



Make **THE** Difference

**THE RIPPLE  
EFFECT**

TMB BANK PUBLIC COMPANY LIMITED  
ANNUAL REPORT 2015



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Investors may find more information of TMB Bank from Annual Registration Statement (Form 56-1) which is available on the SEC website at [www.sec.or.th](http://www.sec.or.th) or TMB Bank website at [www.tmbbank.com](http://www.tmbbank.com)



## 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 operate our business with internationally accepted standards of good corporate governance

# HISTORICAL FINANCIAL PERFORMANCE

Consolidated financial statements

(Unit: THB million)

	2015	2014	2013	2012*	2011
<b>Selected Statement of Profit or Loss and Other Comprehensive Income</b>					
Interest income	36,430	35,848	34,826	30,678	26,148
Interest expenses	13,210	14,253	14,004	13,613	11,912
<b>Net interest income</b>	<b>23,220</b>	<b>21,595</b>	<b>20,822</b>	<b>17,065</b>	<b>14,236</b>
Net fees and service income and other operating income	10,230	8,358	8,385	7,641	6,581
<b>Total operating income</b>	<b>33,450</b>	<b>29,953</b>	<b>29,207</b>	<b>24,706</b>	<b>20,817</b>
Other operating expenses	16,467	15,774	14,550	14,291	13,641
Impairment loss on loans and debt securities	5,479	3,437	7,613	8,751	3,104
Income tax expenses	2,153	1,190	1,296	376	40
<b>Profit for the year</b>	<b>9,351</b>	<b>9,552</b>	<b>5,748</b>	<b>1,288</b>	<b>4,032</b>
<b>Equity holders of the Bank</b>	<b>9,333</b>	<b>9,539</b>	<b>5,738</b>	<b>1,261</b>	<b>4,009</b>
<b>Non-controlling interest of the subsidiaries</b>	<b>18</b>	<b>13</b>	<b>10</b>	<b>27</b>	<b>23</b>
Other comprehensive income (loss)	37	1	(25)	815	142
Total comprehensive income	9,389	9,552	5,723	2,103	4,174
Basic earning per share (THB/Share)	0.2134	0.2185	0.1316	0.0290	0.0921

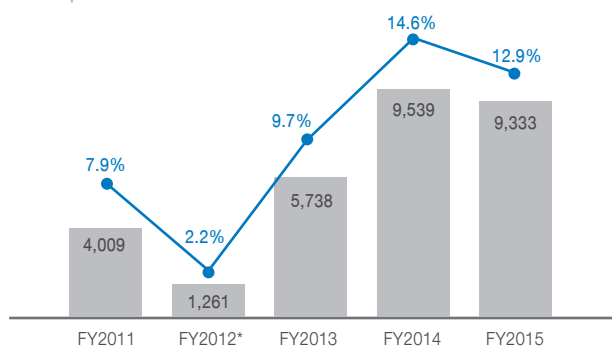
	2015	2014	2013	2012*	2011
<b>Selected Statement of Financial Position Items</b>					
Loans to customers and accrued interest receivables	581,844	531,429	500,478	453,674	398,373
<b>Total assets</b>	<b>838,937</b>	<b>809,182</b>	<b>765,732</b>	<b>716,925</b>	<b>723,963</b>
Deposits	644,694	571,625	529,606	496,158	452,316
<b>Total liabilities</b>	<b>762,339</b>	<b>739,389</b>	<b>703,899</b>	<b>659,543</b>	<b>667,388</b>
<b>Total shareholders' equity</b>	<b>76,598</b>	<b>69,793</b>	<b>61,833</b>	<b>57,382</b>	<b>56,575</b>
Equity attributable to equity holders of the Bank	76,491	69,704	61,757	57,316	56,471
Non-controlling interests of the subsidiaries	107	89	76	66	104

Note: \* Restated

## Net profit and Return on average equity (ROE)

Unit: THB million  
■ Net profit

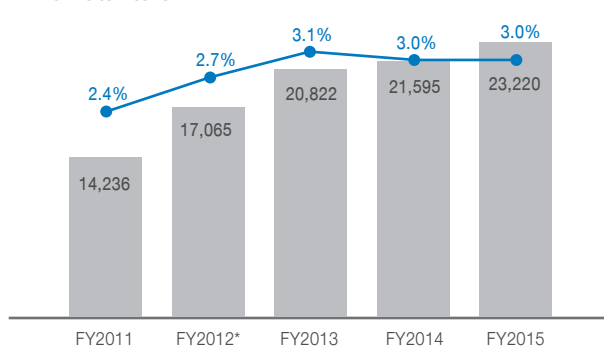
● ROE



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

Unit: THB million  
■ Net interest income

● NIM



	2015	2014	2013	2012*	2011
<b>Key Financial Ratios</b>					
<b>Profitability</b>					
Return on equity (ROE)	12.9%	14.6%	9.7%	2.2%	7.9%
Return on assets (ROA)	1.1%	1.2%	0.8%	0.2%	0.6%
Cost to income ratio <sup>1</sup>	49.2%	52.6%	50.5%	56.6%	63.2%
Net interest margin (NIM)	2.99%	2.95%	3.12%	2.73%	2.41%
<b>Liquidity</b>					
Loan to deposit (LDR) <sup>2</sup>	90.1%	92.8%	94.3%	91.3%	87.9%
% Current and saving accounts to total deposits (CASA) <sup>3</sup>	73.2%	69.3%	62.5%	65.1%	60.2%
<b>Capital Adequacy (Bank-only)</b>					
Tier I <sup>4</sup>	11.3%	11.0%	10.6%	11.1%	11.1%
Capital adequacy ratio (CAR) <sup>4</sup>	16.7%	18.3%	15.9%	18.2%	16.1%
<b>Asset Quality</b>					
NPL ratio	2.99%	2.85%	3.87%	4.10%	5.67%
NPL coverage	142%	157%	140%	113%	73%
<b>Others</b>					
Book value per share (BVPS)	1.75	1.60	1.42	1.32	1.20
Number of employees	9,270	8,854	9,015	9,106	8,968
Number of branches	450	460	458	466	458
Number of ATMs	2,292	2,365	2,379	2,357	2,398

Note: \* Restated

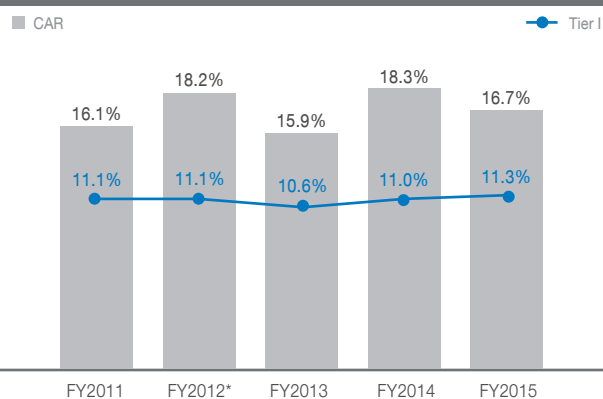
<sup>1</sup> Excluded extra ordinary items

<sup>2</sup> Excluded B/E (Bill of Exchange)

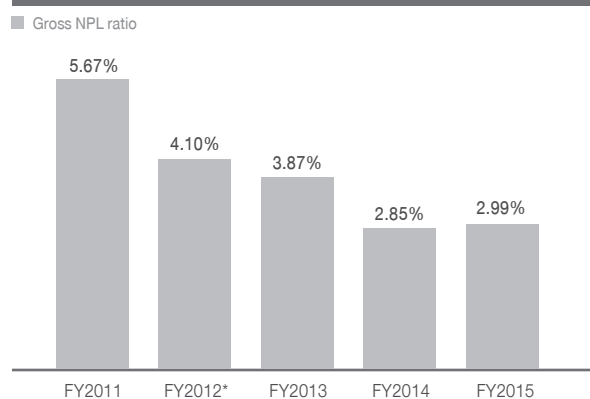
<sup>3</sup> Excluded NCD and FCD

<sup>4</sup> Since 2013, the calculation based on Basel III

Capital adequacy ratio (CAR) and Tier I



Non-performing loan ratio (NPL ratio)





# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

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During 2015, there were turbulences affecting the local and global economy. Nevertheless, Thailand's economy has recovered considerably, though remaining fragile, when GDP growth in 2015 was reported to be at 2.8%. This recovery was mainly driven by government stimulus packages, growing tourism, and policies to accelerate private consumption. At the same time, there were also a number of key economic factors that were less favorable to economic activities such as high household debts, a slowdown in the Chinese economy, and uncertain oil and commodities prices.

TMB's solid foundations built over the past years have yielded results, helping us to maintain resilience in 2015. This was reflected by an ROE of 12.9%, with our coverage ratio remaining strong at 142%.

Apart from giving sustainable returns to equity holders, TMB has constantly committed to placing importance on improving the community we live in. The Bank has not only actively engaged, but created social activities for positive change, by way of empowering people to enhance their quality of life and their own communities through TMB's "FAI-FAH" projects. Corporate Governance (CG) has also been a major priority at TMB. The Bank's pledge in promoting corporate governance across all levels has been evidenced by the highest score of "Excellence" in corporate governance for seven consecutive years in 2015, ranked by the Thai Institute of Directors Association (Thai IOD), supported by the Securities and Exchange Commission and the Stock Exchange of Thailand. In 2015, TMB also received the outstanding "Board of the Year", awarded by Thai IOD in corporation with six leading private organizations. The award honors Boards of Directors who perform their duties with high integrity and effectiveness, necessary components integral to good corporate governance.

The Board of Directors would like to express our gratitude to shareholders, customers, employees and society at both the local and international levels for supporting the Bank, helping to drive TMB towards sustainable growth and success. TMB is confident that the dedication of employees and management who work hard to "Make **THE** Difference" will continue to create excellent financial products and services that genuinely benefit to our customers, as well as improve our society and deliver sustainable returns to shareholders.



**Mr Rungson Sriworasat**  
Chairman of the Board





# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

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Underpinned by our philosophy to “Make **THE** Difference”, and our efforts to deliver this difference by incessantly improving products and services for our customers, TMB continues to garner strength as one of the industry’s most reputable banks.

We are proud of the progress and accomplishments that the Bank has made. TMB will continue to “Make **THE** Difference” by creating ripples in the banking industry that will positively affect our stakeholders and better their lives.

## A Resilient Performance

2015 was another challenging year, despite the Thai economy being deemed as having recovered from the previous year. Nevertheless, the foundations laid during TMB’s transformative period allowed the Bank to be able to further improve our operating performance. Pre-provision operating profit (PPOP) was reported to have increased by 20%, from THB14,155 million in 2014 to THB16,937 million in 2015.

TMB achieved a 13% deposit growth in 2015. Such growth was driven by a 30% increase in our flagship retail deposit accounts, led by our ‘No Fixed’ and ‘ME’ products, with ‘ME’ also being the first on-line deposit account available in Thailand. The Bank’s transactional deposits significantly expanded by 10% from both commercial and retail customers, on track with our target to build ‘Transactional Bank Excellence’. For loans, TMB reported a 10% growth in 2015, which came from all customer segments.

The increase in transactional deposits allowed TMB to manage deposit costs more effectively, resulting in a slight improvement in net interest margins (NIM) to 3% in 2015, along with an 8% growth in net interest income (NII). Non-interest income also showed a significant improvement of 22%. This was attributed primarily to fees income of mutual fund sales under the open-architecture platform, along with bancassurance products that were further developed to answer the varied financial needs of different customer segments.

The Bank’s expenses increased by 4%, one-third of a 12% increase in total revenue, thanks to our efficiency enhancement. The cost to income ratio, thus, improved to 49% from 53%, and resulted in a 20% increase in PPOP.

TMB has continued to monitor asset quality closely. Amid global and domestic economic turbulence being a cause for increased risks in the system, TMB’s consolidated NPL ratio slightly increased from 2.85% in 2014 to 2.99% in 2015. The Bank continued our conservative provisioning policy, increasing provisions to THB5,479 million. At the end of 2015, TMB’s coverage ratio remained one of the strongest in Thai banks, at 142%. Net profit after provisions declined slightly by 2% to THB9,333 million.

All of these results were achieved together with the Bank’s solid capital being at 16.7% for the CAR ratio, whilst the Core Tier 1 capital was at 11.3% as of December 2015.

## Products & Services that “Make **THE** Difference”

At the Bank, we have no hesitation in challenging the status quo found in the banking industry to make life better for our customers. We Make **THE** Difference to the Thai banking sector by continually creating and improving products and services customers did not know they needed, until we created them. In 2015, having embarked on our Transactional Bank Excellence pathway, TMB launched “All Free”, a simplified version of TMB’s transactional deposit accounts with a key point of difference being that of free transactions without a minimum balance required in the account. A 92% increase in newly acquired transactional accounts from retail customers was evidence of All Free’s success.

TMB also further improved “TMB Touch”, our mobile banking application that syncs with our online banking platform, to further support fingerprint access. The mobile banking application was well received, with over 200,000 new users in one year.

TMB was the first Thai bank to apply an open-architecture platform for various mutual funds, available to customers since 2014. This platform demonstrates our commitment in putting customers’ needs as our priority. In 2015, TMB added carefully-selected mutual fund products on-shelf that increased choices for customers in challenging market conditions. Customers’ favourable responses resulted in a 46% increase in mutual fund agent fees to the Bank.

In 2015 TMB also became one of the first banks to offer E-guarantee to support both corporate and SME customers in the commercial sector. We also continued to be a leader in superior supply-chain platforms, being awarded “The Best Financial Supply Chain Management in Thailand 2015”, by The Asian Banker magazine.

As the world continues to move online, TMB’s focus is now on creating an optimized digital platform with a human touch to provide customers with added value and enable them to maximize their lives.

## People who Make **THE** Difference

Understanding and focusing on customer needs are one of the core competencies expected of TMB staff. To ensure TMB employees truly understand the protocol behind our “Branded Customer Experience”, the Bank continued to run training days such as “First Hand Day”. “First Hand Day” involves Team Heads and other management figures across all functions coming into contact with actual customers across various touch points. Through this experience, internal working processes were analyzed and improved upon, for the benefit of our customers.

TMB continues to empower staff to Make **THE** Difference through focused education and training. A training roadmap was implemented, together with job rotation rosters, to build employees’ competency and exposure to varied processes and touchpoints found in the Bank. The customization of training content and topics was made to increase relevance to staff and management at varied proficiency levels. TMB staff skills were honed to Make **THE** Difference to our customers and deliver the best solutions for their financial needs, in the bigger picture, their lives.

## Change to Better Lives

TMB believes inspiration and empowerment can positively change an individual, with this change creating a positive ripple effect in society. With the aim to create a “catalyst of changes”, TMB created the first FAI-FAH center in 2010 as an art-inspired learning center that offered skill-enhancing activities such as arts, sports, and music, to youth from disadvantaged communities. Through this platform, FAI-FAH youth are encouraged to use the skills learned at the centers to give back to their communities. In 2015, TMB continues to roll out the program, including the induction of a new FAI-FAH center at Bangkok Noi. With four centers in Bangkok, FAI-FAH saw more than 170,000 youth come through the centers, inspiring them with new-found skills and creativity and hopefully prompting them to give back to society.

TMB also actively engaged and encouraged our employees to volunteer in the FAI-FAH programs. The volunteers visited communities around their branches nationwide, attempting to understand the needs of the people in these communities, then facilitated projects that served those needs while improving communities in a sustainable manner. With more than 2,000 TMB volunteers, 18 projects, and over THB2 million in fund raising internally, TMB volunteer programs have created ripples in communities across the nation.

Because of our determination in making the difference to communities, TMB won three international CSR practice awards in 2015 including: The Best Community Development Award, The Best CSR Practice in Banking & Finance from the 5<sup>th</sup> Asia Best CSR Practices Award, and the Top Community Care Companies in Asia from Asia Corporate Excellence & Sustainability Award in Singapore. The awards received are a reflection of the tangible results seen in how our Make **THE** Difference philosophy has created a positive impact on Thai society.

## Create and Lead the Change

We are committed to making the difference to our customers and to Thai society – the difference that improves our quality of life and inspires people to change for the better. TMB developed [www.makeTHEdifference.org](http://www.makeTHEdifference.org) as a platform to support people to set their goals for positive change and inspire them to make it happen. The website has become a center for thousands of people to share their goals and success stories. The platform was later extended to target the student demographic nationwide, teaching them how to set simple goals to create value in their lives and in society. We believe Make **THE** Difference will not only benefit individuals, but also create value to the social systems governing our lives.

2015 has now passed, and with it, our pride is cemented, in being able to achieve another great year at TMB. The positive effects have benefited everyone around us, creating true value to all stakeholders, and society. I would like to thank our shareholders, customers and all employees for their support in being an integral part of the Bank’s exceptional achievements.



**Mr Boontuck Wungcharoen**  
Chief Executive Officer



The background of the entire page is a dark blue gradient. Overlaid on this gradient are several concentric circles of a slightly lighter blue shade. These circles are centered towards the right side of the image, creating a ripple effect that expands outwards. The circles are thin and subtle, blending into the background.

# **THE RIPPLE EFFECT**

# THE RIPPLE EFFECT, CREATING CHANGE FROM THE INSIDE OUT

2015 marks the 7<sup>th</sup> anniversary of TMB Bank's commitment to Make **THE** Difference. This philosophy has inspired the Bank to always strive to change by improving, so that we can constantly add value to all of our stakeholders. Our "Make **THE** Difference" philosophy has not just been limited to the operations of the Bank or internal adjustments. TMB put into action the philosophy in all aspects of the organization, resulting in the creation of completely innovative financial products and services in the banking industry, including changes unique to TMB and experiences centric to the Bank. Most importantly, Make **THE** Difference also made a difference to society, by creating a ripple effect that positively impacted the communities throughout the country for the better as well.

The combined efforts of everyone at TMB helped to change old ways of thought and action to a collective conscience which help to Make **THE** Difference to the world around us. We are led by the belief that with every breath we take and everything we do, each and everyone of us can change our lives for the better. It is this positive change that then inspires and ripples outwards, from individual feats to purposeful actions for the collective good, therefore creating positive and sustainable change in society.









# THE POWER OF POSITIVE CHANGE

## Rippling out to society through **TMB**

TMB continues to create a ripple effect, changing and becoming better, so that all stakeholders can have better lives. We do this by instilling a deep understanding and implementation of the “Make **THE** Difference” philosophy in all our actions and communications. This consistency and repetition of “Make **THE** Difference” was once again seen in 2015’s brand commercial “Not knowing you needed a better way to bank until we created it for you”.



มันเป็นหน้าที่ของ TMB ที่ต้อง  
เปลี่ยนและให้  
ในสิ่งที่เรารู้ว่าคุณต้องการ

เปลี่ยน เพื่อให้อะไรดีขึ้น... Make **THE** Difference **TMB**

TMB 1558 tmbbank.com facebook.com/tmb



Building on the momentum of communications that had cemented this idea in past years, the 2015 commercial once again communicated our brand philosophy, to show our commitment in continuing to Make **THE** Difference in the years to come. At the same time, the commercial aimed to create a ripple effect by inspiring individuals in Thai society to think, initiate, and create meaningful actions to change their lives and the lives of those around them for the better, through the idea that “If you want something that has never existed, then start to do something that has never been done”.

### [www.makeTHEdifference.org](http://www.makeTHEdifference.org)

Based on the ideas communicated, TMB not only succeeded in making a difference, but also helped to turn archaic bank processes and consumers’ expectations of banks by bringing about banking reforms. The power of this “change” created a ripple effect of inspiration in various societies, neighborhoods, customers and shareholders, via projects and campaigns, shared on TMB’s social media platform, [www.makeTHEdifference.org](http://www.makeTHEdifference.org). This website is a goal setting and planning platform to help inspire change in individuals’ lives in the hope to better their lives. TMB initiated and set up this social platform to encourage Thai people to learn to set clear and simple goals on the website and stick to them by sharing their goals and achievements along the way. We encouraged users to change their lives for the better, and offered support in the way of coaching and inspiration in the personal, financial, health and career realms. Today, the website has become the leading platform for goal setting, with people sharing their stories and motivating each other, and up to a hundred thousand members aiming to change their lives through goal-setting.

### Leading students to set and achieve goals

An extension of [www.makeTHEdifference.org](http://www.makeTHEdifference.org), TMB created an on-field project that taught thousands of students, both in Bangkok and upcountry, the power of goal-setting. The project encouraged students to set easy goals, which would in turn make change in their lives and increase the quality of their lives, while positively impacting their self-worth and creating value in their surrounding environment. TMB sponsored and initiated activities for students at Baan Sun Lom Joy in Chiangmai, working towards a collective goal to “grow and change the jungle” and turn it into an environmentally-friendly tourist destination. For this project, TMB and the students developed a trekking route, nurturing the landscape by helping it to flourish, and training students to be tour guides. In this way, TMB also created additional income streams by generating sustainable revenue for the local community while helping them to preserve the jungle. This project was completed in 2015.

### Less fat for more food to help poor children feel full

The “Less fat for more food to help poor children feel full” online initiative by TMB is a successful example of a ripple effect spearheaded by TMB that actively changed society with tangible results. With this project, participants set health goals with TMB-sponsored guidance and support, the end goal being to lose fat. For every kilo lost, TMB would donate money for food to poor children via the TMB Foundation, who currently collaborate with World Vision in supplying food and nutrition for children in need. The aim for this project in particular was to donate meals for the children and successfully delivered 21,350 meals.

### TMB People Power

The power of being able to Make **THE** Difference found in TMB employees, through every breath we take and everything we do, is deeply instilled in each employee. This motivation has made our employees into those with ‘giver’ mindsets, ready to make change and create inspiration, helping various communities to solve their problems, through “FAI-FAH” projects from 4 projects in 2014, increased to 18 projects in 2015, and will continue project expansion in the years to come.





# FAI – FAH BY TMB

Sparking positive change via **THE RIPPLE EFFECT**  
in youth and communities



TMB cemented the power of sustainable “**change**” via the **FAI-FAH**, the bank’s core CSR program. In 2015, our determination to improve the lives of youth and the communities was seen in the implementation of “**FAI-FAH IN A BOX**”, occurring outside of **FAI-FAH** centers throughout Thailand. TMB employees worked as volunteers near communities surrounding TMB branches, to give back to these communities and improve the lives in them. Volunteers got involved in the improvement of the communities by actively brainstorming, planning, problem-solving, parlaying knowledge and collectively committing to working together with each community for three months. The project also raised funds of up to 2 million baht to support all 18 **FAI-FAH** projects throughout communities nationwide. More than 2,000 TMB employees participated in this undertaking, accounting for up to one out of four of all TMB employees.

TMB also expanded its reach into the communities, with the opening of a new center of art and life skills in the Bangkok Noi District in October. This now takes the number of centers up to four. The centers are permanent institutions for youth aged 12-19 to visit as a space to learn and create, instilling in them lifelong skills that will empower them, help them to give back to the community, and make them better equipped to be good citizens of the nation and the communities they live in.

With our strong commitment to Make **THE** Difference and give back to Thai society, we were recognized with three prestigious regional awards in 2015. These included the Best Community Development Award, the Best CSR Practice in Banking & Finance Award from The 5<sup>th</sup> Asia Best CSR Practices Award. We were also recognized for being a Top Community Care Company at the Asia Corporate Excellence & Sustainability Awards. We are proud of the recognition we received for our unwavering belief in our philosophy and our perseverance in creating change.

**FAI-FAH**, our core CSR program, together with TMB volunteers, are one of the great tangible examples of our determination to Make **THE** Difference. We will continue to create good for the betterment of society and the world around us.

# DELIVERING PRODUCTS AND SERVICES THAT MAKE **THE** DIFFERENCE

At TMB, we are always asking ourselves, how can we make things better? We strive to innovate, by looking at what is accepted as the norm in banking, and changing those norms to make them better, while creating products that customers didn't realize they needed or could have, from financial institutions, until we created them. We push forward towards banking evolution, pioneering change and offering new services with greater value and convenience, for a life that is made better through banking.

## TMB All Free

### One account for all financial transactions

Simple and convenient, with no transaction fees, unlimited money withdrawals, and the ability to check account balances at any ATM nationwide, free of charge. Free unlimited money transfers between TMB accounts, along with five free bill payments and interbank transfers per month.

## TMB Open Architecture

### The Center for all the best, most renowned funds, all in one place – for all customers.

The first Thai bank to offer a selection of the best-in-class funds from five leading fund houses in one place – Aberdeen, CIMB Principal, Manulife, TMBAM and UOBAM – enabling customers to feel ease and have confidence in their investments. TMB has more than 450 branches offering this service nationwide.

## TMB Touch Mobile Application

Our digital banking service giving customers convenience through instant access to their financial transactions anytime, from anywhere. The application comes with simple and convenient features such as fingerprint access for smartphones, along with the ability to “self-create” additional savings accounts.

## Life Saver 15/9

### The easier way to have life insurance

“Easy insurance anyone can have” is the main proposition for Life Saver 15/9. The product encourages adults to trade off small unnecessary expenses to save money with TMB and get life insurance coverage.

## TMB SME 3 times Plus (Credit Program)

### Sufficient funding to enhance SME business cash flow

- The program gives customers a credit limit of up to 3 times the value of mortgage securities (to the value of the borrower's home, or place of SME business).
- Based on customer's revenue, we give extra working capital up to 50% of normal criteria to help them with funding future business liquidity needs.
- An additional term loan of 3 years to help customers fund core working capital needs like inventory acquisition.

## TMB One Bank

### TMB One Bank Account allows businesses to efficiently operate their cash management needs with TMB

- When customers buy one cheque book, they get another one for free.
- Customers can eliminate cross-zone (inter-region) fees when transferring funds from their accounts to another TMB account nation-wide.
- Real time payments to other banks via ORFT.
- Additionally, customers receive up to 30 free inter-bank transfers per month.
- One Bank Account gives customers the opportunity to deposit cheque of other banks outside of their own geographic area for free without upcountry cheque clearing fee.



# CONTINUED FINANCIAL SUCCESSSES

During the past seven years, TMB has been committed to improving financial strength in every aspect of our operations, from core operating performance, efficiency, and asset quality, to potential loss-absorbing abilities. Consistent improvements in fields such as these have led to continued financial success and target achievements in 2015, amidst a challenging economic landscape.

## Core operating performance

Pre-provision operating profit (PPOP) grew 20% from THB14,155 million in 2014 to THB16,937 million in 2015.

## Efficiency

Operating expenses increased by only 4%, one-third of the 12% increase in total revenue. Cost to income ratios, as a result, improved by being reduced from 53% to 49%.



## Potential loss-absorbing ability

TMB has been conservative in provisioning. Hence, coverage ratio remained strong at 142%, amongst the highest in Thai banks.

## Asset quality

Amidst challenges from economic factors which led to system higher risks, TMB's consolidated NPL ratio increased slightly from 2.85% to 2.99% and stayed within the Bank's expectations.

# BOARD OF DIRECTORS



1. MR RUNGSON SRIWORASAT  
• Chairman of the board

2. GENERAL TEERACHAI NAKWANICH  
• Director

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

4. MR SINGHA NIKORNPUN  
• Independent director  
• Chairman of the audit committee

5. MR SIRIPONG SOMBUTSIRI  
• Independent director  
• Chairman of the nomination, remuneration and corporate governance committee  
• Member of the risk management committee

6. MR JOHANNES FRANCISCUS GRISEL  
• Director  
• Chairman 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 YOKPORN TANTISAWETRAT  
 • Director  
 • Member of the board of executive directors  
 • Member of the credit committee  
 • Member of the risk management committee

9. MR VAUGHN NIGEL RICHTOR  
 • Director  
 • Member of the board of executive directors

10. MR CHRISTOPHER JOHN KING  
 • Independent director  
 • Member of the audit committee  
 • Member of the nomination, remuneration and corporate governance committee

11. MR PRAISUN WONGSMITH  
 • Independent Director  
 • Member of the audit committee

12. 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

60 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

Nov 2015 - Present  
Independent Director, Berli Jucker Plc.

### POSITIONS IN NON-LISTED COMPANIES

Oct 2015 - Present

- Advisor to the Prime Minister, The Prime Minister's Office
- Member of the National Reform Steering Assembly

### WORK EXPERIENCE

- May 2015 - Sep 2015  
Third Vice Chairman, Thai Airways International Plc.
- Jul 2014 - Sep 2015  
Director and Chairman of Remuneration Committee, PTT Plc.
- Apr 2014 - Sep 2015  
Director and Chairman of Nomination and Remuneration Committee, Thai Airways International Plc.
- Oct 2013 - Sep 2015
- Permanent Secretary, Ministry of Finance
  - Chairman, Government Pension Fund
  - Chairman, Student Loan Fund
  - Chairman, Office of Insurance Commission (OIC)
  - Chairman of State Enterprises Directors List Preparation Committee, The Secretariat of the Cabinet
  - Member of the Committee on Public and Private Sectors Economic Problems
  - Member of the Board, Office of Securities and Exchange Commission (SEC)
  - Member of the Committee on the National Strategy for the Prevention and Suppression of Corruption in the State, Ministry of Justice
- Feb 2013 - Sep 2015  
Director, Judicial Officer Commission
- 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
- 2011 - 2012  
Director, Eastern Water Resources Development and Management Public Co., Ltd.
- 2010 - 2012
- Director-General, The Comptroller General Department, Ministry of Finance
  - Director, Judicial Administration Commission
  - Director, Government Pension Fund
  - Director, Malaysia - Thailand Joint Authority (MTJA)
  - Director and Secretary, Student Loans Fund



## GENERAL TEERACHAI NAKWANICH

59 years old

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### DIRECTOR

Date of Appointment  
Nov 2, 2015

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### EDUCATION AND TRAINING COURSE

- Bachelor of Science, Chulachomklao Royal Military Academy
- Diploma, RTA Command and General Staff College
- National Defence College

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### POSITIONS IN OTHER LISTED COMPANIES

- None -

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### POSITIONS IN NON-LISTED COMPANIES

Oct 2015 - Present

- Commander in Chief, Royal Thai Army
- Secretary, National Council for Peace and Order (NCPO)

Jul 2014 - Present

Member of the National Legislative Assembly

Mar 2014 - Present

Director and Chairman of Audit Committee,  
Metropolitan Electricity Authority

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### WORK EXPERIENCE

Oct 2014 - Sep 2015

Assistant Commander in Chief, Royal Thai Army

Oct 2013 - Sep 2014

Commanding General 1<sup>st</sup>, Army Area, Royal Thai Army

Oct 2012 - Sep 2013

Deputy Chief of Staff, Royal Thai Army

Oct 2011 - Sep 2012

Assistant Chief of Staff, Royal Thai Army

Oct 2010 - Sep 2011

1<sup>st</sup> Corp Commander, 1<sup>st</sup> Army Corps



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

65 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)
- Board member, The Blue Circle (Singapore)
- Board member, Sport Sevens (Singapore)

Dec 2013 - Present

- Board member, Capstone Partners (Asia)

Apr 2013 - Present

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





## MR SINGHA NIKORNPUN

61 years old

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### INDEPENDENT DIRECTOR

#### CHAIRMAN OF THE AUDIT COMMITTEE

Date of Appointment  
January 10, 2014

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### 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
- Risk Management Committee Program, 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

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### POSITIONS IN OTHER LISTED COMPANIES

2013 - Present

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

Nov 2012 - Present

Independent Director and Member of Audit Committee, Tirathai Plc.

### POSITIONS IN NON-LISTED COMPANIES

May 2015 - Present

Independent Director and Chairman of the Audit Committee, Floyd Co., Ltd.

Apr 2014 - Present

Independent Director, Chairman of the Audit Committee, and Vice Chairman, The Thai Bond Market Association (ThaiBMA)

Feb 2013 - Present

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

2006 - Present

Senior Advisor, Association of Provident Fund

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### WORK EXPERIENCE

2008 - 2012

President, Deposit Protection Agency

2005 - 2011

Independent Director and Chairman of the Audit Committee, Thai Bond Market Association (ThaiBMA)



## MR SIRIPONG SOMBUTSIRI

61 years old

### INDEPENDENT DIRECTOR

CHAIRMAN OF THE NOMINATION,  
REMUNERATION AND CORPORATE  
GOVERNANCE COMMITTEE

MEMBER OF THE RISK MANAGEMENT  
COMMITTEE

Date of Appointment  
April 10, 2015

### EDUCATION AND TRAINING COURSE

- MBA, Sul Ross University, USA
- BA in Accountancy, Chulalongkorn University
- Ethical Leadership Program and Director Accreditation Program, Thai Institute of Directors Association

### POSITIONS IN OTHER LISTED COMPANIES

- 2014 - Present  
Chairman of the Board, Independent Director,  
and Chairman of the Audit Committee, ComSeven Pcl.
- 2013 - Present  
Independent Director and Chairman of the Audit Committee,  
Pan Asia Footwear Pcl.
- 2009 - Present  
Executive Director, AP (Thailand) Pcl.
- 2004 - Present  
Independent Director and Member of the Audit Committee,  
Bangkok Chain Hospital Pcl.
- 2002 - Present  
Director, AP (Thailand) Pcl.

### POSITIONS IN NON-LISTED COMPANIES

- Jul 2015 - Present  
Director, AP ME 3 Co., Ltd.
- Apr 2015 - Present  
Director, AP ME 2 Co., Ltd.
- 2014 - Present
- Director, AP (Ratchayothin) Co., Ltd.
  - Director, Asian Property (2014) Co., Ltd.
  - Director, AP (Ekkamai) Co., Ltd.
- 2013 - Present
- Director, Thai Big Belly Co., Ltd.
  - Director, Asian Property (2013) Co., Ltd.
- 2012 - Present  
Director, Asian Property (2012) Co., Ltd.
- 2011 - Present
- Director, Asian Property (2011) Co., Ltd.
  - Director, Infinite Technology Corporation Co., Ltd.
- 2009 - Present
- Director, SQE Construction Co., Ltd.
  - Director, The Value Property Development Co., Ltd.
  - Director, Asian Property (Krungthep) Co., Ltd.
  - Director, Thonglor Residence Co., Ltd.
  - Director, Signature Advisory Partners Co., Ltd.

### WORK EXPERIENCE

- Mar 2015 - Jun 2015  
Director, AP ME 1 Co., Ltd.
- 2015 - May 2015  
Director, Asian Property (2015) Co., Ltd.
- 2014 - May 2015  
Director, AP (Phetchaburi) Co., Ltd.





## MR JOHANNES FRANCISCUS GRISEL

57 years old

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### DIRECTOR

CHAIRMAN OF THE RISK MANAGEMENT  
COMMITTEE

MEMBER OF THE CREDIT COMMITTEE

Date of Appointment  
September 1, 2015

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### EDUCATION AND TRAINING COURSE

- Master in Business Administration, Nyenrode Business University
- Bachelor in Business Administration, Nyenrode,  
The Netherlands School of Business
- Senior Banker's Course, ING
- Mobilizing People, IMD

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### POSITIONS IN OTHER LISTED COMPANIES

- None -

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### POSITIONS IN NON-LISTED COMPANIES

Dec 2011 - Present  
Global Head Non Financial Risk, ING Bank N.V.

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### WORK EXPERIENCE

Nov 2010 - Dec 2011  
Country Manager, ING Bank Russia

Aug 2007 - Nov 2010  
Country Manager, ING Bank Ukraine

Apr 2005 - Jul 2007  
Head of General Lending, Asia & Country Manager,  
ING Bank N.V. (Singapore Branch)



## MR PONGPANU SVETARUNDRA

57 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

- 2011 - Present  
Director, Crown Seal Plc.
- 2009 - Present  
Director, Thaisri Insurance Plc.

### POSITIONS IN NON-LISTED COMPANIES

- Oct 2015 - Present
  - Permanent Secretary, Ministry of Tourism and Sport
  - Member of Tourism Authority of Thailand
- Nov 2015 - Present  
Member of Sport Authority of Thailand
- Apr 2015 - Present  
Chairman, Megachem (Thailand) Co., Ltd

### WORK EXPERIENCE

- Apr 2015 - Sep 2015  
Chairman, Erawan Hotel Plc.
- 2011 - Sep 2015  
Deputy Permanent Secretary, Ministry of Finance
- 2008 - Sep 2015  
Director, Mass Rapid Transit Authority of Thailand
- Dec 2013 - Apr 2015  
Director, Thai Airways International Plc.
- 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



## MR YOKPORN TANTISAWETRAT

60 years old

### DIRECTOR

MEMBER OF THE BOARD OF EXECUTIVE DIRECTORS

MEMBER OF THE CREDIT COMMITTEE

MEMBER OF THE RISK MANAGEMENT COMMITTEE

Date of Appointment  
June 1, 2015

### EDUCATION AND TRAINING COURSE

- Master's Degree in Economics, Thammasat University
- Bachelor's Degree in Economics, Chulalongkorn University
- National Defence College
- Advanced Management Program (AMP), Harvard Business School
- Advanced Bank Management Program, Wharton University
- Advanced Bank Management Program, Asian Institute of Management
- Risk Management Program for Corporate Leaders and Director Accreditation Program, Thai Institute of Directors Association

### POSITIONS IN OTHER LISTED COMPANIES

- None -

### POSITIONS IN NON-LISTED COMPANIES

Aug 2015 - Present

Independent Director and Chairman of the Audit Committee,  
Banpu Power Pcl.

### WORK EXPERIENCE

2011 - May 2015

Member of the Executive Committees, Siam Commercial Bank Pcl.

2008 - May 2015

Senior Executive Vice President, Chief Risk Officer,  
Risk Management Group, Siam Commercial Bank Pcl.

2014 - Feb 2015

Vice Chairman, Vina Siam Bank, Vietnam

Apr 2011 - Feb 2015

Director, SCB Securities Co., Ltd.

2011 - 2014

Director, VinaSiam Bank, Vietnam

2008 - 2011

- Chairman of the Board, SCB Securities Co., Ltd.
- Director, TRIS Corporation Co., Ltd.

2005 - 2011

Director, TRIS Rating Co., Ltd.



## MR VAUGHN NIGEL RICHTOR

60 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, UK
- Corporate Finance Program, 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 of Challengers & Growth Countries Management Team, ING Bank N.V.
- Member of Leadership Council, ING Bank N.V.

Aug 2012 - Present

- CEO and Member of the Board, ING Bank (Australia) Limited
- Member Council Australian Bankers' Association
- CEO Retail Banking Asia, ING Bank N.V.

Feb 2010 - Present

Member of the Board of Directors, Member of Risk Committee, Member of Audit Committee, and Member of Remuneration Committee, ING Bank (Australia) Limited

### WORK EXPERIENCE

2014 - Mar 2015

Member of Board IT Steering Committee, ING Vysya Bank Ltd. (India)

Jun 2009 - Mar 2015

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)

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

71 years old

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### INDEPENDENT DIRECTOR

#### MEMBER OF THE AUDIT COMMITTEE

#### MEMBER OF THE NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

Date of Appointment  
September 1, 2004

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### EDUCATION AND TRAINING COURSE

- Bachelor of Laws (LL.B) (Honors), University of Bristol, UK
- Postgraduate Practical Certificate in Law, University of Singapore
- Solicitor of the Supreme Court, Hong Kong
- Attorney and Counselor at Law of the Supreme Court, The United States District Court for Northern California
- Attorney and Counselor at Law of the Supreme Court, California
- Solicitor of the Supreme Court, England and Wales
- Director Certification Program, Thai Institute of Directors Association

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### 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

2013 - Present  
Chairman of the Audit Committee, Kingfisher Holdings Ltd.

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.

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### WORK EXPERIENCE

Apr 2013 - Apr 2014  
Director, Big C Supercenter Plc.

1997 - 2004  
Partner, Linklaters LLP., London

1997 - 2003  
Managing Partner, Linklaters (Thailand) Ltd.



## MR PRAISUN WONGSMITH

56 years old

### INDEPENDENT DIRECTOR

#### MEMBER OF THE AUDIT COMMITTEE

Date of Appointment  
February 12, 2016

### EDUCATION AND TRAINING COURSE

- MS (Economics), Oklahoma State University, USA
- BS (Economics/Finance), Oklahoma State University, USA
- Advanced Security Management Program, National Defence College
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- The Leadership Grid Appreciation Workshop, Grid Teamwork Limited
- Role of Chairman Program, Director Certification Program, and Director Associate Program, Thai Institute of Directors Association

### POSITIONS IN OTHER LISTED COMPANIES

Jul 2015 - Present  
Chairman of the Board and Independent Director,  
Thantawan Industry Plc.

### POSITIONS IN NON-LISTED COMPANIES

Jan 2016 - Present  
Director, CAT Telecom Plc.

Aug 2015 - Present  
Advisor to the Minister, Ministry of Information and  
Communication Technology

Jan 2014 - Present  
Managing Director, SCMB Co., Ltd.

Apr 2012 - Present  
Chairman of the Executive Committee, SCMB Co., Ltd.

Jun 2012 - Present  
Director, P.W. Consultants Co., Ltd.

### WORK EXPERIENCE

May 2014 - Jun 2015  
Independent Director and Member of the Audit Committee,  
Thantawan Industry Plc.

Sep 2014 - Jan 2015  
Chairman of Sub-Committee on Monitoring and  
Administration on NPL, SME Bank

Nov 2014 - Dec 2014  
Member of Selection Committee for Service Providers on  
Non Collateral NPL, SME Bank

Jul 2011 - May 2014  
Honorary Advisor, Finance Committee to the Senate

Jun 2011 - Sep 2011  
Member of Liquidation Committee,  
Thai Asset Management Corporation (TAMC)

1994 - June 2011  
Managing Director, SCMB Co., Ltd.

2006 - 2008  
Independent Director and Chairman of the Audit Committee,  
KTB Securities Co., Ltd.

2005 - 2006

- Advisor to the Board of Director, National Housing Authority
- Advisor to the Board of Director, Port Authority of Thailand

2004 - 2006  
Member of the Audit Committee, Oishi Group Plc.

2003 - 2004  
Member of Sub-Committee, Legal Execution Department,  
Ministry of Justice

2001 - 2004  
Member of Sub-Committee on Investment, Social Security Fund,  
Ministry of Labor

2000 - 2004  
Director, Investment Banking Club, Association of Thai Securities  
Companies

1996 - 2000  
Director, ING Mutual Fund (Thailand) Co., Ltd.

1998 - 1999  
Director, Jalapathan Cement Plc. and Jalapathan Concrete Co., Ltd.

1985 - 1990  
Senior Executive Vice President, Investment Banking Group,  
Cathay Trust Co., Ltd.



## MR BOONTUCK WUNGCHAROEN

59 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

- Sep 2015 - Present  
Member of the International Trade Development Committee
- Feb 2015 - Present  
Member of the Innovative System Development of the Country Committee
- Jan 2015 - Present  
Member of the committee for Implementation of Government Key and Urgent Policies
- Aug 2014 - Present
  - Member of the Small and Medium Enterprises Promotion Board (Ad hoc)
  - Member of the National Committee on Competitive Advantage

Jul 2014 - Present

- Member of the National Legislative Assembly
- Member of the Board of Investment of Thailand (BOI)

Jun 2014 - Present

- Member of the Committee on Public and Private Sectors Economic Problems
- Member of Policy Committee on Special Economic Development Zone

May 2014 - Present

- Member of the Joint Standing Committee on Commerce, Industry and Banking
- Member of the Payment Systems Committee (PSC), The Bank of Thailand
- Chairman of the Thai Bankers' Association

### WORK EXPERIENCE

1999 - 2007

Executive Vice President, KASIKORNBANK PCL



# CHIEF OFFICERS



**MR BOONTUCK  
WUNGCHAROEN**

59 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 (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,  
KASIKORNBANK PCL.



**MR PITI  
TANTAKASEM**

45 years old

**CHIEF WHOLESALE  
BANKING OFFICER**

## EDUCATION

- Ph.D. in Strategic Management, a collaborative program between Bangkok University and University of Nebraska-at Lincoln, USA
- Master of Business Administration, Kenan-Flagler Business School, University of North Carolina at Chapel Hill, USA

## WORK EXPERIENCE

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



**MR TRIRONG  
BUTRAGAHT**

45 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,

## WORK EXPERIENCE

- 2015 - Present  
Chief SME Banking Officer,  
TMB Bank Plc.
- 2013 - 2014  
Senior Executive Vice  
President, Head of Business  
Banking Segment,  
TMB Bank Plc.
- 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,  
Bkk 2 Network,  
KASIKORNBANK PCL.



**MR RONALD  
BART  
HUISMAN**

42 years old

**CHIEF RETAIL BANKING  
OFFICER**

## EDUCATION

- Master degree in Law, Business Law and Civil Law, University of Leiden

## WORK EXPERIENCE

- 2015 - Present  
Chief Retail Banking Officer,  
TMB Bank Plc.
- 2010 - 2015  
CEO, ING Austria
- 2013 - 2014  
Programme Executive  
Cybercrime Resilience,  
ING Bank N.V., Amsterdam,  
The Netherlands
- 2006-2010, Director of  
Payments, ING Retail  
Netherlands





**MR LORENZO  
TASSAN-BASSUT**

49 years old

**CHIEF OPERATING  
OFFICER**

**EDUCATION**

- Master Degree, Computer Engineer, Saxion Hogeschool Enschede, The Netherlands
- Bachelor Degree, H.A.V.O Diploma, Grifland 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 THANOMSAK  
CHOTIKAPRAKAI**

53 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)



**MR FRANCISCUS  
GERARDUS  
ROKERS**

46 years old

**CHIEF RISK OFFICER**

MEMBER OF THE CREDIT  
COMMITTEE

MEMBER OF THE RISK  
MANAGEMENT COMMITTEE

**EDUCATION**

- Master degree in Business Economics (Financial Management & Organizational Sciences), University of Maastricht, The Netherlands

**WORK EXPERIENCE**

- 2015 - Present  
Chief Risk Officer, TMB Bank Plc.
- 2012 - 2015  
Head of Risk Management &  
Corporate Improvement,  
ING Group: Bank of Beijing,  
China
- 2011-2012  
Senior Executive Vice  
President, Head of Credit Risk  
Management, TMB Bank Plc.
- 2008-2011  
Senior Vice President, Deputy  
Head of Retail & SME Credit,  
Head of SME Credit,  
TMB Bank Plc.

# MANAGEMENT TEAM

As of December 31, 2015

## Direct Report to Chief Executive Officer

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

## Direct Report to Chief Wholesale Banking Officer

Mr Vikran Paovarojkit	Head of Multi - Corporate Banking
Mr Ekanat Kieatinapasin	Head of Multi - Corporate Banking Customer Relationship Management
Mr Alexander Nondh Langfeldt	Head of Multi - Corporate Banking Customer Relationship Management
Mr Weerachai Amornrat-Tana	Head of Military and Public Sector Relationship Management
Mr Saranya Phuphatana	Head of Capital Markets
Mr Pirapong Nithikraiwt	Head of Corporate Banking
Mrs Parnkae Nandavisai	Head of International Transaction Banking
Mr Rachakorn Chayapirad	Head of Domestic Transaction Banking
Mr Suttichai Tiranuchit	Head of Corporate Banking Customer Relationship Management
Miss Somkid Preechasammakul	Head of Commercial Credit and Supply Chain Product
Mrs Chantachuen Khaomali	Head of Corporate Banking Customer Relationship Management
Mrs Varanitch Ujjin	Head of Client Service and Commercial Channel

## Direct Report to Chief SME Banking Officer

Mr Numchoke Siamhan	Head of SME Segment
Miss Vipasiri Chantanumat	Head of Business Banking Customer Relationship Management
Miss Sukanya Treesanaejit	Head of Small SME Customer Relationship Management
Mr Thanawat Veerachayapornkul	Head of Medium SME Customer Relationship Management
Mr Vithaya Sintharapantorn	Head of Commercial Banking Marketing Management
Mr Jakrpant Jarutirasarn	Head of Business Banking Customer Relationship Management
Mr Samuel Cheung	Head of SME Product and Portfolio Management

## Direct Report to Chief Retail Banking Officer

Miss Chompoonoot Pathomporn	Head of Branch Banking
Mr Prompong Pattanateeradej	Head of Customer Segment Middle Income
Miss Mingkwan Pattanawong	Head of Retail Marketing
Mr Yuenyong Songsiridej	Head of Branch Operations Excellence
Mr Martijn Keulen	Head of Digital Strategy & Channels
Miss Waranee Wanrat	Head of Bank Channel Development
Miss Prasnee Surastian	Head of Customer Segment Wealth and Mass Affluent
Mrs Marie Ramlie	Head of Retail Products

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#### Direct Report to Chief Operating Officer

Miss Saipin Kittipornpimol	Head of Information Technology
Miss Ubolluck Luevoravinyu	Head of Enterprise Architecture Management and IT Strategy
Miss Utoomphorn Kunakorn	Head of Corporate Services
Mr Chalit Rojanavitsakul	Head of Operational Excellence
Mrs Rattana Arkachaisri	Head of Operations and Services
Mr Montree Thirasakthana	Head of Application Solutions

#### Direct Report to Chief Risk Officer

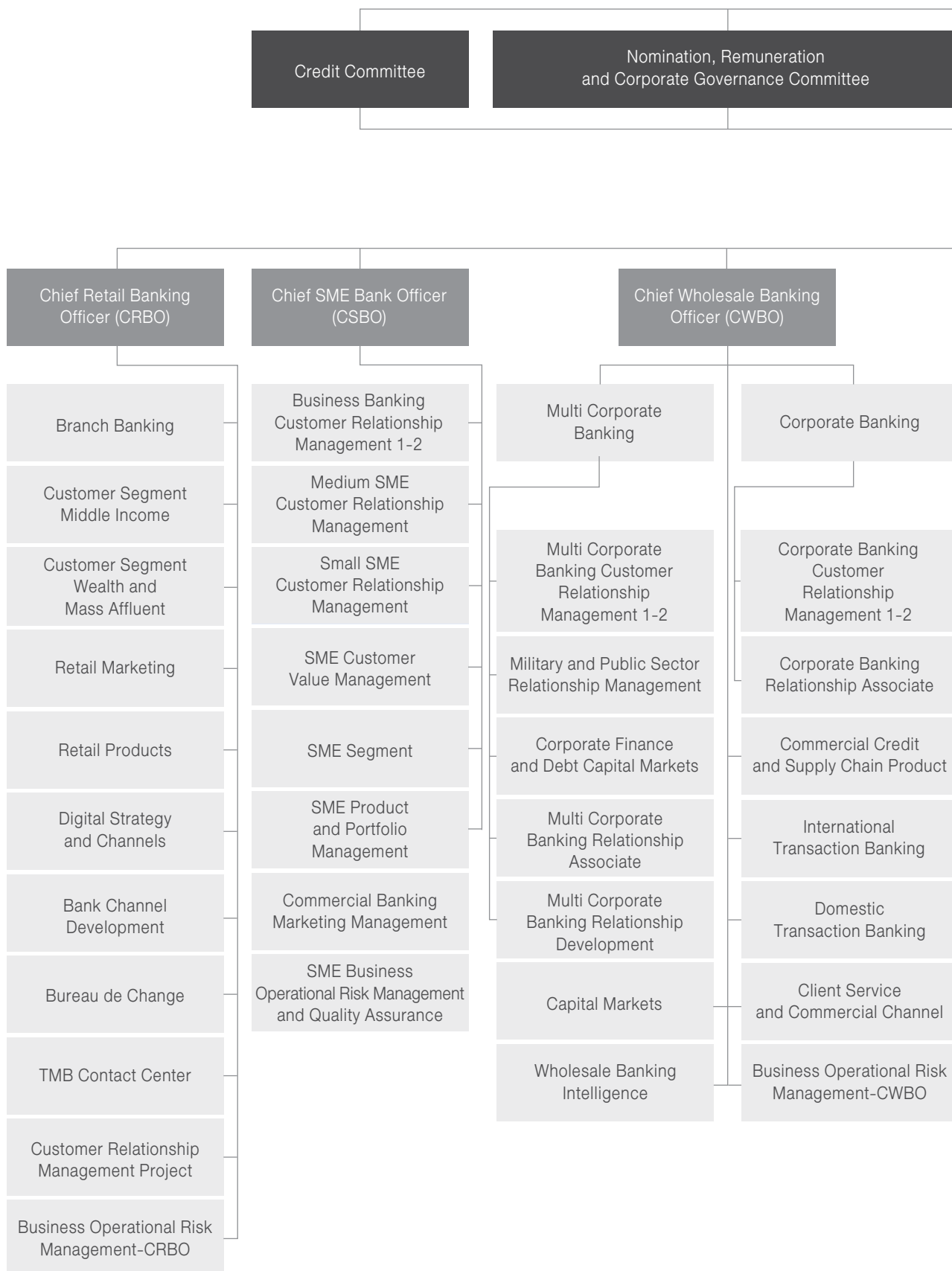
M.L. Ayuth Jayant	Head of Compliance
Mr Kraisit Tanpaitoonditi	Head of Business Banking and Small Enterprise Underwriting
Mr Somsak Woravijak	Head of Legal
Mr Woraboon Chinwatanakit	Head of Market Risk Management
Mr Sunthorn Ruckpanich	Head of Corporate Credit Underwriting
Mr Martin Searle	Head of Consumer Credit
Miss Supreeya Pipatmanomai	Head of Credit Risk Management
Mr Rabil Pornpatkul	Head of Credit Policy Management
Mrs Chirdprapa Chaladsoontornvatee	Head of Credit Restructuring
Miss Anca Constantin	Head of Corporate Operational Risk Management
Mr Jan Dodion	Head of Credit Risk Intelligence

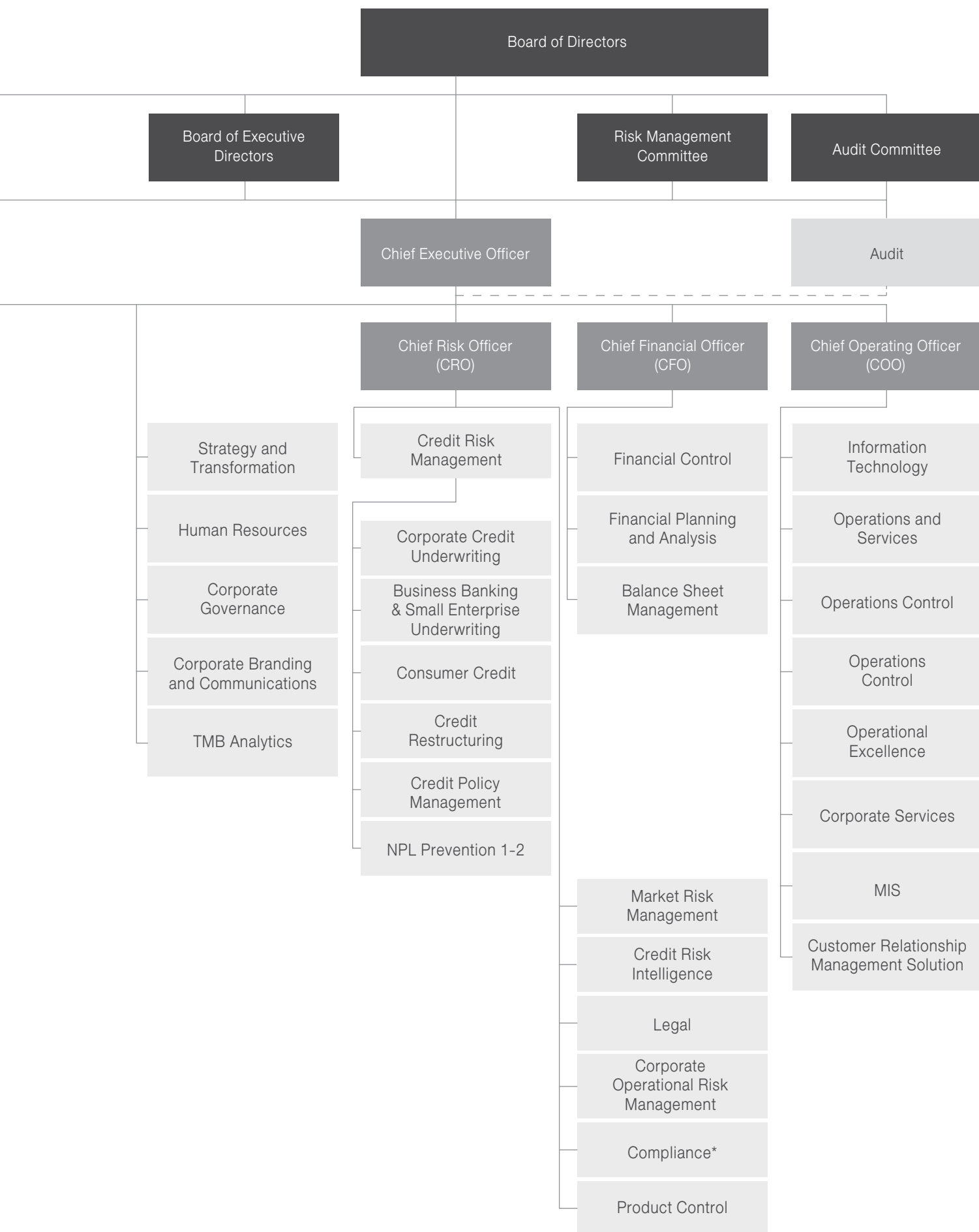
#### Direct Report to Chief Financial Officer

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

# ORGANIZATION CHART

As of December 31, 2015





\*Also directly report to Audit Committee.

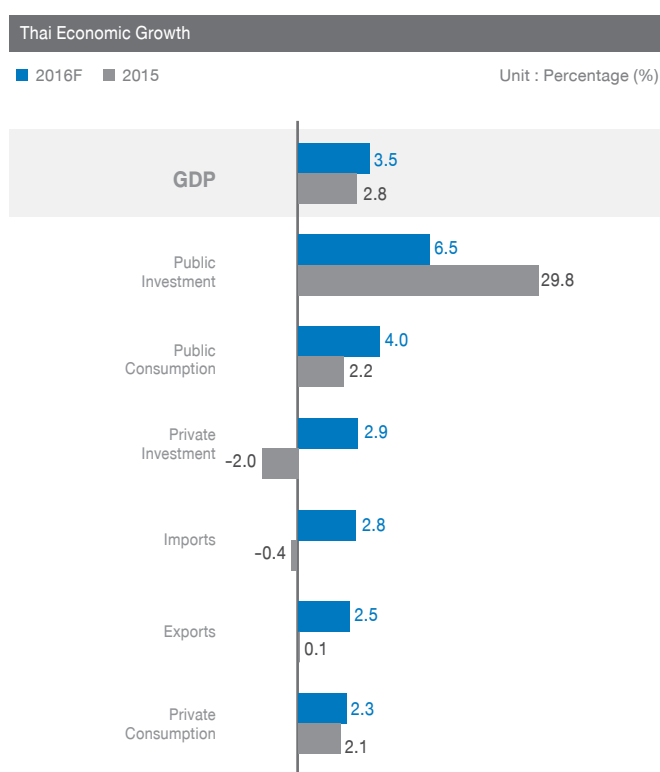
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# THAI ECONOMY AND BANKING INDUSTRY

## Thai Economy in 2015

Thai economy faced various internal and external challenges in 2015, impairing several of economic growth engines. During the first half of the year, domestic economic activities gradually recovered. Prolonged drop in revenue in agricultural sector and high household debt negatively affect household consumption. Private investment remained subdued, in accordance with fragile consumption and continuous shrinkage in exports. Hence, business sector delayed new investment until clearer sign of economic recovery is in sight. On the other hand, tourism industry expanded robustly since the end of 2014. In fact, tourism was the sole engine driving Thai economy. Unfortunately, it was not enough to accommodate much weaker exports and private investment.

In the second half of 2015, global economy decelerated further due to a slowdown in Chinese economy, exacerbating Thai exports. In addition, the expanding tourism was interrupted by terrorist incident in Bangkok on 17<sup>th</sup> August. After the event, number of tourist arrivals inevitably decelerated. Fortunately, the situation returned to normal rather rapidly in the last quarter from incoming Chinese tourists. Additional support to Thai economy came from short-term government stimulus programs, in effect since September, including measures supporting low-income group and accelerating small investment projects worth THB136 billion, SMEs support program, and real estate stimulus measures. These measures contributed to improving sentiment which, in turn, improved private consumption and investment. There were also a temporary acceleration in domestic car sales and production before excise tax on cars was increased in early 2016 and investment in tools and equipment for 4G telecommunication network. Lastly, the THB15,000 allowance of personal income tax deduction from shopping helped boosting the consumption during the end of last year. Thus, better domestic economic activities partly alleviated a sharp drop in exports. As a result, Thai economy could remain on positive growth path with 2.8% growth rate, compared to 0.8% in 2014.



Source: NESDB and TMB Analytics

## Economic Outlook for 2016

Given the momentum, Thai economy should continue to expand from short term government stimulus programs issued in 2015 as timeframes of many programs were extended. Moreover, investment environment should be constantly enhanced from accelerating public investment budget disbursement worth THB540 billion, or 20% of total budget. Additionally, there will be an acceleration in contracts signing for projects which were already approved by the government. The projects, as part of THB1.8 trillion infrastructure investment project, include mass transit system, double-track railways, and motorways which will inject around THB150 billion to the system this year. Relevant private investment projects are expected to follow. As a matter of fact, private investment will receive additional support from government's policies aiming to boost investment, i.e. providing more incentives through special economic zones, BOI's measures to accelerate investment in 2016-2017, and the Public Private Partnership (PPP) program. Besides, tourism continues to have positive momentum, led by Chinese and Asian tourists. Private consumption is expected to grow as sentiment improves and new government stimulus is highly likely. However, low agricultural prices and drought are key risk factors which might have material impact on farmers' income. Exports are projected to grow, albeit only slightly, as trading partners' economies recover, especially in the US. Nevertheless, risks from a slowdown in China and uncertainty in oil and commodity prices should be monitored closely. In summary, several of economic engines, with special emphasis on public investment, should gradually improve, despite exports sector remains the major drag to Thai economy. Thai economy is expected to grow 3.5% in 2016.



## Thai Commercial Banks in 2015

Thai commercial banks' performance grew at a slower pace due to decelerating loan growth for the third consecutive year. Credit continues to expand at a faster pace than funding, via deposits and borrowings, and caused L/DB ratio to increase from 87% to 91%. Likewise, L/D ratio was up from 93% to 98%. Thai banking system liquidity at the year-end stood at THB1.0 trillion, decreasing from THB1.1 trillion at the previous year-end. Total assets of domestically registered commercial banks rose 4.7% to THB15.5 trillion.

Commercial banks' total loans in 2015, equal to THB11.7 trillion, expanded by 4.3%, slower from last year. Main factor was the contraction of large corporate loans by 0.1%, especially from 1) loan repayment 2) change of corporate funding sources to debt instruments and capital market as a result of low interest rates, and 3) write-off of a group of large steel producers. Small and Medium Enterprises' (SME) loan still grew with a faster pace at 5.6% from construction material, hotel services and office rental business. This trend was consistent with the growth of real estate and tourism sector in 2015. Retail loans grew 7.1% decelerated from last year due to the slowdown of mortgage, personal loan, and credit card. Mortgage slightly slowed down from the decline of demand for housing estates during the first 3 quarters of the year. Nevertheless, the government stimulus packages in the real estate announced in the last quarter put the growth of mortgage back on track at 9.3%. MLR of the five largest commercial banks declined by 24 basis points from 6.75% on average at the end of 2014 to 6.51% on average at the end of 2015, in response to but less than the BOT's policy rate drop of 50 basis points from 2.00% to 1.50%. As a result, spread between MLR and 12-month time deposit rate widened to 511 basis points.

In 2015, commercial banks' deposits grew 2.8% from last year to THB12.1 trillion. Deposits growth was lower than loan growth, which was aligned in the context of accommodating monetary policy. The share of time deposits also reduced to 42% from 47% of total deposit. Five largest banks' average time deposit interest rates moved consistently with the policy rate, albeit at a smaller magnitude: savings rate, 3-month fixed rate and 12-month fixed rate dropped 36 basis points to 0.47%, 48 basis points to 1.25%, and 33 basis points to 1.40%, respectively.

Total NPLs (gross NPLs) of commercial banks as of December 2015 increased THB60.3 billion from the same period last year to be THB337.5 billion. NPL ratio increased by 40 basis points to 2.6% mainly driven by NPLs from a group of large steel producers. SME's NPL ratio still rose up to 3.5% from 3.1% in 2014, especially in metal recycling business as a result of the plunge of commodity prices. Retail's NPL ratio increased to 2.6%, propelled by credit card lending, impaired by the slowdown of private consumption and high household debt level.

The net profit of commercial banks registered in Thailand was equaled to THB180 billion in 2015, decreased by THB26 billion or 12% from last year according to the increased reserves for loan impairment by 71%. However, net interest income increased by 4% from the reduction of interest expenses by 5% from the decreased policy rate. Net non-interest income also rose up by 13% driven by Bancassurance, and fees from ATM, internet banking and credit card.

## Trend of Commercial Banks in 2016

The commercial banking industry is expected to exhibit a moderate but resilient performance in alignment with recovery in the public and private sector. It will gain a momentum from the public investment, i.e., THB1.8 trillion mega projects, in which its disbursement will commence this year. This will also be beneficial for certain industries, such as contractor, construction material industry, and their corresponding supply chains. Regardless, loan quality should be closely monitored, especially in commodity-based industries such as agricultural trader and metal producers. Mortgage loan will accelerate in the second quarter, which is the last period of the government stimulus in real estate. Personal loan and credit card's credit quality are likely to deteriorate due to the stagnant private consumption. Moreover, the plunge of agricultural prices still subdue farmer's income. The reduction of income and high household debt level could potentially decrease the household's debt serviceability and hence causes the rise of delinquency rate in retail lending.

Deposits are likely to continue its growing trend to support loan growth and the rising deposit competition owing to the reduction of the deposit coverage from THB25 million to THB1 million in August. However, the trend of low inflation due to the low oil price could maintain the accommodating policy rate. As a result, the faster growth of loan over deposit will lead to the tightening liquidity.

Regarding the trend of commercial banks in 2016, the outlook for the disruptive themes will be described as follows:

#### **1. Digital Banking**

Banks will invest significantly in digital infrastructure, particularly in technology and people since it does not only enhance simplicity to the customer's accessibility, but also increases speed and decreases the cost of operation relatively to other channels. Digital banking will create the revolution of the financial services by building up the customer experiences. Big data analytics will play a major role in analyzing and extracting the insightful customer behaviors along the customer journey. This could be considerably favorable for laying down the strategy and innovating financial products which can satisfy customer's demand. Additionally, banks could utilize such data to have a better risk management to prevent against the uncertainty and volatility in the economy. Moreover, banks also need strong IT securities. It is essential to protect against cyber risk, which is potentially harmful to the digital systems and lower user's confidence if the system are under siege.

#### **2. National e-Payment**

National e-payment is a national agenda to promote electronic payment across the board with a view to creating a cashless society. By working jointly with Government, Private sector and financial service, national e-payment is aimed to increase overall payment efficiency, creating a foundation of Thai banking system for local financial institutions to compete with others. This digital transformation will mark a major step of Thai's financial history, for example the government's Any ID scheme or Expansion of EDC project which Financial service is one of successful keys to drive those government's initiatives. Beyond the advantage of convenience and time, national e-payment will also spur financial access to unbanked people.

#### **3. Trade Finance**

Competition in trade finance will likely intensify as it is a growing source of banks' fee income. Focus will be on SME 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. The allows trade customers to transparently compare charges and services, leveling playing field for access to both domestic and ASEAN clients base.

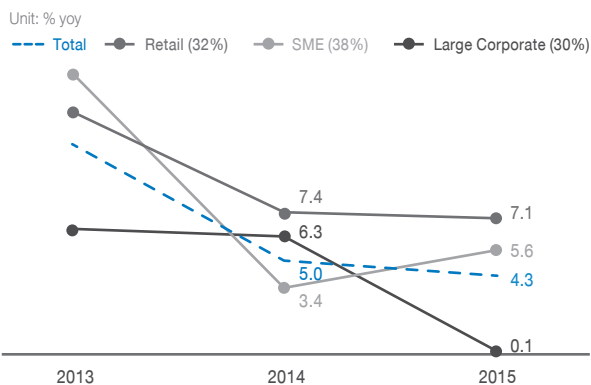
#### **4. Regional Partnership**

Alliance and partnership among ASEAN banks plus Chinese and Japanese counterparts will increase owing slower financial liberalization than trade and investment activities. The establishment of Qualified ASEAN Banks (QABs) with the target countries will increase the opportunities for Thai commercial banks to doing business around the region. On the other hands, regional commercial banks also gain opportunities to establish in Thailand. Such mutual benefit will facilitate transaction in either trading or investment for private demand.

#### **5. Regulatory Landscape**

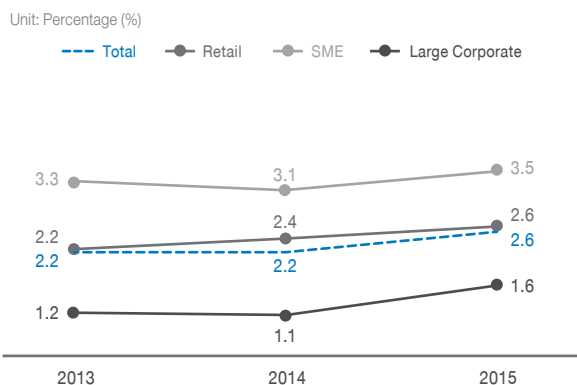
Significant law and regulatory changes both internationally and domestically that may have affected banking business during 2015 included international regulatory framework for banks (Basel III) or regulatory related to banking's business operations, for instance Fair debts collection act B.E. 2558 (2015) and Floating charge B.E. 2558 (2015). Floating charge B.E. 2558 (2015), published on October 31, 2014, to become effective July 2, 2016, is aimed at improving financial access to Small and Medium Enterprises (SMEs) by utilizing inventory, receivable, machinery etc. as collateral without giving debtor's assets to creditor, unlike pledge agreement or mortgage. This law is now widespread in reformed-regulatory countries. Moreover, Government planned to propose digital laws that support government's digital policy through the National legislative assembly.

### Banking Industry: Loan Growth



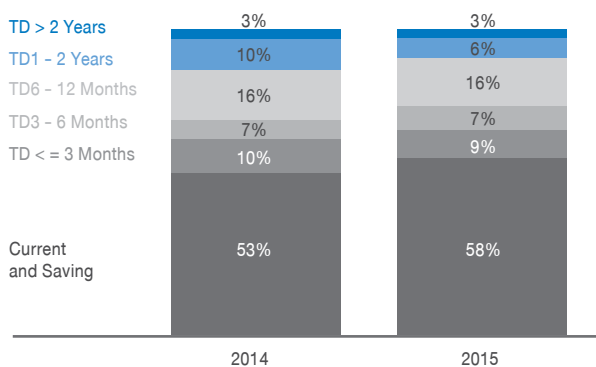
Source: Bank of Thailand

### Banking Industry: NPL Ratio



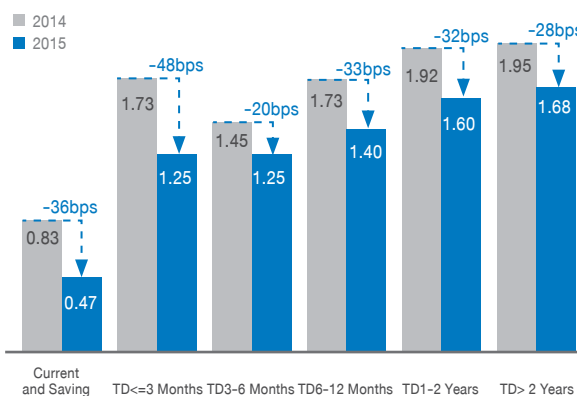
Source: Bank of Thailand

### Banking Industry: Composition of Deposits by Maturity



Source: Bank of Thailand

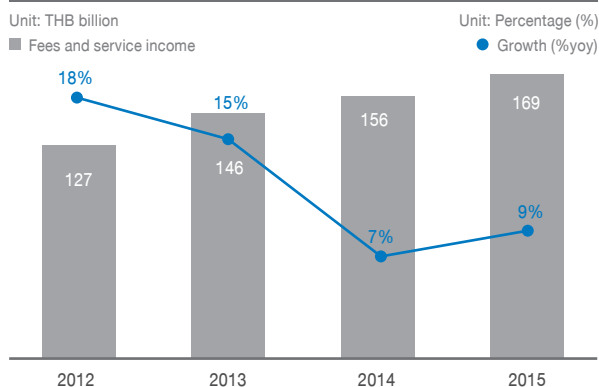
### Banking Industry: Average Deposit Rates by Maturity



\*Average from 5 largest commercial banks' rates

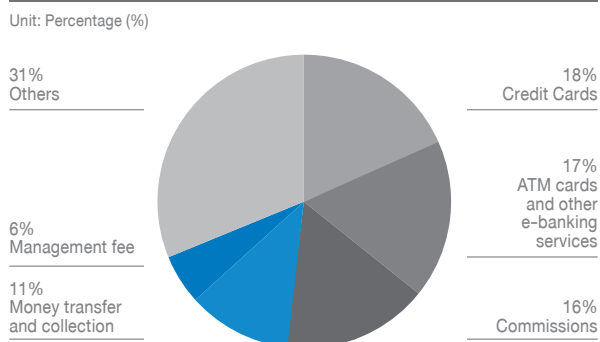
Source: CEIC

### Banking Industry: Fees and service income



Source: Bank of Thailand

### Banking Industry: Fees income structure



Source: Bank of Thailand

# STRATEGY AND BUSINESS

## Our Vision

Be the leading Thai bank  
with world-class financial solutions

- Main bank with sustained profitability
- Value long-term relationships
- 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 and innovative 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 customers 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.

Optimize Capital and  
Liquidity Utilization

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

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.

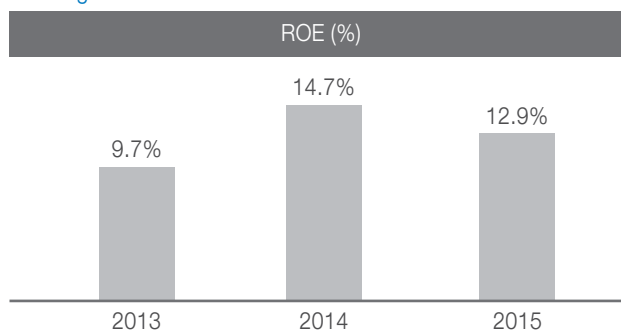
Ensure Cost Efficiency

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

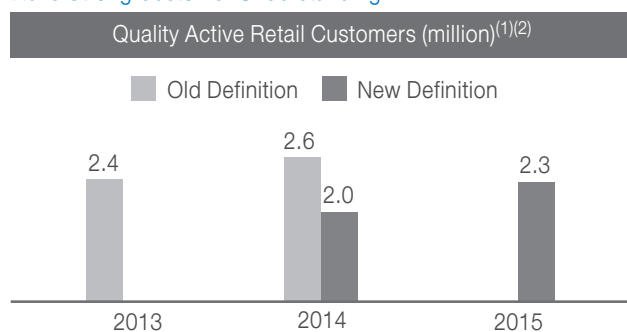
Efficiency will be driven forwards in every part of the organization through Lean Organization and Lean Six Sigma initiatives to support the strong growth of sales and servicing transactions.

## Key Performance Indicators

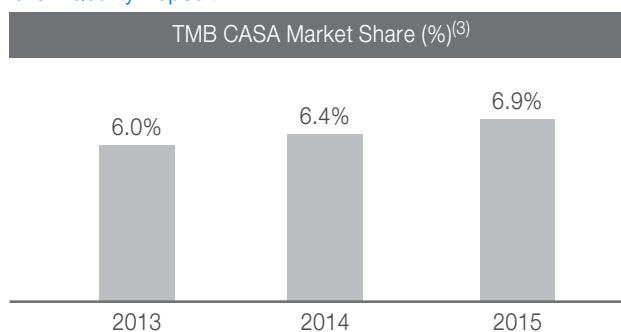
### Leading Thai Bank with World-class Financial Solutions



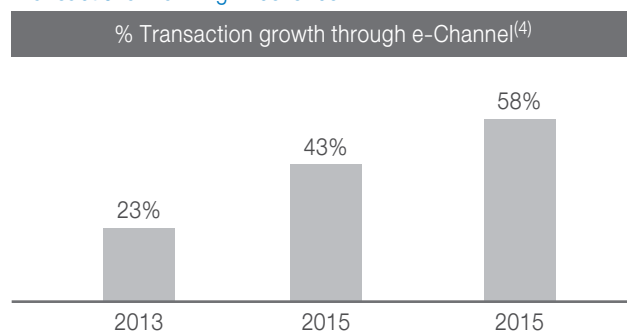
### Have Strong Customer Understanding



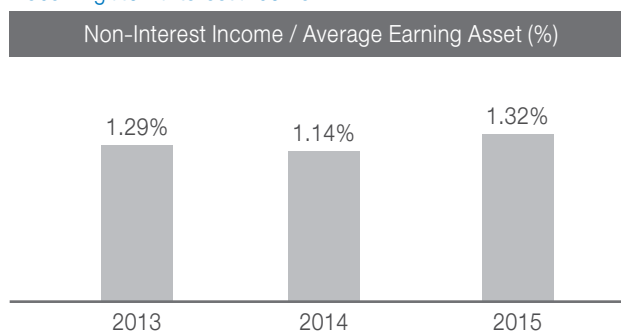
### Grow Quality Deposit



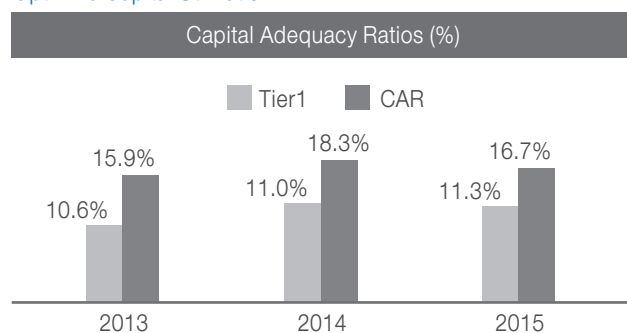
### Transactional Banking Excellence



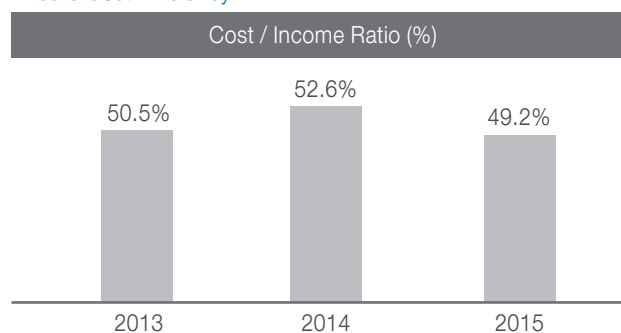
### Recurring Non-Interest Income



### Optimize Capital Utilization



### Ensure Cost Efficiency



(1) Definition was changed since 2014

(2) Based on monthly transactional activity and average deposit balance

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

(4) e-Channel includes internet and mobile channel



## 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"> <li>• Reorganization</li> <li>• End-to-end process improvement</li> <li>• HR transformation</li> <li>• Raised service standards</li> <li>• Enhanced risk management</li> </ul>	<b>Complete</b> <ul style="list-style-type: none"> <li>• Improved overall asset quality</li> <li>• Achieved top quartile employee engagement</li> </ul>
2. Acquire good customers 2010 – 2011	<ul style="list-style-type: none"> <li>• Customer base expansion in SME and retail banking</li> <li>• Service and operational excellence</li> <li>• Products and services that match with customers' needs and are not offered by other big banks</li> <li>• Physical channel optimization</li> <li>• Brand enhancement</li> </ul>	<b>Complete</b> <ul style="list-style-type: none"> <li>• Successfully grew customer base through improvement of quality services and products which matched with customers' needs</li> <li>• Branch renovation and relocation</li> <li>• Launch of Make <b>THE</b> Difference</li> </ul>
3. Differentiate and deepen share of wallet 2012 – 2014	<ul style="list-style-type: none"> <li>• Transactional banking excellence and branded customer experience</li> <li>• Leveraged transactional relationship with customers to offer the right products that answer customers' needs</li> <li>• Better quality of assets (larger proportion of SME and unsecured lending)</li> <li>• Introduced integrated channel with focus on digital transformation</li> </ul>	<b>Complete</b> <ul style="list-style-type: none"> <li>• Successful release of flagship transactional products</li> <li>• Cross-selling based on customer understanding at community level</li> <li>• Optimization of loan portfolio</li> <li>• Offer best-in-class e-Channels</li> </ul>
4. Induce a game change and enter into new business 2015 onwards	<ul style="list-style-type: none"> <li>• After achieving ROE of 14% in 2014, TMB continued to strive towards becoming the best transactional bank in Thailand</li> <li>• Focused on creating the right digital platform that address customers' needs and lifestyles</li> <li>• Potentially enter into new businesses</li> </ul>	<b>On track</b> <ul style="list-style-type: none"> <li>• Necessary technology preparations to support business in upcoming digital era</li> <li>• Launched TMB Touch Mobile Application</li> </ul> <b>2016 Onwards</b>

## Wholesale Banking

### Our Intents

- 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 in-depth insights on customers' business needs in order to develop and offer products that address their requirements and add values for the customers
- 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

### 2015 Summary

In 2015, TMB remains dedicated to offer products and services that Make **THE** Difference and address customers' needs including the supply chain, both buyers and suppliers. Although the Bank faces challenges from economic downturn and the decrease in international trades volume, the Bank is able to gain market shares in international trade transactions by 5% as well as capture a strong growth of transactional deposit and fee income, which grows 16% and 26% respectively. The success shows that corporate customers place their trust in TMB's strategy and solutions to truly help address and add values to their businesses.

Achievements in 2015 show that TMB is on the right direction to become a transactional bank of choice for wholesale customers by focusing on 4 main strategies as follow :

**1. Digitalization:** TMB is one of the first banks to offer e-Guarantee for wholesale customers and government agencies, which will help facilitate, reduce cost, increase accuracy and efficiency in conducting businesses.

**2. Trade Finance:** Although Thailand's economy slows down in 2015, and the overall international trades continue to shrink, TMB is successful in gaining additional market shares in international trade volume by 5% and increasing customer base by 30% from previous year.

Moreover, TMB offers electronic channels for conducting international trades and foreign exchange management such as Packing Credit and online L/C. The Bank also opens additional 8 international trade centers to address the increase in number of customers.

**3. Supply Chain:** As a leading bank in Supply Chain Solutions, TMB continuously engage both customers and their supply chains in improving their capabilities through Lean Supply Chain Program, which is a joint program between the Bank and leading corporations by offering practical courses for customers. The Bank has certified 700

corporations with White Belt and 32 Green Belt, adding more than THB 200Mn in values. In 2015, TMB is able to generate additional income from Supply Chain Solutions by 44% from existing 2,000 customers. The outstanding loan from supply chain stands at THB 44,500Mn or THB 7,400Mn increase from 2014. With the trust from customers and their supply chains, TMB is awarded **"The Best Financial Supply Chain Management in Thailand in 2015"** from The Asian Banker which reinforces the Bank's leading position in Supply Chain.

**4. Infrastructure Projects:** As a result from Government's investments in national infrastructure, TMB has expanded customer base and joined the support in providing funding to key industries involved such as Mass Transits, other Basic Infrastructures and 4G Telecommunications.

Aside from 4 strategic areas of focus, TMB also emphasizes on sustainable growth through acquisition of quality assets and continuous credit monitoring which is highly important especially during uncertain economic situations. As a result, overall wholesale lending portfolio has been more diversified, while seeing NPL level continue to improve.

### Plan for 2016

TMB remains committed in becoming the transactional bank of choice for wholesale customers by providing best-in-class experience and value-added services throughout the customers' supply chain. One of the success factors of this business is the development of human capital that understand customers' businesses to be able to provide the right solutions and services including best-in-class experience.

In 2016, the Bank will continue its intents and strengthen its long-term plan based on 4 strategic areas of focus as follows:

**1. Digitalization:** TMB plans to expand the usage of internet banking by offering enhanced and secured internet banking platform for customers. Moreover, the Bank continues to improve customers' accessibility through a Single Platform as well as further development of FX Simulation for customers to manage foreign exchange risks

**2. Trade Finance:** TMB focuses quality experience, accuracy, responsiveness and accessibility across channels. Due to the changing environment and conditions of trade financing, the Bank is committed in providing the knowledge and best practice sharing for customers through various activities and seminars.

**3. Supply Chain:** TMB continues to strengthen the Supply Chain Solution proposition by offering an innovative transactional solution that further link wholesalers and their supply chains such as Cash/Credit Card.

**4. Infrastructure Projects:** TMB plans to provide further supports to the government's infrastructure initiatives by supporting the related agencies and corporations both upstreams and downstreams.

## SME Banking

### Our Intent

- 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 that Make **THE** Difference through customer centricity. Aspire to become SME main bank
- Improve customer understanding of transactional and financial needs across different business profiles
- Facilitate simple and fast end-to-end process. Enhance multi service channels especially digital channel
- Develop capable people to provide long-term advisory service to SMEs

### 2015 Summary

Although political situation has stabilized in the year 2015, economic and private consumption growth are still weak and recover at a slow pace. The slow recovery greatly affects most SMEs. TMB understands and adapts ourselves to respond to customers' difficulties during such impeding environment.

TMB places strong emphasis in enhancing SMEs' business competency and competitiveness by offering efficient product and service delivery as well as providing the right solutions that are derived from customers' needs. Launched in mid 2015, **TMB SME 3 Times Plus** credit program is developed to support SMEs critical needs of funding throughout business life cycle. The credit program holistically offers credit limit 3 times of collateral value while providing additional 50% for working capital and another emergency credit limit based on 30 days safety stock with repayment period up to 3 years.

TMB focuses on continuous development of **End-to-End Credit Process**, starting from prudent underwriting based on current market condition, efficient approval process, effective limit set up and draw down to credit quality monitoring and following up. Most importantly, TMB aspires to develop well-rounded people to manage profitability, risk and advisory altogether.

TMB always move toward sustainable growth of quality credit portfolio and best possible SME customer experience. During tough economic condition, TMB arranges special assistance program and allocates dedicated teams to help SMEs with liquidity problem from early stages.

With the aspiration to become the best transactional bank for SMEs, **TMB One Bank** combines checking and saving accounts with transaction expense saving features such as cheque deposit without fees, buy-1-get-1-free cheque books, no transaction fees for transferring within TMB etc. As a result, TMB successfully expanded active customer base through acquisition of new customers to the Bank and encouraged existing customers to transact more with TMB.

Together with expert speakers and industry leaders, **LEAN Supply Chain by TMB** continues its second year journey to share the oretical and practical solutions with classes and workshops to enhance SMEs competencies. The joint effort results in tangible benefit of expense reduction & revenue improvement totaled 200 million baht through 32 projects initiated by participants of the program.

TMB continues to strengthen relationship with SMEs through **dual-relationship** model. Relationship managers are closely in touch with customers via face-to-face visit while Relationship Management Center takes care customer via phone call. Currently, TMB serves SMEs through nationwide business network of 116 zone offices.

As a result of continuous solution development and service improvement, TMB has achieved significant loan growth by expanding 12% from the previous year despite the economic downturn, while fee increases 48% and trade volume grows 20%. SME loan contribution to overall TMB loan portfolio reaches 37% at the end of 2015, in line with bankwide strategic direction to shift loan portfolio mix towards higher risk-adjusted return segments such as SMEs. TMB plans to reach 40% SMEs contribution to overall loan portfolio within the next 5 years.

### Plans for 2016

- Become SME's main bank through improved customer understanding to deliver products and services that match needs of our target, the 'good' credit customers. Uplift value proposition through simplified underwriting criteria, fast process and on-the-spot answer
- Build capability to serve SMEs in international trade through Trade specialist, dedicated RMs, workshop events, and phone-based advisory hotline
- Sustainably develop well-balanced people through SME Academy that provide systematic knowledge management, comprehensive training, and certification
- Provide greater variety and number of service channels, especially electronic channels such as mobile, tablet and internet. Also expand physical coverage with banking agents.

## Retail Banking

### Our Intents

- 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

### 2015 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 454 branches (450 TMB Branches and 4 ME Places), 2,292 ATMs and 519 ADMs.

2015 marked another important year in which TMB made a great stride in product development and in servicing customers through **Omni-Channel** platform 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 2015, TMB relocated 11 branches to more suitable locations in order to expand coverage in core areas. In addition, the Bank plans to install additional ADMs to effectively address customers' needs. Moreover, TMB focused on servicing foreign customers by offering ATMs in touristic areas to serve the needs of foreign exchanges through Visa, Visa Electron, Plus, MasterCard, Maestro, JCB and China Union Pay.

Furthermore, TMB continues to develop new electronic channels such as Internet Banking and Mobile Banking in form of TMB Touch to provide greater accessibility, convenience, security and functionality such as balance inquiry, fund transfer, bill payments and credit card statements. Customers are able to perform the mentioned activities anytime and anywhere. The continuous development resulted in more than 738% increase in number of new internet and mobile banking users.

TMB remains focused 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. From deepening customer understanding, TMB launched a new transactional deposit product **TMB All Free** in 2015, together with debit card that suites customers' transactional needs. With the new account, customers can make unlimited withdrawals and balance enquiries at other banks' ATMs without additional charge. Moreover, customers can make unlimited free transfer within TMB and additional 5 free-of-charge transactions whether cross-bank transfers or bill payments/top-up. There is no minimum balance requirement which provide greater flexibility to the customers without any hidden fee. As a result, TMB observes a 92% increase in number of new transactional accounts opened in 2015 compare to previous year. Meanwhile, in 2015, TMB also saw strong 30% balance growth in **TMB No Fixed** and **ME by TMB** from the previous year.

TMB challenges the status quo by transferring the cost benefits of a pure digital banking to customers in the form of 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 launched in early 2012, **ME by TMB** has successfully attracted more than 200,000 customers to date.

TMB identifies customers' needs through studying customer 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 2015, TMB continued to strengthen market position of being the first and only domestic bank offering **Open Architecture** platform. TMB is currently the selling agent of a broad range of mutual fund products managed by 5 leading asset management companies namely Aberdeen, CIMB Principal, Manulife, TMBAM and UOBAM. Moreover, TMB launched new bancassurance **Life Saver 15/9** to allow customers to easier access to life insurance under "Simple and Affordable" concept. As a result, retail fees income from mutual fund and bancassurance grew 46% and 36% respectively.

Retail loan has been the key focus of TMB's consumer lending. In 2015 alone, the portfolio of personal loans and credit card grew 31% and secured loan grew 27%.

### Plan for 2016

- 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

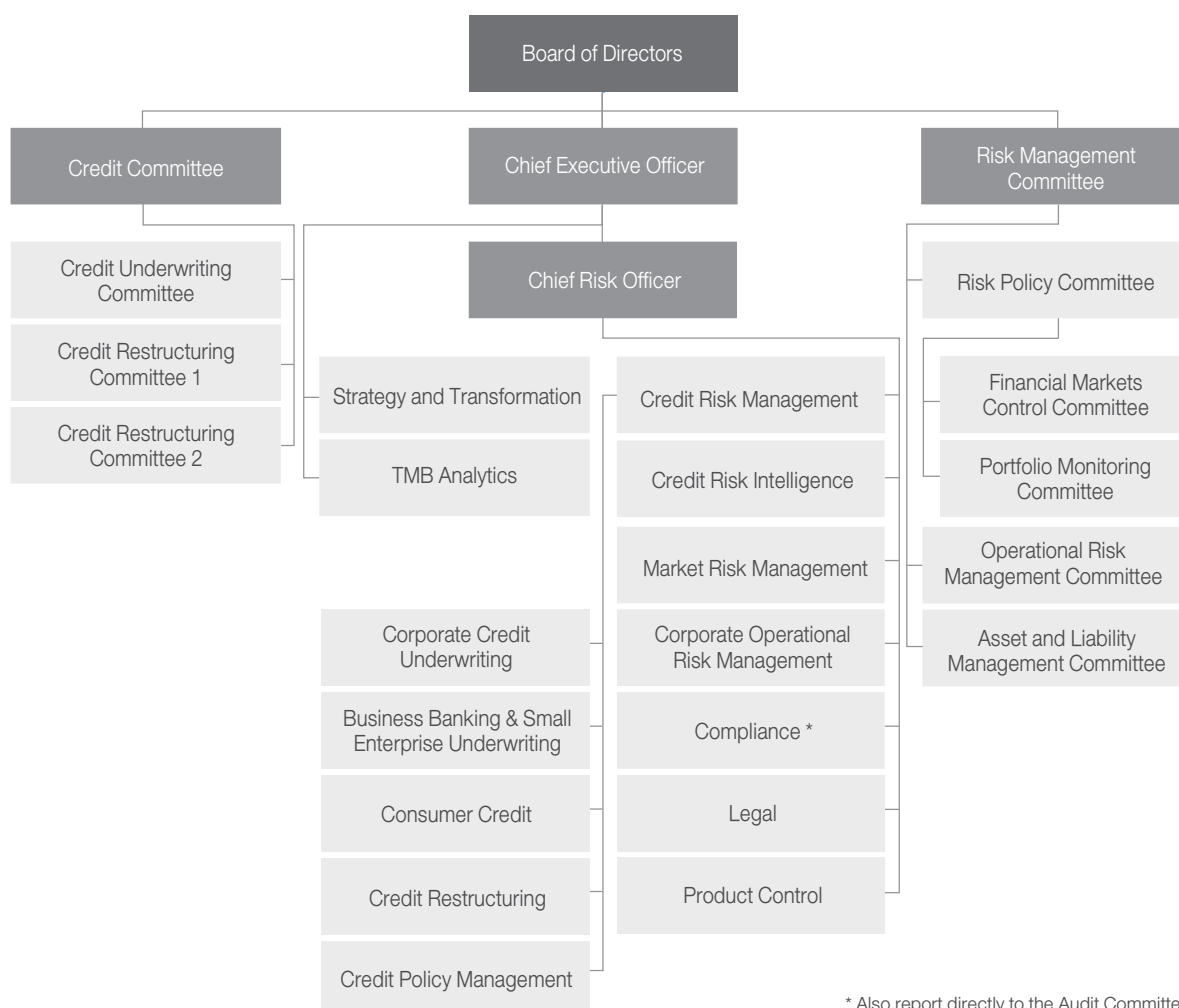
In TMB, risk management is of primary importance in order to create shareholder value by ensuring a sustainable balance between risk and return and compliance to regulatory requirements. The general Risk Management Framework consists of a clear Governance Structure, a consistent Risk Management Process and embedding a Risk Culture in the first Line of Defense. Moreover, Risk measurement is fully integrated in the strategic planning. All of this translates into a straightforward Risk Management strategy in which:

- Products & portfolios are structured, underwritten, priced, approved and managed appropriately.
- Compliance with internal and external regulations and guidelines is monitored continuously.
- Our risk profile and risk appetite are transparent and consistent.
- Delegated authorities are consistent with the Banks's overall strategy and risk appetite.
- Communication to internal and external stakeholders on risk management and value creation is transparent.

### 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 a dual reporting line to the Audit Committee and Chief Risk Officer.

**TMB Risk Governance Structure**



\* Also report directly to the Audit Committee



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. However, Business Units as the 1<sup>st</sup> Line of Defense are primarily responsible for managing risks within their responsible portfolio, several risk committees provide forums to discuss and decide about specific risk areas:

1. **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 financial markets control committee:** serves as a discussion forum for Business function, Operational functions, and Risk Functions with a primary focus on the efficiency and effectiveness of Capital Markets practices and its internal control environment, and to effectively manage functional and cross-functional risks in the business value chain and operating environment;
  - **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.
2. **The Operational Risk Management Committee:** assists the RMC in all matters related to the operational risk management.
3. **The Asset and Liability Management Committee:** assists the RMC in all matters related to the asset and liability management and balance sheet management.

All the risk management related functions are under the leadership of the Chief Risk Officer (CRO). The CRO, as 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 assessment & 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, mitigates 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.
- 4) **Risk reporting & communication:** 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" with "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 and staffs of TMB Bank business units have primary responsibility and accountability for the effective control of credit risks incurred by their business units ("1<sup>st</sup> line of defense").
- Credit Risk Management ("2<sup>nd</sup> line of defense") partner with and support the 1<sup>st</sup> 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 "3<sup>rd</sup> 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 maintaining and improving the quality of TMB's assets remains a key priority. Non-Performing Loans (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 units designated with the responsibility for market risk management accomplish 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 exposures 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 Books. 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 2015, the Bank and its subsidiaries had net interest income THB23,220 million increased by THB1,625 million or 8% from 2014. Net interest income was 69% of total operating income, lower than 72% of 2014. Of the Bank and subsidiaries' loans to customer net of deferred revenue as of 31 December 2015, 58% were floating rate, less than the 61% as of 31 December 2014.

#### 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 2015, the Bank's deposits, interbank & money market items, short-term and long-term borrowings were 90.7%, 5.1%, 0.1% and 4.1% 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 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.

Under the "Three Lines of Defense" principle applied throughout the Bank, Business and Support Units (BU/SUs) as the 1st Line of Defense, are primarily responsible and accountable for their own operational risk management and control. Business Operational Risk Management (BORM) is the function under BU/SUs with joint reporting line to CORM (2<sup>nd</sup> Line of Defense), responsible for the advisory service and support of the respective business areas in implementing the ORM Framework, monitoring and measuring the operational risk profile of the respective business areas. The Bank has developed an Operational Risk Management Policy 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.

Audit operates as the “3<sup>rd</sup> Line of Defense”. Their mission is to provide an independent assurance of the design and effectiveness of internal controls established by the first (BU/SUs) and second (CORM) 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 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 risk appetite.

Various policies have been established to manage the different operational risks as per Basel New Capital Accord (Basel II) guidelines, including coverage of all key processes and tools, such as Risk & Control Self-Assessment (R&CSA), Key Risk Indicators (KRI), Incident Management, Action Tracking, Product and Service Approval Process (PSAP), Outsourcing / Insourcing Risk Management, Business Continuity Plan and Disaster Recovery Plan (BCP / DRP).

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 a 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 process 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. The bank implement the GRC integrating Incident reporting and action tracking modules as a tool for all staff, either anonymous or unanonymous, to report the incidents and keep track of the status of the actions which come from audit and non-audit findings to ensure that they are monitored and managed efficiently by all relevant parties.

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.

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 Policies 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 Bank 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 key Notifications which impact business processes could be grouped into 3 topics 1) Notification regarding BIBOR submission process which were enforced since early 2015. This rule requires the bank to establish the qualification of Prime Bank and supervision of the submission process 2) Notification regarding Reserve Requirement, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Liquidity Gap, and Funding Concentration 3) Notification with respect to derivative business, which were enforced in November 2015, enhancing 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.

**Debt Collection Act B.E.2558** has been in effect since 2<sup>nd</sup> September 2015. The objectives are to establish standards for debt collection to be fair and applicable to both legal and illegal debts, protect individual debtors and guarantors, clearly define penalties (both administrative sanction and criminal sanction) for debt collectors who violate the Act. Most of contents in Debt Collection Act B.E.2558 continue to comply with Bank of Thailand's policy statement on Debt Collection dated August 3, 2008. Some of criteria are Prohibition of demand for debt payment from anyone other than the debtor, Debt Collecting Hours, Prohibition against using abusive methods or annoy debtor continuously, Maintain debtor's confidentiality, Prohibition against threatening to harm or Use the violence as well as Using deceptive methods or Mislead the debtor to understand that the debt collecting is made by court, government agency, lawyer, law firm or National Credit Bureau. In addition, the Act also includes other issues as followings;

- Any person who conducts a Debt Collection Business must register such Debt Collection Business with the Registrar according to the conditions prescribed in the Ministerial notifications.
- Debt Collection Commission has the authority to supervise Debt Collection of the Debt Collector
- Debtor can determine contact address or contact person for debt collection
- Determine method for requesting debtor's information from other persons
- Prohibition of collect collection fees higher than the rate prescribed by the Commission
- State Officials are not permitted to engage in debt collecting business

FATCA (Foreign Account Tax Compliance Act) is one of US laws which aims 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. In 2015, The Bank 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.

In year 2015, Anti-Money Laundering Office (AMLO) issued Anti-Money Laundering Act (No. 5) B.E. 2558 (2015) and Counter Terrorism Financing Act (No. 2) B.E. 2558 (2015). Reasons are as follows:

Since Anti-Money Laundering Act B.E 2542 (1999) may have some items that are not suitable to Anti-Money Laundering presently, there are update/changes related to predicate offences, definition of FIs, assets connected with the commission of an offence, characteristics of money laundering, transaction reporting, KYC/CDD, training, timing period for obtaining, possessing or use of assets, rights of victims from predicate offences, protection of responsible persons, duty and responsibility of AMLO regarding risk assessment. Conclusions for FIs related issues are as follows:

1. In the case where there subsequently appears a reasonable ground to believe that any transaction already made without being reported is a transaction required to be reported by a FI, that FI shall report it to the Office without delay (Section 11 in Anti-Money Laundering Act (No. 5) B.E. 2558 (2015))
2. Any FIs or any person shall not reveal or act in any way that cause a customer or third party to know of the conduct of customer due diligence or the report of suspicious transaction or the dissemination of information to AMLO, except it is being done in accordance with law or court order or the exchange of information between head office and branch of a FI, whether in the Kingdom or abroad, to carry out task relating to this Act. (Section 18 in Anti-Money Laundering Act (No. 5) B.E. 2558 (2015))
3. In the case where FIs unable to conduct customer due diligence on a customer, such FIs shall report AMLO immediately. After AMLO examined the report and found probable cause to believe that there is a commission of predicate offense or money laundering offense, AMLO is authorized to order the reporting entities to freeze such transaction for not exceeding ten working days. (Section 18 in Anti-Money Laundering Act (No. 5) B.E. 2558 (2015))

4. AMLO shall organized training relating to prevention and suppression of money laundering and terrorism financing for FIs.  
When FIs have officers who received training, FIs shall designate officers with the tasks or supervise the task relating to report, customer identification and customer due diligence in accordance with this Act. (Section 18 in Anti-Money Laundering Act (No. 5) B.E. 2558 (2015))
5. FIs shall keep due diligence records for ten years from the date the account was closed or relationship had been terminated, unless, before the lapse of such ten years, and for a specific customer, where there is a necessary and reasonable matter for the benefit of the execution of this Act, the Secretary-General of AMLO shall have the power to notify in writing to extend the period in respect of a specific customer for not exceeding five years after the lapse of such ten years. (Section 19 in Anti-Money Laundering Act (No. 5) B.E. 2558 (2015))
6. Penalty Amendment
  - FIs who do not perform transaction reporting
  - FIs who do not perform suspicious transaction reporting in case of additional reporting
  - FIs who do not perform transaction reporting or suspicious transaction reporting in case of additional reporting
  - who do not require a customer identification
  - who do not perform KYC/CDD
  - who do not keep a customer's transaction records
  - who do not report to AMLO in case FIs are unable to conduct customer due diligence on a customer
  - FIs who do not temporary withholding transaction not over ten days according to AMLO ordinance
  - FIs who do not keep records of customer identification, verification and fact
  - FIs who do not keep records of KYC/CDD
  - FIs who violates or refuses to perform temporary withholding transaction not over three days according to AMLO ordinance
  - FIs who violates or refuses to perform temporary withholding transaction not over ten days according to AMLO ordinance

**FIs shall receive a fine not exceeding one million Baht and an additional amount not exceeding ten thousand Baht for each following day that the violation was not corrected or until the action was carried out correctly.**
7. FIs who do not have an officer who received training, designate the officers with the tasks or supervise the task relating to report, customer identification and customer due diligence, shall be fine not exceeding five hundred thousand Baht.
8. Any person who reveals or acts in any way that cause a customer or third party to know of the conduct of customer due diligence or the report of suspicious transaction or the dissemination of information to AMLO, except it is being done in accordance with law or court order or the exchange of information between head office and branch of a FI, whether in the Kingdom or abroad, to carry out task relating to this Act, shall liable to an imprisonment of not exceeding five years or to a fine not exceeding one hundred thousand Baht or both.

For Counter Terrorism Financing Act (No. 2) B.E. 2558 (2015), it was amended due to announcement of designated person and reasonable grounds to suspect that any person is connected with the commission of terrorist act or terrorist financing or acts on behalf of or at the direction of or under the control of such a person. They are not suitable in some issues and they are objections to collecting evidences and prosecution. Moreover, penalty for non-individual was adjusted to be able to perform in practice by Transaction Committee. Furthermore, the amendment is to work effectively and meet international standard. Conclusion are as follows:

1. Transaction Committee has authority permitting AMLO to announce designated persons provided by UN Sanction. The committee has duty to consider whether or not it is not in contrast with Thai constitution and Thai laws. AMLO shall proceed without delay.
2. Considering whether or not there are reasonable grounds to suspect that any person is connected with the commission of terrorist act or terrorist financing or acts on behalf of or at the direction of or under the control of such a person, is not necessary to include only such a person still connects with the commission of terrorist act or terrorist financing or acts on behalf of or at the direction of or under the control of such a person on the date that the Court orders to designate such person.
3. Penalty was separated by persons in case of not perform or not inform AMLO about asset freezing of designated persons or a person acting on behalf of, or at the direction of, or an undertaking controlled by such persons. Penalty are included:
  - A designated person or a person in possession of the assets of a designated person shall be liable to an imprisonment not exceeding three years or a fine not exceeding three hundred thousand baht or both.
  - A FIs shall be liable to a fine not exceeding one million baht as well as a daily fine of ten thousand baht until rectification is made.
  - Where failure to complete the tasks has resulted from the orders or action of a person or failure to give instructions or to perform the duty of a director, manager, or a person responsible for the operations of the legal person, such person shall be liable to a term of imprisonment not exceeding three years or a fine not exceeding three hundred thousand baht or both.

## 7. Risk from economic condition

Key risks to Thai economic growth in 2016 could arise from both external and internal sources. The most important risk is a slowdown in Chinese economy. In 2015, the share of Thai exports to China was as high as 11.1% of total exports. Hence, Chinese economic slowdown would directly have material impact on Thai exports. In addition, as China is the major commodity consumer, commodity and agricultural prices would also be negatively affected. This would, in turn, lessen revenue in agricultural sector. Moreover, agricultural-related households' income may be further deteriorated from drought, which might become more severe in 2016, further affecting household consumption which is already weakened by elevated household debt. In summary, the primary concerns for Thai economy in 2016 are fragile exports and household consumption.

# MANAGEMENT STRUCTURE

## 1. Board of Directors

The Board of Directors as of 12 February 2016 consisted of 12 members, 7 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 (as of 31 Dec 2015)
1. Mr Rungson Sriworasat	Chairman of the Board	5 June 2013	2 years -7 months	12/13
2. General Teerachai Nakwanich <sup>(1)</sup>	Director	2 November 2015	2 months	0/3
3. Mr Philippe G.J.E.O. Damas	<ul style="list-style-type: none"> <li>• Director</li> <li>• Chairman of the Board of Executive Directors</li> <li>• Member of the Nomination, Remuneration and Corporate Governance Committee</li> </ul>	28 December 2007	8 years	12/13
4. Mr Singha Nikompun	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Chairman of the Audit Committee</li> </ul>	10 January 2014	1 year – 11 months	13/13
5. Mr Siripong Sombutsiri <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Independent director</li> <li>• Chairman of the Nomination, Remuneration and Corporate Governance Committee</li> <li>• Member of the Risk Management Committee</li> </ul>	10 April 2015	9 months	9/10
6. Mr Johannes Franciscus Grisel <sup>(3)</sup>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Chairman of the Risk Management Committee</li> <li>• Member of Credit Committee</li> </ul>	1 September 2015	4 months	5/5
7. Mr Pongpanu Svetarundra	<ul style="list-style-type: none"> <li>• Director</li> <li>• Chairman of the Credit Committee</li> <li>• Member of the Board of Executive Directors</li> <li>• Member of the Nomination, Remuneration and Corporate Governance Committee</li> </ul>	23 February 2012	3 years - 10 months	12/13
8. Mr Vaughn Nigel Richter	<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of the Board of Executive Directors</li> </ul>	28 December 2007	8 years	9/13
9. Mr Yokporn Tantisawetrat <sup>(4)</sup>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of the Board of Executive Directors</li> <li>• Member of the Risk Management Committee</li> <li>• Member of Credit Committee</li> </ul>	1 June 2015	7 months	8/8

Name	Position	Date of Appointment	Term of Office (Year-Month)	No of the meeting in attendance (as of 31 Dec 2015)
10. Mr Christopher John King	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Audit Committee</li> <li>Member of the Nomination, Remuneration and Corporate Governance Committee</li> </ul>	1 September 2004	11 years - 4 months	12/13
11. Mr Praisun Wongsmith <sup>(5)</sup>	<ul style="list-style-type: none"> <li>Independent director</li> <li>Member of the Audit Committee</li> </ul>	12 February 2016	-	-
12. Mr Boontuck Wungcharoen	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Board of Executive Directors</li> <li>Member of Credit Committee</li> <li>Member of the Risk Management Committee</li> <li>Chief Executive Officer</li> </ul>	14 July 2008	7 years - 6 months	13/13

#### Remark

<sup>(1)</sup>General Teerachai Nakwanich was appointed as a director to replace General Veerun Chantasatkosol from the Board of Directors' meeting no.10/2558 on October 21, 2015 and effective from November 2, 2015

<sup>(2)</sup>Mr Siripong Sombutsiri was appointed as a director to replace Mr Rachane Potjanasuntorn from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from April 10, 2015

<sup>(3)</sup>Mr Johannes Franciscus Grisel was appointed as a director to replace Ms Swee-Im Ung from the Board of Directors' meeting no. 7/2558 on July 22, 2015 and effective from September 1, 2015

<sup>(4)</sup>Mr Yokporn Tantisawetrat was appointed as a director to replace Mr Amorn Asvanunt from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from June 1, 2015

<sup>(5)</sup>Mr Praisun Wongsmith was appointed as a director to replace Mr Nakorn Thongprayoon from The Board of Directors' meeting no. 1/2559 on January 20, 2016 and effective from February 12, 2016

Ms Nopawan Saengteerakij 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. Principles for Directors

1. Understand and execute their oversight role, including understanding the Bank's risk profile.
2. Exercise their fiduciary duty, duty of loyalty, and duty of care to the Bank under applicable Thai laws and supervisory standards.
3. 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.
4. Commit sufficient time and energy to fulfilling their responsibilities.
5. Avoid direct participation in day-to-day management of the Bank except executive director.
6. Secure information from management to enable the Board to fulfill its functions. It is the Board's responsibility to decide what information it wants.
7. Excuse themselves from decisions when they themselves or someone related to or connected with them have a conflict of interest.
8. 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.
9. 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.

## 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 Board has participated to determine vision, mission, and strategy including setting the budget and to oversee management to implement vision, mission, and strategy and also to review vision, mission, and strategy to operate business annually according to the changing of economy and competition. The functions of the Board are to:

### Strategy and Policy

1. Approve the overall business strategy of the Bank, risk policy and risk management procedures.
2. Approve budget including overall risk appetite and business plan.
3. Safeguard the longer-term values of the Bank, which include the brand and corporate reputation.
4. Approve all credit limits for amounts in excess of the amount delegated to management.
5. Approve all other risk limits and policies as prescribed by the Bank of Thailand and other relevant regulators.
6. 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.
7. 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

1. Oversee management's actions and consistency with Board policies as part of the checks and balances embodied in sound corporate governance.
2. Meet regularly with senior management to review policies, establish communication lines and monitor progress toward corporate objectives.
3. Promote Bank safety and soundness, understand the regulatory environment and ensure the Bank maintains an effective relationship with its regulators.
4. Provide sound advice to management and recommend sound practices gleaned from other situations.
5. 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

1. Organize the Board and its committees in a way that promotes efficiency and strategic discussion.
2. Establish certain specialized committees to assist the Board in its oversight function and to advise the Board on issues requiring specific technical expertise.
3. 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.
4. Develop and maintain an appropriate level of expertise as the Bank grows in size and complexity.
5. 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.
6. Select, evaluate and determine the compensation of the Chief Executive Officer as well as certain key senior executives.
7. Ensure that Bank's compensation and benefits programs are appropriate and consistent with the strategic objectives and are compliant with relevant regulations.
8. 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 2015, the Bank's senior management (according to the SEC definition) are comprised of 26 persons as follows:

No.	Name-Surname	Position
1	Mr Boontuck Wungcharoen	Chief Executive Officer
2	Mr Ronald Bart Huisman	Chief Retail Banking Officer
3	Mr Trirong Butragat	Chief SME Banking Officer
4	Mr Piti Tantakasem	Chief Wholesale Banking Officer
5	Mr Franciscus Gerardus Rokers	Chief Risk Officer
6	Mr Lorenzo Tassan-Bassut	Chief Operating Officer
7	Mr Thanomsak Chotikaprakai	Chief Financial Officer
8	Ms Waewalai Wattana	Executive Vice President, Financial Controller
9	Mr Chirasak Chantarachoti	Executive Vice President, Head of Balance Sheet Management
10	Ms Arwiwan Tangtrongchit	Executive Vice President, Head of Financial Planning and Analysis
11	Mrs Soontaree Cheevaphat	First Vice President, Team Head of Balance Sheet Management Support and Cayman Branch Manager
12	Mr Mate Kanokpibool	Senior Vice President, Team Head of Financial Reporting and Tax
13	Mr Thawatchai Trongnamsukki	Vice President, Senior Financial Analysis Executive
14	Ms Waree Thanmongkolswad	First Vice President, Team Lead of Financial Statement
15	Mrs Kamolmarn Staworn	Vice President, Team Lead of Special Accounts
16	Ms Pawinee Chayavuttikul	Senior Vice President, Team Head of General Accounting
17	Mrs Jarinee Yimudom	Vice President, Team Lead of Accounts Compiling
18	Ms Doungjan Saenim	Senior Vice President, Team Head of Management Accounting
19	Ms Pimolwan Puarattana-aroonkorn	First Vice President, Team Head of Commercial Banking Business Finance
20	Mr Pornchai Prakobvanichakul	First Vice President, Team Head of Retail Banking Business Finance
21	Mrs Suphavadee Wuthithien	Vice President, Team Lead of Regulatory Report Management
22	Mr Surin Matayatatana*	First Vice President, Team Head of Regulatory Data Center
23	Ms Rochana Ratana-Ubol	First Vice President, Team Head of Management Accounting Application System Support
24	Ms Supaporn Taechachokewiwat	Senior Vice President, Team Head of Asset and Liability Management
25	Mr Chalermchai Paisithmongkol	Senior Vice President, Team Head of Investment Management and Fund Transfer Pricing
26	Mr Paul Fletcher Melling	Senior Vice President, Team Head of Capital Management

\*Retired since January 2016

### 3. Change in TMB shares held by Directors and Chiefs in 2015

No.	Name	Position	TMB shares held as of 31 Dec 2014	TMB shares held as of 31 Dec 2015	Change (net) Increase/(Decrease) in TMB shares
1	Mr Rungson Sriworasat Spouse and minor children	Chairman of the Board	- -	- -	- -
2	General Teerachai Nakwanich Spouse and minor children	Director	- -	- -	- -
3	Mr Philippe G.J.E.O. Damas Spouse and minor children	Director	10,580 -	2,556,580 -	2,546,000 -
4	Mr Singha Nikornpun Spouse and minor children	Independent Director	- -	- -	- -
5	Mr Siripong Sombutsiri Spouse and minor children	Independent Director	- -	- -	- -
6	Mr Johannes Franciscus Grisel Spouse and minor children	Director	- -	- -	- -
7	Mr Pongpanu Svetarundra Spouse and minor children	Director	105 -	105 -	- -
8	Mr Yokporn Tantisawetrat Spouse and minor children	Director	- -	- -	- -
9	Mr Vaughn Nige Richtor Spouse and minor children	Director	- -	- -	- -
10	Mr Christopher John King Spouse and minor children	Independent Director	- -	- -	- -
11	Mr Boontuck Wungcharoen Spouse and minor children	Director and Chief Executive Officer	30,664,667 -	45,294,334 -	14,629,667 -
12	Mr Piti Tantakasem Spouse and minor children	Chief Wholesale Banking Officer	1 -	2,768,235 -	2,768,234 -
13	Mr Thanomsak Chotikaparakai Spouse and minor children	Chief Financial Officer	3,218,933 -	7,603,735 -	4,384,802 -
14	Mr Trirong Butragaht Spouse and minor children	Chief SME Banking Officer	- -	29,067 -	29,067 -
15	Mr Franciscus Gerardus Rokers Spouse and minor children	Chief Risk Officer	- -	- -	- -
16	Mr Ronald Bart Huisman Spouse and minor children	Chief Retail Banking Officer	- -	- -	- -
17	Mr Lorenzo Tassan Bassut Spouse and minor children	Chief Operating Officer	- -	- -	- -

#### 4. Company Secretary

The Board of Directors has appointed Ms Nopawan Saengteerakij to hold position of Company Secretary. (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:

##### 1. For the Bank

- (1) 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.
- (2) To file and keep the Bank's important documentation such as certificate, memorandum & articles of association, shareholder register, licenses and power of attorney, etc.
- (3) To push for guidelines so that the Bank shall formulate policies, comply with good corporate governance and conduct regular review.
- (4) To act as contact person of the Bank

##### 2. For the Board

- (1) To advise the Board of Directors and management on laws and regulations relevant to their duties
- (2) 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
- (3) 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
- (4) 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
- (5) To review director's qualifications during the directorship period to ensure that the qualifications are always in line with regulatory requirements
- (6) To oversee insider information practices of directors
- (7) To facilitate directors' training and development
- (8) To provide Board's performance assessment
- (9) To arrange Directors and Officers Liability Insurance (D&O Insurance) for the directors and management.

##### 3. For the Shareholders

- (1) 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.
- (2) To oversee the right of shareholders and create good relationship with shareholders.

## 5. Board of Directors' Meeting

In 2015, 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 2015	13	14	14	14	12	18
1. Mr Rungson Sriworasat	12/13					
2. General Veerun Chantasatkosol <sup>(1)</sup>	8/9					
3. General Teerachai Nakwanich <sup>(2)</sup>	0/3					
4. Mr Philippe G.J.E.O. Damas	12/13	13/14		12/14		
5. Mr Singha Nikornpun	13/13		13/14			
6. Mr Rachane Potjanasuntorn <sup>(1)</sup>	3/3			5/5	3/3	
7. Mr Siripong Sombutsiri <sup>(3)</sup>	9/10			8/9	8/9	
8. Ms Swee-Im Ung <sup>(1)</sup>	7/8				8/8	10/11
9. Mr Johannes Franciscus Grisel <sup>(4)</sup>	5/5				3/3	4/5
10. Mr Pongpanu Svetarundra	12/13	14/14		14/14		18/18
11. Mr Vaughn Nigel Richtor	9/13	11/14				
12. Mr Yokporn Tantisawetrat <sup>(5)</sup>	8/8	9/9			7/7	12/12
13. Mr Christopher John King	12/13		12/14	14/14		
14. General Kamon Saenissara <sup>(1)</sup>	2/3		2/3			
15. Mr Nakorn Thongprayoon <sup>(1)</sup>	5/6		8/8			
16. Mr Boontuck Wungcharoen	13/13	13/14			10/12	13/18

<sup>(1)</sup>Not currently board member

<sup>(2)</sup>General Teerachai Nakwanich was appointed as a director to replace General Veerun Chantasatkosol from the Board of Directors' meeting no. 10/2558 on October 21, 2015 and effective from November 2, 2015

<sup>(3)</sup>Mr Siripong Sombutsiri was appointed as a director to replace Mr Rachane Potjanasuntorn from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from April 10, 2015

<sup>(4)</sup>Mr Johannes Franciscus Grisel was appointed as a director to replace Ms Swee-Im Ung from the Board of Directors' meeting no. 7/2558 on July 22, 2015 and effective from September 1, 2015

<sup>(5)</sup>Mr Yokporn Tantisawetrat was appointed as a director to replace Mr Amorn Asvanunt from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from June 1, 2015

### Notes:

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

- The Board of Executive Directors meetings no. 12/2558, Mr Philippe G.J.E.O. Damas joined the meetings through Skype system.
- The Nomination, Remuneration and Corporate Governance Committee meetings Special no. 1/2558, 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. 6/2558, 8/2558, 12/2558, Mr Vaughn Nigel Richtor joined the meetings through Skype system.

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

- The Credit Committee meetings no.5/2558, 7/2558, 10/2558, Ms Swee-Im Ung joined the meetings through teleconferencing system.

(4) Mr Johannes Franciscus Grisel is a director who does not have residence in Thailand.

- The Credit Committee meetings no.15/2558, Mr Johannes Franciscus Grisel joined the meetings through Skype system.

### Additional Information

The Board of Directors' meeting no. 1/2559 on January 20, 2016 was appointed Mr Praisun Wongsmith as a director to replace Mr Nakorn Thongprayoon, effective from February 12, 2016.

## 6. Remuneration for Directors and Senior Management

### 6.1 Remuneration for Directors and Top Executives' Remuneration

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

##### 1. Monthly fee consist of

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

- 2. 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 THB40 million as approved by the shareholders' meeting.

In 2015, 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 2014 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 2015, directors' remuneration was THB28,078,800.00 and bonus was THB13,103,629.29. The details are as follows:

Name of director	Details
1. Mr Rungson Sriworasat	Receiving THB4,080,000 for serving as Chairman of the Board of Directors. Receiving THB1,998,858.71 for directors' bonus.
2. General Prayut Chan-o-cha <sup>1/</sup> (Until June 25, 2014)	Receiving THB666,286.23 for directors' bonus.
3. General Veerun Chantasatkosol <sup>1/</sup> (Until September 30, 2015)	Receiving THB816,000 for serving on the Board of Directors. Receiving THB111,047.71 for directors' bonus.
4. General Teerachai Nakwanich <sup>2/</sup> (Since November 2, 2015)	Receiving THB128,000 for serving on the Board of Directors.
5. Mr Philippe G.J.E.O. Damas	Receiving THB4,773,600 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 THB1,332,572.47 for directors' bonus.
6. Mr Singha Nikornpun	Receiving THB2,587,200 for serving on the Board of Directors and as Chairman of the Audit Committee. Receiving THB1,332,572.47 for directors' bonus.
7. Mr Rachane Potjanasuntorn <sup>1/</sup> (Until April 10, 2015)	Receiving THB953,000 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 THB1,332,572.47 for directors' bonus.
8. Mr Siripong Sombatsiri <sup>3/</sup> (Since April 10, 2015)	Receiving THB2,338,800 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.
9. Ms Swee-Im Ung <sup>1/</sup> (Until August 30, 2015)	Receiving THB2,148,800 for serving on the Board of Directors and as Chairperson of the Risk Management Committee and Member of the Credit Committee. Receiving THB1,332,572.47 for directors' bonus.
10. Mr Johannes Franciscus Grisel <sup>5/</sup> (Since September 1, 2015)	Not entitled to receive the monetary remuneration as per the criteria of ING Bank N.V.
11. Mr Pongpanu Svetarundra	Receiving THB4,266,000 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 THB1,332,572.47 for directors' bonus.
12. Mr Vaughn Nigel Richtor	Not entitled to receive the monetary remuneration as per the criteria of ING Bank N.V.



Name of director	Details
13. Mr Amorn Asvanunt <sup>1/</sup> (Until September 30, 2014)	Receiving THB999,429.35 for directors' bonus.
14. Mr Yokporn Tantisawetrat <sup>4/</sup> (Since June 1, 2015)	Receiving THB2,110,600 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.
15. Mr Christopher John King	Receiving THB 2,516,400 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 THB1,332,572.47 for directors' bonus.
16. General Kamon Saenissara <sup>1/</sup> (Until April 10, 2015)	Receiving THB442,400 for serving on the Board of Directors and as Member of the Audit Committee. Receiving THB1,332,572.47 for directors' bonus.
17. Mr Nakorn Thongprayoon <sup>1/</sup> (Since April 10, 2015 until September 30, 2015)	Receiving THB918,000 for serving on the Board of Directors and as Member of the Audit Committee.
18. Mr Boontuck Wungcharoen	Not entitled to receive the monetary remuneration as per the criteria of TMB.

Note : <sup>1/</sup>Not currently board member.

<sup>2/</sup>General Teerachai Nakwanich was appointed as a director to replace General Veerun Chantasatkosol effective from November 2, 2015.

<sup>3/</sup>Mr Siripong Sombutsiri was appointed as a director to replace Mr Rachane Potjanasuntorn effective from April 10, 2015

<sup>4/</sup>Mr Yokporn Tantisawetrat was appointed as a director to replace Mr Amorn Asvanunt effective from June 1, 2015

<sup>5/</sup>Mr Johannes Franciscus Grisel was appointed as a director to replace Ms Swee-Im Ung effective from September 1, 2015

#### Additional Information

The Board of Directors' meeting no. 1/2559 on January 20, 2016 was appointed Mr Praisun Wongsmith as a director to replace Mr Nakorn Thongprayoon, effective from February 12, 2016.

#### Other remuneration and benefits

No other benefits

#### 6.2 Remuneration for Senior Management

During the accounting year ended December 31, 2015, the Bank's 26 senior management (according to the SEC definition) received remuneration in a total amount of THB265 million, consisting of salary, bonus, provident fund 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 4<sup>th</sup> 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).

Regarding to TMB PSBP 2010 was ended in 2014, however, executives who will be entitled to receive shares in 2015, from performance in year 2012-2014, in addition to, remaining of unvested shares will be vested until 2018. 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.

## 7. Personnel

### 7.1 The number of employees

As of December 31, 2015, TMB had a total number of 9,270 employees, broken down by group as follows:

Group	No. of employees (persons)	Group	No. of employees (persons)
<b>Chief Executive Officer</b>	<b>1</b>	Customer Segment Middle Income	4
Direct Report to Chief Executive Officer	13	Customer Segment Wealth and Mass Affluent	5
Audit	64	Digital Strategy & Channels	96
Corporate Branding and Communications	31	Retail Marketing	63
Corporate Governance	18	Retail Products	77
Human Resources	70	<b>Chief Risk Officer</b>	<b>1</b>
Strategy and Transformation	10	Direct Report to Chief Risk Officer	5
<b>Chief Financial Officer</b>	<b>1</b>	Business Banking and Small Enterprise Underwriting	68
Direct Report to Chief Financial Officer	1	Compliance	42
Balance Sheet Management	18	Consumer Credit	116
Financial Control	101	Corporate Credit Underwriting	19
Financial Planning and Analysis	39	Corporate Operational Risk Management	28
<b>Chief Operating Officer</b>	<b>1</b>	Credit Policy Management	137
Direct Report to Chief Operating Officer	39	Credit Restructuring	120
Corporate Services	214	Credit Risk Intelligence	61
Information Technology	286	Credit Risk Management	80
Operational Excellence	30	Legal	31
Operations and Services	675	Market Risk Management	18
Operations Control	32	<b>Chief SME Banking Officer</b>	<b>1</b>
<b>Chief Retail Banking Officer</b>	<b>1</b>	Direct Report to Chief SME Banking Officer	40
Direct Report to Chief Retail Banking Officer	772	Business Banking Customer Relationship Management 1	151
Bank Channel Development	16	Business Banking Customer Relationship Management 2	150
Branch Banking	4,345	Commercial Banking Marketing Management	27

Group	No. of employees (persons)
Medium SME Customer Relationship Management	161
Small SME Customer Relationship Management	378
SME Customer Value Management	112
SME Product and Portfolio Management	22
SME Segment	6
<b>Chief Wholesale Banking Officer</b>	<b>1</b>
Direct Report to Chief Wholesale Banking Officer	12
Capital Markets	52
Client Service and Commercial Channel	73
Commercial Credit and Supply Chain Product	22
Corporate Banking	27
Corporate Banking Customer Relationship Management 1	38

Group	No. of employees (persons)
Corporate Banking Customer Relationship Management 2	50
Corporate Finance & Debt Capital Markets	2
Domestic Transaction Banking	39
International Transaction Banking	31
Military and Public Sector Relationship Management	16
Multi-Corporate Banking	21
Multi-Corporate Banking Customer Relationship Management 1	47
Multi-Corporate Banking Customer Relationship Management 2	42
<b>Grand Total</b>	<b>9,270</b>

## 7.2 Changes in the number of employees during the past 3 years

From 2013-2015, the total number of TMB's employees was displayed as following:

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

As of December 31, 2015, the total number of TMB's employees was 9,270 persons

## 7.3 Key labor disputes during the past 3 years

As of December 31, 2015

Type of case	No. of cases	Status
<b>1. Lawsuit brought by TMB against employees</b>		
1.1 Internal fraud	7	Cases are under the Court's proceedings.
- Case not yet finalized	2	
- Case finalized	5	
1.2 Performed duty with negligence	-	
- Case not yet finalized	-	
- Case finalized	-	
<b>2. Lawsuit brought by employees against TMB</b>		
2.1 Staff welfare (Car Park)	1	
- Case not yet finalized	-	
- Case finalized	1	
2.2 Unfair termination of employment	17	Cases are under the Court's proceedings.
- Case not yet finalized	8	
- Case finalized	9	

Type of case	No. of cases	Status
2.3 Bonus payment	4	Cases are under the Court's proceedings.
- Case not yet finalized	2	
- Case finalized	2	
2.4 Demotion	2	Cases are under the Court's proceedings.
- Case not yet finalized	2	
- Case finalized	-	
2.5 Request for adjustment of 2006 performance evaluation	4	Cases are under the Court's proceedings.
- Case not yet finalized	2	
- Case finalized	2	
2.6 Request for payment of unused vacation leave	4	
- Case not yet finalized	-	
- Case finalized	4	

#### 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 areas 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 2015, total compensation for the employees given in the forms of salary, cost of living allowance, special gratuity, allowance for working in the upcountry, overtime, bonus and others accounted for THB7,899 million.

- **Other allowances**

The Bank provides other forms of allowances to employees on several occasions, e.g. 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 2015, 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 diseases 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. i.e. TMB Care Loan is included Education and Emergency Loans, etc. However, welfare loans are entitlement for employees who join TMB before 1 October 2012.

- **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 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 emphasize in embedding TMB Way's core value, including Core and Leadership Competency, into our employees' development. Talent Development is also the critical project that we continuously execute as plan, starting from criteria setting, selection and development to follow up. In this regards, Human Resources Group has co-worked with an individual direct supervisor of each talent in order to build and enhance people development. The bank realizes that succession planning especially for the critical positions is the most important to ensure that our customers will receive the best quality of services as always.

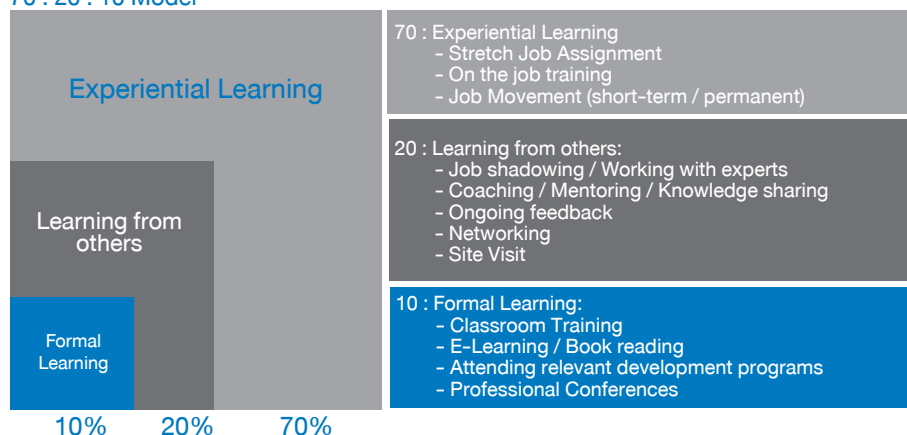
We have realized that human resources development is a long term investment. To increase people potential, TMB has provided quality training programs which have been delivered by external experts and also by internal certified facilitators to ensure that our employees acquire and demonstrate the practical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

TMB aims to develop the employees at headquarters and all branches based on TMB Way which is our core values 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 Training Roadmap** After launching the development framework based on TMB Core, Leadership and Functional Competency, we have created TMB training 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 (Illustration as shown)

#### 70 : 20 : 10 Model



In order to develop our executive to have a deeply understanding on “Focusing on Customer” which is one of Core Competency, we have initiated the First Hand Day project which all people managers will have the experience with the customers to understand the customer needs. With this project, internal working process will be improved and benefit to our customers.

For the training topics to be delivered through classroom training method, 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.

- **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 to Operational Excellence** In order to align with the bank strategy on maximizing TMB resources for cost and quality control efficiently, 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. Corporate Operational Risk Management, IT Risk Awareness etc. 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.

In summary, in 2015 TMB employees have spent 30 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.

#### • Implementation of HCM (Human Capital Management) system to enhance staff self-learning and development process

In order to strengthen and support our staff development on Core and Leadership Competency to match our utmost standard and also to empower staff to work much more efficiently. TMB has innovated and implemented of HCM system where staff and people managers can assess their competencies and behavior against corporate expected competency and behavior anchor. Additionally, this system can also act as proper tool to support staff in planning and execute development along with our designated training roadmap program. Furthermore, HCM can also provide our staff with mean to collaborate their career and development planning with TMB advancement and thrive.



# CORPORATE GOVERNANCE

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## 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.

### Principles of Corporate Governance of the Bank

1. The Bank shall operate business with care, efficiency, and effectiveness for stability and sustainable growth in accordance with its organization culture, TMB Way comprising 5 core values namely Customer Centricity, Open Communication, High Performance, Risk Management and Integrity.
2. The Bank shall operate business in compliance with good corporate governance principles without fraud and corruption, and based on key fundamentals of accountability, responsibility, equitable treatment and transparency.
3. The directors and employees shall protect the Bank's benefits, whilst taking into account the benefits, rights and equality of stakeholders. This will enhance the confidence of both domestic and foreign investors and contribute to an increase of the Bank's share value.
4. The Bank shall operate business in compliance with laws, rules and regulations, and relevant regulatory requirements.
5. The Bank shall determine guideline to treat the stakeholders with fairness and transparency.
6. The Bank shall prevent any conflict of interest among the Bank, directors, employees and stakeholders, and to determine scope of responsibilities of the Board and executives to stakeholders.
7. The Bank shall determine comprehensive operational procedures, efficient internal control, as well as risk management system at international standard.
8. The Bank shall accurate, complete and timely disclosure of the Bank's financial report and information affecting the decision-making.

## 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 February 12, 2016, the Board of Executive Directors was composed of 5 members as follows:

Name	Position	Note	No. of the meeting in attendance (as of December 31, 2015)
1. Mr Philippe G.J.E.O. Damas	Chairman	Non Executive Director	13/14
2. Mr Pongpanu Svetarundra	Committee Member	Non Executive Director	14/14
3. Mr Vaughn Nigel Richtor	Committee Member	Non Executive Director	11/14
4. Mr Yokporn Tantisawetrat <sup>(1)</sup>	Committee Member	Non Executive Director	9/9
5. Mr Boontuck Wungcharoen	Committee Member	Executive Director (Chief Executive Officer)	13/14

<sup>(1)</sup>Mr Yokporn Tantisawetrat was appointed as a director to replace Mr Amorn Asvanunt from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from June 1, 2015

Notes:

The Board of Executive Directors meetings no. 12/2558, Mr Philippe G.J.E.O. Damas joined the meetings through Skype system.

The Board of Executive Directors meetings no. 6/2558, 8/2558, 12/2558, Mr Vaughn Nigel Richtor joined the meetings through Skype system.

Ms Nopawan Saengteerakij 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 February 12, 2016 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 (as of December 31, 2015)
1. Mr Singha Nikornpun	Chairman	Independent Director	13/14
2. Mr Christopher John King	Committee Member	Independent Director	12/14
3. Mr Praisun Wongsmitth <sup>(1)</sup>	Committee Member	Independent Director	-

<sup>(1)</sup>The Board of Directors' meeting no. 1/2559 on January 20, 2019 was appointed Mr Praisun Wongsmitth as a director to replace Mr Nakorn Thongprayoon, effective from February 12, 2016.

### Member of the Audit Committee with well experienced and reviewing financial statement

1. Mr Singha Nikornpun
2. Mr Praisun Wongsmitth

Ms 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:

1. To review the Bank's financial statements to ensure accuracy and adequacy.
2. 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.
3. 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.
4. To select, nominate and recommend remuneration of the Bank's external auditor by taking into account the credibility, adequacy of resources, experience and independence including recommend dismissal of the External Auditor. 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.
5. To approve audit-related and other services engagements with the Bank's external auditor.
6. 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.
7. 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;
  - (1) The audit committee's opinion regarding the accuracy, completeness and integrity of the Bank's financial statements.
  - (2) The audit committee's opinion regarding adequacy of the Bank's internal controls.
  - (3) The audit committee's opinion regarding compliance to the applicable laws and regulations.
  - (4) The audit committee's opinion regarding suitability of the Bank's External Auditor.
  - (5) The audit committee's opinion regarding transaction that may lead to conflict of interest.
  - (6) Number of the meeting held during the year and number of each member's attendance.
  - (7) Overall opinion arisen from discharging of audit committee's duties according to the charter.
  - (8) Other information, within the scope of the roles and responsibilities of audit committee, which is deemed to be necessary for shareholders and general investors

8. 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:
  - (1) Conflict of interest;
  - (2) Fraud, possible fraud, or significant deficiency of internal control;
  - (3) 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.
9. 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.
10. 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.
11. To perform any other duties as delegated by the Board of Directors and agreed by the Audit Committee.
12. To perform other duties as required by law.

### 2.3 Nomination, Remuneration and Corporate Governance Committee

As of February 12, 2016, 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 (as of December 31, 2015)
1. Mr Siripong Sombutsiri <sup>(1)</sup>	Chairman	Independent Director	8/9
2. Mr Philippe G.J.E.O. Damas	Committee Member	Non Executive Director	12/14
3. Mr Pongpanu Svetarundra	Committee Member	Non Executive Director	14/14
4. Mr Christopher John King	Committee Member	Independent Director	14/14

<sup>(1)</sup>Mr Siripong Sombutsiri was appointed as a director to replace Mr Rachane Potjanasuntorn from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from April 10, 2015

Notes:

The Nomination, Remuneration and Corporate Governance Committee meetings Special no. 1/2558, Mr Philippe G.J.E.O. Damas joined the meetings through Skype system.

Ms Nopawan Saengteerakij 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

1. Review and recommend to the Board policies, criteria and methods for the recruitment, selection and nomination of
  - (a) Members of the Board
  - (b) Members and chairpersons of each Board Committee of the Board
  - (c) 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
  - (d) Senior Management
2. Screen, shortlist and propose to the Board for nomination or appointment qualified candidates for the positions mentioned in 1 above.
3. Recommend to the Board appropriate succession plans for Senior Management.
4. 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

1. 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.
2. 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.
3. 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 February 12, 2016 the Risk Management Committee was comprised of 5 members as follows:

Name	Position	Note	No. of the meeting in attendance (as of December 31, 2015)
1. Mr Johannes Franciscus Grisel <sup>(1)</sup>	Chairman	Non Executive Director	3/3
2. Mr Siripong Sombutsiri <sup>(2)</sup>	Committee Member	Independent Director	8/9
3. Mr Yokporn Tantisawetrat <sup>(3)</sup>	Committee Member	Non Executive Director	7/7
4. Mr Boontuck Wungcharoen	Committee Member	Executive Director (Chief Executive Officer)	10/12
5. Mr Franciscus Gerardus Rokers <sup>(4)</sup>	Committee Member	Management (Chief Risk Officer)	6/7

<sup>(1)</sup> Mr Johannes Franciscus Grisel was appointed as a director to replace Ms Swee-Im Ung from the Board of Directors' meeting no. 7/2558 on July 22, 2015 and effective from September 1, 2015

<sup>(2)</sup> Mr Siripong Sombutsiri was appointed as a director to replace Mr Rachane Potjanasuntorn from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from April 10, 2015

<sup>(3)</sup> Mr Yokporn Tantisawetrat was appointed as a director to replace Mr Amorn Asvanunt from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from June 1, 2015

<sup>(4)</sup> Mr Franciscus Gerardus Rokers was appointed as Chief Risk Officer to replace Mr Jan Henri Van Wellen, effective from June 1, 2015

Mr Naris Sathapholdeja is Secretary to the Risk Management Committee, effective from February 15, 2016

(Note : as of December 31, 2015, Ms Oranuj Tantimedh was 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 Chairman of the Risk Management Committee.

The scope of responsibilities is as follows:

1. 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.
  - 1.1 To advise the Board on its risk appetite, tolerance and strategy for the Bank and its business units.
  - 1.2 To recommend the risk and concentration levels for approval by the Board, in alignment with the Board's risk appetite.
  - 1.3 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.
2. 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.
  - 2.1 To approve the supplemental risk limits as defined in the relevant policies and frameworks.
  - 2.2 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.
  - 2.3 To review and monitor all risks and risk management practices, including internal control and compliance processes and systems.
3. To approve the appointment, review of committee structure and composition, and roles and duties of the management – level risk management committees.
4. 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.
5. 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.
6. 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 February 12, 2016, the Credit Committee was composed of 5 members as follows:

Name	Position	Note	No. of the meeting in attendance (as of December 31, 2015)
1. Mr Pongpanu Svetarundra	Chairman	Non Executive Director	18/18
2. Mr Johannes Franciscus Grisel <sup>(1)</sup>	Committee Member	Non Executive Director	4/5
3. Mr Yokporn Tantisawetrat <sup>(2)</sup>	Committee Member	Non Executive Director	12/12
4. Mr Boontuck Wungcharoen	Committee Member	Executive Director (Chief Executive Officer)	13/18
5. Mr Franciscus Gerardus Rokers <sup>(3)</sup>	Committee Member	Management (Chief Risk Officer)	11/12

<sup>(1)</sup> Mr Johannes Franciscus Grisel was appointed as a director to replace Ms Swee-lm Ung from the Board of Directors' meeting no. 7/2558 on July 22, 2015 and effective from September 1, 2015

<sup>(2)</sup> Mr Yokporn Tantisawetrat was appointed as a director to replace Mr Amorn Asvanunt from the 2015 Annual General Meeting of Shareholders on April 10, 2015 and effective from June 1, 2015

<sup>(3)</sup> Mr Franciscus Gerardus Rokers was appointed as Chief Risk Officer to replace Mr Jan Henri Van Wellen, effective from June 1, 2015

### Notes:

The Credit Committee meetings no.15/2558, Mr Johannes Franciscus Grisel joined the meetings through Skype system.

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:

1. To approve followings:
  - (a) Credits
  - (b) Credit restructuring
  - (c) NPL write-off
  - (d) NPA acquisition, NPA sales and NPA write-off which exceed the management's approval authority, and are NOT related parties or group limits NOT exceeding the Single Lending Limit (SLL)
2. To review specific credit proposals for related parties or in which group limits exceed the SLL prior to submission to the Board for approval.
3. To review the credit decisions of the most senior executive credit committees.
4. To approve credit and related risks for transactional investments or underwriting commitments which exceed the management's approval authority.

## 2.6 Other committees

The Board or the Board Committees will appoint committees 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 in management level which there are Chief Executive Officer and Chiefs as chairman are as follows:

### 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. 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.

### 3. 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.

### 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 1 (CRC 1)

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. 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.

### 7. 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.

#### 8. 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.

#### 9. The Disciplinary Action Committee (DAC and Senior DAC)

The DAC and Senior DAC is entitled to decide the disciplinary penalty for guilty employees and the indemnification for the Bank.

#### 10. Complaint Management Committee (CMC)

The CMC is to oversee, supervise and ensure that customers' complaints are properly managed.

#### 11. 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.

#### 12. Safety, Occupational Health and Work Environment Committee (Head Office)

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.

### 3 Recruitment of directors and top executive officers

For recruitment of directors, the Bank considers Board diversity including professional skills, expertise, experiences, and gender. The Bank required qualification of directors align with the Bank's strategy. In some case, the Bank recruits directors from Director Pool data base.

#### 3.1 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

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.

- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) Not have any characteristics that prevent the director from giving independent opinions on the Bank's operations.

### 3.2 Recruitment of 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, unless remaining duration of the director's term of office is less than two months.

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.

### 3.3 Recruitment of member of the Board Committees

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.

### 3.4 Recruitment of Senior Management

In the appointment process of the senior management at "Head of" and/or Executive Vice President level and above, the Nomination, Remuneration and Corporate Governance Committee is responsible for consideration to select and screen the qualified persons from both internal and external sources as defined by TMB's rules and regulations. Then, the nominated persons will be proposed to the Board of Directors for approval as well as other required functions to comply with laws and regulations of government authorities related to financial service business.

Regarding the appointment process of the senior management at “Team Head” level and below, the Management shall consider, select and appoint qualified persons as deemed appropriate.

The succession plan for key positions has been established and reviewed annually. In this regard, the recruitment process to fill the position of the senior management who will soon complete a specific term 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

#### 1. 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.

#### 2. 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.

#### 3. 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.

#### 4. 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.

#### 5. 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, Anti-Money Laundering Act, and Counter Terrorism Financing Act.

#### 6. 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.

#### 7. Audit Policy

To determine the roles of Internal Audit (AUD) and Independent Credit Review (ICR) 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 Group Companies. The ultimate objective is to ensure sound control culture and good governance throughout the Financial Business Group.

### 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:

1. The Bank nominates directors by proportion of the Bank's share holding.
2. Chairman of the Board must be appointed by the Bank's Board of Directors.
3. 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.

4. Chief supervising the subsidiaries companies proposes the Bank's executives as representative directors by:
  - 4.1 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.
  - 4.2 Propose to the CEC the re-appointment of the existing representative directors.
5. The Bank may consider appointing outside expert to be a director as appropriate.
6. 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.
7. 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.
8. 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

1. All representative directors shall not receive any remuneration in terms of cash and non-cash for being representative directors.
2. Attend all Group Companies' Board meetings to determine the Group Companies' Policies and Strategies to align with the Bank, which a lead director will work with Strategy and Transformation and related BU to drive and transmit the policy from the Bank.
3. 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.
4. Propose policy, strategy, performance and opinion to the Bank.
5. 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.
6. Monitor and protect all benefits of the Bank.
7. Other duty as specified by the Bank.

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

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

## 5 Control on use of insider information

### 5.1 Policy and procedure on insider information

TMB has issued Regulations and guidelines in written in Code of Conduct, TMB Policy on confidential & Inside information and Conflicts of Interest including operating manual re: Trading & Investment of TMB's Financial Instrument as operating guideline.

Directors and executives are required to sign for acknowledgement and compliance with the practice on reporting the change in the directors and executives securities holding to the Office of Securities and Exchange Commission within 3 days from the date of securities holding change in response to Section 59, Securities and Exchange Act, B.E. 2535. In addition, they are responsible for reporting such change to the Corporate Secretariat to record the matter and summarize the shareholding portion of the directors and executives and their spouses and children before submission to the Board of Directors for acknowledgement on a monthly basis. The Bank also informs them of the penalties given the failure to comply with such requirement.

TMB is aware of the importance of monitoring the use of inside information, especially non-public information that may impact its share price. As such, TMB 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 TMB's inside information is not prematurely disclosed to the public.

Guidelines to prevent inside information the Bank prohibited the executives and staffs who have permanent or occasionally potential access to the Bank's inside information to trading securities until 24 hours after disclosure information to public. The executives and staffs shall not disclose the Bank's inside information to any of their family members and/or other persons even though the staffs and/or their family members do not sell/buy the securities and/or do not gain any benefit in any form and to prevent for personal benefit and whatsoever or the others' benefits. Moreover, if there is any event that may have an effect to TMB's securities price. Bank will set the additional period to prohibit relevant covered person regarding to trading TMB securities.

Compliance Group is responsible for supporting 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 violating of Financial Institution Business Act, B.E.2551, using of inside information accords with the provisions of the Securities and Exchange Act B.E. 2535, violating of Non-Violation Against Intellectual Property Rights or Copyrights, Anti-Corruption, Anti-bribery for the Bank's benefit or Anti-bribery in business dealing with government and private organization 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 and its subsidiaries' auditor in the previous accounting year amounting to THB10,430,000.
- No payment to the respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year.

### 6.2 Non-audit fees

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

- The Bank's auditor in the future due to incomplete work in the previous accounting year totaling THB635,000.
- The respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the future due to incomplete work in the previous accounting year totaling THB2,000,000.

## 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 2015, the Bank implemented Corporate Governance guidelines in accordance with the good corporate governance principles of listed companies prescribed by the Principles of Good Corporate Governance for Listed Companies 2012 by SET, Criteria of Corporate Governance Report of Thai Listed Companies - CGR by IOD, and international standard such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). 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 2015, the Annual General Meeting of Shareholders was held on Friday, April 10, 2015, at the Auditorium, 7<sup>th</sup> 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 2015 Annual General Meeting of Shareholders, the shareholders were informed of the date and agenda of the meeting via SET's communication system on February 18, 2015 or 51 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](http://www.tmbbank.com)) in the section "Investor Relations" under the title of "Annual General Meeting of Shareholders" on March 9, 2015 or 32 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 23 days before the meeting date, which was align with policy and 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. A foreign shareholder who has appointed a custodian in Thailand to be share depository and trustee has to use the Proxy Form C. which can be printed from the Bank's website.

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 2015, the Annual General Meeting of Shareholders was attended by a total of 3,921 shareholders and proxies holding an aggregate number of 31,666,901,434 shares which accounted for 72.50 % of the total issued and paid-up shares, and by 6 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, 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 Thitawan Thanasombatpaisarn, and volunteers for shareholders, namely Mr Perasak Sittipitak and Mr Sutthipun Kakhong, 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 10 April 2015, at 20.23 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](http://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. 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](http://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 2015 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](http://www.tmbbank.com)) in "Investor Relations" section under the title of "Proposal of Meeting Agenda and Nomination of Directors in Advance" and to notify via the SET system.

- **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.

- **Protection against abuse of inside information**

The Bank has written policy and guidelines for keeping and preventing abuse of inside information and has regulation on the use of inside information and also ensure strict compliance to prevent any director, executive or employee in the position or status having opportunity to access to the Bank's inside information from exploiting such information for his/her own benefits or for others' benefits such as using details or confidential information of the Bank/customers to operate business competing with the Bank's/customers' businesses or exploit any benefit from his/her authority and responsibility.

The Bank require 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 in the report format and within the period of time specified by the SEC.

In addition, the management is required to report on a monthly basis the Bank-issued securities held by directors, management, their spouses, and minor children to the Board for acknowledgement, and to prepare a summary report on any changes of the Bank-issued securities held by directors, management, their spouses, and minor children and disclose such information in the annual report.

### 7.3 Role of Stakeholders

The Bank gives priority to equal treatment to all stakeholders to ensure they fully enjoy their rights with fairness and appropriate treatment. The Bank puts in place the system to handle customers' complaints and resolve their problems with prudence and fairness. Customer information shall be kept confidential and conditions under the agreements made with business partners shall be strictly complied. The Bank's business operations shall be based on fair, free from corruption and ethical competition. All employees shall be treated fairly and equally. Training shall be provided to enhance staff's knowledge, capacity, potential and efficiency and job rotation opportunity shall be offered to increase their performance efficiency. The Bank shall determine fair compensation scheme which is comparable to that of similar industry. The Bank shall also promote corporate governance culture within the organization.

In addition, the Bank has the measures to compensate for the damage of stakeholders concerning legal injury of stakeholders by the Bank.

In 2015, 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*

The Bank ensure that business operation is transparent and free from corruption, taking into account sustainable and long-term growth based on the Bank's full potential and capability. This is to enhance the Bank's value in terms of both share price and attractive dividend payment.

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

- **Policy for Employees**

The Bank supports and develops capability of employees for highest performance capacity. The employment shall be fair and appropriate for employees with career advancement opportunities and returns that reflect their ability. The Bank shall welcome employees' opinions and promote team work spirit. Employees shall be treated with politeness and their individuality shall be respected. The Bank shall provide good welfare and good work environment with occupational safety standard and shall concern for all employees' well-being. Consideration of employment, promotion, rotation, and punishment of employees shall be based on fair treatment. In addition, the Bank provides plan to use human resources for the Bank's optimum benefits.

*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. Training program are classified many parts such as bank's business, professional area, and leadership & co-working through classroom training, digital training (E-Learning) and external training. In addition, the Bank places importance on Anti-Corruption, the Bank provides training programs on policy and guideline of Anti-Corruption for employees by setting of classroom training for new employees and preparing of digital training (E-Learning) for employees.

Details about the Bank's guidelines for employees are provided under "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 and to create maximum customer satisfaction.

*The Bank's guidelines for customers*

The Bank has cultivated organizational culture "TMB WAY" comprising 5 core values namely Customer Centricity, Open Communication, High Performance, Risk Management and Integrity to all employees for encouraging employees emphasizes on Customer Centricity, working of the same direction, and clearly understanding of customer behavior.

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 Bank 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. "TMB Touch" is a mobile application developed for smart phones as well as "ME by TMB" is self-service banking that allows customers to easily complete their transactions via electronic channels while offering higher deposit interest than normal interest.

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 operates business operation with partners sustainably and in long term and as good business alliances. The Bank has regulations and criteria for partner treatment, for example, in term of procurement, employment, leasing and high purchase. Qualified business partners are included in the Vendor List and price comparison is carried out before any procurement, employment, leasing and hire purchase. In addition, The Bank carefully and strictly complies with the criteria for fairness to all parties and transparent, free from corruption, auditable practice so as to maximize mutual benefits.

*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 Anti-Money Laundering/Combating of Financing Terrorism (AML/ FTC) Policy, 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 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, transparency, 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](mailto:investor.rel@tmbbank.com) or Website: <http://www.tmbbank.com>. Shareholder Services can be contacted at Floor 28, TMB Head Office Tel 02-299-2729 Fax 02-299-2758.

In 2015, 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	50	41	71
Analyst and Group Meeting	15	160	200
Investor Conference and Non-Deal Roadshow	6	56	64
Total	71	257	335

- **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 has presented responsibilities concerning the company's financial reports alongside the auditor's report in the company's 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. For recruitment of directors, The qualification of directors that the Bank required must align with the Bank's strategy. In some case, the Bank recruits new directors form Director Pool data base.
- **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 of the meeting attendance of the Board of Directors and board committee members 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**  
During year, 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.
- **Segregation of Duties, Roles, and Responsibilities between the Board of Directors and Management**  
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 participates 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 the Bank's vision & mission and strategies regularly so that the Bank's vision & mission and 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 implementation to ensure that the Bank's vision & mission and strategies is effectively, efficiently and transparently achieved. (See more details in "Board of Directors".)

- **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. (See more details in “Board Committees”.)

- **Company Secretary**

The Board of Directors has appointed Ms. Nopawan Saengteerakij to hold position of Company Secretary. The Company Secretary’s roles and responsibilities are to perform duty in compliance with laws and best practice. (See more details in “Company Secretary”.)

- **Directors’ Remuneration**

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. (See more details in “Directors’ Remuneration”.)

- **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 that is approved by the NRCC 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.
5. Senior management at the chief level will participate in the assessment representing views of the management.

- **Enhancement of Directors’ Performance**

The Bank encourage the directors to participate in training courses to expand their knowledge at least one course related to their directorship, which are provided by Thai Institute of Directors (IOD) such as Director Accreditation Program (DAP), Director Certification Program (DCP) or other programs which are relevant to good corporate governance, director’s roles and responsibilities under the laws and relevant government regulations or the Bank’s business operations. This aims at enhancing directors’ skills and competency, and the Bank shall be responsible for all expenses.

The Bank oversees management provides internal training courses which are relevant to the Bank’s business and director’s responsibilities to the directors to enhance their knowledge.

The Bank encourage foreign directors who do not reside in Thailand to participate in professional director training courses from abroad which is equivalent to the programs provided by Thai Institute of Directors (IOD) as well as support them to take Thai Institute of Directors training course.

Whenever there is an appointment of new director, the Bank provides the director's handbook and information that are useful for new director's performance of duties. In addition, the Board shall ensure the Bank arranges an orientation and gives information on the Bank's nature of business, operational procedure and relevant regulatory requirements. Besides, the Bank shall arrange meetings between the Bank's executives and the new directors to allow enquiries and discussion on the Bank's business operations in detail.

#### 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, 5 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 2015, the directors have attended the additional training courses as follows:

Directors	Training Courses
Mr Rungson Sriworasat	Anti-Corruption for Executive Program (ACEP 14/2015)
General Veerun Chantasatkosol <sup>(1)</sup>	Financial Statement for Directors (FSD 28/2015)
Mr Singha Nikornpun	Risk Management Committee Program (RMP 6/2015)
Mr Siripong Sombutsiri	Ethical Leadership Program (ELP 1/2015)
Mr Yokporn Tantisawetrat	Risk Management Program for Corporate Leaders (RCL 1/2015)

<sup>(1)</sup>General Veerun Chantasatkosol resigned from the Bank's director, effective from October 1, 2015

- **Executive Succession Plan**

The Bank requires the executive succession plan prepared as it is a key composition of the personnel strategic planning. The Bank has policy, work plans, and procedures in connection with its vision, mission and business goal as well as organizational culture so as to ensure that the executive succession is carried out smoothly and the succession personnel shall be prepared to ensure continuous operations of the Bank.

# OTHER RELATED INFORMATION AND EFFECTING FACTORS

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## Related Transaction

### Transaction with related parties which occurred during the year

Related party disclosures, which comprised of definitions and characteristics of relationship, pricing policy, related parties transactions with key management and other related parties, outstanding balances with related parties, senior management personnel compensation, other benefits payable to the senior management personnel, were disclosed in notes to financial statements for the year ended December 31, 2015.

### Measures or procedures to approve the making of related and/or connected transactions

In conducting its business, the Bank shall adhere to its principles, integrity, transparency and maximize its interest by emphasising the prevention of conflicts of interest and also to related party transactions and connected transactions according to the regulatory requirements. To that effect, the Bank requires that its Directors and Senior Management at Executive Vice President level and higher to disclose their relations or connections in any business with any conflicts of interest on a quarterly basis. Moreover, the TMB Policy on Confidential & Insider Information and Conflicts of Interest and a Procedure Manual have been issued and enforced in order to eradicate conflicts of interest. Transactions with related parties or connected persons are carried out by the Bank on an arm's length basis. In addition, the Bank's Directors and Executives who may have conflicts of interest in such transactions are neither allowed to participate in the approval thereof, nor to vote in a meeting.

The Bank has no policy to grant any direct loan to Directors or Senior Management. Loans provided to or investments in any entity in which the Bank, its Directors or Senior Management have conflict of interests are subject to the consideration of the project's viability, operational performance or feasibility analysis with terms, conditions and prices to be the same as those approved for other clients in general. The loan or investment amount must be controlled so that it will not exceed an appropriate limit and is subject to unanimous approval of TMB's Board of Directors. The concerned Directors or Executives shall not participate in the approval of such transaction and the approval must be consistent with the regulations of related authorities.

The Bank has assigned the Audit Committee to prevent and mitigate the conflicts of interest. Those transactions that have potential conflicts of interest that exceed the set threshold values or limits must be submitted to the Audit Committee for validation and/or approval prior to execution. Related and/or connected transactions will be disclosed on a complete and transparent basis according to the criteria of the relevant regulators.

Related and/or connected transactions in the future will be executed as per such policy and procedures specified. The Policy and procedures will be updated regularly and also whenever there are changes in related laws and regulations. For those transactions that fall below the set threshold values or limits, a report will be prepared and submitted periodically to the Audit Committee. Information on all of these transactions will be completely and transparently disclosed in accordance with the criteria set by the regulator.

For future related party transactions, the Bank shall continue to adhere to its principles to maximize the interest of the Bank and our shareholders, whereby at a minimum, pricing and terms and conditions will be on arm's length basis in accordance with the above mentioned Policy and Operational Guidelines. Also, the Policy and the Operational Manual will be updated to be in line with the changes of the regulatory requirements and internal criteria.

### 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 conflict of interest to hold more than a 5% of stake in subsidiary company or associated company on its behalf.



## Legal disputes

### Legal disputes in which TMB is defendant

As of December 31, 2015, 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, 2015. 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 THB5 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 1<sup>st</sup> defendant together with 16 directors with regards to the violation of guarantee agreement, and claimed for compensation of about THB140.261 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 THB200 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.

### 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 1<sup>st</sup> and 2<sup>nd</sup> defendants respectively with regards to the violation of promissory notes and aval, claiming for compensation of about THB7.196 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 THB6.525 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 THB520 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 THB4.432 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 THB2.027 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 THB12 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 THB520 million plus interest calculated from the average deposit interest rate until the date of the court filing amounting to about THB15 million, hence a total amount of about THB535 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 THB4,431,879,337.93 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 THB12,002,000 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 interest 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 THB200,000. 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 THB520 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)

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TMB is strengthening its value of Corporate Social Responsibility (CSR) and aims to provide services to its customers in the way that align with sustainable development principles. The Bank is continuously supporting many projects and activities that increase the sustainable development of society in many aspects, in addition to the tangible monitoring mechanism to ensure the quality of the projects.

Currently, Corporate Responsibilities unit is under Bank's Corporate Communication for CSR activities and sustainability development. The unit has work on many social responsibility projects that aims to enhance the quality life of communities in sustainable way, as well as enroot the philosophy of Make **THE** Difference to every stakeholders involve in the projects. In addition, the Bank also drive voluntarily culture among employees by ripple out the society development projects nation-wide (Please referred to "After Process CSR" section).

## 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

With the goal to contribute sustainable economic growth, the Bank is willing to use its 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 dividend payment.

On the other hand, the Bank also gives importance on good governance and transparency in operation, therefore, the Bank is committed to disclosing correct, complete, and sufficient information regarding the Bank's operation and future prospects, in order to enable investors' understanding, as well as to 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 does not involve in businesses that are conflicted with international ethic principles.

### Customers

Customer Centricity is a core business philosophy that the Bank has embraced and reflected through all aspects of business operations. This enables the Bank to best offer the customers with diversified services and products that suit best for their financial needs, enhance maximum customer satisfaction, as well as maintain strong customer relationships.

Make **THE** Difference is not just a fancy phase that the Bank has adopt, it shows the core philosophy of the Bank's brand. As a result, the Bank offers differentiate and innovative financial products and services possibility to the market that truly focus on customers' benefits. 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 principles:

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 is fully aware that human resource are the most valuable 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 compensations reflect their abilities and are competitive with market. Employees' opinions are always welcome, in the Bank's open communication culture. The Bank regularly takes feedback from employees and make 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 respected. The Bank also invest in training to ensure personal development are up to changing business environment. 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 fundamental philosophy that helps employees fully unleash their work potential. It encourages the employees to align the working attitude in the same direction so as to further drive the Bank towards its 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 become 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 strongly believes that the sustainable business development is impossible without strong business alliances with business partner in long-term and sustainable. 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 establishes a policy that 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 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;

1. Defining and assigning roles and responsibilities with respect to combating fraud
2. Defining measures and controls to increase fraud prevention and fraud detection
3. Creating a network of anti-fraud specialists to assist the Bank entities in integrating and coordinating their anti-fraud activities
4. Defining measures in order to embed anti-fraud into the Bank entire operating units
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 respects 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 differences 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**

The Bank focuses on Customer Centricity policy in order to serve the customers with high quality products and services and meet our customers' needs. Moreover, the Bank is committed to provide services that are convenient to customers as well as facilitation of accurate information. TMB strongly emphasizes on truly understanding the difficulties and inconveniences that the customers are faced with including the cross-relationship of each customer segments, in order to innovate the products and services that help solve those problems.

### **6) Community and Social Development**

The Bank supports the activities of employee's community and family in order to promote their life's quality beyond work life, for instance, by supporting 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	Environmental Management Community and Development	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 2015 that contains the disclosure of the Bank's operations related to Corporate Social Responsibility (CSR) and Environmental Management during the period of January 1 – December 31, 2015. The report is based on SEC's Guideline for Corporate Social Responsibility 2015.

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:

### 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 emphasizes on 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.

## 2) Anti-Corruption

In the previous year, the Bank continued taking actions on anti-corruption. The assessment was conducted on overall corruption risk so as to ensure that any operation with exposure to corruption risk had efficient and sufficient risk preventive and reduce risk measure. Addition, the Bank had a revision on policies and regulations related to risk mitigation such as, Procurement Policy, Code of Conduct, Gifts, Entertainment & Anti-bribery Policy, Consolidated Corporate Governance Policy, etc. Working processes have also been improved to be align with the revised policies and the anti-corruption policy which was annually reviewed and approved by the related committees. In this regard, the Bank's attempt was put in the anti-corruption in order to plant the non-corruption organization culture and the disciplinary penalties have been implemented to those staff found committing corruption.

Directors and executives have been introduced to join the training courses with Institution of Directors (IOD). New staff are trained about the anti-corruption along with the training courses concerning Code of Conduct and related Risk Policy, etc. These courses are under the consideration and preparation for e-learning for all staff as it will potentially help them to learn and have well understanding and awareness on the compliance with the determined policies. For example, the Bank provides justice and protection to the staff who denies to commit fraud as well as the staff who provides whistle blowing case.

In addition, the badge of CAC imposed on the Bank's website along with publicizing the Bank's anti-corruption to the public shows that the Bank has intention and is certified by CAC on anti-corruption. The aforementioned actions have been reported to all related committees for acknowledgement. With regard to the assessment, monitoring, and revision on anti-corruption, Internal Auditor has assessed and found that the internal controls are sufficient, appropriate, prudent, and effective.

## 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.

To set an example of promoting human rights, 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.



#### 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.

- 4.1) "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.
- 4.2) 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.
- 4.3) 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.
- 4.4) 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.
- 4.5) 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.
- 4.6) 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.
- 4.7) 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.

#### 5) Responsibility to Consumers

The Bank gives importance on the business operation under good corporate governance and is aware of its roles and responsibilities to the customer. The customer centricity is in focus to ensure that the customers are satisfied with the Bank's products and services under the compliance with the regulatory requirements and the Consumer Protection Act, B.E. 2522.

The information of products and services are disclosed clearly, fully and easily to understand to the public, together with the details, risks, and significant conditions through marketing media in order that the customers can use for choosing before deciding to use the Bank's products and services. Moreover, the Bank realizes the significant of customer's information disclosure to be made under the relevant laws and/or upon the consent from the customer.

To maintain the relationship with the customer, before and after sale, and to ensure the customer's most satisfaction to its products and services, the Bank prepares channels for them to make a complaint and provide opinion on products and services in order that it can consider to resolve those problems and make clarification to the customers. Those complaints and opinions are also proceed to improving products, services, and working procedures.

#### 6) Community and Social Development

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

- 6.1) 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.
  - 6.2) "**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.

## 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 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.

## 8) The Innovation Development under Social Responsibility Principles

Organizations from around the world develop their new roles to operate their businesses 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.

TMB focuses on continuous development of **End-to-End Credit Process**, starting from prudent underwriting based on current market condition, efficient approval process, effective limit set up and draw down to credit quality monitoring and following up. Most importantly, TMB aspires to develop well-rounded people to manage profitability, risk and advisory altogether.

TMB always moves toward sustainable growth of quality credit portfolio and best possible SME customer experience. During tough economic condition, TMB arranges special assistance program and allocates dedicated teams to help SMEs with liquidity problem from early stages.

#### Retail Customers:

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. 2015 marked another important year in which TMB made a great stride in product development and in servicing customers through Omni-Channel platform 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.

- **TMB All Free**

From deepening customer understanding, TMB launched a new deposit product **TMB All Free** in 2015, which is a new transactional deposits together with debit card that suites customers' transactional needs. With the new account, customers may make unlimited withdrawals and balance enquiries at other banks' ATMs without additional charge. Moreover, customers can make unlimited free transfer within TMB and additional 5 free-of-charge transactions whether cross-bank transfers or bill payments/top-up. There is no minimum balance requirement which provide greater flexibility to the customers without any hidden fee.

- **Other Financial Products**

TMB continued to strengthen market position of being the first and only domestic bank offering **Open Architecture** platform. TMB is currently the selling agent of a broad range of mutual fund products managed by 5 leading asset management companies namely Aberdeen, CIMB Principal, Manulife, TMBAM and UOBAM.

#### 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 2015, the under investigation cases that related to the 8 principles are reported as the table below.

Principle	Impact to Social and Environment
1. Fair Trade Practice	No case
2. Anti-Corruption	No case
3. Human Right	No case
4. Fair Labor Treatment	Refer to section Labor Disputes
5. Responsibility to Customer	No case
6. Environment Management	No case
7. Community and Social Development	No case
8. Innovation and Distribution to Innovation	No case

## 5. After Process CSR

Besides in-process CSR, where the Bank integrate the principles of social responsibility into the business operation, TMB has also established sustainable after-process CSR projects that support social development and environmental conservation as follows:

- **FAI-FAH, TMB's CSR Program for Children**

One of TMB's core corporate social responsibility programs is FAI-FAH. With the aims to create "catalyst of changes" for the society, FAI-FAH center is an art-inspired learning center that offer life skills enhancing activities such as arts, sport, music, etc., to kids from the communities whose age are between 12–17 years old. FAI-FAH kids are allowed to select up to two of the classes offered at center, and could participate in the classes up to three years free of charge. In addition, each year FAI-FAH would initiate so called "Community Improvement Project" which aims to improve community in the sustainable way by focusing on the actual needs from people in the community. Through this platform, FAI-FAH kids are encouraged to set up the theme of the project for each year and use the skills learn from FAI-FAH to give back to these community with the help from volunteers, both TMB and non TMB. This is to promote the mindset of "giving back" among the FAI-FAH kids.

Since the program first opening in 2010, now FAI-FAH have four centers across the area of Bangkok, which are Pradiphat, Prachutis, Chan, and newly launched in 2015 Bangkok Noi. The centers have inspired more than 170,000 kids last year. In addition, in 2015, FAI-FAH aims to extend its reach to help further in other area with collaboration from various partners. For instance, Satit Bilingual School of Rangsit University, which provide four full-scholarship funded based on kids' EQ measurement as well as giving back mindset. Rajamangala University of Technology Phra Nakhon, faculty of home economics technology, provides special entrance quotas for FAI-FAH kids. With these collaboration from shared-vision partners in helping kids from community, FAI-FAH will be a society's platform that empowered kids to fulfill their dreams and become catalyst of changes that drive the society better.

- **FAI-FAH : Ripple out Make **THE** Difference Philosophy to Communities**

2015 is another great year for TMB volunteers achievement. TMB volunteers from nation-wide branches have participated in FAI-FAH In-a-Box program, in which volunteers from branches would visit community around the branch, explore their needs, and come up with sustainable community improvement projects that serve those needs. With more than 2,000 TMB volunteers, 18 projects, and over THB2 million internal fund-raising, TMB volunteers program have inspired various communities across the nation.

Lastly, TMB has partner with ING in Orange Bike Project 2015. ING Asia has initiated Orange Bike project in year 2013, with a goal to donate 5,000 bicycles to kids in rural area across Asian countries. The objective is to empower the kids by providing bicycle for them so that they could access to education easier. In 2015, ING together with TMB have donate 1,000 bicycles to children in provinces of Ubonratchthani, Uthairat, Surin, and Srisaket. To ensure the sustainability of the project, the program also partner with World Vision Thailand, to track the progress of kids after receiving the bicycles, and World Bicycles Relief in training local mechanic to ensure that all the bicycles are in good conditions.

- **TMB Foundation**

Founded in December 2012, TMB Foundation aims to supported other sustainable social development beyond FAI-FAH. 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 2015, TMB Foundation acts as another donation channel for general public to support Thai Red Cross in relieving Nepal Earthquake incident. Moreover, TMB Foundation also continuously to support Cardiac Children Foundation of Thailand, which aims to provide cardiac operations to children across the nation who are in need but lacks of financial supports. So far, the foundation has successfully support 136 cases of cardiac operation. And through sales tickets for TMB ING Parkrun 2015 and donations from TMB and customers, TMB Foundation is able to raise a donation of over THB3.2 million to support Cardiac Children Foundation of Thailand this year, with an expected beneficiary of 160 cases to be successfully operated within 2016.

- **2015 CSR AWARD**

With determination in making the differences for communities in a sustainable way, in 2015 TMB is nominated and awarded with three international CSR practice awards including: The Best Community Development Award, and The Best CSR Practice in Banking & Finance from The 5th Asia Best CSR Practices Award, and Top Community Care Companies in Asia Corporate Excellence & Sustainability Awards at Singapore.

These recognitions are the achievement together with a reflection of tangible results on how Make **THE** Difference philosophy has created a ripple out effect that could make our society become better in a sustainable way.

# BANK'S SECURITIES AND SHAREHOLDERS

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## Bank's Securities

### Bank's capital

As of December 31, 2015, the Bank's registered capital was THB41,903,301,555.05 of which THB41,562,024,634.25 was paid up, comprising ordinary shares 43,749,499,615 shares at par value of THB0.95 per share.

### Thai Trust Fund

As of December 31, 2015, 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, 2015, the latest share register closing date for the right to receive the dividend payment from the 2014 operating profit, Thai NVDR Co., Ltd. issued NVDRs with TMB shares as reference asset amounting to 3,817,747,540 shares or 8.73% 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](http://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 states that as long as financial institutions have not yet written off impaired assets or have not yet made full provision for 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 reclassification 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.

### Subsidiaries companies' policy

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

### Major shareholders

Below is the list of the 10 largest shareholders at the latest share register closing date on April 24, 2015, in order to determine the rights to receive dividend payment from 2014 operating profit as follows:

Major shareholders	Number of ordinary shares	%
1. Ministry of Finance	11,364,282,005	25.98
2. ING Bank N.V.	10,970,893,359	25.08
3. Thai NVDR Co., Ltd.	3,817,747,540	8.73
4. STATE STREET BANK EUROPE LIMITED	1,239,061,300	2.83
5. CHASE NOMINEES LIMITED	1,114,821,876	2.55
6. HSBC (SINGAPORE) NOMINEES PTE LTD	1,086,941,139	2.48
7. DBS BANK LTD	780,000,000	1.78
8. Mrs Somporn Jungrungrueangkit	702,000,000	1.61
9. Royal Thai Army	546,499,860	1.25
10. Government Pension Fund	388,026,100	0.89

Source: Information on the latest share register closing date on April 24, 2015 prepared by Thailand Securities Depository Co., Ltd.  
Investors may look for the list of major shareholders from [www.set.or.th](http://www.set.or.th)

## Holding Company

-None-

# INTERNAL CONTROL

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## 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. 1/2559 held on 20 January 2016 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 Internal Audit

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

(see more details of Head of Internal Audit in attachment 1)

### Head of Compliance

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

(see more details of Head of Compliance in attachment 1)



# STATEMENT OF THE AUDIT COMMITTEE

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In 2015, 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 summarized 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 including propose dismissal of Bank's external 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 2015, 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 2016.

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

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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. Chairman of NRCC is an independent director.

In 2015, the Committee carried out its duties within the scope of authority given by the Board of Directors, holding 14 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 as well as 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 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, ensuring 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 proposes candidates for director position to the Annual General Meeting of Shareholders for approval. In addition, the Committee has considered the compensation of the members of the Board and board committees and senior management prior to proposing it to the Board of Directors for approval, taking into account the suitability and reasonableness based on their scope of duties and responsibilities.

## Corporate Governance

The Committee reviews Corporate Governance Policy to ensure they are in line with the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand, Criteria of Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors Association (IOD) as well as international standards such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

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 public with complete information. The Committee provides the self-assessment of the Board of Directors, board committees, and individual board member of year 2015. 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.

The Committee reviews Anti-Corruption Policy and ensures that the policy is communicated to employee and public, provides overall risk assessment, encourages the Bank's directors and management to attend training courses pertaining to anti-corruption as well as arranges training on anti-corruption for new directors and staff.

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 Siripong Sombutsiri  
Chairman of the Nomination,  
Remuneration and Corporate Governance Committee

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTS

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The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the Annual Report. The financial statements for the year ended December 31, 2015 have been prepared in accordance with Thai Financial Reporting 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 of Directors 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 of Directors 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, the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2015.



Mr.Boontuck Wungcharoen  
Chief Executive Officer



Mr.Rungson Sriworasat  
Chairman of the Board

# MANAGEMENT

## DISCUSSION & ANALYSIS

### Executive Summary

2015 was another challenging year due to a number of unfavorable economic factors. TMB, nonetheless, was able to maintain its core operating momentum, thanks to solid fundamentals built during transformation period. Apart from income generation, the Bank also put priorities on asset quality and capital adequacy monitoring in order to ensure quality growth and sustainable return to shareholders.

#### Operating performance continued to improve with strong PPOP growth of 19.7%

Despite downward interest rate trend in 2015, TMB managed to grow net interest income by 7.5%, backed by well-managed funding cost and performing loan growth. Non-interest income posted a strong growth of 22.4%, driven mainly by a 36.4% growth of net fees and service income. Operating income, as a result, grew by 11.7%. Meanwhile, operating costs rose only 4.4% YoY. Consequently, pre-provision operating profit (PPOP) improved to THB16,937 million, a strong growth of 19.7% YoY. Cost to income improved to 49.2% from 52.6% in 2014. All these reflected the improvement of income generation and operating efficiency.

#### Deposit grew with quality while loan was selectively expanded

Deposit and loan growth was in line with the Bank's target. A 12.8% growth of deposit was broad-based, from all customer segments. The Bank's flagship products, No Fixed and ME, grew on track while transactional deposit accounts expanded by 10.3%. Loan expansion, on the other hand, was selective due to economic circumstance. Total loans, therefore, grew by 9.5%, also driven by all customer segments.

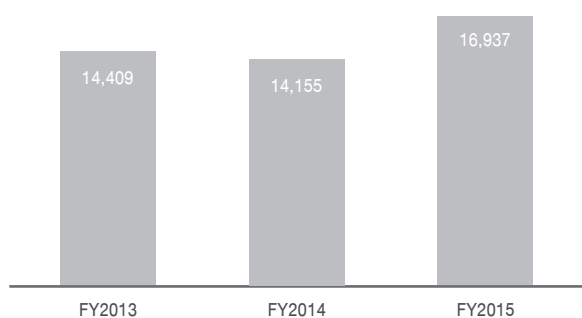
#### Asset quality was closely monitored

Thai banking industry faced with a rise in NPLs due to economic circumstance. TMB had closely monitored asset quality and ensured strong level of potential loss buffer. At the end of 2015, the Bank recorded THB20,473 million of NPLs, compared to THB18,093 million in 2014. NPL ratio also increased slightly to 2.99% from 2.85% in prior year. The Bank set aside higher provision in order to accommodate the NPL trend and to limit downside risks. Coverage ratio, hence, remained high at 142%.

After THB5,479 million of provision, TMB reported net profit of THB9,333 million which represented an ROE of 12.9%.

Figure 1: Pre-provision operating profit (PPOP)

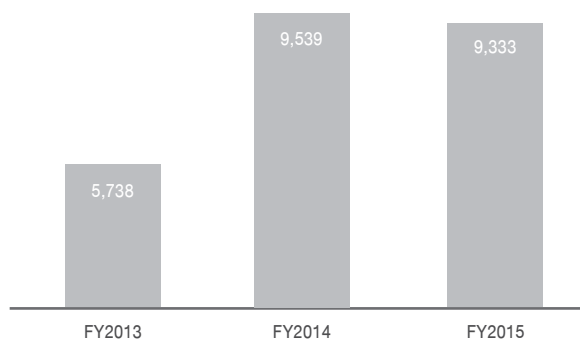
Unit : THB million



Note: Consolidated financial statement

Figure 2: Net profit to equity holders of the Bank

Unit : THB million



Note: Consolidated financial statement

## Discussion of Operating Performance

The 12-month core operating performance continued to improve from 2014. Both income generation and operating efficiency were on positive momentum. Details of income structure and operating performance are as follows.

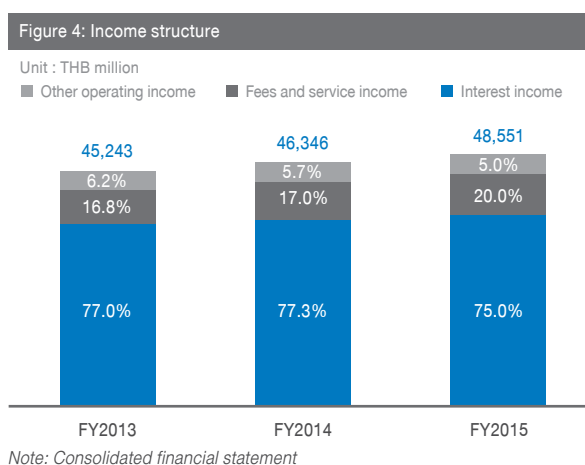
Figure 3: Selected statement of comprehensive income

(Unit: THB million)	12M15	12M14	Change	%YoY
Interest income	36,430	35,848	582	1.6%
Interest expenses	13,210	14,253	-1,043	-7.3%
<b>Net interest income</b>	<b>23,220</b>	<b>21,595</b>	<b>1,625</b>	<b>7.5%</b>
Fees and service income	9,712	7,874	1,838	23.3%
Fees and service expenses	1,891	2,140	-249	-11.6%
<b>Net fees and service income</b>	<b>7,821</b>	<b>5,734</b>	<b>2,087</b>	<b>36.4%</b>
Total other operating income	2,409	2,624	-215	-8.2%
<b>Non-interest income</b>	<b>10,230</b>	<b>8,358</b>	<b>1,872</b>	<b>22.4%</b>
<b>Total operating income</b>	<b>33,450</b>	<b>29,953</b>	<b>3,497</b>	<b>11.7%</b>
<b>Non-interest expenses</b>	<b>16,467</b>	<b>15,774</b>	<b>693</b>	<b>4.4%</b>
Impairment loss on loans and debt securities	5,479	3,437	2,042	59.4%
<b>Profit before income tax expense</b>	<b>11,504</b>	<b>10,742</b>	<b>762</b>	<b>7.1%</b>
Income tax expense	2,153	1,190	963	80.9%
<b>Profit for the period</b>	<b>9,351</b>	<b>9,552</b>	<b>-201</b>	<b>-2.1%</b>
Profit to non-controlling interest of subsidiaries	18	13	5	38.5%
<b>Profit to equity holders of the Bank</b>	<b>9,333</b>	<b>9,539</b>	<b>-206</b>	<b>-2.2%</b>
Other comprehensive income (loss)	37	1	36	3600.0%
<b>Total comprehensive income</b>	<b>9,389</b>	<b>9,552</b>	<b>-163</b>	<b>-1.7%</b>
<b>Basic earnings per share (Baht per share)</b>	<b>0.2134</b>	<b>0.2185</b>	<b>-0.0051</b>	<b>-2.3%</b>

Note: Consolidated financial statement

### 1. Income structure

The Bank's income structure consists of interest income, fees and service income and other operating income. In 2015, TMB generated THB48,551 million of total income which increased from THB46,346 million in 2014. Interest income was the largest income source and accounted for 75.0% of total income. This followed by fees and service income of 20.0% and other operating income of 5.0% as shown in figure 4.



## 2. Net interest income (NII) and Net interest margin (NIM)

Interest income rose by 1.6% YoY to THB36,430 million from THB35,848 million in 2014. Although yield on earning assets declined due to downward interest rate trend in 2015, a robust growth in performing loans helped support interest income.

Interest expenses declined by 7.3% YoY to THB13,210 million from THB14,253 million, despite deposit expansion. This was because of lower funding cost in 2015.

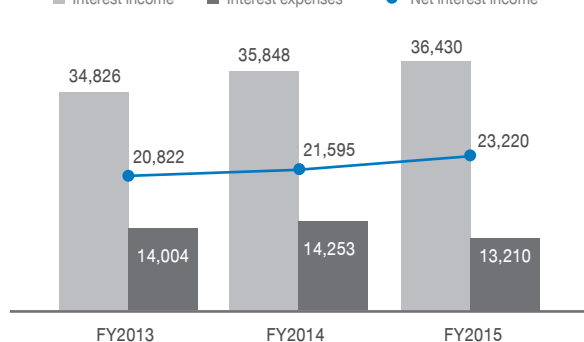
Net interest income (NII), as a result, grew by 7.5% YoY to THB23,220 million from THB21,595 million in 2014, thanks mainly to performing loan growth and well-managed funding cost.

Net interest margin (NIM) slightly improved to 2.99% from 2.95% in 2014. The figure was in line with the Bank's target.

Figure 5: Net interest income (NII)

Unit : THB million

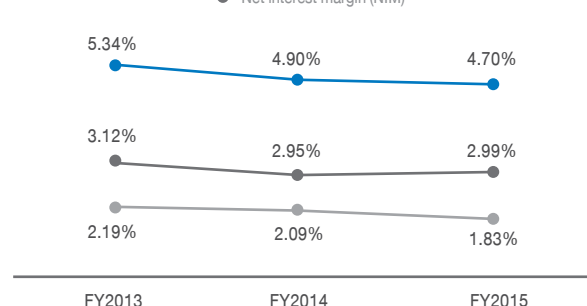
■ Interest income ■ Interest expenses ● Net interest income



Note: Consolidated financial statement

Figure 6: Net interest margin (NIM), Cost of deposit and Yield on average earning assets

● Yield on avg. earning assets ● Cost of deposit ● Net interest margin (NIM)



Note: Consolidated financial statement

Figure 7: Net interest income (NII)

(Unit: THB million)

	12M15	12M14	Change	%YoY
<b>Interest income</b>	<b>36,430</b>	<b>35,848</b>	<b>582</b>	<b>1.6%</b>
Interest on interbank and money market items	2,037	2,229	-192	-8.6%
Investments and trading transactions	274	289	-15	-5.2%
Investments in debt securities	2,148	2,658	-510	-19.2%
Interest on loans	31,588	30,210	1,378	4.6%
Others	383	462	-79	-17.1%
<b>Interest expenses</b>	<b>13,210</b>	<b>14,253</b>	<b>-1,043</b>	<b>-7.3%</b>
Interest on deposits	8,163	9,142	-979	-10.7%
Interest on interbank and money market items	882	1,054	-172	-16.3%
Contributions to the Deposit Protection Agency	2,829	2,669	160	6.0%
Interest on debt issued and borrowings	1,326	1,369	-43	-3.1%
Borrowing fee	7	14	-7	-50.0%
Others	3	5	-2	-40.0%
<b>Net interest income (NII)</b>	<b>23,220</b>	<b>21,595</b>	<b>1,625</b>	<b>7.5%</b>

Note: Consolidated financial statement

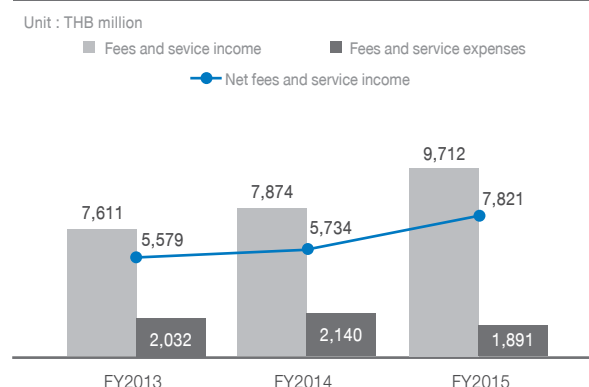
### 3. Non-interest income and Non-interest expenses

**Non-interest income** rose by 22.4% YoY to THB10,230 million from THB8,358 million in 2014. Key contributor was a solid increase in net fees and service income. In 2015, net fees and service income rose by 36.4% YoY from THB5,734 million to THB7,821 million. The improvement was from both revenue and expense sides. Fees and service income expanded by 23.3% YoY, thanks mainly to higher mutual fund, bancassurance and credit-related fees. At the same time, fees and service expenses reduced by 11.6%.

**Non-interest expenses** grew only 4.4% to THB16,467 million from THB15,774 million in 2014. Key factors were 1) employee cost from annual salary incremental 2) premise expenses from higher branch rentals and maintenance and 3) other expenses mainly from computer software rental. Details are in figure 11.

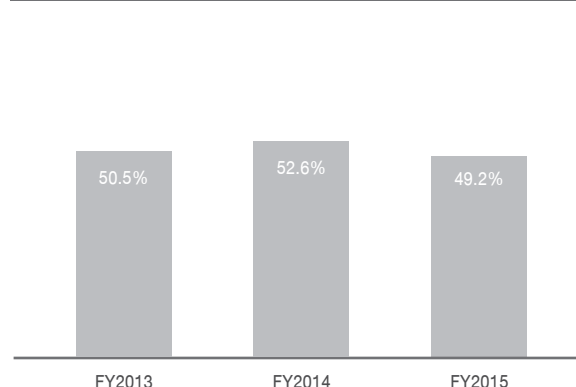
**Cost to income ratio** reduced from 52.6% in 2014 to 49.2% in 2015. Such an improvement reflected the positive momentum of the Bank's income generation and cost efficiency.

Figure 8: Net fees and service income



Note: Consolidated financial statement

Figure 9: Cost to income ratio



Note: Consolidated financial statement

Figure 10: Non-interest income

(Unit: THB million)	12M15	12M14	Change	%YoY
<b>Fees and service income</b>	<b>9,712</b>	<b>7,874</b>	<b>1,838</b>	<b>23.3%</b>
Acceptances, aval and guarantees	543	394	149	37.8%
Others	9,169	7,480	1,689	22.6%
<b>Fees and service expenses</b>	<b>1,891</b>	<b>2,140</b>	<b>-249</b>	<b>-11.6%</b>
<b>Net fees and service income</b>	<b>7,821</b>	<b>5,734</b>	<b>2,087</b>	<b>36.4%</b>
Gains (losses) on tradings and foreign exchange transactions	1,701	1,991	-290	-14.6%
Gains (losses) on financial instrument designated at fair value	-16	-51	n.a	n.a.
Gains (losses) on investments	181	193	-12	-6.2%
Gains on sale of assets	152	183	-31	-16.9%
Dividend income	40	55	-15	-27.3%
Others	351	252	99	39.3%
<b>Non-interest income</b>	<b>10,230</b>	<b>8,358</b>	<b>1,872</b>	<b>22.4%</b>

Note: Consolidated financial statement



Figure 11: Non-interest expenses

(Unit: THB million)	12M15	12M14	Change	%YoY
Personnel expenses	8,169	8,048	121	1.5%
Directors' remuneration	42	38	4	10.5%
Premises and equipment expenses	3,130	3,003	127	4.2%
Taxes and duties	1,282	1,198	84	7.0%
Loss on impairment of properties foreclosed (reversal)	-7	23	-30	-130.4%
Loss on diminution in value of other assets	125	80	45	56.3%
Provisions for other liabilities (reversal)	14	36	-22	-61.1%
Other expenses	3,712	3,348	364	10.9%
<b>Non-interest expenses</b>	<b>16,467</b>	<b>15,774</b>	<b>693</b>	<b>4.4%</b>

Note: Consolidated financial statement

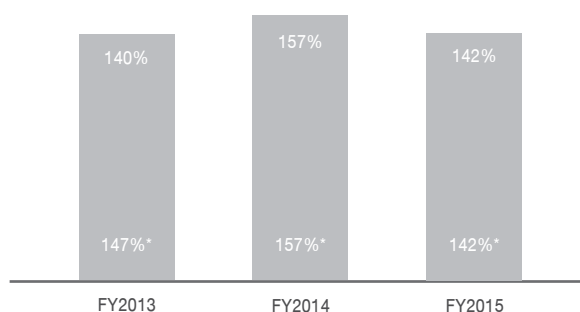
#### 4. Impairment loss on loans and debt securities

TMB has been consistently conservative in provisioning. This reflected by the higher provision of THB5,479 million in 2015, compared to THB3,437 million in 2014. The increase in provision was mainly to limit downside risks from slow economic recovery as well as to accommodate NPLs trend in 2015.

At the end of December 2015, the coverage ratio was at 142% on both consolidated and bank-only basis. Such a level was one of the highest among Thai top-tier banks.

Figure 12: Coverage ratio

\*Bank-only



Note: Consolidated and Bank-only financial statements

## Discussion of Financial Position

TMB monitored asset quality closely as well as maintained its liquidity and capital adequacy at strong level. Key areas of financial position discussion are as follows.

### 5. Assets and asset quality

As of 31 December 2015, total assets of the Bank and its subsidiaries were THB838,937 million, an increase of 3.7% from 31 December 2014. The increase was mainly from loans and interbank & money market.

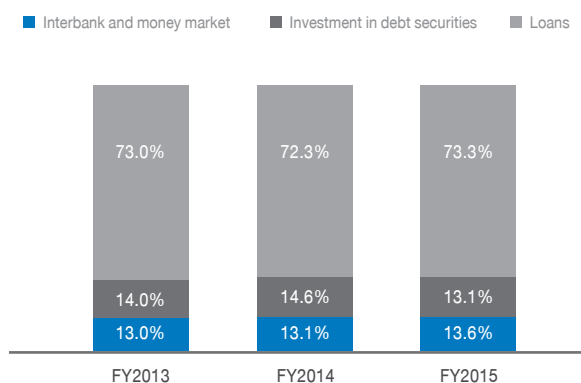
In terms of earning assets, the largest portion was loan, which represented 73.3% of total earning assets. This followed by interbank and money market items of 13.6% and investment in debt securities of 13.1%.

**Loans:** As of 31 December 2015, total loans (excluding accrued interest receivables) on consolidated basis were THB580,776 million, increased by 9.5% from 31 December 2014.

The Bank's performing loans increased by 9.4% from 2014 to THB560,303 million. Key drivers were business banking or medium size SME (+25.6% YoY), retail lending (+18.3% YoY) and corporate lending (+3.7% YoY). Small SME loan, on the other hand, was flat. Under fragile economic circumstance, loan expansion was in alignment with tightened loan underwriting criteria and prudent risk management policy.

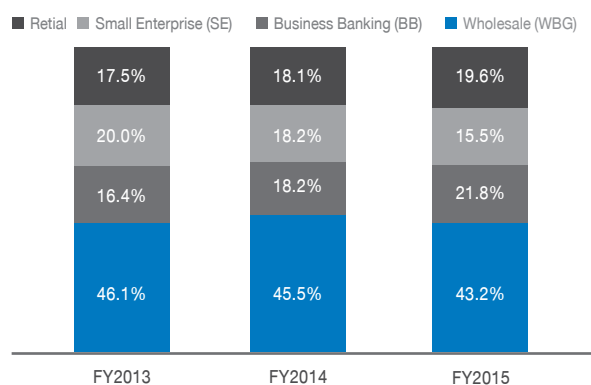
In terms of loan product composition, term loans/promissory notes, OD and trade finance represented 55.7%, 24.1% and 13.8% of total loans, respectively. Compared to December 2014, term loan and OD for commercial clients grew 13.0% from December 2014. Retail credit grew from mortgage and credit card by 25.6% and 6.3%, respectively. Trade finance loans for commercial customers rose 4.6%.

Figure 13: Composition of earning assets



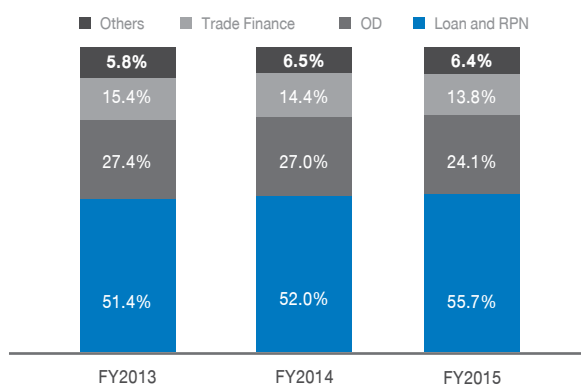
Note: Consolidated financial statement

Figure14: Performing loan breakdown by segment



Source: Bank-only financial statement

Figure15: Loan breakdown by product



Source: Bank-only financial statement

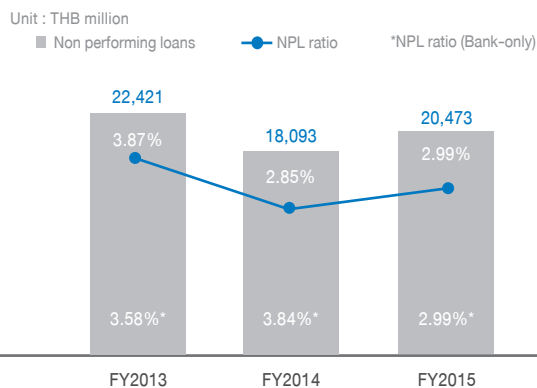
Definitions of customer segments are as follows:

- Corporate (WBG) loans are loans to commercial customers that have total annual revenue of over THB500 million.
- Business Banking (BB) loans are loans to commercial customers that have total annual revenue more than THB 50 million but less than THB500 million.
- Small enterprise (SE) loans are loans to commercial customers that have total annual revenue of less than THB 50 million, including owner operator.
- Retail loans are loans to individual

**NPLs and NPL ratio:** As of 31 December 2015, consolidated non-performing loans (NPLs) increased by 13.2% to THB20,473 million. NPL ratio (include interbank loans) slightly rose to 2.99% from 2.85% as of 31 December 2014. The NPL trend was in line with banking industry.

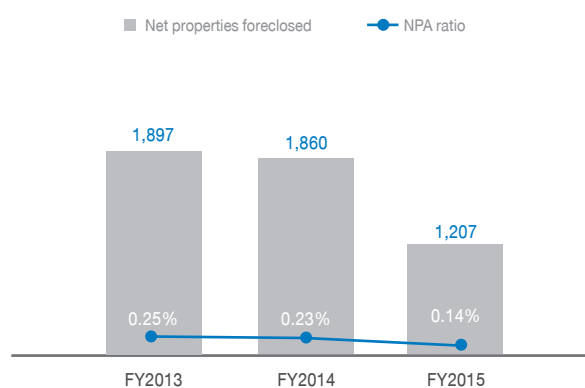
**NPA and NPA ratio:** Net properties for sale decreased by 35.1% from 2014 was THB1,207 million. The ratio of properties for sale to total asset also declined to 0.14% from 0.23% as of December 2014, in line with the Bank's plan.

Figure 16: NPLs and NPL ratio



Source: Consolidated & Bank-only financial statements

Figure 17: NPA and NPA ratio



Source: Consolidated financial statement

## 6. Liability and liquidity

As of 31 December 2015, total liabilities on consolidated basis were THB762,339 million, an increase of 3.1% from 31 December 2014. Key driver was deposit growth while interbank & money market and borrowings dropped.

**Deposits:** As of 31 December 2015, total deposits were THB644,694 million, a 12.8% increase from December 2014. The growth was mainly from No Fixed & ME (THB53 billion or 29.6% YoY). CASA also grew by THB22 billion or 10.4% while time deposits decreased by THB4 billion or 2.3%.

The Bank's transactional products continued to grow as target. "TMB One Bank" for commercial customers showed its robust growth of 68.2% or by THB21 billion from December 2014. Newly launched in March, "TMB ALL Free" (an upgraded version of No Fee and Free Flow for retail customers) continued to increase and reached THB16 billion at the end of 2015.

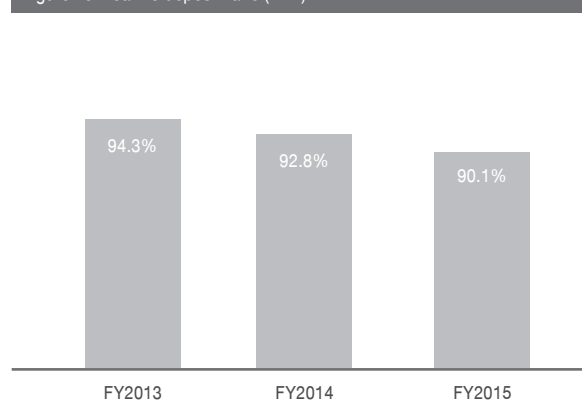
**Interbank and money market:** The figure was THB36,217 million, decreased by 50.2% from 2014 in accordance with liquidity management.

**Borrowings:** Borrowings of THB30,184 million dropped by 16.7% from 2014. The decrease was because of the redemption of sub-debt counted as Tier 2 capital (THB8 billion in April) and reduction of bill of exchange (THB0.6 billion), offset by the issuance of debenture amounted to CNH600 million in March.

**Liquidity:** TMB ensured strong liquidity position by maintaining high allocation of liquid and low-risk assets. As of 31 December 2015, total liquid assets represented 23.9% of the total assets, compared with 24.9% as of December 2014. The liquid assets consisted of cash 2.1%, interbank & money market 13.8% and the short-term investment 8.0%.

Loan to deposit ratio (LDR) of the Bank and subsidiaries was 90.1%, marginal decreased from 92.8% as of December 2014. The slight decline in LDR was due to higher deposit growth during the year.

Figure 18: Loan to deposit ratio (LDR)



Source: Consolidated financial statement

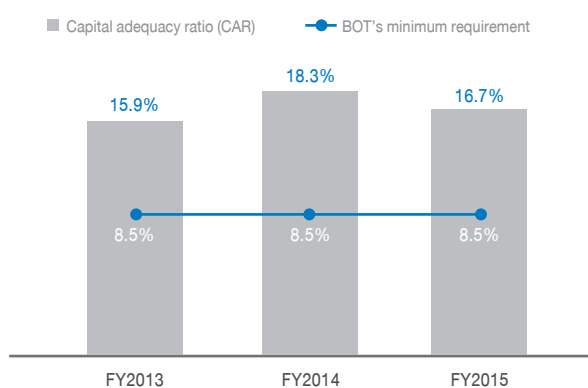
## 7. Shareholder equity and Capital adequacy

**Shareholder equity:** As of December 2015, total shareholder equity on consolidated basis was THB76,598 million, a 9.8% increase from December 2014. The rise was a result of profit generation during the year.

**Capital adequacy:** Capital Adequacy Ratio (CAR) of the Bank under Basel III calculation was 16.7%, slightly lower from 18.3% as of December 2014. Such a decrease was due to the redemption of subordinated debentures in April, amounting to THB8.0 billion. CET I and Tier I improved to 11.3% from 11.0% in the prior year. Overall, the Bank maintained its capital base at strong level and 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.

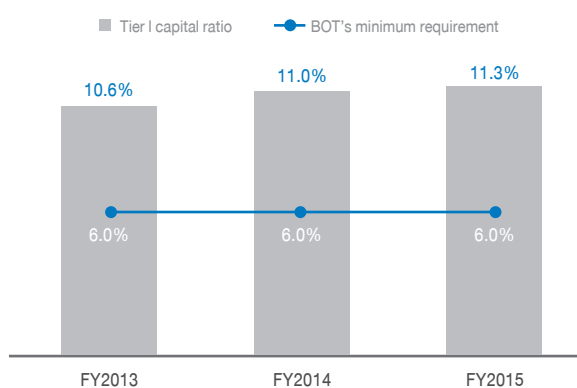
Looking forward, TMB will continue to improve non-interest income generation further. Asset quality monitoring will remain one of the Bank's priorities as well as maintaining coverage ratio and capital base at high levels.

Figure 19: CAR and BOT's requirement



Source: Bank-only financial statement

Figure 20: Tier I and BOT's requirement



Source: Bank-only financial statement

(For the disclosure of full details of capital under Basel III, Pillar III, please visit investor relations webpage at [www.tmbbank.com](http://www.tmbbank.com))

# CREDIT RATING

The table below shows credit ratings of TMB assigned by Standard & Poor's, Moody's Investor Services and Fitch Rating as of December 2015 and 2014.

Standard & Poor's	December 2015	December 2014
<b>International Rating</b>		
Long-Term Counterparty	BBB-	BBB-
Short-Term Counterparty	A-3	A-3
Senior Unsecured	BBB-	BBB-
Stand-Alone Credit Profile (SACP)	bb+	bb+
<b>Outlook</b>	Stable	Stable

(Upgraded in November 2013)

Moody's	December 2015	December 2014
<b>International Rating</b>		
Bank Deposits	Baa2/P-2	Baa2/P-2
Baseline Credit Assessment	ba2	ba2
Adjusted Baseline Credit Assessment	ba2	ba2
Senior Unsecured MTN	(P)Baa2	(P)Baa2
<b>Outlook</b>	Stable	Stable

(Upgraded in September 2014)

Fitch Ratings	December 2015	December 2014
<b>International Rating</b>		
Long-Term IDR	BBB-	BBB-
Short-Term IDR	F3	F3
Senior Unsecured	BBB-	BBB-
Viability Rating	bbb-	bbb-
Support Rating	3	3
Support Rating Floor	BB+	BB+
<b>National Rating</b>		
Long-Term	A+ (tha)	A+ (tha)
Short-Term	F1 (tha)	F1 (tha)
Subordinated Debt	A (tha)	A (tha)
<b>Outlook</b>	Stable	Stable







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# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TMB Bank Public Company Limited

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I have audited the accompanying consolidated and the Bank only financial statements of TMB Bank Public Company Limited and its Subsidiaries (the "Group"), and of TMB Bank Public Company Limited (the "Bank"), respectively, which comprise the consolidated and the Bank only statements of financial position as at 31 December 2015, the consolidated and the Bank only statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

## *Management's Responsibility for the Consolidated and the Bank only Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated and the Bank only financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and the Bank only 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 consolidated and the Bank only 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 consolidated and the Bank only 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 consolidated and the Bank only financial statements present fairly, in all material respects, the financial position of the Group and the Bank only, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## *Other Matter*

The accompanying consolidated and the Bank only financial statements of TMB Bank Public Company Limited and its subsidiaries, and of TMB Bank Public Company Limited, respectively for the year ended 31 December 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 18 February 2015.



Chanchai Sakulkoedsin  
Certified Public Accountant  
Registration No. 6827

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 February 2016

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of financial position**

Assets	Note	Consolidated		Bank only	
		31 December		31 December	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Cash		17,290,402	16,427,953	17,289,833	16,427,874
Interbank and money market items, net	9, 36.2	115,758,178	113,096,814	114,957,730	112,426,118
Claims on securities		11,944,900	22,689,700	11,944,900	22,689,700
Derivative assets	10	12,250,311	10,875,999	12,250,311	10,875,999
Investments, net	11, 36.2	98,260,036	110,859,350	95,470,360	108,785,569
Investments in subsidiaries and associate, net	12	8	8	3,331,428	3,229,428
Loans to customers and accrued interest receivable, net	13, 36.2				
Loans to customers		580,867,827	530,446,525	580,836,479	530,403,628
Accrued interest receivable		1,068,312	1,068,201	1,068,312	1,068,201
Total loans to customers and accrued interest receivable		581,936,139	531,514,726	581,904,791	531,471,829
Less deferred revenue		(91,694)	(86,162)	(91,694)	(86,162)
Less allowance for doubtful accounts	13.4, 15, 36.2	(28,844,706)	(28,252,268)	(28,821,032)	(28,224,616)
Less revaluation allowance for debt restructuring	13.7	(180,558)	(109,818)	(180,558)	(109,818)
Total loans to customers and accrued interest receivable, net		552,819,181	503,066,478	552,811,507	503,051,233
Customers' liabilities under acceptances		10,913	15,095	10,913	15,095
Properties for sale, net	16	1,207,101	1,860,150	1,207,101	1,817,253
Premises and equipment, net	17	10,291,853	10,672,208	10,266,657	10,645,551
Goodwill and other intangible assets, net	18	1,238,552	1,002,878	1,173,917	937,812
Deferred tax assets	19	2,044,523	2,065,370	2,032,134	2,057,586
Other receivables, net	20, 36.2	11,325,343	12,973,198	11,066,170	12,188,199
Other assets, net	21, 36.2	4,495,980	3,577,057	4,420,344	3,432,069
<b>Total assets</b>		<b>838,937,281</b>	<b>809,182,258</b>	<b>838,233,305</b>	<b>808,579,486</b>

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of financial position**

Liabilities and equity	Note	Consolidated		Bank only	
		31 December		31 December	
		2015	2014	2015	2014
(in thousand Baht)					
Liabilities					
Deposits	22, 36.2	644,693,924	571,625,314	644,729,505	571,720,372
Interbank and money market items	23, 36.2	36,216,663	72,716,662	36,216,663	72,716,662
Liabilities payable on demand		3,008,198	3,145,176	3,008,198	3,145,176
Liabilities to deliver security		11,944,900	22,689,700	11,944,900	22,689,700
Financial liabilities designated at fair value through					
profit or loss	24	298,869	183,337	298,869	183,337
Derivative liabilities	10	12,141,438	10,171,992	12,141,438	10,171,992
Debt issued and borrowings, net	25, 36.2	30,183,564	36,249,255	30,183,564	36,249,255
Bank's liabilities under acceptances		10,913	15,095	10,913	15,095
Provisions for obligations on transfers of non-performing assets	8, 36.2	5,998,333	5,998,333	5,998,333	5,998,333
Provisions for employee benefits	26	1,492,439	1,534,712	1,471,505	1,513,303
Provisions for other liabilities	27	542,453	534,751	542,423	529,490
Other payables	28	6,988,253	5,636,688	6,983,792	5,629,503
Other liabilities	29, 36.2	8,818,971	8,888,207	8,705,973	8,673,907
Total liabilities		762,338,918	739,389,222	762,236,076	739,236,125
Equity					
Share capital					
Authorised 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					
43,749,499,615 ordinary shares of Baht 0.95 each					
(31 December 2014: 43,678,764,288 ordinary shares					
of Baht 0.95 each)	30	41,562,025	41,494,826	41,562,025	41,494,826
Premium on share capital	30	236,181	157,690	236,181	157,690
Other reserves		3,959,690	4,164,566	3,927,758	4,116,641
Retained earnings					
Appropriated					
Legal reserve	32, 33	1,710,000	1,250,000	1,710,000	1,250,000
Unappropriated		29,023,338	22,637,090	28,561,265	22,324,204
Equity attributable to equity holders of the Bank		76,491,234	69,704,172	75,997,229	69,343,361
Non-controlling interest		107,129	88,864	-	-
Total equity		76,598,363	69,793,036	75,997,229	69,343,361
Total liabilities and equity		838,937,281	809,182,258	838,233,305	808,579,486

The accompanying notes are an integral part of these 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 profit or loss and other comprehensive income**

	<i>Note</i>	<b>Consolidated</b>		<b>Bank only</b>	
		For the year ended		For the year ended	
		31 December		31 December	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Interest income	36.1, 39	36,429,927	35,848,295	36,393,131	35,694,944
Interest expenses	36.1, 40	13,209,941	14,253,242	13,210,053	14,253,406
<b>Net interest income</b>		<b>23,219,986</b>	<b>21,595,053</b>	<b>23,183,078</b>	<b>21,441,538</b>
Fees and service income	36.1, 41	9,712,001	7,874,418	9,089,281	7,341,024
Fees and service expenses	36.1, 41	1,890,925	2,140,092	1,780,648	2,049,027
<b>Net fees and service income</b>		<b>7,821,076</b>	<b>5,734,326</b>	<b>7,308,633</b>	<b>5,291,997</b>
Gains on trading and foreign exchange transactions, net	42	1,701,220	1,991,435	1,701,220	1,991,435
Losses on financial liabilities designated at fair value through profit or loss, net	43	(15,533)	(51,367)	(15,533)	(51,367)
Gains on investments, net	44	180,638	193,257	199,781	550,244
Other operating income	36.1	542,954	490,230	483,311	420,998
<b>Total operating income</b>		<b>33,450,341</b>	<b>29,952,934</b>	<b>32,860,490</b>	<b>29,644,845</b>
<b>Other operating expenses</b>					
Employee expenses	36.3	8,169,475	8,047,621	7,958,599	7,835,472
Directors' remuneration	36.3	41,542	37,834	41,183	37,473
Premises and equipment expenses		3,129,663	3,003,243	3,073,052	2,948,441
Taxes and duties		1,282,041	1,198,474	1,280,148	1,195,282
Others	36.1, 45	3,844,572	3,486,900	3,719,884	3,360,011
<b>Total other operating expenses</b>		<b>16,467,293</b>	<b>15,774,072</b>	<b>16,072,866</b>	<b>15,376,679</b>
Impairment loss on loans and debt securities	36.1, 46	5,478,950	3,436,748	5,516,680	3,801,349
<b>Profit from operations before income tax expense</b>		<b>11,504,098</b>	<b>10,742,114</b>	<b>11,270,944</b>	<b>10,466,817</b>
Income tax expense	19	2,152,755	1,190,505	2,087,126	1,023,673
<b>Profit for the year</b>		<b>9,351,343</b>	<b>9,551,609</b>	<b>9,183,818</b>	<b>9,443,144</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments		(30,198)	61,240	(10,206)	20,381
Gains arising from translating the financial statements of foreign operations		30,535	-	30,535	-
Income tax relating to items that will be reclassified subsequently to profit or loss	19	(67)	(12,248)	(4,066)	(4,076)
		<b>270</b>	<b>48,992</b>	<b>16,263</b>	<b>16,305</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(48,889)	(60,506)	(48,889)	(60,506)
Actuarial gains on post-employment benefit plan		95,162	-	95,253	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	19	(9,255)	12,101	(9,273)	12,101
		<b>37,018</b>	<b>(48,405)</b>	<b>37,091</b>	<b>(48,405)</b>
<b>Total other comprehensive income for the year,</b>					
<b>net of income tax</b>		<b>37,288</b>	<b>587</b>	<b>53,354</b>	<b>(32,100)</b>
<b>Total comprehensive income for the year</b>		<b>9,388,631</b>	<b>9,552,196</b>	<b>9,237,172</b>	<b>9,411,044</b>

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of profit or loss and other comprehensive income**

	<b>Consolidated</b>		<b>Bank only</b>	
	For the year ended		For the year ended	
	31 December		31 December	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Profit attributable to:</b>				
Equity holders of the Bank	9,333,069	9,538,876	9,183,818	9,443,144
Non-controlling interest	18,274	12,733	-	-
<b>Profit for the year</b>	<b>9,351,343</b>	<b>9,551,609</b>	<b>9,183,818</b>	<b>9,443,144</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	9,370,366	9,539,463	9,237,172	9,411,044
Non-controlling interest	18,265	12,733	-	-
<b>Total comprehensive income for the year</b>	<b>9,388,631</b>	<b>9,552,196</b>	<b>9,237,172</b>	<b>9,411,044</b>
<b>Earnings per share</b>	<i>47</i>			
Basic earnings per share <i>(in Baht)</i>	<b>0.2134</b>	<b>0.2185</b>	<b>0.2100</b>	<b>0.2163</b>
Diluted earnings per share <i>(in Baht)</i>	<b>0.2128</b>	<b>0.2177</b>	<b>0.2094</b>	<b>0.2155</b>

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



**Mr. Boontuck Wungcharoen**  
Chief Executive Officer



**Mr. Rungson Sriworasat**  
Chairman of the Board

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



## FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of cash flows**

	<b>Consolidated</b>		<b>Bank only</b>	
	For the year ended		For the year ended	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit from operations before income tax expense	11,504,098	10,742,114	11,270,944	10,466,817
<b><i>Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities</i></b>				
Depreciation and amortisation	1,177,528	1,215,462	1,163,274	1,203,473
Impairment loss on loans and debt securities	5,478,950	3,436,748	5,516,680	3,801,349
Impairment loss on premises and equipment	24,310	12,319	24,310	12,319
Impairment loss on properties for sale and other assets	117,787	102,859	113,533	105,455
Provisions for employee benefits and other liabilities	174,724	247,451	178,199	247,111
Impairment losses on investment (reversal of)	2,400	(2,623)	(99,600)	(359,610)
Losses (gains) on revaluation of trading investments	(5,501)	8,538	(5,501)	8,538
Loss on written-off of intangible assets	2,425	-	2,425	-
Gains on disposal of premises and equipment	(89,943)	(37,429)	(62,191)	(37,838)
Gains on disposal of investments	(183,038)	(190,634)	(100,181)	(190,634)
Unrealised losses on remeasurement of financial liabilities				
designated at fair value through profit or loss	15,532	20,642	15,532	20,642
Unrealised losses (gains) on exchange on borrowings and derivatives	840,396	(464,896)	843,321	(464,896)
Expenses in relation to share-based payments	93,067	155,130	93,067	155,130
Net interest income	(23,219,986)	(21,595,053)	(23,183,078)	(21,441,538)
Dividend income	(39,778)	(54,557)	(39,778)	(54,557)
Interest received	34,076,063	32,990,508	34,035,833	32,838,791
Interest paid	(11,598,695)	(12,206,500)	(11,598,829)	(12,206,790)
Income tax refund	-	736,257	-	736,257
Income tax paid	(1,706,352)	(229,643)	(1,562,855)	(196,695)
<b>Profit from operations before changes in operating assets and liabilities</b>	<b>16,663,987</b>	<b>14,886,693</b>	<b>16,605,105</b>	<b>14,643,324</b>
<b><i>Decrease (increase) in operating assets</i></b>				
Interbank and money market items	(2,853,374)	(16,610,159)	(2,723,182)	(16,490,721)
Trading investments	5,936,034	(11,659,577)	5,936,034	(11,659,577)
Loans to customers	(55,719,972)	(37,719,527)	(55,765,273)	(38,717,641)
Properties for sale	908,568	666,479	865,671	659,128
Other receivables	2,042,812	1,482,901	1,516,986	2,065,123
Other accrued income	(42,588)	(138,378)	(94,821)	(118,206)
Other assets	(216,666)	4,737,006	(227,208)	4,743,160
<b><i>Increase (decrease) in operating liabilities</i></b>				
Deposits	72,890,780	41,609,898	72,831,304	41,647,482
Interbank and money market items	(36,499,999)	6,678,911	(36,499,999)	6,678,911
Liabilities payable on demand	(136,978)	(130,710)	(136,978)	(130,710)
Financial liabilities designated at fair value through profit or loss	100,000	(200,000)	100,000	(200,000)
Short-term debt issued and borrowings	(73,581)	(3,373,124)	(73,581)	(3,373,124)
Provision for employee benefits	(160,327)	(100,726)	(158,572)	(95,199)
Provisions for other liabilities	(13,868)	(71,819)	(13,868)	(66,682)
Account payables	127,101	(1,219,719)	129,825	(1,211,155)
Other accrued expenses	273,233	36,022	288,478	9,715
Other liabilities	(1,733,025)	(2,999,782)	(1,717,229)	(3,017,595)
<b>Net cash provided by (used in) operating activities</b>	<b>1,492,137</b>	<b>(4,125,611)</b>	<b>862,692</b>	<b>(4,633,767)</b>

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of cash flows**

	<b>Consolidated</b>		<b>Bank only</b>	
	For the year ended		For the year ended	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	2,322,597	2,500,525	2,313,869	2,509,181
Dividend received	39,778	54,557	39,778	54,557
Purchase of available-for-sale investments	(52,514,239)	(68,355,991)	(49,055,969)	(67,845,991)
Proceeds from sales of available-for-sale investments	53,330,938	70,780,303	50,525,697	70,780,303
Purchase of held to maturity debt securities	(11,828,098)	(2,001,758)	(11,828,098)	(2,001,758)
Proceeds from redemption of matured held to maturity debt securities	19,377,732	3,536,048	19,377,732	3,536,048
Capital return from investment units and proceeds from sales of general investments	123,165	124,715	123,165	124,715
Purchase of premises and equipment	(801,939)	(645,032)	(791,608)	(636,989)
Purchase of leasehold rights	(1,661)	(11,272)	(1,661)	(11,272)
Purchase of intangible assets	(559,222)	(369,510)	(556,803)	(367,719)
Proceeds from disposals of premises and equipment	172,121	53,753	143,980	53,359
<b>Net cash provided by investing activities</b>	<b>9,661,172</b>	<b>5,666,338</b>	<b>10,290,082</b>	<b>6,194,434</b>
<b><i>Cash flows from financing activities</i></b>				
Repayments of long-term debts issued and borrowings	(1,442,792)	(4,239,407)	(1,442,792)	(4,239,407)
Interest paid on long-term debts issued and borrowings	(1,396,945)	(1,401,893)	(1,396,900)	(1,401,830)
Cash receipts on senior debenture issued	3,143,788	15,000,000	3,143,788	15,000,000
Cash paid for redemption of subordinated debenture	(8,000,000)	(9,300,000)	(8,000,000)	(9,300,000)
Expenses in relation to issuance of ordinary shares to employees	(562)	(576)	(562)	(576)
Dividends paid	(2,624,884)	(1,747,101)	(2,624,884)	(1,747,101)
<b>Net cash used in financing activities</b>	<b>(10,321,395)</b>	<b>(1,688,977)</b>	<b>(10,321,350)</b>	<b>(1,688,914)</b>
Change in translation adjustments of foreign operations	30,535	-	30,535	-
<b>Net increase (decrease) in cash</b>	<b>862,449</b>	<b>(148,250)</b>	<b>861,959</b>	<b>(128,247)</b>
Cash at 1 January	16,427,953	16,576,203	16,427,874	16,556,121
<b>Cash at 31 December</b>	<b>17,290,402</b>	<b>16,427,953</b>	<b>17,289,833</b>	<b>16,427,874</b>
<b>Supplementary disclosures of cash flow information</b>				
Non-cash transactions:				
Issuance of ordinary shares to employees	146,252	145,890	146,252	145,890
Change in remeasuring available-for-sale investments	(30,198)	61,240	(10,206)	20,381
Change in revaluation surplus on assets and transferred revaluation surplus on assets directly to retained earnings	(189,951)	(212,172)	(189,951)	(212,172)
Actuarial gains on post-employment benefit plan	95,162	-	95,253	-
Change in translation adjustments of foreign operations	30,535	-	30,535	-
Increase in properties for sale due to debts settlement	58,707	206,628	58,707	206,628
Transfer of premises and equipment to properties for sale	238,793	466,738	238,793	466,738

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

## TMB Bank Public Company Limited and its subsidiaries

### Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 17 February 2016.

#### 1 General information

TMB Bank Public Company Limited, "the Bank", is incorporated in Thailand and has its registered office at 3000 Phaholyothin Road, Chomphon, Chatuchak, Bangkok.

The Bank was listed on the Stock Exchange of Thailand on 23 December 1983.

The principal business of the Bank is operating commercial banking businesses. 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. Details of the Bank's subsidiaries and associate as at 31 December 2015 and 2014 are given in note 12.

#### 2 Basis of preparation of the financial statements

##### (a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor. 21/2558, directive dated 4 December 2015, regarding "The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services".

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Bank and its subsidiaries' accounting policies. The effect of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Bank and its subsidiaries' operations are disclosed in note 48.

##### (b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items, which are measured at fair value in the statements of financial position.

- Derivative financial instruments (trading book)
- Trading and available-for-sale investments
- Financial liabilities designated at fair value through profit or loss
- Land and buildings

**(c) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Bank and its subsidiaries' functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

**(d) Use of judgements and estimates**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation is included in the following notes:

Note 10 Derivatives

Note 15 Allowance for doubtful accounts

**3 Change in accounting policy**

From 1 January 2015, the Bank and its subsidiaries have adopted TFRS 13 Fair Value Measurement, which establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Some of these disclosures are specifically required in financial statements; accordingly, the Bank and its subsidiaries have included additional disclosures in this regard as disclosed in note 6.

In accordance with the transitional provisions of TFRS 13, the Bank and its subsidiaries has applied the new fair value measurement guidance as follows:

- (1) Through decrease in unappropriated retained earnings as at 1 January 2015 amounting to Baht 51 million (net of income tax) for the effect of changes resulting from assessment of credit risk when measuring the fair value of over-the-counter derivatives recorded at fair value as at 31 December 2014;
- (2) Prospectively for the effects of all other changes;
- (3) Comparative information for new disclosures is not provided.

**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as the "Group") and the Bank and its subsidiaries' interests in associate.

### *Business combinations*

The Bank applies the acquisition method for all business combinations when control is transferred to the Bank and its subsidiaries other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Bank takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Bank to the previous owners of the acquiree, and equity interests issued by the Bank. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Bank measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Bank incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

### *Subsidiaries*

Subsidiaries are entities controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of the subsidiaries have been changed where necessary to align with the policies adopted by the Bank.

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### *Transactions eliminated on consolidation*

Significant intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity - accounted investees are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates announced by the Bank of Thailand at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss)

*Foreign operations*

The assets and liabilities of foreign operations, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

The financial statements of overseas branches are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting dates. Foreign exchange differences arising on translation is 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.

**(c) Cash**

Cash includes cash in hand and cash on collection

**(d) Securities purchased under resale agreements/Securities sold under repurchase agreements**

The Bank enters into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items, net (assets)" or "Loans to customers", depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items (liabilities)" or "Debt issued and borrowings, net", depending upon the type of its counterparty, in the statements of financial position, 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.



**(e) Investments**

*Investments in subsidiaries and associate*

Investments in subsidiaries and associate as stated in the Bank only financial statements are accounted for using the cost method less allowance for impairment losses, (if any). Impairment losses are recorded as expenses in profit or loss. Investment in associate in the consolidated financial statements are accounted for using the equity method.

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 losses (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 losses (if any).

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as trading securities and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

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 have the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less allowance for impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss.

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 losses (if any).

*Recognition*

Purchases and sales of investments are recorded on trade dates.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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.

#### **(f) *Loans to customers***

Loans to customers are presented exclusive of accrued interest receivable (except for overdrafts, which are presented inclusive of accrued interest receivable). Unearned discounts received in advance on loans to customers are presented as deductions from the loans.

#### **(g) *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, net (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, net (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, net (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.

#### **(h) *Allowance for doubtful accounts***

Allowance for doubtful accounts is determined based on relevant BoT's criteria and regulations. The allowance for doubtful accounts includes (a) an allowance determined at the minimum percentage as specified in the BoT's 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 accounts 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 etc.

Any additional allowances for doubtful accounts are charged to expense in each accounting period. The Bank and its subsidiaries write off bad debts against the allowance for doubtful accounts for uncollectible amounts and bad debts recovered (principal portion) are credited to the allowance for doubtful accounts.

**(j) *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 used the effective interest rates under the original loan agreements, except for SME debtors used the market rates at the restructuring dates as the discount rates.

**(j) *Properties for sale***

Properties for sale are stated at the lower of cost or net realisable value. Impairment losses is recognised as an expense in profit or loss. Gains or losses on disposal is recognised in profit or loss when a disposal is made.

Cost of properties for sale 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 for sale through a public auction process is the purchase price plus transfer costs and less estimated direct cost to sell.

The Bank and its subsidiaries consider net realisable value for each unit of properties for sale. Net realisable value is the recoverable value from disposal of properties for sale less estimated selling expenses. The recoverable value from disposable of properties for sale is assessed with reference to the appraisal value of each unit of properties for sale 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.

**(k) *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. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment.

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of assets are recognised in profit or loss as incurred.

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:

- (1) 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 other reserve 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, 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.
- (2) 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. However, if the asset was previously revalued and an outstanding balance of revaluation surplus remains in other reserve 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.

Leases in terms of which the Bank and its subsidiaries substantially assumes all the risks and rewards of ownership are classified as finance leases. Premises and equipment recognised by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss.

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	Appraised by independent professional appraisers (average at 50 years)
Leasehold improvement	6 years
Equipment	3 - 10 years

Depreciation is charged to profit or loss. No depreciation is determined for land and assets under construction and installation. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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 when the asset is derecognised.

**(l) Leasehold rights**

Leasehold rights are stated at cost less accumulated amortisation and allowance for impairment losses and are presented as a part of "other assets, net" in the statements of financial position. Leasehold rights are amortised and recognised as the expenses, using a straight-line method, over the lease periods.

**(m) Lease payments**

Lease not transferring a significant portion of the risks and rewards of ownership to lessee are classified as operating lease.

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

**(n) Goodwill and other intangible assets**

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4 (a). Subsequent to initial recognition, goodwill is measured at cost less allowance for impairment losses.

*Other intangible assets*

Other intangible assets that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and allowance for impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*(o) Impairment*

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any allowance for impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of loans to customers and accrued interest receivables is calculated as described in note 4 from item (f) to (i).

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. 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 in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale investments that are debt securities, general investments and investments in subsidiaries and associate, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior years in respect of other non-financial assets are assessed at each reporting date 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. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(p) *Claims on security and liabilities to deliver security***

The Bank records claims on security and liabilities to deliver security in the statement of financial position as assets and liabilities, respectively, according to the BoT's guidance.

These represent the Bank and its subsidiaries right to claim and liability to return collateral, respectively, in the form of securities for private repurchase or securities borrowing and lending transactions where these securities are used to further borrow or lend in other transactions.

**(q) *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 are met:

1. To reduce a mismatch in profit or loss that would otherwise arise from different accounting recognition between financial assets and financial liabilities; or
2. 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.

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.

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.
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 recognized as income or expense in profit or loss. If any of the 3 conditions is not met, the Bank will recognise the hybrid instrument at cost or amortised cost.

**(r) *Derivative***

Trading derivatives are initially and subsequently measured at fair value. Gains or losses on measurement of derivatives is recognised as income or expenses in profit or loss.



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 and the difference between the forward rate and the spot rate at the contract date is recognised by amortise as income or expense using the straight-line basis over the contract periods.

**(s) *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.

*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 with a corresponding increase in “Other reserve – share-based payments” in 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 or 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 represented the movement in cumulative expense recognised as at the beginning and at the end of the reporting period.

**(t) Provisions**

A provision is recognised if, as a result of a past event, the Bank and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

*Provisions for contingent liabilities as a result of obligation having credit risk exposures*

The Bank provides provisions for those off-balance sheet items 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 accounts that are described in Note 4 (h).

**(u) Income**

*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 BoT 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 is no interest receivable and present value loss on debt restructuring outstanding.

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

*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 when the customers redeem the award points.

#### *Dividend income*

Dividend income is recognised in profit or losses on the date the Bank and its subsidiaries' right to receive payments is established.

### **(v) Expenses**

#### *Interest expenses*

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

#### *Fees and service expenses*

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

#### *Contributions to the Deposit Protection Agency and Bank of Thailand*

Contributions to the Deposit Protection Agency and Bank of Thailand are recorded as expenses on an accrual basis.

### **(w) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries' expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiaries believe that their accruals for tax liabilities are adequate for all open tax years based on their assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank and its subsidiaries to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(x) *Earnings per share***

The Bank and its subsidiaries present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of potential ordinary shares from TMB Performance Share Bonus Scheme.

**(y) *Segment reporting***

Segment results that are reported to the Bank Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items are not included in reporting segment operating results.

**(z) *Offsetting***

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Bank and its subsidiaries has a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

**5 *Financial 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; and 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 with 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. Other senior management risk committees that oversee specific risk areas include the Risk Policy Committee (RPC), the Operational Risk Management Committee (ORC), the Asset and Liability Management Committee (ALCO) and the Portfolio Monitoring Committee (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 the Credit Risk Management unit, sub-functions including Corporate Credit 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 portfolio. 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 strategies and recommending risk appetite to top management for approval in order to be used for monitoring, controlling and managing risk levels of the Bank.

## 5.1 Credit risk

Credit risk is the risk 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 items products such as guarantees and derivatives, etc.

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 (BOD). 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, etc.

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 conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

### *Credit review*

The Audit unit, independent unit, is responsible for performing the 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.

## **5.2 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*

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*

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 assets and liabilities structure to be in line with the changing market environment.

## **(a) Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Bank's and its subsidiaries' operations and their cash flows.

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 2015 and 2014, financial assets and liabilities classified by types of interest rates were as follows:

	Consolidated 2015			Total
	Floating	Fixed	Non-interest	
	interest rate	interest rate	bearing	
	(in million Baht)			
<b>Financial assets</b>				
Cash	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	40,113	67,859	7,888	115,860
Investments, net	91,464	3,437	3,359	98,260
Loans to customers net of deferred revenue	335,520	239,216	6,040	580,776
Other financial assets	2,172	131	13,142	15,445
<b>Total financial assets</b>	<b>469,269</b>	<b>310,643</b>	<b>47,719</b>	<b>827,631</b>
<b>Financial liabilities</b>				
Deposits	450,302	169,842	24,550	644,694
Interbank and money market items	8,544	26,061	1,611	36,216
Liabilities payable on demand	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	239
Debt issued and borrowings	1,462	28,701	20	30,183
Other financial liabilities	185	-	15,381	15,566
<b>Total financial liabilities</b>	<b>460,732</b>	<b>224,604</b>	<b>44,570</b>	<b>729,906</b>
	Consolidated 2014			Total
	Floating	Fixed	Non-interest	
	interest rate	interest rate	bearing	
	(in million Baht)			
<b>Financial assets</b>				
Cash	-	-	16,428	16,428
Interbank and money market items net of deferred revenue	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
<b>Total financial assets</b>	<b>349,093</b>	<b>395,062</b>	<b>42,726</b>	<b>786,881</b>
<b>Financial liabilities</b>				
Deposits	373,335	173,236	25,054	571,625
Interbank and money market items	7,162	63,624	1,931	72,717
Liabilities payable on demand	-	-	3,145	3,145
Financial liabilities designated at fair value through profit or loss	137	-	-	137
Debt issued and borrowings	2,055	34,172	22	36,249
Other financial liabilities	281	-	14,077	14,358
<b>Total financial liabilities</b>	<b>382,970</b>	<b>271,032</b>	<b>44,229</b>	<b>698,231</b>



Bank only			
2015			
	Floating interest rate	Fixed interest rate	Non-interest bearing
	(in million Baht)		
			Total
<b>Financial assets</b>			
Cash	-	-	17,290
Interbank and money market items net of			
deferred revenue	40,111	67,066	7,888
Investments, net	91,464	3,437	569
Loans to customers net of deferred			
revenue	335,489	239,216	6,040
Other financial assets	2,068	131	12,918
<b>Total financial assets</b>	<b>469,132</b>	<b>309,850</b>	<b>44,705</b>

<b>Financial liabilities</b>			
Deposits	450,328	169,842	24,560
Interbank and money market items	8,544	26,061	1,611
Liabilities payable on demand	-	-	3,008
Financial liabilities designated			
at fair value through profit or loss	239	-	-
Debt issued and borrowings	1,462	28,701	20
Other financial liabilities	185	-	15,308
<b>Total financial liabilities</b>	<b>460,758</b>	<b>224,604</b>	<b>44,507</b>

Bank only			
2014			
	Floating interest rate	Fixed interest rate	Non-interest bearing
	(in million Baht)		
			Total
<b>Financial assets</b>			
Cash	-	-	16,428
Interbank and money market items net of			
deferred revenue	21,711	85,350	5,280
Investments, net	2,950	105,147	689
Loans to customers net of deferred			
revenue	322,204	203,240	4,873
Other financial assets	2,079	105	13,119
<b>Total financial assets</b>	<b>348,944</b>	<b>393,842</b>	<b>40,389</b>

<b>Financial liabilities</b>			
Deposits	373,416	173,236	25,068
Interbank and money market items	7,162	63,624	1,931
Liabilities payable on demand	-	-	3,145
Financial liabilities designated			
at fair value through profit or loss	137	-	-
Debt issued and borrowings	2,055	34,172	22
Other financial liabilities	281	-	13,865
<b>Total financial liabilities</b>	<b>383,051</b>	<b>271,032</b>	<b>44,031</b>

As at 31 December 2015 and 2014, significant financial assets and liabilities classified by interest repricing periods are as follows:

Consolidated 2015						
	Repricing periods			Non- performing assets	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year (in million Baht)			
<b>Financial assets</b>						
Cash	-	-	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	106,458	1,514	-	-	7,888	115,860
Investments, net	37,570	26,873	30,458	-	3,359	98,260
Loans to customers net of deferred revenue	421,095	56,150	77,018	20,473	6,040	580,776
Other financial assets	2,303	-	-	-	13,142	15,445
<b>Total financial assets</b>	<b>567,426</b>	<b>84,537</b>	<b>107,476</b>	<b>20,473</b>	<b>47,719</b>	<b>827,631</b>
<b>Financial liabilities</b>						
Deposits	524,133	88,752	7,259	-	24,550	644,694
Interbank and money market items	29,456	2,031	3,118	-	1,611	36,216
Liabilities payable on demand	-	-	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	-	-	239
Debt issued and borrowings	286	1,255	28,622	-	20	30,183
Other financial liabilities	185	-	-	-	15,381	15,566
<b>Total financial liabilities</b>	<b>554,299</b>	<b>92,038</b>	<b>38,999</b>	<b>-</b>	<b>44,570</b>	<b>729,906</b>
Consolidated 2014						
	Repricing periods			Non- performing assets	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year (in million Baht)			
<b>Financial assets</b>						
Cash	-	-	-	-	16,428	16,428
Interbank and money market items net of deferred revenue	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
<b>Total financial assets</b>	<b>554,436</b>	<b>96,910</b>	<b>74,716</b>	<b>18,093</b>	<b>42,726</b>	<b>786,881</b>
<b>Financial liabilities</b>						
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
Liabilities payable on demand	-	-	-	-	3,145	3,145
Financial liabilities designated at fair value through profit or loss	137	-	-	-	-	137
Debt issued and borrowings	1,010	9,855	25,362	-	22	36,249
Other financial liabilities	281	-	-	-	14,077	14,358
<b>Total financial liabilities</b>	<b>517,451</b>	<b>100,261</b>	<b>36,290</b>	<b>-</b>	<b>44,229</b>	<b>698,231</b>

**Bank only**

2015

Repricing periods

	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
<i>(in million Baht)</i>						
<b>Financial assets</b>						
Cash	-	-	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	106,455	722	-	-	7,888	115,065
Investments, net	37,570	26,873	30,458	-	569	95,470
Investments in subsidiaries and associate, net	-	-	-	-	3,331	3,331
Loans to customers net of deferred revenue	421,095	56,150	77,018	20,442	6,040	580,745
Other financial assets	2,199	-	-	-	12,918	15,117
<b>Total financial assets</b>	<b>567,319</b>	<b>83,745</b>	<b>107,476</b>	<b>20,442</b>	<b>48,036</b>	<b>827,018</b>
<b>Financial liabilities</b>						
Deposits	524,159	88,752	7,259	-	24,560	644,730
Interbank and money market items	29,456	2,031	3,118	-	1,611	36,216
Liabilities payable on demand	-	-	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	-	-	239
Debt issued and borrowings	286	1,255	28,622	-	20	30,183
Other financial liabilities	185	-	-	-	15,308	15,493
<b>Total financial liabilities</b>	<b>554,325</b>	<b>92,038</b>	<b>38,999</b>	<b>-</b>	<b>44,507</b>	<b>729,869</b>

**Bank only**

2014

Repricing periods

	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
<i>(in million Baht)</i>						
<b>Financial assets</b>						
Cash	-	-	-	-	16,428	16,428
Interbank and money market items net of deferred revenue	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
<b>Total financial assets</b>	<b>553,532</b>	<b>96,487</b>	<b>74,716</b>	<b>18,051</b>	<b>43,618</b>	<b>786,404</b>
<b>Financial liabilities</b>						
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
Liabilities payable on demand	-	-	-	-	3,145	3,145
Financial liabilities designated at fair value through profit or loss	137	-	-	-	-	137
Debt issued and borrowings	1,010	9,855	25,362	-	22	36,249
Other financial liabilities	281	-	-	-	13,865	14,146
<b>Total financial liabilities</b>	<b>517,532</b>	<b>100,261</b>	<b>36,290</b>	<b>-</b>	<b>44,031</b>	<b>698,114</b>

The Bank and its subsidiaries' average interest-bearing financial assets and financial liabilities, together with the average interest rates were as follows:

	Consolidated					
	2015		Average interest rate (% per annum)	2014		Average interest rate (% per annum)
	Average balance (in million Baht)	Interest <sup>(1)</sup>		Average balance (in million Baht)	Interest <sup>(1)</sup>	
<b><i>Interest-bearing financial assets</i></b>						
Interbank and money market items	116,719	2,037	1.75	104,311	2,229	2.14
Investments in debt securities	101,699	2,422	2.38	106,773	2,947	2.76
Loans to customers net from deferred revenue	550,193	31,588	5.74	514,285	30,210	5.87
<b>Total</b>	<b>768,611</b>	<b>36,047</b>		<b>725,369</b>	<b>35,386</b>	
<b><i>Interest-bearing financial liabilities</i></b>						
Deposits	575,872	10,992	1.91	542,838	11,806	2.17
Interbank and money market items	64,357	882	1.37	60,813	1,054	1.73
Debt issued and borrowings	32,348	1,336	4.13	36,732	1,388	3.78
<b>Total</b>	<b>672,577</b>	<b>13,210</b>		<b>640,383</b>	<b>14,248</b>	

<sup>(1)</sup> Excludes interest income and interest expenses on derivatives entered into by the Bank for banking book purpose for group of financial assets and liabilities

	Bank only					
	2015		Average interest rate (% per annum)	2014		Average interest rate (% per annum)
	Average balance (in million Baht)	Interest <sup>(1)</sup>		Average balance (in million Baht)	Interest <sup>(1)</sup>	
<b><i>Interest-bearing financial assets</i></b>						
Interbank and money market items	115,937	2,020	1.74	103,668	2,211	2.13
Investments in debt securities	101,699	2,422	2.38	106,773	2,947	2.76
Loans to customers net from deferred revenue	550,156	31,567	5.74	513,100	30,086	5.86
<b>Total</b>	<b>767,792</b>	<b>36,009</b>		<b>723,541</b>	<b>35,244</b>	
<b><i>Interest-bearing financial liabilities</i></b>						
Deposits	575,960	10,992	1.91	542,981	11,807	2.17
Interbank and money market items	64,357	882	1.37	60,813	1,054	1.73
Debt issued and borrowings	32,348	1,336	4.13	36,732	1,388	3.78
<b>Total</b>	<b>672,665</b>	<b>13,210</b>		<b>640,526</b>	<b>14,249</b>	

<sup>(1)</sup> Excludes interest income and interest expenses on derivatives entered into by the Bank for banking book purpose for group of financial assets and liabilities

**(b) Foreign exchange risk**

Foreign exchange risk is the risk that the value of the financial instruments will be affected by 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 2015 and 2014, the Bank's net foreign currency positions categorised by major foreign currencies were as follows:

	<b>Bank only</b>					
	2015			2014		
	USD	Euro <sup>(*)</sup>	Other currencies <sup>(*)</sup>	USD	Euro <sup>(*)</sup>	Other currencies <sup>(*)</sup>
	<i>(in USD million)</i>					
Spot	868	13	(71)	626	26	15
Forward	(880)	(15)	71	(584)	(28)	(15)
<b>Net position</b>	<b>(12)</b>	<b>(2)</b>	<b>-</b>	<b>42</b>	<b>(2)</b>	<b>-</b>

<sup>(\*)</sup> Balance denominated in Euro and other currencies are stated in USD equivalents.

### **(c) 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.

## **5.3 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 behavioral maturities. Aside from this, the Bank has its own internal ratio to monitor its daily net liquid assets called Marketable Liquid Asset Ratio (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 and reported on daily and monthly basis to the ALCO.

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.

As at 31 December 2015, the loans to deposits ratio of the Bank was 91.6% (2014: 94.3%).

The significant financial assets and liabilities classified by remaining periods to maturity, counted from the date of statements of financial position, as at 31 December 2015 and 2014 were summarised as follows:

	Consolidated 2015					
	At call <sup>(1)</sup>	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity
	<i>(in million Baht)</i>					
<b>Financial assets</b>						
Cash	17,290	-	-	-	-	17,290
Interbank and money market items net of deferred revenue	8,777	99,720	6,808	555	-	115,860
Investments, net						
Trading securities and general investments	-	20	8,705	6,697	-	565 <sup>(2)</sup>
Available-for-sale securities	-	13,423	17,471	9,916	-	2,794 <sup>(2)</sup>
Held-to-maturity debt securities	-	8,225	9,402	18,391	2,651	-
Loans to customers net of deferred revenue	123,791	128,098	100,553	123,897	83,964	20,473 <sup>(3)</sup>
Other financial assets	1,166	6,887	199	309	661	6,223
<b>Total financial assets</b>	<b>151,024</b>	<b>256,373</b>	<b>143,138</b>	<b>159,765</b>	<b>87,276</b>	<b>30,055</b>
<b>Financial liabilities</b>						
Deposits	475,236	73,076	88,843	7,539	-	644,694
Interbank and money market items	10,160	20,908	2,031	3,117	-	36,216
Liabilities payable on demand	3,008	-	-	-	-	3,008
Financial liabilities designated at fair value through profit or loss	-	-	-	-	239	239
Debt issued and borrowings	15	77	722	29,296	73	30,183
Other financial liabilities	1,165	6,632	-	-	1,084	6,685
<b>Total financial liabilities</b>	<b>489,584</b>	<b>100,693</b>	<b>91,596</b>	<b>39,952</b>	<b>1,396</b>	<b>729,906</b>
<b>Net liquidity gap</b>	<b>(338,560)</b>	<b>155,680</b>	<b>51,542</b>	<b>119,813</b>	<b>85,880</b>	<b>97,725</b>
<b>Net cash flow on derivatives</b>	<b>-</b>	<b>(1)</b>	<b>777</b>	<b>(42)</b>	<b>160</b>	<b>894</b>

<sup>(1)</sup> Including transactions with 1-day term.

<sup>(2)</sup> Investment in equity securities.

<sup>(3)</sup> Non-performing loans.



	At call <sup>(1)</sup>	Within 3 months	Over 3 months to 1 year	Consolidated 2014 Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
<b>Financial assets</b>							
Cash	16,428	-	-	-	-	-	16,428
Interbank and money market items net of deferred revenue	6,490	100,094	422	6,000	-	-	113,006
Investments, net							
Trading securities and general investments	-	10,825	5,734	3,641	-	685 <sup>(2)</sup>	20,885
Available-for-sale securities	-	6,997	21,301	13,252	-	2,077 <sup>(2)</sup>	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 <sup>(3)</sup>	530,360
Other financial assets	989	6,636	243	1,338	893	6,129	16,228
<b>Total financial assets</b>	<b>148,900</b>	<b>247,769</b>	<b>148,436</b>	<b>151,700</b>	<b>63,092</b>	<b>26,984</b>	<b>786,881</b>
<b>Financial liabilities</b>							
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
Liabilities payable on demand	3,145	-	-	-	-	-	3,145
Financial liabilities designated at fair value through profit or loss	-	-	-	-	137	-	137
Debt 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
<b>Total financial liabilities</b>	<b>409,737</b>	<b>143,024</b>	<b>99,707</b>	<b>37,807</b>	<b>1,375</b>	<b>6,581</b>	<b>698,231</b>
<b>Net liquidity gap</b>	<b>(260,837)</b>	<b>104,745</b>	<b>48,729</b>	<b>113,893</b>	<b>61,717</b>	<b>20,403</b>	<b>88,650</b>
<b>Net cash flow on derivatives</b>	<b>-</b>	<b>466</b>	<b>391</b>	<b>88</b>	<b>15</b>	<b>-</b>	<b>960</b>

<sup>(1)</sup> Including transactions with 1-day term.

<sup>(2)</sup> Investment in equity securities.

<sup>(3)</sup> Non-performing loans.

# **Financial assets**

	At call <sup>(1)</sup>	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years <i>(in million Baht)</i>	Over 5 years	No maturity	Total
Cash	17,290	-	-	-	-	-	17,290
Interbank and money market items net of deferred revenue	8,775	99,568	6,167	555	-	-	115,065
Investments, net							
Trading securities and general investments	-	20	8,705	6,697	-	565 <sup>(2)</sup>	15,987
Available-for-sale securities	-	13,423	17,471	9,916	-	4 <sup>(2)</sup>	40,814
Held-to-maturity debt securities	-	8,225	9,402	18,391	2,651	-	38,669
Investments in subsidiaries and associate, net	-	-	-	-	-	3,331 <sup>(2)</sup>	3,331
Loans to customers net of deferred revenue	123,791	128,098	100,553	123,897	83,964	20,442 <sup>(3)</sup>	580,745
Other financial assets	1,166	6,887	115	289	661	5,999	15,117
<b>Total financial assets</b>	<b>151,022</b>	<b>256,221</b>	<b>142,413</b>	<b>159,745</b>	<b>87,276</b>	<b>30,341</b>	<b>827,018</b>

# **Financial liabilities**

Deposits	475,272	73,076	88,843	7,539	-	-	644,730
Interbank and money market items	10,160	20,908	2,031	3,117	-	-	36,216
Liabilities payable on demand	3,008	-	-	-	-	-	3,008
Financial liabilities designated at fair value through profit or loss	-	-	-	-	239	-	239
Debt issued and borrowings	15	77	722	29,296	73	-	30,183
Other financial liabilities	1,165	6,615	-	-	1,084	6,629	15,493
<b>Total financial liabilities</b>	<b>489,620</b>	<b>100,676</b>	<b>91,596</b>	<b>39,952</b>	<b>1,396</b>	<b>6,629</b>	<b>729,869</b>
<b>Net liquidity gap</b>	<b>(338,598)</b>	<b>155,545</b>	<b>50,817</b>	<b>119,793</b>	<b>85,880</b>	<b>23,712</b>	<b>97,149</b>
<b>Net cash flow on derivatives</b>	<b>-</b>	<b>(1)</b>	<b>777</b>	<b>(42)</b>	<b>160</b>	<b>-</b>	<b>894</b>

<sup>(1)</sup> Including transactions with 1-day term.

<sup>(2)</sup> Investment in equity securities.

<sup>(3)</sup> Non-performing loans.

	Bank only 2014 (in million Baht)				
	At call <sup>(1)</sup>	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	No maturity
					Total
<b>Financial assets</b>					
Cash	16,428	-	-	-	16,428
Interbank and money market items net of deferred revenue	6,488	99,853	-	-	112,341
Investments, net					
Trading securities and general investments	-	10,825	5,734	-	685 <sup>(2)</sup>
Available-for-sale securities	-	6,997	21,301	-	4 <sup>(2)</sup>
Held-to-maturity debt securities	-	3,015	18,937	-	-
Investments in subsidiaries and associate, net	-	-	-	-	3,229 <sup>(2)</sup>
Loans to customers net of deferred revenue	124,993	120,202	101,798	62,199	18,051 <sup>(3)</sup>
Other financial assets	989	6,079	243	884	5,874
<b>Total financial assets</b>	<b>148,898</b>	<b>246,971</b>	<b>148,013</b>	<b>63,083</b>	<b>27,843</b>
<b>Financial liabilities</b>					
Deposits	397,863	77,092	89,303	-	-
Interbank and money market items	7,445	59,976	1,588	-	-
Liabilities payable on demand	3,145	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	137	-
Debt issued and borrowings	141	574	8,816	81	-
Other financial liabilities	1,238	5,365	-	1,156	6,387
<b>Total financial liabilities</b>	<b>409,832</b>	<b>143,007</b>	<b>99,707</b>	<b>1,374</b>	<b>6,387</b>
<b>Net liquidity gap</b>	<b>(260,934)</b>	<b>103,964</b>	<b>48,306</b>	<b>61,709</b>	<b>21,456</b>
<b>Net cash flow on derivatives</b>	<b>-</b>	<b>466</b>	<b>391</b>	<b>15</b>	<b>-</b>
					<b>786,404</b>
					<b>571,720</b>
					<b>72,717</b>
					<b>3,145</b>
					<b>137</b>
					<b>36,249</b>
					<b>14,146</b>
					<b>698,114</b>
					<b>88,290</b>
					<b>960</b>

<sup>(1)</sup> Including transactions with 1-day term.<sup>(2)</sup> Investment in equity securities.<sup>(3)</sup> Non-performing loans.

## 6 Fair value of assets and liabilities

### 6.1 Financial assets and liabilities

The significant different of 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 2015 and 2014 were as follows:

	Consolidated			
	2015		2014	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
<b>Financial assets</b>				
Derivatives assets	12,250	12,411	10,876	10,974
Investments, net	98,260	99,415	110,859	112,043
<b>Total financial assets</b>	<b>110,510</b>	<b>111,826</b>	<b>121,735</b>	<b>123,017</b>
<b>Financial liabilities</b>				
Deposits	644,694	644,666	571,625	571,627
Derivatives liabilities	12,141	11,987	10,172	10,136
Debts issued and borrowings	30,183	32,028	36,249	37,970
<b>Total financial liabilities</b>	<b>687,018</b>	<b>688,681</b>	<b>618,046</b>	<b>619,733</b>
	Bank only			
	2015		2014	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
<b>Financial assets</b>				
Derivatives assets	12,250	12,411	10,876	10,974
Investments, net	95,470	96,625	108,786	109,969
<b>Total financial assets</b>	<b>107,720</b>	<b>109,036</b>	<b>119,662</b>	<b>120,943</b>
<b>Financial liabilities</b>				
Deposits	644,730	644,701	571,720	571,722
Derivatives liabilities	12,141	11,987	10,172	10,136
Debts issued and borrowings	30,183	32,028	36,249	37,970
<b>Total financial liabilities</b>	<b>687,054</b>	<b>688,716</b>	<b>618,141</b>	<b>619,828</b>

The following methods and assumptions were used by the Bank in estimating fair value of financial instruments as disclosed herein.

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets):

The fair value is approximated based on the carrying value of 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 market interest rates.

- Claims on securities:

The fair value is approximated based on its carrying value.

- Investments, net:

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association ("ThaiBMA"). 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 ThaiBMA's yield rates adjusted by appropriate risk factors.

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. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date. The fair value of non-marketable equity securities is determined mainly based on the net asset value of the investee company.

- Loans to customers and accrued interest receivable:

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 accounts as most loans are floating rate loans or fixed rate loans with repricing periods of less than 1 year.

- Other financial assets

The fair value is approximated based on its carrying value.

- 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.

- Liability payable on demand and Liabilities to deliver security:

The fair value is approximated based on its carrying value.

- 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.

- 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. For simple over-the-counter derivative are based on inputs which are observable from independent and reliable market data sources, mainly based on exchange-traded prices, broker/dealer quotations, or counterparties' quotations. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values of over-the-counter derivative reflect the credit risk of the instrument and include adjustments to take account of the counter party and own entity credit risk when appropriate.

### *Fair value hierarchy*

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use market observable data as far as possible. Fair value measurements for assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on unobservable market data.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the year ended 31 December 2015.

### **6.1.1 Financial assets and liabilities carried at fair value**

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This is to ensure that prudent revaluation principles and proper internal control procedures are in place.

The following table analyses financial instruments carried at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Consolidated			
	Fair value			
	Level 1	Level 2	Level 3	Total
	(in million Baht)			
<b>31 December 2015</b>				
<b><i>Financial assets</i></b>				
Derivatives (trading book)				
- Foreign currency related	-	7,781	-	7,781
- Interest rate related	-	4,428	-	4,428
Investments				
- Trading investments	-	15,422	-	15,422
- Available-for-sale investments	-	43,604	-	43,604

	Consolidated			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			
<b>Financial liabilities</b>				
Financial liabilities designated at fair value through profit or loss	-	299	-	299
Derivatives (trading book)				
- Foreign currency related	-	7,242	-	7,242
- Interest rate related	-	4,575	-	4,575

	Bank only			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			

### 31 December 2015

<b>Financial assets</b>				
Derivatives (trading book)				
- Foreign currency related	-	7,781	-	7,781
- Interest rate related	-	4,428	-	4,428
Investments				
- Trading investments	-	15,422	-	15,422
- Available-for-sale investments	-	40,814	-	40,814

<b>Financial liabilities</b>				
Financial liabilities designated at fair value through profit or loss	-	299	-	299
Derivatives (trading book)				
- Foreign currency related	-	7,242	-	7,242
- Interest rate related	-	4,575	-	4,575

## 6.1.2 Financial assets and liabilities not carried at fair value

The following table analyses financial instruments not carried at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Carrying amount	Consolidated			
		Fair value			
		Level 1	Level 2	Level 3	Total
		<i>(in million Baht)</i>			
<b>31 December 2015</b>					
<b>Financial assets</b>					
Derivatives (banking book)	41	-	202	-	202
Investments					
- Held-to-maturity investments	38,669	-	39,557	-	39,557
- General investments	565	-	-	832	832
<b>Financial liabilities</b>					
Deposits	644,694	-	644,666	-	644,666
Derivatives (banking book)	324	-	170	-	170
Debt issued and borrowings	30,183	-	32,028	-	32,028

	Carrying amount	Bank only Fair value			Total
		Level 1	Level 2	Level 3	
			(in million Baht)		
31 December 2015					
<i>Financial assets</i>					
Derivatives (banking book)	41	-	202	-	202
Investments					
- Held-to-maturity investments	38,669	-	39,557	-	39,557
- General investments	565	-	-	832	832
<i>Financial liabilities</i>					
Deposits	644,730	-	644,701	-	644,701
Derivatives (banking book)	324	-	170	-	170
Debt issued and borrowings	30,183	-	32,028	-	32,028

## 6.2 Non-financial assets carried at fair value

The following table analyses non-financial assets carried at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

		Consolidated and Bank only			
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2015					
<i>Non-financial assets</i>					
Premises, net	8,660	-	-	8,660	8,660

The fair value of premises were determined by external, independent property appraisers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value of premises were determined by the independent valuers using the market approach for land and the depreciated replacement cost approach for buildings.

The independent appraisers provided the fair value of the Bank's premises on a regular basis such that the carrying values of such assets as at the end of the reporting period do not materially differ from their fair values.

### Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

	Consolidated and Bank only (in million Baht)
Balance at 1 January 2015	8,980
Acquisitions	248
Transferred to property for sale	(238)
Depreciation	(276)
Change in revaluation surplus on assets	(54)
<b>Balance at 31 December 2015</b>	<b>8,660</b>



## 7 Maintenance of capital fund

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 8 May 2015, the Bank is required to calculate its Capital Fund in accordance with Basel III. As at 31 December 2015 and 2014, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	2015	2014
	<i>(in million Baht)</i>	
<b><i>Tier 1 capital</i></b>		
<b>Common Equity Tier 1 capital (CET1)</b>		
Paid-up share capital	41,562	41,495
Share premium	236	157
Legal reserve	1,710	1,250
Net profits after appropriation	22,421	15,987
Other comprehensive income	3,549	3,705
Capital adjustment items on CET1	(87)	-
Capital deduction items on CET1	(3,512)	(3,288)
<b>Total Common Equity Tier 1 capital</b>	<b>65,879</b>	<b>59,306</b>
<b>Additional Tier 1 capital</b>		
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that countable as Tier 1 of financial instruments of consolidated financial institutions	38	78
<b>Total Tier 1 Capital</b>	<b>65,917</b>	<b>59,384</b>
<b><i>Tier 2 capital</i></b>		
Allowance for classified assets of "pass" category	5,702	5,700
Subordinated debentures	25,350	33,350
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Tier 2 of consolidated financial institutions	9	2
<b>Total Tier 2 Capital</b>	<b>31,061</b>	<b>39,052</b>
<b>Total Capital funds</b>	<b>96,978</b>	<b>98,436</b>
<b>Total Risk-Weighted Assets</b>	<b>581,336</b>	<b>537,119</b>
	The BoT's regulation minimum requirement	
	2015	2014
	<i>(%)</i>	
Capital Adequacy Ratio/Total Risk-Weighted Asset	8.50	16.68
Tier 1 Capital Ratio/Total Risk-Weighted Asset	6.00	11.34
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	4.50	11.33

	Bank only	
	2015	2014
	(in million Baht)	
<i>Tier 1 capital</i>		
<b>Common Equity Tier 1 capital (CET1)</b>		
Paid-up share capital	41,562	41,495
Share premium	236	157
Legal reserve	1,710	1,250
Net profits after appropriation	22,108	15,770
Other comprehensive income	3,517	3,658
Capital adjustment items on CET1	(87)	-
Capital deduction items on CET1	(3,430)	(3,208)
<b>Total Tier 1 Capital</b>	<b>65,616</b>	<b>59,122</b>
<i>Tier 2 capital</i>		
Allowance for classified assets of "pass" category	5,702	5,700
Subordinated debentures	25,350	33,350
<b>Total Tier 2 Capital</b>	<b>31,052</b>	<b>39,050</b>
<b>Total Capital funds</b>	<b>96,668</b>	<b>98,172</b>
<b>Total Risk-Weighted Assets</b>	<b>579,513</b>	<b>535,363</b>

	The BoT's regulation minimum requirement	2015 (%)	2014
Capital Adequacy Ratio/Total Risk-Weighted Asset	8.50	16.68	18.34
Tier 1 Capital Ratio/Total Risk-Weighted Asset	6.00	11.32	11.04
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	4.50	11.32	11.04

According to BoT's notification number For Nor Sor (23) Wor 263/2556 dated 22 February 2013, the Bank is required to disclose CET1 after deducting capital add-on arising from Single Lending Limit, effective at the end of January 2015. As at 31 December 2015, the Bank has no add-on arising from Single Lending Limit.

The Bank will disclose capital adequacy and capital risk exposure information for the Bank and the full consolidated financial institutions as at 31 December 2015 through the Bank's website at [www.tmbbank.com](http://www.tmbbank.com) within April 2016.

### *Capital management*

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

## **8 Sale of non-performing assets to Thai Asset Management Corporation ("TAMC")<sup>(1)</sup>**

### **8.1 Asset transfer agreements and profit or loss sharing**

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 at the end of the fifth year and the tenth year commencing 1 July 2001.

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 loss 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. As at 31 December 2015 and 2014, the Bank has outstanding provisions for 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.

<sup>(1)</sup> 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 summarized 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 2015 and 2014, the Bank recorded liabilities provisions of 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 2015, the Bank has matured promissory notes of Baht 4,398 million due from TAMC, presented as a part of "Other receivables" in the statements of financial position, in dispute with TAMC regarding the transfer price adjustment as described in Note 8.2.

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, net (assets)

		Consolidated					
		2015		2014			
		At call	Term	Total	At call	Term	Total
		(in million Baht)					
<b>Domestic</b>							
Bank of Thailand and Financial							
Institutions Development Fund		5,732	68,200	73,932	3,390	62,300	65,690
Commercial banks		3	15,112	15,115	16	22,167	22,183
Specialised financial institutions		17	6,900	6,917	20	6,001	6,021
Other financial institutions		6	13,536	13,542	19	14,063	14,082
<b>Total</b>		<b>5,758</b>	<b>103,748</b>	<b>109,506</b>	<b>3,445</b>	<b>104,531</b>	<b>107,976</b>
Add	accrued interest receivable	-	100	100	-	123	123
Less	deferred revenues	-	(1)	(1)	-	-	-
	allowance for doubtful accounts	-	(204)	(204)	-	(27)	(27)
<b>Total domestic, net</b>		<b>5,758</b>	<b>103,643</b>	<b>109,401</b>	<b>3,445</b>	<b>104,627</b>	<b>108,072</b>
<b>Foreign</b>							
US Dollar		1,759	3,311	5,070	1,724	1,930	3,654
Japanese Yen		319	-	319	389	-	389
Euro		129	-	129	251	-	251
Other currencies		813	24	837	681	55	736
<b>Total</b>		<b>3,020</b>	<b>3,335</b>	<b>6,355</b>	<b>3,045</b>	<b>1,985</b>	<b>5,030</b>
Add	accrued interest receivable	-	5	5	-	-	-
Less	allowance for doubtful accounts	-	(3)	(3)	-	(5)	(5)
<b>Total foreign, net</b>		<b>3,020</b>	<b>3,337</b>	<b>6,357</b>	<b>3,045</b>	<b>1,980</b>	<b>5,025</b>
<b>Total domestic and foreign, net</b>		<b>8,778</b>	<b>106,980</b>	<b>115,758</b>	<b>6,490</b>	<b>106,607</b>	<b>113,097</b>
		Bank only					
		2015		2014			
		At call	Term	Total	At call	Term	Total
		(in million Baht)					
<b>Domestic</b>							
Bank of Thailand and Financial							
Institutions Development Fund		5,732	68,200	73,932	3,390	62,300	65,690
Commercial banks		-	14,320	14,320	15	21,504	21,519
Specialised financial institutions		17	6,900	6,917	20	6,001	6,021
Other financial institutions		6	13,536	13,542	19	14,063	14,082
<b>Total</b>		<b>5,755</b>	<b>102,956</b>	<b>108,711</b>	<b>3,444</b>	<b>103,868</b>	<b>107,312</b>
Add	accrued interest receivable	-	95	95	-	116	116
Less	deferred revenues	-	(1)	(1)	-	-	-
	allowance for doubtful accounts	-	(204)	(204)	-	(27)	(27)
<b>Total domestic, net</b>		<b>5,755</b>	<b>102,846</b>	<b>108,601</b>	<b>3,444</b>	<b>103,957</b>	<b>107,401</b>
<b>Foreign</b>							
US Dollar		1,759	3,311	5,070	1,724	1,930	3,654
Japanese Yen		319	-	319	389	-	389
Euro		129	-	129	251	-	251
Other currencies		813	24	837	681	55	736
<b>Total</b>		<b>3,020</b>	<b>3,335</b>	<b>6,355</b>	<b>3,045</b>	<b>1,985</b>	<b>5,030</b>
Add	accrued interest receivable	-	5	5	-	-	-
Less	allowance for doubtful accounts	-	(3)	(3)	-	(5)	(5)
<b>Total foreign, net</b>		<b>3,020</b>	<b>3,337</b>	<b>6,357</b>	<b>3,045</b>	<b>1,980</b>	<b>5,025</b>
<b>Total domestic and foreign, net</b>		<b>8,775</b>	<b>106,183</b>	<b>114,958</b>	<b>6,489</b>	<b>105,937</b>	<b>112,426</b>

## 10 Derivatives

As at 31 December 2015 and 2014, fair value of derivatives held for trading book, readjustment based on accrual basis of derivatives held for banking book and notional amount classified by type of risks were as follows:

Type of risks	Consolidated and Bank only					
	2015		Notional amount	2014		Notional amount
	Fair value/Readjustment based on an accrual basis	Fair value/Readjustment based on an accrual basis		Fair value/Readjustment based on an accrual basis	Fair value/Readjustment based on an accrual basis	
	Assets	Liabilities		Assets	Liabilities	
<i>(in million Baht)</i>						
Foreign currency related						
- Trading Book	7,781	7,242	529,622	5,866	5,005	712,512
- Banking Book <sup>(1)</sup>	80	324	34,216	66	167	25,992
Interest rate related						
- Trading Book	4,428	4,575	682,342	4,944	5,000	673,940
- Banking Book <sup>(1)</sup>	72	165	15,000	77	174	15,000
Commodity						
- Trading Book	-	-	-	-	-	17
<b>Total</b>	<b>12,361</b>	<b>12,306</b>	<b>1,261,180</b>	<b>10,953</b>	<b>10,346</b>	<b>1,427,461</b>

<sup>(1)</sup> Readjustment made on an accrual basis at the end of year for interest rate swap contracts held for banking book are adjustments of accrued interest receivable or payable or interest paid or received in advance based on the contracts. As at 31 December 2015, accrued interest receivable and interest paid in advance amounting to Baht 111 million (2014: Baht 77 million) are presented as a part of "Other assets" and accrued interest payable and interest received in advance amounting to Baht 165 million (2014: Baht 174 million) are presented as a part of "Other liabilities" in the consolidated and Bank only financial statements.

As at 31 December 2015 and 2014, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

Counterparties	Consolidated and Bank only	
	2015	2014
	<i>(%)</i>	
Financial institutions	82.49	82.27
Other parties	17.51	17.73
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## 11 Investments, net

### 11.1 Classified by type of investments

	Consolidated		Bank only	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
<b>Trading securities - Fair value</b>				
Government and state enterprise securities	15,422	20,201	15,422	20,201
<b>Total</b>	<b>15,422</b>	<b>20,201</b>	<b>15,422</b>	<b>20,201</b>
<b>Available-for-sale securities - Fair value</b>				
Government and state enterprise securities	40,810	41,549	40,810	41,549
Domestic marketable equity securities	2,794	2,078	4	5
<b>Total</b>	<b>43,604</b>	<b>43,627</b>	<b>40,814</b>	<b>41,554</b>

	Consolidated		Bank only	
	2015	2014	2015	2014
	(in million Baht)			
<i>Held-to-maturity debt securities</i>				
<i>- Cost/Amortised cost</i>				
Government and state enterprise securities	38,669	46,346	38,669	46,346
<b>Total</b>	<b>38,669</b>	<b>46,346</b>	<b>38,669</b>	<b>46,346</b>
<i>General investments - Cost</i>				
Domestic non-marketable equity securities	1,344	1,467	1,344	1,467
Foreign non-marketable equity securities	36	34	36	34
<b>Total</b>	<b>1,380</b>	<b>1,501</b>	<b>1,380</b>	<b>1,501</b>
Less allowance for impairment	(815)	(816)	(815)	(816)
<b>Net</b>	<b>565</b>	<b>685</b>	<b>565</b>	<b>685</b>
<b>Total investments, net</b>	<b>98,260</b>	<b>110,859</b>	<b>95,470</b>	<b>108,786</b>

As at 31 December 2014, the Bank has non-transferable promissory notes of Baht 15 million, availed by the Financial Institutions Development Fund, which were received from TAMC for transfer price settlement as described in Note 8. The Bank classified them as held-to-maturity debt securities. The bear interest at the average deposit rates announced by the 5 major Thai banks and the interest is payable on the last working day of each year. These notes matured in March 2015.

## 11.2 Investments in entities in which the Bank and its subsidiaries hold 10% or more

As at 31 December 2015 and 2014, 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.

	Consolidated and Bank only	
	2015	2014
	(in million Baht)	
Property development and construction	34	34
Public utilities and services	14	14
Mutual funds and financial services	337	452
Others	11	11
<b>Total</b>	<b>396</b>	<b>511</b>
Less allowance for impairment	(41)	(41)
<b>Investment, net</b>	<b>355</b>	<b>470</b>

### *Interest in unconsolidated structured entity arising in the normal business*

The Bank and its subsidiaries may enter into transactions with structured entities in the forms of investment in unit trusts, lending and derivative transactions and providing fund management services. Investment in unit trusts is recognised as equity securities. Lending and derivative transactions are provided under normal business terms and are managed the same way as other loan and receivables, and derivative counterparties. Fund management is provided to mutual funds and private funds for which the Group earns management fees.

As at 31 December 2015, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

### 11.3 Investments in companies with problems in their financial position and operating results

As at 31 December 2015 and 2014, the Bank had the following investments in listed companies which meet the Stock Exchange of Thailand ("SET")'s criteria for delisting, and are in default on 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:

	Consolidated and Bank only							
	2015				2014			
	No.	Cost		Allowance	No.	Cost		Allowance
	of	value/		for impair-	of	value/		for impair-
Com-	Com-	book	Fair	ment	Com-	book	Fair	ment
panies	panies	value	value	loss	panies	value	value	loss
			(in million Baht)				(in million Baht)	
- Listed companies under delisting conditions/ defaulted debt securities	2	62	-	(62)	2	62	-	(62)
- Companies whose ability to continues 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	11	733	-	(733)	11	733	-	(733)
<b>Total</b>	<b>13</b>	<b>795</b>	<b>-</b>	<b>(795)</b>	<b>13</b>	<b>795</b>	<b>-</b>	<b>(795)</b>

### 11.4 Revaluation surplus on available-for-sale investments

As at 31 December 2015 and 2014, revaluation surplus on investments could be summarized as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
		(in million Baht)		
<b><i>Revaluation surplus on investments</i></b>				
Debt securities	67	76	67	76
Equity securities	40	60	-	-
<b>Total</b>	<b>107</b>	<b>136</b>	<b>67</b>	<b>76</b>
<b><i>Revaluation deficit on investments</i></b>				
Debt securities	(2)	(2)	(2)	(2)
Equity securities	(1)	-	(1)	-
<b>Total</b>	<b>(3)</b>	<b>(2)</b>	<b>(3)</b>	<b>(2)</b>
<b>Total revaluation surplus on investments</b>	<b>104</b>	<b>134</b>	<b>64</b>	<b>74</b>
<i>Less deferred income taxes</i>	(21)	(27)	(13)	(15)
<b>Net</b>	<b>83</b>	<b>107</b>	<b>51</b>	<b>59</b>

## 12 Investments in subsidiaries and associate, net

### 12.1 Detail of investments in subsidiaries and associate

Companies	Type of Business	Bank only									
		Percentage of ownership interest		Paid-up capital		Cost		Allowance for impairment losses		At cost, net	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		(%)						(in million Baht)			
Subsidiaries											
Phayathai Asset Management Co., Ltd.	Asset management business	100.00	100.00	1,070	1,070	3,870	3,870	(843)	(945)	3,027	2,925
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
Total investment in subsidiaries, net						4,174	4,174	(843)	(945)	3,331	3,229
Associate											
Metro Designee Co., Ltd.	Financial support business	30.00	30.00	-	-	-	-	-	-	-	-
Total investment in associate						-	-	-	-	-	-
Total						4,174	4,174	(843)	(945)	3,331	3,229

### 12.2 Disclosure of the statement of cash flows of the asset management company

In accordance with the BoT's notification number Sor Nor Sor (01) Wor 3258/2543 dated 27 November 2000, relating to the regulations of the Asset Management Company ("AMC"), the Bank is required to disclose the statements of cash flows of the AMC in the notes to the financial statements. The statements of cash flows of Phayathai Assets Management Co., Ltd., the subsidiary were as follows:

#### Phayathai Assets Management Co., Ltd.

##### Statement of cash flows

	For the years ended 31 December	
	2015	2014
	(in million Baht)	
<b>Cash flows from operating activities</b>		
Profit from operations before income tax expense	145	444
<b>Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities</b>		
Reversal of impairment loss on loans and debt securities	(9)	(299)
Impairment loss on properties for sale and other assets (reversal of)	4	(2)
Reversal of provisions for liabilities	(5)	-
Gains on disposal of investments	(83)	-
Provisions for employee benefits (reversal of)	1	(2)
Net interest income	(43)	(160)
Interest received	46	125
Income tax paid	(114)	-
<b>Profit (loss) from operations before changes in operating assets and liabilities</b>	<b>(58)</b>	<b>106</b>



## Phayathai Assets Management Co., Ltd.

## Statement of cash flows

For the years ended 31 December

2015

2014

(in million Baht)

*Decrease (Increase) in operating assets*

Intercompany and money market items	55	(27)
Investments in receivables	6	134
Loans to customers	34	227
Properties for sale	43	7
Receivables from BAM's promissory notes	556	-
Receivables from legal Execution Department	35	39
Other assets	4	18

*Increase (decrease) in operating liabilities*

Other payables	(2)	(10)
Accrued expenses	(3)	-
Provisions for employee benefits	(2)	(6)
Other liabilities	(15)	2

**Net cash provided by operating activities****653****490***Cash flows from investing activities*

Proceeds from sales of available-for-sale investments	2,805	-
Purchase of available-for-sale investments	(3,458)	(510)

**Net cash used in investing activities****(653)****(510)****Net decrease in cash****-****(20)**

Cash at 1 January

**-****20****Cash at 31 December****-****-****13 Loans to customers and accrued interest receivables, net****13.1 Classified by loan type**

	Consolidated		Bank only	
	2015	2014	2015	2014
	(in million Baht)			
Overdrafts	141,957	145,808	141,957	145,808
Loans	300,716	228,249	300,685	228,207
Bills	138,080	156,331	138,080	156,331
Others	115	58	115	58
Less deferred revenue	(92)	(86)	(92)	(86)
Loans to customers net of deferred revenue	580,776	530,360	580,745	530,318
Add accrued interest receivable	1,068	1,068	1,068	1,068
<b>Total loans to customers net of deferred revenue add accrued interest receivable</b>	<b>581,844</b>	<b>531,428</b>	<b>581,813</b>	<b>531,386</b>
Less allowance for doubtful accounts				
- Provision at BoT's minimum rates required	(16,078)	(12,362)	(16,054)	(12,334)
- Provision in excess of BoT's minimum rates required	(12,767)	(15,890)	(12,767)	(15,890)
Less revaluation allowance for debt restructuring	(180)	(110)	(180)	(110)
<b>Loans to customers and accrued interest receivables, net</b>	<b>552,819</b>	<b>503,066</b>	<b>552,812</b>	<b>503,052</b>

### 13.2 Classified by currency and residency of debtors

	Consolidated					
	2015		2014			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	542,802	5,605	548,407	498,436	5,780	504,216
US Dollars	27,510	4,011	31,521	23,726	1,178	24,904
Other currencies	758	90	848	1,149	91	1,240
<b>Total</b>	<b>571,070</b>	<b>9,706</b>	<b>580,776</b>	<b>523,311</b>	<b>7,049</b>	<b>530,360</b>

	Bank only					
	2015		2014			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	542,771	5,605	548,376	498,394	5,780	504,174
US Dollars	27,510	4,011	31,521	23,726	1,178	24,904
Other currencies	758	90	848	1,149	91	1,240
<b>Total</b>	<b>571,039</b>	<b>9,706</b>	<b>580,745</b>	<b>523,269</b>	<b>7,049</b>	<b>530,318</b>

### 13.3 Classified by business type and quality of loan classification

	Consolidated					
	2015					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
	<i>(in million Baht)</i>					
Agriculture and mining	11,652	179	43	-	644	12,518
Manufacturing and commerce	317,238	11,354	1,065	156	14,319	344,132
Property development and construction	23,232	200	23	-	291	23,746
Infrastructure and services	66,858	855	55	-	953	68,721
Housing loans	62,922	2,096	246	207	817	66,288
Others	61,836	1,881	821	478	355	65,371
<b>Total *</b>	<b>543,738</b>	<b>16,565</b>	<b>2,253</b>	<b>841</b>	<b>17,379</b>	<b>580,776</b>

	Consolidated					
	2014					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
	<i>(in million Baht)</i>					
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
<b>Total *</b>	<b>495,810</b>	<b>16,457</b>	<b>1,824</b>	<b>668</b>	<b>15,601</b>	<b>530,360</b>

Bank only 2015						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
	<i>(in million Baht)</i>					
Agriculture and mining	11,652	179	43	-	635	12,509
Manufacturing and commerce	317,238	11,354	1,065	156	14,319	344,132
Property development and construction	23,232	200	23	-	269	23,724
Infrastructure and services	66,858	855	55	-	953	68,721
Housing loans	62,922	2,096	246	207	817	66,288
Others	61,836	1,881	821	478	355	65,371
<b>Total *</b>	<b>543,738</b>	<b>16,565</b>	<b>2,253</b>	<b>841</b>	<b>17,348</b>	<b>580,745</b>

Bank only 2014						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
	<i>(in million Baht)</i>					
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
<b>Total *</b>	<b>495,810</b>	<b>16,457</b>	<b>1,824</b>	<b>668</b>	<b>15,559</b>	<b>530,318</b>

\* Loans to customers net of deferred revenue.

### 13.4 Classified by loan classification

The Bank and its subsidiaries 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:

Consolidated 2015				
	Loans to customers and accrued interest receivables	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Minimum rates required	Allowance for doubtful accounts <sup>(2)</sup>
	<i>(in million Baht)</i>		<i>(%)</i>	<i>(in million Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	544,746	441,075	1	5,027
Special mention	16,625	9,314	2	306
Sub-standard	2,253	1,114	100	1,412
Doubtful	841	525	100	564
Doubtful of loss <sup>(4)</sup>	17,379	5,181	100	8,769
<b>Total *</b>	<b>581,844</b>	<b>457,209</b>		<b>16,078</b>
Provision in excess of BoT's minimum rates required				12,767 <sup>(3)</sup>
<b>Total</b>				<b>28,845</b>

Consolidated 2014				
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts <sup>(2)</sup> <i>(in million Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	496,806	382,378	1	4,491
Special mention	16,529	10,143	2	297
Sub-standard	1,824	973	100	1,058
Doubtful	668	330	100	368
Doubtful of loss <sup>(4)</sup>	15,601	4,397	100	6,148
Total *	<u>531,428</u>	<u>398,221</u>		<u>12,362</u>
Provision in excess of BoT's minimum rates required				15,890 <sup>(3)</sup>
<b>Total</b>				<b><u>28,252</u></b>

Bank only 2015				
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts <sup>(2)</sup> <i>(in million Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	544,746	441,075	1	5,027
Special mention	16,625	9,314	2	306
Sub-standard	2,253	1,114	100	1,412
Doubtful	841	525	100	564
Doubtful of loss	17,348	5,157	100	8,745
Total *	<u>581,813</u>	<u>457,185</u>		<u>16,054</u>
Provision in excess of BoT's minimum rates required				12,767 <sup>(3)</sup>
<b>Total</b>				<b><u>28,821</u></b>

Bank only 2014				
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts <sup>(2)</sup> <i>(in million Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	496,806	382,377	1	4,491
Special mention	16,529	10,143	2	297
Sub-standard	1,824	973	100	1,058
Doubtful	668	330	100	368
Doubtful of loss	15,559	4,370	100	6,120
Total *	<u>531,386</u>	<u>398,193</u>		<u>12,334</u>
Provision in excess of BoT's minimum rates required				15,890 <sup>(3)</sup>
<b>Total</b>				<b><u>28,224</u></b>

\* Loans to customers net of deferred revenue add accrued interest receivables

- (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 substandard, 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 accounts on loans guaranteed by Small Business Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the BoT's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Small Business Credit Guarantee Corporation.
- (3) As at 31 December 2015, this included provision of Baht 1,545 million (2014: Baht 3,285 million) provided for non-performing loans.
- (4) Loans classified as doubtful of loss in the consolidated financial statements included the balances of the Bank and Phayathai Assets Management Co., Ltd.

### 13.5 Non-performing loans

NPLs per BoT's regulations refer to all sub-standard, doubtful, doubtful of loss and loss loans.

As at 31 December 2015 and 2014, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	2015			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
<b>Net NPLs (principal net of allowance for doubtful accounts)</b>				
NPLs after allowance for doubtful accounts on NPLs ( <i>in million Baht</i> )	8,176	7	-	8,183
Total loans after allowance for doubtful accounts on NPLs ( <i>in million Baht</i> )	672,428	7	-	672,435
Percentage of net NPLs (%)	1.22	100.00		1.22
<b>NPLs (principal)</b>				
NPLs ( <i>in million Baht</i> )	20,442	31	-	20,473
Total loans ( <i>in million Baht</i> )	684,694	31	-	684,725
Percentage of NPLs (%)	2.99	100.00		2.99
	2014			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
<b>Net NPLs (principal net of allowance for doubtful accounts)</b>				
NPLs after allowance for doubtful accounts on NPLs ( <i>in million Baht</i> )	7,220	37	(23)	7,234
Total loans after allowance for doubtful accounts on NPLs ( <i>in million Baht</i> )	623,875	37	(23)	623,889
Percentage of net NPLs (%)	1.16	100.00		1.16

	2014			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
<b>NPLs (principal)</b>				
NPLs <i>(in million Baht)</i>	18,051	65	(23)	18,093
Total loans <i>(in million Baht)</i>	634,706	65	(23)	634,748
Percentage of NPLs (%)	2.84	100.00		2.85

On 17 March 2015, 7 September 2015 and 27 November 2015, the Bank sold non-performing loans, with principal totalling approximately Baht 300 million, Baht 800 million and Baht 300 million, respectively, to Bangkok Commercial Asset Management Company Limited ("BAM"). The selling price in excess of the carrying value of those non-performing loans was presented as a deduction from "Impairment loss on loans and debt securities" in the statement of profit or loss and other comprehensive income.

As at 31 December 2015, the Bank had loans to customers, amounting to Baht 39,876 million *(2014: Baht 27,466 million)* on which it ceased recognition of interest income on an accrual basis.

### 13.6 Troubled debt restructuring

For the years ended 31 December 2015 and 2014, the Bank and its subsidiaries entered into contracts for troubled debt restructuring, (only the account where debtor has present value loss/losses on debt structuring is presented)\*, which could be summarised as follows:

	Consolidated 2015				
	Number of debtors	Before restructuring	After restructuring	Asset acquired	
		<i>(in million Baht)</i>			
				Type	Fair value
<b>Type of restructuring</b>					
Modification of terms of payments	4,297	5,507	5,507	-	-
Combination of methods	1	8	7	Cash	7
<b>Total</b>	<b>4,298</b>	<b>5,515</b>	<b>5,514</b>		<b>7</b>
<b>Term of debt restructuring agreements</b>					
Not over 5 years	1,107	4,169	4,168		
5 - 10 years	3,136	876	876		
Over 10 years	55	470	470		
<b>Total</b>	<b>4,298</b>	<b>5,515</b>	<b>5,514</b>		

Type of restructuring	Bank only		
	2015		
	Number of debtors	Before restructuring	After restructuring
		<i>(in million Baht)</i>	
Modification of terms of payments	4,297	5,507	5,507
<b>Total</b>	<b>4,297</b>	<b>5,507</b>	<b>5,507</b>

Term of debt restructuring agreements			
Not over 5 years	1,106	4,161	4,161
5 - 10 years	3,136	876	876
Over 10 years	55	470	470
<b>Total</b>	<b>4,297</b>	<b>5,507</b>	<b>5,507</b>

	Consolidated			Bank only		
		2014				
	Number of debtors	Before restructuring <i>(in million Baht)</i>	After restructuring	Number of debtors	Before restructuring <i>(in million Baht)</i>	After restructuring
Type of restructuring						
Modification of terms of payments	1,157	1,205	1,204	1,156	1,200	1,200
Total	1,157	1,205	1,204	1,156	1,200	1,200
Term of debt restructuring agreements						
Not over 5 years	884	739	738	883	734	734
5 - 10 years	266	433	433	266	433	433
Over 10 years	7	33	33	7	33	33
Total	1,157	1,205	1,204	1,156	1,200	1,200

\* In July 2015, the Bank has changed the discount rates used in respect of SME debtors restructured from 1 January 2014, from the effective interest rates under the original loan agreements to the market rates at the restructuring dates. The impact as a result of such change is immaterial.

Supplemental information relating to restructuring debtors for the years ended 31 December 2015 and 2014 was as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Interest income on restructured debts, which is recognised during the year	191	90	191	87
Cash settlement by debtors	722	586	715	552
Losses on debt restructuring	70	42	70	42

As at 31 December 2015 and 2014, the Bank and its subsidiaries have the outstanding balances with troubled debt restructuring debtors which had been performing in accordance with debt restructuring agreements, as follows:

	Consolidated				Bank only			
	2015		2014		2015		2014	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)
Troubled debt restructuring debtors	3,018	6,287	685	1,334	3,017	6,276	684	1,323

### 13.7 Revaluation allowance for debt restructuring

	Consolidated and Bank only	
	2015	2014
	(in million Baht)	
Beginning balance	110	68
Increase during the year	70	42
Ending balance	180	110

### 13.8 Loans to customers having problems with financial position and operating results

As at 31 December 2015 and 2014, the Bank and its subsidiaries 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 accounts as follows:

	Consolidated and Bank only							
	2015				2014			
	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
		(in million Baht)				(in million Baht)		
Listed companies under delisting conditions in SET	4	103	-	1	2	6	-	-



## 14 Classified assets

As at 31 December 2015 and 2014, classified assets were classified in accordance with the BoT's regulation, consisting of investments (including investments in subsidiaries and associate), loans to customers and accrued interest receivables (including interbank and money market items), properties for sale, premises and equipment and other assets as follows:

Consolidated 2015						
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	Total
Pass	-	648,796	-	-	-	648,796
Special mention	-	16,625	-	-	-	16,625
Sub-standard	-	2,253	-	-	4	2,257
Doubtful	-	841	-	-	1	842
Doubtful of loss	874	17,379	98	440	433	19,224
<b>Total</b>	<b>874</b>	<b>685,894</b>	<b>98</b>	<b>440</b>	<b>438</b>	<b>687,744</b>

Consolidated 2014						
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	Total
Pass	-	601,312	-	-	-	601,312
Special mention	-	16,529	-	-	-	16,529
Sub-standard	-	1,824	-	-	2	1,826
Doubtful	-	668	-	-	1	669
Doubtful of loss	879	15,601	401	442	328	17,651
<b>Total</b>	<b>879</b>	<b>635,934</b>	<b>401</b>	<b>442</b>	<b>331</b>	<b>637,987</b>

Bank only 2015						
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	Total
Pass	-	648,796	-	-	-	648,796
Special mention	-	16,625	-	-	-	16,625
Sub-standard	-	2,253	-	-	4	2,257
Doubtful	-	841	-	-	1	842
Doubtful of loss	1,717	17,348	98	440	429	20,032
<b>Total</b>	<b>1,717</b>	<b>685,863</b>	<b>98</b>	<b>440</b>	<b>434</b>	<b>688,552</b>

## 2014

15 Allowance for doubtful accounts

Consolidated

Provision  
in excess  
of BoT's  
minimumConsolidated  
2014Provision  
in excess  
of BoT's  
minimum188

**Bank only**

2015

	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		
	(in million Baht)						
At 1 January	4,491	297	1,058	368	6,120	15,890	28,224
Allowance for doubtful accounts	536	9	354	196	7,764	(3,123)	5,736
Bad debt recovery	-	-	-	-	515	-	515
Bad debt written-off	-	-	-	-	(4,711)	-	(4,711)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(943)	-	(943)
<b>At 31 December</b>	<b>5,027</b>	<b>306</b>	<b>1,412</b>	<b>564</b>	<b>8,745</b>	<b>12,767</b>	<b>28,821</b>

**Bank only**

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		
	(in million Baht)						
At 1 January	4,218	285	1,979	468	7,461	15,932	30,343
Allowance for doubtful accounts	273	12	(921)	(100)	5,015	(42)	4,237
Bad debt recovery	-	-	-	-	348	-	348
Bad debt written-off	-	-	-	-	(3,779)	-	(3,779)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(2,925)	-	(2,925)
<b>At 31 December</b>	<b>4,491</b>	<b>297</b>	<b>1,058</b>	<b>368</b>	<b>6,120</b>	<b>15,890</b>	<b>28,224</b>

## 16 Properties for sale, net

As at 31 December 2015 and 2014, changes to the properties for sale, net were as follows:

	Beginning balance	Consolidated 2015		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	1,767	186	(1,187)	766
Assets for sales	494	238	(193)	539
Total	2,261	424	(1,380)	1,305
Add (less) allowance for impairment losses	(401)	12	291	(98)
<b>Net</b>	<b>1,860</b>	<b>436</b>	<b>(1,089)</b>	<b>1,207</b>

	Beginning balance	Consolidated 2014		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	2,129	462	(824)	1,767
- Movable assets	24	-	(24)	-
Assets for sales	431	467	(404)	494
Total	2,584	929	(1,252)	2,261
Add (less) allowance for impairment losses	(687)	(16)	302	(401)
<b>Net</b>	<b>1,897</b>	<b>913</b>	<b>(950)</b>	<b>1,860</b>

	Beginning balance	Bank only 2015		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	1,722	186	(1,142)	766
Assets for sales	494	238	(193)	539
Total	2,216	424	(1,335)	1,305
Add (less) allowance for impairment losses	(399)	12	289	(98)
<b>Net</b>	<b>1,817</b>	<b>436</b>	<b>(1,046)</b>	<b>1,207</b>

	Beginning balance	Bank only 2014		Ending balance
		Additions	Disposals/ Decrease	
Assets foreclosed in settlement of debts				
- Immovable assets	2,065	462	(805)	1,722
Assets for sales	431	467	(404)	494
Total	2,496	929	(1,209)	2,216
Add (less) allowance for impairment losses	(649)	(16)	266	(399)
<b>Net</b>	<b>1,847</b>	<b>913</b>	<b>(943)</b>	<b>1,817</b>

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 31 December 2015 and 2014 were as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
Assets foreclosed in settlement of debts				
Immovable assets				
- Appraised by external appraisers	390	1,432	390	1,389
- Appraised by internal appraisers	376	335	376	333
<b>Total</b>	<b>766</b>	<b>1,767</b>	<b>766</b>	<b>1,722</b>

## 17 Premises and equipment, net

As at 31 December 2015 and 2014, changes in premises and equipment were as follows:

[illegible]

	Consolidated 2014													
	Net book value as at 1 January 2014	Cost				Accumulated depreciation				Allowance for impairment losses				Net book value as at 31 December 2014
		Beginning balance	Purchases/ transfers in	Disposals/ written off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written off/ transfers out	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	
<i>(in million Baht)</i>														
Land														
- Cost	2,437	2,779	-	(200)	2,579	-	-	-	-	(342)	-	3	(339)	2,240
- Incremental revaluation*	2,994	2,994	-	(122)	2,872	-	-	-	-	-	-	-	-	2,872
Building														
- Cost	2,402	5,072	118	(197)	4,993	(2,567)	(203)	73	(2,697)	(103)	(3)	3	(103)	2,193
- Incremental revaluation*	1,815	3,628	-	(149)	3,479	(1,813)	(71)	80	(1,804)	-	-	-	-	1,675
Leasehold improvements	371	1,168	112	(80)	1,200	(797)	(92)	64	(825)	-	(8)	8	-	375
Equipment	1,393	5,747	415	(335)	5,827	(4,354)	(486)	330	(4,510)	-	-	-	-	1,317
<b>Total</b>	<b>11,412</b>	<b>21,388</b>	<b>645</b>	<b>(1,083)</b>	<b>20,950</b>	<b>(9,531)</b>	<b>(852)</b>	<b>547</b>	<b>(9,836)</b>	<b>(445)</b>	<b>(11)</b>	<b>14</b>	<b>(442)</b>	<b>10,672</b>

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 31 December 2015 amounted to Baht 3,518 million (2014: Baht 3,410 million).

Depreciation presented in the consolidated profit or loss for the years ended 31 December 2015 and 2014 amounted to Baht 854 million and Baht 852 million, respectively.

Bank only  
2015

	Net book value as at 1 January 2015	Cost			Accumulated depreciation				Allowance for impairment losses				Net book value as at 31 December 2015	
		Beginning balance	Purchases/ transfers in	Disposals/ written off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written off/ transfers out	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/ written-off/ transfers out		Ending balance
							(in million Baht)							
Land														
- Cost	2,240	2,579	-	(103)	2,476	-	-	-	-	(339)	(2)	2	(339)	2,137
- Incremental revaluation*	2,872	2,872	-	(83)	2,789	-	-	-	-	-	-	-	-	2,789
Building														
- Cost	2,193	4,993	248	(124)	5,117	(2,697)	(208)	75	(2,830)	(103)	(5)	7	(101)	2,186
- Incremental revaluation*	1,675	3,479	-	(146)	3,333	(1,804)	(68)	90	(1,782)	-	-	-	-	1,551
Leasehold improvements	375	1,200	86	(80)	1,206	(825)	(102)	64	(863)	-	(11)	11	-	343
Equipment	1,291	5,720	457	(375)	5,802	(4,429)	(463)	351	(4,541)	-	-	-	-	1,261
Total	10,646	20,843	791	(911)	20,723	(9,755)	(841)	580	(10,016)	(442)	(18)	20	(440)	10,267



	Bank only													
	2014						2015							
	Cost			Accumulated depreciation			Allowance for impairment losses					Net book value as at		
1 January 2014	Beginning balance	Purchases/ transfers in	Disposals/ written off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written off/ transfers out	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	31 December 2014	

\* The Bank's revaluation has been performed in 2012.

The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 31 December 2015 amounted to Baht 3,460 million (2014: Baht 3,357 million).

Depreciation presented in the Bank only's profit or loss for the years ended 31 December 2015 and 2014 amounted to Baht 841 million and Baht 843 million, respectively.

18 Goodwill and other intangible assets, net

As at 31 December 2015 and 2014, changes in goodwill and other intangible assets were as follows:

	Cost		Consolidated 2015				Accumulated amortisation		Net book value as at 31 December 2015
	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning Balance	Amortisation during the year	Accumulated amortisation on transfer out	
Goodwill	60	-	-	-	60	-	-	-	60
Computer software	799	41	(9)	341	4,410	(3,238)	(304)	6	874
Computer software under development	144	518	-	(357)	305	-	-	-	305
<b>Total</b>	<b>1,003</b>	<b>4,241</b>	<b>(9)</b>	<b>(16)</b>	<b>4,775</b>	<b>(3,238)</b>	<b>(304)</b>	<b>6</b>	<b>1,239</b>

	Consolidated 2014									
	Cost				Accumulated amortisation					
Net book value as at 1 January 2014	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance (in million Baht)	Beginning Balance	Amortisation during the year	Accumulated amortization on transfer out	Ending balance	Net book value as at 31 December 2014
Goodwill	60	-	-	-	60	-	-	-	-	60
Computer software	717	30	(38)	333	4,037	(2,995)	(281)	38	(3,238)	799
Computer software under development	138	340	-	(334)	144	-	-	-	-	144
Total	915	370	(38)	(1)	4,241	(2,995)	(281)	38	(3,238)	1,003

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 31 December 2015 amounted to Baht 2,823 million (2014: Baht 2,630 million).

Amortisation presented in the consolidated profit or loss for the years ended 31 December 2015 and 2014 amounted to Baht 304 million and Baht 281 million, respectively.

		Cost			Bank only 2015			Accumulated amortisation			Net book value as at 31 December 2015
	Net book value as at 1 January 2015	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning Balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	
						(in million Baht)					
Computer software	794	3,975	38	(8)	341	4,346	(3,181)	(302)	5	(3,478)	868
Computer software under development	144	144	519	-	(357)	306	-	-	-	-	306
<b>Total</b>	<b>938</b>	<b>4,119</b>	<b>557</b>	<b>(8)</b>	<b>(16)</b>	<b>4,652</b>	<b>(3,181)</b>	<b>(302)</b>	<b>5</b>	<b>(3,478)</b>	<b>1,174</b>

**Bank only**  
2014

	Cost				Accumulated amortisation			Net book value as at 31 December 2014		
	Net book value as at 1 January 2014	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance (in million Baht)	Beginning Balance	Amortisation during the year	Accumulated amortization on transfer out	Ending balance
Computer software	712	3,614	28	-	333	3,975	(2,902)	(279)	-	(3,181)
Computer software under development	137	137	340	-	(333)	144	-	-	-	-
Total	849	3,751	368	-	-	4,119	(2,902)	(279)	-	(3,181)
										938

The gross amount of the Bank only's fully amortised intangible assets that were still in use as at 31 December 2015 amounted to Baht 2,771 million (2014: Baht 2,577 million).

Amortisation presented in the Bank only's profit or loss for the years ended 31 December 2015 and 2014 amounted to Baht 302 million and Baht 279 million, respectively.

## 19 Deferred tax and income tax expense

### 19.1 Deferred tax

Movements in deferred tax assets and liabilities during the years ended 31 December 2015 and 2014 were as follows:

	At 1 January 2015	Consolidated (Charged) / Credited to:			At 31 December 2015
		Profit or loss	Other compre- hensive income	Retained earnings	
		<i>(note 19.2)</i> <i>(in million Baht)</i>			
<b>Deferred tax assets</b>					
Investments	176	(2)	-	-	174
Loans to customers and accrued interest receivables	690	(61)	-	-	629
Properties for sale	85	(59)	-	-	26
Premises and equipment	100	-	-	-	100
Provisions for obligations on transfers of non-performing assets	1,200	-	-	-	1,200
Provisions for employee benefits	306	11	(19)	-	298
Provisions for other liabilities	109	1	-	-	110
Other payables and other liabilities	260	34	-	-	294
Others	124	22	-	12	158
<b>Total</b>	<b>3,050</b>	<b>(54)</b>	<b>(19)</b>	<b>12</b>	<b>2,989</b>
<b>Deferred tax liabilities</b>					
Investments	27	-	(6)	-	21
Premises and equipment	939	(29)	(10)	-	900
Others	19	(2)	6	-	23
<b>Total</b>	<b>985</b>	<b>(31)</b>	<b>(10)</b>	<b>-</b>	<b>944</b>
<b>Net</b>	<b>2,065</b>	<b>(23)</b>	<b>(9)</b>	<b>12</b>	<b>2,045</b>

	At 1 January 2014	Consolidated (Charged) / Credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		<i>(note 19.2)</i> <i>(in million Baht)</i>		
<b>Deferred tax assets</b>				
Investments	174	2	-	176
Loans to customers and accrued interest receivables	617	73	-	690
Properties for sale	147	(62)	-	85
Premises and equipment	100	-	-	100
Provisions for obligations on transfers of non-performing assets	1,200	-	-	1,200
Provisions for employee benefits	285	21	-	306
Provisions for other liabilities	109	-	-	109
Other payables and other liabilities	281	(21)	-	260
Unused tax losses	456	(456)	-	-
Others	103	21	-	124
<b>Total</b>	<b>3,472</b>	<b>(422)</b>	<b>-</b>	<b>3,050</b>

	At 1 January 2014	Consolidated (Charged) / Credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		(note 19.2)		
		(in million Baht)		
<b>Deferred tax liabilities</b>				
Investments	14	-	13	27
Premises and equipment	981	(29)	(13)	939
Others	28	(9)	-	19
<b>Total</b>	<b>1,023</b>	<b>(38)</b>	<b>-</b>	<b>985</b>
<b>Net</b>	<b>2,449</b>	<b>(384)</b>	<b>-</b>	<b>2,065</b>

	At 1 January 2015	Bank only (Charged) / Credited to:			At 31 December 2015
		Profit or loss	Other compre- hensive income	Retained earnings	
		(note 19.2)			
		(in million Baht)			
<b>Deferred tax assets</b>					
Investments	176	(2)	-	-	174
Loans to customers and accrued interest receivables	677	(61)	-	-	616
Properties for sale	84	(58)	-	-	26
Premises and equipment	100	-	-	-	100
Provisions for obligations on transfers of non-performing assets	1,200	-	-	-	1,200
Provisions for employee benefits	303	10	(19)	-	294
Provisions for other liabilities	105	3	-	-	108
Other payables and other liabilities	260	34	-	-	294
Others	124	19	-	12	155
<b>Total</b>	<b>3,029</b>	<b>(55)</b>	<b>(19)</b>	<b>12</b>	<b>2,967</b>
<b>Deferred tax liabilities</b>					
Investments	15	-	(2)	-	13
Premises and equipment	937	(28)	(10)	-	899
Others	19	(2)	6	-	23
<b>Total</b>	<b>971</b>	<b>(30)</b>	<b>(6)</b>	<b>-</b>	<b>935</b>
<b>Net</b>	<b>2,058</b>	<b>(25)</b>	<b>(13)</b>	<b>12</b>	<b>2,032</b>

	At 1 January 2014	Bank only (Charged) / Credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		(note 19.2) (in million Baht)		
<b>Deferred tax assets</b>				
Investments	174	2	-	176
Loans to customers and accrued interest receivables	606	71	-	677
Properties for sale	139	(55)	-	84
Premises and equipment	100	-	-	100
Provisions for obligations on transfers of non-performing assets	1,200	-	-	1,200
Provisions for employee benefits	280	23	-	303
Provisions for other liabilities	105	-	-	105
Other payables and other liabilities	281	(21)	-	260
Unused tax losses	414	(414)	-	-
Others	103	21	-	124
<b>Total</b>	<b>3,402</b>	<b>(373)</b>	<b>-</b>	<b>3,029</b>
<b>Deferred tax liabilities</b>				
Investments	11	-	4	15
Premises and equipment	979	(30)	(12)	937
Others	28	(9)	-	19
<b>Total</b>	<b>1,018</b>	<b>(39)</b>	<b>(8)</b>	<b>971</b>
<b>Net</b>	<b>2,384</b>	<b>(334)</b>	<b>8</b>	<b>2,058</b>

As at 31 December 2015 and 2014, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totalling Baht 843 million and Baht 945 million, respectively, for which deferred tax assets have not yet been recognised because certain recognition criteria were not met.

As at 31 December 2015 and 2014, 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 its subsidiaries would be able to utilise such temporary differences.

## 19.2 Income tax expenses

### *Income tax recognised in profit or loss*

	Note	Consolidated		Bank only	
		2015	2014	2015	2014
		(in million Baht)			
<b>Current tax expense</b>					
Current year		2,141	882	2,073	765
Over provided in prior year		(11)	(75)	(11)	(75)
		<b>2,130</b>	<b>807</b>	<b>2,062</b>	<b>690</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	19.1	23	384	25	334
		<b>23</b>	<b>384</b>	<b>25</b>	<b>334</b>
<b>Total</b>		<b>2,153</b>	<b>1,191</b>	<b>2,087</b>	<b>1,024</b>

*Income tax recognised in other comprehensive income*

	Consolidated					
	Before tax	2015 Tax (expense) benefit	Net of tax	Before tax	2014 Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Investments	(30)	6	(24)	61	(12)	49
Premises and equipment	(49)	10	(39)	(60)	12	(48)
Provisions for employee benefits	95	(19)	76	-	-	-
Others	30	(6)	24	-	-	-
<b>Total</b>	<b>46</b>	<b>(9)</b>	<b>37</b>	<b>1</b>	<b>-</b>	<b>1</b>

	Bank only					
	Before tax	2015 Tax (expense) benefit	Net of tax	Before tax	2014 Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Investments	(10)	2	(8)	20	(4)	16
Premises and equipment	(49)	10	(39)	(60)	12	(48)
Provisions for employee benefits	95	(19)	76	-	-	-
Others	30	(6)	24	-	-	-
<b>Total</b>	<b>66</b>	<b>(13)</b>	<b>53</b>	<b>(40)</b>	<b>8</b>	<b>(32)</b>

*Reconciliation of effective tax rate*

	Consolidated			
	Rate (%)	2015 <i>(in million Baht)</i>	Rate (%)	2014 <i>(in million Baht)</i>
Profit before income tax expense		11,504		10,742
Income tax using the Thai corporation tax rate	20	2,301	20	2,148
Deferred tax expense which previously unrecognized deductible temporary difference had been met the recognition criteria and utilised during the year	(1)	(156)	(9)	(984)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(7)	1	102
Unutilised deferred tax	-	26	-	-
Over provided in prior years	-	(11)	(1)	(75)
<b>Total</b>	<b>19</b>	<b>2,153</b>	<b>11</b>	<b>1,191</b>

	Bank only			
	Rate (%)	2015 <i>(in million Baht)</i>	Rate (%)	2014 <i>(in million Baht)</i>
Profit before income tax expense		11,271		10,467
Income tax using the Thai corporation tax rate	20	2,254	20	2,093
Deferred tax expense which previously unrecognized deductible temporary difference had been met the recognition criteria and utilised during the year	(1)	(176)	(9)	(989)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(6)	-	(5)
Unutilised deferred tax	-	26	-	-
Over provided in prior years	-	(11)	(1)	(75)
<b>Total</b>	<b>19</b>	<b>2,087</b>	<b>10</b>	<b>1,024</b>



### Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Bank and its subsidiaries have applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014.

## 20 Other receivables, net

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Receivables on sales of investments	5,425	5,578	5,425	5,578
Promissory notes from transfer of non-performing assets	639	2,241	535	1,580
TAMC's promissory notes and interest receivable	4,398	4,398	4,398	4,398
Other receivables	1,038	867	878	743
<b>Total</b>	<b>11,500</b>	<b>13,084</b>	<b>11,236</b>	<b>12,299</b>
<i>Less</i> allowance for impairment losses	(175)	(111)	(170)	(111)
<b>Net</b>	<b>11,325</b>	<b>12,973</b>	<b>11,066</b>	<b>12,188</b>

## 21 Other assets, net

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Accrued income	1,170	1,360	1,120	1,249
Collateral on derivative transactions	1,664	497	1,664	497
Suspense account - debtors	923	859	922	859
Suspense account between head office and branches	43	130	43	130
Others	961	943	936	909
<b>Total</b>	<b>4,761</b>	<b>3,789</b>	<b>4,685</b>	<b>3,644</b>
<i>Less</i> allowance for impairment losses	(265)	(212)	(265)	(212)
<b>Net</b>	<b>4,496</b>	<b>3,577</b>	<b>4,420</b>	<b>3,432</b>

## 22 Deposits

### 22.1 Classified by type of deposits

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Current	65,347	51,497	65,358	51,511
Savings	409,120	346,104	409,145	346,185
Term	170,713	174,688	170,713	174,688
<b>Total</b>	<b>645,180</b>	<b>572,289</b>	<b>645,216</b>	<b>572,384</b>
Less prepaid interest expense	(486)	(664)	(486)	(664)
<b>Total</b>	<b>644,694</b>	<b>571,625</b>	<b>644,730</b>	<b>571,720</b>

### 22.2 Classified by currency and residency of depositors

	Consolidated					
	Domestic	2015 Foreign	Total	Domestic	2014 Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	636,273	5,709	641,982	564,884	5,290	570,174
US Dollar	2,195	297	2,492	1,175	152	1,327
Other currencies	199	21	220	109	15	124
<b>Total</b>	<b>638,667</b>	<b>6,027</b>	<b>644,694</b>	<b>566,168</b>	<b>5,457</b>	<b>571,625</b>

	Bank only					
	Domestic	2015 Foreign	Total	Domestic	2014 Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	636,309	5,709	642,018	564,979	5,290	570,269
US Dollar	2,195	297	2,492	1,175	152	1,327
Other currencies	199	21	220	109	15	124
<b>Total</b>	<b>638,703</b>	<b>6,027</b>	<b>644,730</b>	<b>566,263</b>	<b>5,457</b>	<b>571,720</b>

## 23 Interbank and money market items (liabilities)

	Consolidated and Bank only					
	2015			2014		
	At call	Term	Total	At call	Term	Total
	<i>(in million Baht)</i>					
<b>Domestic</b>						
Bank of Thailand and Financial Institutions Development Fund	-	3,837	3,837	-	4,957	4,957
Commercial banks	109	16,570	16,679	135	36,150	36,285
Specialised financial institutions	17	5,575	5,592	1,049	19,775	20,824
Other financial institutions	6,578	74	6,652	4,881	70	4,951
<b>Total domestic</b>	<b>6,704</b>	<b>26,056</b>	<b>32,760</b>	<b>6,065</b>	<b>60,952</b>	<b>67,017</b>

	Consolidated and Bank only					
	2015			2014		
	At call	Term	Total	At call	Term	Total
	(in million Baht)					
Foreign						
US Dollar	1,249	-	1,249	351	3,296	3,647
Other currencies	2,207	-	2,207	2,052	-	2,052
Total foreign	3,456	-	3,456	2,403	3,296	5,699
Total domestic and foreign, net	10,160	26,056	36,216	8,468	64,248	72,716

## 24 Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss as at 31 December 2015 and 2014 were as follows:

	Consolidated and Bank only	
	2015	2014
	<i>(in million Baht)</i>	
Debt issued	299	183
<b>Total</b>	<b>299</b>	<b>183</b>

Proportion of transactions classified by the contract parties based on the amount of the contract as at 31 December 2015 and 2014 were as follows:

	Consolidated and Bank only	
	2015	2014
	<i>(%)</i>	
<b>Contract parties</b>		
Financial institutions	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## 25 Debts issued and borrowings, net

	Consolidated and Bank only							
	Interest rates		Domestic	2015		Domestic	2014	
	as at	Maturities		Foreign	Total		Foreign	Total
	31 December 2015							
	<i>(%)</i>		<i>(in million Baht)</i>					
Subordinated debentures <sup>(1)</sup>	4.50 and 5.50	2017 <sup>(2)</sup> and 2019 <sup>(2)</sup>	25,350	-	25,350	33,350	-	33,350
Senior debentures	5.50	2018	-	3,327	3,327	-	-	-
Bills of exchange	2.15 - 4.50	2016	15	-	15	724	-	724
Other borrowings	0.00 - 2.00	2016 - 2031	71	1,597	1,668	131	2,220	2,351
<b>Total</b>			25,436	4,924	30,360	34,205	2,220	36,425
<i>Less prepaid interest expenses</i>			(177)	-	(177)	(176)	-	(176)
<b>Net</b>			<b>25,259</b>	<b>4,924</b>	<b>30,183</b>	<b>34,029</b>	<b>2,220</b>	<b>36,249</b>

<sup>(1)</sup> Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's Notification (Note 7)

<sup>(2)</sup> The years in which call option exercise periods start

## 25.1 Subordinated debentures

25.1.1 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 interest 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.

On 2 April 2015, the Bank early redeemed its entire subordinated debenture No. 1/2553, with a principal of Baht 8,000 million, together with interest thereon, since the Bank issued this debenture for five years which meet criteria to early redeem and therefore no longer qualified as Tier 2 capital of the Bank. Such early redemption has already been approved by the Bank of Thailand.

25.1.2 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.

25.1.3 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.

25.1.4 On 29 August 2014, the Bank issued the Subordinated Debenture 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.

## 25.2 Senior debentures

On 9 March 2015, the Bank issued the unsecured senior debentures with the bondholder representatives offered to offshore investors for a total amount of CNY 600 million, which has a 3-year maturity carrying a fixed interest rate of 5.50% per annum, payable semi-annually in March and September of every year. The debentures have been issued under the Bank's Euro Medium Term Note Programme.

## 25.3 Other Borrowings

Borrowings with specific uses (other borrowings) as at 31 December 2015 and 2014 were as follows:

		Consolidated and Bank only			
		2015		2014	
Borrowings from	Objectives of borrowings	Outstanding balances	Baht equivalent (in million Baht)	Outstanding balances	Baht equivalent (in million Baht)
Energy Conservation Promotion Fund	For enterprises investing for energy conservation	Baht 51 million	51	Baht 110 million	110
National Science and Technology Development Agency	For enterprises involving in research and development activities	Baht 20 million	20	Baht 21 million	21
Nordic Investment Bank (NIB)	For joint ventures with the Nordic countries and businesses using Nordic machinery/equipment	USD 7 million	259	USD 12 million	408
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 33 million	1,203	USD 50 million	1,648
KfW Bankengruppe (KfW)	For small industry businesses	EUR 3 million	135	EUR 4 million	164
<b>Total</b>			<b>1,668</b>		<b>2,351</b>

## 26 Provision for employee benefits

### 26.1 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% of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 5 - 10%, 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 2015 and 2014, the Bank and its subsidiaries contributed Baht 386 million and Baht 372 million, respectively to the funds (Bank only: Baht 378 million and Baht 364 million, respectively).

### 26.2 Defined benefit plans

#### (a) Detail of defined benefit plans

	Consolidated		Bank only	
	2015	2014	2015	2014
	(in million Baht)			
Post-employment benefit plans	1,479	1,520	1,458	1,498
Other long-term employee benefit plans	14	15	14	15
<b>Total</b>	<b>1,493</b>	<b>1,535</b>	<b>1,472</b>	<b>1,513</b>

(b) Movement in post-employment benefit obligations

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	1,520	1,409	1,498	1,387
<b>Included in profit or loss:</b>				
Current service cost	169	162	166	158
Past service cost	(44)	(5)	(42)	(5)
Interest on obligation	37	52	37	51
	<b>162</b>	<b>209</b>	<b>161</b>	<b>204</b>
<b>Included in other comprehensive income</b>				
- Actuarial gain	(95)	-	(95)	-
<b>Others</b>				
Benefits paid	(108)	(98)	(106)	(93)
	<b>(203)</b>	<b>(98)</b>	<b>(201)</b>	<b>(93)</b>
<b>At 31 December</b>	<b>1,479</b>	<b>1,520</b>	<b>1,458</b>	<b>1,498</b>

Actuarial gains recognised in other comprehensive income arising from:

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Demographic assumptions	(58)	-	(60)	-
Financial assumptions	149	-	149	-
Experience adjustment	(186)	-	(184)	-
<b>Total</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>

(c) Actuarial assumptions of post-employment benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	2.86, 3.15	3.28, 3.73, 3.95	2.86	3.73
Future salary growth	5.00, 5.30	5.00, 5.50	5.30	5.00
Staff turnover rates	0.00 - 30.00	0.00 - 18.00	0.00 - 30.00	0.00 - 18.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

(d) **Sensitivity analysis of post-employment benefit obligations**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

<b>Consolidated</b>				
2015				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>	Change (-) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>
Discount rate	+ 1%	(138)	- 1%	159
Future salary growth	+ 1%	146	- 1%	(129)
Future mortality	+ 1 year	12	- 1 year	(12)
<b>Bank only</b>				
2015				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>	Change (-) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>
Discount rate	+ 1%	(136)	- 1%	157
Future salary growth	+ 1%	143	- 1%	(127)
Future mortality	+ 1 year	12	- 1 year	(12)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**27 Provision for other liabilities**

The movement in provision for other liabilities during the year were as follows:

<b>Consolidated</b>				
	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases <i>(Note 35.2)</i> <i>(in million Baht)</i>	Others	Total
At 1 January 2014	412	63	64	539
Provisions made	27	1	43	71
Provisions used	-	(4)	-	(4)
Paid during the year	-	(12)	(59)	(71)
<b>At 31 December 2014 and 1 January 2015</b>	<b>439</b>	<b>48</b>	<b>48</b>	<b>535</b>
Provisions made	18	-	30	48
Provisions used	-	(27)	-	(27)
Paid during the year	-	(2)	(12)	(14)
<b>At 31 December 2015</b>	<b>457</b>	<b>19</b>	<b>66</b>	<b>542</b>

	Bank only			
	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases (Note 35.2) (in million Baht)	Others	Total
At 1 January 2014	412	54	59	525
Provisions made	27	1	43	71
Provisions used	-	-	-	-
Paid during the year	-	(12)	(54)	(66)
<b>At 31 December 2014 and 1 January 2015</b>	<b>439</b>	<b>43</b>	<b>48</b>	<b>530</b>
Provisions made	18	-	30	48
Provisions used	-	(22)	-	(22)
Paid during the year	-	(2)	(12)	(14)
<b>At 31 December 2015</b>	<b>457</b>	<b>19</b>	<b>66</b>	<b>542</b>

## 28 Other payables

	Consolidated		Bank only	
	2015	2014	2015	2014
	(in million Baht)			
Payables on purchases of investments	6,005	4,780	6,005	4,780
Others	983	857	979	850
<b>Total</b>	<b>6,988</b>	<b>5,637</b>	<b>6,984</b>	<b>5,630</b>

## 29 Other liabilities

	Consolidated		Bank only	
	2015	2014	2015	2014
	(in million Baht)			
Accrued expenses	4,683	3,872	4,633	3,722
Accrued interest expenses	1,084	1,156	1,084	1,156
Deposits and guarantees received	283	716	282	702
Collateral on derivative transactions	185	178	185	178
Suspense accounts - creditors	1,916	2,293	1,910	2,285
Others	668	673	612	631
<b>Total</b>	<b>8,819</b>	<b>8,888</b>	<b>8,706</b>	<b>8,674</b>

## 30 Share-based payments - TMB Performance Share Bonus

### 30.1 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:	<p>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.</p> <p>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.</p> <p>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.</p>
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).

For the years ended 31 December 2015 and 2014, the Bank recorded expenses in relation to share-based payments of Baht 93 million and Baht 155 million, respectively.

### 30.2 The offering of new ordinary shares

The offering of new ordinary shares	Par value (Baht/share)	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees <sup>(1)</sup>	Ordinary shares not to be issued	Balance of new ordinary shares unissued as at 31 December 2015
				(shares)		
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	(88,262,936)	(13,532,364)	-
The third offering, 2013	0.95	2.28	78,634,700	(46,923,995)	(11,847,785)	19,862,920
The fourth offering, 2014	0.95	2.30	85,191,700	(24,017,919)	(17,021,094)	44,152,687
The fifth offering, 2015	0.95	3.04	53,599,400	-	(4,028,100)	49,571,300
<b>Total</b>			<b>387,614,500</b>	<b>(220,761,136)</b>	<b>(53,266,457)</b>	<b>113,586,907</b>

<sup>(1)</sup> The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

### 30.3 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve – shared-based payments

Consolidated and Bank only 2015				
	Issued and paid-up ordinary share capital (No. of shares)	(in Baht)	Share premium (in Baht)	Other reserve - share-based payments
<b>At 1 January</b>	43,678,764,288	41,494,826,074	157,689,646	265,835,782
Issued ordinary shares to employees	70,735,327	67,198,561	79,053,115	(146,251,676)
Expenses in relation to issuance of ordinary shares to employees	-	-	(561,354)	-
Expenses in relation to share- based payments	-	-	-	93,066,338
<b>At 31 December</b>	<b>43,749,499,615</b>	<b>41,562,024,635</b>	<b>236,181,407</b>	<b>212,650,444</b>

Consolidated and Bank only 2014				
	Issued and paid-up ordinary share capital (No. of shares)	(in Baht)	Share premium (in Baht)	Other reserve - share-based payments
<b>At 1 January</b>	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	-	-	-	155,130,632
<b>At 31 December</b>	<b>43,678,764,288</b>	<b>41,494,826,074</b>	<b>157,689,646</b>	<b>265,835,782</b>

### 31 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.

The movements in revaluation surplus on assets during the years were as follows:

Consolidated and Bank only		
	2015	2014
	(in million Baht)	
<b>At 1 January</b>	4,686	4,898
Amortised during the year	(68)	(71)
Derecognised during the year	(73)	(81)
Transferred out during the year	(49)	(60)
<b>Balance – end of the year</b>	<b>4,496</b>	<b>4,686</b>
Less deferred income tax	(899)	(937)
<b>At 31 December, net of deferred income tax</b>	<b>3,597</b>	<b>3,749</b>

### 32 Legal 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.

### 33 Appropriation of profit and dividend payment

(a) On 10 April 2015, the 2015 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2014 operating profit and dividend payment as follows:

- (1) Appropriation of net profit of Baht 480 million to the legal reserve.
- (2) Payment of a dividend of Baht 0.06 per share from the 2014 operating profit to the shareholders.

The Bank paid such dividend to its shareholders on 7 May 2015.

(b) On 11 April 2014, the 2014 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2013 operating profit and dividend payment as follows:

- (1) Appropriation of net profit of Baht 290 million to the legal reserve.
- (2) Payment of a dividend of Baht 0.04 per share from the 2013 operating profit to the shareholders.

The Bank paid such dividend to its shareholders on 8 May 2014.

### 34 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 31 December 2015 and 2014 were as follow:

	Consolidated and Bank only	
	2015	2014
	<i>(in million Baht)</i>	
Investments in securities		
- Pledged as collateral with the courts	-	13
- Pledged as security for daily liquidity	-	3,437
- Pledged as collateral against repurchase transactions	3,987	26,705
<b>Total</b>	<b>3,987</b>	<b>30,155</b>

### 35 Commitments and contingent liabilities

#### 35.1 Commitments

	Consolidated and Bank only	
	2015	2014
	<i>(in million Baht)</i>	
Avals to bills	1,880	543
Guarantees of loans	3	3
Liability under unmatured import bills	2,568	1,855
Letters of credit	33,656	28,131
Other contingencies		
- Other guarantees	60,775	40,428
- Amount of unused bank overdrafts	94,036	82,935
- Committed line	29,954	31,081
- Others	568	624
<b>Total</b>	<b>223,440</b>	<b>185,600</b>

As at 31 December 2015, the Bank had no commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand (2014: Baht 11 million).

### 35.2 Litigation

- (a) As at 31 December 2015 and 2014, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 92 cases and 106 cases in the approximate dispute amounts of Baht 11,012 million and Baht 11,705 million, respectively (Bank only: claims for 85 cases and 97 cases in the approximate dispute amounts of Baht 10,462 million and Baht 10,872 million, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 663 million<sup>(1)</sup> and Baht 1,421 million<sup>(1)</sup>, respectively (Bank only: Baht 635 million<sup>(1)</sup> and Baht 1,350 million<sup>(1)</sup>, respectively).
- (b) As at 31 December 2015 and 2014, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 19 million and Baht 48 million, respectively (Bank only: Baht 19 million and Baht 43 million, respectively). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.
- (c) In addition, the Bank was claimed in another lawsuit with the sum of Baht 140,261 million due to the purported issuance of a letter of guarantee with a credit limit of Baht 200 million. The Court of First Instance and the Appeals Court dismissed the case. At present, the plaintiff is in the process of filing a petition with the Supreme Court. The management was advised that there is insufficient 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.

<sup>(1)</sup> Excluding the liabilities of the Bank as of 31 December 2015 and 2014 of Baht 2,124 million and Baht 1,761 million, respectively, which the Court of First Instance and the Appeals Court dismissed the cases or rendered the judgement to decrease the Bank's liabilities.

### 35.3 Non-cancellable operating lease commitments

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Within one year	434	383	424	370
After one year but within five years	561	758	559	749
<b>Total</b>	<b>995</b>	<b>1,141</b>	<b>983</b>	<b>1,119</b>

### 36 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

## 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.

Relationships with key management and other related parties were as follows:

Name of entity/ Personnel	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thailand and other counties	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
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
Phayathai Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank

Name of entity/ Personnel	Country of incorporation/ nationality	Nature of relationship
Designee for ETA Contract Ltd.	Thailand	Subsidiary, 99.5% shareholding, more than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd.	Thailand	Subsidiary, 87.5% shareholding, more than 50% of directors are representatives of the Bank
Metro Designee Co., Ltd.	Thailand	Associate, 30% shareholding, less than 50% of directors are representatives from the Bank

The pricing policies for particular types of transactions were explained further below:

Transactions	Pricing policies
Interest rates of loans	Based on market rate and the collateral consideration process, the same as the Bank's normal course of business, except for the interest rates of staff welfare loans which are in accordance with the Bank's regulation.
Fee and service income	Registrar and related services, money transfer services for unit holders, agents and support services for funds managed by its subsidiary is charged by the Bank at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into account the size of funds and the purchase and sale volumes of investment units
Interest rate on deposits and borrowings	Based on market rate
Fee and services income for other types of services	Based on market price
Branch office rental and related service	Based on market rate
Sale of non-performing assets to a subsidiary	Based on market price

### 36.1 Related parties transactions with key management and other related parties

Significant related parties transactions for the years ended 31 December 2015 and 2014 with key management and other related parties were as follows:

	Consolidated 2015						Impairment loss on loans and debt securities (reversal of)
	Interest income	Interest expenses	Fees and service income	Fees and service expenses (in million Baht)	Other operating income	Other operating expenses	
1. Major shareholders	155	2	-	-	-	10	-
2. Entities with joint control or significant influence over the entity	390	614	31	-	35	255	(9)
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	3	-	-	-	-	-
6. Other related parties	1	5	-	-	-	39	-

Consolidated 2014							Impairment loss on loans and debt securities (reversal of)
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
<i>(in million Baht)</i>							
1. Major shareholders	139	1	-	-	-	11	-
2. Entities with joint control or significant influence over the entity	381	505	24	-	44	241	14
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	4	-	-	-	-	-
6. Other related parties	-	4	-	-	-	16	-

Bank only 2015							Impairment loss on loans and debt securities (reversal of)
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
<i>(in million Baht)</i>							
1. Major shareholders	155	2	-	-	-	10	-
2. Entities with joint control or significant influence over the entity	382	614	31	-	35	255	(9)
3. Subsidiaries	-	-	1,158	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	3	-	-	-	-	-
6. Other related parties	1	5	-	-	-	39	-

Bank only 2014							Impairment loss on loans and debt securities (reversal of)
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
<i>(in million Baht)</i>							
1. Major shareholders	139	1	-	-	-	11	-
2. Entities with joint control or significant influence over the entity	372	505	24	-	44	241	14
3. Subsidiaries	-	-	662	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	4	-	-	-	-	-
6. Other related parties	-	4	-	-	-	16	-

## 36.2 Outstanding balances with related parties

As at 31 December 2015 and 2014, significant outstanding balances with related persons or parties were as follows:

36.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 31 December 2015 and 2014 were as follows:

	<b>Consolidated and Bank only</b>	
	2015	2014
	<i>(in million Baht)</i>	
<b>Loans to customers and accrued interest receivables, net</b>		
Ministry of Finance	6,548	6,553
<b>Deposits (including interbank and money market items - liabilities)</b>		
ING Bank N.V.	286	326
<b>Debts issued and borrowings (including interbank and money market items - liabilities)</b>		
ING Bank N.V.	-	1,648
<b>Contingencies – Derivatives <sup>(1)</sup></b>		
ING Bank N.V.	1,773	600
<sup>(1)</sup> Presented in notional amount		
<b>Other contingencies</b>		
ING Bank N.V.	18	16
<b>Other liabilities</b>		
ING Bank N.V.	-	1

36.2.2 Significant balances between the Bank and its subsidiaries and other entities with joint control or significant influence over the entities as at 31 December 2015 and 2014 were as follows:

	<b>Consolidated</b>		<b>Bank only</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Investment in debt securities</b>				
Entities whose shares are owned or controlled				
by the Ministry of Finance	-	15	-	15
<b>Interbank and money market items – assets and loans to customers and accrued interest receivables</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	19,605	27,021	19,198	26,743
Thai Charoenpol Industry Co., Ltd.	3	3	3	3
<b>Total</b>	<b>19,608</b>	<b>27,024</b>	<b>19,201</b>	<b>26,746</b>
<b>Allowance for doubtful accounts</b>				
Entities whose shares are owned or controlled				
by the Ministry of Finance	62	72	62	72
Thai Charoenpol Industry Co., Ltd.	2	2	2	2
<b>Total</b>	<b>64</b>	<b>74</b>	<b>64</b>	<b>74</b>



	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Other receivables</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	4,398	4,398	4,398	4,398
<b>Other assets</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	286	285	286	285
<b>Deposits (including interbank and money market items – liabilities)</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	11,886	15,635	11,886	15,635
TMB Property Development Co., Ltd.	4	4	4	4
<b>Total</b>	<b>11,890</b>	<b>15,639</b>	<b>11,890</b>	<b>15,639</b>
<b>Debts issued and borrowings (including interbank and money market items – liabilities)</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	5,575	30,725	5,575	30,725
<b>Provisions for obligation on transfers of non-performing assets</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	5,998	5,998	5,998	5,998
<b>Other liabilities</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	9	29	9	29
<b>Contingencies – derivatives <sup>(1)</sup></b>				
Entities whose shares are owned or controlled by the Ministry of Finance	130,302	141,128	130,302	141,128
<sup>(1)</sup> Presented in notional amount				
<b>Other contingencies</b>				
Entities whose shares are owned or controlled by the Ministry of Finance	1,261	626	1,261	626

36.2.3 Significant balances between the Bank and its subsidiaries and associate as at 31 December 2015 and 2014 were as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Other assets</b>				
Phayathai Asset Management Co., Ltd.	-	-	1	3
TMB Asset Management Co., Ltd.	-	-	69	57
<b>Total</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>60</b>
<b>Deposits</b>				
Phayathai Asset Management Co., Ltd.	-	-	6	61
TMB Asset Management Co., Ltd.	-	-	30	34
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>95</b>

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Other liabilities</b>				
Phayathai Asset Management Co., Ltd.	-	-	-	4
TMB Asset Management Co., Ltd.	-	-	-	31
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>

36.2.4 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 31 December 2015 and 2014 were as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Loans to customers and accrued				
interest receivables, net	22	12	21	11
Welfare loans	52	44	52	44
Deposits	177	194	171	186
Allowance for doubtful accounts	1	1	1	1

36.2.5 Significant balances between the Bank and its subsidiaries, and other related parties as at 31 December 2015 and 2014 were as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Loans to customers and accrued				
interest receivables, net	31	3	31	3
Deposits	220	184	220	184
Other liabilities	2	1	2	1

### 36.3 Senior management personnel compensation

For the years ended 31 December 2015 and 2014, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	42	38	41	37
Short-term employee benefits - management	780	663	751	624
Post-employment benefits	48	48	44	42
Termination benefit	3	3	-	-
Share-based payments (performance share bonus)	92	136	92	136
<b>Total</b>	<b>965</b>	<b>888</b>	<b>928</b>	<b>839</b>

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 managements of the subsidiaries are those at the level of director and executive officer upwards.

#### **36.4 Other benefits payable to the senior management personnel**

The Bank's senior management personnel do not receive other benefits both in terms of monetary and non-monetary items, except for the benefits that are normally received as mentioned in Note 36.3 such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank's executives and the representative directors who are the executives 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.

### **37 Segment information**

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: These are corporate customers and owner operators with annual revenues of Baht 500 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 and Medium Enterprise: These are corporate customers and owner operators with annual revenues of less than Baht 500 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 persons. 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 based and 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.

*Information about reportable segments:*

*For the year ended*

**31 December 2015**

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	14,888	6,479	1,862	-	23,229
Other operating income	4,402	4,736	989	(45)	10,082
Total operating income	19,290	11,215	2,851	(45)	33,311
Operating expenses	(7,523)	(8,151)	(746)	45	(16,375)
Profits from operation	11,767	3,064	2,105	-	16,936
Other income (expenses), net					(6)
Provision for doubtful accounts on loans and loan - related transactions					(5,426)
<b>Profit before income tax expense</b>					<b>11,504</b>
Income tax expense					(2,153)
<b>Profit for the year</b>					<b>9,351</b>
 Depreciation and amortisation	 130	 674	 374	 -	 1,178

**Source of operating income breakdown  
by operating segments**

Third party	27,206	3,281	2,824	-	33,311
Inter - segment	(7,916)	7,934	27	(45)	-
<b>Total operating income</b>	<b>19,290</b>	<b>11,215</b>	<b>2,851</b>	<b>(45)</b>	<b>33,311</b>

*For the year ended*

**31 December 2014**

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
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 accounts on loans and loan-related transactions					(3,412)
<b>Profit before income tax expense</b>					<b>10,742</b>
Income tax expense					(1,191)
<b>Profit for the year</b>					<b>9,551</b>
 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)	-
<b>Total operating income</b>	<b>16,708</b>	<b>10,334</b>	<b>2,758</b>	<b>(32)</b>	<b>29,768</b>

*Reconciliation of reportable segment profit or loss*

*For the year ended*

*31 December 2015*

	<b>Consolidated</b>				
	Net interest income	Non-interest income	Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	23,229	10,082	(16,375)	(6)	(5,426)
Bad debts, doubtful accounts and impairment losses	-	100	(47)	-	(53)
Others	(9)	48	(45)	6	-
<b>Consolidated financial statements</b>	<b>23,220</b>	<b>10,230</b>	<b>(16,467)</b>	<b>-</b>	<b>(5,479)</b>

*For the year ended*

*31 December 2014*

	<b>Consolidated</b>				
	Net interest income	Non-interest income	Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	21,906	7,862	(15,621)	7	(3,412)
Bad debts, doubtful accounts and impairment losses	-	80	(55)	-	(25)
Others	(311)	416	(98)	(7)	-
<b>Consolidated financial statements</b>	<b>21,595</b>	<b>8,358</b>	<b>(15,774)</b>	<b>-</b>	<b>(3,437)</b>

	<b>Consolidated</b>				
	2015				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	<i>(in million Baht)</i>				
Assets	610,984	106,068	125,293	(3,408)	838,937
Liabilities and equity	236,224	433,889	172,232	(3,408)	838,937

	<b>Consolidated</b>				
	2014				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	<i>(in million Baht)</i>				
Assets	570,299	88,501	153,759	(3,377)	809,182
Liabilities and equity	253,031	374,523	185,005	(3,377)	809,182

### 38 The financial position and results of operations classified by domestic and foreign business

38.1 As at 31 December 2015 and 2014, the financial position classified by domestic and foreign business was as follows:

	Consolidated					
	Domestic business	2015 Foreign business	Total	Domestic business	2014 Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	838,248	689	838,937	808,545	637	809,182
Interbank and money market items, net (assets)	115,219	539	115,758	112,624	473	113,097
Investments, net	98,260	-	98,260	110,859	-	110,859
Loans to customers and accrued interest receivables, net	552,727	92	552,819	502,975	91	503,066
Deposits	644,561	133	644,694	571,461	164	571,625
Interbank and money market items (liabilities)	36,118	98	36,216	69,351	3,366	72,717
Debts issued and borrowings, net	25,653	4,530	30,183	34,601	1,648	36,249

38.2 The results of operations classified by domestic and foreign business for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated							
	2015				2014			
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	36,425	181	(176)	36,430	35,843	34	(29)	35,848
Interest expense	13,212	174	(176)	13,210	14,259	23	(29)	14,253
Net interest income	23,213	7	-	23,220	21,584	11	-	21,595
Net fees and service income	7,821	-	-	7,821	5,727	7	-	5,734
Other operating income	2,408	1	-	2,409	2,624	-	-	2,624
Other operating expenses	16,458	9	-	16,467	15,760	14	-	15,774
Impairment loss on loans and debt securities	5,479	-	-	5,479	3,437	-	-	3,437
Profit from operations before income tax expenses	11,505	(1)	-	11,504	10,738	4	-	10,742

### 39 Interest income

	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Interbank and money market items	2,037	2,229	2,020	2,211
Investments and trading transactions	274	289	274	289
Investments in debt securities	2,148	2,658	2,148	2,658
Loans to customers	31,588	30,210	31,567	30,086
Others	383	462	384	451
Total	36,430	35,848	36,393	35,695

#### 40 Interest expenses

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Deposits	8,163	9,141	8,163	9,141
Interbank and money market items	882	1,054	882	1,054
Contribution to Deposits Protection				
Agency and BoT	2,829	2,669	2,829	2,669
Debt issued				
- Subordinated debentures	1,260	1,218	1,260	1,218
- Others	47	94	47	94
Borrowings	26	72	26	72
Others	3	5	3	5
<b>Total</b>	<b>13,210</b>	<b>14,253</b>	<b>13,210</b>	<b>14,253</b>

#### 41 Net fees and service income

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Fees and service income</b>				
- Acceptance, avals and guarantees	544	394	544	394
- Credit card and ATM	2,340	2,402	2,340	2,402
- Funds and Bancassurance	4,355	3,109	3,688	2,544
- Others	2,473	1,969	2,517	2,001
<b>Total</b>	<b>9,712</b>	<b>7,874</b>	<b>9,089</b>	<b>7,341</b>
<b>Fees and service expenses</b>				
- Credit card and ATM	(1,348)	(1,357)	(1,348)	(1,357)
- Others	(543)	(783)	(432)	(692)
<b>Total</b>	<b>(1,891)</b>	<b>(2,140)</b>	<b>(1,780)</b>	<b>(2,049)</b>
<b>Net</b>	<b>7,821</b>	<b>5,734</b>	<b>7,309</b>	<b>5,292</b>

#### 42 Gains on trading and foreign exchange transactions, net

<i>For the years ended 31 December</i>	Consolidated and Bank only	
	2015	2014
	<i>(in million Baht)</i>	
Gains on tradings and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	1,573	1,542
- Derivatives on interest rates	15	339
- Derivatives on commodity	-	1
- Debt securities	113	110
<b>Total</b>	<b>1,701</b>	<b>1,992</b>

#### 43 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 2015 and 2014 were as follows:

<i>For the years ended 31 December</i>	<b>Consolidated and Bank only</b>	
	2015	2014
	<i>(in million Baht)</i>	
Net change in fair value	(16)	(34)
Net loss on financial liabilities transferred	-	(17)
<b>Loss on financial liabilities designated at fair value through profit or loss, net</b>	<b>(16)</b>	<b>(51)</b>

#### 44 Gains on investments, net

<i>For the years ended 31 December</i>	<b>Consolidated</b>		<b>Bank only</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Gains on sales</b>				
- Available-for-sale investments	178	186	95	186
- General investments	5	4	5	4
<b>Total</b>	<b>183</b>	<b>190</b>	<b>100</b>	<b>190</b>
<b>Reversal of (losses on) impairment</b>				
- General investments	(2)	3	(2)	3
- Investments in subsidiaries	-	-	102	357
<b>Total</b>	<b>(2)</b>	<b>3</b>	<b>100</b>	<b>360</b>
<b>Net</b>	<b>181</b>	<b>193</b>	<b>200</b>	<b>550</b>

#### 45 Other operating expenses

<i>For the years ended 31 December</i>	<b>Consolidated</b>		<b>Bank only</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Marketing and business promotion expenses	1,296	1,247	1,206	1,165
Communication expenses	401	373	400	371
Amortisation of intangible assets	304	281	302	279
Losses on impairment of properties foreclosed and other assets	118	103	114	106
Others	1,726	1,483	1,698	1,439
<b>Total</b>	<b>3,845</b>	<b>3,487</b>	<b>3,720</b>	<b>3,360</b>



#### 46 Impairment loss of loans and debt securities

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Bad debts and doubtful accounts				
- Interbank and money market items	175	4	175	4
- Loans to customers	5,233 <sup>(1)</sup>	3,390	5,271 <sup>(1)</sup>	3,754
Allowance for debt restructuring on loans to customers	71	43	71	43
<b>Total</b>	<b>5,479</b>	<b>3,437</b>	<b>5,517</b>	<b>3,801</b>

<sup>(1)</sup> The selling price in excess of the carrying value of NPLs sale (see in Note 13.5) of Baht 465 million was presented as a deduction from this item.

#### 47 Earnings per share

##### *Basic earnings per share*

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to equity holders of the Bank and the number of ordinary shares outstanding during the years as follows:

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2015	2014	2015	2014
Profit for the years attributable to equity holders of the Bank <i>(in million Baht)</i>	9,333	9,539	9,184	9,443
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	43,730	43,659	43,730	43,659
<b>Basic earnings per share <i>(in Baht)</i></b>	<b>0.2134</b>	<b>0.2185</b>	<b>0.2100</b>	<b>0.2163</b>

##### *Diluted earnings per share*

The calculations of diluted earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to equity holders of the Bank and the number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2015	2014	2015	2014
Profit for the years attributable to equity holders of the Bank <i>(in million Baht)</i>	9,333	9,539	9,184	9,443
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	43,730	43,659	43,730	43,659
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme <i>(in million shares)</i>	127	161	127	161
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	43,857	43,820	43,857	43,820
<b>Diluted earnings per share <i>(in Baht)</i></b>	<b>0.2128</b>	<b>0.2177</b>	<b>0.2094</b>	<b>0.2155</b>

## 48 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Bank and its subsidiaries' operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Bank and its subsidiaries do not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

The Bank and its subsidiaries have made a preliminary assessment of the potential initial impact on the consolidated and the Bank only financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

#### **49 Events after the reporting period**

On 17 February 2016, 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 2015 operating results or a total of Baht 2,625 million (Such dividend amount is calculated on the number of issued and paid-up share capital as at 31 December 2015, which has yet to include the number of ordinary shares that will be issued in April 2016 under the TMB Performance Shares Bonus 2010 Project to employees, who were offered in 2013, 2014 and 2015 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.

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# 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, Chomphon, Chatuchak, Bangkok 10900
Telephone	02-299-1111
Fax	02-299-1211
TMB Phone Banking	1558
Website	www.tmbbank.com
Email	investor.rel@tmbbank.com

## Other referral parties

Share Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Thailand Tel 02-009-9999		
Auditors	Mr Chanchai Sakulkoedsin Or Miss Panthip Gulsantithomrong Or Mrs Wilai Buranakittsophon	CPA CPA CPA	Registered No. 6827 Registered No. 4208 Registered No. 3920
	KPMG Phoomchai Audit Ltd. 50 <sup>th</sup> -51 <sup>st</sup> Floors, Empire Tower 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand Tel 02-677-2000		

# INVESTMENT OF TMB IN OTHER COMPANIES

Investment of TMB in other companies as of December 31, 2015 holding more than 10% of the paid-up capital in each company were as follows:

Company	Head Office Location	Type of Business	Type of Capital (Share)
<b>Strategic Investment in Financial Business Companies</b>			
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
<b>Business Supporting Companies</b>			
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
<b>Property Funds</b>			
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
<b>Other Companies</b>			
TRIS CORPORATION LIMITED Tel 02-231-3011, Fax 02-231-3681	Bangkok	Services	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

Paid-up Capital (Share)	TMB's Ownership		
	Amount (Share)	Percentage (%)	Amount (Baht) (net of allowance for diminution in value)
107,000,000	107,000,000	100.00	3,026,940,256.70
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	29,449,384	13.86	295,596,041.86
220,000,000	30,000,000	13.64	40,620,000.00
1,000,000	153,000	15.30	14,361,948.00
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





The background of the image features a series of concentric circles in a light gray color, centered on the right side of the frame. The circles vary in size, with the smallest one at the center and several larger ones radiating outwards towards the left edge of the image. The overall background is a solid dark gray.

TMB  
NETWORK

# BANGKOK AND METROPOLITAN BRANCHES

As of December 31, 2015

Branch	Code	Telephone	Fax
<b>BANGKOK</b>			
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 Numbers
BHUMIBOL ADULYADEJ HOSPITAL	02	532-2854, 532-2855, 532-2856, 531-6278	All Numbers
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 Numbers
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 Numbers
CENTRAL WORLD	02	646-1284, 646-1285	646-1286
CENTRAL FESTIVAL EAST VILLE	02	553-6151, 553-6152	553-6153
CHAMCHURI SQUARE	02	160-5212, 160-5213, 160-5214, 160-5215, 160-5216	160-5215-6

Branch	Code	Telephone	Fax
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
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
LAT YA	02	439-7134, 437-3882, 437-1078	439-1064
LIBERTY SQUARE BUILDING SILOM	02	631-0117, 631-0118	631-0119

Branch	Code	Telephone	Fax
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 Numbers
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
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

Branch	Code	Telephone	Fax
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 Numbers
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
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
SUKHUMVIT 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

Branch	Code	Telephone	Fax
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
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 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, 678-0168	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
THANON KALAPAPRUK	02	040-8191, 040-8192	040-8193
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 Numbers
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
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 Numbers
WONGSAWANG TOWN CENTER	02	585-2650, 585-2651	585-2652
YANNAWA	02	289-1132, 291-3464, 688-1508, 688-1509	291-3465
YAWARAJ	02	225-9453, 225-9454, 224-7829, 224-7263	225-8254
<b>NONTHABURI</b>			
NGAM WONG WAN	02	588-0021, 588-0023	588-3148
CHAENG WATTHANA	02	574-0203, 574-0204, 574-0205, 574-5655	All Numbers
CENTRALPLAZA CHAENGWATTANA	02	835-3589, 835-3590, 835-3591	835-3592
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- NONTHABURI	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

Branch	Code	Telephone	Fax
CENTRAL PLAZA WESTGATE	02	194-2840, 194-2841	194-2842
ROBINSON SRISAMAN	02	501-5811, 501-5812	501-5813
<b>PATHUM THANI</b>			
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 Numbers
MUANG AKE RANGSIT	02	536-4173, 536-4174, 536-4175, 536-4176	All Numbers
RANGSIT - KHLONG 3	02	990-9131, 990-9132, 990-9133	990-9134
RANGSIT - 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 NONTHABURI	02	976-5500, 976-5501, 976-5502, 976-5503, 976-5504, 976-5505	All Numbers
<b>SAMUT SAKHON</b>			
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
THANON EKACHAI PO CHAE	034	494-261, 494-262	494-563
<b>SAMUT PRAKAN</b>			
SAMUT PRAKAN	02	389-5917, 389-5918, 389-5895, 389-5896, 389-5919, 387-0307	389-5897
THANON SAI LUAT - SAMUT PRAKAN	02	389-5021, 389-5022, 389-5063, 389-5064	389-3302
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



Branch	Code	Telephone	Fax
PHRA PRADAENG	02	463-3872, 463-3873, 463-3874	463-3909
MEGA BANGNA	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
MARKET VILLAGE SUARNABHUMI	02	316-6693, 316-6694	316-6695
BANG BO SAMUT PRAKAN	02	708-5700, 708-5701, 708-5702, 708-5703	708-5704
<b>NAKHON PATHOM</b>			
CENTRAL PLAZA SALAYA	02	429-6805, 429-6806	429-6807
AOM YAI	02	810-3325, 810-3326, 810-3327	810-3329

For more details of TMB branches, please visit [www.tmbbank.com](http://www.tmbbank.com) or contact TMB customer services 1558.

# UPCOUNTRY BRANCHES

As of December 31, 2015

Branch	Code	Telephone	Fax
<b>KANCHANABURI</b>			
KANCHANABURI	034	512-441, 512-442, 511-677, 521-101, 521-102	All Numbers
THA RUA	034	561-745, 561-822, 562-046	All Numbers
ROBINSON KANCHANABURI	034	603-307, 603-308	603-309
<b>KRABI</b>			
KRABI	075	612-718, 612-719, 612-720	630-086
PLAI PHRAYA	075	687-018, 687-019	687-019
<b>KAMPHAENG PHET</b>			
KAMPHAENG PHET	055	713-801, 713-802	713-803
<b>KALASIN</b>			
KALASIN	043	812-133, 812-135, 821-848	812-134
<b>KHON KAEN</b>			
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
<b>CHANTHABURI</b>			
THANON BENJAMARACHUTIT-CHANTHABURI	039	322-150, 322-151, 322-152	322-053
NONG KHLA	039	395-471, 395-472, 395-473	395-474
ROBINSON CHANTHABURI	039	322-823, 322-824, 322-825	322-886
<b>CHACHOENGSAO</b>			
THANON MAHAJAKKAPAD - CHACHOENGSAO	038	512-390, 511-912, 514-322	512-549
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

Branch	Code	Telephone	Fax
PHANOM SARA KHAM	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
<b>CHAI NAT</b>			
CHAI NAT	056	411-118, 412-394, 412-382, 411-564, 412-356	412-372
<b>CHON BURI</b>			
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 Numbers
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	All Numbers
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
PAKRUAM 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
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 Numbers
SATTAHIP	038	437-123, 437-339, 437-678, 438-561	All Numbers
HUAGHUNJAE - BAN BUNG	038	201-211, 201-026	201-212
AOU - UDOM	038	351-642, 351-644	351-643
THANON SUKHUMWIT PATTAYA	038	421-1808, 421-1809	421-1811

Branch	Code	Telephone	Fax
PACIFIC PARK SRIRACHA	038	313-071, 313-072	313-073
<b>CHUMPHON</b>			
CHUMPHON	077	502-545, 504-960, 504-961	502-544
LANG SUAN	077	541-233, 541-894	541-333
<b>CHIANG MAI</b>			
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 Numbers
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	053	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
<b>CHAIYAPHUM</b>			
CHAIYAPHUM	044	811-659, 811-666, 822-123	811-666
<b>CHIANG RAI</b>			
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 Numbers
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
MAESAI	053	733-146, 640-351, 640-352	733-145
<b>TAK</b>			
TAK	055	512-093, 512-094	515-451
MAE SOT	055	533-038, 533-039, 533-040	533-383
<b>TRANG</b>			
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

Branch	Code	Telephone	Fax
<b>TRAT</b>			
TRAT	039	520-636, 520-638	520-637
BO RAI	039	591-042	591-041
<b>NONG KHAI</b>			
NONG KHAI	042	420-562, 420-563	420-564
PHON PHISAI	042	471-266, 471-267, 405-552, 472-087	All Numbers
<b>NAKHON PATHOM</b>			
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 NAKORNPATTHOM	034	322-885, 322-886, 322-887, 225-155, 225-498, 225-499, 225-564, 225-565	321-990
PHUTTHAMONTHON SAI 4	02	489-3982, 489-3983	489-3984
<b>NARATHIWAT</b>			
NARATHIWAT	073	512-273, 512-274, 512-275	All Numbers
SUNGAI KOLOK	073	611-555, 611-556, 615-234	611-587
<b>NAN</b>			
NAN	054	710-455, 771-971, 772-818	710-477
THA WANG PHA	054	799-679, 799-138, 799-634	All Numbers
<b>NAKHON PHANOM</b>			
NAKHON PHANOM	042	511-023, 511-322, 512-234	512-614
<b>NONG BUA LAMPHU</b>			
NONG BUA LAMPHU	042	360-547, 360-548, 360-549	360-551
<b>NAKHON RATCHASIMA</b>			
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

Branch	Code	Telephone	Fax
PAK CHONG	044	315-996, 315-997, 315-998	All Numbers
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 Numbers
<b>NAKHON NAYOK</b>			
NAKHON NAYOK	037	312-348, 312-349, 312-350, 312-346	312-588
<b>NAKHONSAWAN</b>			
CHUMSAENG	056	282-498, 282-499	282-699
TAKHLI	056	261-537, 261-538	262-155
FARRY LAND NAKHONSAWAN	056	222-913, 222-672, 221-782, 313-056	227-414
THANON ASIA NAKHONSAWAN	056	228-223, 228-225	228-224
BIG C-NAKHONSAWAN (V-SQUARE)	056	233-066, 233-067	233-068
<b>NAKHON SI THAMMARAT</b>			
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 Numbers
NAKHON SI THAMMARAT RAJABHAT UNIVERSITY	075	392-116, 392-117	392-118
<b>BURI RAM</b>			
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
<b>PRACHUAP KHIRI KHAN</b>			
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
<b>PRACHINBURI</b>			
PRACHINBURI	037	211-655, 211-355, 211-356	All Numbers
PRACHANTAKHAM	037	291-252, 291-509	291-251

Branch	Code	Telephone	Fax
<b>PATTANI</b>			
PATTANI	073	332-677, 332-678, 332-679	331-038
<b>PHANGNGA</b>			
PHANGNGA	076	411-626, 411-627	411-555
KHAO LAK PHANGNGA	076	443-445, 443-446, 443-447	443-448
<b>PHICHIT</b>			
PHICHIT	056	651-331, 613-558, 612-219	612-216
SAM NGAM	056	691-210, 691-211	665-511
<b>PHETCHABUN</b>			
PHETCHABUN	056	711-386, 721-250	721-290
LOM SAK	056	701-044, 746-270, 701-579, 701-708	746-269
<b>PHATTHALUNG</b>			
PHATTHALUNG	074	613-305, 613-313, 626-801	611-965
<b>PHETCHABURI</b>			
PHETCHABURI	032	426-005, 426-115	427-165
BIG C - PHETCHABURI	032	454-074, 454-075	454-076
<b>PHAYAO</b>			
PHAYAO	054	481-720, 481-721, 482-329	482-330
<b>PHRAE</b>			
PHRAE	054	511-655, 621-327	511-646
SUNG MEN	054	541-231, 542-001	541-360
<b>PHITSANULOK</b>			
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
<b>PHUKET</b>			
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
VAJIRA HOSPITAL-PHUKET	076	237-238, 237-239, 237-240	237-241

Branch	Code	Telephone	Fax
<b>MAHA SARAKHAM</b>			
MAHA SARAKHAM UNIVERSITY	043	754-141, 754-142	754-143
SERMTHAI COMPLEX MAHASARAKHAM	043	970-841, 970-842	970-843
<b>MUKDAHAN</b>			
ROBINSON MUKDAHAN	042	672-412, 672-413	672-414
<b>YALA</b>			
YALA	073	214-029, 214-384, 211-587, 214-231	215-380
<b>YASOTHON</b>			
YASOTHON	045	712-301, 712-302, 720-602, 720-603	712-303
<b>RANONG</b>			
RANONG	077	823-028, 823-029	823-030
<b>RATCHABURI</b>			
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 Numbers
<b>RAYONG</b>			
RAYONG	038	617-470, 617-471, 617-472, 617-473, 617-474	617-475
KLAENG	038	884-595, 884-596, 884-597	884-463
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 Numbers
CENTRAL PLAZA RAYONG	038	942-626, 942-627	942-628
MAPTAPHUT	038	018-171, 018-172	018-173
<b>ROI ET</b>			
ROI ET	043	511-369, 511-612	512-449
ROBINSON ROI ET	043	540-753, 540-754	540-755
<b>LOP BURI</b>			
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
<b>LAMPANG</b>			
LAMPANG	054	224-154, 226-223, 226-522, 322-455	226-155
NGAO	054	261-193, 261-194	261-007



Branch	Code	Telephone	Fax
CENTRAL PLAZA LAMPANG	054	811-933, 811-934	811-935
<b>LAMPHUN</b>			
LAMPHUN	053	561-460, 561-462, 510-461, 510-462, 510-463	510-460
BIG C - LAMPHUN	053	552-088, 552-089	552-090
<b>LOEI</b>			
LOEI	042	812-122, 812-133, 845-118, 833-567	833-568
<b>SI SA KET</b>			
SI SA KET	045	612-518, 612-519	612-520
<b>SA KAE0</b>			
SA KAE0	037	242-688, 242-689, 242-690	242-692
ARANYAPRATHET	037	231-280, 231-290	232-601
<b>SONGKHLA</b>			
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
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
<b>SURAT THANI</b>			
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 Numbers
BAN SONG SURATTHANI	077	257-093, 257-127	All Numbers
BO PHUT KO SAMUI	077	246-225, 246-226	246-227
<b>SATUN</b>			
SATUN	074	721-219, 721-220	721-221

Branch	Code	Telephone	Fax
<b>SUKHOTHAI</b>			
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
<b>SAKON NAKHON</b>			
SAKON NAKHON	042	711-393, 711-993, 712-195, 714-691, 714-692	713-403
<b>SARABURI</b>			
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
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
<b>SUPHAN BURI</b>			
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
<b>SURIN</b>			
ROBINSON SURIN	044	042-775, 042-776	042-777
<b>SAMUT SONGKHRAM</b>			
SAMUT SONGKHRAM	034	715-454, 715-455, 714-018, 714-019, 711-682, 740-123	715-456
<b>SING BURI</b>			
SING BURI	036	511-326, 512-803, 522-640, 522-641, 522-642, 522-643, 512-804	512-276
<b>AMNAT CHAROEN</b>			
AMNAT CHAROEN	045	511-590, 511-591, 511-594	511-592
<b>UDON THANI</b>			
UDON THANI	042	241-130, 241-594, 244-776, 244-777, 244-778	244-391
CENTRAL PLAZA UDONTANI	042	921-281, 921-282	921-283

Branch	Code	Telephone	Fax
BAN PHU	042	281-264	281-265
THANON PHOSI - UDON THANI	042	249-551, 249-552, 249-553	249-554
<b>UTTARADIT</b>			
UTTARADIT	055	411-655, 411-800	412-380
<b>ANG THONG</b>			
ANG THONG	035	611-262, 612-418, 625-130	625-131
<b>UTHAI THANI</b>			
UTHAI THANI	056	511-187, 511-122, 524-942	511-613
BAN RAI	056	539-002, 539-003	539-004
<b>UBON RATCHATHANI</b>			
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
<b>AYUTTHAYA</b>			
AYUTTHAYA	035	241-417, 241-418	242-417
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 Numbers
ROJANA INDUSTRIAL PARK AYUTTHAYA	035	330-471, 330-472	330-473

For more details of TMB branches, please visit [www.tmbbank.com](http://www.tmbbank.com) or contact TMB customer services 1558.

# OVERSEAS BRANCHES

As of December 31, 2015

## 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, 856-21-217174
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*	Intertrust Bank (Cayman) Limited. P.O. Box 1034 103 South Church Street, Harbour Place, 4 <sup>th</sup> Floor, George Town, Grand Cayman Cayman Islands KY1-1102
Branch Manager	Ms Soontaree Cheevaphat
Telephone	662-299-1180
Fax	662-242-3139
E-mail address	soontaree.che@tmbbank.com

\*Since January 18, 2016, the address of Cayman Islands branch has changed to:

Postal Address: Harbour Place, 5<sup>th</sup> Floor, 103 South Church Street, George Town, Grand Cayman KY1-1108, Cayman Islands

Registered Address: P.O. Box 1353, George Town, Grand Cayman KY1-1108, Cayman Islands

# CURRENCY EXCHANGE SERVICE OFFICES

As of December 31, 2015

Booth	Telephone
<b>Bangkok</b>	
Arrival Hall (AH)	02-535-3172
Bangkok Hospital Soi Soonwijai	02-318-9770
Central World	02-646-1326
Chatuchak Gate 1	02-272-5530
Chatuchak Gate 2	02-272-4715-6
Chatuchak Gate 3	02-272-4105-6
Departure Hall (DH)	02-535-3171
Departure Hall 2 (DH2)	02-504-3754
Departure Lounge (DL1)	02-504-3753
Foodland Sukhumvit Soi 5	02-255-1660
Indra Pratunam	02-208-0978
International Baggage claim, Donmuang	02-504-3656
Mah Boonkrong Center	02-686-3690
National Stadium BTS station	02-612-3132
Pantip Plaza Phatunum	02-256-0412
Platinum Pratunam	02-121-9404
Platinum Pratunam 2	02-121-9493
Sathorn Pier	02-212-1885-6
Visa on Arrival, Donmuang	02-504-3655
<b>Chonburi</b>	
Sunshine Pattaya	038-371-440-2
Mobile Booth	038-371-440-2
<b>Pang-Nga</b>	
Khao-Lak Branch	076-443-445-7

Booth	Telephone
<b>Phuket</b>	
Arrival Hall, Phuket Airport	076-326-737
Bangla Mall	076-344-511
Banthalai	076-340-618
Central Festival Phuket	076-248-514
Devana	076-340-035
Freedom Street Bangla	076-340-291
Had Kata	076-330-088
International Baggage claim, Phuket	076-351-413
Novotel Phuket Vintage Park Phuket Hotel	076-340-698
Patong Merlin Hotel (Phuket )	076-341-048
Phuket International Airport	076-328-383-5
Sabana Resort Hotel	076-388-455
Thanon Phra Barami Patong Beach	076-343-454-61
Wong Wien Karon	076-396-088

For more details of TMB branches, please visit [www.tmbbank.com](http://www.tmbbank.com) or contact TMB customer services 1558.

# SUPPLY CHAIN AND BUSINESS CENTERS

As of December 31, 2015

Business Center	Telephone	Fax
Phaholyothin	02-299-1429, 02-299-3231 02-299-1422, 02-299-1449 02-299-1111, ext. 5210 02-242-3708	02-242-3505
Silom	02-235-8009-10	02-235-8011
Asoke	02-204-2723-5	02-204-2726
Chongnonsee	02-285-3874	02-285-3875
Krung Kasem	02-221-1085, 02-226-1598	02-221-1275
Rangsit - Pathumthani	02-567-5646	02-567-5662
Baromratchonnee	02-886-5435-6	02-434-1756
Samutprakarn	02-753-3600-1	02-753-3602
Samutsakorn	034-811-419-20	034-811-418
Phra Pradaeng	02-463-3881-2	02-463-3890
Nong Khaem	02-431-0424-5	02-431-0426
Thanon Wat King Kaeo	02-750-3329-30	02-750-3331
Thanon Thepharak KM. 22	02-313-1401-2	02-313-1403
Bang Wua	038-540-185-6	038-540-187
Hua Mak	02-318-2835-6	02-318-2837
Chiangmai	053-410-102	053-410-909
Chiang Rai	053-719-373	053-745-108
Lampang	054-322-723	054-323-661
Phitsanulok	055-249-145	055-248-800
Nakhon Ratchasima	044-263-620-1	044-258-767
Ubon Ratchathani	045-284-473-5	045-254-307
Khon Kaen	043-332-663-4	043-332-664
Udon Thani	042-344-266 ext. 31	042-243-288
Saraburi	036-213-237	036-318-541
Nakhonsawan	056-312-393	056-312-766
Chonburi	038-270-794, 038-283-526	038-283-652

Business Center	Telephone	Fax
Pattaya	038-368-126	038-367-536
Rayong	038-800-401, 038-800-404	038-800-402
Nakhon Pathom	034-256-682	034-256-697
Ratchaburi	032-311-096	032-311-218
Surat Thani	077-221-823	077-264-228
Trang	075-223-686	075-223-687
Phuket	076-230-083	076-230-084
Hat Yai	074-355-750, 074-354-749	074-354-491



# MAIN CORRESPONDENT BANKS

As of December 31, 2015

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	BCEL - 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	Skandaviska Enskida Banken AB
Switzerland	Credit Suisse AG, UBS AG
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., Kasikorn Bank 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, 2015)

## MISS NOPAWAN SAENGTEERAKIJ

COMPANY SECRETARY

Age: 45 years old

## MISS THANAWAN TEEKAUTAMAKORN

HEAD OF AUDIT

Age: 51 years old

## M.L. AYUTH JAYANT

HEAD OF COMPLIANCE

Age: 57 years old

### POSITION(S) AT TMB

- Company Secretary
- Executive Vice President,  
Head of Strategy and Transformation  
and Head of Corporate Governance

### EDUCATION

- Master Degree in Marketing,  
SASIN Graduate Institute of  
Business Administration
- Bachelor Degree of Arts,  
Chulalongkorn University

### TRAINING

- Company Secretary Program and Board  
Reporting Program, Thai Institute of  
Directors Association

### WORK EXPERIENCE

- Jan 2016 -Present: Company Secretary,  
Executive Vice President,  
Head of Corporate Governance,  
TMB Bank Plc.
- Jan 2015 - Dec 2015: Company  
Secretary, Executive Vice President,  
Head of Strategy Transformation and  
Head of Corporate Governance,  
TMB Bank Plc.
- 2010 - Dec 2014: Team Head of  
Corporate Responsibility, Corporate  
Branding and Communications,  
TMB Bank Plc.

### 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 and 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
- IT Best Practice (Mobile Banking  
E-Banking, New IT Outsourcing and  
BOT Audit Sharing)
- Risk Management Committee Program
- SEC Audit Committee's Challenges over  
Financial and Non-Financial Information  
Review
- Liquidity and Liquidity Coverage Ratio  
Calculation and Derivations Permission  
and Directive Guideline

### 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

### 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 (2015)
- Professional Banker's program,  
The Wharton School,  
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 3 directors as follows:

Mr Franciscus Gerardus Rokers

Mr Somsak Woravijak

Ms Supreeya Pipatmanomai

### 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 Ronald Bart Huisman

Mr Franciscus Gerardus Rokers

Mrs Chompoonoot Pathomporn

Ms Arwiwan Tangtrongchit

Mrs Marie Ramlie

Mrs Prasnee Surastian

Mrs Sirichan Pipitwitayakul

Mr Somjin Sornpaisarn









