



Elephants Crossing the Water
Tang Kok Soo



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Elephants Crossing the Water

by Tang Kok Soo
Mixed media
121 x 160 cm

Mr Tang Kok Soo's *Elephants Crossing the Water* is the inspiration for the design of this year's Annual Report. The abstract painting of a herd of elephants crossing a river received the Gold Award for the Established Artist Category in the 2016 UOB Painting of the Year (Singapore) Competition.

With each step forward, the steady and strong-willed elephants make their journey as one, advancing with purpose and determination whatever the terrain. *Elephants Crossing the Water* symbolises strength in unity and celebrates the focus and wherewithal needed to stay the course.

The UOB Painting of the Year Competition, in its 35th year in 2016, promotes awareness and appreciation of art, and challenges Southeast Asian artists to produce works that inspire.



Company Profile

United Overseas Bank (Thai) Public Company Limited (UOB (Thai)) is a fully-licensed commercial bank. With its network of 153 branches, 349 ATMs, 9 foreign exchange kiosks nationwide (as of 31 December 2016), UOB (Thai) offers consumer and corporate customers a comprehensive suite of quality products and services to meet their financial objectives and needs. To complement its commercial banking business, UOB (Thai) has two subsidiaries providing futures broking and debt collection services.

UOB (Thai) is rated among the top banks in Thailand by Moody's Investors Service and Fitch Ratings:

Moody's Investors Service:

International Ratings	
Long-Term	Baa1
Short-Term	P-2

Fitch Ratings:

International Ratings	
Long-Term	A-
Short-Term	F2
Viability	bb+
Support	1
National Ratings	
Long-term	AAA(thai)
Short-term	F1+(thai)

UOB (Thai) is 99.66 per cent owned by Singapore-based United Overseas Bank Limited (UOB), which has a global network of more than 500 offices in Asia Pacific, Europe and North America.

A regional bank rooted in Thailand, UOB (Thai) provides customers with financial expertise and connectivity across Asia. It offers innovative financial solutions, quality products and excellent service through understanding and identifying the needs of its customers.

Financial Highlights

	Consolidated Financial Statements	
	2016	2015
Financial Position (Million Baht)		
Assets	451,611	434,416
Loans	318,706	290,934
Allowance for doubtful accounts	9,442	7,664
Deposits	323,859	302,036
Liabilities	403,175	389,406
Shareholders' equity	48,435	45,010
Capital funds	52,331	49,769
Earnings Performance (Million Baht)		
Net interest income	12,783	11,761
Non-interest income	4,268	4,050
Net profit before tax	4,387	3,915
Net profit after tax	3,605	3,121
Ratios (%)		
Net interest income to average assets	2.89	2.83
Return on average assets	0.81	0.75
Return on average equity	7.71	7.36
Earnings per share - basic (Baht)	1.45	1.26
NPLs (gross) to total loans	2.57	1.93
Book value per share (Baht)	19.49	18.11
Capital adequacy ratio	18.27	18.84



Chairman's Statement



Our time-tested values of being honourable, enterprising, united and committed ensure that our focus is for the long term.

2016 Review

We at UOB (Thai) joined the nation in mourning the passing of King Bhumibol Adulyadej, who was at the time the world's longest-serving monarch. His Majesty reigned for 70 years as a polymath with contributions in art, music and many social and economic development projects. He has left a deep legacy for all Thais and will remain in the hearts of his subjects.

His Royal Highness Crown Prince Maha Vajiralongkorn succeeded as Thailand's new king after accepting an invitation from the Parliament on 1 December 2016. Long live His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun.

2016 was a difficult year overall for the Thai economy. Growth suffered as the effects of ongoing global market volatility, political change in the West and continued reforms in China dampened sentiment. Nevertheless, the local economy proved resilient growing 3.2 per cent in 2016 compared with 2.9 per cent in 2015.

Most of Thailand's economic momentum was driven by increased consumer spending, tourism and government expenditure, especially in transportation and irrigation. Thai exports improved with the weakening of the Thai Baht and greater demand for goods such as electrical appliances, automotive, machinery and equipment from countries including Japan, China and the US.

However, private investment remained subdued, falling by 2.2 per cent in 2015 and slightly growing by 0.4 per cent in 2016.

2016 Bank Performance


Against this backdrop and in comparison to its peers, UOB (Thai) continued to achieve strong overall performance. We adopted a sustainable and prudent approach to business and are pleased to report that we achieved net profit after tax of Baht 3.6 billion in 2016, a growth of 15.5 per cent over 2015. Total income increased 7.8 per cent to Baht 17.1 billion, mainly attributable to loan growth.

The Bank saw total loans increase by 9.5 per cent to Baht 318.7 billion, primarily due to an increase in housing loans, and achieved a healthy growth in total deposits by 7.2 per cent to Baht 323.9 billion. The Bank's non-performing loans ratio increased to 2.6 per cent from 1.9 per cent in 2015.

Corporate Developments

Our time-tested values of being honourable, enterprising, united and committed ensure that our focus is for the long term, enabling us to grow sustainably as we support our customers within Thailand and across the region.

In line with the Group's efforts to enhance and to extend the digital experience for our customers, in 2016, UOB (Thai) launched a series of technology and digitalisation initiatives for local startups in Thailand. These initiatives included training and mentorship programmes, access to new funding sources through UOB's partnerships with OurCrowd and InnoVen Capital and regional expansion partnerships.



We also launched the UOB Business mobile application for small businesses, designed to help them manage currency volatility and foreign exchange risks as they expand their businesses overseas.

Our reputation in Thailand was bolstered when UOB (Thai) was recognised by The Asian Banker as the Best Foreign Retail Bank in Thailand for the second consecutive year and received the publication's Wealth Management of the Year award for 2016.

2017 Outlook

Despite increased downside risk from global financial market uncertainty and political developments in the major advanced economies, Thailand's economy continues to improve and is projected to grow by 3.3 per cent in 2017. Solid progress on major infrastructure investment projects such as the Eastern Economic Corridor Development project and high-speed rail networks will help to lift business confidence and in turn generate increased private sector investment.

Consumer spending is also expected to rise in tandem with improvements in consumer confidence, farm income and the recovery of the global economy. Despite the increased risks expected in 2017, exports are projected to improve at a gradual pace on the back of the depreciation of the Thai Baht and the recovery of the global economy.

Acknowledgement

The Bank welcomed its new President and Chief Executive Officer, Mr Tan Choon Hin who was appointed to the UOB (Thai) position in November 2016. Mr Tan Choon Hin brings with him broad banking experience across several Asian markets. Prior to this, he was based in Singapore and headed UOB's Group Business Banking. He succeeds Mr Peter Foo Moo Tan, who has taken up the position of President and CEO for UOB China. I would like to thank Mr Peter Foo Moo Tan for his four years of dedication to UOB (Thai).

On behalf of the Board of Directors, I would like to welcome on board Mr Tithiphan Chuerboonchai, our new Independent Director, and thank our former Director, Mr Cheo Chai Hong, for his seven years of counsel and guidance.

In conclusion, I wish to extend my appreciation to our customers for their trust and continued support, and to the management and staff for upholding the Bank's values as they serve and support our customers.

Wee Cho Yaw

Chairman

February 2017

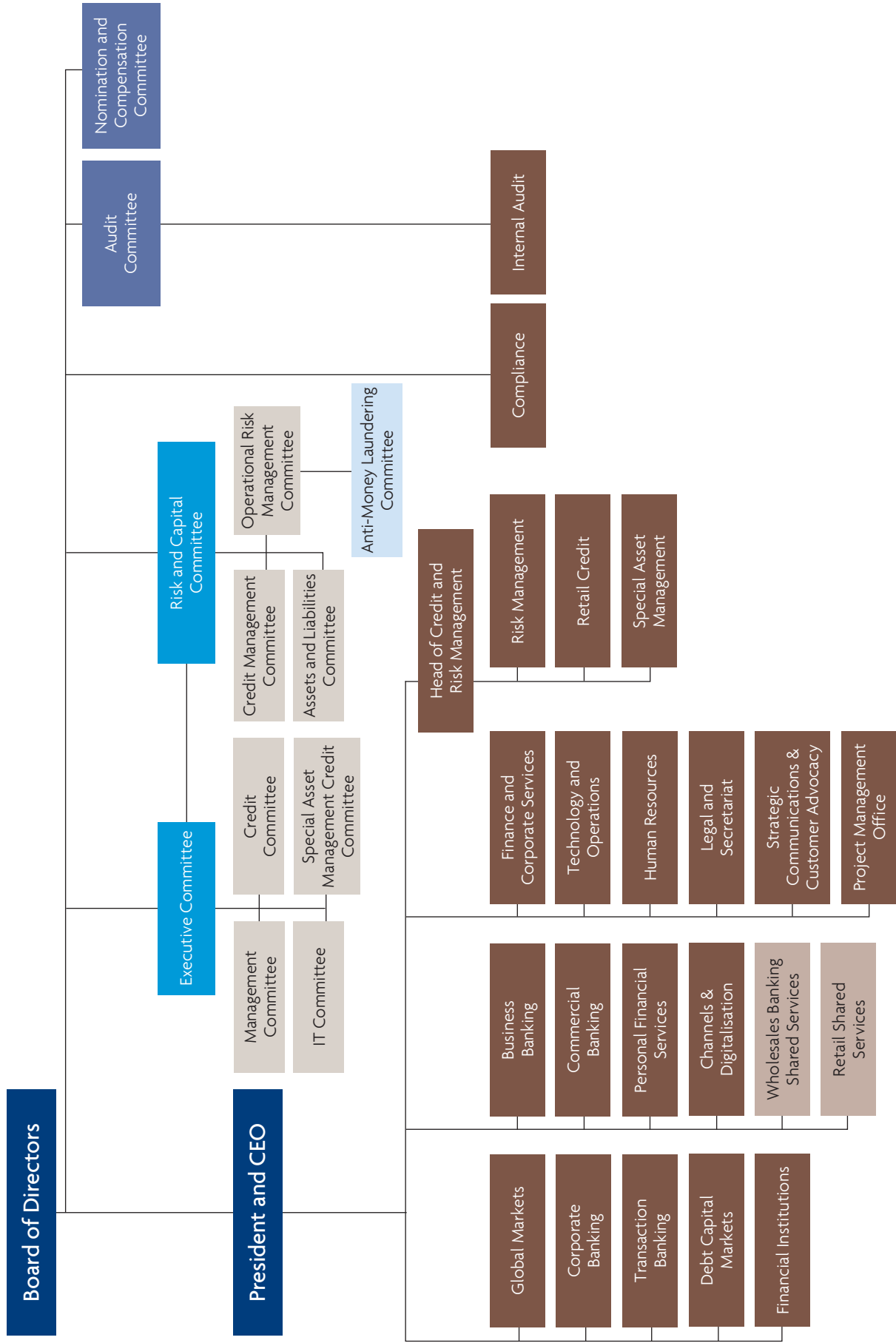
Board of Directors

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Chinnawat Bulsuk	Independent Director
Suebtrakul Soonthornthum	Independent Director
Chanitr Charnchainarong	Independent Director
Tithiphan Chuerboonchai	Independent Director
Lee Chin Yong	Director
Tan Choon Hin	Director
Sanchai Apisaksirikul	Director

Senior Management Team

Tan Choon Hin	President and Chief Executive Officer
Steven Ngeo Swee Guan	Managing Director, Country Head of Credit & Risk Management
Sanchai Apisaksirikul	Managing Director, Country Head of Finance & Corporate Services
Yuttachai Teyarachakul	Managing Director, Country Head of Personal Financial Services
Arthur Gan Lian Aun	Executive Director, Country Head of Global Markets
Pailin Ngsriwongse	Executive Director, Country Head of Corporate Banking
Piyaporn Ratanaprasartporn	Executive Director, Country Head of Commercial Banking
Patchanee Vongsilpawattana	Executive Director, Country Head of Transaction Banking
Pisal Kattiyothaivong	Executive Director, Country Head of Debt Capital Markets
Sayumrat Maranate	Executive Director, Country Head of Business Banking
Roongthip Angkasirisan	Executive Director, Country Head of Risk Management
Yau Chi Choi	Executive Director, Country Head of Retail Credit
Pojanee Rungsang	Executive Director, Country Head of Special Asset Management
James Rama Phataminviphas	Executive Director, Country Head of Channels & Digitalisation
Sirima Taecharungnirun	Executive Director, Country Head of Technology & Operations
Sasiwimol Arayawattanapong	Executive Director, Country Head of Human Resources
Ngamjitt Sirijindalert	Executive Director, Country Head of Project Management Office
Busba Virochpoka	Executive Director, Country Head of Strategic Communications & Customer Advocacy
Pimolrat Tangkosakul	Executive Director, Country Head of Legal & Secretariat
Pornchai Wiwatpattarakul	Executive Director, Country Head of Compliance
Manit Panichakul	Executive Director, Country Head of Internal Audit
Montira Utarapichat	Executive Director, (Acting) Country Head of Financial Institutions

Organisation Structure



Remark: Governance Structure as of December 2016



United Overseas Bank (Thai) Public Company Limited

31 December 2016

Management Discussion and Analysis 2016

Management Discussion and Analysis 2016

Statutory Financial Results

The Bank and its subsidiaries reported net profit after tax for the year 2016 of Baht 3,605 million, Baht 484 million or 15.5% up from last year. Total operating income grew by 7.8% to reach Baht 17,051 million. This was primarily the result of higher net interest income and non-interest income. Net interest income increased by 8.7% to 12,783 million from continued expansion of loans and lower cost of deposits. Non-interest income rose by 5.4% to Baht 4,268 million from higher fees and commission income.

Total operating expenses were at Baht 9,659 million, an increase of 3.0% or Baht 279 million from the previous year. This was attributed to higher revenue-related expenses. Meanwhile, the loss on impairment of properties foreclosed and other assets declined by Baht 192 million.

The impairment losses on loans in 2016 stood at Baht 3,005 million compared to last year of Baht 2,516 million.

Summarised Statutory Financial Results For the Years Ended 31 December 2016 and 2015

Statements of income	Million Baht		
	Consolidated financial statements		% change
	2016	2015	
Interest income	19,532	18,574	5.2
Interest expenses	6,749	6,813	(0.9)
Net Interest income	12,783	11,761	8.7
Non-interest income	4,268	4,050	5.4
Total operating income	17,051	15,811	7.8
Operating expenses	9,659	9,380	3.0
Operating profit before impairment	7,392	6,431	14.9
Bad debt, doubtful accounts and impairment loss	3,005	2,516	19.4
Net profit before income tax expenses	4,387	3,915	12.1
Income tax expenses	782	794	(1.5)
Net profit	3,605	3,121	15.5

Key Financial Position Items

	Million Baht		
	Consolidated financial statements		% change
	2016	2015	
Total assets	451,611	434,416	4.0
Total loans to customers	318,706	290,934	9.5
Total deposits	323,859	302,036	7.2
Total liabilities	403,175	389,406	3.5
Total shareholders' equity	48,435	45,010	7.6
Non-performing loans (NPLs)	8,926	6,349	40.6

Management Discussion and Analysis 2016

Key Financial Ratios (%)

	Consolidated financial statements		% change
	2016	2015	
Net interest income to average assets	2.9	2.8	0.1
Gross loans to deposits ratio	98.4	96.3	2.1
Net loans to deposits ratio	95.7	94.0	1.7
NPLs to total loans ratio	2.6	1.9	0.7
Capital adequacy ratio	18.3	18.8	(0.5)

Net Interest Income

Net interest income (NII) for 2016 was Baht 12,783 million, 8.7% or Baht 1,022 million higher than last year, after payment to the Deposit Protection Agency and Financial Institutions Development Fund. The higher NII was mainly due to year-on-year growth in loans volume and lower funding costs.

Non-Interest Income

Non-interest income for 2016 was Baht 4,268 million, an increase of Baht 218 million or 5.4% compared with the previous year. This was mainly due to increase in net gains on foreign exchange transactions and higher commission income.

Operating Expenses

The Bank and its subsidiaries' operating expenses for 2016 was at Baht 9,659 million, an increase of Baht 279 million or 3.0% compared with last year. This was mainly from the business related areas including advertising expenses, debt collection fee and referral fee in total of Baht 328 million

The employee expenses in 2016 decreased by Baht 50 million. Headcount as of 31 December 2016 was 4,560 compared to 4,544 in last year.

Impairment Loss on Loans

The Bank set aside loan loss provisions for 2016 in a total of Baht 3,005 million, which was Baht 489 million or 19.4% higher than provisions for the previous year under the Bank's prudent conservative provisioning policy. In 2016, the Bank set up extra counter-cyclical provision amounting Baht 770 million, compared with Baht 493 million in 2015.

Capital Expenditure

The Bank's capital expenditure for 2016 totaled Baht 1,713 million, compared with Baht 654 million in 2015, an increase of Baht 1,059 million primarily relating to the new office building.

Dividend Payment Policy

The Bank's dividend payment policy is governed by Bank of Thailand and The Public Limited Companies Act. The dividend payment is subject to approval by shareholders at the Annual General Meeting.

Assets

Total assets as at 31 December 2016 was Baht 451,611 million, an increase of Baht 17,195 million or 4.0% from the previous year, largely due to loans growth and assets relating to derivatives transactions.

In 2016, total loans of the Bank increased by 9.5% or Baht 27,772 million to THB 318,706 million, largely contributed by retail housing loans.

Management Discussion and Analysis 2016

Liabilities

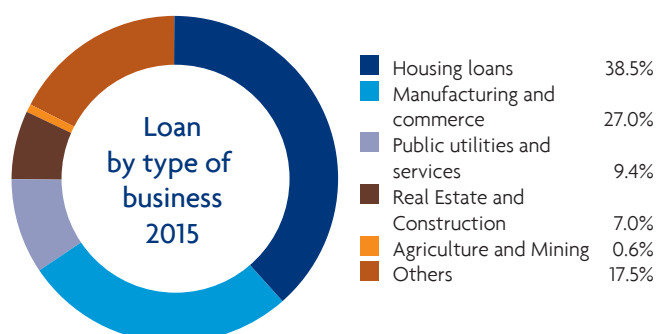
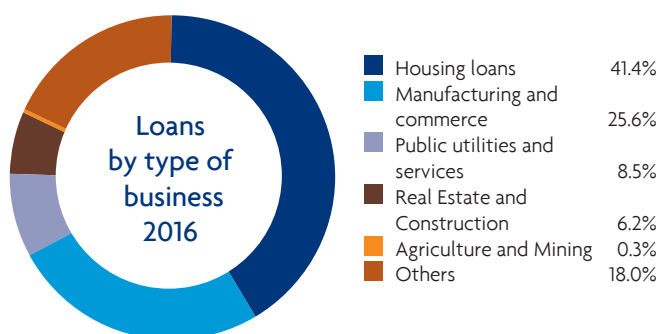
Total liabilities as at 31 December 2016 was Baht 403,175 million, an increase of Baht 13,769 million or 3.5%, largely attributable to higher deposits and debts issued. In 2016, total deposits grew by 7.2% or Baht 21,823 million to Baht 323,859 million, driven by retail and wholesale deposits.

Shareholders' Equity

As of 31 December 2016, shareholders' equity was at Baht 48,435 million, an increase of Baht 3,425 million, or 7.6% from last year was mainly from profitable operating result of the Bank in the year of 2016 of Baht 3,605 million.

Loans classified by type of business

	% of total loans	
	2016	2015
Housing loans	41.4	38.5
Manufacturing and commerce	25.6	27.0
Public utilities and services	8.5	9.4
Real estate and construction	6.2	7.0
Agriculture and mining	0.3	0.6
Others	18.0	17.5
Total loans	100.0	100.0



The proportion of housing loans to total loans increased from 38.5% in 2015 to 41.4% in 2016. While loans to manufacturing and commerce went down from 27.0% to 25.6% and loans to public utilities and services also decreased from 9.4% to 8.5%.

Loans to Top 10 Customer Groups

	% of total loans	
	2016	2015
Loans to top 10 customer groups	4.3	5.3
Others	95.7	94.7
Total loans	100.0	100.0

The loan concentration in 2016 decreased from the previous year. Loans to the top 10 largest customer groups accounted for 4.3% of total loans in 2016, dropped from 5.3% in 2015.

Management Discussion and Analysis 2016

Classification of Loans*

	2016		2015	
	Million Baht	%	Million Baht	%
Pass	332,114	95.8	315,587	96.1
Special mention	5,661	1.6	6,398	2.0
Total Performing loans	337,775	97.4	321,985	98.1
Substandard	2,180	0.6	1,232	0.4
Doubtful	1,203	0.4	896	0.2
Doubtful of loss	5,543	1.6	4,221	1.3
Total NPLs	8,926	2.6	6,349	1.9
Grand total	346,701	100.0	328,334	100.0

* Including interbank and money market loans

Asset Quality Ratios

	% of total deposits	
	2016	2015
NPLs / Total loans*	2.6	1.9
Allowance for doubtful accounts / NPLs	105.8	120.7
Allowance for doubtful accounts* / Total loans*	2.7	2.3

* Including interbank and money market loans

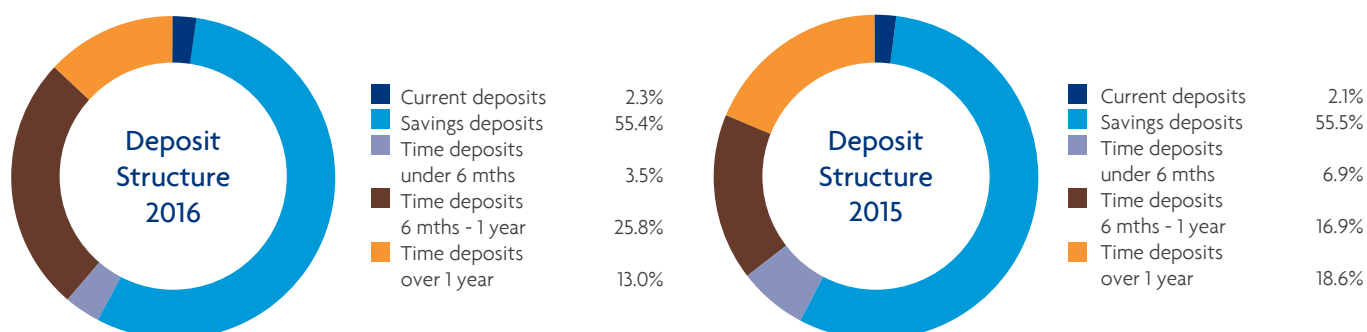
Non-Performing Loan (NPL) Management

NPLs in 2016 stood at Baht 8,926 million, an increase of Baht 2,577 million when compared with 6,349 million in 2015. As a result, NPLs to total loans ratio went up to 2.6%.

Deposit Structure

	% of total deposits	
	2016	2015
Current deposits	2.3	2.1
Savings deposits	55.4	55.5
Time deposits	42.3	42.4
under 6 months	3.5	6.9
6 months - 1 year	25.8	16.9
over 1 year	13.0	18.6
Total	100.0	100.0

Management Discussion and Analysis 2016



As at 31 December 2016, the Bank had total deposits of Baht 323,859 million, an increase of 21,823 million from end-2015, which was largely driven by saving deposits. Total current and savings deposits accounted for 57.7% of total deposit bases, while fixed deposits accounted for 42.3%. Net loans-to-deposits ratio was 95.7% as at end-2016 compared with 94.0% as at end-2015.

Capital Funds

	2016		2015	
	Million Baht	% CAR	Million Baht	% CAR
Total capital funds	52,331	18.3	49,769	18.8
Common equity tier 1 (CET 1) capital & Tier 1 capital	45,856	16.0	42,775	16.2
Tier 2 capital	6,475	2.3	6,994	2.6

The Bank has adopted the Foundation Internal Ratings-Based Approach (FIRB) under Basel III capital framework. As at 31 December 2016, the Bank's Total Capital Adequacy Ratio remained strong at 18.3% while Tier 1 capital adequacy ratio and CET1 capital adequacy ratio were at 16.0%, which were above the sum of Bank of Thailand (BOT)'s minimum requirement and conservation buffer at 9.125%, 6.625% and 5.125%, respectively.

Independent Auditor's Report

To the Shareholders of United Overseas Bank (Thai) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of United Overseas Bank (Thai) Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of United Overseas Bank (Thai) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

(Continued)

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

The engagement partner on the audit resulting in this independent auditor's report is Rachada Yongsawadvanich.



Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 3 March 2017





United Overseas Bank (Thai) Public Company Limited
31 December 2016

Financial Statements and Notes to Financial Statements

Statements of Financial Position

As at 31 December 2016 and 2015

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Assets					
Cash		5,188,718	5,228,144	5,188,718	5,228,144
Interbank and money market items - net	7	37,395,747	41,352,449	37,395,709	41,352,364
Claims on securities		-	4,074,958	-	4,074,958
Derivatives assets	8	10,335,352	9,067,543	10,335,352	9,067,543
Investments - net	9	71,118,014	76,133,794	71,118,014	76,133,794
Investments in subsidiaries - net	10	-	-	176,250	176,250
Loans to customers and accrued interest receivables	11				
Loans to customers		318,706,377	290,934,440	318,706,377	290,934,440
Accrued interest receivables		902,150	846,424	902,150	846,424
Total loans to customers and accrued interest receivables		319,608,527	291,780,864	319,608,527	291,780,864
Less: Deferred revenue		(293,181)	(254,594)	(293,181)	(254,594)
Allowance for doubtful accounts	12	(9,441,784)	(7,663,895)	(9,441,784)	(7,663,895)
Loans to customers and accrued interest receivables - net		309,873,562	283,862,375	309,873,562	283,862,375
Properties foreclosed - net	13	412,441	407,708	412,441	407,708
Premises and equipment - net	14	9,506,739	8,449,891	9,500,510	8,441,818
Other intangible assets - net	15	1,042,810	956,667	1,038,070	949,222
Deferred tax assets - net	16.1	18,207	246,616	15,943	244,521
Deposits		5,055,347	1,527,664	5,037,133	1,516,970
Other assets - net	17	1,663,835	3,108,047	1,650,982	3,096,570
Total assets		451,610,772	434,415,856	451,742,684	434,552,237

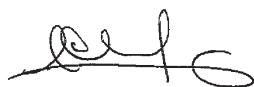
The accompanying notes are an integral part of the financial statements.

Statements of Financial Position

(continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Liabilities					
Deposits	19	323,859,287	302,035,633	324,080,709	302,238,809
Interbank and money market items	20	36,886,591	50,028,875	36,886,591	50,028,875
Liabilities payable on demand		3,073,474	2,366,171	3,073,474	2,366,171
Liabilities to deliver securities		-	4,074,958	-	4,074,958
Derivatives liabilities	8	9,931,089	9,318,566	9,931,089	9,318,566
Debts issued and borrowings	21	18,591,210	12,135,054	18,591,210	12,135,054
Provisions for long-term employee benefits	22	1,572,091	1,687,506	1,561,856	1,677,583
Provisions for other liabilities	23	311,434	251,205	311,434	251,205
Accrued expenses		2,564,696	2,609,191	2,552,042	2,599,166
Guarantee deposits		3,327,926	2,175,290	3,329,265	2,176,629
Other liabilities	24	3,057,678	2,723,397	3,070,009	2,744,646
Total liabilities		403,175,476	389,405,846	403,387,679	389,611,662
Shareholders' equity					
Share capital					
Registered, issued and paid-up share capital					
2,485,661,305 ordinary shares at par value					
of Baht 10 each		24,856,613	24,856,613	24,856,613	24,856,613
Other components of equity	25	3,846,466	4,169,831	3,846,466	4,169,831
Retained earnings					
Appropriated					
Statutory reserve	26	955,000	755,000	955,000	755,000
Unappropriated					
		18,738,916	15,190,167	18,696,926	15,159,131
Equity attributable to equity holders of the Bank		48,396,995	44,971,611	48,355,005	44,940,575
Non-controlling interests of the subsidiaries		38,301	38,399	-	-
Total shareholders' equity		48,435,296	45,010,010	48,355,005	44,940,575
Total liabilities and shareholders' equity		451,610,772	434,415,856	451,742,684	434,552,237



Tan Choon Hin

President and Chief Executive Officer




Sanchai Apisaksirikul

Director and Managing Director

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

Statements of Comprehensive Income

For the years ended 31 December 2016 and 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Interest income	37	19,531,763	18,574,435	19,531,657	18,574,392
Interest expenses	38	6,749,079	6,813,402	6,751,116	6,815,755
Net interest income		12,782,684	11,761,033	12,780,541	11,758,637
Fees and service income		3,953,266	3,793,035	3,934,853	3,773,313
Fees and service expenses		624,895	513,250	773,134	688,087
Net fees and service income	39	3,328,371	3,279,785	3,161,719	3,085,226
Net gains on trading and foreign exchange transactions	40	456,579	27,915	456,579	27,915
Net gains on investments	41	280,483	398,144	280,483	383,144
Dividend income		15,808	34,931	27,808	34,931
Other operating income		186,871	309,093	203,156	336,392
Total operating income		17,050,796	15,810,901	16,910,286	15,626,245
Operating expenses					
Employee's expenses		4,763,086	4,813,110	4,671,841	4,692,108
Directors' remunerations		8,038	7,076	8,038	7,076
Premises and equipment expenses		1,215,380	1,106,087	1,210,594	1,101,982
Taxes and duties		683,933	646,475	683,771	646,298
Losses on impairment of properties foreclosed and other assets		50,661	242,298	50,661	242,298
Data processing charges		622,853	574,529	622,853	574,529
Other operating expenses		2,314,582	1,990,572	2,283,711	1,957,379
Total operating expenses		9,658,533	9,380,147	9,531,469	9,221,670
Bad debts, doubtful accounts and impairment losses	42	3,004,850	2,516,183	3,004,850	2,516,183
Profits from operation before income tax expenses		4,387,413	3,914,571	4,373,967	3,888,392
Income tax expenses	16.2	782,892	793,370	779,046	792,480
Profits for the years		3,604,521	3,121,201	3,594,921	3,095,912

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

Statements of Comprehensive Income

(continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income (loss)	43				
Items to be recognised subsequently in profit or loss:					
Losses on revaluation of available-for-sale investments		(371,016)	(87,383)	(371,016)	(87,383)
Income tax revenue		74,203	17,477	74,203	17,477
Items to be recognised subsequently in profit or loss - net of income taxes		(296,813)	(69,906)	(296,813)	(69,906)
Items not to be recognised subsequently in profit or loss:					
Changes in revaluation surplus on assets		-	2,779,452	-	2,779,452
Actuarial gains (losses) on the defined benefit plans		146,973	(36,117)	145,402	(38,188)
Income tax expenses		(29,395)	(548,667)	(29,080)	(548,253)
Items not to be recognised subsequently in profit or loss - net of income taxes		117,578	2,194,668	116,322	2,193,011
Other comprehensive income (loss) for the years	16.3	(179,235)	2,124,762	(180,491)	2,123,105
Total comprehensive income for the years		3,425,286	5,245,963	3,414,430	5,219,017
Profits for the years attributable to:					
Equity holders of the Bank		3,604,659	3,120,845	3,594,921	3,095,912
Non-controlling interests of the subsidiaries		(138)	356		
		3,604,521	3,121,201		
Total comprehensive income for the years attributable to:					
Equity holders of the Bank		3,425,384	5,245,610	3,414,430	5,219,017
Non-controlling interests of the subsidiaries		(98)	353		
		3,425,286	5,245,963		
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)	34	1.45	1.26	1.45	1.25



Tan Choon Hin

President and Chief Executive Officer




Sanchai Apisaksirikul

Director and Managing Director

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

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2016 and 2015

(Unit: Thousand Baht)

	Consolidated financial statements							
	Equity attributable to equity holders of the Bank				Total equity			
	Issued and paid-up share capital	Other components of equity	Retained earnings	Unappropriated reserve	Appropriated statutory reserve	attribution to equity holders of the Bank	Non-controlling interests of the subsidiaries	
Beginning balance as of 1 January 2015	24,856,613	1,570,785	465,036	595,000	12,248,243	39,735,677	38,046	39,773,723
Cumulative effect of the change in accounting policy for fair value measurement	-	-	-	-	(10,094)	(10,094)	-	(10,094)
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(19,645)	-	-	20,063	418	-	418
Profit for the year	-	-	-	-	3,120,845	3,120,845	356	3,121,201
Other comprehensive income (loss) for the year	-	2,223,561	(69,906)	-	(28,890)	2,124,765	(3)	2,124,762
Total comprehensive income (loss) for the year	-	2,223,561	(69,906)	-	3,091,955	5,245,610	353	5,245,963
Appropriated retained earnings to be statutory reserve	-	-	-	160,000	(160,000)	-	-	-
Ending balance as of 31 December 2015	24,856,613	3,774,701	395,130	755,000	15,190,167	44,971,611	38,399	45,010,010
Beginning balance as of 1 January 2016	24,856,613	3,774,701	395,130	755,000	15,190,167	44,971,611	38,399	45,010,010
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(26,552)	-	-	26,552	-	-	-
Profit (loss) for the year	-	-	-	-	3,604,659	3,604,659	(138)	3,604,521
Other comprehensive income (loss) for the year	-	-	(296,813)	-	117,538	(179,275)	40	(179,235)
Total comprehensive income (loss) for the year	-	-	(296,813)	-	3,722,197	3,425,384	(98)	3,425,286
Appropriated retained earnings to be statutory reserve	-	-	-	200,000	(200,000)	-	-	-
Ending balance as of 31 December 2016	24,856,613	3,748,149	98,317	955,000	18,738,916	48,396,995	38,301	48,435,296

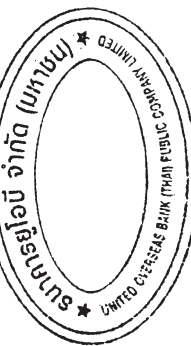
The accompanying notes are an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

(continued)

(Unit: Thousand Baht)

	Separate financial statements						Total
	Other components of equity			Retained earnings			
	Issued and paid-up share capital	Revaluation surplus on assets	Revaluation surplus on investments	Appropriated - statutory reserve	Unappropriated		
Beginning balance as of 1 January 2015	24,856,613	1,570,785	465,036	595,000	12,243,800	39,731,234	
Cumulative effect of the change in accounting policy for fair value measurement	-	-	-	-	(10,094)	(10,094)	
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(19,645)	-	-	20,063	418	
Profit for the year	-	-	-	-	3,095,912	3,095,912	
Other comprehensive income (loss) for the year	-	2,223,561	(69,906)	-	(30,550)	2,123,105	
Total comprehensive income (loss) for the year	-	2,223,561	(69,906)	-	3,065,362	5,219,017	
Appropriated retained earnings to be statutory reserve	-	-	-	160,000	(160,000)	-	
Ending balance as of 31 December 2015	24,856,613	3,774,701	395,130	755,000	15,159,131	44,940,575	
Beginning balance as of 1 January 2016	24,856,613	3,774,701	395,130	755,000	15,159,131	44,940,575	
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(26,552)	-	-	26,552	-	
Profit for the year	-	-	-	-	3,594,921	3,594,921	
Other comprehensive income (loss) for the year	-	-	(296,813)	-	116,322	(180,491)	
Total comprehensive income (loss) for the year	-	-	(296,813)	-	3,711,243	3,414,430	
Appropriated retained earnings to be statutory reserve	-	-	-	200,000	(200,000)	-	
Ending balance as of 31 December 2016	24,856,613	3,748,149	98,317	955,000	18,696,926	48,355,005	



Sanchai Apisaksirikul

Sanchai Apisaksirikul

Director and Managing Director

Tan Choon Hin

Tan Choon Hin

President and Chief Executive Officer

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

Statements of Cash Flows

For the years ended 31 December 2016 and 2015

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profits from operation before income tax expenses	4,387,413	3,914,571	4,373,967	3,888,392
Adjustments to reconcile profits from operation before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	361,639	354,847	359,913	353,741
Amortisation and losses on assets written off	210,480	200,405	207,595	198,789
Unrealised gains on revaluation of trading investments	(107)	(1,488)	(107)	(1,488)
Impairment losses on investments (reversal)	-	(500)	-	14,500
Bad debts, doubtful accounts and impairment loss	3,414,350	2,189,812	3,414,350	2,189,812
Impairment losses on properties foreclosed and other assets	50,661	237,730	50,661	237,730
Gains on disposal of investments	(280,483)	(397,644)	(280,483)	(397,644)
Reversal of impairment losses on premises and equipment	-	(95,945)	-	(95,945)
Gains on disposals of premises and equipment	(145)	(1,243)	(145)	(1,243)
(Gains) losses on exchange	(726,056)	500,755	(726,056)	500,755
(Increase) decrease in accrued other income	36,420	(88,012)	33,838	(85,795)
Increase in provisions for long-term employee benefits	172,221	166,471	170,340	164,383
Increase (decrease) in provisions for other liabilities	60,229	(24,695)	60,229	(24,695)
Increase (decrease) in accrued other expenses	(5,301)	408,734	(4,300)	416,389
Net interest income	(12,782,684)	(11,761,033)	(12,780,541)	(11,758,637)
Dividend income	(15,808)	(34,931)	(27,808)	(34,931)
Cash received on interest income	19,374,114	18,827,068	19,374,009	18,827,024
Cash received on dividend income	15,808	34,931	15,808	34,931
Cash paid on interest expenses	(6,581,326)	(6,797,452)	(6,583,436)	(6,800,081)
Cash received on income taxes refund	-	2,230	-	-
Cash paid on income taxes	(589,680)	(716,385)	(586,040)	(711,086)
Income from operating activities before changes in operating assets and liabilities	7,101,745	6,918,226	7,071,794	6,914,901

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

Statements of Cash Flows

(continued)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
(Increase) decrease in operating assets				
Interbank and money market items	3,968,285	(15,358,159)	3,968,238	(15,358,215)
Trading investments	5,524,520	22,168,468	5,524,520	22,168,468
Derivatives assets	6,286,992	3,331,154	6,286,992	3,331,154
Loans to customers	(29,454,784)	(26,728,376)	(29,454,784)	(26,728,376)
Properties foreclosed	92,860	920,094	92,860	920,094
Other assets	(2,076,491)	(1,374,403)	(2,067,952)	(1,370,256)
Increase (decrease) in operating liabilities				
Deposits	21,738,935	33,175,160	21,757,180	33,172,035
Interbank and money market items	(13,301,411)	(11,931,234)	(13,301,411)	(11,931,234)
Liabilities payable on demand	707,452	(249,014)	707,452	(249,014)
Derivatives liabilities	(6,071,841)	(3,012,297)	(6,071,841)	(3,012,297)
Provisions for long-term employee benefits	(140,664)	(149,586)	(140,664)	(148,748)
Other liabilities	1,319,111	1,873,012	1,310,263	1,868,875
Net cash provided by (used in) operating activities	(4,305,291)	9,583,045	(4,317,353)	9,577,387
Cash flows from investing activities				
Proceeds from sales of investments	35,355,017	126,159,834	35,355,017	126,159,834
Cash paid for investments	(35,876,658)	(136,044,368)	(35,876,658)	(136,044,368)
Dividend received from subsidiaries	-	-	12,000	-
Proceeds from liquidation of a subsidiary	-	7,437	-	7,437
Proceeds from sales of premises and equipment	172	1,308	151	1,308
Purchases of premises and equipment	(1,444,708)	(410,969)	(1,444,652)	(407,193)
Purchases of Leasehold rights	-	(3,500)	-	(3,500)
Purchases of other intangible assets	(267,958)	(242,592)	(267,931)	(240,710)
Net cash used in investing activities	(2,234,135)	(10,532,850)	(2,222,073)	(10,527,192)


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

Statements of Cash Flows

(continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from financing activities				
Cash received on long-term debts issued and borrowings	10,000,000	-	10,000,000	-
Cash paid on long-term debts issued and borrowings	(3,500,000)	-	(3,500,000)	-
Net cash provided by financing activities	6,500,000	-	6,500,000	-
Net decrease in cash and cash equivalents	(39,426)	(949,805)	(39,426)	(949,805)
Cash and cash equivalents as at 1 January	5,228,144	6,177,949	5,228,144	6,177,949
Cash and cash equivalents as at 31 December	5,188,718	5,228,144	5,188,718	5,228,144
Supplemental disclosures of cash flows information				
Non-cash items:				
Properties foreclosed in settlement of loans to customers	127,156	83,877	127,156	83,877



Tan Choon Hin

President and Chief Executive Officer




Sanchai Apisaksirikul

Director and Managing Director

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

Notes to Financial Statements

For the years ended 31 December 2016 and 2015

1. Corporate information

United Overseas Bank (Thai) Public Company Limited (“the Bank”) was public company incorporated under Thai law and domiciled in Thailand. The Bank has been operated mainly commercial banking business and its registered office is located at No. 191 South Sathon Road, Sathon District, Bangkok. As at 31 December 2016, the Bank conducts its business through a network of 153 branches throughout all regions in Thailand (2015: 155 branches). Its major shareholder is United Overseas Bank Limited, a company registered in Singapore.

All subsidiaries were incorporated as limited companies under Thai law and have been operating their businesses in Thailand. Their principal businesses are derivatives brokerage and debt collection services.

2. Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and the presentation of the financial statements has been made in compliance with the Bank of Thailand (“BOT”)’s Notification No. Sor Nor Sor. 21/2558 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 4 December 2015.

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

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

2.2 Basis of consolidation

(a) These consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company name	Business type	Country of registration	Percentage of shares held by the Bank		Percentage of total assets included in consolidated assets		Percentage of profits included in consolidated profits for the years ended 31 December	
			As at 31 December 2016	2015	As at 31 December 2016	2015	2016	2015
UOB Bullion and Futures (Thai) Co., Ltd.	Derivatives Brokerage	Thailand	75.00	75.00	-	0.01	0.07	0.09
UOB Services Co., Ltd.	Debt Collection Services	Thailand	99.99	99.99	0.01	0.01	-	-

(b) The Bank is deemed to have control over investee companies or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

(c) Subsidiaries are entities in which the Bank has control over the financial and operating policies of those entities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases. The effects to the consolidated financial statements of all significant transactions between the Bank and its subsidiaries are eliminated in the consolidated financial statements, including investments in subsidiaries and share capital of subsidiaries.

(d) The financial statements of the subsidiaries are prepared having the same reporting period and using the same significant accounting policies as those of the Bank.

(e) The Bank’s financial statements include the accounts of all branches after elimination of significant inter-branch transactions and balances.

Notes to Financial Statements

(Continued)

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

2.3 Separate financial statements

The Bank prepares its separate financial statements, which present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Bank and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries' financial statements

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Bank and its subsidiaries believe that the revised and financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively. However, this standard will not have any significant impact on the Bank and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements, in accordance with a request for cooperation by BOT.

4. Summary of significant accounting policies

Significant accounting policies adopted by the Bank and its subsidiaries are summarised below.

4.1 Revenue recognition

(a) Interest and discount on loans

The Bank recognises interest on loans as revenue on an accrual basis and will stop accrual of interest when the debtor has defaulted for more than three months regardless of whether the loans are fully collateralised and recognises interest on such loans on a cash basis, which is in accordance with the BOT's guidelines. In addition, interest accrued in arrears for three months is reversed against interest income.

If loans are restructured, the Bank recognises interest income on a cash basis, and will resume to recognise interest as revenue on an accrual basis only when the criteria per the BOT's guideline are met.

Interest income on loans under litigation process and receivables purchased is recognised as revenue on a cash basis.



Notes to Financial Statements

(Continued)

(b) Hire purchase and financial lease income recognition

Interest on hire-purchase and financial lease receivables under hire-purchase and financial lease agreements with effective dates on or after 1 January 2008 is recognised as revenue over the installment periods, using the effective interest rate method. It is recognised when the installments fall due irrespective of actual collection is made. When receivables are longer than three months past due, the Bank stops recognition of interest and the then-interest accrued in arrears will be reversed against interest income.

Rental fees under operating lease agreements and car rental are recognised as revenue over the terms of lease agreements, except for interest on receivables, which are overdue longer than three months, are recognised as revenue on a cash basis.

(c) Revenues from factoring are recognised on an accrual basis except for receivables, which are overdue longer than three months, interest is recognised as revenue on a cash basis.

(d) Brokerage fees and service fees on derivatives trading are recognised as revenue on the transaction dates.

(e) Gains (losses) on securities and derivatives trading are recognised as revenues or expenses on transaction dates.

(f) Interest and dividends on investments

Interest on investments is recognised as revenue on an accrual basis based on the effective interest rate. Dividends are recognised as revenue when the right to receive the dividend is established.

(g) Fees and other service fees are recognised as revenues on an accrual basis.

4.2 Expenses recognition

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

4.3 Cash

Cash is the amount included in the statements of financial position under the caption of cash, which consists of cash on hand and cheques in transit.

4.4 Claims on securities/Liabilities to deliver securities

The Bank enters into agreements to purchase securities or to sell securities that include agreements to resell or repurchase the securities at certain dates in the future at fixed prices (Private Repo). Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items - assets" 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" at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

If securities purchased subject to a resale commitment are then sold on by the Bank subject to repurchase commitment, this gives rise to "Claims on securities" and "Liabilities to deliver securities" as follows:

Claims on securities are the rights that the Bank retains to recall securities which are placed as collateral for securities sold subject to repurchase commitments, because the securities placed in this transaction were previously received as collateral by the Bank for a purchase of securities subject to resale commitments.

Liabilities to deliver securities is the Bank's commitment to return to the counterparties or securities companies those securities which are held as collateral for securities purchased subject to a resale commitment, because the Bank has used the securities as collateral for another sale of securities subject to repurchase commitments.

Notes to Financial Statements

(Continued)

4.5 Investments

The Bank and its subsidiaries classify investments in all types of debt securities and marketable equity securities as either trading investments, available-for-sale investments, or held-to-maturity investments, and classify non-marketable equity securities as general investments.

Trading investments are stated at fair value. Change in the fair value of these investments are recorded as revenue or expense in profit or loss.

Available-for-sale investments are stated at fair value. Change in the fair value of these investments are recorded in other comprehensive income or loss and will then be recognised in profit or loss when the investments are sold.

Held-to-maturity investments are stated at amortised cost net of allowance for impairment. Any impairment loss is charged to profit or loss.

General investments are stated at cost net of allowance for impairment (if any). Impairment loss is charged to profit or loss.

Purchases and sales of investments in debt securities are recorded on settlement dates.

Realised gains or losses on disposals of investments are recognised in profit or loss when they are disposed of, using the weighted average method in determining costs of the disposed investments.

Interest on investments in debt securities is recognised as revenue on an accrual basis. Premiums and discounts arising on the acquisition of investments are amortised or accreted against interest income in profit or loss based on the effective yield rate over the term of the investments.

Revenue from equity investments and other non-fixed income investments is recognised as dividend income when the right to receive the dividend is established.

Fair values of investments are calculated on the following basis:

- (i) For government and state enterprises bonds, fair value is, calculated based on the average latest bidding price posted on the Thai Bond Market Association.
- (ii) For marketable domestic equity securities, fair value is the last bid price quoted on The Stock Exchange of Thailand on the last business day of the year. For marketable foreign equity securities, fair value is the last bid price quoted in the stock market in the country in which such securities are traded.
- (iii) For investment units, the fair value is determined using the Net Assets Value (NAV) per unit announced on the reporting period-end dates.
- (iv) For private enterprises debt securities, the average latest bid price posted on the Thai Bond Market Association is used as the fair value adjusted for an appropriate risk premium.

In the event that the Bank reclassifies investments from one type to another, such investments are readjusted to their fair value on the date of reclassification. The difference between the carrying value and the fair value on the date of reclassification is recorded as gain or loss in profit or loss or recorded as other comprehensive income (loss), depending on the type of investment which is reclassified.

4.6 Investments in subsidiaries

Investments in subsidiaries as presented in the separate financial statements are stated at cost net of allowance for impairment (if any). Losses on impairment are recognised as expenses in profit or loss.



Notes to Financial Statements

(Continued)

4.7 Loans to customers

Loans to customers include overdrafts, termed loans, trade bills, hire purchase and financial lease receivables and other loans. All items categorised under loans to customers (except for hire purchase and financial lease receivables and overdrafts) are presented at the principal amount outstanding, net of unearned discounts received in advance. Accrued interest receivables on all items categorised under loans to customers are presented separately as a single line item in the statements of financial position.

Hire purchase and financial lease receivables are stated at the outstanding balances per contract values net of outstanding balances of deferred revenue, which are presented after netting deferred commission expenses and initial direct cost on the inception of the hire-purchase agreements and advances received from debtors under financial lease agreements.

Overdrafts are stated at the drawn amounts together with any accrued interest receivables.

Discounts received in advance in respect of bills purchased and other unearned interest income are recognised as revenue on an accrual basis over the terms of the bills.

Loans purchased by or transferred to the Bank are stated at acquisition costs, after deducting allowance for impairment loss.

4.8 Allowance for doubtful accounts

The Bank provides allowance for doubtful accounts on loans to customers in accordance with the Notifications of the BOT and adjusts the allowance by any additional amounts that are expected not to be collectible, based on an analysis and evaluation of the current status of the debtors, the credit risk of the debtors, collateral, historical loss and management's experience. Additional allowances (reversals of allowances) are recognised to increase (decrease) expenses during the years.

For loans to customers classified as pass (including restructured receivables) and special mention, the Bank records provision at rates of not less than 1% and 2% of the loan balances (excluding accrued interest receivables) net of collateral values, in accordance with the BOT's guideline, and adjusts the allowance taking into consideration the probability of default and the loss given default whereby parameters and assumptions have been reviewed and monitored on an ongoing basis to ensure they remain applicable.

For non-performing loans, the Bank records allowance for doubtful accounts at 100% of the loan balances remaining after deducting the present value of expected future cash inflows from debt collection or from collateral disposal, with the discount rate and the expected period of collateral disposal being set with reference to the BOT's guidelines.

For unsecured consumer loans, the collective approach is applied based on historical loss experience of each customer group.

Allowance for doubtful accounts on other receivables is provided for the estimated losses that may be incurred in the collection of receivables and based on the review of current status of receivables outstanding at the end of reporting periods.

Bad debts are written off during the periods in which the Bank considers they are uncollectible and as approved by the Special Asset Management Credit Committee and are accounted for by deducting from the allowance for doubtful accounts. All bad debt recovered are recognised as revenue on a cash basis and is presented as an offset transaction to bad debts and doubtful accounts in profit or loss.

The Bank has a policy to write off unsecured consumer loans that are overdue longer than 180 days. Those unsecured consumer loans comprise credit card receivables and other unsecured personal loans.

Notes to Financial Statements

(Continued)

4.9 Troubled debt restructuring

The Bank restructures loans by means of receiving the transfer of assets, or equity in settlement of loans to customers and modifying terms of loan repayments.

Loans restructured through a modification of terms of loan repayments are stated at the present value of cash expected to be received after modification of terms of loan repayments using discount rates equivalent to the market interest rates applicable at the time of the restructuring. The lower of the fair value of the loan as at the restructuring date and its respective book value is accounted for as revaluation allowance for debt restructuring, which is then amortised to profit or loss as interest income based on the amount received over the remaining periods of the restructuring agreement.

In cases where the troubled debt restructuring involves the transfer of assets or equity, the Bank records the assets or equity interest received as a result of debt restructuring at their fair value (based on the value appraised by internal appraisers or independent external appraisers) providing that the value recorded shall not exceed the amount of principal legally claimable from the debtor (including interest of which recognition has ceased until the restructuring date). Any excess of the fair value of the assets over the book value of outstanding loan is recognised as interest income in profit or loss.

Losses arising from debt restructuring through waivers of part of principal or recorded accrued interest receivable are recognised in profit or loss when incurred.

4.10 Properties foreclosed

Properties foreclosed of the Bank are stated at the lower of cost and net realisable value. Net realisable value is determined by using the latest appraisal value, taking into consideration selling expenses, and in accordance with the BOT's guidelines. Properties foreclosed, which have been received as a result of a debt/asset swap are recorded at the lower of the legally claimable value of the loan or the net realisable value of the foreclosed properties.

Losses on impairment are charged to profit or loss. Gains or losses on the sale of properties foreclosed are recognised only when such properties are sold.

4.11 Premises and equipment and depreciation

Land is stated at cost or reappraised value. Buildings are stated at cost or reappraised value less accumulated depreciation and allowance for impairment loss (if any). Equipment is stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation is calculated by reference to their cost or reappraised value on a straight-line basis over the following estimated useful lives for each type of assets:

Buildings	-	50 years
Building improvement	-	10 years
Equipment	-	3 years or 5 years or 10 years or 25 years

No depreciation is determined for land and assets under construction/installation.

Premises are initially recorded at cost and however subsequently revalued by the independent appraisers to their fair value in accordance with the guidelines announced by the BOT. The Bank's policy is to revalue these assets every 3 - 5 years in order that their carrying value at the end of reporting period does not differ materially from their fair value.

Differences arising from revaluation are dealt with as follows:

- When the carrying value of asset is increased as a result of a revaluation, the increase is credited directly to other comprehensive income (loss) and the cumulative increase is recognised in shareholders' equity as "Revaluation surplus on assets", presented as a part of other components of shareholders' equity in statements of financial position. However, if the asset was previously devalued and the Bank used to recognise such a revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as a revenue to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.



Notes to Financial Statements

(Continued)

- When the carrying value of asset is decreased as a result of a revaluation, the decrease is recognised as an expense in profit or loss. However, if the asset was previously revalued and still has the outstanding revaluation surplus left in “Revaluation surplus on assets”, the revaluation decrease is then charged to the other comprehensive income (loss) to the extent that it does not exceed on amount already held in “Revaluation surplus on assets” in respect of the same assets.

Amortisation of the revaluation surplus on assets is charged directly against retained earnings.

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

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 amount of the asset) is included in profit or loss when the asset is derecognised.

4.12 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation under the heading of “Other assets” in statements of financial position. Leasehold rights are amortised on a straight-line basis over the lease periods and the amortisation amounts are recognised as expenses in profit or loss.

4.13 Other intangible assets and amortisation

Other intangible assets are carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Other intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortisation expense is charged to profit or loss.

Other intangible assets with finite useful lives are application softwares, which have estimated useful lives of 10 years.

4.14 Provisions for other liabilities

Provisions for other liabilities are recognised when the Bank and its subsidiaries have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that the amount cannot be clearly identifiable, then an estimate of such obligation is made.

4.15 Impairment of assets

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

An impairment loss is recognised in profit or loss. However in cases where premises were previously revalued and the revaluation surplus was taken to equity, a part of such impairment loss is recognised in equity up to the amount of the revaluation surplus previously recognised.

Notes to Financial Statements

(Continued)

In the assessment of asset impairment, if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Bank and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying value of the asset attributable to a reversal of an impairment loss shall not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying value that would have been determined, is treated as a revaluation increase.

4.16 Employee benefits

Short-term benefits

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

Leave entitlements are recognised when they accrue to employees. Provision for leave entitlements is made based on contractual terms, with adjustment for expected attrition.

Post-employment benefits

Defined contribution plans

The Bank, its subsidiaries and their employees established the provident funds under the Provident Fund Act B.E. 2530. According to the funds' regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the fund at the rate of 2%, 5%, 6%, 10% or 15% of their basic salary and the Bank and its subsidiaries contribute to the funds at the rate of 5% - 6% of their basic salary. The employees are entitled to the benefits upon termination of employment in accordance with the rules of the funds except when termination of employment is due to violations of the rules and regulations of the Bank and its subsidiaries.

The funds set up by the Bank and its subsidiaries are managed independently by UOB Asset Management (Thailand) Co., Ltd. Therefore, these funds do not appear in the consolidated and separate statements of financial position.

The Bank's and its subsidiaries's contributions are recognised as expenses when incurred.

Defined benefit plan and other defined benefit plan

The Bank and its subsidiaries have severance payment obligations to employees upon retirement under labor law. The Bank and its subsidiaries treat these severance payments as the defined benefit plan. In addition, the Bank and its subsidiaries also has other long-term employment benefit scheme for employees of the Bank under the previous name of "Bank of Asia Public Co., Ltd.," who joined the Bank prior to 16 May 2005 and have been employed for at least 15 years, the benefits of which are based on the latest month's salary and the number of years of service. Employees will receive half of this other long-term employment benefits when they resign or will receive it in full when they retire. The Bank and its subsidiaries treats these benefits to be other long-term defined benefit plan.

The defined benefit plan obligations are determined by a professionally qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising from the defined benefit plan and other long-term benefit plan are recognised in other comprehensive income or loss.

4.17 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease terms.

4.18 Share-based payments

The cost of the share-based payment plan of United Overseas Bank Limited ("major shareholder") will be invoiced by the major shareholder, and the Bank will record the invoiced amounts as a liability in statements of financial position, and recognise them as an expense in profit or loss over the vesting period as defined in the plan.



Notes to Financial Statements

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4.19 Income taxes

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

Current income taxes

Current income taxes are provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income taxes

Deferred income taxes are provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting periods.

The Bank and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Bank and its subsidiaries review and reduce the carrying value of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the deferred tax assets to be utilised.

The Bank and its subsidiaries record deferred tax directly to shareholders' equity if the taxes relate to items that are recorded directly to shareholders' equity.

4.20 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Bank's and its subsidiaries' functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies and commitments, which are limited to forward exchange contracts and currency swap contracts, outstanding at the end of reporting periods are translated into Baht at the exchange rates ruling by the BOT at the end of reporting periods.

Gains and losses on exchange are recognised in profit or loss.

4.21 Financial derivatives

Financial derivative contracts are recorded as commitments. At the end of the reporting periods, outstanding financial derivative contracts are valued at fair value with the changes in their fair value are recognised in profit or loss. The unrealised gains or losses on outstanding financial derivative contracts are presented as derivative assets or liabilities in the statements of financial position.

4.22 Interbank and money market items (Assets/Liabilities)

The Bank recognises and derecognises such items in the financial statements on the settlement dates.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Bank and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except when there is no active market of an identical asset or liability or when a quoted market price is not available, the Bank and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Notes to Financial Statements

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Bank and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Allowance for doubtful accounts on loans to customers and accrued interest receivables

Allowance for doubtful accounts on loans to customers and accrued interest receivables is intended to adjust the value of loans and receivables for probable credit losses. The management uses judgement to establish allowance for doubtful accounts that may be incurred on outstanding loans to customers when there is any doubt about the debtor's capacity to repay the principal and/or the interest. The allowance for doubtful accounts is determined through a combination of specific debtor reviews, probability of default and estimation based on historical experiences, taking into accounts change in the value of collateral and current economic conditions, in accordance with the BOT's guidelines.

5.2 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercised judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (the Bank and its counterparties), liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosure of fair value hierarchy.

5.3 Allowance for impairment on investments

The Bank and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires management's judgement.

5.4 Recognition and derecognition of assets and liabilities

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

5.5 Obligations under the defined benefit plan and other long-term benefit plan

Obligations under the defined benefit plan and other long-term benefit plan are determined based on actuarial techniques which involve, various assumptions, including discount rate, future salary incremental rate, staff turnover rate, mortality rate and inflation rates. Management exercises judgement to determine the appropriateness of these assumptions, based on their best knowledge of current events and arrangements.



Notes to Financial Statements

(Continued)

5.6 Other intangible assets

The initial recognition and measurement of other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.7 Litigation

The Bank has contingent liabilities as a result of litigation. The Bank's management has used judgement to assess of the results of the litigation and records the estimated loss that may incur under contingent liabilities as at the end of reporting periods.

5.8 Leases

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

5.9 Premises and equipment and depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of premises and equipment and to review estimate useful lives and residual values when circumstance changes.

The Bank measures land and buildings at revalued amounts. Fair value from revaluation is determined by independent appraisers using market approach for land and depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates as described in Note 14 to the financial statements.

In addition, the management is required to consider premises and equipment for impairment at the end of reporting period and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.10 Allowance for impairment on properties foreclosed

The Bank assesses allowance for impairment on properties foreclosed when their net realisable value is below their carrying value. The management uses judgement in estimating impairment loss, taking into account changes in the value of an asset, appraisal value, the type and quality of the asset, how long it is expected to take to dispose of the asset and changes in economic circumstances.

5.11 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Regulatory rule related to capital fund

According to the BOT's Notification Sor Nor Sor 4/2556 and Sor Nor Sor 5/2556, commercial banks are required to disclose certain additional capital information for their position. The Bank will disclose such information as at 31 December 2016 in its website (www.uob.co.th) by the end of April 2017. The Bank disclosed such information as at 31 December 2015 on 28 April 2016.

Notes to Financial Statements

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7. Interbank and money market items (Assets)

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December					
	2016			2015		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial Institutions Development Fund	2,859	1,600	4,459	18,605	17,900	36,505
Commercial banks	67	7,934	8,001	200	3,200	3,400
Specific financial institutions	-	19,930	19,930	-	-	-
Other financial institutions	301	50	351	150	141	291
Total	3,227	29,514	32,741	18,955	21,241	40,196
Add: Accrued interest receivables	-	5	5	3	8	11
Less: Deferred revenue	-	(7)	(7)	-	(18)	(18)
Allowance for doubtful accounts	(3)	(20)	(23)	(3)	(32)	(35)
Total domestic items	3,224	29,492	32,716	18,955	21,199	40,154
Foreign items						
US Dollar	3,625	648	4,273	420	593	1,013
Yen	17	-	17	19	-	19
EURO	61	2	63	22	2	24
Other currencies	137	191	328	149	-	149
Total	3,840	841	4,681	610	595	1,205
Less: Deferred revenue	-	-	-	-	(1)	(1)
Allowance for doubtful accounts	-	(1)	(1)	-	(6)	(6)
Total foreign items	3,840	840	4,680	610	588	1,198
Total domestic and foreign items	7,064	30,332	37,396	19,565	21,787	41,352

Notes to Financial Statements

(Continued)

8. Derivatives assets/liabilities

As at 31 December 2016 and 2015, the Bank has notional amounts and fair value of derivatives held for trading book classified by type of risk as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements									
	As at 31 December									
	2016					2015				
	Fair Value		Notional amounts classified by remaining maturity			Fair Value		Notional amounts classified by remaining maturity		
Assets	Liabilities	Up to 1 year*	Over 1 year	Total	Assets	Liabilities	Up to 1 year*	Over 1 year	Total	
Foreign exchange	8,708	8,196	755,242	28,792	784,034	7,579	7,613	606,794	28,520	635,314
Interest rate	1,462	1,559	136,059	237,703	373,762	1,465	1,646	131,113	186,484	317,597
Commodity derivatives	201	197	2,910	-	2,910	118	114	1,584	-	1,584
Credit value adjustments (CVA)	(36)	(21)	-	-	-	(94)	(54)	-	-	-
Total	10,335	9,931	894,211	266,495	1,160,706	9,068	9,319	739,491	215,004	954,495

* Including derivatives have maturity at call.

As at 31 December 2016 and 2015, the proportions, determined based on the notional amounts, of derivatives transactions classified by types of counterparties is as follows:

(Unit: Percentage)

Counterparty	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Financial institutions	68.66	78.30
Companies in the group*	17.16	11.01
Others	14.18	10.69
Total	100.00	100.00

* Companies in the group mean United Overseas Bank Limited and companies in the United Overseas Bank Group of Companies.

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9. Investments

9.1 Classified by types of investment

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
	Fair value/cost*	Fair value/cost*
Trading investments		
Government and state enterprises securities	2,551	8,076
Total trading investments	2,551	8,076
Available-for-sale investments		
Government and state enterprises securities	68,017	67,521
Private sector debt securities	235	-
Marketable domestic equity securities	269	491
Total available-for-sale investments	68,521	68,012
General investments		
Non-marketable domestic equity securities	119	119
Non-marketable foreign equity securities	15	15
Total	134	134
Less: Allowance for impairment loss	(88)	(88)
General investments - net	46	46
Investments - net	71,118	76,134

* Trading investments and available-for-sale investments are stated at fair value and general investments are stated at cost.

As at 31 December 2016, the Bank has commitments to purchase debt securities of Baht 228 million (2015: Baht 110 million) and commitments to sell debt securities of Baht 123 million (2015: Baht 102 million).

Notes to Financial Statements

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

Investments in debt instruments, excluding those held for trading, are classified by remaining periods to maturity as follows:

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2016			
	Due within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	37,264	31,052	-	68,316
Add (less): Allowance for revaluation	21	(85)	-	(64)
Total	37,285	30,967	-	68,252

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2015			
	Due within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	26,273	41,039	-	67,312
Add: Allowance for revaluation	24	185	-	209
Total	26,297	41,224	-	67,521

Notes to Financial Statements

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10. Investments in subsidiaries

Company's name	Nature of business	Type of security	Paid-up share capital				Percentage of shareholding		Investments stated under cost method			Dividend income recognised during the years ended	
			As at 31 December		As at 31 December		As at 31 December		As at 31 December		31 December		
			2016 (Million Baht)	2015 (Million Baht)	2016 (%)	2015 (%)	2016 (Million Baht)	2015 (Million Baht)	2016 (Million Baht)	2015 (Million Baht)	2016 (Million Baht)	2015	2016
Subsidiaries													
UOB Bullion and Futures (Thai) Co., Ltd.	Derivatives brokerage	Ordinary shares	175	175	75.00	75.00	131	131	-	-	-	-	
UOB Services Co., Ltd.	Debt collection business	Ordinary shares	60	60	99.99	99.99	60	60	12	12	-	-	
Total investments in subsidiaries							191	191	12	12	-	-	
Less: Allowance for impairment loss							(15)	(15)					
Investments in subsidiaries - net							176	176					

In November 2016, the Extra Ordinary Shareholders Meeting of UOB Bullion and Futures (Thai) Co., Ltd. has resolved to approve the change in the scope of its business operation from being a derivatives agent for contracts listed in Thailand Futures Exchange Public Company Limited ("TFEX") to be a customer referral service provider for investors who require to trade in overseas derivatives markets. However, the Company still maintains the derivatives broker license to conduct the business as granted by the Securities and Exchange Commission.

Notes to Financial Statements

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11. Loans to customers and accrued interest receivables

11.1 Classified by loan type

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Overdrafts	17,218	17,415
Loans	238,986	212,792
Trade bills	58,419	57,156
Hire-purchase receivables	1,147	1,025
Financial lease receivables	2,357	2,284
Others	580	263
Less: Deferred revenue	(293)	(255)
Loans to customers, net of deferred revenue	318,414	290,680
Add: Accrued interest receivables	902	846
Loans to customers, net of deferred revenue, and accrued interest receivables	319,316	291,526
Less: Allowance for doubtful accounts		
1. The BOT's minimum required provision		
- Individual approach	(3,662)	(2,648)
- Collective approach	(500)	(506)
2. Provision in excess of the BOT's minimum required rates	(5,280)*	(4,510)*
Loans to customers and accrued interest receivables - net	309,874	283,862

* Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

11.2 Classified by currencies and debtors' residency

	(Unit: Million Baht)					
	Consolidated and separate financial statements					
	As at 31 December					
	2016			2015		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	307,187	204	307,391	278,610	202	278,812
US Dollar	9,258	1,054	10,312	10,062	785	10,847
Other currencies	711	-	711	1,021	-	1,021
Loans to customers, net of deferred revenue	317,156	1,258	318,414	289,693	987	290,680

Notes to Financial Statements

(Continued)

11.3 Classified by types of business and loan classification

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2016					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	891	59	-	-	47	997
Manufacturing and commerce	77,543	1,393	327	109	2,259	81,631
Real estate and construction	17,859	749	398	-	839	19,845
Public utilities and services	26,251	359	101	4	483	27,198
Housing loans	126,670	2,092	861	672	1,605	131,900
Others	54,612	1,010	493	418	310	56,843
loans to customers, net of deferred revenue	303,826	5,662	2,180	1,203	5,543	318,414

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2015					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,629	59	-	-	48	1,736
Manufacturing and commerce	74,237	2,401	328	57	1,508	78,531
Real estate and construction	18,206	1,083	8	1	892	20,190
Public utilities and services	26,656	338	-	1	367	27,362
Housing loans	108,118	1,571	481	472	1,230	111,872
Others	49,087	946	415	365	176	50,989
loans to customers, net of deferred revenue	277,933	6,398	1,232	896	4,221	290,680

Notes to Financial Statements

(Continued)

11.4 Classified by loan classification in accordance with the Notification of the BOT

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2016					
	Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculation of allowance for doubtful accounts*	Loan loss provisioning rates	Allowance for doubtful accounts
					(%)	
The BOT's minimum required provision						
Pass	304,680	51	304,731	82,323	1	823
Special mention	5,710	1	5,711	1,693	2	34
Sub-standard	2,180	6	2,186	982	100	982
Doubtful	1,203	-	1,203	453	100	453
Doubtful of loss	5,543	9	5,552	1,886	100	1,886
Provision in excess of the BOT's minimum required rates **	-	-	-	-		5,280
Total	319,316	67	319,383	87,337		9,458

* Net balance used in calculation of allowance for doubtful accounts for pass and special mention loans is loan balance excluding accrued interest receivable but net of collateral. For sub-standard, doubtful and doubtful of loss loans, it is the debt balance (outstanding loan balance, net of deferred revenue but includes accrued interest receivables) after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

** Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2015					
	Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculation of allowance for doubtful accounts*	Loan loss provisioning rates	Allowance for doubtful accounts
					(%)	
The BOT's minimum required provision						
Pass	278,724	33	278,757	79,433	1	794
Special mention	6,453	1	6,454	2,881	2	58
Sub-standard	1,232	5	1,237	583	100	583
Doubtful	896	1	897	383	100	383
Doubtful of loss	4,221	6	4,227	1,348	100	1,348
Provision in excess of the BOT's minimum required rates **	-	-	-	-		4,510
Total	291,526	46	291,572	84,628		7,676

* Net balance used in calculation of allowance for doubtful accounts for pass and special mention loans is loan balance excluding accrued interest receivable but net of collateral. For sub-standard, doubtful and doubtful of loss loans, it is the debt balance (outstanding loan balance, net of deferred revenue but includes accrued interest receivables) after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

** Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

Notes to Financial Statements

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As at 31 December 2016, allowance for doubtful accounts as shown in the tables above includes allowance for impairment on other claims, amounting to Baht 16 Million (2015: Baht 12 million).

As at 31 December 2016 and 2015, the Bank classified unsecured consumer loans in accordance with the Notification of the BOT for non-performing loans (excluding receivables classified as pass and special mention), the allowance for doubtful accounts of which is determined using a collective approach, as follows:

(Unit: Million Baht)			
Consolidated and separate financial statements			
As at 31 December 2016			
Overdue (Days)	Unsecured consumer loans	Loan loss provisioning rates (%)	Allowance for doubtful accounts
0 - 119	358	70 - 89	259
120 - 180	324	70 - 89	241
Total	682		500

(Unit: Million Baht)			
Consolidated and separate financial statements			
As at 31 December 2015			
Overdue (Days)	Unsecured consumer loans	Loan loss provisioning rates (%)	Allowance for doubtful accounts
0 - 119	339	73 - 94	254
120 - 180	336	73 - 77	252
Total	675		506

11.5 Hire-purchase/financial lease receivables

As at 31 December 2016, the Bank has receivables under hire-purchase and financial lease agreements net of deferred revenue amounting to Baht 3,231 million (2015: Baht 3,070 million), which are mostly for vehicles and machines. The terms of the agreements are generally between 1 - 8 years and a majority of them charged fixed rates of interest.

(Unit: Million Baht)					
As at 31 December 2016					
Amounts due under hire-purchase/financial lease agreements					
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investments under hire-purchase/ financial lease agreements	1,269	2,121	20	94	3,504
Less: Deferred revenue*					(273)
Present value of minimum payments required under hire-purchase/financial lease agreements					3,231
Less: Allowance for doubtful accounts					(114)
Hire-purchase/financial lease receivables - net					3,117

* After deduction of deferred commission and initial direct costs on hire-purchases (if any)

Notes to Financial Statements

(Continued)

(Unit: Million Baht)					
As at 31 December 2015					
Amounts due under hire-purchase/financial lease agreements					
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investments under hire-purchase/ financial lease agreements	1,462	1,760	2	85	3,309
Less: Deferred revenue*					(239)
Present value of minimum payments required under hire-purchase/financial lease agreements					3,070
Less: Allowance for doubtful accounts					(105)
Hire-purchase/financial lease receivables - net					2,965

* After deduction of deferred commission and initial direct costs on hire-purchases (if any)

11.6 Non-accrual loans

The Bank had non-accrual loans, according to the BOT's criteria (NPLs and restructured NPLs under restructuring in process) as follows:

(Unit: Million Baht)		
Consolidated and separate financial statements		
As at 31 December		
	2016	2015
Non-accrual loans*	8,926	6,349
Percentage of total loans**	2.57	1.93

* Principal only

** Including interbank and money market loans

11.7 Troubled debt restructuring

During the years ended 31 December 2016 and 2015 the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances before restructuring can be summarised below.

(Unit: Million Baht)		
Consolidated and separate financial statements		
For the years ended 31 December		
	2016	2015
Debt balances before restructuring*	5,782	4,139
Total number of restructured debtors	6,755	5,981

* Principal only

Notes to Financial Statements

(Continued)

The debtors restructured during the years ended 31 December 2016 and 2015 as referred to above can be classified by method of troubled debt restructuring as follows:

(Unit: Million Baht)					
Consolidated and separate financial statements					
For the year ended 31 December 2016					
Type of restructuring	Number of restructured debtors	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring
Modification of repayment terms	6,755	5,782	-	-	5,782
Total	6,755	5,782		-	5,782

(Unit: Million Baht)					
Consolidated and separate financial statements					
For the year ended 31 December 2015					
Type of restructuring	Number of restructured debtors	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring
Modification of repayment terms	5,981	4,139	-	-	4,139
Total	5,981	4,139		-	4,139

The Bank recorded losses on restructuring for the years in relation to certain particular debtors against allowance for doubtful accounts rather than charged them to profit or loss since the Bank had already provided for allowance for doubtful accounts on those loans in full.

The debts restructured by means of modification of repayment term as referred to above during the years ended 31 December 2016 and 2015 can be classified by the repayment terms under the new restructuring agreements as follows:

Consolidated and separate financial statements			
For the year ended 31 December 2016			
	Number of restructured debtors	Debt balances (Million Baht)	
		Before restructuring	After restructuring
Repayment terms according to the new restructuring agreements:			
Not more than 5 years	6,107	3,185	3,185
5 - 10 years	133	875	875
10 - 15 years	213	827	827
More than 15 years	302	895	895
Total	6,755	5,782	5,782

Notes to Financial Statements

(Continued)

	Consolidated and separate financial statements		
	For the year ended 31 December 2015		
	Number of restructured debtors	Debt balances (Million Baht)	
Before restructuring		After restructuring	
Repayment terms according to the new restructuring agreements:			
Not more than 5 years	5,465	1,907	1,907
5 - 10 years	97	954	954
10 - 15 years	92	347	347
More than 15 years	327	931	931
Total	5,981	4,139	4,139

As at 31 December 2016 and 2015, the Bank had outstanding balances on the restructured debtors as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Number of debtors	Debt balances after restructuring
Balances of restructured debtors as at 31 December 2016	15,502	15,172
Balances of restructured debtors as at 31 December 2015	13,910	11,971

As at 31 December 2016, the Bank had outstanding commitments to provide additional loans to restructured debtors amounting to Baht 382 million (2015: Baht 371 million).

11.8 Sale of non-performing assets to Thai Asset Management Corporation (“TAMC”)

On 12 October 2001, the Bank entered into an agreement with the Thai Asset Management Corporation (“TAMC”) to transfer non-performing assets to TAMC. Under the agreement, the Bank was to receive ten-year interest bearing and non-transferable promissory notes and TAMC and the Bank were jointly responsible for any profits or losses arising from management on the transferred non-performing assets in accordance with the conditions specified in the agreement. Throughout the time that the non-performing assets had been managed by TAMC, the Bank and TAMC had been involved in disputes over the transfer price adjustment requested by TAMC, totalling Baht 1,665 million. Finally, the Supreme Court had the judgement to reduce the transfer price by Baht 1,660 million.

As at 31 December 2015, the outstanding balance of the promissory notes received from TAMC (before the transfer price adjustment proposed by TAMC) was Baht 2,864 million, which were matured in 2011 and were presented together with their respective accrued interest receivables of Baht 246 million totalling Baht 3,110 million under the caption of “Other receivable - TAMC” and as a part of “Other assets” in the statements of financial position. However, the management of the Bank considered an adequacy of provisions for contingent losses from the gain/loss sharing from TAMC’s management of the non-performing assets and set aside provisions of Baht 1,600 million, which was presented as a deduction from “Other receivable - TAMC”. Hence, as at 31 December 2015, the Bank presented net receivable from TAMC amounting to Baht 1,510 million.

On 27 April 2016, TAMC settled the transferred price in accordance with the order of the Supreme Court and the gain sharing from TAMC’s management of the non-performing assets including accrued interest receivable to the Bank for a total of Baht 1,580 million, which resulted in the Bank having recognised gain of Baht 70 million from such settlement.

Notes to Financial Statements

(Continued)

12. Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated and separate financial statements							
For the year ended 31 December 2016							
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum required rates*	Total
Beginning balance	794	58	579	382	1,341	4,510	7,664
Doubtful accounts	29	(24)	399	70	2,186	770	3,430
Bad debts written off	-	-	-	-	(1,647)	-	(1,647)
Others	-	-	(2)	-	(3)	-	(5)
Ending balance	823	34	976	452	1,877	5,280	9,442

* Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

(Unit: Million Baht)

Consolidated and separate financial statements							
For the year ended 31 December 2015							
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum required rates*	Total
Beginning balance	869	24	799	349	2,027	3,944	8,012
Doubtful accounts	(75)	34	(221)	33	1,857	566	2,194
Bad debts written off	-	-	-	-	(2,548)	-	(2,548)
Others	-	-	1	-	5	-	6
Ending balance	794	58	579	382	1,341	4,510	7,664

* Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

13. Properties foreclosed

Properties foreclosed represent properties obtained from debtors as a result of debt restructuring or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction and including the owned premises of the closed branches awaiting for sale.

Under the debt restructuring agreements, in cases the debtors restructure their debts by means of a debt/asset swap, the Bank grants buy-back rights or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements. The buy-back prices are normally agreed to be the transfer prices of the properties on the restructuring dates or plus interest.

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(Continued)

As at 31 December 2016 and 2015, properties foreclosed are summarised as follows:

Type of properties foreclosed	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2016			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from successful bids				
Immovable	2,265	132	(119)	2,278
Movable	-	-	-	-
Total properties foreclosed	2,265	132	(119)	2,278
Less: Allowance for impairment	(1,857)	(35)	26	(1,866)
Properties foreclosed - net	408	97	(93)	412

Type of properties foreclosed	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2015			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from successful bids				
Immovable	3,119	84	(938)	2,265
Movable	-	-	-	-
Total properties foreclosed	3,119	84	(938)	2,265
Less: Allowance for impairment	(1,345)	(530)	18	(1,857)
Properties foreclosed - net	1,774	(446)	(920)	408

As at 31 December 2016 and 2015, costs of immovable properties foreclosed were classified by external and internal appraisers as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Properties foreclosed - immovable		
Appraised by external appraisers	2,245	2,232
Appraised by internal appraisers	33	33
Total	2,278	2,265

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(Continued)

14. Premises and equipment

14.1 Movements

(Unit: Million Baht)

	Consolidated financial statements				Total
	Revaluation basis		Cost basis		
	Land	Buildings	Building improvement and equipment	Assets under construction/ installation	
Cost/Revaluation					
As at 1 January 2015	3,553	1,655	4,704	15	9,927
Acquisitions	-	-	167	244	411
Transfer in (out)	-	-	49	(49)	-
Disposal and written off	-	-	(153)	-	(153)
Transfer accumulated depreciation to deduct cost	-	(916)	-	-	(916)
Transfer allowance for impairment to deduct cost	(53)	(77)	-	-	(130)
Revaluation increase	2,398	477	-	-	2,875
As at 31 December 2015	5,898	1,139	4,767	210	12,014
Acquisitions	-	-	324	1,121	1,445
Transfer in (out)	(4)	(2)	395	(395)	(6)
Disposal and written off	-	-	(549)	-	(549)
As at 31 December 2016	5,894	1,137	4,937	936	12,904
Accumulated depreciation					
As at 1 January 2015	-	(895)	(3,369)	-	(4,264)
Depreciation charged for the year	-	(33)	(322)	-	(355)
Transfer accumulated depreciation to deduct cost	-	916	-	-	916
Disposal and written off	-	-	139	-	139
As at 31 December 2015	-	(12)	(3,552)	-	(3,564)
Depreciation charged for the year	-	(49)	(313)	-	(362)
Transfer out	-	1	-	-	1
Disposal and written off	-	-	528	-	528
As at 31 December 2016	-	(60)	(3,337)	-	(3,397)
Allowance for impairment					
As at 1 January 2015	(53)	(82)	-	-	(135)
Transfer out	-	5	-	-	5
Transfer allowance for impairment to deduct cost	53	77	-	-	130
As at 31 December 2015	-	-	-	-	-
Additional impairment	-	-	-	-	-
As at 31 December 2016	-	-	-	-	-
Net book value					
As at 31 December 2015	5,898	1,127	1,215	210	8,450
As at 31 December 2016	5,894	1,077	1,600	936	9,507
Depreciation included in profit or loss for the years ended 31 December					
2015					355
2016					362

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(Continued)

(Unit: Million Baht)

	Separate financial statements				Total
	Revaluation basis		Cost basis		
	Land	Buildings	Building improvement and equipment	Assets under construction/installation	
Cost/Revaluation					
As at 1 January 2015	3,553	1,655	4,683	15	9,906
Acquisitions	-	-	163	244	407
Transfer in (out)	-	-	49	(49)	-
Disposal and written off	-	-	(153)	-	(153)
Transfer accumulated depreciation to deduct cost	-	(916)	-	-	(916)
Transfer allowance for impairment to deduct cost	(53)	(77)	-	-	(130)
Revaluation increase	2,398	477	-	-	2,875
As at 31 December 2015	5,898	1,139	4,742	210	11,989
Acquisitions	-	-	324	1,121	1,445
Transfer in (out)	(4)	(2)	395	(395)	(6)
Disposal and written off	-	-	(545)	-	(545)
As at 31 December 2016	5,894	1,137	4,916	936	12,883
Accumulated depreciation					
As at 1 January 2015	-	(895)	(3,353)	-	(4,248)
Depreciation charged for the year	-	(33)	(321)	-	(354)
Transfer accumulated depreciation to deduct cost	-	916	-	-	916
Disposal and written off	-	-	139	-	139
As at 31 December 2015	-	(12)	(3,535)	-	(3,547)
Depreciation charged for the year	-	(49)	(311)	-	(360)
Transfer out	-	1	-	-	1
Disposal and written off	-	-	524	-	524
As at 31 December 2016	-	(60)	(3,322)	-	(3,382)
Allowance for impairment					
As at 1 January 2015	(53)	(82)	-	-	(135)
Transfer out	-	5	-	-	5
Transfer allowance for impairment to deduct cost	53	77	-	-	130
As at 31 December 2015	-	-	-	-	-
Additional impairment	-	-	-	-	-
As at 31 December 2016	-	-	-	-	-
Net book value					
As at 31 December 2015	5,898	1,127	1,207	210	8,442
As at 31 December 2016	5,894	1,077	1,594	936	9,501
Depreciation included in profit or loss for the years ended 31 December					
2015					354
2016					360

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Had the land and buildings been carried based on a historical cost basis, their net book value as at 31 December 2016 and 2015 would have been as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Land		
Cost	1,888	1,890
Buildings		
Cost	1,345	1,348
Accumulated depreciation	(894)	(879)
Net book value	451	469

As at 31 December 2016, certain buildings and equipment items of the Bank and its subsidiaries were fully depreciated but are still in use. The original costs or the reappraised values, before deducting accumulated depreciation, of those assets totalled Baht 2,275 million (2015: Baht 2,446 million) The Bank only: Baht 2,265 million (2015: Baht 2,433 million).

14.2 Revaluation surplus on assets

Revaluation surplus on assets are surplus from revaluation of land and buildings. Their movements during the years are as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2016	2015
Beginning balances	4,718	1,964
Increased during the years	-	2,779
Amortisation for the years	(33)	(19)
Transferred out during the years	-	(6)
Ending balances	4,685	4,718

Revaluation surplus on assets can neither be used to offset against deficit nor for dividend distribution.

Differences arising from revaluation on assets are recognised in accordance with the accounting policy as described in Note 4.11 to the financial statements.

During the year 2015, The Bank arranged for independent professional valuers to appraise the value of land and buildings on an asset-by-asset basis. The basis of the revaluation was as follows:

- Appraisal of land: Market comparison approach is used whereby the buying and selling prices for assets with similar characteristics are obtained.
- Appraisal of buildings: The depreciated replacement cost approach is used for buildings specifically used for the Bank's operation. The market comparison approach is used for general buildings whereby the buying and selling prices for assets with similar characteristics are obtained. The income approach is used for assets that generate income.

Notes to Financial Statements

(Continued)

Key assumptions in the valuation, which are unobservable inputs generally, are summarised below:

	Assumptions used in revaluation	Result to fair value where as an increase in assumption value
Land price per square wah (Baht)	40,000 - 2,296,754	Increase in fair value (Market comparison Approach)
Building construction cost per square metre (Baht)	9,558 - 30,511	Increase in fair value (Depreciated replacement cost Approach)
Yield rate (%)	8	Decrease in fair value (Income Approach)

15. Other intangible assets

	(Unit: Million Baht)			
	Consolidated financial statements			
	Application software	Assets in progress	Others	Total
Cost				
As at 1 January 2015	2,328	16	2	2,346
Acquisitions	141	102	-	243
Transfer in (out)	75	(75)	-	-
As at 31 December 2015	2,544	43	2	2,589
Acquisitions	174	94	-	268
Transfer in (out)	81	(81)	-	-
Written off	(69)	-	-	(69)
As at 31 December 2016	2,730	56	2	2,788
Accumulated amortisation				
As at 1 January 2015	(1,455)	-	-	(1,455)
Amortisation for the year	(177)	-	-	(177)
As at 31 December 2015	(1,632)	-	-	(1,632)
Amortisation for the year	(181)	-	-	(181)
Written off	68	-	-	68
As at 31 December 2016	(1,745)	-	-	(1,745)
Net book value				
As at 31 December 2015	912	43	2	957
As at 31 December 2016	985	56	2	1,043
Remaining useful lives (years)	10	-	-	
Amortisation included in profit or loss for the years ended 31 December				
2015				177
2016				181

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(Unit: Million Baht)

	Separate financial statements			Total
	Application software	Assets in progress	Others	
Cost				
As at 1 January 2015	2,311	16	2	2,329
Acquisitions	139	102	-	241
Transfer in (out)	75	(75)	-	-
As at 31 December 2015	2,525	43	2	2,570
Acquisitions	174	94	-	268
Transfer in (out)	81	(81)	-	-
Written off	(66)	-	-	(66)
As at 31 December 2016	2,714	56	2	2,772
Accumulated amortisation				
As at 1 January 2015	(1,445)	-	-	(1,445)
Amortisation for the year	(176)	-	-	(176)
As at 31 December 2015	(1,621)	-	-	(1,621)
Amortisation for the year	(179)	-	-	(179)
Written off	66	-	-	66
As at 31 December 2016	(1,734)	-	-	(1,734)
Net book value				
As at 31 December 2015	904	43	2	949
As at 31 December 2016	980	56	2	1,038
Remaining useful lives (years)	10	-	-	
Amortisation included in profit or loss for the years ended 31 December				
2015				176
2016				179

As at 31 December 2016, certain items of other intangible assets of the Bank and its subsidiaries were fully amortised but are still in use. The original costs, before deducting accumulated amortisation, of those assets totalled Baht 855 million (2015: Baht 660 million) The Bank only: Baht 855 million (2015: Baht 660 million).

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16. Deferred tax assets/liabilities and income tax expenses

16.1 Deferred tax assets/liabilities

The following table shows major components of deferred tax assets/liabilities as at 31 December 2016 and 2015.

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Statements of financial position as at 31 December		Changes in deferred income taxes for the years ended 31 December		Statements of financial position as at 31 December		Changes in deferred income taxes for the years ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
Deferred tax assets on:								
Allowance for doubtful accounts	-	-	-	(1)	-	-	-	(1)
Allowance for impairment on properties foreclosed	373	371	2	100	373	371	2	100
Allowance for impairment and revaluation on assets	5	5	-	(20)	5	5	-	(20)
Allowance for impairment and revaluation on investments	26	26	-	(66)	26	26	-	(66)
Provisions for long-term employee benefits	314	338	(24)	11	312	336	(24)	11
Provisions for other liabilities	63	50	13	(5)	63	50	13	(5)
Unrealised losses on financial derivatives	3	9	(6)	9	3	9	(6)	9
Other receivables	9	325	(316)	(58)	9	325	(316)	(58)
Unutilised brought forward tax losses	-	-	-	(1)	-	-	-	-
Others	265	256	9	25	265	256	9	25
Total	1,058	1,380	(322)	(6)	1,056	1,378	(322)	(5)
Deferred tax liabilities on:								
Revaluation surplus on assets	937	943	6	(550)	937	943	6	(550)
Revaluation surplus on investments	25	99	74	17	25	99	74	17
Others	78	91	13	12	78	91	13	12
Total	1,040	1,133	93	(521)	1,040	1,133	93	(521)
Deferred tax assets - net	18	247			16	245		
Changes in deferred income taxes			(229)	(527)			(229)	(526)

Notes to Financial Statements

(Continued)

Movements in the deferred tax assets (liabilities) during the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Beginning balances	247	774	245	771
Changes in deferred income taxes				
Recognised in profit or loss	(274)	1	(274)	2
Recognised in other comprehensive income or loss	45	(531)	45	(531)
Charged directory to shareholders' equity	-	3	-	3
Total changes in deferred income taxes for the years	(229)	(527)	(229)	(526)
Ending balances	18	247	16	245

16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Current income taxes:				
Current income tax charge for the years	525	792	520	790
Adjustments in respect of corporate income taxes of previous year	(16)	2	(15)	4
Deferred income taxes:				
Relating to origination and reversal of temporary differences	274	(1)	274	(2)
Income tax expenses reported in profit or loss	783	793	779	792

Notes to Financial Statements

(Continued)

Reconciliation between income tax expenses and the product of accounting profits for the years ended 31 December 2016 and 2015 multiplied by the applicable tax rate are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Accounting profits before income tax expenses	4,387	3,914	4,374	3,888
Applicable tax rate	20%	20%	20%	20%
Accounting profits before income tax expenses multiplied by applicable tax rate	877	783	875	778
Tax effects from:				
Adjustments in respect of corporate income taxes of previous year	(16)	2	(15)	4
Additional tax-deductible expenses	(88)	(2)	(88)	(2)
Tax effect on tax-exempted revenues	(4)	(3)	(4)	(3)
Tax effect on non-tax deductible expenses	11	10	11	10
Adjustment	3	3	-	5
Income tax expenses reported in profit or loss	783	793	779	792

16.3 Components of other comprehensive income (losses) and related income taxes

	(Unit: Million Baht)					
	Consolidated financial statements					
	For the years ended 31 December					
	2016			2015		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Items to be recognised subsequently in profit or loss:						
Losses on revaluation of available-for-sale investments	(371)	74	(297)	(87)	17	(70)
Total items to be recognised subsequently in profit or loss	(371)	74	(297)	(87)	17	(70)
Items not to be recognised subsequently in profit or loss:						
Actuarial gains (losses) on defined benefit plans	147	(29)	118	(36)	7	(29)
Gains on revaluation surplus on assets	-	-	-	2,779	(555)	2,224
Total items not to be recognised subsequently in profit or loss	147	(29)	118	2,743	(548)	2,195
	(224)	45	(179)	2,656	(531)	2,125

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2016			2015		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Items to be recognised subsequently in profit or loss:						
Losses on revaluation of available-for-sale investments	(371)	74	(297)	(87)	17	(70)
Total items to be recognised subsequently in profit or loss	(371)	74	(297)	(87)	17	(70)
Items not to be recognised subsequently in profit or loss:						
Actuarial gains (losses) on defined benefit plans	145	(29)	116	(38)	7	(31)
Gains on revaluation surplus on assets	-	-	-	2,779	(555)	2,224
Total items not to be recognised subsequently in profit or loss	145	(29)	116	2,741	(548)	2,193
	(226)	45	(181)	2,654	(531)	2,123

17. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2016	2015	2016	2015
Accrued income	650	657	651	655
Suspense debtors	176	165	176	165
Prepaid and deferred expenses	427	363	414	354
Leasehold rights - net	53	61	53	61
Other receivable - TAMC	-	3,110	-	3,110
Others	473	423	472	423
Total	1,779	4,779	1,766	4,768
Less: Allowance for impairment	(115)	(1,671)	(115)	(1,671)
Other assets - net	1,664	3,108	1,651	3,097

Notes to Financial Statements

(Continued)

18. Classified assets

(Unit: Million Baht)

	Separate financial statements				Total
	As at 31 December 2016				
	Investments	Loans*	Properties foreclosed	Other assets	
Classification					
Pass	-	332,114	-	51	332,165
Special mention	-	5,661	-	1	5,662
Sub-standard	-	2,180	-	6	2,186
Doubtful	-	1,203	-	-	1,203
Doubtful of loss	212	5,543	846	108	6,709
Total	212	346,701	846	166	347,925

* Including interbank and money market loans.

(Unit: Million Baht)

	Separate financial statements				Total
	As at 31 December 2015				
	Investments	Loans*	Properties foreclosed	Other assets	
Classification					
Pass	-	315,587	-	33	315,620
Special mention	-	6,398	-	1	6,399
Sub-standard	-	1,232	-	5	1,237
Doubtful	-	896	-	1	897
Doubtful of loss	113	4,221	837	1,665	6,836
Total	113	328,334	837	1,705	330,989

* Including interbank and money market loans.

19. Deposits

19.1 Classified by types of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2016	2015	2016	2015
Current accounts	7,566	6,448	7,566	6,448
Savings accounts	179,416	167,623	179,466	167,654
Fixed deposits	136,877	127,965	137,049	128,137
Total	323,859	302,036	324,081	302,239

Notes to Financial Statements

(Continued)

19.2 Classified by currencies and depositors' residency

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2016			2015		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	306,598	9,735	316,333	285,939	7,359	293,298
US Dollar	6,386	398	6,784	7,483	449	7,932
Others	398	344	742	440	366	806
Total	313,382	10,477	323,859	293,862	8,174	302,036

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2016			2015		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	306,820	9,735	316,555	286,142	7,359	293,501
US Dollar	6,386	398	6,784	7,483	449	7,932
Others	398	344	742	440	366	806
Total	313,604	10,477	324,081	294,065	8,174	302,239

20. Interbank and money market items (Liabilities)

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December					
	2016			2015		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial Institutions Development Fund						
	-	2,050	2,050	-	958	958
Commercial banks	77	-	77	4,013	8,600	12,613
Specific financial institutions	-	2,612	2,612	1,000	6,537	7,537
Other financial institutions	6,589	1,161	7,750	6,741	1,516	8,257
Total domestic items	6,666	5,823	12,489	11,754	17,611	29,365
Foreign items						
US Dollar	3,616	20,065	23,681	8,539	10,827	19,366
Yen	9	154	163	25	530	555
Euro	1	-	1	1	-	1
Other currencies	535	18	553	612	130	742
Total foreign items	4,161	20,237	24,398	9,177	11,487	20,664
Total domestic and foreign items	10,827	26,060	36,887	20,931	29,098	50,029

Notes to Financial Statements

(Continued)

21. Debts issued and borrowings

As at 31 December 2016 and 2015, debts issued and borrowings comprised subordinated debentures and senior debentures. They are classified by type of securities, maturity and interest rate as follows:

(Unit: Million Baht)

Consolidated and separate financial statements						
As at 31 December 2016						
Type	Maturity	Interest rate per annum	Currency	Amount		
				Domestic	Foreign	Total
Subordinated Debentures	25 Mar 2023	Floating rate of 3-month LIBOR + 1.76 (%)	USD	-	6,091	6,091
Senior Debentures	22 May 2017 - 15 Mar 2021	1.85 - 3.24	THB	12,500	-	12,500
Total				12,500	6,091	18,591

(Unit: Million Baht)

Consolidated and separate financial statements						
As at 31 December 2015						
Type	Maturity	Interest rate per annum	Currency	Amount		
				Domestic	Foreign	Total
Subordinated Debentures	25 Mar 2023	Floating rate of 3-month LIBOR + 1.76 (%)	USD	-	6,135	6,135
Senior Debentures	22 May 2016 - 22 May 2017	2.92 - 3.24	THB	6,000	-	6,000
Total				6,000	6,135	12,135

Subordinated debentures

On 25 March 2013, the Bank issued Subordinated Debenture No.1/2013, amounting to USD 170 million, to United Overseas Bank Limited. The debentures have a tenor of 10 years and bear interest at a floating rate equal to 3-month LIBOR + 176 bps, and the Bank has the right to make early redemption, as approved by the BOT. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BOT guidelines laid down with reference to Basel III principles.

On 2 May 2013, the BOT granted approval for the Bank to count proceeds received from the issue of the above subordinated debentures for an amount of Baht 4,973 million as a part of its Tier 2 capital, in accordance with the conditions specified in the BOT's notifications regarding the Basel III framework.

Senior debentures

On 22 May 2014, the Bank issued the unsecured senior debenture without debenture holder representatives amounting to Baht 6,000 million, via private placement to institutional investors. The debentures have a tenor of 2-3 years and interest is payable semi-annually. Of those debentures, Baht 3,500 million bear interest at a fixed rate of 2.92% per annum and mature in 2016, and another Baht 2,500 million bear interest at a fixed rate of 3.24% per annum and mature in 2017.

On 15 March 2016, the Bank issued the unsecured senior debentures without debenture holder representatives amounting to Baht 10,000 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 3-5 years and interest is payable semi-annually. Of those debentures, Baht 5,000 million bear interest at a fixed rate of 1.85% per annum and mature in 2019, and another Baht 5,000 million bear interest at a fixed rate of 2.16% per annum and mature in 2021.

Notes to Financial Statements

(Continued)

22. Provisions for long-term employee benefits

Changes in provisions for long-term employee benefits for the years ended 31 December 2016 and 2015 can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Provisions for long-term employee benefits at beginning of the year	1,688	1,635	1,678	1,624
Recognised in profit or loss:				
Current service cost	126	117	124	115
Interest cost	46	50	46	49
Total benefits recognised in profit or loss	172	167	170	164
Recognised in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumption changes	(5)	(25)	(5)	(24)
Financial assumption changes	(128)	52	(126)	51
Experience adjustments	(14)	9	(14)	11
Total benefits recognised in other comprehensive income or loss	(147)	36	(145)	38
Employee benefits paid during the year	(141)	(150)	(141)	(148)
Provisions for long-term employee benefits at end of the year	1,572	1,688	1,562	1,678

The Bank and its subsidiaries expect to pay Baht 120 million on long-term employee benefits during the next year (2015: Baht 95 million) The Bank only: Baht 120 million (2015: Baht 95 million).

As at 31 December 2016, the weighted average duration of the Bank's and its subsidiaries' long-term employee benefit obligation is 10.6 years (2015: 13 years) The Bank only: 10.6 years (2015: 13 years).

The principal assumptions used in determining employee benefits under retirement plans can be summarised as follows:

	(Unit: Percentage per year)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Future salary incremental rates (depending on age)	4 - 6.5	5 - 7.5
Turnover rates (depending on age)	1 - 28	1 - 28
Discount rate	2.9534	2.9000
Mortality development rate	3	3

Notes to Financial Statements

(Continued)

Sensitivity analysis for principal assumptions that affect provisions for long-term employee benefits as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements							
	As at 31 December 2016							
	Salary incremental rate		Turnover rate		Discount rate		mortality development rate	
	Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%
Increase (decrease) in provisions for long-term employee benefits	121	(109)	(35)	39	(109)	124	2	(2)

(Unit: Million Baht)

	Consolidated financial statements							
	As at 31 December 2015							
	Salary incremental rate		Turnover rate		Discount rate		mortality development rate	
	Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%
Increase (decrease) in provisions for long-term employee benefits	137	(123)	(42)	48	(125)	142	2	(2)

(Unit: Million Baht)

	Separate financial statements							
	As at 31 December 2016							
	Salary incremental rate		Turnover rate		Discount rate		mortality development rate	
	Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%
Increase (decrease) in provisions for long-term employee benefits	119	(107)	(34)	38	(108)	122	2	(2)

(Unit: Million Baht)

	Separate financial statements							
	As at 31 December 2015							
	Salary incremental rate		Turnover rate		Discount rate		mortality development rate	
	Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%
Increase (decrease) in provisions for long-term employee benefits	136	(122)	(41)	46	(123)	140	2	(2)

Notes to Financial Statements

(Continued)

23. Provisions for other liabilities

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	For the year ended 31 December 2016		
	Contingencies	Obligation for litigation cases	Total
Beginning balances	157	94	251
Increase in estimation during the year	68	-	68
Paid during the year	-	(8)	(8)
Ending balances	225	86	311

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	For the year ended 31 December 2015		
	Contingencies	Obligation for litigation cases	Total
Beginning balances	160	116	276
Decrease in estimation during the year	(3)	-	(3)
Paid during the year	-	(22)	(22)
Ending balances	157	94	251

24. Other liabilities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2016	2015	2016	2015
Suspense creditors and accounts payable - others	1,239	996	1,252	1,011
Deferred revenues	797	885	797	885
Accrued interest payable	649	482	649	482
Others	373	360	372	367
Total	3,058	2,723	3,070	2,745

Notes to Financial Statements

(Continued)

25. Other components of equity

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Revaluation surplus on assets	4,685	4,718
Revaluation surplus on available-for-sale investments		
Revaluation surplus on available-for-sale investments		
Debt instruments	41	215
Equity instruments	188	286
Total	229	501
Revaluation deficit on available-for-sale investments		
Debt instruments	(104)	(5)
Equity instruments	(2)	(2)
Total	(106)	(7)
Total revaluation surplus on available-for-sale investments	123	494
Total other components of equity	4,808	5,212
Less: income taxes	(962)	(1,042)
Other components of equity - net of income taxes	3,846	4,170

26. Statutory reserve

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

27. Capital funds

The primary objective of the Bank's capital management is to maintain an optimal level of capital. Policies, which are approved by the Bank's Board of Directors and overseen by the Bank's senior management, are set to ensure that the capital maintained is in accordance with the BOT's requirements and at an appropriate and adequate level to support the business growth within the acceptable level of risk and to maintain the good credit rating.

Notes to Financial Statements

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The Capital Funds and Capital Adequacy Ratio of the Bank as at 31 December 2016 and 2015 in accordance with the BOT's requirements with reference to Basel III consist of the following:

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2016	2015
Tier 1 Capital		
Common Equity Tier 1 (CET1)		
Paid-up share capital	24,857	24,857
Statutory reserve	955	755
Retained earnings after appropriation	16,859	13,794
Other components of equity	3,845	4,048
Less: Deduction items from Common Equity Tier 1	(660)	(679)
Total Tier 1 Capital	45,856	42,775
Tier 2 Capital		
Subordinated debentures	4,973	4,973
Provision for assets classified as normal and surplus of Provisions	1,502	2,021
Total Tier 2 Capital	6,475	6,994
Total Capital Funds	52,331	49,769

	(Unit: Percentage)			
	Separate financial statements			
	As at 31 December			
		2016		2015
	BOT Minimum Requirement and Conservation Buffer*	The Bank	BOT Minimum Requirement	The Bank
Common Equity Tier 1 to risk-weighted assets	5.125	16.01	4.50	16.19
Tier 1 Capital Funds to risk-weighted assets	6.625	16.01	6.00	16.19
Total Capital Funds to risk-weighted assets	9.125	18.27	8.50	18.84

* According to BOT's Basel III guideline, the Bank is required to maintain Common Equity Tier 1 of at least 2.5% of total risk-weighted assets, as a capital buffer, in addition to minimum capital ratio. This capital buffer ("Conservation buffer") will gradually increase at least 0.625% a year starting from 1 January 2016 until the ratio of at least 2.5% is reached on 1 January 2019.

28. Share-based payment plan for the Bank's senior management

The Bank's Board of Directors Meeting No. 573 approved a resolution to join the share-based payment plan ("the Plan") under Long Term Incentives Plan (LTI) with compensation in the form of restricted shares (RS) and share appreciation rights (SAR) of United Overseas Bank Limited ("major shareholder") is awarded to selected senior managements. The selection criteria indicated by the Nomination and Compensation Committee (NCC) of the Bank, considering from several factors such as individual performance, potential, leadership skills, job level and market competitive.

Details of the plan are below:

- (a) Restricted Shares (RS), represent ordinary shares of United Overseas Bank Limited that participants will be entitled to receive upon fulfilment of certain time and performance conditions. Upon vesting, participants will receive United Overseas Bank Limited's shares represented by the restricted shares as per the plan's rules.

Notes to Financial Statements

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(b) Share Appreciation Rights (SAR) are the rights to receive a number of United Overseas Bank's Limited shares equivalent in value to the difference between the prevailing market value and the grant value of the shares of the major shareholder multiplied by number of SAR as per the Plan's rules and divided by the prevailing market value of the shares of the major shareholder. Upon vesting of the SAR, participants have up to six years from the date of grant to exercise their rights.

Since 2014, Long Term Incentives Plan has been replaced by Executive Equity Plan (EEP) whereby under the EEP there remains remunerations in the form of RS as mentioned in (a) whilst remunerations in the form of SAR as mentioned in (b) were ceased from 2014 onwards. However, any SAR previously granted under LTI would still remain enforced until SAR expired in 2014 or their exercise rights expire in 2019.

For the year ended 31 December 2016 the Bank recorded Baht 65 million (2015: Baht 67 million) for the above plan as expenses and also recorded such obligations by the same amount as liabilities. As at 31 December 2016, the Bank has obligations of Baht 87 million (2015: Baht 108 million) which were presented as a part of other liabilities.

29. Commitments and contingencies liabilities

29.1 Commitments

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Aval to bills	4,219	3,829
Guarantees of loans	4,185	4,427
Liabilities under unmatured import bills	1,347	977
Letters of credit	2,613	1,887
Other commitments		
- Undrawn overdraft amount	24,508	23,734
- Spot foreign exchange contracts	3,833	1,775
- Other guarantees	23,231	20,252
- Others	9,560	10,682
Total	73,496	67,563

29.2 Operating lease commitments

As at 31 December 2016 and 2015, the Bank and its subsidiaries had land and building lease agreements for branch offices and vehicles lease agreements, for which the lease terms range from 1 - 30 years and are renewable. The Bank and its subsidiaries also have committed to pay future rental payments which can be summarised as follows:

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	As at 31 December 2016		
	Land and building rental agreements	Vehicle lease agreements	Total
Payment terms			
Within 1 year	251	39	290
1 - 5 years	316	64	380
More than 5 years	49	-	49
Total	616	103	719

Notes to Financial Statements

(Continued)

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	As at 31 December 2015		
	Land and building rental agreements	Vehicle lease agreements	Total
Payment terms			
Within 1 year	222	32	254
1 - 5 years	297	48	345
More than 5 years	49	-	49
Total	568	80	648

29.3 Commitments under a bancassurance agreement

On 31 January 2010, the UOB Group and the Bank signed a business partner agreement (Bancassurance Agreement) with an Insurance Group. Under the agreement, the Bank received a sum of the fees in advance with the commitment to the agreement for 12 years from the date of the agreement, the Bank therefore amortises such fees as revenue over the term of the agreement and presents the fees received in advance under "Other liabilities - deferred revenue", as disclosed in Note 24 to the financial statements.

29.4 Other commitments

As at 31 December 2016, the Bank has contractual commitments in respect of construction of office buildings and the purchase of information technology systems as well as other agreements under the Bank's projects. The outstanding balances of such contractual commitments were approximately Baht 760 million (2015: Baht 1,678 million) and the Bank also has commitments to pay the service fees in relation to service contracts amounting to Baht 110 million (2015: Baht 60 million).

As at 31 December 2016, the Bank has commitments in relation to various "to-sell and to-purchase" agreements for its foreclosed properties, the carrying value of which was Baht 5 million (2015: Baht 14 million). The estimated gains under those agreements are Baht 1 million (2015: gains of Baht 3 million). As at 31 December 2016, the Bank has commitments to purchase the properties foreclosed of Baht 94 million (2015: Baht 142 million).

30. Assets placed as collateral

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Carrying value	
	As at 31 December	
	2016	2015
Government bonds		
Placed as collateral for Intraday Liquidity Facilities with the BOT	11,597	11,715
Placed as collateral against borrowing from the BOT	-	2,026
Placed as collateral for Private Repurchase Agreements (Private Repo)	-	7,881
Placed as collateral for hedging of settlement risk	3,876	3,297
Pledged as collateral for government departments	73	-

31. Litigation

In the course of normal business operation of the Bank, the Bank has been sued under various labor and civil lawsuits, including torture cases. Under these lawsuits, claims against the Bank as at 31 December 2016 totaled Baht 984 million (2015: Baht 956 million). The Bank's management has exercised their judgement to consider for possible losses to the Bank and recorded the amount under "Provisions for other liabilities" as described in Note 23 to the financial statements and believe that should the outcome of the lawsuits be finalised, there will not be a material impact to the Bank's financial position or operating performance.

Notes to Financial Statements

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32. Related party transactions

32.1 Significant of related party transactions

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

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

During the years, the Bank had significant business transactions with its subsidiaries, related companies (related by ways of shareholding and/or common shareholders and/or common directors) and related persons (Directors and Senior Management who are in the level of Executive Director upwards, and their close family members). These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Bank, and those parties. Interest rates on loans to employees are calculated based on the Bank's employee welfare rule.

As at 31 December 2016, the Bank has outstanding staff welfare loans to executives from level of Executive Director upwards of Baht 28 million (2015: Baht 31 million) and also has general loans to Senior Management and their close family members with the outstanding balance of Baht 40 million (2015: Baht 32 million) and the average outstanding balance of Baht 34 million (2015: Baht 28 million).

In addition, as at 31 December 2016, the Bank also has deposits of Baht 103 million (2015: Baht 118 million) taken from related persons, including their close family members.

Significant transactions, income and expenses incurred with related parties (apart from those disclosed in the other notes to financial statements) for the years ended 31 December 2016 and 2015 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements					
	For the years ended 31 December					
	2016			2015		
Related companies	Group of major shareholder (UOB)	Total	Related companies	Group of major shareholder (UOB)	Total	
Interest income	4	2	6	-	1	1
Interest expenses	6	257	263	6	281	287
Fees and service income	-	465	465	-	369	369
Fees and service expenses	-	1	1	-	-	-
Net losses on trading and foreign exchange transactions	-	(1,528)	(1,528)	-	(1,360)	(1,360)
Other operating income	-	-	-	-	31	31
Data processing charges	-	623	623	-	575	575
Other expenses	-	55	55	-	39	39

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	2016				2015			
Subsidiaries	Group of major Related shareholder companies (UOB)	Total	Subsidiaries	Group of major Related shareholder companies (UOB)	Total	Subsidiaries	Group of major Related shareholder companies (UOB)	Total
Interest income	-	4	2	6	-	-	1	1
Interest expenses	2	6	258	266	3	6	281	290
Fees and service income	9	1	452	462	22	-	357	379
Fees and service expenses	151	-	-	151	176	-	-	176
Net losses on trading and foreign exchange transactions	-	-	(1,528)	(1,528)	-	-	(1,360)	(1,360)
Other operating income	7	-	-	7	9	-	30	39
Premises and equipment expenses	(2)	-	-	(2)	(2)	-	-	(2)
Data processing charges	-	-	623	623	-	-	575	575
Other expenses	-	-	55	55	-	-	39	39

In addition, for the year ended 31 December 2016, the Bank incurred Baht 193 million (2015: Baht 151 million) on software development payable to United Overseas Bank Limited, which is its major shareholder.

32.2 Remunerations to director and senior management

For the years ended 31 December 2016 and 2015, Remunerations payable to the Bank's and its subsidiaries' directors and senior management, who are key management personnel with authority and responsibility, whether direct or indirect, for planning, direction and controlling the operations of the Bank and its subsidiaries, consisted of monthly remunerations, salaries, provident fund contributions and long-term benefits as follows:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	For the years ended 31 December		For the years ended 31 December		For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
Short-term employee benefits	366	374	362	364	362	364	362	364
Post-employment benefits	24	23	24	23	24	23	24	23
Share-based payments	65	67	65	67	65	67	65	67
Total	455	464	451	454	451	454	451	454

Notes to Financial Statements (Continued)

32.3 Outstanding balances

The outstanding balances of significant related party transactions as at 31 December 2016 and 2015 are as follows:

(Unit: Million Baht)

	Consolidated financial statements																					
	2016							2015														
	Average outstanding loans to customers	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Deposits and Other assets	Deposits and Other assets	Average outstanding loans to customers	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Deposits and Other assets	Deposits and Other assets	Interbank and money market items (liabilities)	Derivatives liabilities	Debt issued and borrowings	Other liabilities	2016 Pricing policy of loans					
Related companies																						
Loxley Pcl.	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	-	-	N/A				
The Muangthai Life Assurance Pcl.	-	-	-	-	-	-	-	-	-	-	-	-	28	-	-	-	-	N/A				
Underwater World Pattaya Co., Ltd.	-	-	-	-	-	27	-	-	-	-	-	-	-	130	-	-	-	N/A				
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	36	-	-	-	-	-	-	-	121	-	-	-	N/A				
Loxley Wireless Co., Ltd.	-	-	-	-	-	2	-	-	-	-	-	-	-	2	-	-	-	N/A				
Loxbit Pcl.	-	-	-	-	-	1	3	-	-	-	-	-	-	1	3	-	-	N/A				
AXA Insurance Pcl.	-	-	-	-	-	-	17	-	-	-	-	-	-	-	16	-	-	N/A				
PPHR (Thailand) Limited	-	-	-	-	-	26	-	-	-	-	-	-	-	21	-	-	-	N/A				
Professional Computer Co., Ltd.	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	N/A				
TISCO Securities Co., Ltd.	-	-	-	-	-	-	450	-	-	-	-	-	-	-	600	-	-	N/A				
Golden Land Property Development Pcl.	428	424	-	-	-	162	-	-	-	-	-	-	-	-	-	-	-	N/A				
Sathorn Subsn Co., Ltd.	-	-	-	-	-	4	30	-	-	-	-	-	-	-	-	-	-	MLR				
TSFC Securities Pcl.	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	reference rate				
Major shareholders																						
United Overseas Bank Limited	-	-	828	412,423	199,118	-	20,351	3,859	6,091	167	-	-	66	268	735,106,080	-	20,178	997	6,135	179	Money market reference rate	
United Overseas Bank Group of Companies	-	-	7	-	66	33	-	1,385	-	1	-	1	-	9	-	53	22	-	868	-	19	Money market reference rate

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

Separate financial statements																					
As at 31 December																					
2015																					
	Average outstanding loans to customers	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Other assets	Deposits and other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Debt issued and borrowings	Other liabilities	2016 Pricing policy of loans								
Subsidiary companies																					
UOB Bullion and Futures (Thai) Co., Ltd.	-	-	-	-	-	7	133	-	-	-	-	-	N/A								
UOB Services Co., Ltd.	-	-	-	-	15	1	70	-	-	-	-	17	N/A								
Related companies																					
Loxley Pcl.	-	-	-	-	-	-	-	1	-	-	-	-	N/A								
The Muangthai Life Assurance Pcl.	-	-	-	-	-	-	-	-	5	-	-	-	N/A								
Underwater World Pattaya Co., Ltd.	-	-	-	-	-	-	-	130	-	-	-	-	N/A								
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	-	-	121	-	-	-	-	N/A								
Loxley Wireless Co., Ltd.	-	-	-	-	-	-	-	2	-	-	-	-	N/A								
Loxbit Pcl.	-	-	-	-	-	-	1	3	-	-	-	-	N/A								
AXA Insurance Pcl.	-	-	-	-	-	-	-	-	16	-	-	-	N/A								
PPHR (Thailand) Limited	-	-	-	-	-	-	-	21	-	-	-	-	N/A								
Professional Computer Co., Ltd.	-	-	-	-	-	-	-	1	-	-	-	-	N/A								
TISCO Securities Co., Ltd.	-	-	-	-	-	-	-	-	600	-	-	-	N/A								
Golden Land Property Development Pcl.	-	-	-	-	-	-	-	-	-	-	-	-	N/A								
Sathorn Subsin Co., Ltd.	428	424	-	-	-	-	4	30	-	-	-	-	MLR								
TSFC Securities Pcl.	-	-	-	-	-	-	-	-	-	-	-	-	reference rate								
Major shareholders																					
United Overseas Bank Limited	-	-	828	412	4,233	199,118	-	20,351	3,859	6,091	167	66	268	735,106,080	-	20,178	997	6,135	179	Money market reference rate	
United Overseas Bank Group of Companies	-	-	7	-	65	33	-	1,385	-	1	-	9	-	52	23	-	868	-	-	2	Money market reference rate

Notes to Financial Statements

(Continued)

33. Other benefits paid to the directors and management

For the years ended 31 December 2016 and 2015, the Bank and its subsidiaries had no benefits payable to their directors and management other than those they normally receive whereby directors receive monthly directors' remuneration and management receive salary, bonus and other benefits as discussed in Note 28 and Note 32.2 to the financial statements.

34. Earnings per share

Basic earnings per share is calculated by dividing profit for the years attributable to equity holders of the Bank (exclude other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the years.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Profits for the year (Million Baht)	3,605	3,121	3,595	3,096
Basic earnings per share (Baht/share)	1.45	1.26	1.45	1.25
Weighted average number of shares (shares)	2,485,661,305	2,485,661,305	2,485,661,305	2,485,661,305

35. Segment information

35.1 Operating segments

The following segment information are in accordance with internal management report of the Bank submit to Management Committee who form as Chief Operating Decision Maker (CODM) to decide resources allocation and evaluate performance of business segment.

The Bank segregate business unit into 3 segments; retail, wholesale banking and other, for driving business and decision-making which base on key customer segments and product groups which are used in business decision and internal management reporting as follows:

Retail

The Retail segment covers personal financial services (PFS) and business banking (BB) with products of deposits, credit and debit cards, insurance, wealth management, investments estate planning, consumer loan, secured and unsecured loan with focus on mortgages and wide range of products through a variety of distribution channels.

Wholesale Banking

Wholesale Banking segment covers corporate banking, commercial banking and financial institution group (FIG). The corporate banking provides integrated banking solution to large corporations. The products and services are sophisticated and customised to specific customers through a variety of distribution channels. The commercial banking focuses on medium-sized companies with a broad range of products and services that include current accounts, deposits, lending, syndicate loans, cash management, letter of guarantee, trade finance & cross-border payments, underwriting and corporate advisory services while financial institution group maintains correspondence with and provide financial services to Bank and non-bank financial institutions.

Other group

Other group includes Global Markets (GM) group, risk management, property management, including income and expenses not attributable to the above-mentioned operating segments. The GM group provides treasury products and advisory services such as foreign exchange, derivatives and fixed income instruments to customers.

Notes to Financial Statements

(Continued)

35.2 Accounting policies for transactions presented in operating segment information

The accounting policies for any transactions presented in operating segment information were summarised in Note 4 to the financial statements regarding a summary of significant accounting policies. The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Total operating income included net interest income, net fees and service income and other income. The management relies on total operating income and uses it for performance measurement. The total operating expenses included allocated expenses allocated to between operating segments.

Transfer prices between operating segments are on arm's length basis and in a manner similar to transaction with third parties.

No operating income from transactions with a single external customer in an amount equal to 10% or more of the consolidated operating income.

Capital expenditure and related depreciation together with income tax expense will not be allocated to each operating segment, which is in accordance with management reporting policy.

Operating segment information of the Bank and its subsidiaries is summarised as follow:

	(Unit: Million Baht)				
	Consolidated financial statements				
	For the year ended 31 December 2016				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Net interest income	9,612	2,263	908	-	12,783
Non-interest income	2,979	1,002	315	(28)	4,268
Operating income	12,591	3,265	1,223	(28)	17,051
Operating expenses	6,283	1,667	1,725	(16)	9,659
Bad debt, doubtful accounts and impairment loss	2,566	480	(41)	-	3,005
Profit (loss) before income tax expenses	3,742	1,118	(461)	(12)	4,387
Income tax expenses					783
Profit for the year before non-controlling interests					3,604
Total operating income included of:					
Operating income from third party*	12,775	2,762	1,542	(28)	17,051
Inter-segment operating income (expenses)	(184)	503	(319)	-	-
Depreciation					362
Capital expenditure					1,445

* Including income from a major shareholder and United Overseas Bank Group of Companies

Notes to Financial Statements

(Continued)

	(Unit: Million Baht)				
	Consolidated financial statements				
	For the year ended 31 December 2015				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Net interest income	8,330	2,203	1,228	-	11,761
Non-interest income	2,950	876	238	(15)	4,049
Operating income	11,280	3,079	1,466	(15)	15,810
Operating expenses	6,052	1,504	1,854	(30)	9,380
Bad debt, doubtful accounts and impairment loss	2,193	16	307	-	2,516
Profit (loss) before income tax expenses	3,035	1,559	(695)	15	3,914
Income tax expenses					793
Profit for the year before non-controlling interests					3,121
Total operating income included of:					
Operating income from third party*	11,507	2,722	1,596	(15)	15,810
Inter-segment operating income (expenses)	(227)	357	(130)	-	-
Depreciation					355
Capital expenditure					411

* Including income from a major shareholder and United Overseas Bank Group of Companies

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2016				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Total Assets	224,207	92,932	134,886	(414)	451,611
Total Liabilities	217,072	118,676	67,663	(236)	403,175

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2015				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Total Assets	197,393	93,345	144,082	(404)	434,416
Total Liabilities	192,823	117,340	79,471	(228)	389,406

35.3 Geographic information

The Bank and subsidiaries are operated business in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Notes to Financial Statements

(Continued)

36. Statements of financial position and results of operations classified by geographic locations and type of businesses

As at 31 December 2016 and 2015, statements of financial position are classified by type of business as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2016				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Total assets	451,743	282	452,025	(414)	451,611
Interbank and money market items - net (assets)	37,396	223	37,619	(223)	37,396
Investments - net	71,294	-	71,294	(176)	71,118
Loans to customers and accrued interest receivables - net	309,874	-	309,874	-	309,874
Deposits	324,081	-	324,081	(222)	323,859
Interbank and money market items (liabilities)	36,887	-	36,887	-	36,887
Debts issued and borrowings	18,591	-	18,591	-	18,591

* Derivatives brokerage and debt collection services are operated under the subsidiaries.

** Eliminated transactions are transactions between the Bank and its subsidiaries and are eliminated upon consolidation in accordance with accounting standards.

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2015				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Total assets	434,552	268	434,820	(404)	434,416
Interbank and money market items - net (assets)	41,352	204	41,556	(204)	41,352
Investments - net	76,310	-	76,310	(176)	76,134
Loans to customers and accrued interest receivables - net	283,862	-	283,862	-	283,862
Deposits	302,239	-	302,239	(203)	302,036
Interbank and money market items (liabilities)	50,029	-	50,029	-	50,029
Debts issued and borrowings	12,135	-	12,135	-	12,135

* Derivatives brokerage and debt collection services are operated under the subsidiaries.

** Eliminated transactions are transactions between the Bank and its subsidiaries and are eliminated upon consolidation in accordance with accounting standards.

Notes to Financial Statements

(Continued)

As at 31 December 2016 and 2015, statements of financial position are classified by geographic locations of the Bank as follows:

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2016			2015		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Total assets	451,743	-	451,743	434,552	-	434,552
Interbank and money market items - net (assets)	37,396	-	37,396	41,352	-	41,352
Investments - net	71,294	-	71,294	76,310	-	76,310
Loans to customers and accrued interest receivables - net	309,874	-	309,874	283,862	-	283,862
Deposits	324,081	-	324,081	302,239	-	302,239
Interbank and money market items (liabilities)	36,887	-	36,887	50,029	-	50,029
Debts issued and borrowings	18,591	-	18,591	12,135	-	12,135

Results of the Bank's operations for the years ended 31 December 2016 and 2015 are classified by type of business as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2016				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Interest income	19,532	2	19,534	(2)	19,532
Less: Interest expenses	6,751	-	6,751	(2)	6,749
Net interest income	12,781	2	12,783	-	12,783
Net fees and service income	3,162	166	3,328	-	3,328
Other operating income	968	-	968	(28)	940
Less: Other operating expenses	9,532	143	9,675	(16)	9,659
Less: Bad debt, doubtful accounts and impairment loss	3,005	-	3,005	-	3,005
Profit from operation before income tax expenses	4,374	25	4,399	(12)	4,387

* Derivatives brokerage and debt collection services are operated under the subsidiaries.

** Eliminated transactions are transactions between the Bank and its subsidiaries and are eliminated upon consolidation in accordance with accounting standards.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2015				
	Commercial Bank	Others*	Total transactions**	Eliminated	Consolidated total
Interest income	18,574	3	18,577	(3)	18,574
Less: Interest expenses	6,816	-	6,816	(3)	6,813
Net interest income	11,758	3	11,761	-	11,761
Net fees and service income	3,085	195	3,280	-	3,280
Other operating income	783	1	784	(15)	769
Less: Other operating expenses	9,222	188	9,410	(30)	9,380
Less: Bad debt, doubtful accounts and impairment loss	2,516	-	2,516	-	2,516
Profit from operation before income tax expenses	3,888	11	3,899	15	3,914

* Derivatives brokerage and debt collection services are operated under the subsidiaries.

** Eliminated transactions are transactions between the Bank and its subsidiaries and are eliminated upon consolidation in accordance with accounting standards.

Results of the Bank's operations for the years ended 31 December 2016 and 2015 are classified by geographic locations as follows:

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2016			2015		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Interest income	19,532	-	19,532	18,574	-	18,574
Less: Interest expenses	6,751	-	6,751	6,816	-	6,816
Net interest income	12,781	-	12,781	11,758	-	11,758
Net fees and service income	3,162	-	3,162	3,085	-	3,085
Other operating income	968	-	968	783	-	783
Less: Other operating expenses	9,532	-	9,532	9,222	-	9,222
Less: Bad debt, doubtful accounts and impairment loss	3,005	-	3,005	2,516	-	2,516
Profit from operation before income tax expenses	4,374	-	4,374	3,888	-	3,888

Notes to Financial Statements

(Continued)

37. Interest income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Interbank and money market items	761	773	761	773
Investments and trading transactions	38	164	38	164
Investments in debt securities	1,125	1,191	1,125	1,191
Loans	17,425	16,233	17,425	16,233
Hire purchase and financial lease	174	210	174	210
Others	9	3	9	3
Total interest income	19,532	18,574	19,532	18,574

38. Interest expenses

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Deposits	4,543	4,778	4,545	4,781
Interbank and money market items	172	322	172	322
Contributions to Deposit Protection Agency and Financial Institutions Development Fund	1,570	1,368	1,570	1,368
Debt issued and borrowings				
- Subordinated debentures	166	135	166	135
- Senior debentures	282	184	282	184
Others	16	26	16	26
Total interest expenses	6,749	6,813	6,751	6,816

Notes to Financial Statements

(Continued)

39. Fees and service income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Fees and service income				
- Acceptances, aval and guarantees	376	357	376	357
- Credit cards	899	818	899	818
- Insurance fees	1,211	1,218	1,211	1,218
- Mutual Fund management and underwriting fees	533	506	533	506
- Others	934	894	916	874
Total fees and service income	3,953	3,793	3,935	3,773
Fees and service expenses				
- Agency referral fees	233	185	234	188
- Service expenses	11	7	162	183
- Others	381	321	377	317
Total fees and service expenses	625	513	773	688
Net fees and service income	3,328	3,280	3,162	3,085

40. Net gains on trading and foreign exchange transactions

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2016	2015
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	551	455
- Foreign currencies (Swap Cost)	(106)	(488)
- Derivatives on interest rates	(11)	29
- Debt securities	(9)	52
- Others	32	(20)
Net gains on trading and foreign exchange transactions	457	28

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(Continued)

41. Net gains on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Gains on disposal of securities				
- Available-for-sale investments	280	395	280	395
- General investments	-	1	-	1
Total	280	396	280	396
Impairment loss of investments				
- Investments in subsidiaries	-	-	-	(15)
Total	-	-	-	(15)
Gains from liquidation of a subsidiary	-	2	-	2
Net gains on investments	280	398	280	383

42. Bad debts, doubtful accounts and impairment losses

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2016	2015
Bad debts and doubtful accounts:		
Interbank and money market items	(17)	(4)
Loans to customers	3,022	2,520
Total bad debts, doubtful accounts and impairment losses	3,005	2,516

Notes to Financial Statements

(Continued)

43. Components of other comprehensive income (loss)

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Items to be recognised subsequently in profit or loss:				
Gains on revaluation of available-for-sale investments				
Unrealised gains (losses) during the years	(172)	221	(172)	221
Less: Gains from sale of available-for-sale investments during the years transferred to be recognised in profit or loss	(199)	(308)	(199)	(308)
Total items to be recognised subsequently in profit or loss	(371)	(87)	(371)	(87)
Add: Income taxes	74	17	74	17
Items to be recognised subsequently in profit or loss - net of income taxes	(297)	(70)	(297)	(70)
Items not to be recognised subsequently in profit or loss:				
Gains in revaluation surplus on assets	-	2,779	-	2,779
Actuarial gains (losses) on defined benefit plans	147	(36)	145	(38)
Total items not to be recognised subsequently in profit or loss	147	2,743	145	2,741
Less: Income taxes	(29)	(548)	(29)	(548)
Total items not to be recognised subsequently in profit or loss - net of income taxes	118	2,195	116	2,193
Other comprehensive income (losses) for the years	(179)	2,125	(181)	2,123

44. Fair values of assets and liabilities

44.1 Fair value estimation process

The Bank and its subsidiaries estimate fair values of their assets and liabilities under the following policies, controls, methods and assumptions.

The Bank's fair value estimation process is monitored under the policies, which cover method of calculation, market data, counterparty credit risk and reserve provisioning. Such policies determine the methods and controls in estimating fair values of assets and liabilities where mark-to-market or mark-to-model is required.

The rates and parameters used in estimating fair values are reviewed independently by Product Control and Governance (PCG) Unit whereby in case of products or instruments that are traded in the liquid market or the exchange, the fair value will be cross-checked with other service providers in the market or other market sources. If the market prices obtained have no liquidity, PCG will use other additional techniques, i.e. valuation using historical information or using market rate and parameters available to test the level of reasonableness of such fair values.

In case that the fair values are determined using data that is not available in an observable market, PCG will use other available financial information, eg. cash flows, profit or loss, or net asset value to determine the fair values.

Notes to Financial Statements

(Continued)

Fair value measurement hierarchy as are follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows, etc.

44.2 Fair values of assets and liabilities

The valuation process is supplemented by valuation reserves to adjust for valuation uncertainties. Market Risk and Product Control Unit proposes the valuation reserve methodologies and adjustments to Asset and Liability Committee (ALCO). Such adjustments or reserves will take into accounts the use of bid/offer for short or long position, market in long term, and market parameters.

Fair values of each item of assets and liabilities are estimated using the following methods and assumptions.

(a) Cash and interbank and money market items

The fair values of cash and interbank and money market items, which have a remaining maturity period of less than 1 year as from the financial reporting dates or bear floating rates of interest, are estimated to approximate their carrying values. The fair values of instruments bearing fixed rates of interest or having a remaining maturity period of longer than 1 year as from the financial reporting dates are estimated using a discounted cash flow techniques, discounted by an average interest rate currently being offered on similar instruments.

(b) Claims on securities/Liabilities to deliver securities

The fair values for claims on securities/liabilities to deliver securities are based on quoted market prices.

(c) Investments

The fair values for investments are based on quoted market prices, where available. If quoted market prices are not available, the fair values are based on quoted market prices of comparable instruments after adjusting for risk premium (if any) or the net asset values of such investments.

(d) Loans to customers

The fair values of the floating rate loans that are scheduled to be re-priced regularly and have no significant change in credit risk or of the fixed rate loans that are re-priced within 1 year as from the financial reporting date are estimated to approximate their carrying values. The fair values of fixed rate loans that are scheduled to be re-priced longer than 1 year as from the financial reporting date are estimated using the discounted cash flow techniques and applying an average interest rates currently being offered to other borrowers with similar credit quality and similar loan terms and conditions, except that such loans, upon which fair value calculation under such techniques, provide the fair values which do not materially different from their carrying values, the fair values are therefore approximated their carrying values.

(e) Accrued interest receivables

The fair values of accrued interest receivables are estimated to approximate their carrying values.

(f) Land and buildings

- Appraisal of land: Market comparison approach is used whereby the buying and selling prices for assets with similar characteristics are obtained.
- Appraisal of buildings: The depreciated replacement cost approach is used for buildings specifically used for the Bank's operation. The market comparison approach is used for general buildings whereby the buying and selling prices for assets with similar characteristics are obtained. The income approach is used for assets that generate revenues.

Notes to Financial Statements

(Continued)

(g) Deposits

The fair values of demand deposits, floating rate deposits and deposits that are re-priced within 1 year as from the financial reporting dates are estimated to approximate their carrying values. The fair values for other fixed rate deposits are estimated using the discounted cash flow techniques and applying an average rate of deposit rates currently offered by 4 major commercial banks, except that such deposits, upon which fair value calculation under such techniques, provide the fair values which do not materially different from their carrying values, the fair values are therefore approximated their carrying values.

(h) Interbank and money market items (liabilities)

The fair values of interbank and money market items that have a remaining maturity period of less than 1 year as from the financial reporting dates or bear floating rates of interest are estimated to approximate their carrying values. The fair values for fixed rate instruments that have a remaining maturity period of longer than 1 year as from the financial reporting dates are estimated using the discounted cash flow techniques and applying an average rate of interest currently being offered on similar instruments, except that such interbank and money market items, upon which fair value calculation under such techniques, provide the fair values which do not materially different from their carrying values, the fair values of interbank and money market items are therefore approximated their carrying values.

(i) Debts issued and borrowings

The fair values of borrowings with a remaining maturity period of less than 1 year as from the financial reporting dates are estimated to approximate their carrying values. The fair values of borrowings with a remaining maturity period of longer than 1 year as from the financial reporting dates are estimated using the discounted cash flow techniques and applying an average rate of interest currently charged on borrowings with similar arrangements.

The fair values of unsubordinated debts are calculated using the prices quoted in the market.

(j) Off-balance sheet commitments

Aval, guarantee and letters of credit

These aval, guarantee and letters of credit are generally not intended to be sold or traded such that fair values are not readily available and their estimates are also not ascertainable. The fair values of these items were not calculated for the following reasons:

- There are rare cases that the Bank would commit a pre-determined rate of interest on guarantees extending beyond 1 year.
- The fees charged on these commitments are not different to the fees currently charged on commitments with similar arrangements.
- The quantum of fees collected on these commitments, upon which fair value would be determined, are not material.

Other commitments

The fair values of future contracts are prices quoted in the exchange.

The fair values of foreign exchange contracts are obtained from observable market rates of similar foreign exchange contracts.

The fair values of interest rate contracts are estimated using discounted cash flow techniques and discounting by observable market rates.



Notes to Financial Statements

(Continued)

As at 31 December 2016 and 2015, the Bank and its subsidiaries had the assets and liabilities that were measured at fair value or disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2016				
	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Derivatives assets	10,335	-	10,335	-	10,335
Trading investments Debt instruments	2,551	-	2,551	-	2,551
Available-for-sale-investments					
Equity instruments	269	269	-	-	269
Debt instruments	68,252	-	68,252	-	68,252
Other assets	1	-	1	-	1
Financial liabilities measured at fair value					
Derivatives liabilities	9,931	-	9,931	-	9,931
Other liabilities	6	-	6	-	6
Non-financial asset measured at fair value					
Land and building	6,971	-	-	6,971	6,971
Financial assets for which fair value are disclosed					
Cash	5,189	5,189	-	-	5,189
Interbank and money market items - net	37,396	-	37,396	-	37,396
General investments	46	-	-	71	71
Loan to customers and accrued interest receivables	309,874	-	309,874	-	309,874
Financial liabilities for which fair value are disclosed					
Deposits	323,859	186,982	136,877	-	323,859
Interbank and money market items	36,887	-	36,887	-	36,887
Liabilities payable on demand	3,073	3,073	-	-	3,073
Debt issued and borrowings	18,591	-	18,496	-	18,496

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2015				
	Carrying Value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Claim on securities	4,075	-	4,075	-	4,075
Derivatives assets	9,068	-	9,068	-	9,068
Trading investments Debt instruments	8,076	-	8,076	-	8,076
Available-for-sale-investments					
Equity instruments	491	491	-	-	491
Debt instruments	67,521	-	67,521	-	67,521
Other assets	1	-	1	-	1
Financial liabilities measured at fair value					
Liabilities to deliver securities	4,075	-	4,075	-	4,075
Derivatives liabilities	9,319	-	9,319	-	9,319
Non-financial asset measured at fair value					
Land and building	7,025	-	-	7,025	7,025
Financial assets for which fair value are disclosed					
Cash	5,228	5,228	-	-	5,228
Interbank and money market items - net	41,352	-	41,352	-	41,352
General investments	46	-	-	66	66
Loan to customers and accrued interest receivables	283,862	-	283,862	-	283,862
Other receivable - TAMC - net	1,510	-	1,510	-	1,510
Financial liabilities for which fair value are disclosed					
Deposits	302,036	174,071	127,965	-	302,036
Interbank and money market items	50,029	-	50,029	-	50,029
Liabilities payable on demand	2,366	2,366	-	-	2,366
Debt issued and borrowings	12,135	-	12,199	-	12,199

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2016				
	Carrying Value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Derivatives assets	10,335	-	10,335	-	10,335
Trading investments Debt instruments	2,551	-	2,551	-	2,551
Available-for-sale-investments					
Equity instruments	269	269	-	-	269
Debt instruments	68,252	-	68,252	-	68,252
Other assets	1	-	1	-	1
Financial liabilities measured at fair value					
Derivatives liabilities	9,931	-	9,931	-	9,931
Other liabilities	6	-	6	-	6
Non-financial asset measured at fair value					
Land and building	6,971	-	-	6,971	6,971
Financial assets for which fair value are disclosed					
Cash	5,189	5,189	-	-	5,189
Interbank and money market items - net	37,396	-	37,396	-	37,396
General investments	46	-	-	71	71
Loan to customers and accrued interest receivables	309,874	-	309,874	-	309,874
Financial liabilities for which fair value are disclosed					
Deposits	324,081	187,032	137,049	-	324,081
Interbank and money market items	36,887	-	36,887	-	36,887
Liabilities payable on demand	3,073	3,073	-	-	3,073
Debt issued and borrowings	18,591	-	18,496	-	18,496

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2015				
	Carrying Value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Claim on securities	4,075	-	4,075	-	4,075
Derivatives assets	9,068	-	9,068	-	9,068
Trading investments Debt instruments	8,076	-	8,076	-	8,076
Available-for-sale-investments					
Equity instruments	491	491	-	-	491
Debt instruments	67,521	-	67,521	-	67,521
Other assets	1	-	1	-	1
Financial liabilities measured at fair value					
Liabilities to deliver securities	4,075	-	4,075	-	4,075
Derivatives liabilities	9,319	-	9,319	-	9,319
Non-financial asset measured at fair value					
Land and building	7,025	-	-	7,025	7,025
Financial assets for which fair value are disclosed					
Cash	5,228	5,228	-	-	5,228
Interbank and money market items - net	41,352	-	41,352	-	41,352
General investments	46	-	-	66	66
Loan to customers and accrued interest receivables	283,862	-	283,862	-	283,862
Other receivable - TAMC - net	1,510	-	1,510	-	1,510
Financial liabilities for which fair value are disclosed					
Deposits	302,239	174,102	128,137	-	302,239
Interbank and money market items	50,029	-	50,029	-	50,029
Liabilities payable on demand	2,366	2,366	-	-	2,366
Debt issued and borrowings	12,135	-	12,199	-	12,199

During the year 2016 and 2015, there were no transfers within the fair value hierarchy.

45. Disclosure of financial instruments

The Bank's business activities involve the use of financial instruments, including derivatives. These activities may expose the Bank to a variety of financial risks, credit risk, foreign exchange risk, interest rate risk and liquidity risk. In entering into those committed financial transactions, the Bank is governed by policies and parameters approved by the Assets and Liabilities Committee (ALCO) and endorsed by the Risk and Capital Committee (RCC) and/or the Executive Committee (EXCO) as appropriate. The Risk Management Sector assumes the independent oversight of risks undertaken by the Bank, and takes the lead in the formulation and approval of risk policies, controls and processes whereby the Product Control and Governance (PCG) Unit under the Risk Management Sector monitors Global Markets' operation to be in compliance with prescribed trading policies and limits. This is further enhanced by the audit of internal control in relation to risk management as carried out by the Internal Audit.

Notes to Financial Statements

(Continued)

45.1 Relevant accounting policies

Details of significant accounting policies and methods adopted, including criteria for revenue and expense recognition in respect of each class of financial assets and financial liabilities, are already disclosed in Note 4 to the financial statements.

45.2 Credit risk

Credit risk is defined as the risk of loss arising from any failure by a borrower or a counterparty to fulfil its financial obligations as and when such obligations are due. The Risk and Capital Committee and Credit Management Committee are the committees delegated by the Board of Directors to oversee all credit risk and credit related matters. These committees have oversight on the effectiveness of the Bank's credit risk management structure and framework including people, processes, information, infrastructure, methodologies and systems. Credit risk exposures are managed through a robust credit underwriting, structuring and monitoring process. The process includes monthly review of all non-performing and special mention loans, ensuring credit quality and the timely recognition of asset impairment. Past dues and credit limit excesses are also tracked and analysed regularly. In addition, credit review are performed regularly to proactively manage any delinquency, minimise undesirable concentrations, maximise recoveries, and ensure that credit policies and procedures are complied with.

In case of financial assets, the carrying amounts net of allowance for doubtful accounts as stated in the financial statements represented the expected maximum exposure credit risk of the Bank and its subsidiaries.

In case of off-balance commitments, the credit equivalent of unmatured commitments in accordance with the BOT's regulations represented the expected maximum exposure credit risk of the Bank and its subsidiaries from off-balance commitments.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2016	2015
Foreign exchange contracts	6,510	6,593
Interest rate swap contracts	443	1,094
Cross currency interest rate swap contracts	1,123	2,056
Commodity derivatives contracts	257	268
Avals to bills	3,563	2,992
Guarantees of loans	3,147	4,408
Performance guarantees	6,589	6,862
Bid guarantees	328	269
Liability under unmatured import bills	271	201
Import letters of credit	490	464
Others	117	68
Total	22,838	25,275

45.3 Commodity price risk

Commodity price risk is the risk arising from the price change of commodities, which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings and cost of funds.

All commodity derivatives are managed on a back-to-back basis. The risk is independently monitored by Product Control and Governance Unit. Because the Bank records commodity derivatives at fair value, the Bank's commodity price risk is considered according to their carrying value.

Notes to Financial Statements

(Continued)

45.4 Interest rate risk

Interest rate risk from banking book arises from changes interest rates that may have a negative impact to net interest income of the Bank and its subsidiaries. Such risk may incur as a result of maturity mismatch or repricing period mismatch between financial assets and liabilities, including.

These mismatches are managed as part of the overall interest rate risk management process, which is conducted in accordance with the Bank's policies.

However, financial assets and liabilities represented their carrying values in statements of financial position, which are classified by types of interest rates and repricing periods as follows.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2016						
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	5,189	5,189	-
Interbank and money market items - net	30,096	530	-	-	6,770	37,396	1.23
Derivatives assets	-	-	-	-	10,335	10,335	-
Investments - net	26,124	12,084	32,536	59	315	71,118	1.60
Loans to customers*	237,800	35,953	35,731	26	9,196	318,706	6.78
Financial liabilities							
Deposits	229,843	86,575	1,664	-	5,777	323,859	1.29
Interbank and money market items	28,690	3,166	92	215	4,724	36,887	1.15
Liabilities payable on demand	-	-	-	-	3,073	3,073	-
Derivatives liabilities	-	-	-	-	9,931	9,931	-
Debt issued and borrowings	6,091	2,500	10,000	-	-	18,591	2.42

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2015							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	5,228	5,228	-
Interbank and money market items - net	36,297	1,816	-	-	3,239	41,352	1.43
Claim on securities	4,075	-	-	-	-	4,075	-
Derivatives assets	-	-	-	-	9,068	9,068	-
Investments - net	10,680	23,571	41,346	-	537	76,134	1.53
Loans to customers*	231,382	18,596	34,133	2	6,821	290,934	6.76
Other receivable - TAMC - net	-	-	-	-	1,510	1,510	-
Financial liabilities							
Deposits	229,105	61,690	6,564	-	4,677	302,036	1.51
Interbank and money market items	45,397	2,822	958	-	852	50,029	0.87
Liabilities payable on demand	-	-	-	-	2,366	2,366	-
Liabilities to deliver securities	4,075	-	-	-	-	4,075	-
Derivatives liabilities	-	-	-	-	9,319	9,319	-
Debt issued and borrowings	6,135	3,500	2,500	-	-	12,135	2.70

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2016						
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	5,189	5,189	-
Interbank and money market items - net	30,096	530	-	-	6,770	37,396	1.23
Derivatives assets	-	-	-	-	10,335	10,335	-
Investments - net	26,124	12,084	32,536	59	491	71,294	1.60
Loans to customers*	237,800	35,953	35,731	26	9,196	318,706	6.78
Financial liabilities							
Deposits	229,926	86,714	1,664	-	5,777	324,081	1.29
Interbank and money market items	28,690	3,166	92	215	4,724	36,887	1.15
Liabilities payable on demand	-	-	-	-	3,073	3,073	-
Derivatives liabilities	-	-	-	-	9,931	9,931	-
Debt issued and borrowings	6,091	2,500	10,000	-	-	18,591	2.42

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements						Total	Average return rate (% per annum)
	As at 31 December 2015							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing			
Financial assets								
Cash	-	-	-	-	5,228	5,228	-	
Interbank and money market items - net	36,297	1,816	-	-	3,239	41,352	1.43	
Claim on securities	4,075	-	-	-	-	4,075	-	
Derivatives assets	-	-	-	-	9,068	9,068	-	
Investments - net	10,680	23,571	41,346	-	713	76,310	1.53	
Loans to customers*	231,382	18,596	34,133	2	6,821	290,934	6.76	
Other receivable - TAMC - net	-	-	-	-	1,510	1,510	-	
Financial liabilities								
Deposits	229,157	61,841	6,564	-	4,677	302,239	1.51	
Interbank and money market items	45,397	2,822	958	-	852	50,029	0.87	
Liabilities payable on demand	-	-	-	-	2,366	2,366	-	
Liabilities to deliver securities	4,075	-	-	-	-	4,075	-	
Derivatives liabilities	-	-	-	-	9,319	9,319	-	
Debt issued and borrowings	6,135	3,500	2,500	-	-	12,135	2.70	

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

45.5 Exchange rate risk

Foreign exchange risk is the risk to revenues and economic value of foreign currency assets, liabilities, and financial derivatives caused by fluctuations in foreign exchange rates.

The Bank's foreign exchange exposures comprise of trading and non-trading. Non-trading foreign exchange exposures are principally derived from customer businesses. The Bank utilises mainly spot foreign exchange, foreign currency forwards, and swaps to reduce its foreign exchange risk.

Foreign exchange risk is independently managed through policies and risk limits and by monitored by Product Control and Governance Unit.

45.6 Liquidity risk

Liquidity risk is the risk that the Bank and/or its subsidiaries may not be able to meet their financial obligations as and when they fall due, such as upon maturity of deposits and draw-down of loans.

The Bank and its subsidiaries manage liquidity risk in accordance with the liquidity framework, which comprises policies, controls and risk limits. These controls and policies include setting limits for net liquidity position, monitoring of liquidity early warning indicators, stress-testing of cash flows in liquidity crisis scenarios and preparing of a comprehensive contingency funding plan. The Bank is also required by the regulators to maintain sufficient high liquid assets to support potential cash outflows under severe liquidity stressed scenario. The main objectives are honouring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

Notes to Financial Statements

(Continued)

The maturity analysis of financial assets and liabilities representing their carrying values in statements of financial position is as follows:

(Unit: Million Baht)

	Consolidated financial statements						Total
	As at 31 December 2016						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	5,189	-	-	-	-	-	5,189
Interbank and money market items - net	7,063	29,795	538	-	-	-	37,396
Derivatives assets	-	-	-	-	-	10,335	10,335
Investments - net	-	26,124	12,084	32,536	59	315	71,118
Loans to customers*	2,109	61,542	38,799	67,357	148,899	-	318,706
Financial liabilities							
Deposits	186,990	47,729	87,470	1,669	1	-	323,859
Interbank and money market items	10,826	22,588	3,166	92	215	-	36,887
Liabilities payable on demand	3,073	-	-	-	-	-	3,073
Derivatives liabilities	-	-	-	-	-	9,931	9,931
Debt issued and borrowings	-	-	2,500	10,000	6,091	-	18,591

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Consolidated financial statements						Total
	As at 31 December 2015						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	5,228	-	-	-	-	-	5,228
Interbank and money market items - net	19,562	19,973	1,817	-	-	-	41,352
Claim on securities	4,075	-	-	-	-	-	4,075
Derivatives assets	-	-	-	-	-	9,068	9,068
Investments - net	-	6,717	23,571	45,309	-	537	76,134
Loans to customers*	6,045	56,175	36,838	65,284	126,592	-	290,934
Other receivable - TAMC - net	-	-	1,510	-	-	-	1,510
Financial liabilities							
Deposits	177,129	56,653	61,690	6,564	-	-	302,036
Interbank and money market items	20,932	25,317	2,822	958	-	-	50,029
Liabilities payable on demand	2,366	-	-	-	-	-	2,366
Liabilities to deliver securities	4,075	-	-	-	-	-	4,075
Derivatives liabilities	-	-	-	-	-	9,319	9,319
Debt issued and borrowings	-	-	3,500	8,635	-	-	12,135

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2016						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	5,189	-	-	-	-	-	5,189
Interbank and money market items - net	7,063	29,795	538	-	-	-	37,396
Derivatives assets	-	-	-	-	-	10,335	10,335
Investments - net	-	26,124	12,084	32,536	59	491	71,294
Loans to customers*	2,109	61,542	38,799	67,357	148,899	-	318,706
Financial liabilities							
Deposits	187,040	47,762	87,609	1,669	1	-	324,081
Interbank and money market items	10,826	22,588	3,166	92	215	-	36,887
Liabilities payable on demand	3,073	-	-	-	-	-	3,073
Derivatives liabilities	-	-	-	-	-	9,931	9,931
Debt issued and borrowings	-	-	2,500	10,000	6,091	-	18,591

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2015						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	5,228	-	-	-	-	-	5,228
Interbank and money market items - net	19,562	19,973	1,817	-	-	-	41,352
Claim on securities	4,075	-	-	-	-	-	4,075
Derivatives assets	-	-	-	-	-	9,068	9,068
Investments - net	-	6,717	23,571	45,309	-	713	76,310
Loans to customers*	6,045	56,175	36,838	65,284	126,592	-	290,934
Other receivable - TAMC - net	-	-	1,510	-	-	-	1,510
Financial liabilities							
Deposits	177,160	56,675	61,840	6,564	-	-	302,239
Interbank and money market items	20,932	25,317	2,822	958	-	-	50,029
Liabilities payable on demand	2,366	-	-	-	-	-	2,366
Liabilities to deliver securities	4,075	-	-	-	-	-	4,075
Derivatives liabilities	-	-	-	-	-	9,319	9,319
Debt issued and borrowings	-	-	3,500	8,635	-	-	12,135

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

46. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 3 March 2017.

Other Information

1. Subsidiaries companies of UOB (Thai)

1. UOB Services Company Limited

Business	Collection services
Location	690, 17 th -18 th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	0 2680 5555
Facsimile	0 2680 3895
Paid-up capital	THB 60,000,000 (10,000,000 ordinary shares)
UOB (Thai)'s holding	99.99%

2. UOB Bullion and Futures (Thai) Company Limited

Business	Trading Agent in Futures Contracts
Location	191, 7 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok 10120
Telephone	0 2343 3994
Facsimile	0 2213 2614
Paid-up capital	THB 175,000,000 (1,750,000 ordinary shares)
UOB (Thai)'s holding	75.00%

2. Details of directors as at 31 December 2016

Name	Period	Work Experience
1. Wee Cho Yaw	Jul 2004 - Present	• Chairman of the Board of Directors (Authorised Signatory), UOB (Thai)
	May 2013 - Present	• Chairman Emeritus & Adviser, United Overseas Bank Limited, Singapore
	May 2007 - Apr 2013 1974 - Apr 2007	• Chairman, United Overseas Bank Limited, Singapore • Chairman and CEO, United Overseas Bank Limited, Singapore
2. Wee Ee Cheong	Jul 2004 - Present	• Deputy Chairman of the Board of Directors (Authorised Signatory), UOB (Thai)
	May 2007 - Present	• Deputy Chairman and CEO, United Overseas Bank Limited, Singapore
	2000 - Apr 2007	• Deputy Chairman and President, United Overseas Bank Limited, Singapore
3. Chinnawat Bulsuk	Aug 2016 - Present	• Member of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2014 - Aug 2016	• Chairman of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2012 - Aug 2014 Aug 2004 - Present	• Chairman of the Audit Committee, UOB (Thai) • Independent Director and Member of the Audit Committee, UOB (Thai)
	2003 - Present	• Director and CEO, Thai Samut Asset Co., Ltd.
4. Suebrakul Soonthornthum	Jan 2017 - Present Aug 2016 - Present	• Director and Vice Chairman of the Executive Board, Loxley PCL • Chairman of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2012 - Present	• Member of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2008 - Aug 2010 Aug 2004 - Present	• Chairman of the Audit Committee, UOB (Thai) • Independent Director and Member of the Audit Committee, UOB (Thai)
	1992 - 2016	• Director and Senior Executive Vice President, Loxley PCL

Other Information

Name	Period	Work Experience
5. Chanitr Charnchainarong	2016 - Present 2016 - Present May 2015 - Present 2013 - Present Oct 2015 - Present Nov 2015 - Present	<ul style="list-style-type: none"> Senior Executive Vice President, Harg Central Department Store Ltd. Director, Startegic Property Investors Co., Ltd. Independent Director and Chairman of the Audit Committee, UOB (Thai) Chairman, Thai – Cambodia Business Council Chairman, Comanche International Co., Ltd. Independent Director and Audit Committee, GMM Grammy PCL
6. Tithiphan Chuerboonchai	Nov 2016 - Present 2016 - Present 2015- Present 2014 - Present 2009 - Present 2009 - Present 2005 - Present 2002 - Present 1996 - Present 1978 - 2013	<ul style="list-style-type: none"> Independent Director and Member of the Audit Committee, UOB (Thai) Independent Director, Univentures Public Co., Ltd. Director, Constitution Drafting Commission Member of the Foreign Business Commission, Ministry of Commerce Member of the Council of State of the Office of the Council of State Independent Director, TSFC Securities PCL Member of the Law Reform Commission, the Office of the Council of State Member of the Legal Sub-Committee of the Stock Exchange of Thailand Director of the Law and Development Research Center of the Faculty of Law, Chulalongkorn University Lecturer in the Faculty of Law, Chulalongkorn University
7. Lee Chin Yong	Aug 2004 - Present 2003 - Present	<ul style="list-style-type: none"> Director (Authorised Signatory), UOB (Thai) Managing Director, United Overseas Bank Limited, Singapore
8. Tan Choon Hin	Nov 2016 -Present 2012 - 2016 2008 - 2012 2005 - 2008 2000 - 2005	<ul style="list-style-type: none"> Director (Authorised Signatory), UOB (Thai) Head of Group Retail Credit, United Overseas Bank Limited, Singapore Head of Consumer Banking, Standard Chartered Bank, Taiwan Regional Credit Head, South East Asia, Standard Chartered Bank, Singapore Head of Credit, Standard Chartered Bank, Hong Kong
9. Sanchai Apisaksirikul	Mar 2012 - Present Apr 2015 - Present 2007 - Mar 2015 2001 - 2006 2000 - 2001	<ul style="list-style-type: none"> Director (Authorised Signatory), UOB (Thai) Managing Director, UOB (Thai) Executive Director, UOB(Thai) Senior Vice President, Bank of Asia PCL Vice President, Bank of Asia PCL

3. Directors' Remuneration

as of 31 December 2016

	Baht		
	Board of Directors	Audit Committee	Nomination & Compensation Committee
1. Wee Cho Yaw	1,920,000	-	-
2. Chinnawat Bulsuk	960,000	540,000	524,000
3. Suebtrakul Soonthornthum	960,000	540,000	484,000
4. Chanitr Charnchainarong	960,000	900,000	-
5. Tithiphan Chuerboonchai*	160,000	90,000	-
Total	4,960,000	2,070,000	1,008,000

*Appointed on 18 November 2016

Other Information

4. Senior Management's Remuneration

In Y2016, the Bank and its subsidiaries paid remuneration including salary, bonus, and other benefits to senior management of the Bank and its subsidiaries at the amount of Baht 447,213,520 (Y2015 paid Baht 457,681,890).

5. Directorships of Directors and Senior Management as at year-end 2016

Directors

1. Wee Cho Yaw

Company	Position
UOB Business Group	
1. United Overseas Bank Ltd.	Chairman Emeritus & Adviser
2. United Overseas Insurance Ltd.	Chairman
3. United Overseas Bank (Malaysia) Bhd.	Chairman Emeritus & Adviser
4. UOB Australia Ltd.	Chairman
5. Far Eastern Bank Ltd.	Chairman Emeritus & Adviser
6. PT Bank UOB Indonesia	President Commissioner
7. United Overseas Bank (China) Ltd.	Supervisor
Wee Family Business Group	
1. C.Y. Wee & Company Pte. Ltd.	Chairman
2. Kheng Leong Company (Pte) Ltd.	Chairman
3. Wee Investments (Pte) Ltd.	Chairman
4. UOL Group Ltd.	Chairman
5. Pan Pacific Hotels Group Limited	Chairman
6. Haw Par Corporation Ltd.	Chairman
7. United Industrial Corporation Ltd.	Chairman
8. Marina Centre Holdings Pte. Ltd.	Chairman
9. Aquamarina Hotel Pte. Ltd.	Chairman
10. Hotel Marina City Pte. Ltd.	Chairman
11. Marina Bay Hotel Pte. Ltd.	Chairman
12. Wee Property (UK) Pte. Ltd.	Chairman
Non-Profit/Community Service Business Group	
1. Kim Mui Hoey Kuan	Chairman
2. Singapore Chinese Chamber of Commerce & Industry	Honorary President
3. Singapore Federation of Chinese Clan Associations	Honorary President
4. Singapore Hokkien Huay Kuan	Honorary President
5. Wee Foundation	Chairman
6. Chung Cheng High School Ltd.	Chairman
7. Mee Toh Foundation Ltd.	Director

Other Information

2. Wee Ee Cheong

Company	Position
UOB Business Group	
1. Chung Khiaw (Malaysia) Berhad	Director
2. Far Eastern Bank Ltd.	Alternate Director to Wee Cho Yaw
3. PT Bank UOB Indonesia	Deputy President Commissioner
4. United Overseas Bank Ltd.	Director
5. United Overseas Bank (China) Ltd.	Chairman
6. United Overseas Bank (Malaysia) Bhd.	Director
7. United Overseas Insurance Ltd.	Director
8. UOB Australia Ltd.	Director
9. UOB Global Capital LLC	Chairman
10. UOB Global Capital Pte. Ltd.	Chairman
11. UOB Travel Planners Pte. Ltd.	Director
12. Walden AB Ayala Ventures Co Inc.	Director
Wee Family Business Group	
1. C Y Wee & Co Pte. Ltd.	Director
2. E C Wee Pte. Ltd.	Director
3. Kheng Leong Co (HK) Ltd.	Director
4. Kheng Leong Company (Pte) Ltd.	Director
5. K.I.P. Industrial Holdings Ltd.	Director
6. KLC Holdings Ltd.	Director
7. KLC Holdings (Hong Kong) Ltd.	Director
8. Phoebus Singapore Holdings Pte Ltd.	Director
9. Portfolio Nominees Ltd.	Director
10. Wee Investments (Pte) Ltd.	Director
11. Wee Venture (Overseas) Ltd.	Director
12. Pilkon Development Co., Ltd.	Director
13. Plaza Hotel Co., Ltd.	Director
14. Wee Property (UK) Pte. Ltd.	Director
Non-Profit/Community Service/Relationship (Networking) Business Group	
1. ASEAN Finance Corporation Ltd.	Director
2. Singapore-China Foundation	Member, Board of Governors
3. Singapore Chinese Chamber of Commerce & Industry	Honorary Council Member
4. The Association of Banks in Singapore	Chairman
5. The Institute of Banking & Finance	Director
6. Visa APCEMEA Senior Client Council	Member
7. Wee Foundation	Director

3. Chinnawat Bulsuk

Company	Position
Thai Samut Asset Co., Ltd.	Director & CEO



Other Information

4. Suebtrakul Soonthornthum

Company	Position
Loxley Business Group	
1. Loxley Public Co., Ltd.	Director & SEVP
2. Loxley Trading Co., Ltd.	Director
3. Loxley Property Development Co., Ltd.	Director
4. Foseco (Thailand) Co., Ltd.	Chairman
5. NS BlueScope (Thailand) Co., Ltd.	Director
6. NS BlueScope Services (Thailand) Co., Ltd.	Director
7. NS BlueScope Lysaght (Thailand) Co., Ltd.	Director
8. BP - Castrol (Thailand) Co., Ltd.	Director
9. Ekpavee Co., Ltd.	Director
10. Data Mining Co., Ltd.	Director
11. Asia Securities Management Co., Ltd.	Director
12. Zin Suapah Co., Ltd.	Director
13. Loxley Joint and Hold Co.,Ltd.	Director
14. BlueScope Building (Thailand) Co.,Ltd.	Director
Muang Thai Life Assurance Public Co., Ltd. Group	
1. Muang Thai Life Assurance Public Co., Ltd.	Independent Director
2. Muang Thai Real Estate Public Co., Ltd.	Chairman
Other Business Group	
1. Vanachai Group Public Co., Ltd.	Independent Director
2. Phatra Leasing Public Co., Ltd.	Independent Director

5. Chanitr Charnchainarong

Company	Position
1. Comanche International Co., Ltd.	Chairman
2. GMM Grammy Public Co., Ltd	Independent Director
3. Kasetsart University Council	Director
4. The Thai Chamber of Commerce	Director
5. Startegic Property Investors Co., Ltd.	Director

Other Information

6. Lee Chin Yong

Company	Position
UOB Group of Companies	
1. Uni.Asia Capital Sdn. Bhd.	Director
2. UOB Property Investment Pte. Ltd.	Director
3. PT Bank UOB Indonesia	Commissioner
4. UOB-Kay Hian Holdings Ltd.	Director
5. United Overseas Bank (China) Ltd.	Director
6. UOB Property Investments China Pte. Ltd.	Director
7. Junipa Pte. Ltd.	Director
UOL Group of Companies	
1. President Hotel Sdn. Bhd.	Director
2. HPL Properties (Malaysia) Sdn. Bhd.	Director
3. Grand Elite Sdn. Bhd.	Director
4. Grand Elite (Penang) Sdn. Bhd.	Director
5. UOL Serviced Residences Sdn. Bhd.	Director
Other Business Group	
1. Kemaris Development Sdn. Bhd.	Director
2. Kemaris Residence Sdn. Bhd.	Director
3. Kemaris Industrial Sdn. Bhd.	Director
4. Kemaris Holdings Sdn. Bhd.	Director
5. Kemaris Construction Sdn. Bhd.	Director

7. Tithiphan Chuerboonchai

Company	Position
1. Univentures Public Co., Ltd	Independent Director
2. TSFC Securities Public Co., Ltd.	Independent Director
3. C&C International Venture Co., Ltd.	Director

8. Tan Choon Hin

Company	Position
Credit Bureau Singapore	Chairman

9. Sanchai Apisaksirikul

Company	Position
UOB Asset Management (Thailand) Co., Ltd.	Director



Other Information

Senior Management as of December 31, 2016

Name	Company	Position
1. Mr. Steven Ngeo Swee Guan	UOB CAYMAN I LTD.	Director
2. Mr. Pornchai Wiwatpattarakul	-	-
3. Mrs. Patchanee Vongsilpawattana	-	-
4. Mrs. Busba Virochpoka	-	-
5. Mrs. Viyada Valyasevi	-	-
6. Miss Montira Utarapichat	-	-
7. Miss Ratanachon Thanyodom	-	-
8. Mr. Yuttachai Teyarachakul	AXA Insurance Public Co.,Ltd. National Credit Bureau Co.,Ltd.	Director Director
9. Miss Wipaporn Techamaitrechit	-	-
10. Miss Sirima Taecharungnirun	-	-
11. Miss Wasinee Sivakua	-	-
12. Miss Ngamjitt Sirijindalert	-	-
13. Miss Pojaneer Rungsang	Suthep Boonnak Rungsang Ltd.	Director
14. Mrs. Sasitorn Rattanakul	-	-
15. Miss Piyaporn Ratanapasartporn	UOB Asset Management (Thailand) Co.,Ltd.	Director
16. Miss Vajee Pramualrat	-	-
17. Mr. Manit Panichakul	-	-
18. Miss Pailin Ngsriwongse	Noble Line Ltd. / Thailand	Director
19. Mr. Tearavath Trirutdilokkul	-	-
20. Mrs. Sayumrat Maranate	-	-
21. Miss Taravadee Manuschinapisit	-	-
22. Mr. Arthur Gan Lian Aun	UOB Bullion and Futures (Thai) Co.,Ltd.	Director
23. Mr. James Rama Phataminviphas	-	-
24. Mr. Pisal Kattiyothaivong	Thai - Bond Market Association	Director
25. Mr. Esmond Lee Kum Hong	-	-
26. Miss Pimolrat Tangkosakul	-	-
27. Mr. Poomchai Chusakultanachai	-	-
28. Mr. Yau Chi Choi	Thai - Hong Kong Trade Association	Director
29. Mrs. Kanlika Buspavanich	-	-
30. Miss Sasiwimol Arayawattanapong	-	-
31. Mr. Danupob Apichitsakul	-	-
32. Mrs. Roongthip Angkasirisan	-	-
33. Mrs. Suwassa Anantasa	-	-

6. Shares of UOB (Thai), Subsidiaries and Associated Companies

Directors of UOB (Thai) do not own any shares in UOB (Thai) or any of its subsidiaries and associated companies.

7. Auditor's Remuneration

In 2016, the Bank and its subsidiaries paid for audit fee to EY Office Limited amounting to Baht 8,550,000.

Other Information

8. Related Party Transactions

The Bank's transactions with the companies related to the Bank's directors during the year 2016 are as follows:

Statements of financial position

	Average outstanding loans to customers	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Debt issued and borrowings	Other liabilities	Related with UOBT Director
Related companies												
Loxley Pcl.							/					Suebtrakul Soonthornthum
The Muangthai Life Assurance Pcl.								/				Suebtrakul Soonthornthum
Underwater World Pattaya Co., Ltd.							/				/	Wee Cho Yaw
Haw Par Tiger Balm (Thailand) Limited							/				/	Wee Cho Yaw, Wee Ee Cheong
Underwater World Attractions Pte. Ltd.							/					Wee Cho Yaw
PPHR (Thailand) Co., Ltd.							/					Wee Cho Yaw
Loxley Wireless Co., Ltd.							/					Suebtrakul Soonthornthum
Loxbit Pcl.						/	/					Suebtrakul Soonthornthum
Professional Computer Co., Ltd.							/					Suebtrakul Soonthornthum
Netone Network Solution Co., Ltd.							/					Suebtrakul Soonthornthum
L Hardware and Services Co., Ltd.							/					Suebtrakul Soonthornthum
Loxley Trading Co., Ltd.							/					Suebtrakul Soonthornthum
Phatra Leasing Public Company Limited							/					Suebtrakul Soonthornthum
Golden Land Property Development Pcl.						/	/					Tithiphan Chuerboonchai
Sathorn Supsin Co., Ltd.	/	/				/	/				/	Tithiphan Chuerboonchai
TSFC Securities Public Company Limited								/				Tithiphan Chuerboonchai
Grand Unity Development Co., Ltd.							/					Tithiphan Chuerboonchai
Sidewalk Land Co., Ltd.							/					Tithiphan Chuerboonchai
Tisco Securities Co., Ltd.								/			/	Sanchai Apisaksirikul
Major shareholders												
United Overseas Bank Limited			/	/	/	/		/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
United Overseas Bank Group of Companies												
- United Overseas Bank (Malaysia) Bhd.			/					/				Wee Cho Yaw, Wee Ee Cheong
- United Overseas Bank (China) Limited			/									Wee Cho Yaw, Wee Ee Cheong
- UOB Bullion & Futures, Singapore					/							Wee Cho Yaw, Wee Ee Cheong
- PT Bank UOB Indonesia			/	/		/			/			Wee Cho Yaw, Wee Ee Cheong
- Far Eastern Bank Ltd., Singapore								/				Wee Cho Yaw, Wee Ee Cheong
- UOB Asset Management (Thailand) Co., Ltd.					/	/		/			/	Wee Cho Yaw, Wee Ee Cheong
- UOB Kay Hian Securities (Thailand) Co., Ltd.			/	/		/		/				Wee Cho Yaw

Details of all related party transactions are disclosed in Note 32 to the financial statements.

Other Information

8. Related Party Transactions (Continued)

Statements of comprehensive income

	Interest income	Interest expenses	Fees and service Income	Fees and service expenses	Net gain (loss) on foreign currency trading and exchange transaction	Other operating income	Premises and equipment expenses	Data processing charges	Other expenses	Related with UOBT Director
Related companies										
Loxley Pcl.		/								Suebtrakul Soonthornthum
The Muangthai Life Assurance Pcl.		/								Suebtrakul Soonthornthum
Underwater World Pattaya Co., Ltd.		/	/							Wee Cho Yaw
Haw Par Tiger Balm (Thailand) Limited		/	/				/			Wee Cho Yaw, Wee Ee Cheong
Loxley Wireless Co., Ltd.		/								Suebtrakul Soonthornthum
Loxbit Pcl.		/	/							Suebtrakul Soonthornthum
L Hardware and Services Co., Ltd.		/	/							Suebtrakul Soonthornthum
Loxley Trading Co., Ltd.			/							Suebtrakul Soonthornthum
Golden Land Property Development Pcl.			/	/						Tithiphan Chuerboonchai
Sathorn Supsin Co., Ltd.	/	/								Tithiphan Chuerboonchai
TSFC Securities Public Company Limited		/								Tithiphan Chuerboonchai
Sidewalk Land Co., Ltd.		/								Tithiphan Chuerboonchai
Krungthep Land Public Company Limited		/	/	/						Tithiphan Chuerboonchai
Tisco Securities Co., Ltd.	/	/	/							Sanchai Apisaksirikul
Tisco Asset Management Co., Ltd.		/								Sanchai Apisaksirikul
Major shareholders										
United Overseas Bank Limited	/	/	/		/			/	/	Wee Cho Yaw, Wee Ee Cheong
United Overseas Bank Group of Companies										
- United Overseas Bank (Malaysia) Bhd.			/		/					Wee Cho Yaw, Wee Ee Cheong
- UOB Bullion & Futures, Singapore										/ Wee Cho Yaw, Wee Ee Cheong
- PT Bank UOB Indonesia					/					Wee Cho Yaw, Wee Ee Cheong
- Far Eastern Bank Ltd., Singapore			/							Wee Cho Yaw, Wee Ee Cheong
- UOB Asset Management (Thailand) Co., Ltd.		/	/							Wee Cho Yaw, Wee Ee Cheong
- UOB Kay Hian Securities (Thailand) Co., Ltd.	/	/	/		/					Wee Cho Yaw

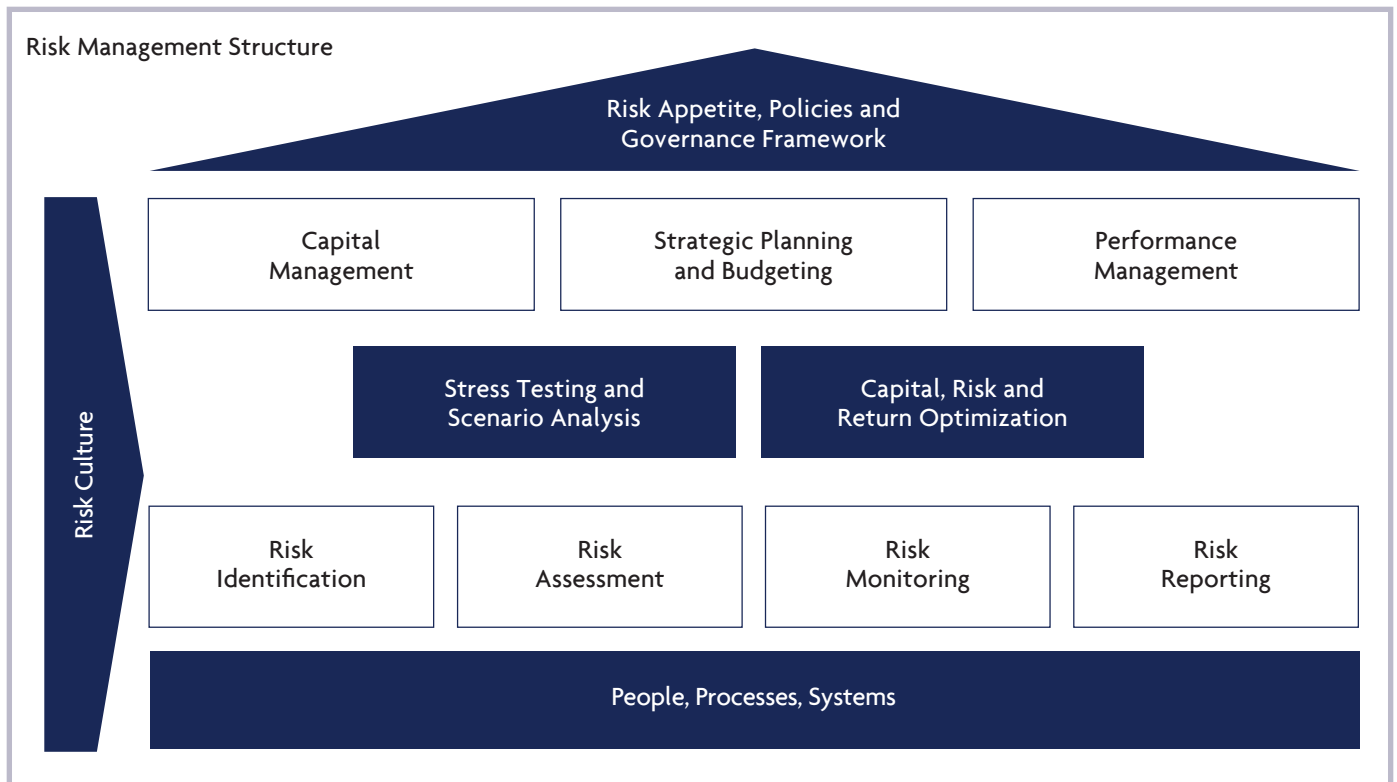
Details of all related party transactions are disclosed in Note 32 to the financial statements.

Risk Management

Managing risk is an integral part of UOB (Thai) Group’s business strategy. UOB (Thai) Group’s risk management approach focuses on ensuring continued financial soundness and safeguarding the interests of our stakeholders, while remaining nimble to seize value-creating business opportunities in a fast-changing environment. The Group is committed to maintain high standards of corporate governance, sound risk management principles and business practices to achieve sustainable long-term growth. The Group continuously strives towards best risk management practices to support the strategic objectives.

will help the Group identify, measure, monitor and manage all material risks faced by the Group. This allows the Group to concentrate the efforts on the fundamentals of banking and to create long-term value for all UOB (Thai) Group stakeholders.

UOB (Thai) Group’s risk appetite, policies and governance frameworks provide the overarching principles and guidance for the Group’s risk management activities. They help to shape the key decisions for capital management, strategic planning and budgeting, and performance management to ensure that



UOB (Thai) Group’s Approach

UOB (Thai) Group’s risk management structure, as shown in the following diagram, aims to promote a “risk aware” culture throughout the Group. This requires the various risk and control oversight functions to work together with business units to identify their risks and to facilitate their risk and control their self-assessments.

UOB (Thai) Group’s risk management strategy is targeted at ensuring proper risk governance so as to facilitate ongoing effect risk discovery and to set aside adequate capital efficiently to cater for the risks arising from the Group’s business activities. Risks are managed within levels established by the senior management committees and approved by the Board and its committees. UOB (Thai) Group has put in place a comprehensive framework of policies, methodologies, tools and processes that

the risk dimension is appropriately and sufficiently considered. In particular, UOB (Thai) Group Risk Appetite is part of the Group’s Internal Capital Adequacy Assessment Process (ICAAP), which incorporates stress testing to ensure that the Group’s capital, risk and return are within acceptable levels under stress scenarios. UOB (Thai) Group also takes into consideration the risk appetite in development of risk-related Key Performance Indicators (KPIs) for performance measurement. This serves to embed a risk management mindset and culture throughout the organization.

UOB (Thai) Group’s implementation of the risk appetite, policies and governance frameworks is supported by a series of risk identification, assessment, monitoring and reporting processes. Risk reports are regularly submitted to management, senior management committees and the Board to keep them apprised of the Group’s risk profile.

Risk Management

Risk Governance

UOB (Thai) Group's responsibility for risk management starts at the top with the Board overseeing a governance structure that is designed to ensure that the Group's business activities are:

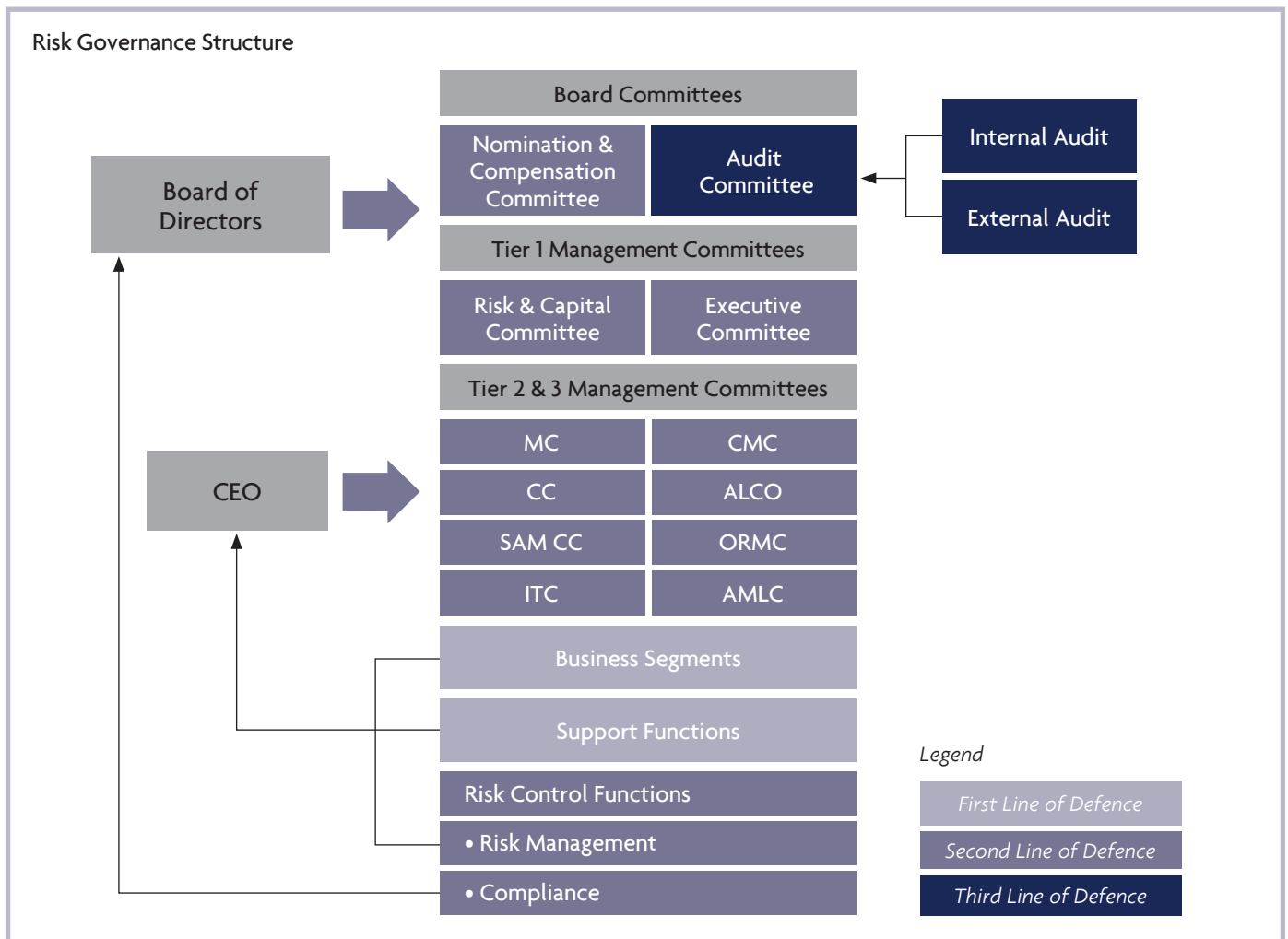
- Conducted in a safe and sound manner and in line with the highest standards of professionalism;
- Consistent with UOB (Thai) Group's overall business strategy and risk appetite; and
- Subject to adequate risk management and internal controls.

In this regard, the Board is supported by Board Committees (i.e. Audit Committee, Nomination and Compensation Committee) and the Tier 1 senior management committees (i.e. Executive Committee (EXCO) and Risk and Capital Committee (RCC)) which are mandated to assist the Board in oversight of risk of UOB (Thai) Group.

The CEO has established Tier 2 and Tier 3 senior management committees to assist him and senior management in making business decisions involved in specific risk areas with due consideration to risks and returns. The Tier 2 and Tier 3 senior management committees involved in this includes

- Management Committee (MC), Credit Committee (CC)
- Special Asset Management Credit Committee (SAM CC)
- Asset & Liability Committee (ALCO)
- Credit Management Committee (CMC)
- Operational Risk Management Committee (ORMC)
- Information Technology Committee (ITC)
- Anti-Money Laundering Committee (AMLC)

The Board reviews and approves the overall risk appetite and level of risk capital to maintain for UOB (Thai) Group.



Risk Management

Risk management is also the responsibility of every employee within UOB (Thai) Group. Robust risk governance and accountability are embedded in the Group's culture through an established framework that ensures appropriate oversight and accountability for the effective management of risk throughout the Group and across risk types. This is executed through an organization control structure that provides three "lines-of-defence" as follows;

First Line of Defence – The Risk Owner:

The business and business support functions have primary responsibility for implementing and executing effective controls for the management of risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with approved risk policies, appetite, limits and controls and to highlight control breakdowns, inadequacy of processes and unexpected risk events.

Second Line of Defence – Risk Oversight:

The risk and control oversight functions (such as Risk Management and Compliance), Head of Risk Management, Head of Compliance and senior management committees provide the second line of defence.

The risk and control oversight functions support UOB (Thai) Group's strategy of balancing growth with stability by facilitating business development within a prudent, consistent and efficient risk management framework. This includes setting risk policies, frameworks, risk appetite and limits within which the business functions must operate. The risk and control functions are also responsible for the independent review and monitoring of the Group's risk profile and highlight any significant vulnerabilities and risk issues to the respective management committees.

The independence of risk management from business functions ensures the necessary balance in risk / return decisions. It also helps UOB (Thai) Group to achieve proper corporate governance.

Third Line of Defence – Independent Audit:

UOB (Thai) Group's internal and external auditors conduct risk-based audits covering all aspects of the first and second lines of defence to provide independent assurance to the CEO, Audit Committee and the Board, on the effectiveness of the risk management and control structure, policies, frameworks, systems and processes.

The Group's governance framework also provides oversight for all UOB (Thai)'s subsidiaries namely UOB Bullion and Futures (Thai) Co.,Ltd and UOB Services Co.,Ltd through a matrix reporting structure. UOB (Thai)'s subsidiaries adapt the governance structure accordingly to comply with regulatory requirements. This ensures the approach across UOB (Thai) Group is consistent and sufficiently flexible to suit different operating environments.

Risk Appetite

UOB (Thai) Group has established a risk appetite framework to define the amount of risk the Group is prepared to take in pursuit of its business objectives. The objective of establishing a risk appetite framework is not to limit risk-taking but to ensure that the Group's risk profile remains within well-defined and tolerable boundaries. The framework was formulated based on the following key criteria:

- Relevance to respective stakeholders, with appropriate levels of granularity;
- Practical, consistent and easy to understand metrics for communication and implementation;
- Alignment to key elements of UOB (Thai) Group's business strategy; and
- Analytically substantiated and measurable metrics.

The risk appetite defines suitable thresholds and limits across key areas including but not limited to credit risk, country risk, market risk, liquidity risk, operational risk and reputation risk. The Group's risk taking approach is focused on businesses which are understood and well-equipped to manage the risk involved. Through this approach, the Group aims to minimize earnings volatility and concentration risk and ensure that the Group's high credit rating, strong capital and funding base remain intact. This allows the Group to be a stable partner of the customers through changing economic conditions and cycles.

UOB (Thai) Group's risk appetite framework is updated and approved annually by the Board. Management monitors and reports the risk limits to the senior management committees and the Board.

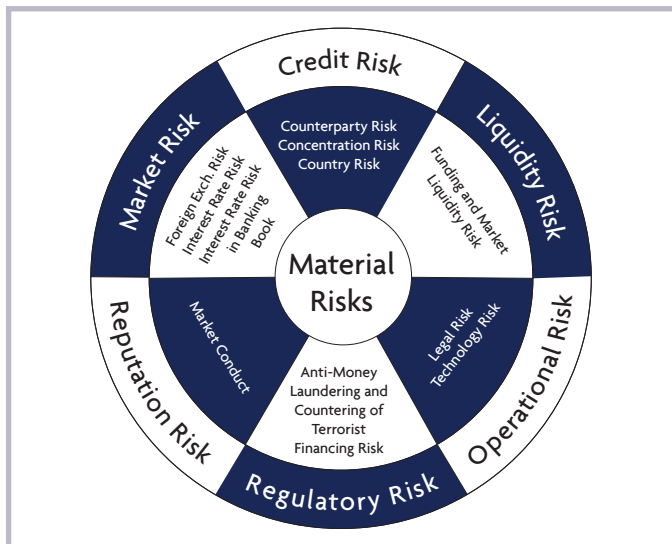
Material Risks

UOB (Thai) Group's business strategies, products, customer profiles and operating environment expose us to a number of financial and non-financial risks. Identifying and monitoring of key risks are integral to the Group's approach to risk management. It allows the Group to make proper assessment and proactively mitigate these risks across the Group. The key risks which could impact the success of achieving UOB (Thai) Group's strategic objectives are as follows;

UOB (Thai) Group has adopted the Basel Framework and is in compliant with regulatory requirements on Risk Based Capital Adequacy Requirements. The Group continues to adopt a prudent and proactive approach in navigating the evolving regulatory landscape, with emphasis on sound risk management principles in delivering sustainable returns.



Risk Management



The Group has adopted the Foundation Internal Ratings-Based (FIRB) approach for non-retail exposures and the Advanced Internal Ratings-Based (AIRB) approach for retail exposures. For Market and Operational risks, the Group has adopted the Standardised Approach (SA).

UOB (Thai) Group has also adopted ICAAP to assess on an ongoing basis the amount of capital necessary to support the Group's activities. The Group reviews the ICAAP periodically to ensure that the Group remains well-capitalised after considering all material risks. Stress testing is conducted to determine capital adequacy under stress conditions.

UOB (Thai) Group's Pillar 3 Disclosure Policy addresses the disclosure requirements specified by regulators.

Credit Risk

Credit risk is the risk of loss arising from any failure by a borrower or counterparty to meet their financial obligations when such obligations are due. Credit risk is the single largest risk that UOB (Thai) Group faces in our core business as a commercial bank, arising primarily from loans and other lending related commitments to retail, corporate and institutional borrowers. Treasury and capital market operations and investments also expose the Group to counterparty and issuer credit risks.

Integral to the management of credit risk is a framework that clearly defines policies and processes relating to the measurement and management of credit risk. We review and stress our portfolio regularly, and we continually monitor the operating environment to identify emerging risks and to formulate mitigation action.

Credit Risk Governance and Organization

RCC and CMC are the key oversight committees for credit risk. They support the CEO, EXCO and the Board in managing the UOB (Thai) Group's overall credit risk exposures. The RCC

serves as an executive forum for discussions on all credit-related issues including the credit risk management framework, policies, infrastructure, methodologies and systems. While the CMC reviews and assesses UOB (Thai) Group's credit portfolios, processes and credit risk profiles.

Credit Risk Management Division is responsible for the reporting, analysis and management of all elements of credit risk. It develops credit policies and guidelines, and focuses on facilitating business development within a prudent, consistent and efficient credit risk management framework.

Credit Risk Policies and Processes

UOB (Thai) Group has established credit policies and processes to manage credit risk in the following key areas:

Credit Approval Process

To maintain the independence and integrity of the credit approval process, the credit origination and approval functions are clearly segregated. Credit approval authority is delegated to officers based on their experience, seniority and track record, and is based on a risk-adjusted scale according to a borrower's credit rating. All credit approval officers are guided by credit policies that are periodically reviewed to ensure their continued relevance to the UOB (Thai) Group's business strategy and the business environment.

Credit Concentration Risk

Credit concentration risk may arise from a single large exposure or from multiple exposures that are closely correlated. This is managed by setting exposure limits on obligors, portfolios, borrowers, industries and countries, generally expressed as a percentage of the capital base.

We manage our credit risk exposures through a robust credit underwriting, structuring and monitoring process. Credit exposures are well-diversified across industries. Regular assessments of emerging risks and reviews on industry trends and country outlooks to provide a forward-looking view on developments that could impact the Group's portfolio. We also conduct stress testing periodically to assess the resilience of the portfolio in the event of a marked deterioration in operating conditions.

Credit Stress Test

Credit stress testing is a core component of UOB (Thai) Group's credit portfolio management process. The three objectives of stress-testing are (i) to assess the profit and loss and balance sheet impact of business strategies, (ii) to quantify the sensitivity of performance drivers under various macroeconomic and business planning scenarios, and (iii) to evaluate the impact of management decisions on capital, funding and leverage. Supervisory and / or internal stress tests may be conducted periodically under the change in economic conditions to identify if any risk mitigation actions should be taken. Under stress scenarios such as a severe recession, significant losses from the credit portfolio may occur. Stress tests are used to

Risk Management

assess if UOB (Thai) Group capital can withstand such losses and their impact on profitability and balance sheet quality. Stress tests also help us, identify the vulnerability of various business units under such scenario and formulate appropriate mitigating actions.

Our stress test scenarios consider potential and plausible macroeconomic and geopolitical events in varying degrees of likelihood and severity. We also consider varying strategic planning scenarios where the impact of different business scenarios and proposed managerial actions are assessed. These are developed through consultation with relevant business units, and are approved by senior management.

Intra-group Transaction

Any intra-group transactions shall be executed on an arms-length basis at market commercial terms. Risk exposure as well as impact on capital adequacy incurred from intra-group transactions shall be monitored and controlled as a normal business practice. UOB (Thai) Group has stipulated the approval process for intra-group transactions e.g. normal intra-group transactions such as granting credit, which is subject to approval by UOB (Thai) EXCO with ratification by the Board.

Credit Risk Mitigation

Potential credit losses are mitigated through a variety of instruments such as collateral, guarantees and netting arrangements. As a fundamental credit principle, UOB (Thai) Group generally does not extend credit facilities solely on the basis of the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability.

Collateral is taken whenever possible to mitigate the credit risk assumed and the value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value as well as in accordance with BOT's requirements. The main types of collateral taken by UOB (Thai) Group are cash, qualified marketable securities, and real estate. Appropriate haircuts are applied to the market value of collateral, reflecting the underlying nature of the collateral, quality, volatility and liquidity. In addition, collateral taken by UOB (Thai) Group has to fulfill certain eligibility criteria (such as legal certainty across relevant jurisdictions) in order to be eligible for IRB purposes.

In extending credit facilities to small- and medium-sized enterprises (SMEs), we also often take personal guarantees as a form of moral support to ensure moral commitment from the principal shareholders and directors. For IRB purposes, we do not recognise personal guarantees as an eligible credit risk protection. Corporate guarantees are often obtained when the borrower's creditworthiness is not sufficient to justify an extension of credit. To recognise the effects of guarantees under the FIRB approach, we adopt the Probability of Default (PD) substitution approach whereby the PD of an eligible guarantor of an exposure will be used for calculating the capital requirement.

Exposures arising from foreign exchange and derivatives are typically mitigated through agreements such as the International Swaps and Derivatives Association (ISDA) Master Agreements and the Credit Support Annex (CSA). Such agreements help to minimise credit exposure by allowing UOB (Thai) Group to offset what it owes to counterparty against what is due from that counterparty in the event of a default.

Credit Monitoring and Remedial Management

We regularly monitor credit exposures, portfolio performance and emerging risks that may impact our credit risk profile. Internal risk reports are presented to relevant committees to update senior management on credit trends and to provide alerts on key economic, political and environment developments across major portfolios.

Delinquency Monitoring

UOB (Thai) Group monitors closely the delinquency of borrowing accounts as it is a key indicator of credit quality. An account is considered as delinquent when payment is not received on the due date. Any delinquent account, including a revolving credit facility (such as an overdraft) with limit excesses, is closely monitored and managed through a disciplined process by officers from business units and risk management functions. Where appropriate, such accounts are also subject to more frequent credit reviews.

Classification and Loan Loss Impairment

UOB (Thai) Group classifies its loan portfolios according to the borrower's ability to repay the credit facility from their normal source of income. There is an independent credit review process to ensure the appropriateness of loan grading and classification in accordance with internal policy and regulatory guidelines. All borrowing accounts are classified into 'Pass', 'Special Mention' or 'Non-Performing' categories. Non-Performing loans (NPLs) are further classified as 'Substandard', 'Doubtful' or 'Doubtful of Loss' in accordance with Bank of Thailand (BOT) guidelines. Any account which is delinquent (or in excess for a revolving credit facility such as an overdraft) for more than 90 days will be categorised automatically as 'Non-Performing'. In addition, any account that exhibits weaknesses that may jeopardise repayment on existing terms will be categorised as 'non-performing'.

Upgrading and declassification of a NPL account to 'Pass' or 'Special Mention' status must be supported by a credit assessment of the repayment capability, cash flows and financial position of the borrower. UOB (Thai) Group must also be satisfied that once the account is declassified, the account is unlikely to be classified again in the near future.

A restructured account is categorised as "Non-Performing" and placed on the appropriate classified grade depending on UOB (Thai) Group's assessment of the financial conditions of the borrower and the ability of the borrower to repay based on the restructured terms. A restructured account must comply fully with the restructured terms in accordance with internal policy and regulatory requirements before it can be declassified.



Risk Management

Special Asset Management

Special Asset Management (SAM) manages the non-performing portfolios of UOB (Thai) Group's non-retail portfolio whereas Credit Management manages the retail non-performing portfolios. SAM/Credit Management proactively manages a portfolio of NPL accounts, with the primary intention of nursing these accounts back to health and transferring them back to the respective business units if it meets the guidelines. In addition, SAM also manages accounts that UOB (Thai) Group intends to exit in order to maximise debt recovery.

Write-off Policy

A classified account that is not secured by any realisable collateral or account with collateral that are worthless will be written off either when the prospect of recovery is considered poor or when all feasible avenues of recovery have been exhausted. This is in compliance with regulatory guidelines.

Internal Credit Rating System

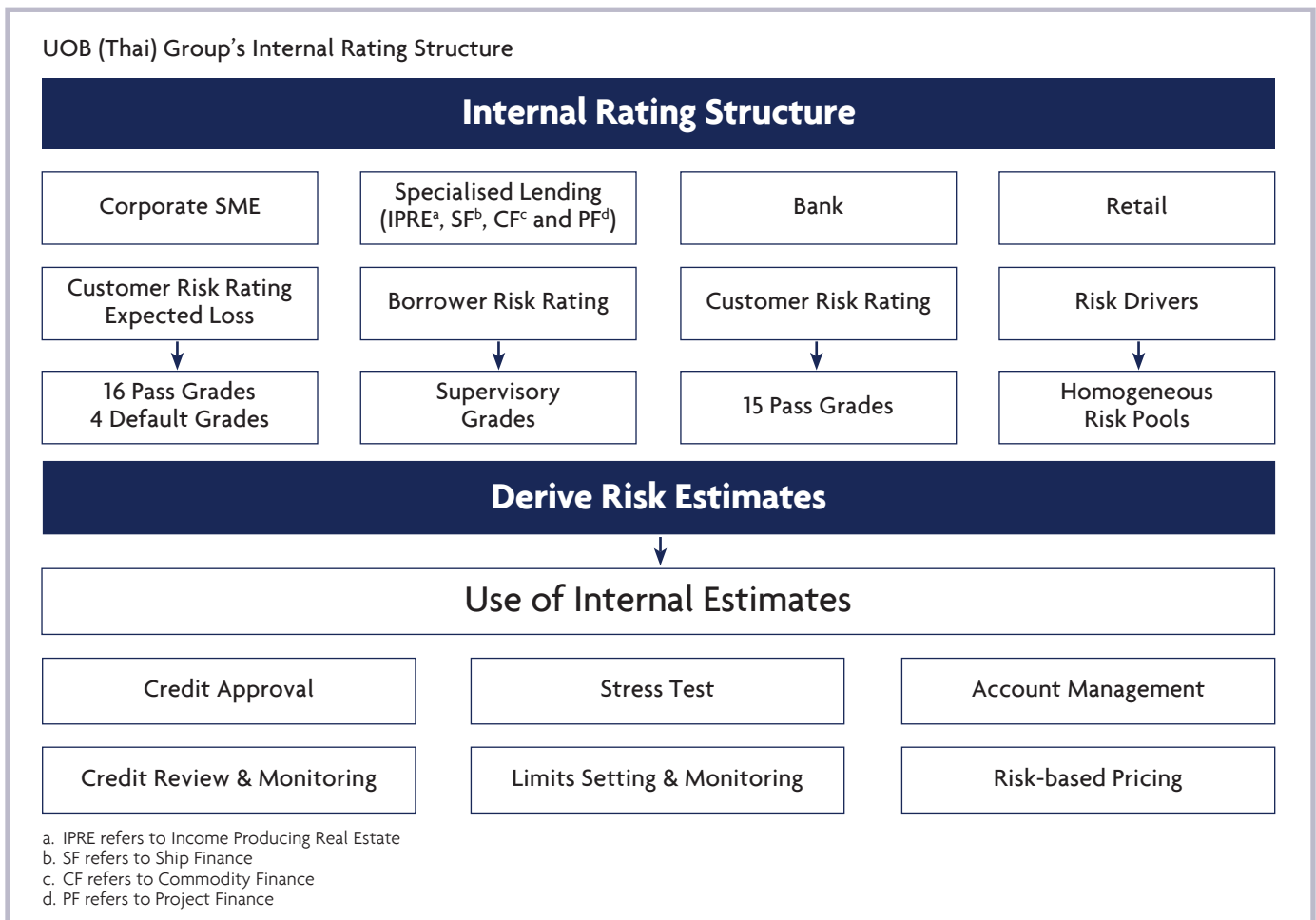
UOB (Thai) Group employs internal rating models to support the assessment of credit risk and the assignment of exposures

to rating grades or pools. Internal ratings are used pervasively by UOB (Thai) Group in the areas of credit approval, credit review and monitoring, credit stress testing, limits setting, pricing and account management.

UOB (Thai) Group has established a credit rating governance framework to ensure the reliable and consistent performance of its rating systems. The framework defines the roles and responsibilities of the various parties in the credit rating process, including independent model performance monitoring, annual model validation and independent reviews by Internal Audit.

Credit risk models are independently validated before they are implemented to ensure they are fit for purpose. To monitor the robustness of these rating models on an ongoing basis, all models are subject to annual review conducted by model owners to ascertain that the chosen risk factors and assumptions continue to remain relevant for the respective portfolios. All new models, model changes and annual reviews are approved by RCC or EXCO, depending on the materiality of the portfolio.

Rating Structure



Risk Management

Non-retail Exposures

UOB (Thai) Group has adopted the Foundation Internal Ratings-Based (FIRB) approach for its non-retail exposures with an exception for Sovereign asset class where Standardised Approach is applied. Under FIRB approach, the probability of default (PD) for each borrower is estimated using internal models. These PD models employ qualitative and quantitative factors to provide an assessment of the borrower's ability to meet their financial obligations, and are calibrated to provide an estimate of the likelihood of default over a one-year time horizon. A default is considered to have occurred if:

- The obligor is unlikely to pay its credit obligations in full to the Group, without recourse by the Group to actions such as realising the security; or
- The obligor is past due for more than 90 days on any credit obligation to the Group.

Supervisory loss given default (LGD) and exposure at default (EAD) parameters prescribed by BOT are used together with the internal credit ratings to calculate risk weights and regulatory capital requirements.

While the Group's internal risk rating grades may show some correlation with the rating grades of External Credit Assessment Institutions (ECAIs), they are not directly comparable or equivalent to the ECAI ratings.

Corporate Asset Class

UOB (Thai) Group has developed the Corporate SME model (CSME) to rate exposures in the Claims on Corporate Asset Class. Credit risk factors used to derive a borrower's risk rating include its' financial strength, quality of management, business risks, and the industry in which it operates. The borrower risk rating process is augmented by facility risk ratings, which take into account the type and structure of the facility, availability and type of collateral, and seniority of the exposure.

The internal rating grade structure for the corporate asset class consists of 16 pass grades and 4 default grades. The CSME model is mapped to the rating scale by calibration that takes into account UOB (Thai) Group's long-term average portfolio default rate.

Specialised Lending Asset Sub-Class

Within the corporate asset class, UOB (Thai) Group has four sub-classes for Specialised Lending: Income Producing Real Estate (IPRE), Commodity Finance (CF) and Project Finance (PF) and Ship Finance (SF). The internal risk grades are derived based on a comprehensive assessment of financial and non-financial risk factors using internal scorecards. The internal risk grades are mapped to the five supervisory slotting categories, which determine the risk weights to be applied to the exposures.

Bank Asset Class

Our internal Bank scorecard takes into account asset quality, capital adequacy, liquidity, management, regulatory environment and robustness of the overall banking system. The scorecard has an internal rating grade structure consisting of 15 pass grades.

Retail Exposures

We have adopted the AIRB approach for our retail exposures, which comprises residential mortgages, qualifying revolving retail exposures and other retail exposures.

Exposures within each of these asset classes are not managed individually, but as part of a pool of similar exposures based on borrower and transaction characteristics. Internal risk models are used to estimate PD, LGD and EAD parameters for each of these exposure pools based on historical internal loss data. Where internal loss data is insufficient to provide robust risk estimates, the risk models may incorporate internal and/or external proxies, and where necessary, may be augmented with appropriate margins of conservatism.

Residential Mortgage Asset Class

This includes Housing Loans secured against a mortgage of a residential property or properties which meet criteria stipulated by the regulatory guidelines. We assess and manage our residential mortgage exposures using the Group's framework of credit policies, procedures and risk models.

Qualifying Revolving Retail Exposures (QRRE) Asset Class

This includes credit card exposures and other unsecured revolving credit lines which meet the criteria stipulated by the regulatory guidelines. We assess and manage QRRE using internal credit policies and procedures in combination with the application and behaviour scorecards and risk models.

Other Retail Asset Class

This includes exposures to individuals in the forms of personal term loan or revolving credit and lines of credit, which is not qualified as QRRE. UOB's products such as Mortgage Link, I-Cash, Provident Fund, and Staff Term Loan (not for residential purpose) are classified as other retail; exposures to individuals for businesses or to small businesses, i.e. retail SME. We assess and manage these exposures using the Group's framework of credit policies, procedures in combination with application and behaviour scorecards and risk models.

Credit Exposures Subject To Supervisory Prescribed Risk Weight

Equity Asset Class

According to BOT's guidelines, UOB (Thai) Group is eligible to apply 100% risk weight to equity exposures which have been exempted from IRB capital computation.



Risk Management

Credit Exposures Subject To Standardised Approach

The Group applies the SA for portfolios which are immaterial in terms of both size and risk profile and for transitioning portfolios. We will progressively migrate our transitioning portfolio ie. exposures to non-bank financial institutions, to the IRB approach, subject to regulatory approval. For exposures subject to the SA, prescribed risk weights based on asset class are used in the computation of regulatory capital except for Claims on Corporate where 100% risk weight is applied.

Market Risk

Market risk is the risk of losses arising from the volatility of the price or value of assets, liabilities and financial obligations held by UOB (Thai) Group. Market factors which may affect such prices or values are changes on interest rates, foreign exchange, equity prices and commodity prices.

Market risk is governed by the Asset and Liability Committee (“ALCO”), which meets monthly to review and provide directions on market risk matters. The Market Risk Management Unit (“MRM”) supports the ALCO with independent assessment of the market risk profile of UOB (Thai) Group.

UOB (Thai) Group’s market risk framework comprises market risk policies, practices, control, and risk limits structure with appropriate delegation of authority. In addition, we have a stringent Product/Service Programme due diligence process in place to ensure that market risk issues are adequately addressed prior to product launches.

Market risk capital is provided for all trading exposures within UOB (Thai) Group, as well as Banking Book FX and commodity exposures. UOB (Thai) Group currently adopts the Standardised Approach for the calculation of regulatory market risk capital but uses daily Value-at-Risk (VaR) to measure and control trading market risks. To complement the VaR measure, stress and scenario tests are performed to identify UOB (Thai) Group’s vulnerability to event risk. These tests serve to provide early warnings of plausible extreme losses to facilitate proactive management of market risks.

In addition, VaR estimates are backtested against profit and loss of the trading book to validate the robustness of the methodology. The backtesting process analyses whether exceptions are due to model deficiencies or market volatility.

Interest Rate Risk in Banking Book

The ALCO maintains oversight of the effectiveness of the interest rate risk management structure. Balance Sheet Risk Management Division (“BSRM”) supports the ALCO in monitoring the interest rate risk profile of the banking book.

The primary objective of interest rate risk management is to protect and enhance capital or economic net worth through adequate, stable and reliable growth in net interest earnings

under a broad range of possible economic conditions. This is achieved by ensuring that interest rate risk in banking book is identified, measured, monitored and managed over a range of potential and realistic interest rate scenarios, including under stress situations.

Interest rate risk in banking book exposure is quantified using static analysis tools. Static analysis tools include repricing schedules which provide indications of the potential impact of interest rate on interest rate income and price value through the analysis of the sensitivity of assets and liabilities to change in interest rate. Mismatches in the longer tenor will experience greater change in the price-value of interest rate positions than similar positions in the shorter tenor.

In addition, stress test is also performed regularly to assess the adequacy of capital in meeting the impact of extreme interest rate movements on the balance sheet. Such tests are performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

The risks arising from the trading book, such as interest rates, foreign exchange rates and equity prices are managed and controlled under the market risk framework that is discussed under the Market Risk section.

Liquidity Risk

Liquidity risk is the risk that UOB (Thai) and its subsidiaries may not be able to meet their obligations as they fall due as a result of inability to liquidate their assets or to cover funding requirements at an appropriate price, resulting in losses to the Bank and its subsidiaries.

UOB (Thai) Group maintains sufficient liquidity to fund its day-to-day operations, meet deposit withdrawals and loan disbursements, and repay borrowings. Hence, liquidity is managed in a manner to address known as well as unanticipated cash funding needs.

Liquidity risk is managed in accordance with a framework of policies, controls and limits established by the ALCO. These policies, controls and limits enable the Bank to monitor and manage liquidity risk to ensure that sufficient sources of funds are available over a range of market conditions. These include minimising excessive funding concentrations by diversifying the sources and terms of funding as well as maintaining a portfolio of high quality and marketable debt securities.

UOB (Thai) Group takes a conservative stance in its liquidity management by continuing to gather core deposits, ensuring that liquidity limits are strictly adhered to and that there are adequate liquid assets to meet cash shortfall.

The distribution of deposits is managed actively to ensure a balance between cost effectiveness, continued accessibility

Risk Management

to funds, and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of UOB (Thai) Group's core deposits and the maintenance of customer confidence.

Liquidity risk is aligned with the regulatory liquidity risk management framework, and is measured and managed on a projected cash flow basis. UOB (Thai) Group is monitored under business as usual, and stress scenarios. Cash flow mismatch limits are established to limit the Bank's liquidity exposure. The Bank also employs liquidity early warning indicators and trigger points to signal possible contingency situations.

With regard to the regulatory requirements on Liquidity Coverage Ratio (LCR) which are effective from 1 January 2016, our LCR were above 100% for the position as of Dec-2016.

Contingency funding plans are in place to identify potential liquidity crises using a series of warning indicators. Crisis escalation processes and various strategies including funding and communication have been developed to minimise the impact of any liquidity crunch.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes regulatory, legal and reputation risks but excludes strategic risk.

Our objective is to manage operational risk at appropriate levels relative to the markets in which the businesses operate.

Operational Risk Governance, Framework and Tools

Operational risk is managed through a framework of policies, and procedures by which business and support units properly identify, assess, monitor, mitigate and report their risks. The Operational Risk Management Committee meets monthly to provide oversight of operational risk matters across the UOB (Thai) Group.

The Operational Risk Governance structure adopts the Three Lines of Defence Model. The businesses as the first line of defence are responsible for establishing a robust control environment as part of their day-to-day operations. Each Business is responsible for implementing the operational risk framework and policies, embedding appropriate internal controls into processes and maintaining business resilience for key activities.

Operational Risk Management Division as the second line of defence oversees the management of operational risk. It exercises governance over operational risk through providing relevant framework, policies, tools and systems, quality assurance of internal controls as well as operational risk measurement. It also monitors and reports operational risk issues to senior management, the relevant management committees and the Board.

Internal Audit acts as the third line of defence by providing an independent and objective assessment on the overall effectiveness of the risk governance framework, and internal control through periodic audit review.

A key component of the operational risk management framework is risk identification and control self-assessments. This is achieved through the implementation of a set of operational risk tools. Several risk mitigation policies and programmes are in place to maintain a sound operating environment.

We have a business continuity and crisis management programme in place to ensure prompt recovery of critical business functions should there be unforeseen events. Our senior management provides an annual attestation to the Board on the state of business continuity readiness of the UOB (Thai) Group.

Regulatory risk refers to the risk of non-compliance with laws, regulations, rules, standards and codes of conduct. We identify, monitor and manage the risk through a structured governance framework of Compliance policies, procedures and guidelines maintained by the UOB (Thai) Group. The framework also manages the regulatory risk of breaches and sanctions relating to Anti-Money Laundering and Countering the Financing of Terrorism.

The UOB (Thai) Group manages fraud risk and bribery risks. Tools and policies, including a whistle-blowing programme, a material risk notification protocol and a fraud risk awareness training programme, have been developed to manage such risks. All employees are guided by a Code of Conduct, which includes anti-bribery and corruption provisions.

Legal Risk arises from unenforceable, unfavourable, defective or unintended contracts lawsuits or claims, developments in laws and regulations, or non-compliance with applicable laws and regulations. Business units work with the Bank's legal counsel and external legal counsel to ensure that legal risks are effectively managed.

Reputation risk is the risk of adverse impact on earnings, liquidity or capital arising from negative stakeholder perception or opinion on the UOB (Thai) Group's business practices, activities and financial condition. The UOB (Thai) Group recognizes the impact of reputation risk and we have developed a framework to identify and to manage the risk across the UOB (Thai) Group.

Our insurance programme which covers crime, fraud, civil liability, property damage, public liability, as well as directors' and officers' liability enables us to mitigate operational losses resulting from significant risk events.



Report of the Audit Committee

The Audit Committee (“the AC”) of United Overseas Bank (Thai) Pcl. comprises four independent directors: Mr. Chanitr Charnchainarong, the AC Chairman, Mr. Chinnawat Bulsuk, Mr. Suebrakul Soonthornthum and Mr. Tithiphan Chuerboonchai* as Committee members. All the Committee members are non-executive directors and non-employees of the Bank.

In 2016, the Committee held five meetings to review the Bank’s internal control system and discuss financial and operational audit issues with the Bank’s External and Internal Auditors. Relevant Management members were invited to attend the meetings to provide additional information and clarification of the internal control systems.

Major matters in the meetings were as follows:

- Approved the Annual Planned Schedules for the Audit Committee Meetings
- Approved and monitored the Internal Audit Year Plan, the 2-Year Strategic Plan, and resources of the Internal Audit, including approval for the revision of the 2016 IA Year Plan
- Evaluated the Performance Evaluation of the Head of Internal Audit
- Reviewed and approved the Audit Committee Charter, Internal Audit Charter, the Policy on Fraud and Whistle-Blowing Policy
- Reviewed the Scope and Results of the Audit and Key Accounting and Auditing Areas, including the meetings (non-executive session) held with the External Auditor (EY)
- Reviewed and discussed the adequacy and effectiveness of the Bank’s Internal Control System with the Senior Management, Internal and External Auditors as well as the Management’s Responses to the control deficiencies and timely remedial actions taken
- Reviewed the major items of the financial reports, the Management Letter (ML) and the reliability of those reports, and the reasonableness of the Connected and Related Parties’ transactions
- Reviewed and proposed the re-appointment of the External Auditor and the Audit Fee to the Board of Directors for approval
- Reviewed and noted the Internal Audit quarterly reports, major findings and status updates including the compliance with internal and external regulations
- Reviewed and noted the independence of the external auditors as well as the independence and objectivity of Internal Audit on an annual basis
- Noted the Group Audit report including key initiatives and progress
- Noted the implementation timeline and progress of the Governance, Risk and Compliance (GRC), and the Management Governance and Oversight Rating (MGOR), accorded with the IA Plan
- Noted the Follow-Up Report of Internal Audit for the Quality Assurance Review (QAR) program (External Assessment) and its result that was rated as “Generally Conforms” with the Institute of Internal Auditors’ Standards (The IIA’s Standards)
- Noted the updates of the International Professional Practices Framework of Internal Audit (the New IPPF) with effect from January 2017.
- Noted the Compliance and Risk Management quarterly reports
- Noted the implementation issues, progress, and audit result of Basel II - Internal Ratings Based Approach (IRBA), the Internal Capital Adequacy Assessment Process (ICAAP), and Basel III
- Noted the regulators’ examination results and implementation progress, e.g., the BOT, MAS and etc.
- Performed and reported the annual self-assessment of the AC to the Board of Directors.

Report of the Audit Committee

The Committee has continuously reviewed and assessed the Bank's key risks, controls, governance and monitoring system through the Bank's Internal Audit and upon the discussions with the External Auditor and Senior Management. From the evaluation of the Bank's Internal Control System, it was concluded that the Bank's Internal Control in the areas of financial reporting and risk management is adequate and reliable, and that reinforces the Bank to continue to improve the overall internal control framework.



Mr. Chanitr Charnchainarong
Chairman of the Audit Committee
3 March 2017

Note: Mr. Tithiphan Chuerboonchai* - Effective from 18 November 2016 after the 5th AC (last) Meeting held on 10 November



Opinion of the Audit Committee on the Bank's Internal Control System

The Board of Directors has reviewed the Audit Committee report and the opinion on the adequacy of Internal Control System prepared by the Audit Committee during the Board of Directors' Meeting No. 600 held on 3 March 2017. Participants of the meeting included the Audit Committee members comprising the four independent directors who are not employees of the Bank.

The Audit Committee's opinion on the Internal Control System of the Bank and its subsidiaries was summarised after the meetings with the Senior Management and External Auditor, and upon the reports of the Risk Management Dashboard and Key Risk and Control Self-Assessment (KRCSA) implemented by Operational Risk Management (ORM), and the Quarterly Reports by Risk Management, Compliance and Internal Audit.

The evaluation of the Bank's Internal Control System was divided into five sections as follows:

- Organisation Control and Environment Measures
- Risk Management Measures
- Management Control Activities
- Information and Communication Measures
- Monitoring and Evaluation

The Audit Committee is of the opinion that the Bank has in place an adequate internal control system. The Audit Committee has been regularly notified of the issues arisen and remedial actions taken.

The External Auditor of the Bank is EY Office Limited (EY) of which Ms. Rachada Yongsawadvanich, a Certified Public Accountant (CPA), as Designated External Auditor, has examined and given her opinion that the Bank and its subsidiaries' Financial Statements present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2016, and the results of their operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.



Mr. Chanitr Charnchainarong
Chairman of the Audit Committee
3 March 2017

Report of the Nomination and Compensation Committee

The Nomination and Compensation Committee is appointed by the Board of Directors, and consists of four Directors, two of whom are Independent Directors (including the Committee Chairman) as follows:

- | | |
|---------------------------------|----------|
| 1) Mr. Suebtrakul Soonthornthum | Chairman |
| 2) Mr. Chinnawat Bulsuk | Member |
| 3) Mr. Wee Ee Cheong | Member |
| 4) Mr. Lee Chin Yong | Member |

The Nomination and Compensation Committee held 5 meetings in 2016.

The Nomination and Compensation Committee is responsible for the setting up of policies and criteria for considering the selection and remuneration of the Bank's Board members and the Bank's Senior Management which includes the following:

- Review the nomination of qualified Board Directors, CEO and Management from Executive Director (ED) level and above, including any internal promotions to the rank of Executive Director (ED) and above;
- Recommend the remuneration of Board Directors, and review the remuneration of the Senior Management team.

In selecting a Board Director, CEO and Senior Management, the factors to be taken into consideration, in addition to all applicable regulatory requirements, include the candidate's academic qualifications, personal character, technical and leadership competence, employment and career experience, and his or her management philosophy and management vision. The successful candidate must share the Board's and Management's philosophy and vision in managing the financial institution in order to ensure that the institution's goals are met. Furthermore, the candidate must share the same beliefs that will help establish mutual trust and close working relationships with the Board and with the Senior Management team. The Nomination and Compensation Committee will review the successful candidate for suitability before the bank proceeds to obtain approval from the Bank of Thailand and from the Board of Directors.

In setting compensation for 2016 as disclosed in this Annual Report, the scale and component of remuneration for the Board's Executive and Non-Executive Directors are based on the fee structure, role of each director and relevant policies/ practices while the remuneration for the Senior Management are comparable to the general practice in the financial industry with regard to work experience and the Bank's overall performance results and in accordance with the principles and policies which have been approved by the Board and shareholders.

The Bank believes in the remuneration policy and principle of meritocracy – which is to ensure that each staff including that of Senior Management is rewarded and recognized based on his or her level of performance and contribution to the Bank.

The Nomination and Compensation Committee will, based on the bank's financial performance, market and industry rewards trends, as well as on GDP and inflation rate projections, proposes the annual staff remuneration increment and variable performance bonus rates to the Board of Directors for consideration and approval in the first quarter of each year.



Mr. Suebtrakul Soonthornthum
Chairman, Nomination & Compensation Committee
28 February 2017



Corporate Governance

United Overseas Bank (Thai) Public Company Limited (the “Bank” or “UOB (Thai)”), a subsidiary of United Overseas Bank Limited (“UOB”), is committed to maintaining good corporate governance. The Bank believes that good corporate governance is fundamental to sustaining business growth, as well as safeguarding the interests of all stakeholders including shareholders, employees, business partners, customers, government entities with supervisory authority and auditors. The Bank has established a Code of Conduct (the “Code”) which sets out good practices that all employees, including the Management team, should observe to uphold the Bank’s values of Honourable, Enterprising, United and Committed.

The Board of Directors (the “Board”) has set up various board committees to assist the Board in overseeing the Bank. Detail of the board committees set forth below is the information as of 31 December 2016. The Bank has in place a comprehensive system of internal controls to safeguard its business and the interests of its stakeholders including depositors.

Control Systems, Risk Management, Compliance and Internal Audit

The Board and Management recognise the importance of having robust internal controls, as well as effective risk management, compliance and internal audit functions. The Bank has set up various committees to assist the President and Chief Executive Officer in overseeing the day to day operations of the Bank. All business and support units within the Bank are expected to comply with the guidelines on internal controls and ethics. Internal control activities form an integral part of operational processes. The Bank has established appropriate dual controls, segregating the operational functions and the control and monitoring functions, to achieve appropriate checks and balances.

Risk Management is an independent function which is responsible for putting in place the strategy, policies and processes for identifying, measuring, controlling and reporting risks of the UOB (Thai) Group. The function works with business and support units and the relevant senior management committees to develop and implement the appropriate risk management strategies, frameworks, policies and processes. More information on the Bank’s risk management can be found in the ‘Risk Management’ section of this Annual Report and the Pillar III disclosure on the Bank’s website.

An independent function, Compliance manages compliance risks and reports directly to the Board. It is responsible for communicating, educating and advising all units in the Bank on applicable regulatory developments and the impact on business practices, conducting compliance reviews and tests with a view to ensuring that the Bank conducts its business in compliance with all applicable laws, regulations and measures against money laundering, terrorist-financing and financial crime, and administering training on measures against bribery, money laundering and terrorist-financing.

Internal Audit is an independent unit that reports directly to the Audit Committee. The Internal Audit team comprises qualified staff and is responsible for assessing the adequacy and effectiveness of the Bank’s system of internal controls, risk management and governance processes. The operations of Internal Audit are assessed by an external assessor every five years. Based on the results of the latest external assessment conducted in 2015, Internal Audit generally conforms to the International Professional Practices Framework (IPPF) of Internal Auditing, and complies with UOB Group Audit’s methodologies.

Directors’ Reporting

The Board is responsible for the Bank’s and its subsidiaries’ consolidated financial statements and for the financial information presented in this Annual Report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 (A.D. 2004), and in reliance on governing policies, careful judgement and best estimates. Important information is adequately disclosed in the notes to the financial statements. The independent certified public accountants, having reviewed the Bank’s and its subsidiaries’ consolidated financial statements and its notes, have issued an unqualified audit opinion of the financial statements. The Bank’s and its subsidiaries’ consolidated financial statements reflect the true and transparent financial status and performance for the information of shareholders.

The Board has prescribed and maintained oversight of an effective system of internal controls, compliance and internal audit to ensure that accounting records are accurate, complete and adequate to protect the Bank’s assets and its depositors’ interests, and uncover weaknesses to prevent operational risk or materially irregular operations.

Board of Directors

The Board consists of nine qualified directors, four of whom are independent directors and five of whom are executive directors. In compliance with the Public Limited Companies Act B.E. 2535 (A.D. 1992), six directors representing more than half of the total number of directors reside in the Kingdom. The Board meets at least once every three months and the quorum for each Board meeting is constituted by not less than half of the total number of directors being present at the meeting.

The Board’s main roles, duties and responsibilities are in compliance with the law and regulatory requirements, the Bank’s Memorandum and Articles of Association, and the resolutions of the shareholders. The Board’s roles and responsibilities include providing strategic directions and approving key policies of the Bank, as well as putting in place an effective Management team and monitoring their performance. The Board has delegated certain functions to four board committees, namely the Executive Committee, Audit Committee, Nomination and Compensation Committee, and Risk and Capital Committee. The Board may also appoint one or several directors or any other person to perform any function or act on its behalf.

Corporate Governance

The Board members are:

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Suebtrakul Soonthornthum	Independent Director
Chanitr Charnchainarong	Independent Director
Chinnawat Bulsuk	Independent Director
Tithiphan Chuerboonchai ¹	Independent Director
Lee Chin Yong	Director
Tan Choon Hin ²	Director
Sanchai Apisaksirikul	Director

¹ Tithiphan Chuerboonchai was appointed as an independent director on 18 November 2016.

² Tan Choon Hin was appointed as the President & CEO and a director with effect from 7 November 2016.

Executive Committee

The Executive Committee (“EXCO”) is established by the Board. Its main responsibilities include:

- reviewing and approving business policies and strategies, as well as other policy matters in line with local practices, regulations and legislations;
- monitoring the progress of the Bank’s business plan;
- endorsing relevant Internal Capital Adequacy Assessment Process (“ICAAP”) documents, including the Framework for ICAAP, Stress Test Framework, Capital related policies and Capital Plan;
- reviewing and approving lending programmes, and risk management policies and guidelines pertaining to credit risk, market risk, balance sheet risk, operational risk, compliance risk and any other risk that may have an impact on the business and reputation of the Bank, as delegated by the Board of Directors;
- approving the Maximum Credit Discretionary Limits Structure, which defines the approving authorities and sets the Credit Discretionary Limits for the respective approving authorities, for approving credit applications and debt restructuring cases;
- approving credit applications and debt restructuring cases that exceed the Credit Discretionary Limits delegated to the respective approving authorities;
- empowering the Bank’s President and Chief Executive Officer to set up any necessary committee (other than the committees which are required by the regulatory authorities and set up by the Board), and determining the composition and scope of responsibilities of such committee;
- acting on urgent and important business matters requiring immediate decision which would normally require the attention and decision of the Board; and

- approving other businesses which may be assigned from time to time by the Board.

The EXCO members are:

Tan Choon Hin ¹	Chairman
Wee Ee Cheong	Vice Chairman I
Lee Chin Yong	Vice Chairman II
Sanchai Apisaksirikul	Member

¹ Tan Choon Hin was appointed to the EXCO with effect from 7 November 2016.

Audit Committee

The Audit Committee (“AC”) consists of four independent directors. Its main responsibilities are to provide oversight of the:

- appropriateness and efficiency of the internal control systems;
- quality of the financial reports;
- internal audit function;
- selection and nomination of the external auditors, including determining the external auditors’ remuneration; and
- disclosure of related-party transactions or transactions where conflict of interests may occur.

The AC members are:

Chanitr Charnchainarong	Chairman
Suebtrakul Soonthornthum	Member
Chinnawat Bulsuk	Member
Tithiphan Chuerboonchai ¹	Member

¹ Tithiphan Chuerboonchai was appointed to the AC with effect from 18 November 2016.

Nomination and Compensation Committee

The Nomination and Compensation Committee (“NCC”) consists of four directors, two of whom are independent directors (including the NCC Chairman). The NCC is responsible for the nomination of, and the remuneration for, the Board members and Senior Management. The NCC’s duties include:

- determining the policy and criteria for the selection of candidates, reviewing the suitability of candidates for appointment to the Board, as Chief Executive Officer and to Senior Management positions of executive director level and above, and deciding on any employee promotion to the corporate title of executive director and above; and
- setting the approach to remuneration, recommending the remuneration for the Board members and reviewing the remuneration for the Senior Management team.



Corporate Governance

The NCC members are:

Suebtrakul Soonthornthum ¹	Chairman
Chinnawat Bulsuk	Member
Wee Ee Cheong	Member
Lee Chin Yong	Member

¹ Suebtrakul Soonthornthum's appointment as NCC chairman was effective from 2 August 2016.

Risk and Capital Committee

The Risk and Capital Committee ("RCC") is established by the Board and comprises two directors and 11 function heads. The RCC reviews the Bank's overall risk appetite, ICAAP and capital. Other key functions performed by the RCC include:

- establishing policies for managing credit risk, market risk, liquidity risk, operational risk and any other type of risks that may affect the reputation and stability of the Bank and its subsidiaries;
- reviewing the adequacy of the policies, risk management procedures and all important aspects of the internal rating system, risk estimates of Internal Ratings-Based Approach (IRB) parameters, and stress tests methodology, taking into account the business and capital implication;
- approving IRB credit rating models;
- reviewing the lending programmes
- discussing risk and capital issues on an integrated basis from an overall capital adequacy perspective;
- reviewing the UOB (Thai) Group's risk appetite framework and risk appetite statement;
- recommending risk mitigation actions in response to material changes, events and breaches of the risk appetite;
- reviewing the ICAAP related framework including the Capital Plan;
- resolving outstanding disagreement on exiting customer relationship and denial of account opening to new and existing customers proposed by the Bank's Anti Money Laundering Committee;
- overseeing the UOB (Thai) Group's consolidated companies to ensure that they comply with relevant risk management policies and regulatory requirements; and
- considering operational risk issues proposed by the Operational Risk Management Committee (ORMC).

The RCC reports directly to the Board on a regular basis and highlights new risks and exceptional risk events to the AC from time to time.

The RCC members are:

President and CEO	Chairman
Head of Credit and Risk Management	Vice Chairman
Head of Finance and Corporate Services	Member
Head of Risk Management	Member
Head of Technology and Operations	Member
Head of Corporate Banking	Member
Head of Commercial Banking	Member
Head of Personal Financial Services	Member
Head of Business Banking	Member
Head of Global Markets	Member
Head of Compliance	Member
Head of Channels and Digitalisation	Member
Head of Retail Credit	Member

In 2016, the Board held four meetings and the AC held five meetings. The 2016 attendance record of directors on the Board and the AC is as follows:

<u>Board of Directors</u>	<u>No. of Meetings Attended</u>	<u>No. of Meetings Participated via Videoconference</u>
Wee Cho Yaw	-	2/4
Wee Ee Cheong	4/4	-
Chinnawat Bulsuk	4/4	-
Suebtrakul Soonthornthum	4/4	-
Chanitr Charnchainarong	3/4	-
Lee Chin Yong	4/4	-
Sanchai Apisaksirikul	4/4	-
Tan Choon Hin ¹	1/4	-
Tithiphan Chuerboonchai ²	1/4	-
Peter Foo Moo Tan ³	3/4	-
Cheo Chai Hong ⁴	2/4	1/4

¹ Tan Choon Hin was appointed as a director with effect from 7 November 2016.

² Tithiphan Chuerboonchai was appointed as an independent director on 18 November 2016.

³ Peter Foo Moo Tan stepped down as a director and the President & CEO on 7 November 2016.

⁴ Cheo Chai Hong stepped down from the Board on 17 November 2016.

<u>Audit Committee</u>	<u>No. of Meetings Attended</u>
Chanitr Charnchainarong	5/5
Chinnawat Bulsuk	5/5
Suebtrakul Soonthornthum	5/5
Tithiphan Chuerboonchai ¹	0/5

¹ Tithiphan Chuerboonchai was appointed as an AC member on 18 November 2016.

Branch Network

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Head Office

Sathon

(Mon - Fri from 8.30am - 3.30pm)
191 South Sathon Rd.,
Sathon, Bangkok 10120
Tel : 0 2343 3000 Ext. 2682, 2684, 2686
0 2343 2685-9, 0 2343 2695,
0 2343 2693, 0 2343 2612, 0 2343 2610,
0 2343 2602, 0 2343 2565, 0 2343 2561,
0 2343 2047
Fax : 0 2287 2972

Bangkok Metropolitan, Nonthaburi and Pathum Thani

Amarin Plaza

(Daily from 8.30am - 5.30pm)
Amarin Plaza, 1st Fl., 500 Ploenchit Rd.,
Lumpini, Pathum Wan, Bangkok 10500
Tel : 0 2252 6292-3, 0 2251 8579,
0 2256 9045-6, 0 2256 9906,
0 2256 9677, 0 2256 9680
Fax : 0 2252 7871

Anusavaree Chaisamorphoom

(Mon - Fri from 8.30am - 3.30pm)
911/1-3 Phaholyothin Rd., Samsen Nai,
Phaya Thai, Bangkok 10400
Tel : 0 2271 0089, 0 2271 3447,
0 2271 2662
Fax : 0 2271 0088

Asok Montri

(Mon - Fri from 8.30am - 3.30pm)
Ratchapak Building, 1st Fl.,
163 Sukhumvit 21 Rd., Wattana,
Bangkok 10110
Tel : 0 2258 3259, 0 2258 3261,
0 2258 3265, 0 2258 3268,
0 2258 3881
Fax : 0 2258 9552

Bang Bon

(Mon - Fri from 8.30am - 3.30pm)
289, 291, 293, 295 Eakachai Rd.,
Bang Bon, Bangkok 10150
Tel : 0 2898 0423-5, 0 2415 6984
Fax : 0 2898 0426

Bang Poo Industrial Estate Market

(Mon - Fri from 8.30am - 3.30pm)
798-799 Tessaban Preakasa 14 Rd.,
Preakasa, Mueang, Samut Prakan 10280
Tel : 0 2324 3504-7
Fax : 0 2324 3508

Bangbuathong

(Mon - Fri from 8.30am - 3.30pm)
28/33-35 Moo 4, Bangkruay-Sainoi Rd.,
Sahno-loi, Bangbuathong,
Nonthaburi 11110
Tel : 0 2920 2451-5
Fax : 0 2920 2450

Bangmod

(Mon - Fri from 8.30am - 3.30pm)
630 Moo 9, Rama II Rd.,
Chomthong, Bangkok 10150
Tel : 0 2867 0203-5, 0 2867 0913
Fax : 0 2867 0914

Bangna KM.2

(Mon - Fri from 8.30am - 3.30pm)
21/235-236 Moo 12, Bangna-Trad Rd.,
Bangna, Bangkok 10260
Tel : 0 2396 1931, 0 2393 9825,
0 2399 0178-81
Fax : 0 2393 6147

Bangplee

(Daily from 10.00am - 7.00pm)
BIG C Center Bangplee, 2nd Fl.,
89 Moo 9, Taeparak KM. 13 Rd.,
Bangplee, Samut Prakan 10540
Tel : 0 2752 4505-7, 0 2752 4509
Fax : 0 2752 4504

Bangrak

(Mon - Fri from 8.30am - 3.30pm)
Gems Tower Building,
1249/19, 1249/50, 1249/59
Charoen Krung Rd., Suriyawong,
Bangrak, Bangkok 10500
Tel : 0 2237 5050-1, 0 2237 8577-8,
0 2234 5265-6, 0 2266 9896-7
Fax : 0 2266 9667

Big C Omyai

(Daily from 10.30am - 7.30pm)
Big C Super Center Omyai,
17/17 Moo 8, Omyai, Sampran,
Nakhon Pathom 73160
Tel : 0 2431 1534-7
Fax : 0 2431 1542

Bobae

(Daily from 8.30am - 5.30pm)
1086/18, 1st Fl. and 4th Fl., 1086/19, 4th Fl.
Krungkasem Rd., Klong Mahanak,
Pomprabsattruphai, Bangkok 10100
Tel : 0 2282 3665, 0 2282 3796,
0 2282 4374, 0 2282 3694-5,
0 2282 4557
Fax : 0 2282 1914

BTS On Nut

(Daily from 10.00am - 7.00pm)
BTS On Nut, Sukhumvit Rd.,
Khlong Toei, Bangkok 10110
Tel : 0 2741 4206-7, 0 2741 4210
Fax : 0 2742 5816

Buntudthong

(Mon - Fri from 8.30am - 3.30pm)
56/20, 56/59-62 Rama I Rd., Rong Mueang,
Pathum Wan, Bangkok 10330
Tel : 0 2214 1733, 0 2214 2067,
0 2214 2252, 0 2214 1292
Fax : 0 2215 4836

Central Bangna

(Wealth Banking Centre)
(Daily from 10.30am - 7.30pm)
Central Plaza Bangna, 4th Fl.,
Unit 415, 587 Bangna-Trad Rd.,
Bangna, Bangkok 10260
Tel : 0 2361 7851-3
Fax : 0 2361 7854

Central Grand Rama 9

(Daily from 10.30am - 7.30pm)
Central Plaza Grand Rama 9
Department Store, 5th Fl.,
Unit 508-2, 9/8, 9/9 Rama 9 Rd.,
Huai Kwang, Bangkok 10310
Tel : 0 2160 3851-4
Fax : 0 2160 3855

Central Pinklao

(Wealth Banking Centre)
(Daily from 10.30am - 7.30pm)
4th Fl., Unit 407, 7/222
Central Plaza Pinklao,
Boromratchachonnane Rd.,
Arun Amarin, Bangkoknoi,
Bangkok 10700
Tel : 0 2884 8030-2
Fax : 0 2884 8033

Central Plaza WestGate

(Daily from 10.30am - 7.30pm)
Central Plaza WestGate, 3rd Fl.,
199, 199/1-2 Moo 6, Sathonghin,
Bangyai, Nonthaburi 11140
Tel : 0 21940 2880-2, 0 2009 1140
Fax : 0 2009 1141



Branch Network

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Central Rama 2

(Daily from 10.30am - 7.30pm)
Central Plaza Rama 2 Department Store,
1st Fl., Unit 159, 160 Rama 2 Rd.,
Bang Khun Thian, Bangkok 10150
Tel : 0 2415 1648-50, 0 2415 1867
Fax : 0 2415 1868

Central Rama 3

(Wealth Banking Centre)
(Daily from 11.00am - 8.00pm)
Central Plaza Rama 3 Department Store,
4th Fl., Unit 434, 79 Sathupradit Rd.,
Chong Nonsri, Yannawa, Bangkok 10120
Tel : 0 2164 0085-6, 0 2673 7027-8
Fax : 0 2164 0087

Central Rattanathibet

(Daily from 10.30am - 7.30pm)
Central Plaza Rattanathibet, 2nd Fl.,
Zone E-Centre Department Store,
562, 566 Moo 8, Rattanathibet Rd.,
Mueang, Nonthaburi 11000
Tel : 0 2527 8619-20, 0 2527 8631,
0 2527 8633
Fax : 0 2527 8636

Chaengwatana

(Mon - Fri from 8.30am - 3.30pm)
Na Nakorn Building, 99/349 Moo 2,
Chaengwatana Rd., Thung Song Hong,
Don Mueang, Bangkok 10210
Tel : 0 2576 1057-60, 0 2576 1544-5,
0 2576 1531-2
Fax : 0 2576 1533

Charoen Krung Yaek Sua Pa

(Mon - Fri from 8.30am - 3.30pm)
416-8 Charoen Krung Rd.,
Sampantawong, Bangkok 10100
Tel : 0 2623 1644-7
Fax : 0 2623 1090

City Complex

(Mon - Fri from 8.30am - 5.00pm)
City Complex Building, 831 Petchburi Rd.,
Ratchathewi, Bangkok 10400
Tel : 0 2255 0746, 0 2255 0749,
0 2653 8522, 0 2613 5199, 0 2252 1211
Fax : 0 2255 0748

Empire Tower

(Mon - Fri from 8.30am - 4.30pm)
Empire Tower, B1 Fl., Unit K27,
1 South Sathon Rd., Yannawa,
Sathon, Bangkok 10120
Tel : 0 2287 2870-3
Fax : 0 2287 2874

Fashion Island

(Wealth Banking Centre)
(Daily from 10.30am - 7.30pm)
Fashion Island Department Store,
587, 589 Ramintra Rd., Kan Na Yao,
Bangkok 10230
Tel : 0 2947 5307-9, 0 2947 5311
Fax : 0-2947-5310

Gateway Ekamai

(Daily from 10.30am - 7.30pm)
Gateway Ekamai Department Store,
3rd Fl., Unit 3129, 982/22,
Sukhumvit Rd., Phra Khanong,
Khlong Toei, Bangkok 10110
Tel : 0 2108 2856-9
Fax : 0 2108 2849

Huamark

(Mon - Fri from 8.30am - 3.30pm)
5, 7, 9 Soi Ramkhamhaeng 19/1,
Ramkhamhaeng Rd., Bangkok,
Bangkok 10240
Tel : 0 2318 8561-4, 0 2718 4624,
0 2319 3062
Fax : 0 2318 0139

Khlong Toei

(Mon - Fri from 8.30am - 3.30pm)
Rama IV Department Store,
1472, 1474 Rama IV Rd., Khlong Toei,
Bangkok 10110
Tel : 0 2249 0886-90
Fax : 0 2249 4075

Ladphrao

(Mon - Fri from 8.30am - 3.30pm)
50/212-213 Ladphrao Rd.,
Wang Thong Lang, Bangkok 10310
Tel : 0 2514 2709, 0 2514 2964,
0 2539 5800, 0 2530 1120,
0 2933 7416-7
Fax : 0 2539 2003

Manorom

(Mon - Fri from 8.30am - 3.30pm)
Manorom Building, 3354/1 Rama 4 Rd.,
Khlongton, Khlong Toei, Bangkok 10110
Tel : 0 2249 7480-2
Fax : 0 2249 7479

Megabangna

(Daily from 10.30am - 7.30pm)
39 Moo 6, Bangna-Trad Rd., KM. 8,
Bangkaew, Bangplee, Samut Prakan 10540
Tel : 0 2186 8702-5
Fax : 0 2186 8706

Minburi

(Mon - Fri from 8.30am - 3.30pm)
Navamin Plaza, G Fl., 599/1 Moo 13,
Sihaburanukit Rd., Minburi,
Bangkok 10510
Tel : 0 2518 0815-17
Fax : 0 2518 0799

Mueang Thong Thani

(Mon - Fri from 8.30am - 3.30pm)
339 Mueangthongthani, Bondstreet Rd.,
Pakkred, Nonthaburi 11120
Tel : 0 2503 4940-3
Fax : 0 2503 4914

Nong Khaem

(Mon - Fri from 8.30am - 3.30pm)
77/207 Moo 2, Phetkasem Rd.,
Nong Khang Phlu, Nong Khaem,
Bangkok 10160
Tel : 0 2420 7941-4
Fax : 0 2420 7940

Nonthaburi

(Mon - Fri from 8.30am - 3.30pm)
32/16-19 Bangkok-Nonthaburi Rd.,
Talad Kwan, Mueang, Nonthaburi 11000
Tel : 0 2525 1770-2, 0 2968 4592-4
Fax : 0 2526 2993

On Nut

(Mon - Fri from 8.30am - 3.30pm)
1468, 1470 On Nut Rd., Suan Luang,
Bangkok 10250
Tel : 0 2332 3134-7
Fax : 0 2331 8519

Paradise Park

(Daily from 10.30am - 7.30pm)
Paradise Park, 2nd Fl., Unit 2C004,
61 Srinakarin Rd., Nongbon,
Prawet, Bangkok 10250
Tel : 0 2746 0816-8
Fax : 0 2746 0819

Pattanakarn

(Mon - Fri from 8.30am - 3.30pm)
309/1-4 Patanakarn Rd.,
Prawet, Bangkok 10250
Tel : 0 2322 0439, 0 2322 0441-3
Fax : 0 2322 0438

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Phaholyothin KM.26

(Mon - Fri from 8.30am - 3.30pm)
1/737 Moo 17, Soi Amporn,
Phaholyothin KM. 26, Khukhot,
Lam Luk Ka, Pathum Thani 12150
Tel : 0 2532 3644-50
Fax : 0 2532 3641

Phaholyothin Soi 19

(Mon - Fri from 8.30am - 3.30pm)
Rasa Tower Building,
555 Phaholyothin Rd., Chatuchak,
Bangkok 10900
Tel : 0 2937 0300-4, 0 2513 3165
Fax : 0 2937 0305

Phahurad

(Privilege Banking Centre)

(Mon - Fri from 8.30am - 5.00pm,
Sat from 10.00am - 5.00pm)
The Old Siam Plaza, 2/30-33,
4/11-14 Burapa Rd., Phra Nakhon,
Bangkok 10200
Tel : 0 2222 0176-9, 0 2222 4113-4,
0 2223 1854-5, 0 2623 8477
Fax : 0 2223 0708

Phra Pinklao

(Mon - Fri from 8.30am - 3.30pm)
30 Charan Sanit Wong Rd., Bang Yi Khan,
Bangphlat, Bangkok 10700
Tel : 0 2434 7110-3, 0 2434 7115,
0 2424 2283
Fax : 0 2434 7114

Rajchaprarop

(Mon - Fri from 8.30am - 5.00pm)
120/3-6 Rajchaprarop Rd.,
Ratchathewi, Bangkok 10400
Tel : 0 2656 3068, 0 2656 3071-2
Fax : 0 2251 0404

Ratchawong

(Mon - Fri from 8.30am - 3.30pm)
219/2 Ratchawong Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2221 7515, 0 2622 7388-90
Fax : 0 2622 7392

Rangsit

(Wealth Banking Centre)

(Daily from 10.30am - 7.30pm)
Future Park Rangsit Building, 94 Moo 2,
Phaholyothin Rd, Prachatipat,
Thanyaburi, Pathum Thani 12110
Tel : 0 2958 0562-7
Fax : 0 2958 0568

Ratchada-Huay Khwang

(Mon - Fri from 8.30am - 3.30pm)
167/8 Ratchadaphisek Rd.,
Din Daeng, Bangkok 10320
Tel : 0 2276 9408-12, 0 2276 9414
Fax : 0 2276 9413

Ratchada-Sathupradit

(Mon - Fri from 8.30am - 3.30pm)
127/1 Nonsee Rd., Yannawa,
Bangkok 10120
Tel : 0 2681 1111-5, 0 2681 1738,
0 2295 3706-7
Fax : 0 2681 1110

Ratchada-Thaphra

(Mon - Fri from 8.30am - 3.30pm)
Decha Building, 299 Ratchadaphisek 6 Rd.,
Thonburi, Bangkok 10600
Tel : 0 2476 9945-9
Fax : 0 2476 9944

Samrong

(Mon - Fri from 8.30am - 3.30pm)
999/99 Moo 1, Sukhumvit Rd.,
Samrong Nua, Mueang,
Samut Prakan 10270
Tel : 0 2384 7656, 0 2384 4510,
0 2394 0422, 0 2394 0428
Fax : 0 2384 4352

Sam Yaek

(Mon - Fri from 8.30am - 3.30pm)
601 Charoen Krung Rd., Talad Noi,
Samphanthawong, Bangkok 10100
Tel : 0 2222 5111-6
Fax : 0 2222 1354

Saphanmai

(Mon - Fri from 8.30am - 3.30pm)
108/502-503 Moo 7, Phaholyothin Rd.,
Bangkhen, Bangkok 10220
Tel : 0 2522 6646-8
Fax : 0 2522 6649

Sathon 2

(Mon - Fri from 8.30am - 3.30pm)
Bangkok City Tower Building,
179/3 South Sathon Rd., Tung Mahamek,
Sathon, Bangkok 10120
Tel : 0 2679 5700-2, 0 2679 5704
Fax : 0 2679 5703

Seacon Bangkae

(Daily from 10.30am - 7.30pm)
Seacon Bangkhae Department Store,
607 Phetkasem Rd., Bangwa,
Phasi Charoen, Bangkok 10160
Tel : 0 2454 8792-5
Fax : 0 2454 8696

Seacon Square

(Daily from 10.30am - 7.30pm)
Seacon Square Department Store,
3rd Fl., Unit 3057F, 55 Srinakharin Rd.,
Nongbon, Prawet, Bangkok 10250
Tel : 0 2721 9103-4, 0 2138 5744-5
Fax : 0 2138 5746

Senanikom

(Mon - Fri from 8.30am - 3.30pm)
126/19 Phaholyothin 32 Rd.
(Soi Senanikom 1), Chatuchak,
Bangkok 10900
Tel : 0 2561 3100-1, 0 2579 6248,
0 2561 1054, 0 2941 7775
Fax : 0 2579 9088

Si Phraya

(Mon - Fri from 8.30am - 3.30pm)
295 Si Phraya Rd., Bangrak,
Bangkok 10500
Tel : 0 2235 2884-7, 0 2236 6805,
0 2631 5440-1
Fax : 0 2235 2882

Si Yaek Sriwara

(Mon - Fri from 8.30am - 3.30pm)
573/139 Soi Ramkhamhaeng 39,
Prachauthit Rd., Wangthonglang,
Bangkok 10310
Tel : 0 2934 7941-4
Fax : 0 2934 7945

Siam Square

(Daily from 10.00am - 7.00pm)
410-410/1 Siam Square Soi 6, Rama I Rd.,
Pathum Wan, Bangkok 10500
Tel : 0 2251 3343, 0 2251 2145,
0 2251 2278-9
Fax : 0 2251 2280

Silom 2

(Mon - Fri from 8.30am - 5.00pm)
14 Silom Rd., Bangrak, Bangkok 10500
Tel : 0 2632 8801-3, 0 2632 8805
Fax : 0 2632 8804



Branch Network

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Silom Complex

(Daily from 10.30am - 7.30pm)
Silom Complex Building, 4th Fl.,
191 Silom Rd., Silom, Bangrak,
Bangkok 10500
Tel : 0 2231 3100-1, 0 2231 3139-40
Fax : 0 2231 3137

Soi Yoo Dee

(Mon - Fri from 8.30am - 3.30pm)
597/113-114 Trok Watchannai,
Chan Rd., Bangkhlo, Bang Kho Laem,
Bangkok 10120
Tel : 0 2292 1627-8, 0 2291 4904-5,
0 2291 4907
Fax : 0 2291 4906

Songwad

(Mon - Fri from 8.30am - 3.30pm)
1252-1254 Songwad Rd., Jakrawat,
Samphanthawong, Bangkok 10100
Tel : 0 2225 6254-5, 0 2225 3596-7,
0 2226 3606-7
Fax : 0 2225 6256

Srinakarin

(Mon - Fri from 8.30am - 3.30pm)
395/5 Srinakarin Rd., Mueang,
Samut Prakan 10270
Tel : 0 2385 7312-5
Fax : 0 2385 7316

St. Louis 3

(Mon - Fri from 8.30am - 3.30pm)
31, Soi Chan 18/7 (St. Louis 3)
Thung Wat Don, Sathon, Bangkok 10120
Tel : 0 2212 7024, 0 2211 1407
Fax : 0 2211 0815

Sukhumvit 4

(Mon - Fri from 8.30am - 3.30pm)
142 Sukhumvit Rd., Khlong Toei,
Bangkok 10110
Tel : 0 2653 2178-9, 0 2253 5137,
0 2653 2218, 0 2653 2180,
0 2252 2522
Fax : 0 2653 2181

Sukhumvit 25

(Mon - Fri from 8.30am - 3.30pm)
Ban Chang Glas House Building,
1 Soi Sukhumvit 25, Khlong Toei Nua,
Khlong Toei, Bangkok 10110
Tel : 0 2258 0270-1, 0 2260 6117-9,
0 2258 9330-2, 0 2661 7741,
0 2661 7761
Fax : 0 2258 4582

Sukhumvit 26

(Mon - Fri from 8.30am - 3.30pm)
690 Sukhumvit Rd., Khlong Toei,
Bangkok 10110
Tel : 0 2620 4469-71, 0 2620 4473-80
Fax : 0 2260 5312

Sukhumvit 101 (Piyarom Park)

(Daily from 10.00am - 7.00pm)
3079/25 Soi Piyabuttra, Sukhumvit Rd.,
Bang Chak, Phra Khanong, Bangkok 10260
Tel : 0 2730 5105
Fax : 0 2730 5106

Suksawat

(Mon - Fri from 8.30am - 3.30pm)
393, 395, 397 Suksawat Rd., Bangpakok,
Rat Burana, Bangkok 10140
Tel : 0 2477 2409-11
Fax : 0 2468 6028

Surawong

(Mon - Fri from 8.30am - 3.30pm)
134 Surawong Rd., Bangrak,
Bangkok 10500
Tel : 0 2233 9730-3
Fax : 0 2235 5208

Talad Thai

(Daily from 9.30am - 6.30pm)
32/1044 Moo 9, Khlongnueng,
Khlongluang, Pathum Thani 12120
Tel : 0 2908 4784-7
Fax : 0 2908 4847

Talad Si Mummuang

(Mon - Fri from 8.30am - 3.30pm)
355/33-35 Moo 8, Phaholyothin Rd.,
Khukhot, Lam Luk Ka, Pathum Thani 12130
Tel : 0 2536 7850, 0 2536 7854-6
Fax : 0 2536 7853

Thaiwa Tower

(Mon - Fri from 8.30am - 3.30pm)
Thai Wah Tower 1 Building,
21/63-66 South Sathon Rd.,
Sathon, Bangkok 10120
Tel : 0 2285 0092-4
Fax : 0 2285 0095

Thanon Asoke-Dindaeng

(Mon - Fri from 8.30am - 3.30pm)
729 Asoke-Dindaeng Rd.,
Din Daeng, Bangkok 10320
Tel : 0 2248 6935-7
Fax : 0 2248 6933

Thanon Kingkaew

(Mon - Fri from 8.30am - 3.30pm)
9-4 Moo 7, Kingkaew Rd., Rachatewa,
Bangplee, Samut Prakan 10540
Tel : 0 2175 1967-70
Fax : 0 2175 1971

Thanon Krungthomburi

(Mon - Fri from 8.30am - 3.30pm)
Sinn Sathon Tower, 77/2 Krungthomburi Rd.,
Khlongsan, Bangkok 10600
Tel : 0 2440 0345-9
Fax : 0 2440 0350

Thanon Phaholyothin 8

(Mon - Fri from 8.30am - 3.30pm)
Intouch Tower, G Fl.,
414 Phaholyothin Rd., Samsen Nai,
Phaya Thai, Bangkok 10400
Tel : 0 2616 9760-2, 0 2357 1690
Fax : 0 2357 1490

Thanon Phayathai

(Mon - Fri from 8.30am - 3.30pm)
Golden Town Building, 1st Fl.,
Unit 1/4-1/6, 71 Phaya Thai Rd.,
Ratchathewi, Bangkok 10400
Tel : 0 2653 4530-2
Fax : 0 2653 4658

Thanon Phraram 6

(Mon - Fri from 8.30am - 3.30pm)
Tipco Tower Building, G Fl.,
118/1 Rama VI Rd., Samsen Nai,
Phaya Thai, Bangkok 10400
Tel : 0 2357 3460-3, 0 2357 3332
Fax : 0 2357 3464

Thanon Phraram 9

(Mon - Fri from 8.30am - 3.30pm)
Worrasombat Building, G Fl.,
100/1 Rama IX Rd., Huai Khwang,
Bangkok 10310
Tel : 0 2645 0683-5
Fax : 0 2645 0440

Thanon Pracha-U-Thit

(Mon - Fri from 8.30am - 3.30pm)
147/1-4 Moo 8, Pracha-U-Thit Rd.,
Rat Burana, Bangkok 10140
Tel : 0 2873 1457-60, 0 2873 1439
Fax : 0 2873 1440

Branch Network

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Thanon Sri Wara

(Mon - Fri from 8.30am - 3.30pm)
314 Soi Ladphrao 94 (Panjamit),
Sri Wara Rd., Wang Thonglang,
Bangkok 10310
Tel : 0 2559 3600-5, 0 2935 6025-6
Fax : 0 2559 3606

Thanon Sukhaphiban 3

(Mon - Fri from 8.30am - 3.30pm)
902 Ramkamhaeng Rd., Bangkok,
Bangkok 10240
Tel : 0 2375 8725, 0 2375 8794,
0 2375 8799, 0 2377 9183,
0 2377 5285, 0 2735 4018
Fax : 0 2375 8795

Thanon Vorachak

(Mon - Fri from 8.30am - 3.30pm)
94-96 Vorachak Rd., Ban Bat,
Pom Prap Sattru Phai, Bangkok 10100
Tel : 0 2225 9085-6, 0 2225 9088,
0 2621 1247
Fax : 0 2225 9087

Thanon Witthayu

(Mon - Fri from 8.30am - 5.00pm)
CRC Tower Building, G Fl., 121, 87/2
Wireless Rd., Lumpini, Pathum Wan,
Bangkok 10330
Tel : 0 2255 5392-4
Fax : 0 2255 5395

Thanon Yaowarat

(Mon - Fri from 8.30am - 5.00pm)
Hua Seng Heng Building,
1st Fl., 422, 424 Yaowarat Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2226 2930-1, 0 2226 5855
Fax : 0 2226 2933

The Circle Ratchapruk

(Daily from 10.30am - 7.30pm)
The Circle Ratchapruk, Room R6,
39 Ratchapruk Rd., Bangramad,
Taling Chan, Bangkok 10170
Tel : 0 2863 8624-6
Fax : 0 2863 8627

The Mall Bangkai

(Daily from 10.30am - 7.30pm)
The Mall Bangkhae, 3rd Fl., 275 Moo 1,
Phetkasem Rd., North Bangkok,
Bangkhae, Bangkok 10160
Tel : 0 2482 9582-5
Fax : 0 2482 9586

The Mall Bangkok

(Daily from 10.30am - 7.30pm)
The Mall Bangkok, 3rd Fl., Unit 3S-C9A,
3522 Ladphrao Rd., Khlong-jun,
Bangkapi, Bangkok 10240
Tel : 0 2363 3570-3
Fax : 0 2363 3574

The Mall Ngam Wong Wan

(Daily from 10.30am - 7.30pm)
The Mall Ngamwongwan, 3rd Fl.,
Unit 3S-C4A, C5A, 30/39-50 Moo 2,
Ngam Wong Wan Rd., Bangkokhen,
Mueang, Nonthaburi 11000
Tel : 02 550 1134-7
Fax : 02 550 0355

The Phyll Sukhumvit 54

(Daily from 10.00am - 7.00pm)
The Phyll, G Fl., Unit G05,
1770 Sukhumvit Rd., Bang Chak,
Phra Khanong, Bangkok 10260
Tel : 0 2331 3582-4, 0 2331 3587
Fax : 0 2331 3588

Thonglor

(Mon - Fri from 8.30am - 3.30pm)
283/15-17, 283/65, Soi Thonglor 13,
Sukhumvit 55 Rd., Wattana,
Bangkok 10250
Tel : 0 2712 7150-5
Fax : 0 2712 7156

United Center

(Mon - Fri from 10.30am - 6.30pm)
United Center Building, 2nd Fl.,
Unit 209A, 323 Silom Rd., Silom,
Bangrak, Bangkok 10500
Tel : 0 2237 4890-93
Fax : 0 2237 4894

UOB Wealth Banking Centre-Siam Paragon

(Daily from 10.30am - 7.30pm)
Siam Paragon Shopping Center,
3rd Fl., Unit 3-01A, 991 Rama 1 Rd.,
Pathum Wan, Pathum Wan, Bangkok 10330
Tel : 0 2129 4841-3, 0 2610 9602-3
Fax : 0 2610 9604

Wiphawadi-Rangsit 9

(Mon - Fri from 8.30am - 3.30pm)
T.S.T. Tower Building,
21 Vibhawadi-Rangsit Rd.,
Chatuchak, Bangkok 10900
Tel : 0 2273 8120-1, 0 2273 8939-40
Fax : 0 2273 8122

Wongwian Odean

(Mon - Fri from 8.30am - 3.30pm)
772, 774 Charoen Krung Rd.,
Samphanthawong, Samphanthawong,
Bangkok 10100
Tel : 0 2238 2540-1, 0 2234 3399
Fax : 0 2238 2543

Yaowarat Mahajak

(Mon - Fri from 8.30am - 5.00pm)
236, 238, 240 Yaowarat Rd.,
Chakkrawat, Samphanthawong,
Bangkok 10110
Tel : 0 2225 5241-44
Fax : 0 2225 5245

Central Area

Kanchanaburi

(Mon - Fri from 8.30am - 5.00pm)
160/39-40 Sangchutoe Rd.,
Ban Nuea, Mueang, Kanchanaburi 71000
Tel : 0 3452 1621-3
Fax : 0 3452 1624

Nakhon Pathom

(Mon - Fri from 8.30am - 5.00pm)
63-65 Rajvithi Rd., Phraphathomjedi,
Mueang, Nakhon Pathom 73000
Tel : 0 3425 1184-5
Fax : 0 3425 1186

Phra Nakhon Si Ayutthaya

(Mon - Fri from 8.30am - 3.30pm)
255 Moo 5, Rojana Rd.,
Phra Nakhon Si Ayutthaya,
Phra Nakhon Si Ayutthaya 13000
Tel : 0 3524 6116, 0 3524 6030,
0 3522 9049
Fax : 0 3524 1546

Ratchaburi

(Mon - Fri from 8.30am - 3.30pm)
11 Kathatorn Rd., Na Mueang,
Mueang Ratchaburi, Ratchaburi 70000
Tel : 0 3231 0321-3
Fax : 0 3231 0324

Samut Sakhon

(Mon - Fri from 8.30am - 3.30pm)
927/403 Sethakit 1 Rd., Mahachai,
Mueang, Samut Sakhon 74000
Tel : 0 3481 0514-5, 0 3442 7510,
0 3442 7582
Fax : 0 3481 0513



Branch Network

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Samut Songkhram

(Mon - Fri from 8.30am - 3.30pm)
125/28 Tang Kao Mueang Rd., Mueang,
Samut Songkhram 75000
Tel : 0 3471 8111, 0 3471 8222,
0 3471 8626, 0 3471 8628-9,
0 3474 0028
Fax : 0 3471 8627

Saraburi

(Mon - Fri from 8.30am - 3.30pm)
427 Phaholyothin Rd.,
Mueang, Saraburi 18000
Tel : 0 3621 2137-8, 0 3631 2055-6,
0 3622 2344, 0 3622 1630
Fax : 0 3622 1636

Eastern Area

Amata Nakhon

(Mon - Fri from 10.00am - 05.30pm)
700/17 Moo 1, Khlong Tamru, Mueang,
Chon Buri 20000
Tel : 0 3845 7564-7
Fax : 0 3845 7568

Ban Bung

(Mon - Fri from 8.30am - 3.30pm)
403 Chon Buri-Ban Bung Rd.,
Ban Bung, Chon Buri 20170
Tel : 0 3844 3628, 0 3844 3072,
0 3875 0979-80, 0 3875 1118-9
Fax : 0 3844 3039

Ban Chang

(Mon - Fri from 8.30am - 5.00pm)
51/11-12 Moo 5, Sukhumvit Rd.,
Ban Chang, Rayong 21130
Tel : 0 3860 3120-5
Fax : 0 3860 3119

Bang Lamung

(Mon - Fri from 8.30am - 3.30pm)
90/27 Moo 5, Pattaya-Naglua Rd.,
Naglua, Bang Lamung, Chon Buri 20150
Tel : 0 3842 8418, 0 3842 9333,
0 3842 7748-9, 0 3842 0273,
0 3872 6817
Fax : 0 3842 3332

Chachoengsao

(Mon - Fri from 8.30am - 3.30pm)
94/3 Chumphon Rd., Mueang,
Chachoengsao 24000
Tel : 0 3851 1621-2, 0 3881 8149,
0 3851 4627-8, 0 3853 5083
Fax : 0 3851 1623

Chanthaburi

(Mon - Fri from 8.30am - 3.30pm)
82/9 Thachalab Rd., Wat Mai,
Mueang, Chanthaburi 22000
Tel : 0 3931 2822, 0 3934 6616,
0 3934 6434-5
Fax : 0 3932 1201

Central Chonburi

(Daily from 11.00am - 8.00pm)
Central Plaza Chonburi, 2nd Fl.,
55/88-9, 55/91 Sukhumvit Rd., Samet,
Mueang, Chon Buri 20000
Tel : 0 3805 3920-3
Fax : 0 3805 3924

Chon Buri

(Privilege Banking Centre)
(Mon - Fri from 8.30am - 3.30pm)
804 Kor Chetchamnon Rd., Bangplaso,
Mueang, Chon Buri 20000
Tel : 0 3827 3601-6
Fax : 0 3827 3607

Chon Buri 2

(Mon - Fri from 8.30am - 3.30pm)
116/110 Moo 3, Sukhumvit Rd.,
Ban Suan, Mueang, Chon Buri 20000
Tel : 0 3879 7457-9, 0 3879 7462
Fax : 0 3879 7461

Eastern Seaboard

(Mon - Fri from 8.30am - 3.30pm)
Thanon Hemaraj Avenue, 24/1 Moo 4,
Pluak Daeng, Rayong 21140
Tel : 0 3895 5284-8, 0 3895 5290
(0 3889 1489 ATM)
Fax : 0 3895 5289

Map Ta Phut

(Mon - Fri from 8.30am - 5.00pm)
267/11-13 Sukhumvit Rd., Map Ta Phut,
Mueang, Rayong 21150
Tel : 0 3860 7945, 0 3860 7947,
0 3860 7949, 0 3860 7957
Fax : 0 3860 8718

Pattaya

(Mon - Fri from 10.00am - 6.00pm)
325/115-116 Moo 10, Pattaya Sai 2 Rd.,
Nong Prue, Bang Lamung, Chon Buri 20260
Tel : 0 3842 9464, 0 3871 0414,
0 3841 0027
Fax : 0 3842 9400

Passione Shopping Destination

(Daily from 10.30am - 7.30pm)
Passione Shopping Destination,
2nd Fl., 554/4 Sukhumvit Rd.,
Noen Phra, Mueang, Rayong 21150
Tel : 0 3802 3400-3
Fax : 0 3802 3404

Rayong

(Mon - Fri from 8.30am - 3.30pm)
144/39-41 Sukhumvit Rd., Mueang,
Rayong 21000
Tel : 0 3861 4730-3, 0 3861 4255-6
Fax : 0 3861 4734

Robinson Sriracha

(Daily from 11.00am - 8.00pm)
Robinson Si Racha Department Store,
G Fl., Unit 1F-B-13, 90/1 Sukhumvit Rd.,
Si Racha, Chon Buri 20110
Tel : 0 3832 8458-60
Fax : 0 3832 8461

Sri Racha

(Mon - Fri from 8.30am - 3.30pm)
135/19 Sukhumvit Rd., Si Racha,
Chon Buri 20110
Tel : 0 3832 4500-2, 0 3832 4504
Fax : 0 3832 4503

Northeastern Area

Ban Huay Udon Thani

(Mon - Fri from 8.30am - 3.30pm)
214/27-29 Udon Dutsadi Rd.,
Mak Khaeng, Mueang, Udon Thani 41000
Tel : 0 4224 3639-41
Fax : 0 4224 3643

Central Plaza Udonthani

(Daily from 10.30am - 7.30pm)
Central Plaza Udonthani Department Store,
277/3 Prajaksillapakom Rd.,
Mueang, Udon Thani 41000
Tel : 0 4292 1458-61
Fax : 0 4292 1462

Khon Kaen

(Mon - Fri from 8.30am - 3.30pm)
34, 34/1-2 Namueang Rd., Nai Mueang,
Mueang, Khon Kaen 40000
Tel : 0 4323 7620-1, 0 4333 4577,
0 4323 7609
Fax : 0 4323 7435

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**Khon Kaen-Thanon Mittrpararb
(Privilege Banking Centre)**
(Mon - Fri from 8.30am - 5.00pm,
Sat - Sun from 9.30am - 6.30pm.)
81/1 Mittrpararb Rd., Mueang,
Khon Kaen 40000
Tel : 0 4324 1686, 0 4324 1268,
0 4324 2547
Fax : 0 4323 8435

Nakhon Ratchasima
(Mon - Fri from 8.30am - 3.30pm)
2-4 Choompol Rd., Nai Mueang,
Mueang, Nakhon Ratchasima 30000
Tel : 0 4426 8873-7
Fax : 0 4425 5476

Nakhon Ratchasima 2
(Mon - Fri from 8.30am - 3.30pm)
545 Mittrpararb Rd., Nai Mueang,
Mueang, Nakhon Ratchasima 30000
Tel : 0 4426 3487-91
Fax : 0 4426 3493

Roiet
(Mon - Fri from 8.30am - 3.30pm)
226/2 Ronnachaichanyut Rd.,
Nai Mueang, Mueang, Roiet 45000
Tel : 0 4351 5850-2
Fax : 0 4351 5854

Sakhon Nakhon
(Mon - Fri from 8.30am - 3.30pm)
1551/9-10 Sukkasem Rd.,
That Choeng Chum, Mueang,
Sakon Nakhon 47000
Tel : 0 4271 6350, 0 4271 6303,
0 4271 6895, 0 4271 6765,
0 4271 6230
Fax : 0 4271 6728

Surin
(Mon - Fri from 8.30am - 3.30pm)
79, 81, 83 Chitbunrung Rd.,
Nai Mueang, Mueang, Surin 32000
Tel : 0 4453 8384, 0 4451 1848,
0 4451 8997-8
Fax : 0 4451 1081

Ubon Ratchathani
(Mon - Fri from 8.30am - 3.30pm)
177 Ubparat Rd., Nai Mueang, Mueang,
Ubon Ratchathani 34000
Tel : 0 4524 3830-1, 0 4524 4270-1,
0 4524 4717-8, 0 4526 2904,
0 4531 1825
Fax : 0 4524 3832

Udon Thani
(Mon - Fri from 8.30am - 3.30pm)
359 Phosri Rd., Mueang,
Udon Thani 41000
Tel : 0 4222 1333, 0 4222 3613,
0 4234 3425, 0 4224 9590,
0 4234 3023, 0 4221 3036,
0 4224 4733
Fax : 0 4224 4062

Northern Area

Central Airport Chiang Mai
(Daily from 11.00am - 8.00pm)
2 Mahidol Rd., 252-252/1 Wualai Rd.,
Haiya, Mueang, Chiang Mai 50100
Tel : 0 5390 4143-6
Fax : 0 5390 4147

**Chiang Mai-Huaikaw
(Privilege Banking Centre)**
(Mon - Fri from 8.30am - 3.30pm)
137 Huay Kaew Rd., Mueang,
Chiang Mai 50200
Tel : 0 5321 1091-4
Fax : 0 5321 1095

Chiang Rai
(Mon - Fri from 8.30am - 3.30pm)
643/5 Moo 3, Uttrakit Rd., Vieng,
Mueang, Chiang Rai 57000
Tel : 0 5371 6786, 0 5371 1414, 0 5371 6557
Fax : 0 5371 5429

Lampang
(Mon - Fri from 8.30am - 3.30pm)
255 Boonwat Rd., Mueang,
Lampang 52000
Tel : 0 5421 8383, 0 5422 7383,
0 5421 8454, 0 5421 8373
Fax : 0 5422 7637

Nakhon Sawan
(Mon - Fri from 8.30am - 3.30pm)
532-534 Kosi Rd., Pak Nam Pho,
Mueang, Nakhon Sawan 60000
Tel : 0 5621 4109, 0 5621 4690,
0 5621 4709, 0 5631 4234-5,
0 5631 4299, 0 5621 3166
Fax : 0 5621 3224

Phitsanulok
(Mon - Fri from 8.30am - 3.30pm)
112/39-41 Akartodsrod Rd., Nai Mueang,
Mueang, Phitsanulok 65000
Tel : 0 5522 5153-5
Fax : 0 5522 5156

Thanon Highway-Chiang Mai
(Mon - Fri from 8.30am - 3.30pm)
1/99 Chiang Mai-Lampang Rd.,
Nong Pa Khrang, Mueang,
Chiang Mai 50000
Tel : 0 5330 4701-4, 0 5330 4706
Fax : 0 5330 4705

Thanon Sridonchai Chiang Mai
(Mon - Fri from 8.30am - 5.00pm)
54/1 Suriwong Book Center,
Sridonchai Rd., Haiya, Mueang,
Chiang Mai 50100
Tel : 0 5327 0029-30, 0 5328 2903,
0 5382 1080-1
Fax : 0 5328 2015

Thanon Thapae Chiang Mai
(Mon - Fri from 8.30am - 3.30pm)
2-4, Wichayanon Rd., Chang Moi,
Mueang, Chiang Mai 50300
Tel : 0 5323 386-2, 05387 4028
Fax : 0 5387 4029

Southern Area

Central Festival Phuket
(Daily from 10.30am - 7.30pm)
Central Festival Phuket, 2nd Fl.,
74-75 Moo 5, Wishit, Phuket,
Phuket 83000
Tel : 0 7621 0492, 0 7621 0526,
0 7621 0534, 0 7621 0575
Fax : 0 7621 0596

Central Plaza Suratthani
(Daily from 11.00am - 8.00pm)
88 Moo 10, Wat Pradu, Mueang,
Surat Thani 84000
Tel : 0 7760 2700-3
Fax : 0 7760 2704

Hat Pa Tong
(Mon - Fri from 9.30am - 4.30pm)
159, 161, 163 Rat-U-Thit 200 Years Rd.,
Patong, Krathu, Phuket 83150
Tel : 0 7634 0489, 0 7634 0142-3
Fax : 0 7634 1169

Ha Yaek Chalongs Phuket
(Mon - Fri from 8.30am - 3.30pm)
9/108 Moo 9, Chaofa (East) Rd.,
Chalong, Mueang, Phuket 83130
Tel : 0 7638 3801-4
Fax : 0 7638 3805



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Hat Yai

(Mon - Fri from 8.30am - 3.30pm)
164 Nipat-utit 1 Rd., Hat Yai,
Songkhla 90110
Tel : 0 7424 3032, 0 7424 5033,
0 7423 5605, 0 7424 3810
Fax : 0 7423 5606

Nakhon Sri Thammarat

(Mon - Fri from 8.30am - 3.30pm)
1719-1721 Rajdamnern Rd., Tha Wang,
Mueang, Nakhon Sri Thammarat 80000
Tel : 0 7535 6112, 0 7535 6860-1
Fax : 0 7534 2352

Phuket

(Privilege Banking Centre)
(Mon - Fri from 8.30am - 3.30pm)
206 Phuket Rd., Talad Yai,
Mueang, Phuket 83000
Tel : 0 7621 1566, 0 7621 1577,
0 7621 4901-2, 0 7621 0970-1
Fax : 0 7621 4903

Thanon Phetchakasem Hat Yai

(Mon - Fri from 8.30am - 3.30pm)
452/8 Phetkasem Rd.,
Hat Yai, Songkhla 90110
Tel : 0 7422 0262-3, 0 7422 0274-5
Fax : 0 7422 0281

Surat Thani

(Mon - Fri from 8.30am - 3.30pm)
208/2-3 Chonkasem Rd., Talad,
Mueang, Surat Thani 84000
Tel : 0 7728 6292-4
Fax : 0 7728 6298

Trang

(Mon - Fri from 8.30am - 3.30pm)
1/5-1/6 Rama VI Rd., Thap Thiang,
Mueang, Trang 92000
Tel : 0 7521 7781-4
Fax : 0 7521 7785

Yala

(Mon - Fri from 8.30am - 3.30pm)
8-12 Pipitpakdi Rd., Sateng,
Mueang, Yala 95000
Tel : 0 7321 2218, 0 7321 2414,
0 7324 0872-3
Fax : 0 7321 3764

Company Information

Name : United Overseas Bank (Thai) Public Company Limited
Public company registration number : 0107535000176
Nature of business : Commercial Bank
Registration address : 191 South Sathon Road, Sathon, Bangkok 10120
Tel : 0 2343 3000
Fax : 0 2287 2973-4
SWIFT : UOVBTBKK
Website : www.uob.co.th

Auditor

Ms. Somjai Khunapasut : Certified Public Accountant (Thailand) No. 4499 and/or
Ms. Ratana Jala : Certified Public Accountant (Thailand) No. 3734 and/or
Ms. Rachada Yongsawadvanich : Certified Public Accountant (Thailand) No. 4951

EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel : 0 2264 0777
Fax : 0 2264 0789
Website : www.ey.com



Company Information

Credit Ratings

Moody's Investors Service		Rating	as at 17 June 2016
Bank Deposits	- Long-Term	Baa1	
Bank Deposits	- Short-Term	P-2	
Outlook	- Long-Term	Stable	
Outlook	- Short-Term	Stable	
Baseline Credit Assessment		ba1	
Adjusted Baseline Credit Assessment		baal	
Counterparty Risk Assessment	- Long-Term	A3(cr)	
Counterparty Risk Assessment	- Short-Term	P-2(cr)	

Fitch Ratings		Rating	as at 27 February 2017
Foreign Currency	- Long-Term	A-	
Foreign Currency	- Short-Term	F2	
Outlook	- Long-Term	Stable	
Viability		bb+	
Support		1	
National Rating	- Long-Term	AAA(tha)	
National Rating	- Short-Term	F1+(tha)	
National Rating Outlook		Stable	



United Overseas Bank (Thai) Public Company Limited

Head Office

191 South Sathon Road,
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Tel (66) 2343 3000

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