracts	(287)	287	-	-	-
Gains on sale of assets	-	111	-	(111)	-
Others	(24)	25	(18)	17	-
Consolidated financial statements	21,595	8,358	(15,774)	-	(3,437)

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2013				
	Net interest income	Other operating income	Operating expenses	Other income (expenses)	Loan loss provision
Segment reporting	20,749	8,370	(14,722)	276	(7,629)
Bad debts, doubtful accounts and impairment losses	-	30	(46)	-	16
Losses on impairment of properties foreclosed and other assets	-	3	(70)	(3)	-
Reversal of provisions for obligation on transfers of non-performing assets	-	-	296	(296)	-
Gains on sale of assets	-	54	-	(54)	-
Others	73	(72)	(8)	77	-
Consolidated financial statements	20,822	8,385	(14,550)	-	(7,613)

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2014				
	Commercial Banking	Retail Banking	Other segments	Elimination	Total operating segment
Assets	570,299	88,501	154,744	(3,377)	810,167
Liabilities and Shareholders' equity	253,031	374,523	185,990	(3,377)	810,167

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2013				
	Commercial Banking	Retail Banking	Other segments	Elimination	Total operating segment
Assets	518,984	82,266	167,448	(2,966)	765,732
Liabilities and Shareholders' equity	215,627	369,844	183,227	(2,966)	765,732

50. Financial position and results of operations classified by domestic and overseas activities

50.1 Financial position categorised by type of business

(Unit: Million Baht)

Consolidated financial statements						
	31 December 2014			31 December 2013		
	Domestic business	Overseas business	Total	Domestic business	Overseas business	Total
Total assets	809,530	637	810,167	764,949	783	765,732
Interbank and money market items - net (assets)	112,624	473	113,097	95,869	568	96,437
Investments - net	110,859	-	110,859	103,277	-	103,277
Loans to customers and accrued interest receivables - net	502,975	91	503,066	468,854	156	469,010
Deposits	571,461	164	571,625	529,409	197	529,606
Interbank and money market items (liabilities)	69,351	3,366	72,717	63,868	2,170	66,038
Debts issued and borrowings	34,601	1,648	36,249	35,985	2,188	38,173

50.2 Results of operations categorised by type of business

The results of operations categorised by type of business for the years ended 31 December 2014 and 2013 are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	For the year ended 31 December 2014				For the year ended 31 December 2013			
	Domestic business	Overseas business	Eliminated transactions	Total	Domestic business	Overseas business	Eliminated transactions	Total
Interest income	35,843	34	(29)	35,848	34,813	56	(43)	34,826
Interest expenses	14,259	23	(29)	14,253	14,010	37	(43)	14,004
Net interest income	21,584	11	-	21,595	20,803	19	-	20,822
Net fees and service income	5,727	7	-	5,734	5,574	5	-	5,579
Other operating income	2,624	-	-	2,624	2,807	(1)	-	2,806
Other operating expenses	15,760	14	-	15,774	14,535	15	-	14,550
Bad debt, doubtful accounts and impairment loss	3,437	-	-	3,437	7,615	(2)	-	7,613
Profits from operation before income tax expenses	10,738	4	-	10,742	7,034	10	-	7,044

51. Events after the reporting period

On 18 February 2015, the Board of Directors of the Bank passed a resolution to propose for consideration and approval in the Annual General Meeting of Shareholders, including, the payment of a dividend of Baht 0.06 per share to the Bank's ordinary shareholders from its 2014 operating results or a total of Baht 2,621 million (Such dividend amount is calculated based on the number of issued and paid-up share capital as at 31 December 2014, which has yet to include the number of ordinary shares that will be issued in April 2015 under the TMB Performance Share Bonus 2010 Project to employees, who were offered in 2012, 2013 and 2014 and are still the employees of the Bank as of the subscription date of such newly issued shares.). Such dividend will be paid and recorded after it is approved by the resolution of the Annual General Meeting of the Bank's shareholders.

52. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 18 February 2015.

COMPANY INFORMATION

General Information

Name of the company	TMB Bank Public Company Limited
Nature of Business	Commercial bank's businesses in accordance with Financial Institutions Businesses Act and the businesses concerning financial services under the permission of the Ministry of Finance, the Bank of Thailand, and other parties concerned.
Registration No.	0107537000017
Head Office Address	3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok 10900
Telephone	02-299-1111
Fax	02-299-1211
TMB Phone Banking	1558
Website	http://www.tmbbank.com
Email	Investor.rel@tmbbank.com

Other referral parties

Share Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. 02-229-2888
Auditors	<div> Ms Ratana Jala CPA Registered No. 3734 Or Mrs Nonglak Pumnoi CPA Registered No. 4172 Or Ms Rachada Yongsawadvanich CPA Registered No. 4951 </div> EY Office Limited Lake Rajada Office Complex, 33rd Floor 193/136-137 New Rajadapisek Road, Klongtoey, Bangkok 10110 Tel. 02-264-0777

INVESTMENT OF TMB IN OTHER COMPANIES

The list of other companies of which TMB holding more than 10% of the paid-up capital in each company is as follows:

Company	Head Office Location	Type of Business	Type of Capital (Share)
Strategic Investment in Financial Business Companies			
PHAYATHAI ASSET MANAGEMENT CO.,LTD. Tel 02-354-5001, Fax 02-354-5014	Bangkok	Finance	Common Stock
TMB ASSET MANAGEMENT CO.,LTD. Tel 02-636-1800 Ext 1725 (customer service center)	Bangkok	Finance	Common Stock
Business Supporting Companies			
TMB PROPERTY DEVELOPMENT CO.,LTD. Tel 02-299-1159, Fax 02-242-3138-9	Bangkok	Real Estate	Common Stock
DESIGNEE FOR ETA CONTRACT CO.,LTD. Tel 02-299-1217, Fax 02-299-1278	Bangkok	Support Financial Institution	Common Stock
METRO DESIGNEE COMPANY LIMITED Tel 02-230-6201, Fax 02-230-6200	Bangkok	Support Financial Institution	Common Stock
Property Funds			
THE COLUMN PROPERTY FUND Tel 02-649-2000, Fax 02-649-2107-8	Bangkok	Property Fund	Unit Trust
THAI BUSINESS FUND 5 Tel 02-670-4900 Ext 1291-2, Fax 02-679-1820	Bangkok	Property Fund	Unit Trust
Other Companies			
TRIS CORPORATION LIMITED Tel 02-231-3011, Fax 02-231-3681	Bangkok	Services	Common Stock
RURAL CAPITAL PARTNERS CO.,LTD. Tel 02-318-3958, Fax 02-718-1851	Bangkok	Finance	Common Stock
N D GROUP FEEDMILL CO.,LTD.	Lumphun	Wholesale & Retail	Common Stock
WING GROUP CO.,LTD. Tel 053-331-315-6, Fax 053-331-314, 053-331-336	Chiang Mai	Garment Manufacturer	Common Stock
THAI CHAREONPHOL INDUSTRY CO.,LTD. Tel 054-581-202, Fax 054-581-876	Phrae	Production	Common Stock
WHOLESALE TOWN CO.,LTD. Tel 02-531-6860, Fax 02-532-3009	Bangkok	Transportation	Common Stock
M_THAI ESTATE CO.,LTD. Tel 02-261-1144, Fax 02-261-1143	Bangkok	Real Estate	Common Stock

As of December 31, 2014

Paid-up Capital (Share)	TMB's ownership		
	Amount (Share)	Percentage (%)	Amount (net of allowance for diminution in value) (Baht)
107,000,000	107,000,000	100.00	2,924,940,256.70
10,000,000	8,749,998	87.50	304,480,287.36
10,000	9,993	99.93	4,169,342.92
1,000	995	99.50	0.00
1,000	300	30.00	7,500.00
212,430,342	39,113,240	18.41	392,596,303.85
220,000,000	30,000,000	13.64	58,620,000
1,000,000	153,000	15.30	14,361,948.00
1,000,000	175,000	17.50	257,250.00
120,000	30,000	25.00	0.00
9,000	2,250	25.00	0.00
15,500	2,500	16.13	0.00
22,000	2,200	10.00	0.00
30,000,000	3,000,000	10.00	0.00

TMB
NETWORK

BANGKOK AND METROPOLITAN BRANCHES

As of December 31, 2014

Branch	Code	Telephone	Fax
ALL SEASONS PLACE	02	654-0135, 654-0136	654-0137
ASOK	02	259-3312, 259-3313, 259-3314, 261-6653, 261-6655	261-6654
BANG BON	02	451-0630, 451-0631, 451-0632, 451-0633	451-0634
BANG BUA	02	972-9699, 972-9694, 972-9695	972-9693
BANG CHAK	02	332-9290, 332-9291, 332-9292, 332-9293	332-9294
BANG KHEN	02	513-2805, 513-2807, 513-8201	513-3132
BANG KHUN NON	02	424-2826, 424-2322, 424-5740	424-2829
BANG LAMPHU	02	629-1011, 629-1012, 629-1013	282-5395
BANG PHLAD	02	435-4910, 424-5221, 424-6499	435-4864
BANG RAK	02	237-1844, 237-2620, 237-2621	266-4115
BANGKOK HOSPITAL DENTAL CENTER BUILDING	02	319-0674, 319-0675, 319-0676, 319-0677, 319-0678, 319-0679	319-0680
BANGKOK HOSPITAL SOI SOONVIJAI	02	369-2657, 369-2658	369-2659
BANGNA	02	398-4859, 398-4860, 398-4862, 398-4863	All Number
BHUMIBOL ADULYADEJ HOSPITAL	02	532-2854, 532-2855, 532-2856, 531-6278	All Number
BIG C - CHAENG WATTHANA	02	575-1161, 575-1162	575-1163
BIG C - SUAN LUANG	02	328-0745, 328-0746	328-0747
BIG C - RAMA 4	02	259-4720, 259-4721	259-4722
BIG C - THANONRAMA 2	02	416-7806, 416-7881	416-7950
CENTRAL BANGNA	02	745-7263, 745-7264, 745-7265	All Number
CENTRAL PINKLAO	02	433-1386, 433-1387	433-1390
CENTRAL PLAZA LADPRAO	02	937-0356, 937-0357	937-0358
CENTRAL PLAZA RAMA IX	02	160-2947, 160-2948	160-2949
CENTRAL RAMA II	02	872-4564, 872-4565	872-4566
CENTRAL RAMA III	02	213-0803, 213-0804, 213-0805	All Number
CENTRAL WORLD	02	646-1284, 646-1285	646-1286

Branch	Code	Telephone	Fax
CHAMCHURI SQUARE	02	160-5212, 160-5213, 160-5214, 160-5215, 160-5216	160-5215-6
CHANDRAKASEM RAJABHAT UNIVERSITY	02	513-7264, 513-7265	513-1700
CHARAN SANIT WONG	02	424-5520, 424-5521, 882-4548, 882-4549	435-2393
CHOK CHAI 4	02	538-3125, 538-3126, 539-2615, 933-2745, 933-2746, 538-8412	538-3125-6
CHONG NONSI	02	285-3939, 285-3940, 285-3941, 285-3942	285-3943
DHEVES	02	280-1360, 280-1361	280-1362
EKKAMAI	02	381-7088, 381-7089, 381-7090	381-7092
EMPIRE TOWER	02	670-2200, 670-2201	670-2202
ENERGY COMPLEX BRANCH	02	936-0314, 936-0315	936-0316
FASHION ISLAND	02	947-5129, 947-5130	947-5131
FORTUNE TOWN BUILDING	02	642-0051, 642-0052	642-0053
HUA MAK	02	318-0503, 318-0504, 318-0505	718-8057-8
HUAI KHWANG	02	274-3200, 274-3201, 274-3202, 274-3203, 274-3204, 274-3205	274-3206
I RESIDENCE NARADHIWASRAJANAGARINDRA	02	636-6094, 636-6095	636-6096
INDRA-PRATUNAM	02	208-0981, 208-0982, 208-0978	208-0906
INTHRARAK	02	374-0291, 374-0292	374-0293
KASETSART UNIVERSITY	02	940-5728, 940-5729	561-4289
KHLONG CHUN	02	377-1370, 377-9636, 377-9737, 375-7872, 375-7871	377-1360
KHLONG TOEI	02	249-1831, 249-6067, 249-1619, 249-1518	240-2237
KLUAY NAM THAI	02	712-4048, 712-4049, 712-4051	712-4050
KRUNG KASEM	02	222-5158, 222-5159, 222-7801, 222-5724, 222-3504	222-5667
LAT KRABANG	02	739-1820, 739-1821, 739-1822, 739-1823	739-1820
LAT PHRAO 103	02	370-3167, 370-3168, 370-3169, 370-3165, 370-3166	370-3170
LAT PHRAO 124	02	514-0802, 514-0562, 514-2916, 934-0974, 934-0975	530-1891
LAT PHRAO 6	02	511-1819, 511-3983, 513-4052, 513-5186, 938-6618, 938-6619	513-8112

Branch	Code	Telephone	Fax
LAT YA	02	439-7134, 437-3882, 437-1078	439-1064
LIBERTY SQUARE BUILDING SILOM	02	631-0117, 631-0118	631-0119
MAH BOONKRONG CENTER	02	215-2136, 215-2137, 620-9233, 620-9234, 686-3690	686-3689
MAHAPRUTHARAM	02	238-5029, 238-5030, 238-0867, 238-0868	237-6302
MAKRO CHARANSANITWONGSE	02	864-6066, 864-6067	864-6068
MINBURI	02	517-3778, 517-3779, 517-1222, 918-5714	918-5712
MINISTRY OF DEFENCE	02	222-1215, 222-1218, 224-4197	224-7407
NONG CHOK	02	543-1344, 543-1345, 988-2852	543-1344-6
ON NUT	02	333-0395, 333-0396, 742-1724	333-0399
PAK KHLONG TALAD	02	222-5828, 222-5809, 222-5826	623-8708
PARADISE PARK	02	325-9127, 325-9128	325-9129
PATPONG	02	236-9395, 236-9396, 236-9397, 236-9398, 236-9399	634-3246
PETCHKASEM POWER CENTER	02	809-4724, 809-4725	809-4726
PHAHOLYOTHIN PLACE BUILDING	02	278-1906, 278-1907	278-1908
PHAHONYOTHIN	02	299-2349, 299-2350, 299-1282, 299-1283, 299-1295	273-7806
PHAYA THAI	02	354-5052, 354-5053, 354-5076, 354-5228	354-5163
PHAYATHAI 2 HOSPITAL	02	619-5303, 619-5304	619-5305
PHAYATHAI 3 HOSPITAL	02	869-0910, 869-0911, 869-0912	869-0915
PHRA KHANONG	02	381-1117, 381-1118, 381-1126	390-0022
PHRAMONGKUTKLAO HOSPITAL	02	354-7880, 354-7881, 354-7882, 354-7883, 354-7884	354-7879
PHRAN NOK	02	412-2764, 412-3040, 412-2223, 412-3778, 412-2435	412-3527
PHRANAKHON RAJABHAT UNIVERSITY	02	522-6187, 522-6188, 522-6189	All Number
PHUTTHAMONTHON	02	441-0120, 441-0121, 441-9392, 441-9393	889-3432
PRACHA NIWET 1	02	953-8161, 953-8162, 953-8164, 953-8165	953-8163

Branch	Code	Telephone	Fax
PURE PLACE RAMKHAMHAENG 110	02	372-3540, 372-3541	372-3542
RAJDAMNERN	02	280-0101, 280-0102, 280-0103	280-0107
RAJPRASONG	02	252-6689, 252-6690, 252-6691, 255-1472	252-6967
RAMKHAMHAENG - HUAMAK	02	369-1820, 369-1821	369-1822
RARM INTRA KM.4	02	973-0741, 973-0742, 973-0743	973-0745
RARM INTRA KM.8	02	519-3579, 519-3580	519-3581
RATCHADAPHISEK- HUAI KHWANG	02	692-3105, 692-3106, 692-3107, 692-3108	692-3109
ROYAL THAI AIR FORCE HEADQUARTERS	02	531-8560, 531-8561, 531-8562	531-2427
ROYAL THAI ARMED FORCES HEADQUARTERS	02	575-6425, 575-6426	575-6427
ROYAL THAI ARMY HEADQUARTERS	02	280-1825, 280-1799	280-1537
ROYAL THAI NAVY HEADQUARTERS	02	891-0052, 891-0053, 891-0054, 891-0055	All Number
SANAM PAO	02	278-5240, 278-5241, 278-2555, 278-2556	270-0252
SANAM SUAPA	02	280-0260, 282-3451, 282-3452, 281-6180	282-6099
SAPANMAI DONMUANG	02	521-3007, 521-3008, 971-1107	971-1106
SAPHAN KHWAI	02	278-2090, 278-2091, 278-2092, 278-2122, 279-2268, 618-4756	279-0413
SAPHAN LUANG	02	216-9650, 216-9651, 216-9652, 216-2527	216-2527
SATHORN CITY TOWER	02	648-3290, 648-3291, 648-3292	648-3295
SATHU PRADIT	02	294-3487, 294-5510, 295-4217, 295-4218	294-4021
SEACON BANGKAE	02	458-2976, 458-2977	458-2978
SEACON SQUARE	02	721-9560, 721-9561, 721-9562	721-9563
SENA FEST THANON CHAROENNAKHON	02	108-9060, 108-9061	108-9062
SEANIKOM	02	570-1386, 570-1387, 570-1710	570-0874

Branch	Code	Telephone	Fax
SIAM PARAGON	02	129-4585, 129-4586, 129-4587, 129-4588	129-4587
SIAM SQUARE	02	658-1752, 658-1753, 251-2232, 252-6049	252-5856
SILOM	02	236-4452, 236-4453, 236-4432, 236-4824, 236-9500, 236-0213	236-4410
SIRIRAJ	02	866-2674, 866-2675, 866-2676, 411-3606, 411-3548	411-3552
SIYAK SOI ON NUJ-THANON SRINAKARIND	02	321-6924, 321-6925, 321-6926, 321-6927	322-6093
SIYAK THANON BANG KHUNTHIAN-THANONRAMA 2	02	415-0151, 415-0152, 415-0153	415-0154
SOI LANG SUAN	02	652-2092, 652-2093, 652-2094, 652-2313	652-2095
SOMDEJ PHRAPINKLAO HOSPITAL	02	460-0269, 460-0270, 498-9844, 476-3062	476-3061
SRIPATUM UNIVERSITY	02	579-2268, 579-6094	579-8473
SRIYAN	02	243-1446, 243-1447, 241-3865, 243-3867	243-0664
ST.LOUIS HOSPITAL	02	212-6300, 212-6301, 212-6302, 675-7905, 675-7906	212-6303
SUAN CHATUCHAK	02	272-4415, 272-4416, 272-4233	271-4499
SUKHUMVIT 31	02	662-3546, 662-3547	662-1933
SUKHUMVIT 71	02	711-3080, 711-3081, 711-3082, 711-3083	392-0312
SUKHUMWIT 11	02	254-1330, 254-1331, 254-1332, 253-0334, 651-0243	651-0242
SURAWONG	02	266-5230, 266-5231, 266-5232, 266-5233, 634-0208	236-3651
TALAD NOI	02	235-1720, 235-1721, 235-3437, 236-1004, 236-0998	235-3436
TALAD PHLU	02	465-2322, 465-9955, 465-9949, 465-9956	All Number
TALAD PONG PHET	02	589-3228, 953-3901, 953-3902, 953-3904, 953-3905	953-3906
TALAD THANOMMIT WATCHARAPHON	02	347-0157, 347-0158	347-0159
TALING CHAN	02	880-8070, 880-8071, 880-8072	880-8073
TAO POON	02	587-8990, 587-8991	911-5386
TERMINAL 21 SUKHUMVIT	02	254-0244, 254-0245	254-0246
TESCO LOTUS BANGKAPI	02	116-5111, 116-5112	116-5113

Branch	Code	Telephone	Fax
TESCO LOTUS PRACHACHUEN	02	910-2611, 910-2612	910-2613
TESCO LOTUS RAMA-4	02	672-4515, 672-4516	672-4517
TESCO LOTUS SUKHAPHIBAN 1	02	509-3472, 509-3473	509-3474
THAMMASAT - THAPHRACHAN	02	225-8186, 225-8187	225-8188
THANON BANGNA-TRAT KM.4	02	744-1214, 744-1215, 744-1216, 744-1217	744-1213
THANON BOROMMARAT-CHONNI	02	434-9791, 434-9792, 434-9793	434-2411
THANON CHAN	02	213-2540, 213-2541, 213-2542, 213-2543, 213-1308, 213-1309	213-2541
THANON CHOM THONG	02	476-3886, 476-3951, 476-3631	468-8190
THANON LUANG - WORACHAK	02	226-4781, 226-4782, 226-4783, 226-4784, 226-4785	226-4788
THANON NEW PHETCHA-BURI	02	319-1520, 319-1521, 319-1523, 319-1524	319-1522
THANON PHATTHANAKAN	02	722-6846, 722-6847, 722-6848	722-6849
THANON PHETCHA KASEM - BANG KHAE	02	413-0922, 413-0923, 413-3179, 413-3180, 807-5894, 804-6428, 804-6429	804-6001
THANON PHETCHA KASEM - NONG KHAEM	02	431-0308, 431-0309, 431-0310, 431-0311, 431-0312	431-0313
THANON PRACHAUTHIT	02	870-9124, 870-9125, 870-9126	870-9127
THANON RATCHADAPHISEK-NANGLINCHI	02	678-0164, 678-0165, 678-0166, 678-0167, 678-0168	678-0169
THANON SONG PRAPHA	02	929-7100, 929-7101, 929-7102, 929-7103	929-7104
THANON SRINAKARIN TARA-LA SALLE	02	748-7484, 748-7485, 748-7486	748-7483
THANON SUK SAWAT-RATBURANA	02	428-4507, 428-4508, 428-4509, 428-4510, 428-4511	428-4387
THANON SUKHAPHIBAN 2	02	704-8156, 704-8157, 704-8158, 704-8160	704-8159
THANON SUKHAPHIBAN 3	02	735-2581, 735-2582, 735-2583, 735-2584, 735-2586	735-2585
THATTHONG	02	392-9235, 395-9582, 381-6281, 381-6282, 391-3146	392-3495
THE CRYSTAL	02	515-0992, 515-0993	515-0994

Branch	Code	Telephone	Fax
THE GOVERNMENT COMPLEX (BUILDING B)	02	143-8310, 143-8311, 143-8312, 143-8313	143-8314
THE MALL 3 RAMKHAMHAENG	02	319-1401, 319-1402, 319-1403	All Number
THE MALL BANGKAE	02	454-9433, 454-9434	803-8325
THE MALL BANGKAPI	02	704-7727, 704-7728	704-7729
THE MALL THA PHRA	02	477-8076, 477-8077	477-8073
THE NINE RAMA IX ROAD	02	716-7962, 716-7963	716-7964
THE PASEO LADKRABANG	02	346-4457, 346-4458	346-4459
THE PLATINUM FASHION MALL	02	121-9241, 121-9242	121-9243
THONGLO	02	390-0437, 390-0438, 390-0439, 390-0440	392-3496
TOWN IN TOWN	02	530-9560, 530-9561	530-9562
TRI PHET	02	221-6841, 224-1921, 224-4281, 221-1371, 224-3819, 221-2908 224-9196	221-8706
T-SQUARE	02	434-8167, 434-8168	434-8169
UDOM SUK	02	383-9224, 383-9225, 383-9226	383-9227
UNITED CENTER BUILDING SILOM	02	631-0072, 631-0073	631-0074
VIPHADEE HOSPITAL	02	579-3595, 579-3596	579-3597
WANG BURAPA	02	221-5121, 221-5122, 623-8833	221-5124-5
WARARAT SHOPPING CENTER	02	287-3683, 287-3684, 287-3685	All Number
WONGSAWANG TOWN CENTER	02	585-2650, 585-2651	585-2652
YADA BUILDING SILOM	02	652-5165, 652-5166, 652-5175, 652-5176, 236-3915	652-5167
YANNAWA	02	289-1132, 291-3464, 688-1508, 688-1509	291-3465
YAWARAJ	02	225-9453, 225-9454, 224-7829, 224-7263	225-8254
NGAM WONG WAN	02	588-0021, 588-0023	588-3148
CHAENG WATTHANA	02	574-0203, 574-0204, 574-0205, 574-5655	All Number
CENTRALPLAZA CHAENGWATTANA	02	835-3589, 835-3590, 835-3591	835-3592

Branch	Code	Telephone	Fax
CENTRAL RATANA THIBET	02	525-4570, 525-4571, 525-4572, 525-4573	525-4574
THE MALL NGAMWONGWAN	02	550-0437, 550-0438	550-0439
THANON TIWANON	02	950-0252, 950-0253, 950-0254	591-0390
BANGYAI CITY	02	595-0311, 595-0312	595-0316
BANG BUA THONG	02	920-2510, 920-2511, 920-2512, 920-2513	920-2514
PAK KRET	02	583-8220, 583-8685, 583-4434, 583-4435	583-7153
THANON PRACHA RAT- NONTABURI	02	967-5501, 967-5502, 967-5503, 967-5504, 525-3074	526-3526
PURE PLACE RAJCHAPRUEK	02	924-4324, 924-4325	924-4326
MUANG THONG THANI	02	980-5578, 980-5579	980-5580
TESCO LOTUS PLUS MALL BANGYAI	02	459-2247, 459-2248	459-2249
THANON SAMAKKHI	02	574-6221, 980-0400, 980-0401	980-1368
PATHUM THANI	02	581-1740, 581-1741, 581-1742	581-2155
ZEAR RANGSIT	02	992-6370, 992-6371	992-6372
TALAD THAI	02	520-3305, 520-3306	520-3307
TALAD SI MUM MUANG RANGSIT	02	536-6844, 536-6845	536-6846
TESCO LOTUS NAVANAKORN	02	909-0829, 909-0830	909-0831
THAMMASAT-RANGSIT	02	516-9970, 516-9971, 516-9972	516-9973
BIG C - LAMLUKKA 2	02	563-3236, 563-3237	563-3238
FUTURE PARK RANGSIT	02	958-0930, 958-0931, 958-0932	All Number
MUANG AKE RANGSIT	02	536-4173, 536-4174, 536-4175, 536-4176	All Number
RANGSIT-KHLONG 3	02	990-9131, 990-9132, 990-9133	990-3134
RANG SIT- PATHUM THANI	02	958-1007, 958-1008 958-1009, 958-1477, 958-1478, 958-1479 557-8071	516-8551
TESCO LOTUS RANGSIT	02	567-0720, 567-0722	567-0696
SAPHAN NONTABURI	02	976-5500, 976-5501, 976-5502, 976-5503, 976-5504, 976-5505	All Number

Branch	Code	Telephone	Fax
SAMUT SAKHON	034	412-333, 422-245, 425-992	425-993
KRA THUM BAEN	034	848-977, 848-978, 848-979	848-977-9
PORTO CHINO RAMA 2 ROAD	034	110-841, 110-842	110-843
THANON SETTHAKIT 1-SAMUT SAKHON	034	815-609, 815-610, 815-611	815-608
OM NOI	02	431-0975, 431-0976, 431-0977	420-2347
SAMUT PRAKAN	02	389-5917, 389-5918, 389-5895, 389-5896, 389-5919, 387-0307	389-5897
THANON SAI LUAT-SAMUTPRAKAN	02	389-5021, 389-5022, 389-5063, 389-5064	389-3302
THANON SUKHUMWIT-SAMRONG	02	394-5858, 394-5859	384-2856
THANON THEPHARAK KM.12	02	312-2123, 312-2124, 312-2125	312-2126
THANON THEPHARAK KM.22	02	706-0995, 706-0996, 706-0997	706-0998
THANON THEPARAK KM.3	02	753-2860, 753-2861, 753-2862, 753-2863	753-2864
THANON THEPARAK	02	383-5618, 383-5619, 383-5968	383-5969
POM PHRACHULA CHOMKLAO	02	425-9879, 425-8205, 425-8499, 425-9667	819-8188
POO CHAO SAMING PRAI	02	384-1387, 384-1388, 394-4412, 394-6317	384-1673
PHRA PRADAENG	02	463-3872, 463-3873, 463-3874	463-3909
MEGABANGNA	02	105-1471, 105-1472	105-1473
MUANG MAI BANG PHLI	02	315-1426, 315-1427	315-1428
ROBINSON SAMUT PRAKAN	02	174-2708, 174-2709	174-2710
TESCO LOTUS SRINAKARIN	02	175-7575, 175-7824, 175-7825	175-7826
THANON WAT KING KAE0	02	750-1920, 750-1921, 750-1922, 750-1875	750-1923
SUARNABHUMI AIRPORT	02	134-1818, 134-1819, 134-1820, 134-1821	134-1878
SUARNABHUMI AOB	02	134-1845, 134-1846, 134-1847	134-1875
IMPERIAL WORLD SAMRONG	02	384-4661, 384-0352, 384-0353	384-0353
CENTRAL PLAZA SALAYA	02	429-6805, 429-6806	429-6807
AOM YAI	02	810-3325, 810-3326, 810-3327	810-3329

Note: Excluded ME Place

UPCOUNTRY BRANCHES

As of December 31, 2014

Branch	Code	Telephone	Fax
KANCHANABURI PROVINCE			
KANCHANABURI	034	512-441, 512-442, 511-677, 521-101, 521-102	All Number
THA RUA	034	561-745, 561-822, 562-046	All Number
ROBINSON KANCHANABURI	034	603-307, 603-308	603-309
KRABI PROVINCE			
KRABI	075	612-718, 612-719, 612-720	630-086
PLAI PHRAYA	075	687-018, 687-019	687-019
LUM THAP	075	643-595, 643-596, 643-598	643-599
KAMPHAENG PHET PROVINCE			
KAMPHAENG PHET	055	713-801, 713-802	713-803
KALASIN PROVINCE			
KALASIN	043	812-133, 812-135, 821-848	812-134
KHON KAEN PROVINCE			
KHON KAEN	043	241-497, 241-498, 241-499, 243-681, 243-682, 244-115 243-767, 243-458	334-419
CHUM PHAE	043	311-170, 311-270, 386-387	312-470
CENTRAL PLAZA KHONKAEN	043	288-034, 288-035	288-036
BAAN & BEYOND KHONKAEN	043	220-191, 220-219	220-315
BAN PHAI	043	272-750, 272-790	272-733
FAIRYPLAZA KHONKAEN	043	226-203, 226-204	226-205
MUANG PHON	043	414-060, 414-061	414-762
CHANTHABURI PROVINCE			
THANON BENJAMARACHUTIT- CHANTHABURI	039	322-150, 322-151, 322-152	322-053
NONG KHLA	039	395-471, 395-472, 395-473	395-474
ROBINSON CHANTABURI	039	322-823, 322-824, 322-825	322-886
CHACHOENGSAO PROVINCE			
THANON MAHAJAKKAPAD - CHACHOENGSAO	038	512-390, 511-912, 514-322	512-549
BANGKHLA	038	541-123, 827-231	541-689

Branch	Code	Telephone	Fax
BANG WUA	038	538-255, 538-277, 539-003, 539-004	840-909
PLANG YAO	038	589-132, 589-133, 575-230, 851-215	851-214
PHANOM SAKHAM	038	836-516, 836-517, 836-518	836-519
ROBINSON CHACHOENGSAO	038	564-236, 564-237	564-238
THANON SUKPRAYUN- CHACHOENGSAO	038	823-795, 823-796, 823-797	823-794
CHAI NAT PROVINCE			
CHAI NAT	056	411-118, 412-394, 412-382, 411-564, 412-356	412-372
CHON BURI PROVINCE			
CHON BURI	038	272-984, 272-985, 274-088	274-089
JOMTIEN	038	232-079, 232-080, 232-973, 232-086, 076-845, 076-846	All Number
CENTRAL PLAZA CHONBURI	033	003-240, 003-241, 003-242, 003-244	003-243
CENTRAL FESTIVAL PATTAYA BEACH	033	003-644, 003-645, 003-646	003-647
THANON THAP PHRAYA PATTAYA	038	303-778, 303-779, 303-780, 303-877(booth)	All Number
NONG MON	038	392-066, 392-067	392-065
BIG C-BANBUNG-CHON BURI	038	486-539, 486-540	486-541
BANG LAMUNG	038	367-749, 367-750, 367-751	367-752
BAN SUAN-CHON BURI	038	799-301, 799-302, 799-303	799-304
PAKRUM BORWIN	038	337-949, 337-950	337-951
PATTAYA KLANG	038	411-935, 411-936, 424-641, 424-552	411-937
PHANAT NIKHOM	038	787-699, 787-700, 473-168	473-169
PATTAYA	038	429-501, 429-502, 422-966, 421-002	421-005
H.M.QUEEN SIRIKIT HOSPITAL SATTAHIP	038	244-022, 244-555	244-114
ROBINSON SRIRACHA	038	314-356, 314-357, 314-358, 314-359	314-360
TESCO LOTUS CHONBURI	038	282-091, 282-093	282-096
TESCO LOTUS LAEMCHABANG	038	768-442, 768-923, 768-924	768-280
SI RACHA	038	313-239, 313-240, 311-824	All Number
SATTAHIP	038	437-123, 437-339, 437-678, 438-561	All Number
HUAGHUNJAE-BAN BUNG	038	201-211, 201-026	201-212

Branch	Code	Telephone	Fax
AOU-UDOM	038	351-642, 351-644	351-643
CHUMPHON PROVINCE			
CHUMPHON	077	502-545, 504-960, 504-961	502-544
THUNG TAKO	077	536-902, 585-209, 585-210, 536-007	585-209
LANG SUAN	077	541-233, 541-894	541-333
CHIANG MAI PROVINCE			
CHIANG MAI	053	251-058, 251-059, 251-060, 251-061	233-159
THANON CHANG KHLAN CHIANGMAI	053	903-630, 903-631, 903-632	903-535
CENTRAL FESTIVAL CHIANGMAI	053	288-845, 288-846	288-847
CENTRAL PLAZA CHIANG MAI AIRPORT	053	201-843, 201-844, 201-845	All Number
THANON CHANGPUAK CHIANGMAI	053	211-061, 211-062, 222-966, 218-901	221-545
TALAD NONG HOI-CHIANGMAI	053	140-123, 140-124, 140-125	801-456
FANG	053	451-154, 451-002	453-507
MAYA SHOPPING CENTER CHIANGMAI	052	081-536, 081-537	081-538
FRONT OF MAHARAJ HOSPITAL CHIANGMAI	053	808-307, 808-308	808-309
SI YAK KUANG SING - CHIANGMAI	053	410-980, 410-981, 410-982	410-983
SANPAKHOY-CHIANG MAI	053	249-858, 249-859, 249-595	249-861
HOT	053	461-055, 461-056, 831-333	831-334
CHAIYAPHUM PROVINCE			
CHAIYAPHUM	044	811-659, 811-666, 822-123	811-666
CHIANG RAI PROVINCE			
CHIANG RAI	053	711-100, 711-101, 714-822	713-590
CENTRAL PLAZA CHIANG RAI	053	179-792, 179-793	179-794
DOI MAE SALONG	053	765-159, 765-160	All Number
THOENG	053	795-001, 795-003, 795-040	795-002
THANON PHAHON YOTHIN- CHIANG RAI	053	714-886, 714-887, 600-716, 600-717	714-890

Branch	Code	Telephone	Fax
MAESAI	053	733-146, 640-351, 640-352	733-145
HUAI KHRAI	053	667-350, 667-351, 667-352	763-001
TAK PROVINCE			
TAK	055	512-093, 512-094	515-451
MAE SOT	055	533-038, 533-039, 533-040	533-383
TRANG PROVINCE			
TRANG	075	210-811, 210-812, 214-026	218-344
KHLONG PANG	075	286-066	286-055
HUAI YOT	075	271-147, 271-425, 235-562	271-148
TRAT PROVINCE			
TRAT	039	520-636, 520-638	520-637
BO RAI	039	591-042	591-041
NONG KHAI PROVINCE			
NONG KHAI	042	420-562, 420-563	420-564
PHON PHISAI	042	471-266, 471-267, 405-552, 472-087	All Number
NAKHON PATHOM PROVINCE			
NAKHON PATHOM	034	219-731, 219-732, 219-733, 219-734	219-736
KAMPHAENG SAEN	034	351-020, 351-021, 351-022	281-103
NAKHON CHAI SI	034	228-338, 228-339, 228-340, 228-341	228-342
BIG C - NAKHON PATHOM	034	211-130, 211-131	211-132
PHRA PATHOMCHEDI	034	250-750, 256-116, 256-137	250-751
SILPAKORN UNIVERSITY-SANAM CHANDRA PALACE	034	250-823, 250-824, 250-825	250-826
SAMPRAN NAKORNPATHOM	034	322-885, 322-886, 322-887, 225-155, 225-498, 225-499 225-564, 225-565	321-990
NARATHIWAT PROVINCE			
NARATHIWAT	073	512-273, 512-274, 512-275	All Number
SUNGAI KOLOK	073	611-555, 611-556, 615-234	611-587
NAN PROVINCE			
NAN	054	710-455, 771-971, 772-818	710-477

Branch	Code	Telephone	Fax
THA WANG PHA	054	799-679, 799-138, 799-634	All Number
NAKHON PHANOM PROVINCE			
NAKHON PHANOM	042	511-023, 511-322, 512-234	512-614
NONG BUA LAMPHU PROVINCE			
NONG BUA LAMPHU	042	360-547, 360-548, 360-549	360-551
NAKHON RATCHASIMA PROVINCE			
NAKHON RATCHASIMA	044	252-505, 252-545, 257-680	257-681
SURANAREE CAMP- NAKHONRATCHASIMA	044	341-872, 341-873, 341-875	341-874
DAN KHUN THOT	044	389-101, 389-102	389-279
THE MALL NAKHON RATCHASIMA	044	393-750, 393-751	393-752
PAK THONG CHAI	044	441-019, 441-641	441-100
PRATHAI	044	479-511, 479-128	489-537
THANON PRAJAK- YAK SANLAKMUEANG	044	255-567, 255-568, 267-471, 255-191	256-202
PAK CHONG	044	315-996, 315-997, 315-998	All Number
PHIMAI	044	471-334, 287-407, 287-408	471-335
THANON PHIBUNLA-IAT- NAKHON RATCHASIMA	044	275-200, 275-201, 275-202, 275-204	275-203
MUANG KHONG	044	459-234, 459-266	459-235
TESCO LOTUS KORAT 2	044	264-118, 264-119	264-120
SUNG NOEN	044	419-241, 419-865, 419-588	All Number
NAKHON NAYOK PROVINCE			
NAKHON NAYOK	037	312-348, 312-349, 312-350, 312-346	312-588
NAKHONSAWAN PROVINCE			
CHUMSAENG	056	282-498, 282-499	282-699
TAKHLI	056	261-537, 261-538	262-155
PHAYUHA KHIRI	056	341-498, 316-699	341-497
FARRY LAND NAKHONSAWAN	056	222-913, 222-672, 221-782, 313-056	227-414
THANON ASIA NAKHONSAWAN	056	228-223, 228-225	228-224

Branch	Code	Telephone	Fax
NAKHON SI THAMMARAT PROVINCE			
NAKHON SI THAMMARAT	075	356-801, 345-616, 342-893	356-979
CHANDI	075	486-185, 486-304, 486-305	486-184
TALAD HUA IT - NAKHON SI THAMMARAT	075	316-164, 316-165, 316-166, 316-167	316-168
THUNG SONG	075	412-446, 412-447, 412-448	All Number
NAKHON SI THAMMARAT RAJABHAT UNIVERSITY	075	392-116, 392-117	392-118
BURI RAM PROVINCE			
BURI RAM	044	613-441, 613-442	613-443
NONG KI	044	641-111	641-112
NANG RONG	044	631-457, 622-722	631-456
PRACHUAP KHIRI KHAN PROVINCE			
PRACHUAP KHIRI KHAN	032	601-547, 601-548, 611-919	611-918
PRAN BURI	032	621-989, 621-990, 621-829, 544-557	621-991
HUA HIN-PRACHUAP KHIRI KHAN	032	512-205, 512-500, 532-151, 515-735, 532-372, 512-425	512-347
HUA HIN MARKET VILLAGE	032	526-314, 526-315	526-316
PRACHINBURI PROVINCE			
PRACHINBURI	037	211-655, 211-355, 211-356	All Number
PRACHANTAKHAM	037	291-252, 291-509	291-251
PATTANI PROVINCE			
PATTANI	073	332-677, 332-678, 332-679	331-038
PHANGNGA PROVINCE			
PHANGNGA	076	411-626, 411-627	411-555
KHAO LAK PHANGNGA	076	443-445, 443-446, 443-447	443-448
PHICHIT PROVINCE			
PHICHIT	056	651-331, 613-558, 612-219	612-216

Branch	Code	Telephone	Fax
KHAO SAI	056	649-111	649-060
TAPHAN HIN	056	621-194, 621-325	621-477
SAM NGAM	056	691-210, 691-211	665-511
SAK LEK	056	699-266, 699-367	699-267
PHETCHABUN PROVINCE			
PHETCHABUN	056	711-386, 721-250	721-290
LOM SAK	056	701-044, 746-270, 701-579, 701-708	746-269
PHATTHALUNG PROVINCE			
PHATTHALUNG	074	613-305, 613-313, 626-801	611-965
PHETCHABURI PROVINCE			
PHETCHABURI	032	426-005, 426-115	427-165
BIG C - PHETCHABURI	032	454-074, 454-075	454-076
PHAYAO PROVINCE			
PHAYAO	054	481-720, 481-721, 482-329	482-330
PHRAE PROVINCE			
PHRAE	054	511-655, 621-327	511-646
SUNG MEN	054	541-231, 542-001	541-360
PHITSANULOK PROVINCE			
PHITSANULOK	055	245-770, 245-771, 245-772	245-544
KHOK MATUM-PHITSANULOK	055	212-432, 212-434, 212-435	212-436
CENTRAL PLAZA PHITSANULOK	055	215-460, 215-461	215-462
SAPPHRAIWAN	055	293-076	293-077
PHUKET PROVINCE			
PHUKET	076	212-123, 212-978, 213-488	213-487
CENTRAL FESTIVAL PHUKET	076	248-509, 248-510	248-511
THALANG	076	311-366, 311-367, 311-484, 311-500, 311-777	311-501
THANON PHRA BARAMI PATONG BEACH	076	343-455, 343-456, 343-457	343-458
MONTRI ROAD-PHUKET	076	225-486, 230-104, 225-178	230-102
BANGKOK PHUKET HOSPITAL	076	210-059, 210-065, 210-140	210-140

Branch	Code	Telephone	Fax
VAJIRA HOSPITAL-PHUKET	076	237-238, 237-239, 237-240	237-241
MAHA SARAKHAM PROVINCE			
MAHA SARAKHAM UNIVERSITY	043	754-141, 754-142	754-143
SERMTHAI COMPLEX MAHASARAKHAM	043	970-841, 970-842	970-843
MUKDAHAN PROVINCE			
ROBINSON MUKDAHAN	042	672-412, 672-413	672-414
YALA PROVINCE			
YALA	073	214-029, 214-384, 211-587, 214-231	215-380
YASOTHON PROVINCE			
YASOTHON	045	712-301, 712-302, 720-602, 720-603	712-303
RANONG PROVINCE			
RANONG	077	823-028, 823-029	823-030
KRA BURI	077	891-027, 891-028	891-294
RATCHABURI PROVINCE			
RATCHABURI	032	321-808, 322-048, 310-410	322-047
DAMNOEN SADUAK	032	253-348, 253-349	253-701
THANON KHATHATHORN RATCHABURI	032	315-645, 315-646, 315-647, 315-651	315-817
BAN PONG	032	200-383, 344-767, 344-768	200-382
PHOTHARAM	032	354-047, 354-048, 231-637, 231-062	All Number
RAYONG PROVINCE			
RAYONG	038	617-470, 617-471, 617-472, 617-473, 617-474	617-475
KLAENG	038	884-595, 884-596, 884-597	884-463
NOEN KHAO DIN	038	669-498, 669-500	669-499
BAN KHAI	038	641-002, 641-003	641-001
BAN CHANG	038	880-585, 880-586, 880-587, 603-955	880-588
LAEMTHONG SHOPPING PLAZA RAYONG	038	610-229, 610-230, 610-231, 610-232, 610-238	All Number

Branch	Code	Telephone	Fax
ROI ET PROVINCE			
ROI ET	043	511-369, 511-612	512-449
ROBINSON ROI ET	043	540-753, 540-754	540-755
LOP BURI PROVINCE			
LOP BURI	036	411-945, 422-931, 421-570	412-093
BIG C - LOPBURI 2	036	612-480, 612-481	612-482
WONG WIEN SRA KAEW-LOP BURI	036	412-729, 413-369	422-915
LAMPANG PROVINCE			
LAMPANG	054	224-154, 226-223, 226-522, 322-455	226-155
NGAO	054	261-193, 261-194	261-007
CENTRAL PLAZA LAMPANG	054	811-933, 811-934	811-935
HANG CHAT	054	269-206, 269-207	269-208
LAMPHUN PROVINCE			
LAMPHUN	053	561-460, 561-461, 510-461, 510-462, 510-463	510-460
BIG C - LAMPHUN	053	552-088, 552-089	552-090
LOEI PROVINCE			
LOEI	042	812-122, 812-133, 845-118, 833-567	833-568
SI SA KET PROVINCE			
SI SA KET	045	612-518, 612-519	612-520
SA KAEO PROVINCE			
SA KAEO	037	242-688, 242-689, 242-690	242-692
ARANYAPRATHET	037	231-280, 231-290	232-601
SONGKHLA PROVINCE			
SONGKHLA	074	311-333, 312-001, 324-373	314-803
KHUAN NIANG	074	386-572, 386-573	386-574
THANON JUTI ANUSORN HATYAI	074	230-883, 230-883-4	231-289
CENTRAL FESTIVAL HAT YAI	074	339-709, 339-710	339-711

Branch	Code	Telephone	Fax
BIG C - HAT YAI	074	427-660, 427-661	427-662
BIG C-EXTRA HAT YAI	074	555-576, 555-577	555-578
RANOT	074	391-030, 391-031	392-555
THANON RATHAKHAN-HAT YAI	074	238-800, 238-801, 238-802	238-501
HAT YAI	074	231-141, 231-142, 231-143, 355-311, 355-313, 220-914	355-312
SURAT THANI PROVINCE			
SURAT THANI	077	272-753, 272-754, 281-009, 210-283, 210-284	281-010
NA SAN	077	341-037, 341-038	341-538
FRONT OF SURAT THANI HOSPITAL	077	283-459, 283-460	283-461
SURATTHANI RAJABHAT UNIVERSITY	077	355-162, 355-234	355-483
KO SAMUI	077	421-137, 420-360, 420-361	421-143
CENTRAL PLAZA SURATTHANI	077	489-866, 489-867	489-868
BIG C SURATTHANI	077	224-201, 224-324, 224-809	All Number
BAN SONG SURATTHANI	077	257-093, 257-127	All Number
BO PHUT KO SAMUI	077	246-225, 246-226	246-227
SATUN PROVINCE			
SATUN	074	721-219, 721-220	721-221
SUKHOTHAI PROVINCE			
SUKHOTHAI	055	614-358, 614-359, 611-590, 611-147	611-995
BAN DAN LAN HOI	055	689-110	689-070
SAWANKHALOK	055	642-317, 642-381	641-124
SAKON NAKHON PROVINCE			
SAKON NAKHON	042	711-393, 711-993, 712-195, 714-691, 714-692	713-403
SARABURI PROVINCE			
SARABURI	036	222-430, 222-431, 221-429, 211-039	221-229
PHRAPHUTTHABAT	036	266-744, 266-745, 267-799	267-800
THANON PHAHON YOTHIN SARABURI	036	318-271, 318-272, 318-273, 212-023, 212-024	318-270

Branch	Code	Telephone	Fax
MUAK LEK	036	341-990, 341-017	341-024
ROBINSON SARABURI	036	351-509, 351-510	351-511
WIHAN DAENG	036	377-258, 377-259	377-725
WANG MUANG	036	359-211, 359-212	359-213
SUPHAN BURI PROVINCE			
SUPHAN BURI	035	522-356, 522-358	522-360
ROBINSON SUPHANBURI	035	454-391, 454-392	454-393
U THONG	035	552-007, 552-009	552-020
SURIN PROVINCE			
ROBINSON SURIN	044	042-775, 042-776	042-777
SAMUT SONGKHRAM PROVINCE			
SAMUT SONGKHRAM	034	715-454, 715-455, 714-018, 714-019, 711-682, 740-123	715-456
SING BURI PROVINCE			
SING BURI	036	511-326, 512-803, 522-640, 522-641, 522-642, 522-643, 512-804	512-276
AMNAT CHAROEN PROVINCE			
AMNAT CHAROEN	045	511-590, 511-591, 511-594	511-592
UDON THANI PROVINCE			
UDON THANI	042	241-130, 241-594, 244-776, 244-777, 244-778	244-391
CENTRAL PLAZA UDONTHANI	042	921-281, 921-282	921-283
BAN PHU	042	281-264	281-265
THANON PHOSI-UDON THANI	042	249-551, 249-552, 249-553	249-554
UTTARADIT PROVINCE			
UTTARADIT	055	411-655, 411-800	412-380
ANG THONG PROVINCE			
ANG THONG	035	611-262, 612-418, 625-130	625-131
UTHAI THANI PROVINCE			
UTHAI THANI	056	511-187, 511-122, 524-942	511-613
BAN RAI	056	539-002, 539-003	539-004

Branch	Code	Telephone	Fax
UBON RATCHATHANI PROVINCE			
UBON RATCHATHANI	045	241-313, 254-308, 254-890	254-307
CENTRAL PLAZA UBONRAJTHANI	045	422-458, 422-459	422-460
TRAKAN PHUTPHON	045	481-111	481-015
THANON PHROMMARAT - UBON RATCHATHANI	045	240-215, 240-216, 240-217	240-214
AYUTTHAYA PROVINCE			
AYUTTHAYA	035	241-417, 241-418	242-417
BANG BAN	035	307-942, 307-943	307-944
TESCO LOTUS BANGPA IN	035	274-422	274-423
WANG NOI	035	215-649, 215-650	215-652
AYUTTHAYA PARK	035	213-061, 213-062	213-008
UTHAI-AYUTTHAYA	035	335-417, 335-418, 213-623, 213-624	All Number

OVERSEAS BRANCHES

As of December 31, 2014

Location	Contact
Vientiane	
Postal Address	TMB Bank Public Company Limited 034/2 Samsenthai Road, Chanthabouly, Vientiane, Laos P.D.R
Registered Address	TMB Bank Public Company Limited 034/2 Samsenthai Road, Chanthabouly, Vientiane, Laos P.D.R
Branch Manager	Mr Chatree Banlengrom
Telephone	856-21-216486
Fax	856-21-214726
E-mail address	chatree.ban@tmbbank.com
Cayman Islands	
Postal Address	TMB Bank Pcl.,Cayman Islands Branch 3000 Phahon Yothin Road, Chatuchak, Bangkok 10900 THAILAND
Registered Address	190 Elgin Avenue, Grand Cayman, KY1-9005, Cayman Islands
Branch Manager	Mrs Soontaree Cheevaphat
Telephone	662-299-1180
Fax	662-242-3139
E-mail address	soontaree.che@tmbbank.com

CURRENCY EXCHANGE

SERVICE OFFICES

As of December 31, 2014

Booth	Address	Telephone
Bangkok		
Arrival Hall (AH)	222 Viphavadee Rangsit Road, Sanambin, Donmuang, Bangkok	02-535-3172
Bangkok Hospital Soi Soonwijai	Inside Inter Nation Building at Bangkok Hospital Soi. Soonvijai, Bangkok, Huaykwang, Bangkok	02-318-977
Central World	Inside Central World 2nd Floor. Unit No.K-B 205 Room. K2-10/2 Rama 1 Road, Pratumwan, Bangkok	02-646-1326
Chatuchak Gate 2	FX Booth Gate 2 Chatuchak Administration Office Bangkok, Kamphaeng Phet 2 Road, Chatuchak, Chatuchak, Bangkok	02-272-4715-6
Chatuchak Gate 3	FX Booth Gate 3 Chatuchak Administration Office Bangkok, Kamphaeng Phet 2 Road, Chatuchak, Chatuchak, Bangkok	02-272-4105-6
Departure Hall (DH)	222 Viphavadee Rangsit Road, Sanambin, Donmuang, Bangkok	02-535-3171
Foodland Sukhumvit Soi 5	87 Nai Lert Building Sukhumvit soi 5, Sukhumvit Road, Klongtoey Neua, Wattana, Bangkok	02-255-1660
Indra Pratunam	120/67 Soi. Indra, Rajprarob Road, Phayathai, Rajthevi, Bangkok	02-208-0978
International Baggage claim, Donmuang	222 Viphavadee Rangsit Road, Sanambin, Donmuang, Bangkok	0-2504-3656
Mah Boonkrong Center	444 Mah Boonkrong Department Store (MBK), Phayathai Road, Wangmai, Pathumwan, Bangkok	02-686-3690
National Stadium BTS Station	National Stadium BTS Station W1-29, Rama I Road, Wangmai, Pathumwan, Bangkok	02-612-3132
Pantip Plaza Phatunum	604/3 Petchaburi Road, Thanon Phayathai, Ratchathewi, Bangkok	02-256-0412
Platinum Pratunam	The Platinum Fashion Mall, 222 Petchaburi-Tadmai Road, Petchaburi, Rajthevi, Bangkok	02-121-9404
Platinum Pratunam 2	In Front of The Platinum Fashion Mall, 222/226 Petchaburi-Tadmai Road, Petchaburi, Rajthevi, Bangkok	0-2121-9493

Booth	Address	Telephone
Sathorn Pier	Sathorn Pier, Bangrak, Bangkok	0-2212-1885-6
Visa on Arrival, Donmuang	222 Viphavadee Rangsit Road, Sanambin, Donmuang, Bangkok	0-2504-3655
Yada Building Silom Branch	56 Yada Building, Silom Road, Suriyawong, Bangrak, Bangkok	0-2267-0969
Chonburi		
Caesar Palace Hotel	382/34 Moo.9, Nongprue, Banglamung, Chonburi	038-429-215-6
Cherry Hotel Pattaya	270/3 Moo.10, Nongprue, Banglamung, Chonburi	038-710-994 038-710-974
Had Dongtan, Pattaya	69 Nongprue, Nongprue, Banglamung, Chonburi	038-233-734-5
Jomtien	334/1-2 Moo.12 Jomtien Beach Road, Nongprue, Banglamung, Chonburi	038-232-079
LK The Empress Hotel	66/33 Moo.9, Nongprue, Banglamung, Chonburi	038-422-267
Markland Plaza Pattaya	436/541 Moo.9 North Pattaya Beach Road, Nongprue, Banglamung, Chonburi	038-425-181
Mountain Beach Hotel Pattaya	378/24 Moo.12, Nongprue, Banglamung, Chonburi	038-252-993-4
Pattaya	325/67-70 Pattaya Klang Road, Nongprue, Banglamung, Chonburi	038-426-107
Pattaya Beach	111310 North Pattaya Beach Road, Nongprue, Banglamung, Chonburi	038-410-747
Pattaya Road2nd (Alcaza)	Thai Palace Hotel, 212 Moo.9 Pattaya 2nd Road, Nongprue, Banglamung, Chonburi	038-415-302
Sunshine Pattaya	240/12 Moo.5 Pattaya -Naklur Road, Naklur, Banglamung, Chonburi	038-371-440-2
Tappaya	Tappaya Road, Nongprue, Banglamung, Chonburi	038-251-449
Thanon Tappaya (Pattaya)	315/297 Moo.12, Nongprue, Banglamung, Chonburi	038-303-778

Booth	Address	Telephone
Pang-Nga		
Khao-Lak Branch ,Pang-Nga	19/4-5 Moo.6, Khukkhak, Takuapa, Pang-Nga	076-443-445-7
Phuket		
AMT Phuket	189/29 Raj-U-Thit 200 years Road, Patong, Kathu, Phuket	076-340-532
Arrival Hall, Phuket Airport	222 Moo.6, Mai Khao, Talang, Phuket	076-326-737
Bangla Mall	29/1 Bangla Road, Patong, Kathu, Phuket	076-344-511
BanThai	94 Thaweewong Road, Patong, Kathu, Phuket	076-340-618
Central Festival Phuket	74-75 Central Festival Shopping Center 2nd Floor. Moo.5, Wichit, Muang, Phuket	076-248-514
Devana	49/145 Raj-U-Thit 200 years Road, Nongprue, Bang Phli, Phuket	076-340-035
Freedom Street Bangla	13-13/13, 15-15/14 Bangla Road, Patong, Kathu, Phuket	076-340-291
Had Kata	Corner Plaza Shopping Complex 112/3 Taina Road, Karon, Muang, Phuket	076-330-088
Holiday Inn Resort Hotel	52 Thaweewong Road, Patong, Kathu, Phuket	076-349-698
Novotel Phuket Vintage Park Phuket Hotel	89 Raj-U-Thi 200 years Road, Patong, Kathu, Phuket	076-340-698
Patong Merlin Hotel (Phuket)	Front of Patong Merlin Hotel Thaweewong Road, Patong, Kathu, Phuket	076-341-048
Phuket International Airport	222 Moo.6, Mai Khao, Talang, Phuket	076-328-383-5
Sabana Resort Hotel	14/53 Moo.1, Rawai, Muang, Phuket	076-388-445
Thanon Phra Barami Patong Beach	256, 256/3 Phra Barami Road, Patong, Kathu, Phuket	076-343-454-61
Wong Wien Karon	240 Karon Road, Karon, Muang, Phuket	076-396-088

SUPPLY CHAIN AND BUSINESS CENTERS

As of December 31, 2014

Business Center	Address	Telephone	Fax
Phaholyothin	3000 3rd Floor, Phaholyothin Road, Jomphol, Jatuchak, Bangkok 10900	02-299-1429 02-299-3231 02-299-1422 02-299-1449 02-299-1111 ext. 5210 02-242-3708	02-242-3505
Silom	149/9-11 Surawong Road, Suriyawong, Bang Rak, Bangkok 10500	02-235-8009-10	02-235-8011
Asoke	189/1 Grand Park View Building, 2nd Floor Sukhumvit 21 Road, Wattana, Bangkok 10110	02-204-2723-5	02-204-2726
Chongnonsee	360/16-19 Rama III Road, Chongnonsee, Yannawa, Bangkok 10120	02-285-3874	02-285-3875
Krung Kasem	1514 Krungkasem Road, Thepsirin, Pomprab, Bangkok 10100	02-221-1085 02-226-1598	02-221-1275
Rangsit - Pathumthani	42 Rangsit Pathumthani Road, Prachathipat, Thanyaburi, Pathumthani 12130	02-567-5646	02-567-5662
Baromratchonnee	906,908,910 Baromratchonnee Road, Bangbumru, Bangplad, Bangkok 10700	02-886-5435-6	02-434-1756
Samut Prakarn	88 Moo 3, Theparak Road, Tumbon Theparak, Ampur Muang, Samut Prakarn 10270	02-753-3600-1	02-753-3602
Samut Sakorn	824/48-52 Norrasing Road, Tumbon Mahachai, Ampur Muang, Samut Sakorn 74000	034-811-419-20	034-811-418
Chiang Mai	275/5 Chang Phueak Road, Tumbon Chang Phueak, Ampur Muang, Chiang Mai 50300	053-410-102	053-410-909
Chiang Rai	143/2 Thanalai Road, Tumbon Wiang, Ampur Muang, Chiang Rai 57000	053-719-373	053-745-108
Lampang	173-175 Boonwat Road, Tambon Suandok, Ampur Muang, Lampang 52100	054-322-723	054-323-661
Phitsanulok	90-93 Boromtrailokanat Road, Tambon Nai Muang, Ampur Muang, Phitsanulok 65000	055-249-145	055-248-800
Nakhon Ratchasima	319 Mtiiraphap Road, Tambon Nai Muang, Ampur Muang, Nakhon Rarchasima 30000	044-263620-1	044-258-767

Business Center	Address	Telephone	Fax
Ubon Ratchathani	130 Chayangkul Road, Tambon Nai Muang, Ampur Muang, Ubon Ratchathani 34000	045-284-473-5	045-254-307
Khon Kaen	127/12 Prachasamosorn Road, Tambon Nai Muang, Ampur Muang, Khon Kaen 40000	043-332-663-4	043-332-664
Udon Thani	81/1 Udon Dusadee Road, Tambon Mak Khaeng, Ampur Muang, Udon Thani 41000	042-344266 ext. 31	042-243-288
Saraburi	591/14 Phahon Yothin Road, Tambon Pak Preaw, Ampur Muang, Saraburi 18000	036-213-237	036-318-541
Nakhon Sawan	1319/4 Moo 10, Tambon Nakhonsawantok, Ampur Muang, Nakhon Sawan 60000	056-312-393	056-312-766
Chon Buri	690 Sukhumvit Road, Tambon Bang Plasoi, Ampur Muang, Chon Buri 20000	038-270-794 038-283-526	038-283-652
Pattaya	579 Moo 5 Pattaya-Naklua Road, Tambon Naklua, Ampur Bang Lamuan, Chon Buri 20150	038-368-126	038-367-536
Rayong	139/1 Sukhumvit Road, Tambon Choengneon, Ampur Muang, Rayong 21000	038-800-401 038-800-404	038-800-402
Nakhon Pathom	124/10 Ratchawithee Road, Tambon Phra Pathom Chedee, Ampur Muang, Nakhon Pathom 73000	034-256-682	034-256-697
Ratchaburi	319/1 Srisuriyawong Road, Tambon Na Muang, Ampur Muang, Ratchaburi 70000	032-311-096	032-311-218
Surat Thani	57/68 Moo 2, Tambon Makham Tia, Ampur Muang, Surat Thani 84000	077-221-823	077-264-228
Trang	78/1 Wisetkul Road, Tambon Thubthiang, Ampur Muang, Trang 92000	075-223-686	075-223-687
Phuket	37/53 Montri Road, Tambon Talad Yai, Ampur Muang, Phuket 83000	076-230-083	076-230-084
Hat Yai	160 Nipat U Tit 2 Road, Tambon Hat Yai, Ampur Hat Yai, Songkhla 90110	074-355-750 074-354-749	074-354-491

MAIN CORRESPONDENT BANK(S)

As of December 31, 2014

Country	Correspondent Bank
Australia	Australia And New Zealand Banking Group Limited, Westpac Banking Corp., Sydney
Canada	Bank of Nova Scotia, Toronto
China	Agricultural Bank of China, Qingdao, Bank of China China Construction Bank, Bank of Communications, Industrial and Commercial Bank of China Limited
Denmark	Danske Bank AS
Finland	Nordea Bank Finland
France	BNP Paribas, Credit Agricole CIB, Credit Industriel et Commercial Natixis, Societe Generale
Germany	Commerz Bank AG, Deutsche Bank AG
Hongkong	The Hongkong and Shanghai Banking Corporation Ltd
Indonesia	PT Bank Danamon Indonesia TBK
Israel	Bank Leumi Le Israel B.M
Japan	Bank of Tokyo-Mitsubishi UFJ Ltd., Okazaki Shinkin Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, Towa Bank Ltd., Yamaguchi Bank, Momiji Bank Kitakyushu Bank
Lao P.D.R	BOCEL - Banque pour Le Commerce Exterieur Lao, Ministry of Finance., Lao PDR
Korea	Korea Exchange Bank
Malaysia	CIMB Bank
Netherlands	ING Bank N.V.
Singapore	DBS Bank Ltd, Oversea-Chinese Bank Corporation Ltd., United Overseas Bank Ltd.
Sweden	Skandinaviska Enskilda Banken AB
Switzerland	Credit Suisse AG, UBS AG

Country	Correspondent Bank
Thailand	Bangkok Bank Pcl, Bank for Agriculture and Agricultural Cooperative, Bank of Ayudhya Pcl Bank of Thailand Export-Import Bank of Thailand, Government Savings Bank Industrial and Commercial Bank of China (Thai) Ltd, Kasikornbank Pcl Kiatnakin Bank Pcl, Krung Thai Bank Pcl, Siam Commercial Bank Pcl Standard Chartered Bank (Thai) Pcl, Thanachart Bank Pcl, Government Housing Bank TISCO Bank Pcl, United Overseas Bank (Thai) Pcl.
UK	Barclays Bank Ltd., HSBC Bank PLC., Royal Bank of Scotland PLC., Standard Chartered Bank
USA	Bank of America N.A., Bank of New York Mellon N.A., Bank of The West, Citibank N.A. International Finance Corporation, JP Morgan Chase Bank N.A., Wells Fargo Bank N.A.

ATTACHMENT 1

Details of Company Secretary, Head of Audit and Head of Compliance

(As of December 31, 2014)

DR. AGAPOL NA SONGKHLA

COMPANY SECRETARY

Age: 44 years old

POSITION(S) AT TMB

- Company Secretary
- Executive Vice President, Head of Strategy and Transformation and Head of Corporate Governance (Resigned, effective on January 1, 2015)

EDUCATION

- Ph.D. (System Science), Tokyo Institute of Technology, Japan
- M.S. (System Science), Tokyo Institute of Technology, Japan
- B.Eng (Electrical Engineering), Chulalongkorn University

TRAINING

- Director Diploma Examination, Director Certification Program, Company Secretary Program, and Anti-Corruption for Executive Program, Thai Institute of Directors Association
- Fundamentals of Law for Corporate Secretaries, Thai Listed Companies Association
- Strategic Risk Management, Financial Risk Management and Operational Risk Management, TMB Bank Plc.

WORK EXPERIENCE

- October 2012 - December 2014: Company Secretary, TMB Bank Plc.
- 2012-December 2014: Executive Vice President, Head of Strategy and Transformation and Head of Corporate Governance, TMB Bank Plc.
- 2011-2012: Executive Vice President, Head of Strategy and Transformation and Head of Human Resource, TMB Bank Plc.
- 2006 - 2011: Executive Vice President, Head of Corporate Strategy Group, TMB Bank Plc.

MISS THANAWAN TEEKAUTAMAKORN

HEAD OF AUDIT

Age: 50 years old

POSITION(S) AT TMB

- Executive Vice President, Head of Audit

EDUCATION

- Master degree, General Management, Mahidol University
- Bachelor degree, Accounting, The University of Thai Chamber of Commerce

TRAINING

- Banking course of Thai Banker Association
- Internal Audit certificate class of the Federation of Accounting Professions (FAP)
- Profession seminars and training on General accounting principles in Thai GAAP, IFRS and US GAAP
- Bank Accounting and Products knowledge
- Banking Financial & Management Accounting
- Treasury Finance
- Risk Management framework
- Basel II & III
- Taxation SBT, CIT, VAT, WHT
- BoT Sharing: Best Practice to Practical Actions
- Integrated Risk Management & Strategy
- The Emerging Identity of Internal Audit
- Treasury & Risk Management 2014
- International Standard of Financial Disclosure

WORK EXPERIENCE

- January 2013 - Present: Head of Audit, TMB Bank Plc.
- July 2012 - January 2013: Consultant Director, Deloitte Touche Tohmatsu Jaiyos Advisory
- April 2008 - July 2012: Country Operational Risk, Head of Audit, Standard Chartered Bank (Thailand)
- March 2007 - February 2008: Regional Finance Executive, HSBC, Hong Kong
- November 2005 - February 2007: Financial Transformation Project Executive, HSBC Bank Plc., London

M.L. AYUTH JAYANT

HEAD OF COMPLIANCE

Age: 57 years old

POSITION(S) AT TMB

- Executive Vice President, Head of Compliance

EDUCATION

- MBA (Accounting and Finance), University of Bridgeport, Connecticut, USA
- Bachelor of Science in Accounting (Second class Honors), Bangkok University

TRAINING

- Director Certification Program (DCP), Thai Institute of Directors (IOD) (class 150)
- Compliance Officer Program, Chulalongkorn University
- Knowledge of Security Business Operation for Head of Compliance Program, Securities and Exchange Commission: SEC (class 1)
- Professional Banker's program, The Wharton School of University of Pennsylvania, USA
- Pacific Rim Banker's Program, University of Washington, Seattle, USA

WORK EXPERIENCE

- 2012 - Present: Executive Vice President, Head of Compliance, TMB Bank Plc.
- 2009 - 2012: Executive Vice President, Head of Corporate Governance and Company Secretary, TMB Bank Plc.
- 2007 - 2008: Executive Vice President, Head of Corporate Governance and Compliance, TMB Bank Plc.

ATTACHMENT 2

Details of the Subsidiaries Directors

1. Phayathai Asset Management Co., Ltd.

There are 5 directors as follows:

Mr Jan Henri Van Wellen

Mr Martin Alan Searle

Mr Somsak Woravijak

Ms Supreeya Pipatmanomai

Mr Nithit Tungsnga

2. Designee for ETA Contracts Co., Ltd.

There are 2 directors as follows:

Ms Savitri Chaichavalit

Ms Warintorn Kanjanapalakun

3. TMB Asset Management Co., Ltd.

There are 8 directors as follows:

Mr Bernard Coucke

Mrs Chompoonoot Pathomporn

Mr Prompong Pattanateeradej

Mr Wilhelmus Lek

Ms Arwiwan Tangtrongchit

Mrs Marie Ramlie

Mrs Sirichan Pipitwitayakul

Mr Somjin Sornpaisarn

TMB BANK PUBLIC COMPANY LIMITED
3000 PHAHON YOTHIN ROAD, CHOM PHON,
CHATUCHAK, BANGKOK 10900
TEL. 0-2299-1111
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