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Splendour of Rainforests by Ngiam Kiah Seng

Ink and Colour on Paper

Ngiam Kiah Seng received the Platinum Award in the 2010 UOB Painting Of The Year Competition for this painting. It is the design inspiration behind this year's Annual Report.

Ngiam used a yin-yang stroke technique to represent the interconnectedness and interdependence of the stability of Singapore's financial system to the nation's growth and development through the idea of rainforests. The rainforest trees symbolise longevity, synonymous with UOB's long-term focus on how it manages and operates its businesses across the region.

Ngiam's piece is now one of the works in the UOB Art Collection. The collection began in the 1970s as a way to support the local art scene in Singapore and has grown to include more than 1,700 pieces from around the region. Many of these pieces are on display at the Group's offices worldwide.

Company Profile

The United Overseas Bank (Thai) Public Company Limited (UOB (Thai)) is a fully-licensed commercial bank. With its network of 156 branches, 367 ATMs and 34 foreign exchange kiosks nationwide (as at 31 March 2013), 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 three subsidiaries providing services including asset management, futures broking and UOB Services which provides debt collection service.

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

Moody's Investors Service:

International Ratings	Long-Term	Baa1
	Short-Term	Prime-2
	Financial Strength	D

Fitch Ratings:

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

Standard & Poor's:

International Ratings	Long-term	BBB+
	Short-term	A2
ASEAN Regional Ratings	Long-term	axA+
	Short-term	axA-1

UOB (Thai) is 99.66 per cent owned by Singapore-based United Overseas Bank Limited (UOB). UOB has an extensive network of more than 500 offices in 19 countries and territories worldwide.

UOB (Thai) is a regional bank rooted in Thailand and brings regional expertise and connectivity to its customers. We are committed to providing quality products and excellent customer service by understanding and identifying the needs of our customers and offering innovative financial solutions and products.

Financial Highlights

Audited Financial Statements

	2012	2011
Financial Position (Million Baht)		
Assets	356,075	298,589
Loans	213,332	189,433
Allowance for doubtful accounts	5,201	5,750
Deposits	201,719	166,307
Liabilities	321,633	266,459
Shareholders' equity	34,442	32,130
Capital funds	31,273	29,034
Earnings Performance (Million Baht)		
Net interest income	9,199	7,633
Non-interest income	2,818	1,907
Provisions for doubtful accounts	1,448	1,280
Net profit before tax	2,927	1,474
Net profit after tax	2,202	125
Ratios (%)		
Net interest income to average assets	2.81	2.79
Return on average assets	0.67	0.05
Return on average equity	6.62	0.39
Earnings per share - basic (Baht)	0.89	0.05
Book value per share (Baht)	13.86	12.93
Capital adequacy ratio	15.98	16.69

Chairman's Statement



2012 Review

2012 was a year of recovery for Thailand. The reconstruction programmes to counter the 2011 flood helped in the economy's substantial turnaround.

Despite the backdrop of fiscal trouble in the United States, the European sovereign debt crisis, and the decline in Thailand's net exports due to a slowing global demand, Thailand's gross domestic product growth improved to 6.4 per cent from 0.1 per cent in 2011.

Much of this can be attributed to the post-flood recovery of the industrial sector, backed by the government's stimulus policies that generated domestic consumption. In addition, Thailand's stable political situation has helped to restore investors' confidence.

2012 Bank Performance

With Thailand's economic recovery well underway in 2012, United Overseas Bank (Thai) saw stronger demand for loans. Loans growth increased 13 per cent in 2012 to Baht 213 billion. The total deposits base rose to Baht 202 billion, a 21 per cent increase from 2011.

The Bank's net profit before tax for 2012 was Baht 2.9 billion, compared with Baht 1.5 billion in 2011. Total operating income for 2012 increased 26 per cent to Baht 12 billion, inclusive of

net interest income and non-interest income. Total operating expenses increased to Baht eight billion.

The Bank managed its non-performing loans through effective strategies in its sales collections process and debt restructuring. As a result, UOB (Thai) achieved a considerably lower-than-industry average non-performing loans ratio in Thailand. The ratio decreased from 3.10 per cent in 2011 to 2.12 per cent in 2012.

Since its inception in Thailand, UOB (Thai) has remained steadfast in its approach to building its business. Our growth has been based on prudence, stability and a long-term commitment to our customers.

Corporate Developments

In 2012, the Bank announced the appointment of a new President and Chief Executive Officer. Mr Peter Foo Moo Tan, who has wide experience in the banking sector and was previously Head of UOB Group Head of Overseas Treasuries in Singapore, was transferred to Bangkok to succeed former President, Mr Wong Kim Choong, who returned to head UOB (Malaysia).

UOB (Thai) reconfigured its services and distribution structure which resulted in significant growth in bancassurance and mutual funds. We focused on leveraging our regional strengths, cross-border investments and commercial banking.

“Our growth has been based on prudence, stability and a long-term commitment to our customers.”

The Bank launched its core banking platform which lays the foundation for centralising systems and enabled operational processes to be harmonised across the region. UOB (Thai) was the first UOB subsidiary outside of Singapore in the UOB Group to enjoy this full scale change, all at one go and within a set timeframe. UOB Group now has an effective local presence in the key financial centres in the region. Our investment in a streamlined IT platform demonstrates UOB (Thai)'s integral role in our regional growth.

Many new initiatives that we began in 2011 yielded strong results in 2012. With our branch cluster strategy, the Bank has seen a surge in customer acquisitions as a result of our targeted market outreach. Our Debt Capital Market business show continued activity in corporate leveraging on diversified risks funding portfolios.

2013 Outlook

With global economic concerns still centred on Europe and the United States, we remain cautious of downside risks for the Thai economy in 2013. However, Asia's long-term prospects remain positive with its consistent economic growth rate and favourable demographics which support increased intra-regional business and a rising middle class. With government expenditure on major infrastructure reconstruction and water management projects, as well as strong domestic consumption and investment, Thailand's economy may continue to be moderately positive.

Looking ahead, UOB (Thai) will continue to invest and grow in line with our long-term commitment to the country. As always, we remain committed to our financial integrity by providing transparency and seamless support to our customers to meet their cross-border needs.

Acknowledgement

I would like to thank Mr Wong Kim Choong, our former President and CEO, for his eight remarkable years of dedication to UOB (Thai) and welcome on board, Mr Peter Foo Moo Tan, President and CEO, UOB (Thai).

On behalf of the Board of Directors, I would like to express our appreciation to the management and staff for their commitment, and dedication, and to our customers for their support.

In conclusion, I thank my fellow Directors for their wise counsel in the past year.

Wee Cho Yaw

Chairman

March 2013

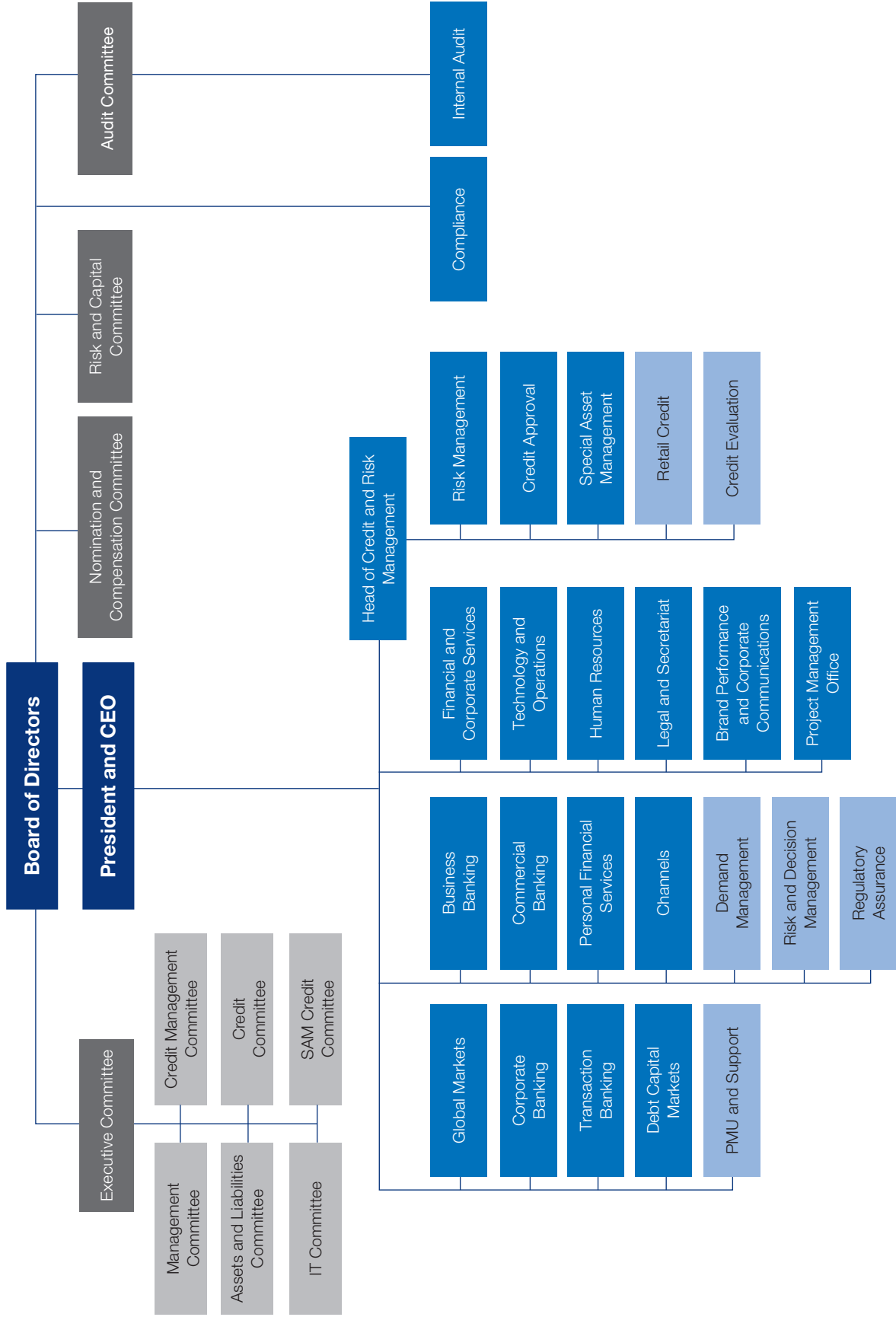
Board of Directors

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Chinnawat Bulsuk	Independent Director
Suebtrakul Soonthornthum	Independent Director
Arun Chirachavala	Independent Director
Lee Chin Yong	Director
Cheo Chai Hong	Director
Peter Foo Moo Tan	Director
Sanchai Apisaksirikul	Director

Senior Management Team

Peter Foo Moo Tan	President and Chief Executive Officer
Steven Ngeo Swee Guan	Managing Director, Head of Credit and Risk Management
Loh Chen Hwee	Executive Director, Country Head of Global Markets
Pailin Ngsriwongse	Executive Director, Country Head of Corporate 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
Piyaporn Ratanaprasartporn	Executive Director, Country Head of Commercial Banking
Yuttachai Teyarachakul	Executive Director, Country Head of Personal Financial Services
Sanchai Apisaksirikul	Executive Director, Country Head of Finance and Corporate Services
Sirima Taecharungnirun	Executive Director, Country Head of Technology and Operations
Lim Keng Teck	Executive Director, Country Head of Human Resources
Pornchai Wiwatpattarakul	Executive Director, Country Head of Compliance, Legal and Secretariat
Busba Virochpoka	Executive Director, Country Head of Brand Performance and Corporate Communications
Ngamjitt Sirijindalert	Executive Director, Country Head of Project Management Office
Roongthip Angkasirisan	Executive Director, Country Head of Risk Management
Ho Swit Moy Margaret	Executive Director, Country Head of Credit Approval
Vajee Pramualrat	Executive Director, Country Head of Special Asset Management and Head of Enterprise Banking 2, Commercial Banking
Manit Panichakul	Executive Director, Country Head of Internal Audit

Organisational Structure



United Overseas Bank (Thai) Public Company Limited

31 December 2012

Management Discussion and Analysis 2012

Management Discussion and Analysis 2012

Statutory Financial Results

Thailand's gross domestic product growth improved to 6.4% in 2012. During the year, post-flood reconstruction spending, cuts in corporate income tax rates and government consumption-stimulus measures such as the first car buyer scheme and the minimum wage policy helped to increase private and public spending. The Central Bank also cut the policy interest rate from 3.00% to 2.75% in October 2012. Minimum wage increases led to higher production costs and the erosion of competitiveness with Thailand's neighbouring countries. In preparation for the upcoming ASEAN Economic Community in 2015, Thailand will be tasked to increase productivity and improve skills development.

Despite global economic uncertainty during the year, the Bank's total assets as at 31 December 2012 were Baht 356 billion, an increase of 19.3%. The Bank reported a net profit before tax of Baht 2,927 million, an increase of Baht 1,453 million from last year. This was mainly due to higher net interest income from loan growth of 13%, and gain from sales of mutual funds and foreclosed properties investment. Tax expenses decreased by Baht 625 million from last year due to the Corporate Income Tax rate reduction. As a result, net profit after tax increased by Baht 2,077 million from 2011 to Baht 2,202 million in 2012.

Summarised Statutory Financial Results For the Year Ended 31 December 2012 and 2011

Statements of Comprehensive Income	Million Baht		
	2012 audited	2011 audited	% change
Interest income	15,628	12,145	28.7
Interest expenses	6,429	4,512	42.5
Net Interest income	9,199	7,633	20.5
Non-interest income	2,818	1,907	47.8
Total income	12,017	9,539	26.0
Operating expenses	7,641	6,785	12.6
Operating profit	4,376	2,755	58.9
Impairment loss of loans	1,448	1,280	13.1
Net profit before tax	2,927	1,474	98.6
Income tax	723	1,348	(46.4)
Non-controlling interest	2	1	125.1
Net profit	2,202	125	1,661.6

Key Financial Position Items	Million Baht		
	31 Dec 12 audited	31 Dec 11 audited	% change
Total assets	356,075	298,589	19.3
Total loans	213,332	189,433	12.6
Non-performing loans (NPLs)	5,571	7,503	(25.8)
Total deposits	201,719	166,307	21.3

Management Discussion and Analysis 2012

Key Financial Ratios (%)	31 Dec 12 audited	31 Dec 11 audited	change
Net interest income to average assets	2.8	2.8	0.0
Loans to deposits ratio	105.8	113.9	(8.1)
NPLs to total loans ratio	2.1	3.1	(1.0)
Capital adequacy ratio	16.0	16.7	(0.7)

Net Interest Income

Net interest income (NII) for 2012 was Baht 9,199 million, Baht 1,566 million or 20.5% increase from the previous year, after payment to the Financial Institutions Development Fund which was higher than last year by Baht 244 million based on a new calculation basis. The higher NII was mainly due to higher average loans volume as well as credit margin.

Non-Interest Income

Non-interest income for 2012 was Baht 2,818 million, an increase of Baht 911 million or 47.8% compared with previous year. This was mainly due to gains on the sale of investments and properties foreclosed, higher fees and services income largely from insurance and fund management activities.

Operating Expenses

The Bank's operating expenses for 2012 were Baht 7,641 million, an increase of 12.6% compared with last year mainly from staff costs, especially in the areas of lending and sales and business related expenses. These expenses were partly offset by lower losses on the impairment of properties foreclosed.

Impairment Loss of Loans

The Bank set aside a total of Baht 1,448 million in loan loss provisions for 2012, which was 13.1% higher than provisions made for the previous year, in line with the Bank's prudent provision policy.

Capital Expenditure

The Bank's capital expenditure for 2012 totaled Baht 739 million compared with Baht 532 million in 2011, an increase of Baht 207 million. The capital expenditure in 2012 was primarily due to the Bank's Core Banking project and branch renovations.

Dividend Payment Policy

The Bank's dividend payment policy is governed by Bank of Thailand (BOT) and The Public Company Limited Act. The dividend payment policy is subject to approval by shareholders at the annual general meeting, and does not exceed 45% of net profit for the year.

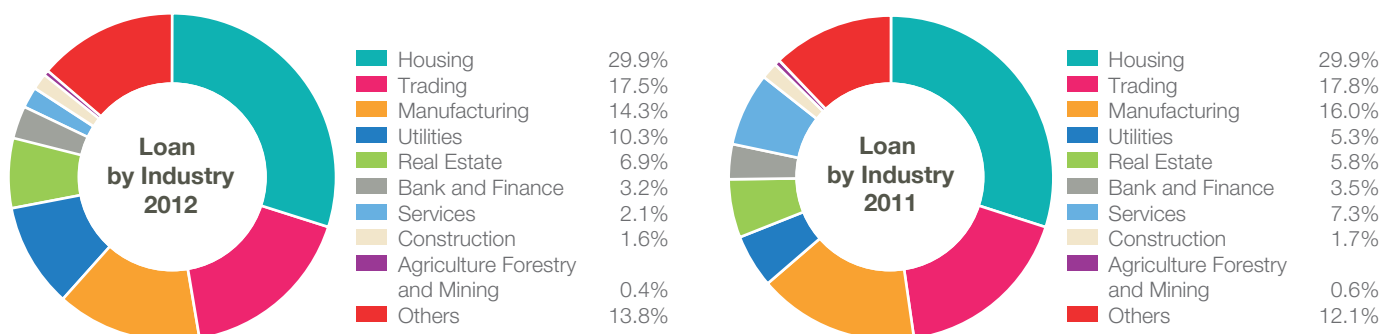
Assets

The total assets of the Bank and its subsidiaries as at 31 December 2012 were Baht 356,075 million, an increase of Baht 57,486 million or 19.3% from the previous year. The increase was largely due to an increase in the Bank's core business in lending assets by Baht 23,899 million or 12.6 % and in investment activities by Baht 34,493 million or 36.9%.

Management Discussion and Analysis 2012

Loans Portfolio

	% of total loans	
	2012	2011
Housing	29.9	29.9
Trading	17.5	17.8
Manufacturing	14.3	16.0
Utilities	10.3	5.3
Real Estate	6.9	5.8
Bank and Finance	3.2	3.5
Services	2.1	7.3
Construction	1.6	1.7
Agriculture, Forestry and Mining	0.4	0.6
Others	13.8	12.1
Total Loans	100.0	100.0



The proportion of services industry loans to total loans decreased from 7.3% in 2011 to 2.1% in 2012 and loans to the manufacturing industry went down slightly from 16.0% to 14.3%. Meanwhile, the Bank's loans to the utilities industry increased from 5.3% to 10.3%.

Loans to Top 10 Customer Groups

	% of total loans	
	2012	2011
Loans to top 10 customer groups	6.9	7.1
Others	93.1	92.9
Total loans	100.0	100.0

The loan concentration in 2012 improved slightly from the previous year. Loans to the top 10 largest customer groups accounted for 6.9% of total loans, down from 7.1% in 2011.

Management Discussion and Analysis 2012

Classification of Loans*

	2012		2011	
	Million Baht	%	Million Baht	%
Pass	253,728	96.5	230,902	95.5
Special mention	3,755	1.4	3,294	1.4
Total Performing loans	257,483	97.9	234,196	96.9
Substandard	1,169	0.4	1,423	0.6
Doubtful	436	0.2	586	0.2
Doubtful of loss	3,966	1.5	5,494	2.3
Total NPLs	5,571	2.1	7,503	3.1
Grand total	263,054	100.0	241,698	100.0

* Including interbank and money market loans

Asset Quality Ratios

	%	
	2012	2011
NPLs / Total loans*	2.1	3.1
Allowance for doubtful accounts / NPLs	93.4	76.6
Allowance for doubtful accounts / Total loans*	2.4	3.0

* Including interbank and money market loans

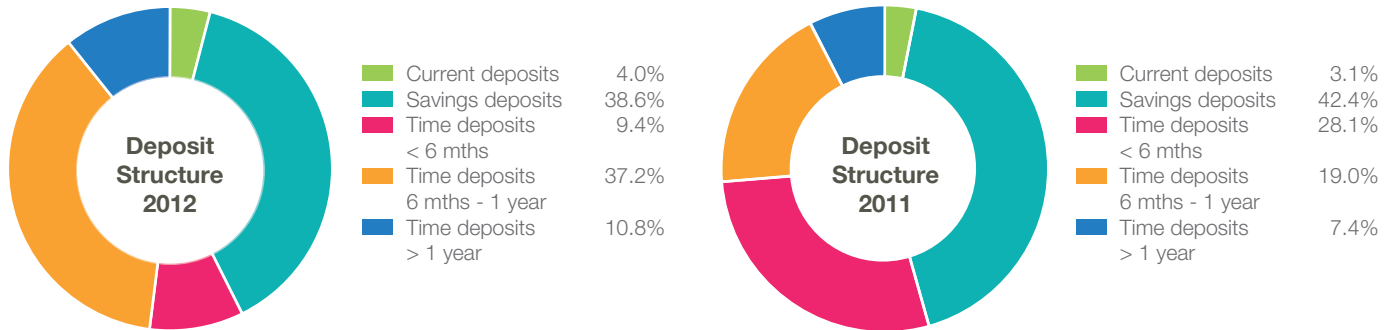
Non-Performing Loan (NPL) Management

NPLs in 2012 amounted to Baht 5.6 billion, a decrease of Baht 1.9 billion when compared with 2011 following the Bank selling an NPL portfolio of Baht 2,301 million to a local asset management company in December 2012. As a result, NPLs to total loans ratio was at 2.1%, a decrease of 1.0% from last year.

Deposit Structure

	% of total deposits	
	2012	2011
Current deposits	4.0	3.1
Savings deposits	38.6	42.4
Time deposits	57.4	54.5
- under 6 months	9.4	28.1
- 6 months - 1 year	37.2	19.0
- over 1 year	10.8	7.4
Total	100.0	100.0

Management Discussion and Analysis 2012



As at 31 December 2012, the Bank had total deposits of Baht 201,677 million, an increase of 21.3% from end-2011. Total fixed deposits accounted for 57.4% of total deposits, while savings deposits accounted for 38.6%. The remaining 4% were current deposits. Loans-to-deposits ratio was 105.8% as at end-2012 compared with 113.9% as at end-2011.

Capital Funds

	2012		2011	
	Million Baht	%	Million Baht	%
Total capital	31,273	16.0	29,034	16.7
Tier 1 Capital	28,163	14.4	27,027	15.5
Tier 2 Capital and others	3,111	1.6	2,007	1.2

The Bank adopted the Foundation Internal Ratings Based Approach (FIRB) of Basel II capital framework since the end of June 2010. As of 31 December 2012, the Bank's Total Capital Adequacy Ratio remained strong at 16.0% and Tier 1 ratio at 14.4% which was above the BOT's minimum requirement of 8.50% and 4.25% respectively. According to the BOT's notification, the Bank shall maintain capital funds in compliance with Basel III framework starting from 1 January 2013 onwards. The management believes that Basel III adoption will not have any significant impact to the Capital Adequacy Ratio.

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Independent Auditor's Report

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

I have audited the accompanying consolidated financial statements of United Overseas Bank (Thai) Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of United Overseas Bank (Thai) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2012, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited

Bangkok: 14 March 2013

Financial Statements and Notes to Consolidated Financial Statements

Statements of Financial Position

As at 31 December 2012 and 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Cash	8	4,665,188	3,401,337	4,665,078	3,401,227
Interbank and money market items - net	9	55,875,200	59,503,263	55,511,458	59,235,184
Claims on security		-	1,009,497	-	1,009,497
Derivatives assets	10	2,979,265	4,112,621	2,979,265	4,112,621
Investments - net	11	72,159,296	34,038,306	72,158,671	34,037,681
Investments in subsidiaries and associate - net	12	5,661	5,661	332,636	332,636
Loans to customers and accrued interest receivables - net	13				
Loans to customers		213,332,469	189,433,185	213,331,344	189,432,302
Accrued interest receivables		608,161	540,816	608,161	540,816
Total loans to customers and accrued interest receivables		213,940,630	189,974,001	213,939,505	189,973,118
Less: Deferred revenue		(450,841)	(320,963)	(450,841)	(320,963)
Less: Allowance for doubtful accounts	14	(5,201,295)	(5,749,564)	(5,201,295)	(5,749,564)
Total loans to customers and accrued interest receivables - net		208,288,494	183,903,474	208,287,369	183,902,591
Customers' liability under acceptance		92,059	124,183	92,059	124,183
Properties foreclosed - net	15	1,869,098	3,142,181	1,869,098	3,142,181
Premises and equipment - net	16	5,211,601	4,985,340	5,196,951	4,967,174
Other intangible assets - net	17	883,801	913,238	872,568	901,393
Deferred tax assets - net	18	1,405,300	1,425,108	1,400,498	1,417,717
Other assets - net	19	2,640,393	2,025,039	2,593,561	1,987,113
Total assets		356,075,356	298,589,248	355,959,212	298,571,198

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

Statements of Financial Position

(continued)

	Note	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and Shareholders' Equity					
Liabilities					
Deposits	21	201,719,429	166,306,922	201,933,782	166,358,717
Interbank and money market items	22	82,803,759	44,898,504	82,846,579	44,937,750
Liability payable on demand		3,566,822	2,034,943	3,566,822	2,034,943
Liabilities to deliver security		-	1,009,497	-	1,009,497
Derivatives liabilities	10	4,136,102	4,383,280	4,136,102	4,383,280
Debt issued and borrowings	23	22,904,765	42,160,210	22,904,765	42,318,210
Bank's liability under acceptance		92,059	124,183	92,059	124,183
Provisions for long-term employee benefits	24	1,371,833	1,371,901	1,349,397	1,352,144
Provisions for other liabilities	25	313,353	300,554	313,353	300,554
Accrued expenses		1,902,470	1,152,442	1,819,675	1,102,285
Other liabilities	26	2,822,752	2,716,368	2,829,116	2,723,137
Total liabilities		321,633,344	266,458,804	321,791,650	266,644,700
Shareholders' Equity					
Share capital					
Registered 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
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	27	1,995,955	1,928,857	1,995,955	1,928,857
Retained earnings					
Appropriated					
Statutory reserve					
	29	309,000	202,000	309,000	202,000
Unappropriated					
		7,245,601	5,109,770	7,005,994	4,939,028
Equity attributable to equity holders of the Bank		34,407,169	32,097,240	34,167,562	31,926,498
Non-controlling interests of the subsidiaries		34,843	33,204	-	-
Total shareholders' equity		34,442,012	32,130,444	34,167,562	31,926,498
Total liabilities and shareholders' equity		356,075,356	298,589,248	355,959,212	298,571,198



Peter Foo Moo Tan

President and Chief Executive Officer




Sanchai Apisaksirikul

Director and Executive Director

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

Statements of Comprehensive Income

For the years ended 31 December 2012 and 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Interest income	40	15,627,660	12,144,610	15,617,115	12,139,441
Interest expenses	41	6,428,925	4,512,087	6,431,083	4,515,611
Net Interest Income		9,198,735	7,632,523	9,186,032	7,623,830
Fees and service income		2,950,804	2,350,303	2,637,333	2,141,275
Fees and service expenses		380,263	334,698	516,743	474,759
Net Fees and Service Income	42	2,570,541	2,015,605	2,120,590	1,666,516
Net loss on foreign currency trading and exchange transactions	43	(436,776)	(51,829)	(436,776)	(51,829)
Net gain (loss) on investments	44	321,374	(33,200)	321,374	(18,657)
Shares of loss from investments accounted for using equity method		-	(129,958)	-	-
Dividend income		31,850	86,917	56,749	96,836
Other operating income		330,848	19,120	329,470	24,934
Total operating income		12,016,572	9,539,178	11,577,439	9,341,630
Other Operating Expenses					
Employee's expenses	45	3,928,490	3,596,091	3,668,897	3,378,528
Directors' remuneration		8,275	8,265	8,110	8,100
Premises and equipment expenses		1,089,845	650,934	1,068,492	632,037
Taxes and duties		497,518	387,212	497,411	387,130
Losses on impairment of properties foreclosed		120,000	300,000	120,000	300,000
Other expenses		1,996,790	1,842,168	1,942,034	1,797,080
Total other operating expenses		7,640,918	6,784,670	7,304,944	6,502,875
Impairment loss of loans and debt securities	46	1,448,481	1,280,331	1,448,481	1,280,331
Profit Before Income Tax Expenses		2,927,173	1,474,177	2,824,014	1,558,424
Income tax expenses	37	723,381	1,348,439	690,159	1,322,859
Net profit		2,203,792	125,738	2,133,855	235,565

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

Statements of Comprehensive Income

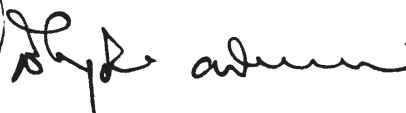
(continued)

	Note	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Other Comprehensive Income	47				
Changes in revaluation surplus		-	1,062,524	-	1,062,524
Gain on revaluation of available-for-sale investments		115,104	62,307	115,104	62,307
Actuarial gains (losses) on defined benefit plans		19,615	(123,550)	18,907	(119,999)
Share loss of other comprehensive income of associate		-	(6,443)	-	-
Income tax relating to components of other comprehensive income		(26,943)	(70,336)	(26,802)	(71,043)
Total other comprehensive income		107,776	924,502	107,209	933,789
Total comprehensive income		2,311,568	1,050,240	2,241,064	1,169,354
Net Profit Attributable to:					
Equity holders of the Bank		2,202,153	125,010	2,133,855	235,565
Non-controlling interests of the subsidiaries		1,639	728		
		2,203,792	125,738		
Total Comprehensive Income Attributable to:					
Equity holders of the Bank		2,309,929	1,049,512	2,241,064	1,169,354
Non-controlling interests of the subsidiaries		1,639	728		
		2,311,568	1,050,240		
Earnings Per Share of Equity Holders of the Bank					
Basic earning per share (Baht)	38	0.89	0.05	0.86	0.09



Peter Foo Moo Tan

President and Chief Executive Officer

Sanchai Apisaksirikul

Director and Executive Director

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

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statement									
	Equity attributable to equity holders of the Bank									
	Other components of equity					Retained earnings				
	Issued and paid-up share capital	Revaluation surplus on assets	Revaluation surplus on investments	Share of other comprehensive income of associate	Appropriated Statutory reserve	Unappropriated	Total equity attributable to equity holders of the Bank	Non-controlling interests of the subsidiaries	Total	
Beginning Balance as of 1 January 2011	24,856,613	717,927	191,540	6,443	190,000	5,457,007	31,419,530	26,229	31,445,759	
Disposal and amortisation of revaluation surplus on assets	-	(10,398)	-	-	-	11,442	1,044	-	1,044	
Net profit for the year	-	-	-	-	-	125,010	125,010	728	125,738	
Other comprehensive income	-	952,580	77,208	(6,443)	-	(98,840)	924,505	(3)	924,502	
Total comprehensive income for the year	-	952,580	77,208	(6,443)	-	26,170	1,049,515	725	1,050,240	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	12,000	(12,000)	-	-	-	
Dividend payment (Note 28)	-	-	-	-	-	(372,849)	(372,849)	-	(372,849)	
Non-controlling interests of the subsidiaries from increase of share capital of the subsidiary	-	-	-	-	-	-	-	6,250	6,250	
Ending balance as of 31 December 2011	24,856,613	1,660,109	268,748	-	202,000	5,109,770	32,097,240	33,204	32,130,444	
Beginning Balance as of 1 January 2012	24,856,613	1,660,109	268,748	-	202,000	5,109,770	32,097,240	33,204	32,130,444	
Transferred and amortisation of revaluation surplus on assets	-	(24,985)	-	-	-	24,985	-	-	-	
Net profit for the year	-	-	-	-	-	2,202,153	2,202,153	1,639	2,203,792	
Other comprehensive income	-	-	92,083	-	-	15,693	107,776	-	107,776	
Total comprehensive income for the year	-	-	92,083	-	-	2,217,846	2,309,929	1,639	2,311,568	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	107,000	(107,000)	-	-	-	
Ending balance as of 31 December 2012	24,856,613	1,635,124	360,831	-	309,000	7,245,601	34,407,169	34,843	34,442,012	

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

Statements of Changes in Shareholders' Equity

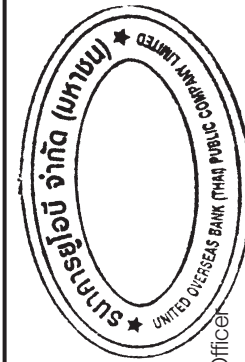

(continued)

(Unit: Thousand Baht)

	Separate financial statements						Total
	Issued and paid-up share capital	Other components of equity		Retained earnings		Unappropriated	
		Revaluation surplus on assets	Revaluation surplus on investments	Appropriated Statutory reserve	Unappropriated		
Beginning Balance as of 1 January 2011	24,856,613	717,927	191,540	190,000	5,172,869	31,128,949	
Amortisation of revaluation surplus on assets	-	(10,398)	-	-	11,442	1,044	
Net profit for the year	-	-	-	-	235,565	235,565	
Other comprehensive income	-	952,580	77,208	-	(95,999)	933,789	
Total comprehensive income for the year	-	952,580	77,208	-	139,566	1,169,354	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	12,000	(12,000)	-	
Dividend payment (Note 28)	-	-	-	-	(372,849)	(372,849)	
Ending balance as of 31 December 2011	24,856,613	1,660,109	268,748	202,000	4,939,028	31,926,498	
Beginning Balance as of 1 January 2012	24,856,613	1,660,109	268,748	202,000	4,939,028	31,926,498	
Transferred and amortisation of revaluation surplus on assets	-	(24,985)	-	-	24,985	-	
Net profit for the year	-	-	-	-	2,133,855	2,133,855	
Other comprehensive income	-	-	92,083	-	15,126	107,209	
Total comprehensive income for the year	-	-	92,083	-	2,148,981	2,241,064	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	107,000	(107,000)	-	
Ending balance as of 31 December 2012	24,856,613	1,635,124	360,831	309,000	7,005,994	34,167,562	



Peter Foo Moo Tan
President and Chief Executive Officer

Sanchai Apisaksirikul
Director and Executive Director

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

Statements of Cash Flows

For the years ended 31 December 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash Flows from Operating Activities				
Profit before income tax expenses	2,927,173	1,474,177	2,824,014	1,558,424
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Shares of loss from investments accounted for using equity method	-	129,958	-	-
Depreciation	328,312	312,726	322,960	306,878
Amortisation and loss on assets written off	192,618	150,072	190,812	148,260
Unrealised (gain) loss on revaluation of investments	10,530	(33,154)	10,530	(33,154)
Impairment loss of loans and debt securities	2,090,113	1,771,232	2,090,113	1,771,232
Losses on impairment of properties foreclosed	120,000	300,000	120,000	300,000
(Gain) loss on disposal of investments	(336,373)	28,700	(336,373)	28,700
Provision for loss on impairment of investments in associated company	-	-	-	121,117
Reversal of revaluation loss on premises	-	(298,959)	-	(298,959)
Premium on return of share capital by subsidiary company	-	-	-	(135,661)
(Gain) loss on disposal of premises and equipment	(20,375)	3,504	(20,306)	4,334
(Gain) loss on exchange	484,894	(582,672)	484,894	(582,672)
Increase in accrued other income	(33,674)	(1,349)	(18,251)	(14,089)
Increase in provisions for long-term employee benefits	135,506	116,856	132,079	114,456
Increase in provisions	12,799	92,514	12,799	92,514
Increase (decrease) in accrued other expenses	71,180	(16,855)	42,969	8,820
Net interest income	(9,198,735)	(7,632,523)	(9,186,033)	(7,623,830)
Dividend income	(31,850)	(86,917)	(56,749)	(96,836)
Cash received on interest income	16,436,779	11,945,965	16,204,987	12,367,032
Cash received on dividend income	31,850	86,917	31,748	86,836
Cash paid on interest expenses	(5,902,334)	(4,384,835)	(5,909,849)	(4,389,063)
Cash paid on income tax	(334,891)	(768,606)	(302,495)	(742,593)
Income from operating activities before changes in operating assets and liabilities	6,983,522	2,606,751	6,637,849	2,991,746

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	
	2012	2011	2012	2011
(Increase) decrease in operating assets				
Interbank and money market items	3,682,855	(35,320,613)	3,668,059	(35,110,107)
Investment in securities for trading	(9,883,475)	1,139,225	(9,883,475)	1,139,225
Derivatives assets	2,323,218	2,090,017	2,323,218	2,090,017
Loans to customers	(26,543,591)	(28,257,597)	(26,543,349)	(28,257,550)
Properties foreclosed	1,209,650	1,027,496	1,209,650	1,027,496
Other assets	(733,341)	657,780	(408,229)	(7,245)
Increase (decrease) in operating liabilities				
Deposits	35,432,044	14,238,091	35,594,602	14,191,840
Interbank and money market items	38,028,676	4,702,087	38,032,250	4,723,399
Liability payable on demand	1,532,059	(401,874)	1,532,059	(401,874)
Derivatives liabilities	(1,957,366)	(2,427,823)	(1,957,366)	(2,427,823)
Debt issued and short-term borrowings	(19,268,157)	7,486,465	(19,426,157)	6,993,465
Provisions for long-term employee benefits	(115,959)	(101,427)	(115,919)	(100,944)
Other liabilities	(145,451)	107,149	(146,470)	249,460
Net cash provided by (used in) operating activities	30,544,684	(32,454,273)	30,516,722	(32,898,895)
Cash Flows from Investing Activities				
Proceeds from sales of investments	34,520,037	61,717,520	34,520,037	61,717,520
Cash paid for investments	(63,095,420)	(50,205,011)	(63,095,420)	(50,205,011)
Cash paid for investment in subsidiary company	-	-	-	(18,750)
Proceeds from return of share capital by subsidiary company	-	-	-	450,000
Dividend received from subsidiary company	-	-	25,000	10,000
Proceeds from sales of premises and equipment	20,468	9,310	20,399	7,955
Purchases of premises and equipment	(589,883)	(384,265)	(588,046)	(380,249)
Purchases of intangible assets	(148,747)	(147,582)	(147,553)	(146,871)
Net cash (used in) provided by investing activities	(29,293,545)	10,989,972	(29,265,583)	11,434,594

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	
	2012	2011	2012	2011
Cash Flows from Financing Activities				
Increase in long-term borrowings	12,712	22,429,515	12,712	22,429,515
Cash paid for dividend	-	(372,849)	-	(372,849)
Net cash provided by financing activities	12,712	22,056,666	12,712	22,056,666
Net decrease in cash and cash equivalents	1,263,851	592,365	1,263,851	592,365
Cash and cash equivalents as at 1 January	3,401,337	2,808,972	3,401,227	2,808,862
Cash and cash equivalents as at 31 December	4,665,188	3,401,337	4,665,078	3,401,227

Supplemental Disclosures of Cash Flows Information

Non-cash item

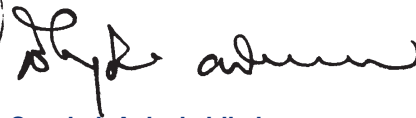
Properties foreclosed received in settlement of debts
from borrowing

35,784	78,764	35,784	78,764
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Peter Foo Moo Tan

President and Chief Executive Officer

Sanchai Apisaksirikul

Director and Executive Director

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

Notes to Consolidated Financial Statements

For the years ended 31 December 2012 and 2011

1. Corporate information

United Overseas Bank (Thai) Public Company Limited (“the Bank”) is a public company incorporated and domiciled in Thailand. The Bank’s main business is commercial banking. The registered office of the Bank is at 191 South Sathon Road, Sathon, Bangkok. As at 31 December 2012, the Bank conducts its business through a network of 162 branches, covering all parts of Thailand (2011: 154 branches). Its major shareholder is United Overseas Bank Limited, a company registered in Singapore.

All subsidiaries were incorporated as companies under Thai law and operate their businesses in Thailand. Their principal businesses are fund management, derivatives brokerage, and debt collection services.

2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and the presentation of the financial statements has been made in accordance with the Bank of Thailand (the “BOT”)’s Notification No. Sor Nor Sor. 11/2553 regarding “Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 3 December 2010, which is effective for fiscal years beginning on or after 1 January 2011.

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

The financial statements have been prepared on a historical cost basis except for those that have been disclosed in the accounting policy.

3. Basis of consolidation

(a) These consolidated financial statements include the financial statements of United Overseas Bank (Thai) Public Company Limited (“the Bank”) and the following subsidiaries (“the subsidiaries”):

Business type	Country of registration	Percentage of share holdings		Percentage of total assets included in consolidated assets		Percentage of income included in consolidated income		
		As at 31 December		As at 31 December		For the years ended		
		2012	2011	2012	2011	31 December	2011	
Subsidiaries								
UOB Asset Management (Thai) Co., Ltd.	Fund Management	Thailand	99.99	99.99	0.12	0.10	2.57	1.91
UOB Bullion and Futures (Thai) Co., Ltd.	Derivatives Brokerage	Thailand	75.00	75.00	0.01	0.01	0.17	0.24
UOB Services Co., Ltd.	Debt Collection Business	Thailand	99.99	99.99	0.01	0.01	-	-
UOB Leasing (Thai) Co., Ltd.	Liquidation	Thailand	99.99	99.99	-*	-*	-*	-*

* The consolidated financial statements for the years ended 31 December 2012 and 2011 excluded the financial statements of a subsidiary company, UOB Leasing (Thai) Company Limited.

Notes to Consolidated Financial Statements

(continued)

The consolidated financial statements for years ended 31 December 2012 and 2011 excluded the financial statements of a subsidiary company, UOB Leasing (Thai) Company Limited, because all of its business had already been transferred to the Bank, including its assets, liabilities, commitments and employees. The subsidiary company registered its dissolution with the Ministry of Commerce in the year 2010 and is in the process of being liquidated. The Management believes that the financial statements as prepared by the management of the subsidiary for the years ended 31 December 2012 and 2011 are immaterial, with the subsidiary presenting total assets as at 31 December 2012 of Baht 7 million (2011: Baht 8 million) and shareholders' equity of Baht 7 million (2011: Baht 7 million) and loss from operation for the year 2012 of Baht 0.01 million (2011: profit Baht 2 million).

- (b) 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 investment in subsidiaries and share capital of subsidiaries.
- (c) The financial statements of the subsidiaries are prepared using the same accounting periods and significant accounting policies as the Bank.
- (d) The accompanying financial statements include the accounts of all branches after elimination of significant inter-branch transactions and balances.
- (e) If the Bank receives shares as a result of debt restructuring of a borrower, which causes the Bank to hold more than 20% or 50% of the shares of such company, the Bank will not treat that investee company as an associated or a subsidiary company, but will treat it as general investments since the Bank intends to hold such shares only temporarily.
- (f) The consolidated financial statements do not include the financial statements of unit trusts in which the Bank holds more than 50% of their issued units since the Bank has no control over their financial and operating policies.
- (g) The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.
- (h) Non-controlling interests represent the portion of net income 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.

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

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Notes to Consolidated Financial Statements

(continued)

Accounting Standard Interpretations:

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

The Bank's management believes that these Accounting standards, Financial Reporting Standard, and Accounting Standard Interpretations will not have any significant impact on the financial statements for the year when they are initially applied, except for the Thai Accounting Standard No.12 "Income Taxes", which the Bank and its subsidiaries have early adopted before the date of enforcement.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	Effective date
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The Bank's management has assessed the effect of these standards and believes that SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Bank. The Bank's management believes that Accounting Treatment Guidance for Transfers of Financial Assets and TFRIC 13 will not have any significant impact on the financial statements for the year when they are initially applied.

5. Significant accounting policies

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

5.1 Revenue recognition

(a) Interest and discount on loans

The Bank recognises interest on loans as income on an accrual basis. In accordance with the BOT's regulation, interest in arrears for more than three months from the due date, regardless of whether the loans are covered by collateral, is not accrued as interest income but is instead recognised as income when received. In addition, interest accrued in arrears for three months is reversed against interest income.

If loans are restructured, the Bank recognizes interest income on a cash basis, and can return to recognising income on an accrual basis only when the criteria per the BOT's guideline are met.

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

(b) Hire purchase and financial lease income recognition

Interest on hire-purchase receivables and financial lease receivables under hire-purchase agreements and financial lease agreements with effective dates on or after 1 January 2008 are recognised over the installment period, using the effective interest rate and income is recognised as the installments fall due irrespective of actual collections.

For interest on hire-purchase receivables and financial lease receivables under hire purchase agreements and financial lease agreements with effective dates before 1 January 2008, the Bank and a subsidiary company has chosen to adopt the following methods:

- For short-term lease agreements (3-4 years), the Bank and a subsidiary company applies the existing sum-of-the-years'-digits method until the lease expires.
- For long-term lease agreements, the Bank and a subsidiary company uses the outstanding balances of the pre-existing finance leases as of 1 January 2008 as the beginning balances and apply the effective interest rate method over the remainder of the lease period.

Rental income from operating lease contracts and car rent are recognised based on the term of lease except for receivables overdue more than three months, which are recognised on a cash basis.

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

(d) Management fees and registrar fees are calculated as a percentage of the net asset value of the funds managed by a subsidiary or fixed amount as mentioned in prospectus and recognised as income on an accrual basis.

(e) Brokerage fees on derivatives business and service fees on derivatives business are recognised as income on the transaction date.

(f) Realised gains or losses resulting from sales of securities and derivatives are recognised as at transaction date.

(g) Interest and dividends on investments

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

(h) Fee income and other service income are recognised on an accrual basis.

5.2 Expenses recognition

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

5.3 Cash

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

Notes to Consolidated Financial Statements

(continued)

5.4 Claims on securities/Liabilities to deliver securities

The Bank enters into agreements to purchase securities or to sell securities that include agreements to sell or purchase the securities back at certain dates in the future at fixed prices (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 commitments, 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 pledged as collateral for securities sold subject to repurchase commitments, because the securities pledged in this transaction were previously received as collateral by the Bank for a purchase of securities subject to a resale commitment.

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.

5.5 Investments

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

Investments classified as trading securities are stated at fair value. Change in the fair value of these securities are recorded as gains or losses in profit or loss.

Investments classified as available-for-sale securities are stated at fair value. Change in the fair value of the securities are recorded in other comprehensive income in the statement of comprehensive income and will be recognised in profit or loss when the securities are sold.

Investments in debt securities held-to-maturity are stated at amortised cost net of allowance for impairment. Any loss from impairment is charged to profit or loss.

General investments, other than investments in subsidiaries and associated company, are stated at cost net of allowance for impairment (if any). Loss on impairment is charged to profit or loss.

Purchases and sales of investments are recognised on settlement date.

Realised gains or losses resulting from the disposal of securities are recognised in profit or loss from operation by using the weighted average cost calculation method.

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

Income 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 securities are calculated on the following bases:

- (i) For government securities and state enterprises securities, fair values are calculated by using the BOT formula, based on the average latest bidding price posted on the Thai Bond Market Association.
- (ii) For listed equity securities, fair value is the last bid price quoted in The Stock Exchange of Thailand on the last business day of the year.
- (iii) For unit trust, fair value is the Net Assets Value (NAV) as at the end of the year.
- (iv) For private enterprises debt securities, the average latest bidding price of the Thai Bond Market Association are used as fair values. In the absence of such prices, fair values are determined by applying the aforementioned the BOT yield curve adjusted for risk in accordance with the criteria established by the BOT.

In the event the Bank reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in profit or loss in the statements of comprehensive income or recorded as other components of equity, depending on the type of investment which is reclassified.

5.6 Investments in subsidiaries and associated company

Separate financial statements

Investments in subsidiaries and associated company are stated at cost net of allowance for impairment (if any). Loss on impairment is recorded as an expense in profit or loss.

Consolidated financial statements

Investments in associated company is recorded using the equity method. Under this method, investments are initially recorded at the acquisition cost and are adjusted to reflect the attributable share of the profits or losses of the associated company, in proportion to the investment.

5.7 Loans

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

Hire purchase receivables and financial lease receivables are stated at the contract value of the hire purchase receivables and financial lease receivables net of deferred revenue, which is presented after netting commission expenses and initial direct cost on the inception of the contracts.

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

Discounts received in advance in respect of bills purchased and other unearned interest income are recognised on an accrual basis over the period to maturity of the bills.

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

Notes to Consolidated Financial Statements

(continued)

5.8 Allowance for doubtful accounts

The Bank provides allowance for doubtful accounts in accordance with the Notifications of the Bank of Thailand (“BOT”) and adjusts the allowance by any additional amount that are expected not to be collectible, based on an evaluation of the current status of the debtors from the management’s experience, taking into consideration the recovery risk and the value of collateral. Additional allowances (reversals of allowances) are recognised as expenses during the year.

For loans and receivables classified as pass (including restructured receivables) and special mentioned, the Bank records provision at a rate of not less than 1% and not less than 2% of the loan balance (excluding accrued interest receivable) net of collateral value, in accordance with the BOT’s guideline.

For non-performing loans and receivables which are classified as sub-standard, doubtful and doubtful of loss, the Bank records allowance for doubtful accounts at 100% of the debt balance remaining after deducting the present value of expected future cash inflows from debt collection or from collateral disposal, with the discount interest rate and the period of collateral disposal being set with reference to the BOT’s guidelines issued on 3 August 2008. For unsecured consumer loans, the collective approach is applied based on historical loss experience of each customer group.

Allowance for doubtful accounts for 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 period.

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

The Bank writes off unsecured consumer loans that are overdue more than 180 days. Those unsecured consumer loan comprise of credit card receivables and other unsecured personal loans.

5.9 Troubled debt restructuring

The Bank restructures loans by means of transferring assets, transferring equity or modifying the terms of the loan.

Loans which have been restructured through a modification of terms are stated at the present value of estimated future receivable cash flows using discount rates equivalent to the market interest rates applicable at the time of the restructuring. The difference between the fair value of the loan as at the restructuring date and the previous book value is accounted for as revaluation allowance for debt restructuring and amortised to profit or loss from operation as interest income based on the amount received over the remaining period of the restructuring agreement.

In cases where the troubled debt restructuring involves the transfer of assets or equity, the Bank and its subsidiaries record 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 external independent appraisers) providing this does 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 is recognised as interest income in part of profit or loss from operation.

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

5.10 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, considering selling expenses in accordance with the BOT's guidelines. Properties foreclosed which have been received as a result of an asset swap are recorded at the lower of the legally claimable value of the loan or the net realisable value of the foreclosed property.

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

5.11 Premises and equipment and depreciation

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

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

Premises	-	50 years
Equipment	-	5 years or 10 years

No depreciation is determined for land and assets under installation.

Premises and equipment are initially recorded at cost. Land and premises are 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 5 years in order that the book value of these assets at the end of reporting period does not differ materially from their fair value.

Differences arising from revaluation are dealt with in the financial statements as follows:

- When the Bank's carrying amount of asset is increased as a result of a revaluation, the increase is credited directly to the other comprehensive income (loss) and the cumulative increase is recognised in shareholders' equity as "Revaluation surplus on assets" under the heading of other components of shareholders' equity in statements of financial position. However, if the asset is previously devalued and the Bank used to recognise such a revaluation decrease as an expense in profit or loss from operation, a revaluation increase from this revaluation is then recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When the Bank's carrying amount of asset is decreased as a result of a revaluation, the decrease is recognised as an expense in profit or loss from operation. However, if the asset is previously revalued and still has the outstanding revaluation surplus left in shareholders' equity under the heading of "Revaluation surplus on asset", 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 transferred directly to retained earnings (deficit).

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any 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 from operation when the asset is derecognised.

Notes to Consolidated Financial Statements

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5.12 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 from operation.

5.13 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and an accumulated impairment losses (if any).

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 from operation.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Application softwares	5 years or 10 years
Others	5 years

5.14 Provisions - other liabilities

Provisions are recognised when the Bank and its subsidiaries has 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 no independent market value can be obtained, then an estimate is assessed.

5.15 Related party transactions

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

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

5.16 Impairment of assets

At each reporting date, the Bank and its subsidiaries performs 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, reflect 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 property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Bank and its subsidiaries estimates 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 amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.17 Employee benefits

Short-term employment 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 and its employees established the provident funds under the Provident Fund Act B.E. 2530. According to the Fund's regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the fund at the rate of 2% or 5% or 6% of basic salary and the Bank contributes to the fund at the rate of 5% - 6% of basic salary. The employees are entitled to the benefits upon termination of employment status except when the terminated employee has violated the rules of the Bank.

The Bank's subsidiaries and their employees also established their provident funds under the Provident Fund Act B.E. 2530. The Bank's subsidiaries and their employees contribute to the funds at the same rate of between 2% - 10% of basic salary depending upon the number of years of services of each employee. The funds will be paid to employees upon termination in accordance with the rules of the funds.

The funds set up by the Bank and its subsidiaries are managed independently by UOB Asset Management (Thai) Co., Ltd. except for the fund set up by UOB Asset Management (Thai) Co., Ltd., which is managed by TMB Asset Management Co., Ltd. Therefore, these funds do not appear in the consolidated or separate statements of financial position of the Bank and the relevant subsidiaries.

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

Defined benefit plans or other defined benefit plans

The Bank and its subsidiaries has obligations in respect of the severance payments it must make to employees upon retirement under labor law and also has long-term employment benefit scheme for employees of Bank of Asia Co., Ltd. who joined the bank prior to 16 May 2005 and have been employed at least 15 years, the benefits being based on the latest month's salary and the years of service. Employees will receive half of this long-term employment benefits when they resign or will receive it in full when they retire. The Bank and its subsidiaries treats these severance payment to be post-employment benefits.

Notes to Consolidated Financial Statements

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The obligation under the defined benefit plan is determined by a professionally qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the other comprehensive income.

First time adoption in Year 2011 of TAS 19: Employee Benefits, the Bank and its subsidiaries recognised the liability in transition period through and adjustment of the beginning balance of retained earnings of 2011.

5.18 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 from operation on a straight line basis over the lease term.

5.19 Share-based payment transactions

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 treat the invoiced amounts as a liability in statements of financial position, and recognise them as an expense in profit or loss from operation over the vesting period of the shares.

5.20 Contributions to the Deposit Protection Agency and Financial Institutions Development Fund

Contributions to the Deposit Protection Agency and Financial Institutions Development Fund are recorded as expenses for the year on an accrual basis.

5.21 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is 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 tax

Deferred income tax is 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 period.

The Bank and its subsidiaries recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 reviews and reduces the carrying amount of deferred tax assets to the extent that there are no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Bank and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.22 Translation of foreign currency

Transactions in foreign currencies are translated into Baht at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies and commitments, which related to forward exchange contracts and currency swap contracts, outstanding at the end of reporting period, are translated into Baht at the exchange rate ruling at the end of reporting period announced by the BOT.

Gains and losses on exchange rate included in profit or loss from operation.

5.23 Financial derivatives

Financial derivative contracts are recorded as commitments and the changes in fair value are recorded in profit or loss from operation.

Outstanding financial derivative contracts are valued at fair value. At the end of reporting period, the unrealised gains or losses on outstanding financial derivative contracts, are presented on a gross basis in the statements of financial position.

5.24 Offsetting

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

6. 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. However, the use of different estimates and assumptions could affect the amounts of accounting estimate. These judgements and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgements and estimates are as follows:

Allowance for doubtful accounts on loans to customer and accrued interest receivables

Allowances for doubtful accounts on loans to customer and accrued interest receivables are intended to adjust the value of loans and receivables for probable credit losses. The management uses judgement to establish reserves for estimated losses on outstanding loans when there is any doubt about the borrower's capacity to repay the principal and/or the interest. The allowances for loan losses are determined through a combination of specific reviews, statistical modeling and estimates, taking into account change in the value of collateral and current economic conditions, in accordance with the BOT's guidelines.

Fair value of financial instruments

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

Impairment of 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.

Notes to Consolidated Financial Statements

(continued)

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.

Post-employment benefits under defined benefit plan

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate and inflation rates. Management had to exercise judgement to determine the appropriateness of these assumptions, based on their best knowledge of current events and arrangements.

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.

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. The estimated loss has been recorded under contingent liabilities as at the end of reporting period.

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.

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 there are any changes.

The Bank measures land and buildings at revalued amounts. Fair value from revaluation is determined by independent appraiser using market approach for land and depreciated replacement cost approach for buildings. Such valuation is based on certain assumptions and estimates.

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.

Allowance for impairment of property foreclosed

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

Notes to Consolidated Financial Statements

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Profit and loss sharing from transfer non-performing loan

In calculating profits or losses arising from the management of non-performing loans transferred to the Thai Asset Management Corporation (TAMC), the Bank uses projections of the amounts expect to be received from the debtors, from collateral value or from guarantors. The management considers these assumptions to be appropriate given the currently available information and current situation.

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.

7. Regulatory rule related to capital fund

According to the BOT's Notification Sor Nor Sor 25/2552, commercial banks are required to disclose certain additional capital information for their position. The Bank will disclose such mandatory information as at 31 December 2012 in its website (www.uob.co.th) by end-April 2013. The Bank also disclosed capital adequacy and capital risk exposure information as at 31 December 2011 since 27 April 2012.

8. Cash

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2012	2011
Cash	4,516	3,081
Cheques in transit	149	320
Total	4,665	3,401

Notes to Consolidated Financial Statements

(continued)

9. Interbank and money market items - net (Assets)

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2012			2011		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	46,265	4,700	50,965	24,557	26,200	50,757
Commercial banks	125	997	1,122	93	1,889	1,982
Specific financial institutions	1	647	648	1	172	173
Other financial institutions	276	2,183	2,459	9	1,861	1,870
Total	46,667	8,527	55,194	24,660	30,122	54,782
Add: Accrued interest receivables	14	19	33	20	41	61
Less: Deferred revenue	-	(8)	(8)	-	(2)	(2)
Allowance for doubtful accounts	-	(13)	(13)	(2)	(16)	(18)
Total domestic items	46,681	8,525	55,206	24,678	30,145	54,823
Foreign items						
US Dollar	263	-	263	28	4,119	4,147
Yen	65	-	65	111	-	111
EURO	41	-	41	131	-	131
Other currencies	300	-	300	273	-	273
Total	669	-	669	543	4,119	4,662
Add: Accrued interest receivables	-	-	-	-	18	18
Total foreign items	669	-	669	543	4,137	4,680
Total domestic and foreign items	47,350	8,525	55,875	25,221	34,282	59,503

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2012			2011		
	On demand	Term	Total	On demand	Term	Total
Domestic Items						
The Bank of Thailand and Financial Institutions Development Fund	46,265	4,700	50,965	24,557	26,200	50,757
Commercial banks	109	801	910	89	1,800	1,889
Specific financial institutions	-	500	500	-	-	-
Other financial institutions	276	2,183	2,459	9	1,861	1,870
Total	46,650	8,184	54,834	24,655	29,861	54,516
Add: Accrued interest receivables	14	15	29	20	39	59
Less: Deferred revenue	-	(8)	(8)	-	(2)	(2)
Allowance for doubtful accounts	-	(13)	(13)	(2)	(16)	(18)
Total domestic items	46,664	8,178	54,842	24,673	29,882	54,555
Foreign Items						
US Dollar	263	-	263	28	4,119	4,147
Yen	65	-	65	111	-	111
EURO	41	-	41	131	-	131
Other currencies	300	-	300	273	-	273
Total	669	-	669	543	4,119	4,662
Add: Accrued interest receivables	-	-	-	-	18	18
Total foreign items	669	-	669	543	4,137	4,680
Total domestic and foreign items	47,333	8,178	55,511	25,216	34,019	59,235

10. Derivatives assets/liabilities

As at 31 December 2012 and 2011, the Bank has notional amounts and fair value of derivatives held for trading book classified by type of risk is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December					
	2012			2011		
	Fair Value		Notional	Fair Value		Notional
Type of risk	Assets	Liabilities	amount	Assets	Liabilities	amount
Foreign exchange rates	1,177	2,231	223,900	1,942	2,038	146,339
Interest rate	1,802	1,905	529,663	2,168	2,342	469,125
Others	-	-	-	3	3	168
Total	2,979	4,136	753,563	4,113	4,383	615,632

Notes to Consolidated Financial Statements

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As at 31 December 2012 and 2011, the proportion, determined based on the notional amount, of derivatives transactions divided by type of counterparty is as follows:

Counterparty	(Unit: Percentage)	
	Consolidated and separate financial statements	
	As at 31 December	
	2012	2011
Financial institutions	95.47	94.54
Others	4.53	5.46
Total	100.00	100.00

11. Investments

11.1 Classified by types of investment

	(Unit: Million Baht)	
	Consolidated financial statements	
	As at 31 December	
	2012	2011
	Fair value	Fair value
Securities for trading		
Government and state enterprises securities	25,848	15,976
Total	25,848	15,976
Available-for-sale securities		
Government and state enterprises securities	45,364	17,065
Private sector debt securities	176	-
Marketable domestic equity securities	514	276
Marketable foreign equity security	126	90
Unit trusts	54	517
Total	46,234	17,948
	Cost	Cost
General investments		
Non-marketable domestic equity securities	119	119
Non-marketable foreign equity securities	15	14
Unit trusts	40	63
Total	174	196
Less: Allowance for impairment of securities	(97)	(82)
Total	77	114
Total investments - net	72,159	34,038

Notes to Consolidated Financial Statements

(continued)

	(Unit: Million Baht)	
	Separate	
	financial statements	
	As at 31 December	
	2012	2011
	Fair value	Fair value
Securities for trading		
Government and state enterprises securities	25,848	15,976
Total	25,848	15,976
Available-for-sale securities		
Government and state enterprises securities	45,364	17,065
Private sector debt securities	176	-
Marketable domestic equity securities	514	276
Marketable foreign equity security	126	90
Unit trusts	54	517
Total	46,234	17,948
	Cost	Cost
General investments		
Non-marketable domestic equity securities	118	119
Non-marketable foreign equity securities	15	14
Unit trusts	40	63
Total	173	196
Less: Allowance for impairment of securities	(97)	(82)
Total	76	114
Total investments - net	72,158	34,038

As at 31 December 2012 and 2011, the Bank classified promissory notes received from TAMC as “other receivable”, which were presented as part of other assets, as detailed in Note 19 to the financial statements. These promissory notes matured in 2011, as detailed in Note 13.8.3 to the financial statements.

Notes to Consolidated Financial Statements

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As at 31 December 2012, the Bank has commitments to purchase debt securities of Baht 7,210 million (2011: Baht 3,583 million) and commitments to sell debt securities of Baht 11,790 million (2011: Baht 3,576 million).

The Bank has commitments in relation to an investment agreement to purchase investment units denominated in US Dollar currency. As at 31 December 2012, the Bank was committed to pay US Dollar 0.3 million, (2011: US Dollar 0.3 million) converted using the exchange rate ruling at the end of reporting period, for this investment.

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

Investments in debt instruments, excluding trading debt instruments, classified by remaining maturities are as follows:

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2012			
	Remaining within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	36,355	8,955	-	45,310
Private sector debt securities	25	175	-	200
Total	36,380	9,130	-	45,510
Add: Allowance for revaluation	12	43	-	55
Less: Allowance for impairment of securities	(25)	-	-	(25)
Total	36,367	9,173	-	45,540

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2011			
	Remaining within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	11,680	5,371	-	17,051
Private sector debt securities	25	-	-	25
Total	11,705	5,371	-	17,076
Add: Allowance for revaluation	5	9	-	14
Less: Allowance for impairment of securities	(25)	-	-	(25)
Total	11,685	5,380	-	17,065

Notes to Consolidated Financial Statements

(continued)

11.3 Investments in equity security in which the Bank and its subsidiaries holds over 10% of the paid-up capital, is as follow:

Company's name	Nature of business	Type of security	Consolidated and separate financial statements							
			Paid-up share capital		Percentage of investment		Carrying value*		Dividend for the years ended	
			As at 31 December		As at 31 December		As at 31 December		31 December	
			2012	2011	2012	2011	2012	2011	2012	2011
(Million Baht)		(Million Baht)		(%)		(Million Baht)		(Million Baht)		
Related company										
Wing Fat Co., Ltd.	Manufacturing	Common stock	70	70	14.29	14.29	-	-	-	-

* Carrying value represents the cost less the allowance for impairment (if any).

11.4 Investments in unit trusts in which the Bank and its subsidiaries hold more than 10% of total fund, classified by type of fund, are as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2012	2011
Investment in equity funds	-	180
Investment in flexible funds	54	337
Total	54	517

Notes to Consolidated Financial Statements

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Company's name	Nature of business	Type of security	Separate financial statements									
			Paid-up share capital		Percentage of holding		Investment (Cost method)		Dividend income recognised for the years ended			
			As at 31 December 2012	2011	As at 31 December 2012	2011	As at 31 December 2012	2011	As at 31 December 2012	2011		
(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)			
Subsidiaries												
UOB Asset Management (Thai) Co., Ltd.	Fund management	Common stock	100	100	99.99	99.99	135	-	-	-		
UOB Bullion and Futures (Thai) Co., Ltd.	Derivatives brokerage	Common stock	175	175	75.00	75.00	132	-	-	-		
UOB Services Co., Ltd.	Debt Collection Business	Common stock	60	60	99.99	99.99	60	25	10	-		
UOB Leasing (Thai) Co., Ltd.	Liquidation	Common stock	4	4	99.99	99.99	6	-	-	-		
Associated company												
AXA Insurance Public Co., Ltd.	Non-life insurance	Common stock	-	353	-	22.06	-	121	-	-		
Investments in subsidiaries and associated company			333	454	25	10	-	(121)	-	-		
Less: Allowance for impairment			-	-	-	-	-	-	-	-		
Investments in subsidiaries and associated company - net			333	333	-	-	333	333	-	-		

Notes to Consolidated Financial Statements

(continued)

Subsidiary company

On 18 March 2011, the Annual General Meeting of UOB Leasing (Thai) Co., Ltd. approved the return of Baht 450 million of its capital to its shareholders including the Bank.

On 10 June 2011, the Extraordinary General Meeting of Shareholders No. 1/2011 of UOB Bullion and Futures (Thai) Co., Ltd. authorised UOB Bullion and Futures (Thai) Co., Ltd. to increase its registered and paid-up share capital from Baht 150 million, consisting of 1,500,000 shares with a par value of Baht 100 each, to Baht 175 million, consisting of 1,750,000 shares with a par value of Baht 100 each. UOB Bullion and Futures (Thai) Co., Ltd. registered the increase in its share capital with the Department of Business Development of the Ministry of Commerce on 27 June 2011 and the Bank paid the additional capital Baht 19 million to the subsidiary, in proportion to its shareholding of 75%, on 20 June 2011.

Associated company

In June 2012, AXA Insurance Public Co., Ltd., an associated company, registered an increase in its paid-up capital from Baht 353 million to Baht 1,853 million. However, the Bank did not make further investment in proportion to its existing shareholding. As a result, the Bank's shareholding in this company decreased from 22.06% to 4.20% the Bank lost significant influence over AXA Insurance Public Co., Ltd., in terms of its participation in financial and operating policy decisions. The Bank therefore transfer the investment from investment in associate accounted for using the equity method to the general investment account. In addition, the Bank used the fair value of its investment in AXA Insurance Public Co., Ltd. as the basis for the transfer and applied the same value as the new cost of investment under general investment.

On 5 July 2012, the Bank sold all of its 777,783 shares in AXA Insurance Public Co., Ltd. to AXA (a company organized and existing under the laws of France) at a price of Baht 50 per share, and received payment of Baht 39 million for the sale on the same date.

Summary financial information of AXA Insurance Public Co., Ltd. as at 31 December 2011 which was prepared by its management, and before adjustment of the information in proportion to the ownership interest of the Bank, is as follows:

	(Unit: Million Baht)
	As at 31 December 2011
Paid-up capital	353
Fair values of investments (Net Assets Value)	(100)
Total assets	2,569
Total liabilities	2,669
Total revenues for the year	1,456
Loss for the year	(683)
Dividend received during the year	-

Notes to Consolidated Financial Statements

(continued)

A reconciliation of shareholders' equity balance from the separate financial statements to the consolidated financial statements are as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2012	2011
Shareholders' equity in the separate financial statements	34,168	31,926
Reconciliation items		
Accumulated share of profit from investments under equity method	319	251
Accumulated dividend received from associated company	(80)	(80)
Non-controlling interests	35	33
Total reconciliation items	274	204
Shareholders' equity in consolidated financial statements	34,442	32,130

As at 31 December 2011, AXA Insurance Public Co., Ltd's operating losses exceeded its equity and its shareholders' equity was negative. The Bank therefore decided to record allowance for impairment on the investment in AXA Insurance Public Co., Ltd. totaling Baht 121 million in the separate financial statements, which present this investment at cost net of allowance for impairment. Moreover, in the consolidated financial statements, the Bank recognised share of loss from investment in this associate until the value of the investment under the equity method was zero. Subsequent losses incurred by the associate have not been recognised in the Bank's accounts since the Bank has no obligations, whether legal or constructive, to make any payments on behalf of this associate. The amounts of the accumulated unrecognised share of loss up to 31 December 2011 is Baht 22 million. The unrecognised share of loss for the year 2012 up to the date that the Bank lost significant influence over the associated company is approximately Baht 14 million.

Notes to Consolidated Financial Statements

(continued)

13. Loans to customers and accrued interest receivables - net

13.1 Classified by loan type

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2012	2011	2012	2011
Overdrafts	14,396	14,303	14,396	14,303
Loans	140,380	121,222	140,379	121,221
Trade bills	53,412	50,083	53,412	50,083
Hire-purchase receivables	1,413	691	1,413	691
Financial lease receivables	3,235	2,561	3,235	2,561
Others	496	573	496	573
Less: Deferred revenue	(451)	(321)	(451)	(321)
Total loans to customers net of deferred revenue	212,881	189,112	212,880	189,111
Add: Accrued interest receivables	608	541	608	541
Total loans to customers net of deferred revenue and accrued interest receivables	213,489	189,653	213,488	189,652
Less: Allowance for doubtful accounts				
1. The BOT's minimum requirement provision				
- Individual approach	(3,122)	(4,385)	(3,122)	(4,385)
- Collective approach	(263)	(239)	(263)	(239)
2. Provision in excess of the BOT's minimum rates required	(1,816)*	(1,125)	(1,816)*	(1,125)
Total loans to customers and accrued interest receivables - net	208,288	183,904	208,287	183,903

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

13.2 Classified by currencies and residential status of debtors

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December					
	2012			2011		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	200,361	1,391	201,752	181,738	150	181,888
US Dollar	10,326	-	10,326	6,486	-	6,486
Other currencies	803	-	803	738	-	738
Total loans, net of deferred revenue	211,490	1,391	212,881	188,962	150	189,112

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2012			2011		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	200,360	1,391	201,751	181,737	150	181,887
US Dollar	10,326	-	10,326	6,486	-	6,486
Other currencies	803	-	803	738	-	738
Total loans, net of deferred revenue	211,489	1,391	212,880	188,961	150	189,111

13.3 Classified by types of business and classified loans

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2012					
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	813	11	1	-	86	911
Manufacturing and commerce	63,588	1,890	141	21	2,054	67,694
Real estate and construction	17,231	424	117	39	304	18,115
Public utilities and services	25,264	559	392	-	159	26,374
Housing loans	61,439	414	317	176	1,290	63,636
Others	35,220	456	201	200	73	36,150
Total loans, net of deferred revenue	203,555	3,754	1,169	436	3,966	212,880

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2011					
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	712	7	2	-	357	1,078
Manufacturing and commerce	58,505	1,395	522	221	3,398	64,041
Real estate and construction	13,555	141	80	19	357	14,152
Public utilities and services	22,751	665	293	5	190	23,904
Housing loans	54,177	741	314	241	1,145	56,618
Others	28,615	345	212	100	46	29,318
Total loans, net of deferred revenue	178,315	3,294	1,423	586	5,493	189,111

Notes to Consolidated Financial Statements

(continued)

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

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2012						
Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculate allowance for doubtful ⁽¹⁾	Percentage of allowance for doubtful account set up	Allowance for doubtful accounts	(%)
The BOT's minimum requirement provision						
Pass	204,140	17	204,157	72,182	1	722
Special mention	3,776	1	3,777	1,520	2	31
Sub-standard	1,169	1	1,170	440	100	440
Doubtful	436	1	437	187	100	187
Doubtful of loss	3,967	5	3,972	2,012	100	2,012
Provision in excess of the BOT's minimum rates required ⁽²⁾	-	-	-	-		1,816
Total	213,488	25	213,513	76,341		5,208

(1) Net balance used in calculating allowance for doubtful accounts for pass and special mention loans is debt balance that excludes accrued interest receivable net of collateral. For sub-standard, doubtful and doubtful of loss loans, that is debt balance and accrued interest receivables, net of deferred revenue, remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

(2) 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)

Separate financial statements						
As at 31 December 2011						
Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculate allowance for doubtful ⁽¹⁾	Percentage of allowance for doubtful account set up	Allowance for doubtful accounts	(%)
The BOT's minimum requirement provision						
Pass	178,837	10	178,847	59,548	1	595
Special mention	3,312	-	3,312	1,395	2	28
Sub-standard	1,423	3	1,426	807	100	807
Doubtful	586	-	586	288	100	288
Doubtful of loss	5,494	5	5,499	2,914	100	2,914
Provision in excess of the BOT's minimum rates required	-	-	-	-		1,125
Total	189,652	18	189,670	64,952		5,757

(1) Net balance used in calculating allowance for doubtful accounts for pass and special mention loans is debt balance that excludes accrued interest receivable net of collateral. For sub-standard, doubtful and doubtful of loss loans, that is debt balance and accrued interest receivables, net of deferred revenue, remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

Notes to Consolidated Financial Statements

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As at 31 December 2012, loan provisions mentioned above include provision for other claims, amounting to Baht 7 million (2011: Baht 8 million).

In addition, as a result of the severe flood crisis during the fourth quarter of 2011, the Bank has been implementing various measures in accordance with the BOT policy to help ease debt repayment burden of affected debtors. Among the measures are principal and interest moratorium for a certain period and not treating such loans as substandard. As at 31 December 2012, the Bank had eased the debt repayment burden for debtors with outstanding balances totaling Baht 6,148 million (2011: 7,088 million). However, the Bank's management has assessed the situation and the adequacy of the provision for doubtful debt set aside for the affected debtors, and believes that no significant additional losses will be incurred as a result of the flood.

As at 31 December 2012 and 2011 the Bank has classified unsecured consumer loan in accordance with the Notification of the BOT for non-performing loans (excluding receivables classified as pass and special mention) using a collective approach, as follows

Overdue (Days)	(Unit: Million Baht)		
	Separate financial statements		
	As at 31 December 2012		
	Unsecured consumer loans	The range of provision (%)	Provision amount
0 - 119	162	73 - 94	121
120 - 179	191	73 - 94	142
Total	353		263

Overdue (Days)	(Unit: Million Baht)		
	Separate financial statements		
	As at 31 December 2011		
	Unsecured consumer loans	The range of provision (%)	Provision amount
0 - 119	184	81 - 96	152
120 - 179	105	81 - 96	87
Total	289		239

Notes to Consolidated Financial Statements

(continued)

13.5 Hire-purchase/finance lease receivables

As at 31 December 2012, the Bank has receivables under hire-purchase agreements and financial leases net of deferred revenue amounting to Baht 4,222 million (2011: Baht 2,961 million), mostly comprising hire-purchase agreements and financial leases for vehicles and machines. The terms of the agreements are generally between 3 - 5 years and most interest is charged at a fixed rate.

	(Unit: Million Baht)				
	As at 31 December 2012				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in hire-purchase/ finance leases	291	4,228	35	94	4,648
Less: Deferred revenue*	(7)	(406)	(7)	(6)	(426)
Present value of minimum lease payments receivables	284	3,822	28	88	4,222
Less: Allowance for doubtful accounts					(128)
Net hire-purchase/finance lease receivables					4,094

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

	(Unit: Million Baht)				
	As at 31 December 2011				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in hire-purchase/ finance leases	225	2,936	-	91	3,252
Less: Deferred revenue*	(7)	(277)	-	(7)	(291)
Present value of minimum lease payments receivables	218	2,659	-	84	2,961
Less: Allowance for doubtful accounts					(114)
Net hire-purchase/finance lease receivables					2,847

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

Notes to Consolidated Financial Statements

(continued)

13.6 Non-accrual loans

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

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2012	2011
Non-accrual loans (principal only)	5,571	7,503
Percentage of total loans*	2.12	3.10

* Including interbank and money market loans

In December 2012, the Bank signed the Sale and Purchase Agreement with a non-related asset management company for non-performing loans with principal balances on the transfer date totaling approximately Baht 2,301 million. The transfer price for the non-performing loans approximated their net carrying values. The effect of this sale was recognized in profit or loss for the year ended 31 December 2012.

13.7 Troubled debt restructuring

During the years ended 31 December 2012 and 2011 the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below.

	(Unit: Million Baht)	
	Separate financial statements	
	For the years ended 31 December	
	2012	2011
Debt balances before restructuring	2,803	4,078
Total number of customers	1,654	3,111

Notes to Consolidated Financial Statements

(continued)

Detail of the restructured debtors during the years ended 31 December 2012 and 2011 referred to above can be classified by method of troubled debt restructuring as follows:

Type of restructuring	(Unit: Million Baht)				
	Separate financial statements				
	For the year ended 31 December 2012				
	Number of customers subject to restructuring	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring
Asset swap for settlement	1	5	Cash	5	-
Modification of terms	1,653	2,798	-	-	2,798
Total	1,654	2,803		5	2,798

Type of restructuring	(Unit: Million Baht)				
	Separate financial statements				
	For the year ended 31 December 2011				
	Number of customers subject to restructuring	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring
Asset swap for settlement	2	54	Cash	54	-
Modification of terms	3,109	4,024	-	-	4,024
Total	3,111	4,078		54	4,024

The Bank recorded losses on restructuring for the year in relation to certain particular customers as utilisation of allowance for doubtful accounts rather than charging to profit or loss from operation since the Bank had already fully provided allowance for those loans.

The debts restructured by means of modification of the term of repayment referred to above during the years ended 31 December 2012 and 2011 can be classified by the term of repayment under the restructuring agreement as follows:

	Separate financial statements		
	For the year ended 31 December 2012		
	Number of debtors	Debt balances (Million Baht)	
Before restructuring		After restructuring	
Term of repayment according to the restructuring agreements:			
Not more than 5 years	1,612	2,705	2,705
5 - 10 years	5	8	8
10 - 15 years	19	47	47
More than 15 years	17	38	38
Total	1,653	2,798	2,798

Notes to Consolidated Financial Statements

(continued)

	Separate financial statements		
	For the year ended 31 December 2011		
	Number of debtors	Debt balances (Million Baht)	
Before restructuring		After restructuring	
Term of repayment according to the restructuring agreements:			
Not more than 5 years	3,086	2,436	2,436
5 - 10 years	5	1,551	1,551
10 - 15 years	5	12	12
More than 15 years	13	25	25
Total	3,109	4,024	4,024

As at 31 December 2012 and 2011, the troubled debtors restructuring for which the Bank completed the restructuring can be summarised as follows:

	(Unit: Million Baht)	
	Separate financial statements	
	Number of debtors	Debt balances after restructuring
Balance of restructured debtors as at 31 December 2012	17,651	9,208
Balance of restructured debtors as at 31 December 2011	14,348	9,276

As at 31 December 2012, the Bank has committed additional funds to restructured debtors amounting to Baht 154 million (2011: Baht 125 million).

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

13.8.1 Asset transfer agreements and profit or loss sharing

On 12 October 2001, the Bank entered into an agreement with the Thai Asset Management Corporation (TAMC) to transfer non-performing loans (NPL) in accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544. Under the agreement, the Bank was to receive a ten-year non-transferable promissory note with interest rate availed by the Financial Institutions Development Fund.

In accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, the TAMC and the Bank are jointly responsible for any profits or losses arising from managing the impaired assets in accordance with the conditions specified in the agreement at the end of the fifth year and at the end of the tenth year commencing 1 July 2001. The calculation of such profits or losses shall take into consideration the cost of transfer and all operating expenses of the TAMC, including interest on the promissory note. In the event that the TAMC incurs losses on the impaired assets transferred to it by the Bank, the Bank will be responsible for the first portion of losses, not exceeding 20% of the transfer price. The second portion of losses, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. The remaining losses will be absorbed by the TAMC. In the event that the TAMC makes profits on the impaired assets transferred to it by the Bank, the first portion of profits, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. Should there be any profits remaining, the Bank is entitled to the remaining profits up to an amount not exceeding the sum of the book value of the assets transferred less the transfer price and the Bank’s share of the first portion of the profits.

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(continued)

To comply with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, TAMC ceased its operations on 9 June 2011. As at 31 December 2012, TAMC was in the process of liquidation in accordance with the Royal Decree regarding the liquidation of the Thai Asset Management Corporation B.E. 2554, announced in the Royal Gazette in May 2011. This stipulates that the liquidation must be completed by the end of the twelfth year from the effective date of the Emergency Decree on the Thai Asset Management Corporation B.E. 2544. The Bank has already submitted a request for settlement of debt to the liquidation committee of TAMC.

13.8.2 Disputes over requested transfer price adjustment and reporting results of non-performing loan management by TAMC.

Throughout the period that assets were managed by TAMC, the Bank received notifications of transfer price adjustments from TAMC. Disputes raised by the Bank can be summarized, in order, as follows:

- (a) On 30 June 2006, the Bank received a letter from TAMC informing it that TAMC would not assign any value to machinery that had been pledged as collateral by a major non-performing debtor that the Bank transferred to the TAMC in October 2001, because those assets were not valid collateral, and asking the Bank to adjust the original list of assets transferred by reducing the value of the pledged collateral and hence the transfer value of such debtor by a total of Baht 1,660 million.

The Bank filed a lawsuit against TAMC as a result of this dispute and on 12 March 2009, the Court of First Instance found in favor of the Bank. However, TAMC appealed, and on 21 November 2012 the Court of Appeal ordered TAMC to pay the Bank at the face value after reducing the value of the pledged collateral. The Bank appealed to the Supreme Court in January 2013. Currently the case is being processed by the Supreme Court.

- (b) The Bank received TAMC's letters dated 10 July 2006 and 7 December 2006 requesting the Bank to consider adjusting the collateral value and transfer price of leasehold rights amounting to Baht 5.4 million since the Bank did not have preferential rights over the property.

The Bank filed a lawsuit against TAMC regarding their dispute over the leasehold rights. The Court of First Instance found in favor of the Bank on 12 November 2012.

- (c) The Bank received profit or loss sharing reports from TAMC at the end of the fifth year and at the end of the tenth year, dated 28 November 2006 and 15 November 2011, respectively. The Bank disputed the results per these reports and informed the TAMC of this in letters dated 15 January 2010 and 15 February 2012, and reaffirmed the correctness of the original transfer values.

13.8.3 Settlement of promissory notes

As at 31 December 2012 and 2011, the outstanding balance of the promissory notes received from TAMC was Baht 2,864 million (before adjustment of price following the disputes mentioned in 13.8.2). These matured in the year 2011 and were presented in the statements of financial position under "Other receivable". The management of the Bank has set aside provisions for contingent losses from the gain/loss sharing from TAMC's management of the impaired assets totalling Baht 2,240 million, which are presented as deductions from other receivable in the statements of financial position.

Notes to Consolidated Financial Statements

(continued)

On 14 October 2011, the Bank received a letter from TAMC concerning the principles and procedures for redemption of promissory notes, under which the liquidation committee of TAMC stipulated principles and guidelines for the management of mature promissory notes. The procedure for promissory notes under dispute and over which legal action has already been taken is that when the promissory notes mature TAMC is to make deposits with the transferor bank in TAMC's name equal to the amount of principal and interest payable. In 2011, TAMC deposited a total of Baht 3,110 million with the Bank in accordance with these guidelines, and the Bank treats these as normal deposits.

13.8.4 Others

During the year, the Bank purchased NPLs amounting to Baht 99 million from TAMC at an auction sale made in accordance with TAMC's intention to transfer its NPLs for the purpose of its liquidation. The Bank entered into an asset transfer agreement on 10 August 2012.

As at 31 December 2012, the Bank classified the loans purchased or transferred from TAMC as loans in the statements of financial position.

14. Allowance for doubtful accounts

	(Unit: Million Baht)						
	Separate financial statements						
	For the year ended 31 December 2012						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum rates required*	Total
Beginning balance	595	28	804	288	2,909	1,125	5,749
Doubtful accounts	123	3	(365)	(101)	1,725	691	2,076
Allowance for doubtful accounts of NPL sold during the year	-	-	-	-	(1,715)	-	(1,715)
Transferred to allowance for doubtful accounts of loans to interbank and money market	4	-	-	-	-	-	4
Bad debts written off	-	-	-	-	(908)	-	(908)
Others	-	-	(1)	-	(4)	-	(5)
Ending balance	722	31	438	187	2,007	1,816*	5,201

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

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements						Total
	For the year ended 31 December 2011						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum rates required*	
Beginning balance	486	21	794	215	3,886	745	6,147
Doubtful accounts	123	7	10	73	1,144	380	1,737
Transferred to allowance for doubtful accounts of loans to interbank and money market	(14)	-	-	-	-	-	(14)
Bad debts written off	-	-	-	-	(2,124)	-	(2,124)
Others	-	-	-	-	3	-	3
Ending balance	595	28	804	288	2,909	1,125	5,749

15. Properties foreclosed - net

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 closed branch's premises and awaiting for sale.

Under the debt restructuring agreements, in cases where 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.

As at 31 December 2012 and 2011, the details of properties foreclosed are as follows:

(Unit: Million Baht)

Type of properties foreclosed	Consolidated and separate financial statements			
	For the year ended 31 December 2012			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from bidding				
Immovable	4,854	57	(1,221)	3,690
Movable	-	-	-	-
Total	4,854	57	(1,221)	3,690
Others	1	2	(1)	2
Total properties foreclosed	4,855	59	(1,222)	3,692
Less: Allowance for impairment	(1,713)	(120)	10	(1,823)
Properties foreclosed - net	3,142	(61)	(1,212)	1,869

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(continued)

Type of properties foreclosed	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2011			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from bidding				
Immovable	5,794	80	(1,020)	4,854
Movable	-	-	-	-
Total	5,794	80	(1,020)	4,854
Others	8	1	(8)	1
Total properties foreclosed	5,802	81	(1,028)	4,855
Less: Allowance for impairment	(1,413)	(300)	-	(1,713)
Properties foreclosed - net	4,389	(219)	(1,028)	3,142

Immovable assets foreclosed classified by external and internal appraisers as at 31 December 2012 and 2011 consist of the following:

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	As at 31 December	
	2012	2011
Foreclosed assets - immovable assets		
Appraised by external appraisers	3,443	4,350
Appraised by internal appraisers	247	504
Total	3,690	4,854

Notes to Consolidated Financial Statements

(continued)

16. Premises and equipment

	(Unit: Million Baht)				
	Consolidated financial statements				
	For the year ended 31 December 2012				
	Land	Premises	Equipment	Assets under installation	Total
Cost					
Beginning balance	1,386	1,447	4,098	17	6,948
Acquisition	-	-	313	278	591
Transfer in (out)	(4)	(3)	259	(260)	(8)
Disposal and written off	-	-	(128)	-	(128)
Ending balance	1,382	1,444	4,542	35	7,403
Increase from revaluation					
Beginning balance	1,740	337	-	-	2,077
Transfer out	(12)	(6)	-	-	(18)
Ending balance	1,728	331	-	-	2,059
Accumulated depreciation					
Beginning balance	-	(859)	(3,044)	-	(3,903)
Depreciation charged for the year	-	(30)	(298)	-	(328)
Disposal and written off	-	5	113	-	118
Ending balance	-	(884)	(3,229)	-	(4,113)
Impairment loss					
Beginning balance	(54)	(83)	-	-	(137)
Ending balance	(54)	(83)	-	-	(137)
Net book value					
Beginning balance	3,072	842	1,054	17	4,985
Ending balance	3,056	808	1,313	35	5,212
Depreciation charge included in profit or loss from operation for the years ended 31 December:					
2011					313
2012					328

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

Consolidated financial statements					
For the year ended 31 December 2011					
	Land	Premises	Equipment	Assets under installation	Total
Cost					
Beginning balance	1,384	1,450	3,794	9	6,637
Acquisition	3	-	213	168	384
Transfer in (out)	(1)	(3)	160	(160)	(4)
Disposal and written off	-	-	(69)	-	(69)
Ending balance	1,386	1,447	4,098	17	6,948
Increase from revaluation					
Beginning balance	882	206	-	-	1,088
Increase	860	202	-	-	1,062
Adjustment	-	(65)	-	-	(65)
Transfer out	(2)	(6)	-	-	(8)
Ending balance	1,740	337	-	-	2,077
Accumulated depreciation					
Beginning balance	-	(895)	(2,815)	-	(3,710)
Depreciation charged for the year	-	(23)	(290)	-	(313)
Adjustment	-	65	-	-	65
Transfer out	-	6	-	-	6
Reversal impairment loss	-	(12)	-	-	(12)
Disposal and written off	-	-	61	-	61
Ending balance	-	(859)	(3,044)	-	(3,903)
Impairment loss					
Beginning balance	(355)	(93)	-	-	(448)
Decrease	301	10	-	-	311
Ending balance	(54)	(83)	-	-	(137)
Net book value					
Beginning balance	1,911	668	979	9	3,567
Ending balance	3,072	842	1,054	17	4,985
Depreciation charge included in profit or loss from operation for the years ended 31 December:					
2010					339
2011					313

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements				
	For the year ended 31 December 2012				
	Land	Premises	Equipment	Assets under installation	Total
Cost					
Beginning balance	1,386	1,447	4,046	17	6,896
Acquisition	-	-	311	278	589
Transfer in (out)	(4)	(3)	259	(260)	(8)
Disposal and written off	-	-	(128)	-	(128)
Ending balance	1,382	1,444	4,488	35	7,349
Increase from revaluation					
Beginning balance	1,740	337	-	-	2,077
Transfer out	(12)	(6)	-	-	(18)
Ending balance	1,728	331	-	-	2,059
Accumulated depreciation					
Beginning balance	-	(859)	(3,010)	-	(3,869)
Depreciation charged for the year	-	(30)	(293)	-	(323)
Disposal and written off	-	5	113	-	118
Ending balance	-	(884)	(3,190)	-	(4,074)
Impairment loss					
Beginning balance	(54)	(83)	-	-	(137)
Ending balance	(54)	(83)	-	-	(137)
Net book value					
Beginning balance	3,072	842	1,036	17	4,967
Ending balance	3,056	808	1,298	35	5,197
Depreciation charge included in profit or loss from operation for the years ended 31 December:					
2011					307
2012					323

Notes to Consolidated Financial Statements

(continued)

	(Unit: Million Baht)				
	Separate financial statements				
	For the year ended 31 December 2011				
	Land	Premises	Equipment	Assets under installation	Total
Cost					
Beginning balance	1,384	1,450	3,737	9	6,580
Acquisition	3	-	209	168	380
Transfer in (out)	(1)	(3)	160	(160)	(4)
Disposal and written off	-	-	(60)	-	(60)
Ending balance	1,386	1,447	4,046	17	6,896
Increase from revaluation					
Beginning balance	882	206	-	-	1,088
Increase	860	202	-	-	1,062
Adjustment	-	(65)	-	-	(65)
Transfer out	(2)	(6)	-	-	(8)
Ending balance	1,740	337	-	-	2,077
Accumulated depreciation					
Beginning balance	-	(895)	(2,779)	-	(3,674)
Depreciation charged for the year	-	(23)	(284)	-	(307)
Adjustment	-	65	-	-	65
Transfer out	-	6	-	-	6
Reversal impairment loss	-	(12)	-	-	(12)
Disposal and written off	-	-	53	-	53
Ending balance	-	(859)	(3,010)	-	(3,869)
Impairment loss					
Beginning balance	(355)	(93)	-	-	(448)
Decrease	301	10	-	-	311
Ending balance	(54)	(83)	-	-	(137)
Net book value					
Beginning balance	1,911	668	958	9	3,546
Ending balance	3,072	842	1,036	17	4,967
Depreciation charge included in profit or loss from operation for the years ended 31 December:					
2010					330
2011					307

Notes to Consolidated Financial Statements

(continued)

During the year 2011, the Bank's land and buildings were appraised by independent appraisers. The reappraisal approaches are as follows:

Land	-	Fair market approach
Premises	-	Depreciated replacement cost

Difference arising from revaluation is recorded in the Bank's financial statements in accordance with the accounting policy as detailed in Note 5.11 to the financial statements.

As at 31 December 2012, certain premises and equipment items of the Bank and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation, of those assets amounted to Baht 2,234 million (2011: Baht 1,880 million). The Bank only: Baht 2,211 million (2011: Baht 1,863 million).

Revaluation surplus

This represents surplus arising from revaluation of land and premises

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	For the years ended 31 December	
	2012	2011
Beginning balance	2,075	1,026
Increased during the year	-	1,062
Amortisation charged for the year	(15)	(7)
Transferred out during the year	(16)	(6)
Ending balance	2,044	2,075

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

Notes to Consolidated Financial Statements

(continued)

17. Other intangible assets

As at 31 December 2012 and 2011, the intangible assets are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	For the year ended 31 December 2012			
	Application software	Assets under installation	Others	Total
Cost				
Beginning balance	1,932	17	2	1,951
Acquisition	83	66	-	149
Transfer in (out)	78	(78)	-	-
Written-off	(92)	-	-	(92)
Ending balance	2,001	5	2	2,008
Accumulated amortisation				
Beginning balance	(1,038)	-	-	(1,038)
Amortisation for the year	(165)	-	-	(165)
Written-off	79	-	-	79
Ending balance	(1,124)	-	-	(1,124)
Net book value				
Beginning balance	894	17	2	913
Ending balance	877	5	2	884
Remaining useful lives (years)	5 -10	-	-	
Amortisation charge included in profit or loss from operation for the years ended 31 December:				
2011				150
2012				165

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Consolidated financial statements			
	For the year ended 31 December 2011			
	Application software	Assets under installation	Others	Total
Cost				
Beginning balance	1,762	42	2	1,806
Acquisition	105	42	-	147
Transfer in (out)	67	(67)	-	-
Written-off	(2)	-	-	(2)
Ending balance	1,932	17	2	1,951
Accumulated amortisation				
Beginning balance	(890)	-	-	(890)
Amortisation for the year	(150)	-	-	(150)
Written-off	2	-	-	2
Ending balance	(1,038)	-	-	(1,038)
Net book value				
Beginning balance	872	42	2	916
Ending balance	894	17	2	913
Remaining useful lives (years)	5 - 10	-	-	
Amortisation charge included in profit or loss from operation for the years ended 31 December:				
2010				135
2011				150

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements			
	For the year ended 31 December 2012			
	Application software	Assets under installation	Others	Total
Cost				
Beginning balance	1,906	17	2	1,925
Acquisition	82	66	-	148
Transfer in (out)	78	(78)	-	-
Written-off	(92)	-	-	(92)
Ending balance	1,974	5	2	1,981
Accumulated amortisation				
Beginning balance	(1,024)	-	-	(1,024)
Amortisation for the year	(163)	-	-	(163)
Written-off	79	-	-	79
Ending balance	(1,108)	-	-	(1,108)
Net book value				
Beginning balance	882	17	2	901
Ending balance	866	5	2	873
Remaining useful lives (years)	5 - 10	-	-	
Amortisation charge included in profit or loss from operation for the years ended 31 December:				
2011				148
2012				163

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements			
	For the year ended 31 December 2011			
	Application software	Assets under installation	Others	Total
Cost				
Beginning balance	1,735	42	2	1,779
Acquisition	104	42	-	146
Transfer in (out)	67	(67)	-	-
Ending balance	1,906	17	2	1,925
Accumulated amortisation				
Beginning balance	(876)	-	-	(876)
Amortisation for the year	(148)	-	-	(148)
Ending balance	(1,024)	-	-	(1,024)
Net book value				
Beginning balance	859	42	2	903
Ending balance	882	17	2	901
Remaining useful lives (years)	5 - 10	-	-	
Amortisation charge included in profit or loss from operation for the years ended 31 December:				
2010				133
2011				148

As at 31 December 2012, certain intangible assets of the Bank and its subsidiaries have been fully amortised but are still in use. The gross carrying amount, before deducting accumulated amortisation, of those assets amounted to Baht 207 million (2011: Baht 202 million). The Bank only: Baht 198 million (2011: Baht 194 million).

Notes to Consolidated Financial Statements

(continued)

18. Deferred Tax

The following table shows major components of deferred tax assets and deferred tax liabilities for the years ended 31 December 2012 and 2011.

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Statements of financial position As at 31 December		Statements of comprehensive income for the years ended 31 December		Statements of financial position As at 31 December		Statements of comprehensive income for the years ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011
Deferred tax assets on:								
Allowance for doubtful accounts	47	155	108	146	47	155	108	146
Allowance for impairment of properties foreclosed	364	348	(16)	76	364	348	(16)	76
Allowance for impairment and revaluation of assets	27	27	-	105	27	27	-	105
Allowance for impairment and revaluation of investments	98	165	67	764	98	165	67	764
Provisions for long-term employee benefits	274	278	-	139	270	274	-	140
Provisions for other liabilities	63	60	(3)	2	63	60	(3)	2
Unrealised loss on financial derivatives	231	59	(172)	311	231	59	(172)	311
Other receivables	451	451	-	(442)	451	451	-	(442)
Write off	233	234	1	(192)	233	234	1	(192)
Others	209	217	8	(107)	208	214	6	(110)
	1,997	1,994	(7)	802	1,992	1,987	(9)	800
Deferred tax liabilities on:								
Revaluation surplus on assets	412	415	(3)	107	412	415	(3)	107
Revaluation surplus on investments	90	67	-	-	90	67	-	-
Others	90	87	3	4	90	87	3	4
	592	569	-	111	592	569	-	111
Deferred tax - net	1,405	1,425			1,400	1,418		
Deferred tax - expense (income)			(7)	913			(9)	911

Notes to Consolidated Financial Statements

(continued)

Movements in the deferred tax during the years ended 31 December 2012 and 2011 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Beginning balance	1,425	2,324	1,418	2,318
Charge to profit or loss from operation	7	(913)	9	(911)
Charge to other comprehensive income	(27)	(70)	(27)	(71)
Cumulative effect of change in accounting policy regarding employee benefits	-	84	-	82
Ending balance	1,405	1,425	1,400	1,418

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2012 and 2011 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Deferred tax relating to revaluation surplus (deficit) on investments	(23)	(19)	(23)	(19)
Deferred tax relating to actuarial gains (losses) on defined benefit plans	(4)	37	(4)	36
Deferred tax relating to revaluation surplus on assets	-	(315)	-	(315)
Effects of changes in the applicable tax rate	-	227	-	227
	(27)	(70)	(27)	(71)

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. In addition, in order to comply with the resolution of the cabinet in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Bank reflected the changes in tax rates in its deferred tax calculation.

Income tax effects relating to components of other comprehensive income

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Consolidated financial statements					
	For the years ended 31 December					
	2012			2011		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Revaluation surplus on assets	-	-	-	1,062	(108)	954
Increase (decrease) in surplus on change in value of investments	115	(23)	92	63	13	76
Actuarial losses on defined benefit plans	20	(4)	16	(124)	25	(99)
Share gain (losses) of other comprehensive income of associated	-	-	-	(6)	-	(6)
	135	(27)	108	995	(70)	925

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2012			2011		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Revaluation surplus on assets	-	-	-	1,062	(108)	954
Increase (decrease) in surplus on change in value of investments	115	(23)	92	63	13	76
Actuarial losses on defined benefit plans	19	(4)	15	(120)	24	(96)
	134	(27)	107	1,005	(71)	934

19. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2012	2011	2012	2011
Accrued income	393	192	354	171
Suspense debtors	136	105	136	105
Prepaid and deferred expenses	195	181	190	176
Deposits	420	483	419	475
Leasehold right - net	94	116	94	116
Other receivable - TAMC	3,110	3,110	3,110	3,110
Others	583	134	582	130
Total	4,931	4,321	4,885	4,283
Less: Allowance for impairment	(2,291)	(2,296)	(2,291)	(2,296)
Other assets - net	2,640	2,025	2,594	1,987

Notes to Consolidated Financial Statements

(continued)

20. Classified assets

	(Unit: Million Baht)				
	Separate financial statements				
	As at 31 December 2012				
	Investments	Loans ⁽¹⁾	Properties foreclosed	Other assets	Total
Classifications					
Pass	-	253,728	-	17	253,745
Special mention	-	3,755	-	1	3,756
Sub-standard	-	1,169	-	1	1,170
Doubtful	-	436	-	1	437
Doubtful of loss	161	3,966	420	1,949	6,496
Total	161	263,054	420	1,969	265,604

(1) Including interbank and money market loans.

	(Unit: Million Baht)				
	Separate financial statements				
	As at 31 December 2011				
	Investments	Loans ⁽¹⁾	Properties foreclosed	Other assets	Total
Classifications					
Pass	-	230,902	-	10	230,912
Special mention	-	3,294	-	-	3,294
Sub-standard	-	1,423	-	3	1,426
Doubtful	-	586	-	-	586
Doubtful of loss	517	5,494	138	1,971	8,120
Total	517	241,699	138	1,984	244,338

(1) Including interbank and money market loans.

21. Deposits

21.1 Classified by types of deposits

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2012	2011	2012	2011
Current accounts	8,067	5,126	8,067	5,126
Savings accounts	77,907	70,581	77,962	70,633
Fixed deposits	115,745	90,600	115,905	90,600
Total	201,719	166,307	201,934	166,359

Notes to Consolidated Financial Statements

(continued)

21.2 Classified by currencies and residential status of depositors

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2012			2011		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	194,476	5,048	199,524	159,922	4,431	164,353
US Dollar	1,373	344	1,717	1,175	233	1,408
Others	207	271	478	317	229	546
Total	196,056	5,663	201,719	161,414	4,893	166,307

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2012			2011		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	194,691	5,048	199,739	159,974	4,431	164,405
US Dollar	1,373	344	1,717	1,175	233	1,408
Others	207	271	478	317	229	546
Total	196,271	5,663	201,934	161,466	4,893	166,359

22. Interbank and money market items (Liabilities)

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2012			2011		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	-	1,312	1,312	-	-	-
Commercial banks	1,373	600	1,973	4,094	3,000	7,094
Specific financial institutions	501	1,907	2,408	3,005	917	3,922
Other financial institutions	2,633	752	3,385	3,132	1,592	4,724
Total domestic items	4,507	4,571	9,078	10,231	5,509	15,740
Foreign items						
US Dollar	15,912	57,281	73,193	2,571	25,829	28,400
Yen	-	-	-	-	143	143
Other currencies	533	-	533	616	-	616
Total foreign items	16,445	57,281	73,726	3,187	25,972	29,159
Total domestic and foreign items	20,952	61,852	82,804	13,418	31,481	44,899

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2012			2011		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	-	1,312	1,312	-	-	-
Commercial banks	1,373	600	1,973	4,094	3,000	7,094
Specific financial institutions	501	1,907	2,408	3,005	917	3,922
Other financial institutions	2,676	752	3,428	3,139	1,624	4,763
Total domestic items	4,550	4,571	9,121	10,238	5,541	15,779
Foreign items						
US Dollar	15,912	57,281	73,193	2,571	25,829	28,400
Yen	-	-	-	-	143	143
Other currencies	533	-	533	616	-	616
Total foreign items	16,445	57,281	73,726	3,187	25,972	29,159
Total domestic and foreign items	20,995	61,852	82,847	13,425	31,513	44,938

23. Debt issued and Borrowings

As at 31 December 2012 and 2011, debt issued and borrowings comprising only domestic borrowings in Baht currency are classified by type of securities, maturity and interest rate as follows:

(Unit: Million Baht)

Types	Consolidated financial statements		
	As at 31 December 2012		
	Maturity	Interest rate per annum (%)	Amount
Bills of exchange	2 Jan 2013 - 8 Jun 2015	2.25 - 5.00	22,899
Term loan agreement	20 Jan 2013 - 4 Sep 2014	-	6
Total			22,905

(Unit: Million Baht)

Types	Consolidated financial statements		
	As at 31 December 2011		
	Maturity	Interest rate per annum (%)	Amount
Bills of exchange	3 Jan 2012 - 4 Nov 2014	1.25 - 5.00	42,148
Term loan agreement	20 Jan 2013 - 4 Sep 2014	-	12
Total			42,160

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)			
Separate financial statements			
As at 31 December 2012			
Types	Maturity	Interest rate per annum (%)	Amount
Bills of exchange	2 Jan 2013 - 8 Jun 2015	2.25 - 5.00	22,899
Term loan agreement	20 Jan 2013 - 4 Sep 2014	-	6
Total			22,905

(Unit: Million Baht)			
Separate financial statements			
As at 31 December 2011			
Types	Maturity	Interest rate per annum (%)	Amount
Bills of exchange	3 Jan 2012 - 4 Nov 2014	1.25 - 5.00	42,306
Term loan agreement	20 Jan 2013 - 4 Sep 2014	-	12
Total			42,318

On 24 April 2012, an ordinary meeting of shareholders approved the issuance of debentures totaling Baht 50,000 million. As at 31 December 2012, the Bank had not yet issued such debentures.

24. Provisions for long-term employee benefits

Changes in provisions for long-term employee benefits under retirement plans as at 31 December 2012 and 2011 can be summarised as follows:

(Unit: Million Baht)		
For the year ended 31 December 2012		
	Consolidated financial statements	Separate financial statements
Defined benefit obligation at beginning of year	1,372	1,352
Current service cost	89	86
Interest cost	47	46
Actuarial gains on defined benefit plans for the year	(20)	(19)
Employee benefits paid during the year	(116)	(116)
Provision for long-term employee benefits at end of year	1,372	1,349

Notes to Consolidated Financial Statements

(continued)

	(Unit: Million Baht)	
	For the year ended 31 December 2011	
	Consolidated financial statements	Separate financial statements
Defined benefit obligation at beginning of year	1,233	1,218
Current service cost	71	69
Interest cost	46	46
Actuarial losses on defined benefit plans for the year	124	120
Employee benefits paid during the year	(102)	(101)
Provision for long-term employee benefits at end of year	1,372	1,352

Long-term employee benefits expense included in profit or loss from operation for the years ended 31 December 2012 and 2011 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	
	2012	2011	2012	2011
Current service cost	89	71	86	69
Interest cost	47	46	46	46
Total employee benefits	136	117	132	115

Long-term employee benefits expense is recognised as an expense in profit or loss from operation.

Total actuarial gains and losses on defined benefit plans recognized in the other comprehensive income of the Bank and its subsidiaries as at 31 December 2012 by gains to Baht 20 million (2011: losses Baht 124 million). The Bank only: by gains Baht 19 million (2011: losses Baht 120 million).

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

	Consolidated and separate financial statements	
	As at 31 December	
	2012	2011
Future salary increases rate (depending on age)	4% - 6%	4% - 6%
Turnover rate (depending on age)	1.5% - 21%	1.5% - 21%
Discount rate	3.8%	3.6%

Notes to Consolidated Financial Statements

(continued)

Amounts of defined benefit obligation for the current and previous years are as follows:

	(Unit: Million Baht)			
	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2012	1,372	1,349	2	2
Year 2011	1,372	1,352	66	65
Year 2010	1,232	1,219	-	-

25. Provisions - other liabilities

Outstanding balance comprise the following:

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2012			
	Contingencies	Obligation for litigation cases	Others	Total
Beginning balance	185	105	11	301
Increase during the year	27	-	-	27
Transfer to allowance for impairment of other assets	-	(15)	-	(15)
Ending balance	212	90	11	313

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2011			
	Contingencies	Obligation for litigation cases	Others	Total
Beginning balance	145	47	16	208
Increase during the year	40	59	-	99
Utilised	-	(1)	-	(1)
Reversal of provisions	-	-	(5)	(5)
Ending balance	185	105	11	301

Notes to Consolidated Financial Statements

(continued)

26. Other liabilities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2012	2011	2012	2011
Accounts payable - others	310	217	325	229
Suspense creditors	353	271	352	271
Deposits	93	311	95	313
Bills collection - branches	17	24	17	24
Deferred income	1,173	1,275	1,164	1,269
Interest payable	771	519	772	520
Others	106	99	104	97
Total	2,823	2,716	2,829	2,723

27. Other components of equity

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2012	2011
Revaluation surplus on assets	2,044	2,075
Revaluation surplus (deficit) on investments		
Revaluation surplus on investments		
Available-for-sale investments		
Debt instruments	58	19
Equity instruments	396	337
Total	454	356
Revaluation deficit on investments		
Available-for-sale investments		
Debt instruments	(3)	(5)
Equity instruments	-	(15)
Total	(3)	(20)
Total revaluation surplus on investments	451	336
Deferred tax relating to components of other comprehensive income		
	(499)	(482)
Total	1,996	1,929

28. Dividends

On 12 April 2011, the 19th Annual General Meeting of Shareholders approved the resolutions regarding the appropriation of profit for paying dividend for the year 2010 of shareholders holding 2,485,661,305 shares at the rate of Baht 0.15 per share, totaling Baht 373 million.

The Bank already paid dividend according to the above mentioned resolution amounting to Baht 373 million on 10 May 2011.

29. 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 income, 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.

In addition, under the Civil and Commercial Code, the Bank's subsidiaries are required to set aside a statutory reserve at least 5% of their net income each time dividend is declared until the reserve reaches 10% of registered share capital. The statutory reserve cannot be used for dividend payment.

30. Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the regulations of the BOT.

As at 31 December 2012 and 2011, the Bank maintained Capital Funds in compliance with the BOT's Basel II framework and received an approval from the BOT to adopt Foundation Internal Ratings - Based Approach (FIRB) to compute capital requirement for credit risk.

In accordance with the Bank of Thailand ("BOT")'s Notification No. Sor Nor Sor.12/2555 regarding "Supervisory Guidelines on Capital Funds for Commercial Bank. The Bank has to maintain Capital Funds in compliance with the Basel III framework since 1 January 2013 onward. To maintain Capital Funds on this guideline will affect to type of Capital Funds but there is no material effect to Capital Adequacy Ratio.

Notes to Consolidated Financial Statements

(continued)

	(Unit: Million Baht)	
	Separate	
	financial statements	
	As at 31 December	
	2012	2011
Tier 1 Capital		
Paid up share capital	24,857	24,857
Statutory reserves	309	202
Retained earnings after appropriation	4,939	4,840
Deduct: Deductions items from Tier 1 Capital - Deferred tax assets	(1,942)	(2,872)
Total Tier 1 Capital	28,163	27,027
Tier 2 Capital		
Unrealised revaluation surplus on land appraisal	1,209	616
Unrealised revaluation surplus on building appraisal	158	67
Reserve for normal performing loans	904	581
Excess provision which qualifies as Tier 2 Capital - IRB Approach	661	598
Net revaluation surplus from equity securities - Available-for-sale	178	145
Total Tier 2 Capital	3,110	2,007
Total Capital Funds	31,273	29,034

	Separate financial statements			
	As at 31 December			
	2012		2011	
	The Bank	The BOT's Minimum Requirement	The Bank	The BOT's Minimum Requirement
Capital Adequacy Ratio	(%)	(%)	(%)	(%)
Tier 1 Capital Funds to risk weighted assets	14.39	4.25	15.54	4.25
Total Capital Funds to risk weighted assets	15.98	8.50	16.69	8.50

31. Share-based compensation plans

The Bank's Board of Directors Meeting No. 573 approved a resolution to join the share-based payment plan ("the Plan") under which compensation in the form of restricted shares (RS) and share appreciation rights (SAR) of United Overseas Bank Limited ("major shareholder") is awarded to senior members of management selected by the Nomination and Compensation Committee (NCC) of the Bank, based on criterias such as individual performance, potential, leadership skills, job level, and market competitive practices. All participants in the Plan must have at least 1 year of service as at the selection date.

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 fulfillment of certain time and performance conditions. Upon vesting, participants will receive United Overseas Bank Limited's shares represented by the restricted shares

Notes to Consolidated Financial Statements

(continued)

(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, 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.

For year ended 31 December 2012 the Bank recorded expenses of Baht 24 million (2011: Baht 32 million) the above plan and expenses that will be reimbursed from the major shareholder as other liabilities, as disclosed in Note 26 to the financial statements.

32. Commitments and contingencies liabilities

32.1 Commitments

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	As at 31 December	
	2012	2011
Aval to bills	991	754
Guarantees of loans	2,384	1,860
Liabilities under unmatured import bills	1,445	798
Letters of credit	3,516	2,633
Other commitments		
- Undrawn overdraft amount	22,171	21,655
- Spot foreign exchange contracts	4,429	2,952
- Other guarantees	17,439	14,243
Total	52,375	44,895

32.2 Operating lease commitments

As at 31 December 2012 and 2011, the Bank and its subsidiaries had land/building lease agreements for branch offices and vehicles lease agreements, for which the lease terms range from 3 - 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 financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2012	2011	2012	2011
Land and building rental commitments	400	405	400	405
Car rental commitments	103	97	89	93
Total	503	502	489	498

Notes to Consolidated Financial Statements

(continued)

32.3 Commitments under 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 amortises such fees income over the term of the agreement and presents the fees received in advance under other liabilities - deferred income, as disclosed in note 26 to the financial statements.

32.4 Other commitments

The Bank has contractual commitments in respect of the purchase and servicing of information technology systems as well as other services. The outstanding balances of these major contractual commitments as at 31 December 2012, were approximately Baht 270 million (2011: Baht 476 million).

As at 31 December 2012, the Bank also has commitments in relation to various "to-sell and to-purchase" agreements for its foreclosed properties, the net book value of which was Baht 88 million (2011: Baht 38 million). The estimated gains under those agreements is Baht 2 million (2011: gains Baht 4 million).

In addition, the Bank has commitments in respect of the loss sharing under the Non-performing Loan Transfer Agreement made with TAMC, as discussed in Note 13.8 to the financial statements.

33. Assets pledged as collateral

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Net book value	
	As at 31 December	
	2012	2011
Government bonds		
Pledged as collateral for Intraday Liquidity Facilities to the BOT	5,411	3,252
Pledged as collateral for against borrowing to the BOT	2,025	-
Pledged as collateral for Private Repurchase Agreements (Private Repo)	1,295	2,992

34. Litigation

In the course of operating its banking business, the Bank has various labor suits and civil suits brought against it, including cases of tort. Under these lawsuits, claims against the Bank as at 31 December 2012 totaled Baht 1,405 million (2011: Baht 1,091 million). The Bank's management believes that the contingent liability (if any) resulting from the lawsuits will not have a material impact to the Bank's financial position or results of operations.

Notes to Consolidated Financial Statements

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35. Related party transactions

During the year, the Bank had significant business transactions with its subsidiaries, associated, related companies (related by ways of shareholding and/or common shareholders and/or common directors) and related persons (Directors and Senior Management who are 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, companies and those parties. Interest rates on loans to employees are calculated based on the Bank's employee welfare rule.

As at 31 December 2012, the Bank also has staff welfare loans to executives from level of Executive Director upwards of Baht 19 million (2011: Baht 24 million) and also has normal loans to Senior Management and their close family members with the outstanding balance of Baht 26 million (2011: Baht 12 million) and the average balance for the year ended of Baht 14 million (2011: Baht 10 million).

In addition, as at 31 December 2012, the Bank also has deposits of those staff and their close family members of Baht 83 million (2011: Baht 76 million).

Significant transactions, outstanding balances, income and expenses incurred with related parties, apart from those disclosed in the other notes, are summarised below.

(Unit: Million Baht)								
Consolidated financial statements								
For the years ended 31 December								
2012				2011				
	Associated company	Related companies	Group of major shareholder (UOB)	Total	Associated company	Related companies	Group of major shareholder (UOB)	Total
Interest income	-	-	12	12	-	-	24	24
Interest expenses	-	52	237	289	-	43	206	249
Fees and service income	-	-	18	18	16	1	24	41
Net gain (loss) on foreign currency trading and exchange transaction	-	3	349	352	-	(3)	(141)	(144)
Other operating income	-	-	1	1	-	-	1	1
Insurance expenses	-	-	-	-	1	-	-	1
Other expenses	-	-	381	381	-	-	317	317

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements									
	For the years ended 31 December									
	2012					2011				
	Subsidiaries	Associated company	Related companies	Group of major shareholder (UOB)	Total	Subsidiaries	Associated company	Related companies	Group of major shareholder (UOB)	Total
Interest income	-	-	-	12	12	-	-	-	24	24
Interest expenses	6	-	52	234	292	8	-	43	204	255
Fees and service income	181	-	-	4	185	88	16	1	7	112
Fees and service expenses	174	-	-	-	174	169	-	-	-	169
Net gain (loss) on foreign currency trading and exchange transaction	-	-	3	349	352	-	-	(3)	(141)	(144)
Other operating income	9	-	-	1	10	10	-	-	1	11
Insurance expenses	-	-	-	-	-	-	1	-	-	1
Premises and equipment expenses	(4)	-	-	-	(4)	(4)	-	-	-	(4)
Other expenses	-	-	-	381	381	-	-	-	317	317

In addition, for the year ended 31 December 2012, the Bank also has paid Baht 12 million (2011: Baht 27 million) on software development to United Overseas Bank Limited, major shareholder.

Senior management personnel compensation

For the years ended 31 December 2012 and 2011, the remuneration that the Bank and its subsidiaries paid to their 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 remuneration, salaries, provident fund contributions and long-term benefits. This was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Short-term employee benefits	429	418	354	347
Post-employment benefits	20	15	18	13
Share-based payment	24	32	24	32
Total	473	465	396	392

Notes to Consolidated Financial Statements

(Continue)

The outstanding balances of significant related party transactions as at 31 December 2012 and 2011 are as follows:

	Consolidated financial statements														(Unit: Million Baht)						
	2012							2011													
	As at 31 December																				
	Average 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	Average 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	2012 Pricing policy of loans	
Non-consolidated subsidiary company																					
UOB Leasing (Thai) Co., Ltd.	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	3	-	5	-	-	N/A
Associated company																					
AXA Insurance Pcl.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	-	N/A
Related companies																					
Wing Fat Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	N/A
Loxley Pcl.	-	-	-	-	18	1	-	-	-	-	-	-	-	-	18	1	-	-	-	-	N/A
The Muangthai Life Assurance Pcl.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	168	-	1,246	3	-	-	N/A
Underwaterworld Pattaya Co., Ltd.	-	-	-	-	-	-	96	-	-	-	-	-	-	-	-	280	-	-	-	-	N/A
PPHR (Thailand) Limited	-	-	-	-	-	-	9	-	-	-	-	-	-	-	-	2	-	-	-	-	N/A
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	-	41	-	-	-	-	-	-	-	-	35	-	-	-	-	N/A
Loxley Wireless Co., Ltd.	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	2	-	-	-	-	N/A
Loxbit Pcl.	-	-	-	-	1	1	-	-	-	-	-	-	-	-	1	4	-	-	-	-	N/A
TRC Construction Pcl.	-	-	-	-	34	8	-	-	-	-	-	-	-	-	14	13	-	-	-	-	N/A
Sahakam Wisavakom Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-	-	N/A
TISCO Securities Co., Ltd.	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	N/A
Major shareholders																					
United Overseas Bank Limited	-	162	250	4	20,999	-	73,316	3	-	105	-	4,202	3	-	2,915	-	28,614	71	-	74	Money market reference rate
United Overseas Bank Group of Companies	-	-	-	38	105	-	1,118	-	-	105	-	-	-	31	-	-	219	-	-	315	Money market reference rate

Notes to Consolidated Financial Statements

(Continue)

(Unit: Million Baht)

Separate financial statements																				
As at 31 December																				
	2012							2011												
	Average outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	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)	Debt issued and borrowings	Derivatives liabilities	Other liabilities	2012 Pricing policy of bars	
Subsidiary companies																				
UOB Asset Management (Tha) Co., Ltd.	-	-	-	10	-	-	43	-	-	-	-	-	7	-	-	-	-	2	N/A	
UOB Bullion and Futures (Tha) Co., Ltd.	-	-	-	12	-	117	-	-	-	-	-	3	-	2	-	113	-	-	N/A	
UOB Services Co., Ltd.	-	-	-	2	-	98	-	-	-	-	-	7	-	49	-	45	16	-	N/A	
UOB Leasing (Tha) Co., Ltd.	-	-	-	-	-	7	-	-	-	-	-	-	-	3	-	5	-	-	N/A	
Associated company																				
AXA Insurance Pcl.*	-	-	-	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	N/A	
Related companies																				
Wing Fat Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	
Loxley Pcl.	-	-	-	-	18	1	-	-	-	-	-	-	-	18	1	-	-	-	N/A	
The Muangthai Life Assurance Pcl.	-	-	-	-	-	-	1,003	-	-	-	-	-	-	168	-	3	-	-	N/A	
Underwaterworld Pattaya Co., Ltd.	-	-	-	-	-	-	96	-	-	-	-	-	-	-	280	-	-	-	N/A	
PPHR (Thailand) Limited	-	-	-	-	-	-	9	-	-	-	-	-	-	-	2	-	-	-	N/A	
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	-	41	-	-	-	-	-	-	-	35	-	-	-	N/A	
Loxley Wireless Co., Ltd.	-	-	-	-	-	-	3	-	-	-	-	-	-	-	2	-	-	-	N/A	
Loxbit Pcl.	-	-	-	-	-	1	1	-	-	-	-	-	-	1	4	-	-	-	N/A	
TRC Construction Pcl.	-	-	-	-	-	34	8	-	-	-	-	-	-	14	13	-	-	-	N/A	
Sahakam Wisavakorn Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-	N/A	
TISCO Securities Co., Ltd.	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	N/A	
Major shareholders																				
United Overseas Bank Limited	-	162	250	4	20,999	-	73,316	3	105	-	4,202	3	-	2,915	-	28,614	71	74	Money market reference rate	
United Overseas Bank Group of Companies	-	-	-	37	105	-	1,118	-	-	-	-	-	29	-	-	219	-	-	Money market reference rate	

Notes to Consolidated Financial Statements

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36. Other benefits paid to the directors and management

As at 31 December 2012 and 2011, the Bank and its subsidiaries had not paid other benefits to their directors and management other than those they normally receive. Directors receive monthly directors' remuneration and management receive salary, bonus and other benefits, as discussed in Note 31 and Note 35 to the financial statements.

37. Income tax

Income tax expenses for the years ended 31 December 2012 and 2011 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	
	2012	2011	2012	2011
Current income tax:				
Current income tax charge	717	434	686	412
Adjustment in respect of current income tax of previous year	14	1	14	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(33)	45	(35)	45
Effects of changes in the applicable tax rates	25	868	25	866
Income tax expense reported in the statement of comprehensive income	723	1,348	690	1,323

Notes to Consolidated Financial Statements

(continued)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2012 and 2011

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Accounting profit before tax	2,927	1,474	2,824	1,558
Applicable tax rate	23%	30%	23%	30%
Accounting profit before tax multiplied by applicable tax rate	673	442	650	468
Adjustment in respect of current income tax of previous year	14	1	14	-
Income not subject to tax	(14)	(19)	(14)	(19)
Expense not deductible for tax	21	11	15	8
Effects of change in the applicable tax rate	25	868	25	866
Other adjustment	4	6	-	-
	723	1,309	690	1,323
Share of tax of an associated company	-	39	-	-
Income tax expense reported in the statement of comprehensive income	723	1,348	690	1,323

38. Earnings per share

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

The Bank had the basic earnings per share as follows:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
	Net income (Million Baht)	2,202	125	2,134
Weighted average number of ordinary shares (shares)	2,485,661,305	2,485,661,305	2,485,661,305	2,485,661,305
Basic earnings per share (Baht)	0.89	0.05	0.86	0.09

Notes to Consolidated Financial Statements

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39. Distribution of statements of financial position items by geographic locations and results of operations classified by type of businesses

Key statement of financial position items as at 31 December 2012 and 2011, classified by type of business are as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2012				
	Commercial Bank	Others	Total	Eliminated transaction*	Consolidated total
Total assets	355,959	744	356,703	(628)	356,075
Interbank and money market items - net (assets)	55,511	623	56,134	(259)	55,875
Investments - net	72,491	1	72,492	(327)	72,165
Loans to customers and accrued interest receivables - net	208,287	1	208,288	-	208,288
Deposits	201,934	-	201,934	(215)	201,719
Interbank and money market items (liabilities)	82,847	-	82,847	(43)	82,804
Debt issued and borrowings	22,905	-	22,905	-	22,905

* Eliminated transaction 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 2011				
	Commercial Bank	Others	Total	Eliminated transaction*	Consolidated total
Total assets	298,571	628	299,199	(610)	298,589
Interbank and money market items - net (assets)	59,235	518	59,753	(250)	59,503
Investments - net	34,370	1	34,371	(327)	34,044
Loans to customers and accrued interest receivables - net	183,903	1	183,904	-	183,904
Deposits	166,359	-	166,359	(52)	166,307
Interbank and money market items (liabilities)	44,938	-	44,938	(39)	44,899
Debt issued and borrowings	42,318	-	42,318	(158)	42,160

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

Notes to Consolidated Financial Statements

(continued)

Distribution of statements of financial position items by geographic locations of the Bank as at 31 December 2012 and 2011 are as follows:

	(Unit: Million Baht)					
	Separate financial statements					
	As at 31 December					
	2012			2011		
Domestic	Overseas	Total	Domestic	Overseas	Total	
Total assets	355,959	-	355,959	298,571	-	298,571
Interbank and money market items - net (assets)	55,511	-	55,511	59,235	-	59,235
Investments - net	72,491	-	72,491	34,370	-	34,370
Loans to customers and accrued interest receivables - net	208,287	-	208,287	183,903	-	183,903
Deposits	201,934	-	201,934	166,359	-	166,359
Interbank and money market items (liabilities)	82,847	-	82,847	44,938	-	44,938
Debt issued and borrowings	22,905	-	22,905	42,318	-	42,318

Results of the Bank's operations for the years ended 31 December 2012 and 2011 classified by type of business are as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	For the year ended 31 December 2012				
	Commercial Bank	Others	Total	Eliminated transaction*	Consolidated total
Interest income	15,617	16	15,633	(5)	15,628
Less: Interest expenses	6,431	3	6,434	(5)	6,429
Net interest income	9,186	13	9,199	-	9,199
Net fees and service income	2,121	473	2,594	(23)	2,571
Other operating income	271	10	281	(34)	247
Less: Other operating expenses	7,305	368	7,673	(32)	7,641
Less: Impairment loss of loans and debt securities	1,449	-	1,449	-	1,449
Profit before income tax expenses	2,824	128	2,952	(25)	2,927

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

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2011				
	Commercial Bank	Others	Total	Eliminated transaction*	Consolidated total
Interest income	12,139	11	12,150	(5)	12,145
Less: Interest expenses	4,516	1	4,517	(5)	4,512
Net interest income	7,623	10	7,633	-	7,633
Net fees and service income	1,667	371	2,038	(22)	2,016
Other operating income	51	4	55	(165)	(110)
Less: Other operating expenses	6,503	314	6,817	(32)	6,785
Less: Impairment loss of loans and debt securities	1,280	-	1,280	-	1,280
Profit before income tax expenses	1,558	71	1,629	(155)	1,474

* Eliminated transaction 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 2012 and 2011 distributed by geographic locations are as follows:

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2012			2011		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Interest income	15,617	-	15,617	12,139	-	12,139
Less: Interest expenses	6,431	-	6,431	4,516	-	4,516
Net interest income	9,186	-	9,186	7,623	-	7,623
Net fees and service income	2,121	-	2,121	1,667	-	1,667
Other operating income	271	-	271	51	-	51
Less: Other operating expenses	7,305	-	7,305	6,503	-	6,503
Less: Impairment loss of loans and debt securities	1,449	-	1,449	1,280	-	1,280
Profit before income tax expenses	2,824	-	2,824	1,558	-	1,558

Notes to Consolidated Financial Statements

(continued)

40. Interest income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Interbank and money market items	1,021	1,034	1,010	1,028
Investments and trading transactions	738	699	738	699
Investments in debt securities	1,054	395	1,054	395
Loans	12,579	9,829	12,579	9,829
Hire purchase and financial lease income	235	187	235	187
Others	1	1	1	1
Total interest income	15,628	12,145	15,617	12,139

41. Interest expenses

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Deposits	3,627	2,123	3,630	2,122
Interbank and money market items	644	548	645	550
Payments to the Deposit Protection Agency and Financial Institutions Development Fund	794	550	794	550
Debt issued				
- Bills of exchange	1,350	1,283	1,351	1,286
- Other debt instruments	-	1	-	1
Others	14	7	11	7
Total interest expenses	6,429	4,512	6,431	4,516

Notes to Consolidated Financial Statements

(continued)

42. Net 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	
	2012	2011	2012	2011
Fees and service income				
- Acceptances, aval and guarantees	265	233	265	233
- Credit cards	729	612	729	612
- Insurance fees	717	563	717	563
- Mutual Fund management and underwriting fees	474	269	160	68
- Others	766	673	767	665
Total fees and service income	2,951	2,350	2,638	2,141
Fees and service expenses				
- Agency referral fees	109	101	112	101
- Service expenses	14	14	188	183
- Others	257	219	217	190
Total fees and service expenses	380	334	517	474
Net fees and service income	2,571	2,016	2,121	1,667

43. Net losses on foreign currency trading and exchange transactions

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2012	2011
Gains (losses) on foreign currency trading and exchange transactions		
- Foreign currencies and derivatives on foreign exchange	240	266
- Foreign currencies - Swap Cost	(682)	(319)
- Derivatives on interest rates	(81)	(55)
- Debt securities	86	56
Net losses on foreign currency trading and exchange transactions	(437)	(52)

Notes to Consolidated Financial Statements

(continued)

44. Net gains (losses) on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Gains (losses) on disposal of securities				
- Available-for-sale securities	303	(25)	303	(25)
- General investments	(6)	(4)	(6)	(4)
- Investments in associate	39	-	39	-
Total	336	(29)	336	(29)
Losses on impairment of investments				
- General investments	(15)	(4)	(15)	(4)
- Investments in associate	-	-	-	(121)
Gain on return of share capital by subsidiary company	-	-	-	135
Total	(15)	(4)	(15)	10
Net gains (losses) on investments	321	(33)	321	(19)

45. Employee's expenses

	(Unit: Million Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2012	2011
Salaries and bonuses	2,863	2,677
Post-employment benefit costs		
- Defined contribution plans	112	104
- Defined benefit plans (Note 24)	136	117
Share-based compensation plan (Note 31)	24	32
Others	793	666
Total employee's expenses	3,928	3,596

Notes to Consolidated Financial Statements

(continued)

	(Unit: Million Baht)	
	Separate	
	financial statements	
	For the years ended 31 December	
	2012	2011
Salaries and bonuses	2,652	2,500
Post-employment benefit costs		
- Defined contribution plans	103	95
- Defined benefit plans (Note 24)	132	115
Share-based compensation plan (Note 31)	24	32
Others	758	637
Total employee's expenses	3,669	3,379

46. Impairment loss of loans and debt securities

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2012	2011
Bad debt and doubtful accounts of interbank and money market items	(4)	14
Loss on impairment of Held-to-maturity debt instruments	-	29
Bad debt and doubtful accounts to loans to customers	1,452	1,237
Total impairment loss of loans and debt securities	1,448	1,280

Notes to Consolidated Financial Statements

(continued)

47. Components of other comprehensive income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Other Comprehensive Income (losses)				
Change in revaluation surplus on assets	-	1,062	-	1,062
Gains (losses) on revaluation of available-for-sale investments				
Unrealised gains (losses) during the year	(225)	46	(225)	46
Less: Reclassification of adjustment for the realised gains that included in profit or loss	340	17	340	17
Total	115	63	115	63
Actuarial gains (losses) on defined benefit plans	20	(124)	19	(120)
Share of other comprehensive income (loss) in associated companies	-	(6)	-	-
Income tax relating to components of other comprehensive income	(27)	(70)	(27)	(71)
Other comprehensive income - net	108	925	107	934

48. Disclosure of financial instruments

The Bank enters into financial instruments which are considered to be commitments arising in the normal course of business, in order to meet the financing needs of its customers and to reduce its own exposure to fluctuations in foreign exchange rates and interest rates. These commitments include commitments to extend credit, standby letters of credit, financial guarantees, forward foreign exchange contracts, among others. Such instruments involve, to varying degrees, elements of credit risk, interest rate risk and foreign exchange risk in excess of the amount already recognised in the financial statements. The contracts or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank enters into derivative contracts as part of its risk management strategy primarily to manage market risks arising from the Bank's underlying assets and liabilities and to reduce customer risks. In entering into financial instruments which are considered to be commitments, the Bank is governed by policies and parameters proposed by the Assets and Liabilities Committee and endorsed by the Corporate Risk Management Committee and Board of Directors.

48.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised in respect of each class of financial assets and financial liabilities, are disclosed in Note 5 to the financial statements.

Notes to Consolidated Financial Statements

(continued)

48.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank and its subsidiaries. The Bank and its subsidiaries have adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other securities, where appropriate, as a means of mitigating the risk of financial losses as a result of defaults.

In the case of recognised financial assets, the carrying amount of the assets recorded in the statements of financial position, net of allowance for doubtful accounts, represents the Bank's and its subsidiaries' maximum exposure to credit risk.

Furthermore, the Bank's exposure to credit risk in the event of non-performance by the counterparties to commitments to extend credit, standby letters of credit, and financial guarantees is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and accepting conditional obligations as it does for on-statements of financial position instruments. For derivatives, the contract or notional amounts do not represent the real exposure to credit loss. The Bank controls the credit risk of its derivatives through the credit approval process, credit limits, and monitoring procedures set by its Executive Committee. Credit risks also arise from the possibility that the counterparty to the commitments will not adhere to the terms of the contract with the Bank when settlement becomes due.

The following table shows the credit equivalent of unmatured commitments in accordance with the BOT's ruling.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2012	2011
Foreign exchange contracts	1,177	1,821
Interest rate swap contracts	1,248	1,189
Cross currency interest rate swap contracts	64	81
Options	-	2
Avals to bills	1,128	684
Guarantees of loans	2,275	1,865
Performance guarantees	6,152	4,736
Bid guarantees	193	136
Liability under unmatured import bills	312	147
Import letters of credit	737	610
Others	22	22
Total	13,308	11,293

48.3 Interest rate risk

Interest rate risk arises when there is the potential for a change in interest rates to have an adverse effect on the net interest income of the Bank and its subsidiaries in the current reporting period, and in the future. Interest rate risk arises from the structure and characteristics of the Bank and its subsidiaries' assets, liabilities, shareholders' equity and interest rate linked derivative contracts, and from maturity mismatch in the repricing dates of their assets and liabilities.

The table below shows the Bank and its subsidiaries' exposure to interest rate risk, the remaining period to the earlier of contractual repricing dates or maturity dates, and the average contractual interest rate, where applicable, for classes of financial assets and financial liabilities subject to interest rate risk.

Notes to Consolidated Financial Statements

(continued)

In the below table, financial assets and liabilities represent outstanding balance in statement of financial position and derivatives represent notional amount.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2012							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
Financial assets							
Cash	-	-	-	-	4,665	4,665	-
Interbank and money market items - net	51,376	576	-	-	3,923	55,875	2.58
Derivatives assets	-	-	-	-	2,979	2,979	-
Investments - net	32,428	24,519	13,417	1,024	777	72,165	2.79
Loans to customers*	177,950	9,051	18,890	17	7,424	213,332	7.19
Other receivable - TAMC - net	-	-	-	-	870	870	-
Financial liabilities							
Deposits	136,549	56,961	2,392	-	5,817	201,719	2.33
Interbank and money market items	79,244	711	1,950	-	899	82,804	0.41
Liabilities payable on demand	-	-	-	-	3,567	3,567	-
Derivatives liabilities	-	-	-	-	4,136	4,136	-
Debt issued and borrowings	470	-	22,435	-	-	22,905	4.88
Derivatives							
Derivatives on foreign exchange and interest rates							
- floating rate payer	2,225	2,542	-	-	-	4,767	1.98
- fixed rate payer	-	1,067	354	-	-	1,421	5.69
- floating rate payee	2,579	3,610	-	-	-	6,189	1.35
- fixed rate payee	-	-	-	-	-	-	-
Derivatives on interest rates							
- floating rate payer	142,658	112,348	-	-	-	255,006	2.77
- fixed rate payer	27,712	84,972	154,340	7,227	-	274,251	3.09
- floating rate payee	168,365	105,886	-	-	-	274,251	2.75
- fixed rate payee	28,817	61,128	158,599	6,462	-	255,006	3.07

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers are overdue with contract had matured are reported in the non-interest bearing bucket.

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2011							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
Financial assets							
Cash	-	-	-	-	3,401	3,401	-
Interbank and money market items - net	52,729	4,300	-	-	2,474	59,503	2.96
Derivatives assets	-	-	-	-	4,113	4,113	-
Investments - net	18,458	12,112	2,457	13	1,004	34,044	3.06
Loans to customers*	165,259	9,902	5,743	57	8,472	189,433	7.37
Other receivable - TAMC - net	-	-	-	-	870	870	-
Financial liabilities							
Deposits	133,489	21,673	6,019	-	5,126	166,307	2.11
Interbank and money market items	39,946	4,105	3	-	845	44,899	1.35
Liabilities payable on demand	-	-	-	-	2,035	2,035	-
Derivatives liabilities	-	-	-	-	4,383	4,383	-
Debt issued and borrowings	15,973	3,738	22,449	-	-	42,160	4.18
Derivatives							
Derivatives on foreign exchange and interest rates							
- floating rate payer	676	2,542	-	-	-	3,218	1.77
- fixed rate payer	-	86	2,239	-	-	2,325	6.13
- floating rate payee	762	4,781	-	-	-	5,543	1.68
- fixed rate payee	-	-	-	-	-	-	-
Derivatives on interest rates							
- floating rate payer	145,909	86,288	-	-	-	232,197	2.82
- fixed rate payer	29,786	66,534	133,564	6,952	-	236,836	2.93
- floating rate payee	135,520	101,316	-	-	-	236,836	2.81
- fixed rate payee	28,850	62,484	133,296	7,567	-	232,197	2.90

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers are overdue with contract had matured are reported in the non-interest bearing bucket.

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements						Average rate of return per annum (%)
	As at 31 December 2012						
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	
Financial assets							
Cash	-	-	-	-	4,665	4,665	-
Interbank and money market items - net	51,158	430	-	-	3,923	55,511	2.58
Derivatives assets	-	-	-	-	2,979	2,979	-
Investments - net	32,428	24,519	13,417	1,024	1,103	72,491	2.79
Loans to customers*	177,950	9,051	18,889	17	7,424	213,331	7.19
Other receivable - TAMC - net	-	-	-	-	870	870	-
Financial liabilities							
Deposits	136,606	57,119	2,392	-	5,817	201,934	2.33
Interbank and money market items	79,287	711	1,950	-	899	82,847	0.41
Liabilities payable on demand	-	-	-	-	3,567	3,567	-
Derivatives liabilities	-	-	-	-	4,136	4,136	-
Debt issued and borrowings	470	-	22,435	-	-	22,905	4.88
Derivatives							
Derivatives on foreign exchange and interest rates							
- floating rate payer	2,225	2,542	-	-	-	4,767	1.98
- fixed rate payer	-	1,067	354	-	-	1,421	5.69
- floating rate payee	2,579	3,610	-	-	-	6,189	1.35
- fixed rate payee	-	-	-	-	-	-	-
Derivatives on interest rates							
- floating rate payer	142,658	112,348	-	-	-	255,006	2.77
- fixed rate payer	27,712	84,972	154,340	7,227	-	274,251	3.09
- floating rate payee	168,365	105,886	-	-	-	274,251	2.75
- fixed rate payee	28,817	61,128	158,599	6,462	-	255,006	3.07

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers are overdue with contract had matured are reported in the non-interest bearing bucket.

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(Unit: Million Baht)

Separate financial statements							
As at 31 December 2011							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
Financial assets							
Cash	-	-	-	-	3,401	3,401	-
Interbank and money market items - net	52,631	4,134	-	-	2,470	59,235	2.96
Derivatives assets	-	-	-	-	4,113	4,113	-
Investments - net	18,458	12,112	2,457	13	1,330	34,370	3.06
Loans to customers*	165,259	9,902	5,742	57	8,472	189,432	7.37
Other receivable - TAMC - net	-	-	-	-	870	870	-
Financial liabilities							
Deposits	133,541	21,673	6,019	-	5,126	166,359	2.11
Interbank and money market items	39,985	4,105	3	-	845	44,938	1.35
Liabilities payable on demand	-	-	-	-	2,035	2,035	-
Derivatives liabilities	-	-	-	-	4,383	4,383	-
Debt issued and borrowings	15,986	3,883	22,449	-	-	42,318	4.18
Derivatives							
Derivatives on foreign exchange and interest rates							
- floating rate payer	676	2,542	-	-	-	3,218	1.77
- fixed rate payer	-	86	2,239	-	-	2,325	6.13
- floating rate payee	762	4,781	-	-	-	5,543	1.68
- fixed rate payee	-	-	-	-	-	-	-
Derivatives on interest rates							
- floating rate payer	145,909	86,288	-	-	-	232,197	2.82
- fixed rate payer	29,786	66,534	133,564	6,952	-	236,836	2.93
- floating rate payee	135,520	101,316	-	-	-	236,836	2.81
- fixed rate payee	28,850	62,484	133,296	7,567	-	232,197	2.90

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers are overdue with contract had matured are reported in the non-interest bearing bucket.

48.4 Exchange rate risk

Foreign exchange risk is the risk to earnings 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 hedge its foreign exchange exposures.

Foreign exchange risk is managed through policies and risk limits approved by the Executive Committee (EXCO). The limits, such as exposure by currency are independently monitored by Market Risk Management and Market Risk Control.

Notes to Consolidated Financial Statements

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48.5 Liquidity risk

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

The Bank 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.

The Bank manages liquidity at a centralised level. Liquidity risk is managed in accordance with a framework of policies, controls and limits established by the Bank's Assets and Liabilities Committee (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.

The Bank 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 to funds, and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of the Bank's core deposits and the maintenance of customer confidence. Core deposits are generally stable non-bank deposits, such as current accounts, savings accounts and fixed deposits. The Bank monitors the stability of its core deposits by analysing their volatility over time.

The Bank uses the funds to lend to customers and invests excess funds in government securities.

The Bank's liquidity risk management is aligned with the regulatory liquidity risk management framework, and is measured and managed on a projected cash flow basis. The Bank is monitored under 'business as usual', and 3 crisis scenarios which are 'bank-specific crisis', 'general market crisis', and 'combination crisis'.

Liquidity Gap Analysis or Cash Flow Mismatch Analysis under the 'Business as Usual' scenario is measured and monitored against Net Cumulative Outflow (NCO) Limits which are set for overnight, 7 days, and 30 days. In the event that a limit is breached, an investigation will be conducted and the related documents reported to relevant parties, in accordance with the escalation process.

For stress testing (bank-specific crisis, general market crisis and combined scenarios), additional assumptions are taken into account such as sudden increase in deposit withdrawals, reduction in loan repayments, potential trading losses, or liquidation of securities with haircuts. These assumptions are agreed by Business Units and approved by Board of Directors or delegated committee.

The frequency of liquidity risk assessment is conducted on daily and monthly basis. Liquidity gap or maturity mismatch analysis report is produced by Balance Sheet Risk Management Unit and monitored by Market Risk Control against approved Net Cumulative Outflow Limits. Other reports such as early warning indicators as well as sources and utilisation of funds are produced on a monthly basis.

Behavioural modeling is carried out and reviewed regularly to ensure that the cash flow requirements for the 'business as usual' and crisis scenarios are realistic. Loans and deposits which do not have maturity dates and fixed deposits which are rolled over frequently, are generally estimated based on their past statistics or trends. 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.

Notes to Consolidated Financial Statements

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Contingency funding plans are in place to identify liquidity crisis 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.

The Bank uses liquidity ratios as early warning indicators such as Loans to Deposits Ratio, Single Depositor Ratio and Top 20 Depositors Ratio, Undrawn Facilities Ratio, Deposit Withdrawal Ratio, and Net Cumulative Outflow.

The maturity analysis of financial assets, financial liabilities represent outstanding balance in statement of financial position and commitments represent notional amount, which are computed from the remaining maturity to repayment date is as follows:

(Unit: Million Baht)							
Consolidated financial statements							
As at 31 December 2012							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	4,665	-	-	-	-	-	4,665
Interbank and money market items - net	47,335	7,957	583	-	-	-	55,875
Derivatives assets	-	-	-	-	-	2,979	2,979
Investments - net	-	32,093	22,896	15,375	1,024	777	72,165
Loans to customers*	2,601	52,586	27,087	52,370	78,688	-	213,332
Other receivable - TAMC - net	-	-	-	-	870	-	870
Financial liabilities							
Deposits	87,065	55,301	56,961	2,392	-	-	201,719
Interbank and money market items	21,007	59,137	710	1,950	-	-	82,804
Liabilities payable on demand	3,567	-	-	-	-	-	3,567
Derivatives liabilities	-	-	-	-	-	4,136	4,136
Debt issued and borrowings	24	446	-	22,435	-	-	22,905
Commitments							
Avals to bills	19	813	159	-	-	-	991
Guarantee of loans	29	184	264	536	1,371	-	2,384
Liabilities under unmatured import bills	77	846	522	-	-	-	1,445
Letters of credit	183	2,544	789	-	-	-	3,516
Other commitments							
Undrawn overdraft amount	22,171	-	-	-	-	-	22,171
Spot foreign exchange contracts	2,082	2,347	-	-	-	-	4,429
Other guarantees	10,103	2,231	4,121	960	24	-	17,439
Derivatives							
Derivatives on foreign exchange	5,669	152,372	63,956	1,903	-	-	223,900
Derivatives on interest rates	-	56,935	146,100	312,939	13,689	-	529,663
Others derivatives	-	-	-	-	-	-	-

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

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(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2011							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	3,401	-	-	-	-	-	3,401
Interbank and money market items - net	25,204	30,000	4,279	20	-	-	59,503
Derivatives assets	-	-	-	-	-	4,113	4,113
Investments - net	-	3,818	10,375	18,834	13	1,004	34,044
Loans to customers*	1,305	48,400	21,995	42,984	74,749	-	189,433
Other receivable - TAMC - net	-	-	-	-	870	-	870
Financial liabilities							
Deposits	75,707	62,908	21,673	6,019	-	-	166,307
Interbank and money market items	13,418	27,373	4,105	3	-	-	44,899
Liabilities payable on demand	2,035	-	-	-	-	-	2,035
Derivatives liabilities	-	-	-	-	-	4,383	4,383
Debt issued and borrowings	846	15,127	3,738	22,449	-	-	42,160
Commitments							
Avals to bills	5	669	80	-	-	-	754
Guarantee of loans	15	300	361	100	1,084	-	1,860
Liabilities under unmatured import bills	53	627	118	-	-	-	798
Letters of credit	122	1,957	423	131	-	-	2,633
Other commitments							
Undrawn overdraft amount	21,655	-	-	-	-	-	21,655
Spot foreign exchange contracts	1,371	1,221	-	-	-	-	2,592
Other guarantees	8,399	1,610	3,838	386	10	-	14,243
Derivatives							
Derivatives on foreign exchange	6,345	90,985	43,512	5,497	-	-	146,339
Derivatives on interest rates	1,000	57,728	129,018	266,860	14,519	-	469,125
Others derivatives	-	-	168	-	-	-	168

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

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(Unit: Million Baht)

Separate financial statements							
As at 31 December 2012							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	4,665	-	-	-	-	-	4,665
Interbank and money market items - net	47,318	7,762	431	-	-	-	55,511
Derivatives assets	-	-	-	-	-	2,979	2,979
Investments - net	-	32,093	22,896	15,375	1,024	1,103	72,491
Loans to customers*	2,601	52,586	27,087	52,369	78,688	-	213,331
Other receivable - TAMC - net	-	-	-	-	870	-	870
Financial liabilities							
Deposits	87,119	55,304	57,119	2,392	-	-	201,934
Interbank and money market items	21,050	59,137	710	1,950	-	-	82,847
Liabilities payable on demand	3,567	-	-	-	-	-	3,567
Derivatives liabilities	-	-	-	-	-	4,136	4,136
Debt issued and borrowings	24	446	-	22,435	-	-	22,905
Commitments							
Avals to bills	19	813	159	-	-	-	991
Guarantee of loans	29	184	264	536	1,371	-	2,384
Liabilities under unmatured import bills	77	846	522	-	-	-	1,445
Letters of credit	183	2,544	789	-	-	-	3,516
Other commitments							
Undrawn overdraft amount	22,171	-	-	-	-	-	22,171
Spot foreign exchange contracts	2,082	2,347	-	-	-	-	4,429
Other guarantees	10,103	2,231	4,121	960	24	-	17,439
Derivatives							
Derivatives on foreign exchange	5,669	152,372	63,956	1,903	-	-	223,900
Derivatives on interest rates	-	56,935	146,100	312,939	13,689	-	529,663
Others derivatives	-	-	-	-	-	-	-

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

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2011						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	3,401	-	-	-	-	-	3,401
Interbank and money market items - net	25,198	29,902	4,135	-	-	-	59,235
Derivatives assets	-	-	-	-	-	4,113	4,113
Investments - net	-	3,818	10,375	18,834	13	1,330	34,370
Loans to customers*	1,305	48,400	21,995	42,983	74,749	-	189,432
Other receivable - TAMC - net	-	-	-	-	870	-	870
Financial liabilities							
Deposits	75,759	62,908	21,673	6,019	-	-	166,359
Interbank and money market items	13,425	27,405	4,105	3	-	-	44,938
Liabilities payable on demand	2,035	-	-	-	-	-	2,035
Derivatives liabilities	-	-	-	-	-	4,383	4,383
Debt issued and borrowings	846	15,140	3,883	22,449	-	-	42,318
Commitments							
Avals to bills	5	669	80	-	-	-	754
Guarantee of loans	15	300	361	100	1,084	-	1,860
Liabilities under unmatured import bills	53	627	118	-	-	-	798
Letters of credit	122	1,957	423	131	-	-	2,633
Other commitments							
Undrawn overdraft amount	21,655	-	-	-	-	-	21,655
Spot foreign exchange contracts	1,371	1,221	-	-	-	-	2,592
Other guarantees	8,399	1,610	3,838	386	10	-	14,243
Derivatives							
Derivatives on foreign exchange	6,345	90,985	43,512	5,497	-	-	146,339
Derivatives on interest rates	1,000	57,728	129,018	266,860	14,519	-	469,125
Others derivatives	-	-	168	-	-	-	168

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

Notes to Consolidated Financial Statements

(continued)

48.6 Estimated fair value of financial instruments

The fair values of financial instruments have been estimated by the Bank and its subsidiaries using available market information and appropriate valuation methodologies.

48.7 Fair value of financial instruments

As at 31 December 2012 and 2011, the fair value of financial instruments included in the statements of financial position of the Bank and its subsidiaries are as follows:

Type of financial instruments	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December			
	2012		2011	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets				
Cash	4,665	4,665	3,401	3,401
Interbank and money market items - net	55,875	55,875	59,503	59,503
Derivatives assets	2,979	2,979	4,113	4,113
Investments - net	72,165	72,439	34,044	34,239
Loans to customers and accrued interest receivables - net	208,288	208,288	183,904	183,904
Other receivable - TAMC - net	870	870	870	870
Financial liabilities				
Deposits	201,719	201,719	166,307	166,307
Interbank and money market items	82,804	82,804	44,899	44,899
Liabilities payable on demand	3,567	3,567	2,035	2,035
Derivatives liabilities	4,136	4,136	4,383	4,383
Debt issued and borrowings	22,905	22,905	42,160	42,160

Notes to Consolidated Financial Statements

(continued)

(Unit: Million Baht)

Type of financial instruments	Separate financial statements			
	As at 31 December			
	2012		2011	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets				
Cash	4,665	4,665	3,401	3,401
Interbank and money market items - net	55,511	55,511	59,235	59,235
Derivatives assets	2,979	2,979	4,113	4,113
Investments - net	72,491	72,765	34,370	34,566
Loans to customers and accrued interest receivables - net	208,287	208,287	183,903	183,903
Other receivable - TAMC - net	870	870	870	870
Financial liabilities				
Deposits	201,934	201,934	166,359	166,359
Interbank and money market items	82,847	82,847	44,938	44,938
Liabilities payable on demand	3,567	3,567	2,035	2,035
Derivatives liabilities	4,136	4,136	4,383	4,383
Debt issued and borrowings	22,905	22,905	42,318	42,318

48.8 Methods and assumptions in estimating fair value of financial instruments

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

(a) Cash and interbank and money market items

The carrying amounts of cash and interbank and money market items which have remaining maturities of less than 1 year or bear floating rates of interest approximate their fair value. Fair value for fixed rate instruments with remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying average interest rates currently being offered on similar instruments.

(b) Investments

Fair value for securities is based on quoted market prices, where available. If quoted market prices are not available, fair value is based on quoted market prices of comparable instruments after adjusting for risk involved or the net asset values of such securities.

(c) Loans to customers

For floating rate loans that reprice frequently and have no significant change in credit risk, fair value is based on carrying values. The fair value of fixed rate loans that reprice within 1 year from the statements of financial position date is based on the carrying value at the statements of financial position date. Fair value for other fixed interest rate loans is estimated by using discounted cash flow analysis and using average interest rates currently being offered for loans with similar terms to borrowers of similar credit quality except in case of immaterial, carrying value will be used.

Fair value of hire-purchase and financial lease receivables is estimated by using discounted cash flow analysis and using interest rates currently being offered with average remaining years to maturity.

(d) Accrued interest receivables

Fair value of accrued interest receivable is based on carrying values.

(e) Deposit liabilities

The fair value of deposits which is payable on demand by the depositor is equal to the carrying value of such deposits. The fair value of floating rate, certificates of deposit (CDs) and fixed rate deposits repricable within 1 year approximate their carrying value at the reporting date. Fair value for other fixed rate deposits is estimated using a discounted cash flow calculation that applies the current average deposit rates of the four major commercial banks to a schedule of aggregate expected monthly maturities on time deposits except in case of immaterial, carrying value will be used.

(f) Interbank and money market items (liabilities)

The carrying amount of interbank and money market items which have remaining maturities of less than 1 year or bear floating rates of interest approximates their fair value at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying average interest rates currently being offered on similar instruments.

(g) Debt issued and borrowings

The fair value of borrowings with remaining maturities less than 1 year approximates their carrying value at the reporting date. Fair value of borrowings with remaining maturities greater than 1 year is estimated using discounted cash flow analysis based on the average current borrowing rates for similar types of borrowing arrangements.

(h) Fair value of commitments

Commitments to aval, guarantee, and letters of credit

These financial instruments are generally not intended to be sold or traded such that estimated fair values are not readily ascertainable. Fair value of these items were not calculated for the following reasons:

- very few of the commitments extending beyond 1 year would commit the Bank to a predetermined rate of interest;
- the fees attaching to these commitments are the same as those currently charged to enter into similar arrangements;
- and
- the quantum of fees collected under these arrangements, upon which fair value would be determined, is not material.

Other commitments

The fair values of foreign exchange contracts were obtained from quoted market prices of similar foreign exchange contracts. For the other derivative contracts, the fair value is estimated using discounted cash flow.

Notes to Consolidated Financial Statements

(continued)

49. Event after the reporting period

- (a) On 24 January 2013, a meeting of the Bank's Board of Directors' passed a resolution to approve and authorize the Executive Committee to make decisions related to the reorganisation and change of shareholding structure of UOB Asset Management (Thai), a subsidiary of the Bank, to comply with the restructuring plan of UOB Group in order to improve the efficiency of the Bank's operations. The Executive Committee are currently considering reorganization options for the subsidiary and expect the process to be completed in the year 2013.
- (b) On 4 February 2013, a meeting of the Executive Committee approved the issue and offer of debentures to be treated as Tier 2 Capital in the first quarter of the year 2013. Decisions as to the amount of the issue and the interest rate on such debentures are in the process of being made.

50. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 14 March 2013.

1. Subsidiaries companies of UOB (Thai)

1. UOB Asset Management (Thai) Company Limited

Business : Provides asset management for mutual funds, private funds, provident funds and property funds
Location : 11th Floor, 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Telephone : 0 2676 7100
Facsimile : 0 2676 7880-7
Paid-up capital : THB 100,000,000 (10,000,000 ordinary shares)
UOB (Thai)'s holding : 99.99 per cent

2. UOB Services Company Limited

Business : Collection services
Location : 17th-18th Floor, 690 Sukhumvit Road, Klongton, Klong Toey, Bangkok 10110
Telephone : 0 2680 5555
Facsimile : 0 2258 6900
Paid-up capital : THB 60,000,000 (10,000,000 ordinary shares)
UOB (Thai)'s holding : 99.99 per cent

3. UOB Bullion and Futures (Thai) Company Limited

Business : Trading in Futures Contracts
Location : 7th Floor, 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Telephone : 0 2213 2611
Facsimile : 0 2213 2614
Paid-up capital : THB 175,000,000 (1,750,000 ordinary shares)
UOB (Thai)'s holding : 75.00 per cent

4. UOB Leasing (Thai) Company Limited

Business : The Company registered the closure on 15 October , 2010
Location : 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Telephone : 0 2343 4527
Facsimile : 0 2285 1633
Paid-up capital : THB 3,975,396 (32,000,000 ordinary shares)
UOB (Thai)'s holding : 99.99 per cent

Other Information

2. Details of directors

Name	Period	Work Experience
1. Wee Cho Yaw	Jul 2004 - Present	<ul style="list-style-type: none"> Chairman of the Board of Directors (Authorised Signatory), UOB (Thai)
	1974 – Present	<ul style="list-style-type: none"> Chairman, United Overseas Bank Limited, Singapore
	1974 - Apr 2007	<ul style="list-style-type: none"> Chairman and CEO, United Overseas Bank Limited, Singapore
2. Wee Ee Cheong	Jul 2004 - Present	<ul style="list-style-type: none"> Deputy Chairman of the Board of Directors (Authorised Signatory), UOB (Thai)
	May 2007 – Present	<ul style="list-style-type: none"> Deputy Chairman and CEO, United Overseas Bank Limited, Singapore
	2000 - Apr 2007	<ul style="list-style-type: none"> Deputy Chairman and President, United Overseas Bank Limited, Singapore
3. Suebtrakul Soonthornthum	Aug 2012 - Present	<ul style="list-style-type: none"> Member of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2010 – Aug 2012	<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2008 – Aug 2010	<ul style="list-style-type: none"> Chairman of the Audit Committee, UOB (Thai)
	Aug 2004 – Present	<ul style="list-style-type: none"> Independent Director and Member of the Audit Committee, UOB (Thai)
	1992 – Present	<ul style="list-style-type: none"> Senior Executive Vice President, Loxley Public Company Limited
4. Arun Chirachavala	Aug 2012 - Present	<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2010 – Aug 2012	<ul style="list-style-type: none"> Chairman of the Audit Committee, UOB (Thai)
	Apr 2009 – Present	<ul style="list-style-type: none"> Chairman, K.W.C. Warehouse Co., Ltd.
	Jun 2009 - Present	<ul style="list-style-type: none"> Independent Director, TRC Construction Pcl.
	Apr 2008 - Present	<ul style="list-style-type: none"> Independent Director and Member of the Audit Committee, UOB (Thai)
	Apr 2008 - Present	<ul style="list-style-type: none"> Chairman, Krundhep Document Co., Ltd.
	Aug 2007- Present	<ul style="list-style-type: none"> Executive Chairman, Krungdhep Sophon Pcl.
	Nov 2006 - Present	<ul style="list-style-type: none"> Director, Palang Sophon Limited.
5. Chinnawat Bulsuk	Aug 2012 - Present	<ul style="list-style-type: none"> Chairman of the Audit Committee, UOB (Thai)
	Aug 2008 – Aug 2010	<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2006 - Aug 2008	<ul style="list-style-type: none"> Chairman of the Audit Committee, UOB (Thai)
	Aug 2004 – Present	<ul style="list-style-type: none"> Independent Director, UOB (Thai)
	2003 - Present	<ul style="list-style-type: none"> Director & CEO, Thai Samut Asset Co., Ltd.
6. Lee Chin Yong	Aug 2004 - Present	<ul style="list-style-type: none"> Authorised Signatory Director, UOB (Thai)
	2003 - Present	<ul style="list-style-type: none"> Managing Director, United Overseas Bank Limited, Singapore
7. Cheo Chai Hong	Nov 2009 - Present	<ul style="list-style-type: none"> Authorised Signatory Director, UOB (Thai)
	July 2005 - Present	<ul style="list-style-type: none"> Managing Director, United Overseas Bank Limited, Singapore
8. Peter Foo Moo Tan	Oct 2012 - Present	<ul style="list-style-type: none"> Authorised Signatory Director and President & CEO, UOB (Thai)
	Jun 2012 – Sep 2012	<ul style="list-style-type: none"> Deputy President and Deputy CEO, UOB (Thai)
	July 2011 – May 2012	<ul style="list-style-type: none"> Managing Director, United Overseas Bank Limited, Singapore
	2004 – 2011	<ul style="list-style-type: none"> CEO, Fortis Bank sa/nv, Singapore

Name	Period	Work Experience
9. Sanchai Apisaksirikul	Mar 2012 - Present 2007 - Present 2001 - 2006 2000 - 2001	<ul style="list-style-type: none"> • Authorised Signatory 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 2012

	Baht		
	Board of Directors	Audit Committee	Nomination & Compensation Committee
1. Wee Cho Yaw	1,440,000	-	-
2. Wee Ee Cheong	1,080,000	-	90,000
3. Chinnawat Bulsuk	720,000	510,000	-
4. Suebtrakul Soonthornthum	720,000	360,000	310,000
5. Arun Chirachavala	720,000	570,000	150,000
6. Lee Chin Yong	360,000	-	90,000
7. Cheo Chai Hong	360,000	-	-
8. Wong Kim Choong (resigned on 1 October 2012)	270,000	-	-
9. Peter Foo Moo Tan (appointed on 1 October 2012)	90,000	-	-
10. Sanchai Apisaksirikul (appointed on 30 March 2012)	270,000	-	-
Total	6,030,000	1,440,000	640,000

4. Senior Management's Remuneration

In 2012, the Bank paid cash remuneration to the Bank's senior management amounted Baht 330,065,621 (2011 paid Baht 329,803,033). In addition to cash remuneration, the Bank also paid non-cash remuneration, which included provident fund contribution, life and medical insurance premiums, and traveling allowance as disclosed in the Notes to Consolidated Financial Statement no. 35 in this Annual Report.

5. Directorships of Directors and Senior Management as at year-end 2012

Directors

1. Wee Cho Yaw

Company	Position
UOB Business Group	
1. United Overseas Bank Ltd.	Chairman
2. United Overseas Insurance Ltd.	Chairman
3. United Overseas Bank (Malaysia) Bhd	Chairman
4. UOB Australia Ltd.	Chairman
5. Far Eastern Bank Ltd.	Chairman
6. PT Bank UOB Indonesia	President Commissioner
7. United Overseas Bank (China) Ltd.	Supervisor
8. Overseas Union Bank Limited (pending dissolution-merged into UOB)	Chairman
9. United International Securities Ltd.	Chairman

Other Information

Company	Position
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. Singapore Land Ltd.	Chairman
9. Marina Centre Holdings Pte Ltd.	Chairman
10. Aquamarina Hotel Pte Ltd.	Chairman
11. Hotel Marina City Pte Ltd.	Chairman
12. Marina Bay Hotel Pte Ltd.	Chairman
13. Wee Property (UK) Pte Ltd.	Chairman
Non-Profit/Community Service Business Group	
1. Chinese Development Assistance Council	Chairman (Board of Trustees)
2. Kim Mui Hoey Kuan	Chairman
3. Singapore Chinese Chamber of Commerce & Industry	Honorary President
4. Singapore Federation of Chinese Clan Associations	Honorary President
5. Singapore Hokkien Huay Kuan	Honorary President
6. Wee Foundation	Chairman

2. Wee Ee Cheong

Company	Position
UOB Business Group	
1. Chung Khiaw Bank (Malaysia) Bhd	Director
2. Far Eastern Bank Ltd.	Director
3. Hermes UOB Capital Management Ltd.	Director
4. OUB Centre Ltd.	Chairman
5. Overseas Union Bank Ltd. (pending dissolution-merged into UOB)	Director
6. PT Bank UOB Indonesia	Vice President Commissioner
7. United Overseas Bank Ltd.	Director
8. United Overseas Bank (China) Ltd.	Chairman
9. United Overseas Bank (Malaysia) Bhd	Director
10. United Overseas Insurance Ltd.	Director
11. UOBGC General Partners Ltd.	Director
12. UOB Australia Ltd.	Director
13. UOB Developments Pte Ltd.	Director
14. UOB Global Capital LLC	Chairman
15. UOB Global Capital Pte Ltd.	Chairman
16. UOB Hermes Asia Technology Fund	Director
17. UOB Travel Planners Pte Ltd.	Director
18. UOB Trust Ltd.	Director
19. United International Securities Ltd.	Director
20. Walden AB Ayala Ventures Co Inc	Director

Company	Position
Wee Family Business Group	
1. C Y Wee & Co Pte Ltd.	Director
2. E C Wee Pte Ltd.	Director
3. Kheng Investment Ltd.	Director
4. Kheng Leong Co (HK) Ltd.	Director
5. Kheng Leong Company (Pte) Ltd.	Director
6. K.I.P. Industrial Holdings Ltd.	Director
7. KLC Holdings Ltd.	Director
8. KLC Holdings (Hong Kong) Ltd	Director
9. Phoebus Singapore Holdings Pte Ltd.	Director
10. Portfolio Nominees Ltd.	Director
11. Richly Joy Holdings Ltd.	Director
12. Wee Investments Pte Ltd.	Director
13. Wee Venture (Overseas) Ltd.	Director
14. Pilkon Development Co., Ltd.	Director
15. Plaza Hotel Co., Ltd.	Director
16. Wee Property (UK) Pte Ltd.	Director
Non-Profit/Community Service/Relationship (Networking) Business Group	
1. ASEAN Finance Corporation Ltd.	Director
2. INSEAD East Asia Council & International Council	Advisory Board Member
3. Singapore-China Foundation	Member, Board of Governors
4. Singapore Chinese Chamber of Commerce & Industry	Honorary Council Member
5. The Association of Banks in Singapore	Council Member
6. The Institute of Banking & Finance	Director
7. Visa APCEMEA Senior Client Council	Member
8. Wee Foundation	Director
3. Chinnawat Bulsuk	
Company	Position
Chinnawat Bulsuk's Business Group	
1. Thai Samut Asset Co., Ltd.	Director & CEO
Other Business Group	
1.Chong Choe Co., Ltd.	Director

Other Information

4. Suebtrakul Soonthornthum

Company	Position
Loxley Business Group	
1. Loxley Public Co., Ltd.	Director & SEVP
2. Loxley Global Co., Ltd.	Director
3. Loxley GTECH Technology Co., Ltd.	Director
4. Loxley Trading Co., Ltd.	Director
5. Loxley Property Development Co., Ltd.	Director
6. Guardfire Co., Ltd.	Chairman
7. Foseco (Thailand) Co., Ltd.	Chairman
8. General Aviation Co., Ltd.	Director
9. BlueScope Steel (Thailand) Co., Ltd.	Director
10. BlueScope Services (Thailand) Co., Ltd.	Director
11. BlueScope Lysaght (Thailand) Co., Ltd.	Director
12. BP - Castrol (Thailand) Co., Ltd.	Director
13. Ekpavee Co., Ltd.	Director
14. Data Mining Co., Ltd.	Director
15. Asia Securities Management Co., Ltd.	Director
16. Zin Suapah Co., Ltd.	Director
17. Loxley Joint and Hold Co., Ltd.	Director
18. Societe Commerciale Lao Co., Ltd.	Director
19. Oriental Post Co., Ltd.	Director
20. Postique 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

5. Arun Chirachavala

Company	Position
Krungdhep Sophon Group	
1. Krungdhep Sophon Public Co., Ltd.	Executive Chairman
2. Krungdhep Document Co., Ltd.	Chairman
3. K.W.C. Warehouse Co., Ltd.	Chairman
Other Business Group	
1. Palang Sophon Co., Ltd.	Director
2. TRC Construction Public Co., Ltd.	Independent Director and Chairman of Corporate Governance Committee

6. Lee Chin Yong

Company	Position
UOB Group of Companies	
1. United Overseas Bank (Malaysia) Bhd	Director
2. Uni.Asia Capital Sdn Bhd	Director
3. Uni.Asia Life Assurance Bhd	Director and Deputy Chairman
4. UOB Property Investment Pte Ltd.	Director
5. PT Bank UOB Indonesia	Commissioner
6. UOB International Investment Pte Ltd.	Director
7. UOB-Kay Hian Holdings Ltd.	Director
8. United Overseas Bank (China) 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

7. Cheo Chai Hong

Company	Position
UOB Group of Companies	
1. United Overseas Bank Philippines	Director
2. UOB Global Capital Pte Ltd.	Director
3. UOB International Investment Pte. Ltd.	Director
Other Business Group	
1. Banco De Oro Unibank Inc.	Director
2. The Anglo-Chinese Schools Foundation Ltd.	Director

8. Peter Foo Moo Tan

-NIL-

9. Sanchai Apisaksirikul

Company	Position
UOB (Thai) Group of Companies	
1. UOB Asset Management (Thai) Co., Ltd.	Director
2. UOB Services Co., Ltd.	Director
3. UOB Bullion and Futues (Thai) Co., Ltd.	Director

Other Information

Senior Management

Name		Company	Position
1	Ngeo Swee Guan Steven	-	-
2	Chanindh Homsilpakul (Retire on 1 Jan 2013)	-	-
3	Sirima Taecharungnirun	-	-
4	Margaret Ho Swit Moy	-	-
5	Patchanee Vongsilpawatana	-	-
6	Pornchai Wiwatpattarakul	-	-
7	Loh Chen Hwee	UOB Bullion and Futures (Thai) Co., Ltd.	Director
8	Piyaporn Ratanaprasartporn	UOB Asset Management (Thai) Co., Ltd.	Director
9	Yuttachai Teyarachakul	AXA Insurance Public Company Limited.	Director
10	Ngamjitt Sirijindalert	-	-
11	Sanchai Apisaksirikul	1. UOB Asset Management (Thai) Co., Ltd. 2. UOB Services Co.,Ltd. 3. UOB Bullion and Futures (Thai) Co., Ltd.	Director Director Director
12	Pimolrat Tangkosakul	-	-
13	Lim Keng Teck	UOB Services Co., Ltd.	Director
14	Roongthip Angkasirisan	-	-
15	Vajee Pramualrat	-	-
16	Lek Ruangnaovarat (Retire on 1 Jan 2013)	-	-
17	Sayumrat Maranate	-	-
18	Onanong Udomkantong	UOB Services Co., Ltd.	Director
19	Montira Utarapichat	-	-
20	Yuwadee Chawawatnapong	Siriruk Hospital Co., Ltd.	Director
21	Danupob Apichitsakul	-	-
22	Pailin Ngsriwongse	Noble Line Ltd. / Thailand	Director
23	Pojanee Rungsang	-	-
24	Kanlika Buspavanich	-	-
25	Loi Kai Cheow	-	-
26	Ratanachon Thanyodom	-	-
27	Pisal Kattiyothaivong	-	-
28	Busba Virochpoka	-	-
29	Yeoh Kian Soon Benedict	-	-
30	Suwassa Anantasa	-	-

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

Mr. Sanchai Apisaksirikul, one of the directors of UOB (Thai), holds 1 share in UOB Asset Management (Thai) Company Limited, a subsidiary company of UOB (Thai). Other 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 2012, the Bank and its subsidiaries paid for audit fee and special audit fee regarding to the Bank of Thailand's requirement to Ernst & Young Office Limited amounting to Baht 8,350,000 and Baht 350,000 respectively, totalling Baht 8,700,000.

Other Information

8. Related Party Transactions

The Bank's transactions with the companies related to the Bank's directors during the year 2013 are as follows:

	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Other liabilities	Related with UOBT Director
Subsidiaries Companies									
UOB Asset Management (Thai) Co., Ltd.	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
UOB Bullion and Futures (Thai) Co., Ltd.	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
UOB Services Co., Ltd.	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
Related Companies									
Loxley Pci.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
The Muangthai Life Assurance Pci.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
Underwaterworld Pattaya Co., Ltd.	/	/	/	/	/	/	/	/	Wee Cho Yaw
PPHR (Thailand) Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
Haw Par Tiger Balm (Thailand) Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
Loxley Wireless Co., Ltd.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
Loxbit Pci.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
Professional Computer Co., Ltd.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
Netone Network Solution Co., Ltd.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
L Hardware and Services Co., Ltd.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
Loxley Trading Co., Ltd.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
TRC Construction Pci.	/	/	/	/	/	/	/	/	Suebtrakul Soonthorathum
Sanakam Wisavakorn Co., Ltd.	/	/	/	/	/	/	/	/	Arun Chirachavala
Tisco Securities Co., Ltd.	/	/	/	/	/	/	/	/	Arun Chirachavala
Major Shareholders									
United Overseas Bank Limited	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
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
Far Eastern Bank Ltd., Singapore	/	/	/	/	/	/	/	/	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 35 to the financial statements.

Other Information

8. Related Party Transactions (continued)

The Bank's transactions with the companies related to the Bank's directors during the year 2013 are as follows:

	Net gain (loss) on							Related with UOBT Director	
	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		Other expenses
Subsidiaries Companies									
UOB Asset Management (Thai) Co., Ltd.	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
UOB Bullion and Futures (Thai) Co., Ltd.	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
UOB Services Co., Ltd.	/	/	/	/	/	/	/	/	Sanchai Apisaksirikul
Related Companies									
Loxley Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
The Muangthai Life Assurance Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Underwaterworld Pattaya Co., Ltd.	/	/	/	/	/	/	/	/	Wee Cho Yaw
PPHR (Thailand) Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
Haw Par Tiger Balm (Thailand) Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
Loxley Wireless Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Loxbit Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Professional Computer Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Netone Network Solution Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
L Hardware and Services Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Loxley Trading Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
TRC Construction Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Sahakarn Wisavakorn Co., Ltd.	/	/	/	/	/	/	/	/	Arun Chirachavala
Tisco Securities Co., Ltd.	/	/	/	/	/	/	/	/	Arun Chirachavala
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
Far Eastern Bank Ltd., Singapore	/	/	/	/	/	/	/	/	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 35 to the financial statements.

The effective management of financial and non-financial risks is integral to UOB (Thai) Group's business success. Our approach to risk management is to ensure risks are managed within the levels established by UOB (Thai) Group's various senior management committees and approved by the Board and/or its committees.

The Group has established a comprehensive framework of policies and procedures to identify, measure, monitor and control risks. These are guided by the Group's Risk Management Principles which advocate:

- Delivery of sustainable long-term growth using sound risk management principles and business practices;
- Continual improvement of risk discovery capabilities and risk controls; and,
- Business development based on a prudent, consistent and efficient risk management framework.

RISK MANAGEMENT GOVERNANCE AND FRAMEWORK

The Board is responsible for the governance of risk and oversees a governance structure to ensure that the UOB (Thai) Group's business activities are:

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

The Board is supported by Executive Committee (EXCO), Audit Committee (AC), Nominating Committee and Remuneration Committee (NCC) as well as Risk and Capital Committee (RCC). EXCO and RCC assist the Board in the oversight of risk management policies, process and procedures.

The day-to-day management of UOB (Thai) Group is delegated to its senior management (Chief Executive Officer (CEO) and Senior Executives).

The CEO has established senior management committees to assist in the making of business decisions which weigh risks with returns. The main senior management committees are Management Committee (MC), Assets and Liabilities Committee (ALCO), Credit Committee (CC), Special Asset Management Credit Committee (SAMCC) and Credit Management Committee (CMC).

The Board is also responsible for setting the overall risk capital and Top-Down Risk Appetite statements for material risks faced by UOB (Thai) Group. Senior management and the senior

management committees are responsible for delegating risk appetite limits by business lines, and / or broad product lines.

BASEL II FRAMEWORK

UOB (Thai) Group has adopted the Basel II Framework and is compliant with regulatory requirements on Risk Based Capital Adequacy. The Framework aims to ensure the ongoing enhancement of risk management techniques by banks to monitor and manage their risks, and to ensure proper processes are undertaken by banks in determining the adequate amount of capital to be held in relation to their underlying risk profile.

UOB (Thai) Group has adopted the Standardised Approach (SA) for its Personal Financial Services (PFS), the Foundation Internal Ratings-Based (FIRB) Approach for its non-retail exposures and the Advanced Internal Ratings-Based (AIRB) Approach for its Retail SME exposures. For Market and Operational risks, UOB (Thai) Group has adopted SA.

UOB (Thai) Group has a framework to ensure that a process is in place to assess it has sufficient capital to support its activities. This is the Internal Capital Adequacy Assessment Process (ICAAP) framework. The ICAAP process is reviewed periodically to ensure that UOB (Thai) Group will remain well capitalised after considering all material risks. Stress Testing is also conducted to determine capital adequacy in stressed conditions.

UOB (Thai) Group has established a Risk Appetite framework. The Risk Appetite is approved by the Board to identify the amount of risk UOB (Thai) Group is able and willing to take/ tolerate in pursuit of its business objectives. The objective of setting risk appetite is not to limit risk taking but to ensure that UOB (Thai) Group's risk profile is aligned to its business strategy.

CREDIT RISK

Credit Risk Policies and Processes

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

Credit Approval Process

To maintain independence and integrity of the credit approval process, the credit approval function has been segregated from that of credit origination. Credit approval authority is delegated through a risk based Credit Discretionary Limit (CDL) structure that is tiered according to the borrower's rating. The delegation of CDL follows a stringent process that takes into consideration the experience, seniority and track record of the officers. All

Risk Management

credit approval officers are guided by credit policies. Approval of consumer and small business loans is guided by product programmes. These credit policies, guidelines and product programmes are periodically reviewed to ensure their continued relevance to the UOB (Thai) Group's business strategy and the business environment.

Credit Risk Concentration

A risk-sensitive process is in place to regularly review, manage and report credit concentrations and portfolio quality. This includes monitoring concentration limits and exposures by obligors, portfolios, borrowers, industries and countries. Limits are generally set either as a percentage of the eligible capital base.

Obligor limits ensure that there is no undue concentration to a group of related borrowers that may potentially pose a risk to UOB (Thai) Group.

Portfolio and borrower limits ensure that lending to borrowers with weaker credit rating is confined to acceptable levels. These limits are generally tiered according to the borrowers' risk ratings.

Industry limits ensure that any adverse effects arising from an industry-specific risk event is confined to acceptable levels.

Country Risk

Country risk is managed within an established framework that includes setting of limits for country. Such limits are based on the country's risk rating, as well as UOB (Thai) Group's business strategy.

Credit Stress Test

Credit stress testing is an integral part of UOB (Thai) Group's credit portfolio management process. Testing is conducted periodically and allows the Group to assess potential losses arising from exceptional but plausible adverse events.

Credit exposures from foreign exchange and derivatives

Pre-settlement limits for foreign exchange (FX) and derivative transactions are established using the Potential Future Exposure (PFE) approach. This approach takes into consideration the transaction currency and tenor to address the credit risk exposures arising from adverse market movements.

For internal risk management, master agreements such as International Swaps and Derivatives Association (ISDA) Master Agreements and the Credit Support Annex (CSA) have been established with active counterparties to manage credit risk arising from FX and derivative activities. The agreements allow UOB (Thai) Group to settle all outstanding transactions in the event of counterparty default, resulting in a single net claim against or in favour of the counterparty.

For Internal Ratings-Based (IRB) purposes, UOB (Thai) Group does not recognise ISDA netting. The Current Exposure Method is used to estimate its FX and derivative exposures on a gross basis.

Non-performing Accounts Management

Delinquency Monitoring

An account is considered as delinquent when payment is not received on due date. Any delinquent account, including 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. 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 loan from its normal source of income. All loans and advances to customers 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.

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.

Special Asset Management

Special Asset Management (SAM) manages the non-performing portfolios of UOB (Thai) Group with the intention of nursing NPL accounts back to health and transferring them back to the respective business units. In addition, SAM manages Non-Performing Assets to enhance the best possible recovery.

Write-off Policy

A classified account that is not secured by any realisable collateral will be written off when the prospect of a recovery is considered poor or when all feasible avenues of recovery have been exhausted.

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's EXCO with ratification by the Board.

Credit Risk Mitigation

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. 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. Policies and procedures are in place to specify the applicable standards.

In addition, personal guarantees are often taken as a form of moral support to ensure moral commitment from the principal shareholders and/or directors. UOB (Thai) Group does not recognise personal guarantees as an eligible credit risk protection for capital computation purpose. Corporate guarantees are also often obtained when the borrower's credit worthiness is not sufficient to justify an extension of credit.

To recognise the effects of guarantees under FIRB Approach, UOB (Thai) Group adopts the Probability of Default (PD) substitution approach whereby an exposure guaranteed by an eligible guarantor will utilise the PD of the guarantor for the purpose of calculating the capital requirements.

In general, the following eligibility criteria must be met before collateral can be accepted as Credit Risk Mitigation:

- *Legal certainty*: The documentation must be legally binding and enforceable (on an on-going basis) in all relevant jurisdictions.
- *No material positive correlation*: The value of the collateral must not be significantly affected by the deterioration of the borrower's credit worthiness.
- *Third-party custodian*: The collateral that is held by a third-party custodian must be segregated from the custodian's own assets.

For AIRB Approach, credit risk mitigation will be measured using owned-estimated Loss Given Default (LGD), which is based on the recovery rates of both collateral and guarantee.

Credit Exposures under Basel II

Under Basel II, credit risk for the various asset classes may be computed using a combination of (i) SA; (ii) FIRB Approach; and (iii) AIRB Approach. UOB (Thai) Group has adopted FIRB Approach for regulatory capital computation purpose i.e. UOB (Thai) Bank is under FIRB Approach whereas all subsidiaries are under SA.

Internal Ratings-Based Approach

IRB rating system refers to the methods, processes, controls, data collection and information technology systems that support the assessment of credit risk, the assignment of exposures to rating grades or pools, as well as the parameterization process for the various classes of exposure.

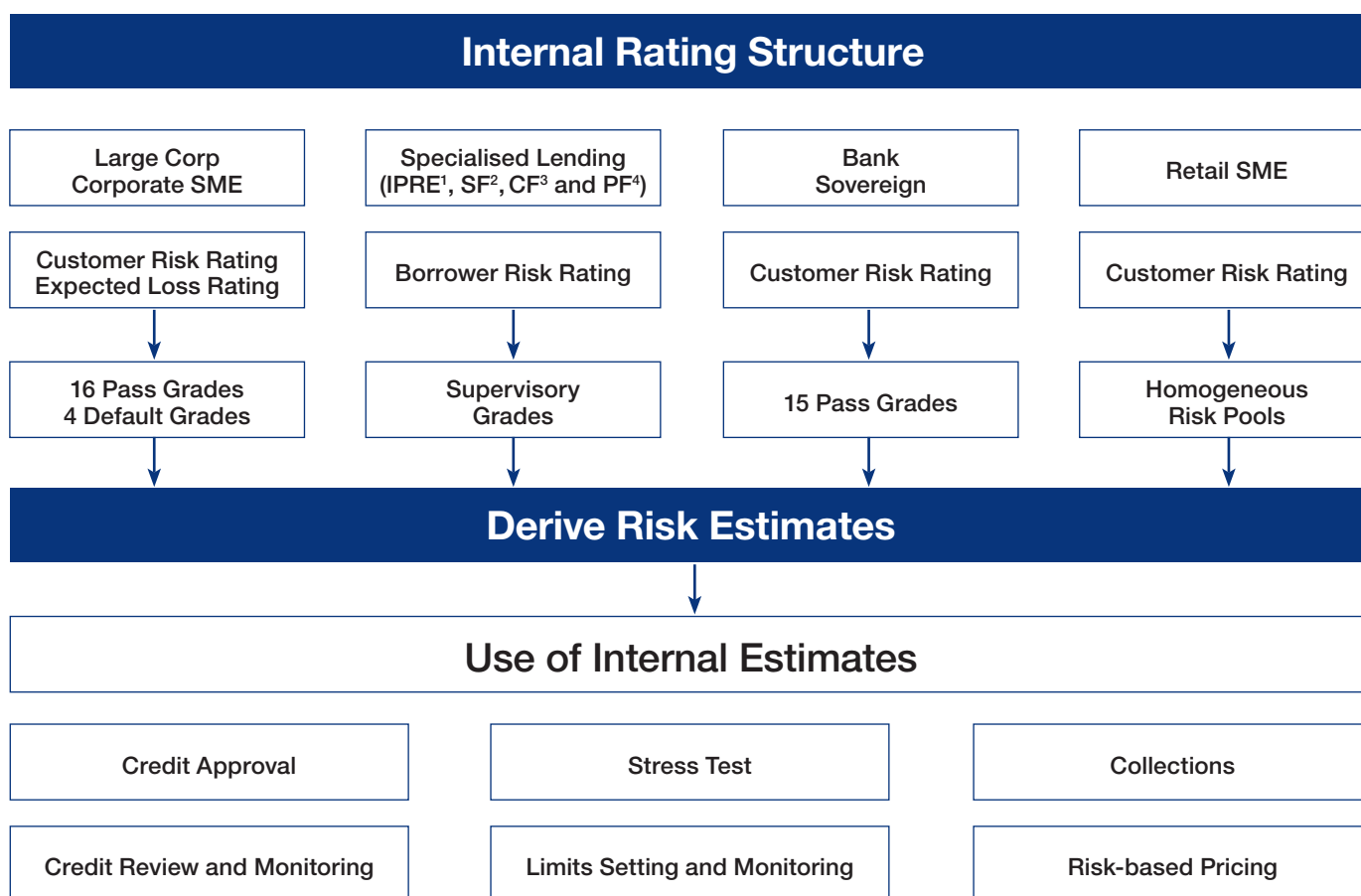
Rating System Governance

The UOB (Thai) Group has established a credit rating governance framework to ensure the reliable and consistent performance of the 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.

Risk Management

Rating Structure

UOB (Thai) Group's internal rating Structure is illustrated below.



1. IPRE refers to Income Producing Real Estate

2. SF refers to Ship Finance

3. CF refers to Commodity Finance

4. PF refers to Project Finance

Internal Rating System

UOB (Thai) Group's internal rating system consists of statistical and expert judgemental models.

A statistical model is one whereby the risk factors and their risk weights are determined using a statistical method (for example, logistic regression). Such models are developed for portfolios with sufficient internal historical loss data such as the Corporate SME (CSME) and Retail SME portfolios.

An expert judgemental model is one whereby the risk factors and their risk weights are determined judgementally by credit experts. Such models are developed for portfolios with limited or

no internal historical loss data, such as Bank and Sovereign portfolios.

All rating models are independently validated before they are implemented for use. They are also subject to annual reviews to ensure that the chosen risk factors appropriately measure the risks in the respective portfolios.

The PD is an estimate of the likelihood that an obligor will default within the next 12 months. An obligor is considered to have defaulted if:

- the obligor is unlikely to pay its credit obligations to UOB (Thai) Group in full, without recourse by UOB (Thai) Group to actions such as realising the security; or

- the obligor is past due more than 90 days on any credit obligation to UOB (Thai) Group.

UOB (Thai) Group's internal Corporate risk rating process provides a PD-based credit assessment of a borrower over a one-year time horizon.

The rating represents the UOB (Thai) Group's assessment of the borrower's ability and willingness to contractually perform despite adverse economic conditions or the occurrence of unexpected events. Therefore, UOB (Thai) Group uses a longer time horizon in the rating assignment process, although the time horizon used in PD estimation is one year.

While UOB (Thai) Group's internal corporate 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 rolled out CSME model to rate exposures in this asset class. The rating structure consists of two dimensions:

- Risk of borrower default: Customer Risk Rating (CRR) is the standalone rating of a borrower's credit risk based on financial (quantitative) and non-financial (qualitative) factors. This is derived from a comprehensive assessment of the borrower's financial strength, quality of management, business risks, and the industry it operates.
- Transaction-specific factors: Facility Risk Rating is the rating of a facility's risk based on the borrower's CRR, facility and collateral-specific factors such as 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), Ship Finance (SF), Commodity Finance (CF) and Project Finance (PF). Specialised Lending exposures are treated separately from normal corporate exposures. Such exposures generally possess the following attributes either in legal form or economic substance:

- The exposure is typically to an entity (often a special purpose entity) which is created specifically to finance and/or operate physical assets;
- The borrowing entity has little or no other material assets or activities, and therefore little or no independent capacity to repay the obligation besides the income that it receives from the asset(s) being financed;
- The terms of the obligation give UOB (Thai) Group a substantial degree of control over the asset(s) and the income that it generates; and
- The primary source of repayment of the obligation is the income generated by the asset(s), rather than the independent capacity of a broader commercial enterprise.

IPRE, SF, CF and PF

UOB (Thai) Group has rolled out the IPRE model as well as the SF, CF and PF scorecards to rate IPRE, SF, CF and PF exposures respectively in this asset sub-class. The internal risk grades are derived based on a comprehensive assessment of both financial and non-financial risk factors. The internal risk grades are then mapped to the five prescribed supervisory categories, each of which is associated with a specific risk weight. The five categories are 'Strong', 'Good', 'Satisfactory', 'Weak' and 'Default'.

Bank and Sovereign Asset Classes

UOB (Thai) Group has rolled out internal Bank and Sovereign scorecards to rate exposures in the respective asset classes. As there was insufficient internal default data, the scorecard took into account external default data from ECAIs. The scorecards have an internal rating grade structure consisting of 15 pass grades.

Retail Asset Class

UOB (Thai) Group has adopted the AIRB Approach for the Retail SME portfolio, which is classified under the Other Retail asset sub-class. Retail SME exposure is defined as an exposure to small businesses with total group obligor exposure of not more than THB 45 million. In addition, the exposure is not managed individually but as part of a pool of similar exposures.

Retail SME exposures are assessed and managed using a combination of Application and Behavioral scorecards, Loss Given Default (LGD) and Exposure at Default (EAD) models to group exposures according to their borrower and transaction risks. PD, LGD and EAD parameters are estimated using internal loss data covering an economic cycle including downturns. Where internal loss data is insufficient to provide robust risk

Risk Management

estimates, the PD, LGD and EAD models may incorporate internal and/or external proxies, and where necessary, may be augmented with appropriate margins of conservatism.

Probability of Default (PD)

PD is an estimate of the likelihood that an obligor will default within the next 12 months. PD model comprises (i) an Application scorecard is used for new customers and is used only for the first 12 months of the customer's relationship with UOB (Thai) Group; and (ii) a Behavioral scorecard is used for subsequent re-rating at regular intervals and for rating the existing customers who apply for limit increase.

Loss Given Default (LGD)

LGD is an estimate of economic loss in the event of default. The definition of default in the LGD model is identical to that of the PD model. Loss rates are estimated from historical workout experiences, taking into account the timing and uncertainty of recovery cash flows, direct and indirect costs in association with workouts, as well as the various post-default outcomes, such as cures, full recoveries and liquidations.

Exposure at Default (EAD)

EAD is an estimate of the expected gross exposure of a facility upon default. The definition of default in the EAD model is identical to that of the PD model. EAD comprises the current outstanding and an estimate of future drawings of available but unutilised credit both on-balance and off-balance sheet exposures. The cash conversion factor will be further applied to estimate the cash-equivalent amount of the off-balance sheet exposures.

Use of Internal Estimates

Internal ratings are used pervasively by the UOB (Thai) Group in the areas of credit approval, credit review and monitoring, credit stress test, limits setting, pricing and collections.

Credit Exposures Subject To Supervisory Prescribed Risk Weight

Equity Asset Class

As per BOT's guidelines, 100 per cent risk weight is applied to equity exposures which have been exempted from IRB capital computation for the first ten years of Basel II implementation (2008-2018) as its total position has been immaterial, accounting for fewer than ten equities with Risk-Weighted Assets (RWA) comprising less than 5 per cent of the total capital.

Credit Exposures Subject To Supervisory Risk Weight under IRB Approach

The Specialised Lending exposures are subject to supervisory risk weight under the IRB Approach. The Specialised Lending exposures are Income Producing Real Estate (IPRE), Ship Finance (SF), Commodities Finance (CF) and Project Finance (PF) exposures.

Credit Exposures Subject To Standardised Approach

For exposures subject to the SA, approved ECAI ratings and prescribed risk weights based on asset class are used in the computation of regulatory capital except for Claims on Corporate where 100 per cent risk weight is applied.

The ECAI ratings used by UOB (Thai) Group are international ratings from Standard & Poor's, Moody's Investors Services, and Fitch Ratings.

MARKET RISK

Market risk is governed by the Assets and Liabilities 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.

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

Balance Sheet Risk Management Unit (BSRM) supports the ALCO in monitoring the interest rate risk profile of the Banking book. Asset-Liability Management unit (ALM) under Global Markets is responsible for the effective management of the UOB (Thai) Group's balance sheet risk in accordance with the approved policy.

The purposes of interest rate risk management are 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 the structural interest rate risk is identified, measured, monitored and managed over a range of potential and realistic interest rate scenarios, including under stress situations. In addition, UOB (Thai) Group maintains a prudent and continuous balance between meeting the requirements/expectations of customers, shareholders, and regulators, and maintaining the solvency and economic viability of UOB (Thai) Group.

Interest rate risk assessment is mainly based on earnings perspective and economic value perspective. The impact of interest rate sensitivity is measured via static analysis. UOB (Thai) Group also conducts analysis using the repricing gap approach and price value of a basis point (PV01). In repricing gap approach, the cash flows are profiled in different time bands based on repricing schedule. For loans and deposits that do not have maturity dates such as saving account deposit, the earliest possible repricing dates will be taken into consideration. Mismatches in the longer tenor from repricing gap will experience greater change in the price-value of interest rate positions than similar positions in the shorter tenor.

In addition, UOB (Thai) Group performs monthly interest rate stress testing to assess the impact of interest rate change on Net Interest Income (NII) and Economic Value of Equity (EVE). The parallel rate shocks of 100 basis points (bp) and 200bp are applied to the repricing gap profile. Such tests are performed to provide early warnings of potential losses, facilitating the proactive management of interest rate risks.

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 release 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.

UOB (Thai) Group manages liquidity at a centralised level. Liquidity risk is managed in accordance with a framework of policies, controls and limits established by UOB (Thai)'s 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 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. Core deposits are generally stable non-bank deposits, such as current accounts, savings accounts and fixed deposits. UOB (Thai) Group monitors the stability of its core deposits by analysing their volatility over time.

UOB (Thai) Group uses the funds to lend to customers and invests excess funds in government securities.

UOB (Thai) Group's liquidity risk management 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 three crisis scenarios, which are 'bank-specific crisis', 'general market crisis', and 'combination crisis'.

Liquidity Gap Analysis or Cash Flow Mismatch Analysis under the 'Business as Usual' scenario is measured and monitored against NCO, limits which are set for overnight, seven days, and thirty days. In the event that a limit is breached, an investigation will be conducted and the related documents reported to relevant parties, in accordance with the escalation process.

Risk Management

For stress testing (bank-specific crisis, general market crisis, and combined scenarios), additional assumptions such as sudden increase in deposit withdrawals, reduction in loan repayments, potential trading losses, or liquidation of securities with haircuts, are taken into account. These assumptions are agreed by business units and approved by the Board or delegated committee.

Liquidity risk assessment is conducted on both daily and monthly basis. Liquidity gap or maturity mismatch analysis report is produced by Balance Sheet Risk Management unit and monitored by Market Risk Control against approved NCO Limits on a daily basis. Other reports such as early warning indicators as well as sources and utilisation of funds are produced on a monthly basis. These reports are deliberated in ALCO meetings.

Behavioural modeling is carried out and reviewed regularly to ensure that the cash flow requirements for the 'business as usual' and crisis scenarios are realistic. Loans and deposits which do not have maturity dates, and fixed deposits which are rolled over frequently, are generally estimated based on their past statistics or trends. Other balance sheet items like credit cards are generally estimated based on the past statistics of customers. Cash flow mismatch limits are established to limit the UOB (Thai) Group liquidity exposure. UOB (Thai) Group also employs liquidity early warning indicators and trigger points to signal possible contingency situations.

Contingency funding plans are in place to identify 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.

Loans to Deposits and Bill of Exchange (interbank and money market items are excluded) are among the liquidity ratios monitored.

OPERATIONAL RISK

Operational risk is managed through a framework of policies, processes and procedures by which business units identify, assess, monitor and control/mitigate their operational risks.

Operational Risk Self Assessments involves identifying and assessing inherent risks, as well as assessing the effectiveness of controls to mitigate the identified risks. Action plans to address issues are documented and monitored via Operational Risk Action Plans.

Key Operational Risk Indicators are statistical data collected and monitored by business and support units on an on-going basis to facilitate early detection of potential operational control weaknesses. Trend analysis is carried out to identify systemic issues that need to be addressed.

A database of operational risk events and losses has been established and corrective actions, where necessary, will be taken to rectify the underlying root cause. The analysis of loss trends and root causes of loss events helps in strengthening the internal control environment.

An Insurance Programme is in place to mitigate the risk of high impact operational losses.

A Product/Services Programme ensures that risks associated with the introduction of new products and services are identified, analysed and addressed prior to launch and is subject to periodic reviews.

With the increasing need to outsource and insource for cost and operational efficiency, UOB (Thai) Group's Outsourcing and Insourcing Policy and Framework ensures that outsourcing and insourcing risks are adequately identified and managed prior to entering into any new arrangements and on an on-going basis.

Effective business continuity and crisis management strategies and plans have been developed and tested to ensure prompt recovery of critical business functions in the event of major business and/or system disruptions.

Legal risk is part of operational risk. Legal risk arises from unenforceable, unfavorable defective or unintended contracts; lawsuits or claims; developments in laws and regulations; or non-compliance with applicable laws and regulations. Business units work with UOB (Thai) Group's legal counsel and external legal counsel to ensure that legal risks are effectively managed.

Reputation risk is the adverse impact on earning, liquidity or capital arising from negative stakeholder perception or opinion on UOB (Thai) Group's business practices, activities and financial condition. UOB (Thai) Group has a framework for managing reputation risk.

An operational risk management training and awareness programme is in place to promote an effective risk management culture.

UOB (Thai) Group adopts the SA for the calculation of regulatory operational risk capital.

Report of the Audit Committee

The Audit Committee (the AC) of United Overseas Bank (Thai) Pcl. comprises three independent directors: Mr. Chinnawat Bulsuk, the AC Chairman, Mr. Arun Chirachavala and Mr. Suebtrakul Soonthornthum as Committee members. All the Committee members are non-executive directors and non-employees of the Bank.


In 2012, the Committee held four 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 Internal Audit 3-Year Strategic Plan, and resources of the Internal Audit
- Approved the appointment of the Head of Internal Audit
- Approved the Internal Audit for the Quality Assurance Review (QAR) to be conducted in the full form external assessment at least once every five years in conformance with the Institute of Internal Auditors' Standards (The IIA's Standards)
- Evaluated the Performance Evaluation of the Head of Internal Audit
- Reviewed the Audit Committee Charter
- Reviewed and approved the Internal Audit Charter and the Codes of Ethics for Internal Audit
- Reviewed the Whistle Blowing Policy and the Policy on Fraud
- 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 (E&Y)
- 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
- Noted the Group Audit report
- Noted the Compliance and Risk Management quarterly reports
- Noted the implementation issues and progresses of Basel II - Internal Ratings Based Approach (IRBA), the Internal Capital Adequacy Assessment Process (ICAAP), and Basel III

The Committee has continuously reviewed and assessed the Bank's key risks, controls 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.

In addition, the Internal Audit System is ISO9001: 2008 certified.



Mr. Chinnawat Bulsuk

Chairman of the Audit Committee

14 March 2013

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. 583 held on 14 March 2013. Participants of the meeting included the Audit Committee members comprising the three independent directors who are not employees of the Bank.

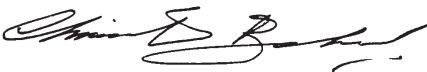
The Audit Committee's opinion on the Internal Control System of the Bank and its subsidiaries was summarised after the meetings with the Senior Management and External Auditor, and upon the Quarterly Reports by Risk Management, Compliance, Internal Audit together with General Control Environment Self-Assessment (GCESA) and Business Process Operational Risk Self-Assessment (BP-ORSA).

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

- Organization 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 Ernst & Young Office Limited (E&Y) of which Ms. Nonglak Pumnoi, 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 2012, and the results of their operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.



Mr. Chinnawat Bulsuk

Chairman of the Audit Committee

14 March 2013

Report of the Nomination and Compensation Committee

The Nomination and Compensation Committee is appointed by the Board of Directors, and consists of an Independent Director as the Committee Chairman, and another Independent Director, and 2 Directors as members of the Committee as follows:

- | | |
|---------------------------------|----------|
| 1) Mr. Arun Chirachavala | Chairman |
| 2) Mr. Suebtrakul Soonthornthum | Member |
| 3) Mr. Wee Ee Cheong | Member |
| 4) Mr. Francis Lee Chin Yong | Member |

The Nomination and Compensation Committee held 6 meetings in 2012.

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 ED and above;
- Recommend the remuneration of the 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 2012 as disclosed in this Annual Report, the scale and component of remuneration for the Directors, Executive Directors, Non-Executive Directors, and 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 recognised 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, propose the annual staff remuneration increment and bonus rates to the Board of Directors for consideration and approval in the first quarter of each year.



Mr. Arun Chirachavala

Chairman, Nomination & Compensation Committee

February 14, 2013

Corporate Governance

United Overseas Bank (Thai) Public Company Limited (the “Bank”), 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”) for the guidance of all employees, including the Management team. This code sets out the best practices that all employees should follow to uphold the Bank’s core values of integrity, teamwork, performance excellence, and trust and respect.

The Board of Directors (the “Board”) has set up various board committees to assist the Board in overseeing the Bank. The Bank has in place a comprehensive system of internal controls to safeguard its business.

Control Systems, Risk Management, Compliance and Internal Audit

The Board and Management recognise the importance of having effective and efficient internal controls, as well as risk management, compliance and internal audit functions. The Bank has set up various committees which assist the President and CEO in overseeing the day-to-day operations of the Bank. All business and support units within the Bank are expected to comply with the governance 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.

The Risk Management function is responsible for putting in place the strategy, policies and processes to identify, measure, control and report risks of the UOB (Thai) Group. To perform its role effectively, it works with the relevant senior management committees as well as business and support functions to develop appropriate frameworks, strategies, processes and procedures to manage and monitor risks. Details of the Bank’s risk management are set out in the ‘Risk Management’ section of this Annual Report and Pillar III disclosure on the Bank’s website.

Compliance is an independent function that manages compliance risks within the Bank and reports directly to the Board. Compliance is responsible for communicating, educating and advising all units in the Bank on applicable regulatory development and the impact on business practices, as well as conducting compliance reviews and tests to ensure that the Bank conducts its business in compliance with all applicable laws, regulations and measures against money-laundering, terrorism and financial crime.

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. Internal Audit is certified under international standards (ISO9001: 2008) and complies with UOB Group’s audit standards.

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 the accounting standards enunciated under the Accounting Professions Act B.E. 2547, and in reliance on governing policies, careful judgement and best estimates. Important information is adequately disclosed in the notes to the financial statements and has been reviewed and unconditionally commented on by independent certified public accountants. The Bank’s financial statements reflect the true and transparent financial status and performance for the information of shareholders.

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

Board of Directors

The Board consists of nine qualified directors, three of whom are independent directors and not less than half of the total members reside in the Kingdom. The Board meets at least once every three months and no fewer than half of the total number of directors must be present to constitute the quorum for a meeting.

The Board's main roles and duties include providing strategic directions, 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 acts on its behalf.

The Board members are:

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Chinnawat Bulsuk	Independent Director
Suebtrakul Soonthornthum	Independent Director
Arun Chirachavala	Independent Director
Lee Chin Yong	Director
Cheo Chai Hong	Director
Peter Foo Moo Tan	Director*
Sanchai Apisaksirikul	Director**

* Appointed on 1 Oct 2012 (to replace Wong Kim Choong whose resignation was effective on 1 Oct 2012).

** Appointed on 30 Mar 2012.

Executive Committee

The main responsibilities of the Executive Committee ("EXCO") include:

- reviewing and approving business policies and strategies, risk management policies and guidelines, and other policy matters;
- monitoring the progress of the Bank's business plans and operations;
- setting credit discretionary limits;
- approving or ratifying approvals for credit applications and debt restructuring cases;
- endorsing relevant Internal Capital Adequacy Assessment Process ("ICAAP") documents, including the framework for ICAAP, stress test framework, capital related policies and capital plan; and
- performing such other functions and exercising such other power and authority as may be delegated by the Board.

The EXCO empowers the President and CEO to set up any necessary senior management committee other than the committees required by the regulatory authorities, as well as to appoint members and determine the scope of duties and responsibilities of such committees. The senior management committees, namely the Management Committee, Assets and Liabilities Committee, Credit Committee, IT Committee, Credit Management Committee and Special Asset Management Credit Committee, consist of relevant management staff from various functions.

The EXCO members are:

Peter Foo Moo Tan	Chairman*
Wee Ee Cheong	Vice Chairman I
Lee Chin Yong	Vice Chairman II
Cheo Chai Hong	Member
Sanchai Apisaksirikul	Member**

* Appointed on 1 Oct 2012 (to replace Wong Kim Choong whose resignation was effective on 1 Oct 2012).

** Appointed on 30 Mar 2012.

Audit Committee

The Audit Committee ("AC") consists of three independent directors. Its main responsibilities are to provide oversight on:

- 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:

Chinnawat Bulsuk	Chairman
Arun Chirachavala	Member
Suebtrakul Soonthornthum	Member

*Effective from 2 Aug 2012.

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:

Corporate Governance

- a) reviewing the nomination of qualified candidates for appointment to the Board, and for key management positions of Chief Executive Officer and Senior Management positions of executive director level and above, including deciding on any internal promotions to the rank of executive director and above; and
- b) recommending the remuneration for the Board members and reviewing the remuneration of the Senior Management team.

The NCC members* are:

Arun Chirachavala	Chairman
Wee Ee Cheong	Member
Lee Chin Yong	Member
Suebtrakul Soonthornthum	Member

*Effective from 2 Aug 2012.

Risk and Capital Committee

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

- a) establishing policies on managing credit risk, market risk, liquidity risk, operational risk and any other types of risks that may affect the reputation and stability of the Bank and its subsidiaries;
- b) reviewing the adequacy of the policies, risk management procedures and all important aspects of the rating systems, and processes which include the use of rating systems and estimates of Internal Ratings-Based Approach parameters and stress tests, taking into account the business and capital implication;
- c) discussing risk and capital issues on an integrated basis, including reviewing the capital plan;
- d) reviewing the UOB (Thai) Group’s risk appetite framework and risk appetite statement;
- e) recommending risk treatment actions in response to material changes, events and breaches of the risk appetite;
- f) 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;
- g) overseeing UOB (Thai) Group’s consolidated companies to ensure that UOB (Thai) Group’s risk management policies and regulatory requirements are complied with.

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 1 (Head of Corporate Banking 2 as alternate)	Member
Head of Commercial Banking	Member
Head of Personal Financial Services	Member
Head of Business Banking	Member
Head of Credit Approval	Member
Head of Global Markets	Member
Head of Compliance	Member
Head of Channels	Member

*Data as of 23 Nov 2012.

In 2012, the Board and the AC each held four meetings. The attendance of each director is as follows:

<u>Board of Directors</u>	<u>No. of Meetings Attended</u>
Wee Cho Yaw	2/4
Wee Ee Cheong	4/4
Chinnawat Bulsuk	4/4
Suebtrakul Soonthornthum	4/4
Arun Chirachavala	4/4
Lee Chin Yong	4/4
Cheo Chai Hong	4/4
Wong Kim Choong*	3/4
Peter Foo Moo Tan**	1/4
Sanchai Apisaksirikul***	3/4

* Wong Kim Choong resigned on 1 Oct 2012.

** Peter Foo Moo Tan was appointed on 1 Oct 2012.

*** Sanchai Apisaksirikul was appointed on 30 Mar 2012.

<u>Audit Committee</u>	<u>No. of Meetings Attended</u>
Chinnawat Bulsuk	4/4
Arun Chirachavala	4/4
Suebtrakul Soonthornthum	4/4

Head Office

Sathon

191 South Sathon Rd.,
Sathon, Bangkok 10120
Tel : 0 2343 3000 Ext. 2684, 2686
0 2343 2682, 0 2343 2685-9
0 2343 2693, 0 2343 2695,
0 2343 2047, 0 2343 2612,
0 2343 2602, 0 2343 2610,
0 2343 2561, 0 2343 2565
Fax : 0 2287 2972

Bangkok Metropolitan, Nonthaburi and Pathumthani

Amarin Plaza

(Mon - Fri from 8.30am - 5.00pm)
500 1st Fl., Amarin Plaza, Ploenchit Rd.,
Pathum Wan, Bangkok 10330
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

911/1-3 Phaholyothin Rd.,
Phaya Thai, Bangkok 10400
Tel : 0 2271 0089, 0 2271 3447,
0 2271 2662,
Fax : 0 2271 0088

Asok Montri

163 Ratchapark Building (1 st Fl.),
Sukhumvit 21 Rd., Wattana, Bangkok 10110
Tel : 0 2258 3259, 0 2258 3261,
0 2258 3265, 0 2258 3263,
0 2258 3881
Fax : 0 2258 9552

Bang Bon

289, 291, 293, 295 Eakchai Rd.,
Bang Bon, Bangkok 10150
Tel : 0 2898 0423-5, 0 2415 6984
Fax : 0 2898 0426

Bangbuathong

28/33-35 Moo 4, Bangkruay-Sainoi Rd.,
Sahno-loi, Bangbuathong,
Nonthaburi 11000
Tel : 0 2920 2451-5
Fax : 0 2920 2450

Bangkae

455/9-11 Petchkasame Rd. (Soi 51-53),
Bangkae, Bangkok 10160
Tel : 0 2455 2091, 0 2455 2092,
0 2455 2095, 0 2455 2097,
0 2455 2100
Fax : 0 2455 2108

Bangkapi

(Mon - Fri from 8.30am - 5.00pm)
3530 Mall Avenue Building Fl. 1
Ladphrao Rd., Bangkapi, Bangkok 10240
Tel : 0 2378 0973-4, 0 2375 0201
Fax : 0 2378 0975

Bangmod

630 Rama II Rd., Jomthong,
Bangkok 10150
Tel : 0 2867 0203-5, 0 2867 0913
Fax : 0 2867 0914

Bangna KM.2

21/235-236 Moo 12, Bang Na-Trad Rd.,
Bangna, Bangkok 10260
Tel : 0 2396 1931, 0 2393 9825,
0 2399 0178-81
Fax : 0 2393 6147

Bangrak

1249/19, 1249/50, 1249/59
Jems Tower Building, Charoen Krung Rd.,
Suriyawong Bangrak, Bangkok 10500
Tel : 0 2237 5050-1, 0 2266 9896-7
Fax : 0 2266 9667

Bangyai City

(Mon - Sat from 8.30am - 6.00pm)
89/12-14 Moo 6, Bangyai City,
Kanchanapisek Rd., Saotronghin,
Bangyai, Nonthaburi 11140
Tel : 0 2595 0481-82, 0 2595 0484-85
Fax : 0 2595 0486

Bobae

(Daily from 8.30am - 5.00pm)
1082/2 Krungkasem Rd., Klong Mahanak
Pom Prap Sattru Phai, Bangkok 10100
Tel : 0 2282 3665, 0 2282 3796,
0 2282 4374, 0 2282 3694-5
Fax : 0 2282 1914

BTS On Nut

(Daily from 10.00am - 8.00pm)
BTS On Nut, Sukhumvit Rd.,
Klong Toey, Bangkok 10110
Tel : 0 2741 4206-7, 0 2741 4210
Fax : 0 2741 4208

Buntudtong

56/20, 56/59-62 Rama I Rd.,
Pathum Wan, Bangkok 10330
Tel : 0 2214 1733, 0 2214 2067,
0 2214 2252, 0 2214 1292
Fax : 0 2215 4836

Central Grand Rama 9

(Daily from 10.00am - 8.00pm)
Central Plaza Grand Rama 9 Department Store 9/8,
9/9 Room No. 508-2 5th Fl.,
Rama 9 Rd., Huaykwang, Bangkok 10310
Tel : 0 2160 3851-4
Fax : 0 2160 3855

Central Pinklao

(Daily from 10.00am - 8.00pm)
7/364 Central Pinklao Department Store,
Baromratchonnane Rd.,
Bangkok-noi, Bangkok 10700
Tel : 0 2884 8030, 0 2884 8032
Fax : 0 2884 8033

Central Rama 2

(Daily from 10.00am - 8.00pm)
160 #159 1st Fl.,
Central Plaza Rama 2 Department Store,
Rama 2 Rd., Bang Khun Thien, Bangkok 10150
Tel : 0 2415 1648-50, 0 2415 1867
Fax : 0 2415 1868

Central Rattanathibet

(Daily from 10.00am - 8.00pm)
Central Plaza Rattanathibet
Moo 8, 68/100 ,68/919 2nd Fl., Zone E-Center
Department Store, Rattanathibet Rd. ,
Muang, Nonthaburi 11000
Tel : 0 2527 8619-20, 0 2527 8631,
0 2527 8633
Fax : 0 2527 8636

Chaengwatana

99/349 Moo 2, Na Nakorn Building,
Chaengwatana Rd., Laksi, Bangkok 10210
Tel : 0 2576 1057-60, 0 2576 1544
0 2576 1531, 0 2576 1532
Fax : 0 2576 1533

City Complex

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

Gateway Ekamai

(Daily from 10.00am - 8.00pm)
Gateway Ekamai Department Store
98/2/22 Sukhumvit Rd., Phrakhanong,
Klongtoey, Bangkok 10110
Tel : 0 2108 2856-9
Fax : 0 2108 2849

Hua Mark

5, 7, 9 Soi Ramkhamheang
19/1 Ramkhamhaeng Rd.,
Bangkapi, Bangkok 10240
Tel : 0 2318 8561-4, 0 2718 4624,
0 2319 3062
Fax : 0 2318 0139

Imperial (Ladphrao 81)

2539 Basement Fl.,
Imperial World Department Store,
Ladphrao Rd., Klong Chao Khun Singha,
Wang Thong Lang, Bangkok 10310
Tel : 0 2934 8686-9, 0 2934 8691,
0 2934 8692, 0 2933 0103
Fax : 0 2934 8690

Klong Toey

1472-1474 Rama IV Department Store,
Rama IV Rd., Klong Toey, Bangkok 10110
Tel : 0 2249 0886-7, 0 2249 0888-90
Fax : 0 2249 4075

Ladphrao

1558 Ladphrao Rd., Wang Thong Lang,
Bangkok 10310
Tel : 0 2514 2709, 0 2514 2964,
0 2539 5800, 0 2530 1120,
0 2933 7416, 0 2933 7417
Fax : 0 2539 2003

Branch Network

as at 31 December 2012

Leng Nuei Yee

(Mon - Fri from 8.30am - 5.00pm)
416-8 Charoen Krung Rd.,
Sampantawong, Bangkok 10100
Tel : 0 2623 1644-7
Fax : 0 2623 1090

Major Phrapradaeng

(Daily from 10.00am - 8.00pm)
360/1-3 Moo 7, Major Hollywood,
Suksawat Rd., Ratburana, Bangkok 10140
Tel : 0 2818 1970-2
Fax : 0 2818 1973

Manorom

3354/1 Manorom Building,
Rama 4 Rd., Klongton,
Klongtoey, Bangkok 10510
Tel : 0 2249 7480-2
Fax : 0 2249 7479

Minburi

599/1 Navamin Plaza M.16,
Sihaburanukit Rd.,
Minburi, Bangkok 10510
Tel : 0 2518 0815-7
Fax : 0 2518 0799

Muang Thong Thani

339 Maungthongthani, Bondstreet Rd.,
Parkkred, Nonthaburi 11120
Tel : 0 2503 4940-3
Fax : 0 2503 4914

Ngam Wong Wan

207/15 Moo 6, Ngam Wong Wan Rd.,
Tung Songhong, Lak Si, Bangkok 10210
Tel : 0 2591 0770, 0 2591 7902
Fax : 0 2591 0771

Nong Khaem

77/207 Moo 2, Phetkasem Rd.,
Nong Khaem, Bangkok 10160
Tel : 0 2420 7941-4
Fax : 0 2420 7940

Nonthaburi

32/16-19 Pracharat Rd.,
Muang, Nonthaburi 11000
Tel : 0 2525 1770-2, 0 2968 4592-4,
0 2968 4594
Fax : 0 2526 2993

On Nut

1468, 1470 On Nut Rd.,
Suan Luang, Bangkok 10250
Tel : 0 2332 3134-7
Fax : 0 2331 8519

Paradise Park

(Daily from 10.00am - 8.00pm)
61 #2C004 2nd Fl., Paradise Park Building,
Srinakarin Rd., Nongbon, Pravej, BKK 10250
Tel : 0 2746 0816-8
Fax : 0 2746 0819

Pattanakarn

309/1-4 Pattanakarn Soi 59, Pattanakarn Rd.,
Praves, Bangkok 10250
Tel : 0 2322 0439, 0 2322 0441-3
Fax : 0 2322 0438

Phaholyothin KM.26

1/737 Moo 17, Soi Amporn,
Phaholyothin KM 26, Lam Luk Ka,
Pathumthani 12130
Tel : 0 2532 3645-50, 0 2532 3644
Fax : 0 2532 3641

Phaholyothin Soi 19

555 Rasa Tower Building, Phaholyothin Rd.,
Chatuchak, Bangkok 10900
Tel : 0 2937 0300-4, 0 2513 3165
Fax : 0 2937 0305

Phahurad

(Mon - Fri from 8.30am - 5.00pm,
Sat from 10.00am - 5.00pm)
2/30-33, 4/11-14 The Old Siam Plaza,
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

30 Charansnidvongs Rd.,
Bangplad, Bangkok 10700
Tel : 0 2434 7110-3, 0 2434 7115,
0 2424 2283
Fax : 0 2434 7114

Platinum Pratunam

(Daily from 10.00am - 7.30pm)
222/125, 222/177, 222/178 B Fl.,
The Platinum Fashion Mall, Petchaburi Rd.,
Ratchathevee, Bangkok 10400
Tel : 0 2121 8215-8
Fax : 0 2121 8219

Rajchaprarop

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

Rajchawong

219/2 Rajawongse Rd.,
Sampandhawongse, Bangkok 10100
Tel : 0 2221 7515, 0 2622 7388-90,
0 2622 7392

Ramintra KM.9

(Daily from 10.00am - 8.00pm)
587, 589 Moo 7, Fashion Island Department Store,
Ramintra Rd., Kunayao, Bangkok 10230
Tel : 0 2947 5307-9, 0 2947 5311,
0 2947 5311
Fax : 0 2947 5310

Rangsit

(Daily from 10.00am - 8.00pm)
94 Future Park Rangsit Building, Phaholyothin Rd.,
Prachathipat, Thunayaburi, Pathumthani 12130
Tel : 0 2958 0562-7
Fax : 0 2958 0568

Ratchada HuayKhwang

167/8 Ratchadaphisek Rd.,
Din Daeng, Bangkok 10400
Tel : 0 2276 9408-11, 0 2276 9414,
0 2276 9412
Fax : 0 2276 9413

Ratchada Sathupradit

127/1 1st Fl. Panjathanee Tower,
Nonsee Rd. Chongnonsee,
Yannawa, Bangkok 10120
Tel : 0 2681 1111-5
Fax : 0 2681 1110

Ratchada Thaphra

299 Decha Building, Ratchdapisake 6 Rd.,
Thonburi, Bangkok 10600
Tel : 0 2476 9945-9
Fax : 0 2476 9944

Sam Yeak

601 Charoen Krung Rd.,
Sampantawong, Bangkok 10100
Tel : 0 2222 5111-6
Fax : 0 2222 1354

Saphanmai

108/502-503 Moo 7, Phaholyothin Rd.,
Anusawaree, Bangkhen, Bangkok 10220
Tel : 0 2522 6646-8
Fax : 0 2522 6649

Sathon 2

179/3 Bangkok City Tower Building,
South Sathon Rd., Sathon, Bangkok 10120
Tel : 0 2679 5700-2, 0 2679 5704
Fax : 0 2679 5703

Seacon Bangkae

(Daily from 10.00am - 8.00pm)
607 Seacon Bangkae Department Store,
Phetchakasem Rd., Bangwa, Phasi Charoen,
Bangkok 10160
Tel : 0 2454 8792-5
Fax : 0 2454 8796

Senanikom

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

295 Si Phraya Rd.,
Bangrak, Bangkok 10500
Tel : 0 2235 2881, 0 2235 2884-7,
0 2236 6805, 0 2631 5440-1
Fax : 0 2235 2882

Si Yeak Sriwara

573/139 Soi Ramkhamhaeng 39,
Prachauthit Rd., Plubphla,
Wangthonglang, Bangkok 10310
Tel : 0 2934 7941-4
Fax : 0 2934 7945

Siam Paragon

(Daily from 10.00am - 8.00pm /
Sat from 10.00am - 8.00pm)
991 Siam Paragon Shopping Center, Unit M14,
Main Level, Rama 1 Rd., Pathumwan,
Pathumwan, Bangkok 10330
Tel : 0 2129 4570-2
Fax : 0 2129 4573

Siam Square

(Mon - Fri from 8.30am - 5.00pm,
Sat from 10.00pm - 8.00pm)
410-410/1 Siam Square Soi 6, Rama I Rd.,
Pathum Wan, Bangkok 10330
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

Silom Complex

(Daily from 10.00am - 8.00pm)
191 Silom Complex Building, Silom Rd.,
Bangrak, Bangkok 10500
Tel : 0 2231 3139-40, 0 2632 1177-8
Fax : 0 2231 3137

Soi Yoo Dee

597/113-114 Trok Watchannai, Chan Rd.,
Bang Khoe Laem, Bangkok 10120
Tel : 0 2292 1627-8, 0 2291 4904-5,
0 2291 4907
Fax : 0 2291 4906

Songwad

1252-4 Songwad Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2225 6254-5, 0 2226 3606-7,
0 2225 3596-7
Fax : 0 2225 6256

Sri Yan

468-468/1 Nakhon Chai Sri Rd.,
Dusit, Bangkok 10300
Tel : 0 2243 0914-5, 0 2241 3467,
0 2243 3725
Fax : 0 2241 3425

Soi St. Louis 3

31 Soi Chan 18/7 (St. Louis 3)
Sathon, Bangkok 10120
Tel : 0 2212 7024, 0 2211 1407
Fax : 0 2211 0815

Sukhumvit 101 (Piyarom Park)

(Daily from 10.00am - 8.00pm)
3079/25 Soi Piyabuttra, Sukhumvit Rd.,
Phra Khanong, Bangkok 10260
Tel : 0 2730 5100-3, 0 2730 5105,
0 2730 5104
Fax : 0 2730 5106

Sukhumvit 25

1 Ban Chang Glass House Building,
Soi Sukhumvit 25, Sukhumvit Rd.
Klong toey, 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

690 Sukhumvit Rd.,
Klongtoey, Bangkok 10110
Tel : 0 2343 3888-90,
0 2620 4469-71,73-80
Fax : 0 2260 5312

Sukhumvit 4

142 Two Pacific Place Building, 1st Fl.,
Sukhumvit Rd., Klong Toey,
Klong Toey, Bangkok 10110
Tel : 0 2653 2178-9
Fax : 0 2653 2181

Sukhumvit 83

2149 2nd Fl., Market Plus Building,
Soi Sukhumvit 83, Pra Khanong,
Bangkok 10260
Tel : 0 2742 5812-15, 0 2742 5818
Fax : 0 2742 5816

Suksawat

393, 395, 397 Suksawat Rd.,
Rat Burana, Bangkok 10140
Tel : 0 2477 2409 -11
Fax : 0 2468 6028

Surawong

134 Surawongse Rd., Si Phraya,
Bangrak, Bangkok 10500
Tel : 0 2233 9730-3
Fax : 0 2235 5208

Taksin

43.45,47 Taksin Rd.,
Bangyirue, Thonburi, Bangkok 10600
Tel : 0 2438 6429, 0 2438 0063,
0 2439 1864, 0 2437 2387,
0 2437 2387, 0 2437 2537
0 2437 2477, 0 2437 2403
Fax : 0 2438 6426

Talard Si Mummuang

355/33-35 Moo 15, Phaholyothin Rd.,
Lam Luk Ka, Pathumthani 12130
Tel : 0 2536 7850, 0 2536 7854-6
Fax : 0 2536 7853

Talard Thai

(Daily from 9.30am - 7.00pm)
32/1044 Moo 9, Klongnueng,
Klongluang, Pathumthani 12120
Tel : 0 2908 4784-7
Fax : 0 2908 4847

Thaiwa Tower

21/63-66 Thai Wah Tower 1 Building,
South Sathon Rd., Sathon, Bangkok 10120
Tel : 0 2285 0092-4
Fax : 0 2285 0095

Thanon Asoke Dindaeng

729 Asoke-Dindaeng Rd.,
Dindaeng, Bangkok 10320
Tel : 0 2248 6935-7
Fax : 0 2248 6933

Thanon Khaolarm

2214, 2216 Khaolarm Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2238 2540, 0 2238 3399,
0 2234 6823
Fax : 0 2238 2543

Thanon Krungthoburi

77/2 Sinsathorn Tower, Krungthoburi Rd.,
Klongsarn, Bangkok 10600
Tel : 0 2440 0345-9
Fax : 0 2440 0350

Thanon Phaholyothin 8

414 G Fl., Intouch Tower, Phaholyothin Rd.,
Phayathai, Bangkok 10400
Tel : 0 2616 9760-2, 0 2357 1690
Fax : 0 2357 1490

Thanon Phayatai

71 Golden Town Building 1st Fl.,
Thanon Phayatai Rd.,
Ratchathewi, Bangkok 10400
Tel : 0 2653 4530-2
Fax : 0 2653 4658

Thanon Phraram 6

118/1 Tipco Tower Building, Rama VI Rd.,
Phaya Thai, Bangkok 10400
Tel : 0 2357 3460-3, 0 2357 3332
Fax : 0 2357 3464

Thanon Phraram 9

100/1 Ground Fl., Worrasombat Building,
Rama IX Rd., Huay Khwang, Bangkok 10310
Tel : 0 2645 0683-7
Fax : 0 2645 0440

Thanon Pracha U Thit

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

Thanon Sriwara

314 Soi Ladphrao 94 (Panjamit),
Sri Wara Rd., Plubphla, Wangthonglang,
Bangkok 10310
Tel : 0 2559 3600-5, 0 2935 6025-6
Fax : 0 2559 3606

Thanon Sukhaphiban 3

902 Ramkamaeng Rd.,
Bangkapi, 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

94-96 Vorachak Rd.,
Pom Prap Sattru Phai, Bangkok 10100
Tel : 0 2225 9086, 0 2225 9088
0 2225 9085, 0 2621 1247
Fax : 0 2225 9087

Branch Network

as at 31 December 2012

Thanon Witthayu

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

Thanon Yaowaraj

(Mon - Fri from 8.30am - 5.00pm)
422, 424 Yaowaraj Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2226 2930-1, 0 2226 5855
Fax : 0 2226 2933

The Circle Ratchapruk

(Daily from 10.00am - 8.00pm)
39 Room R6, Ratchapruk Rd.,
BangramadTalingchun,
Bangkok 10170
Tel : 0 2863 8624-6
Fax : 0 2863 8627

Thonglor

283/15-17 Soi Thonglor 13,
Sukhumvit 55 Rd., Wattana,
Bangkok 10250
Tel : 0 2712 7150-5
Fax : 0 2712 7156

TOPS Bangna

(Daily from 10.00am - 8.00pm)
1090 Moo 12, Central City Department Store,
Bangna-Trad Rd., Bangna, Bangkok 10260
Tel : 0 2361 7851-3, 0 2361 7855
Fax : 0 2361 7854

Union Mall Ladprao

(Daily from 10.00am - 8.00pm)
54 Union Mall Ladprao F2 Fl., Ladprao Rd.,
Jompol, Jatujak, BKK 10900
Tel : 0 2939 2613-5
Fax : 0 2939 2701

Wiphawadi Rangsit 9

21 T.S.T. Tower Building,
Wiphawadi-Rangsit Rd.,
Chatuchak, Bangkok 10900
Tel : 0 2273 8120-1, 0 2273 8939-40
Fax : 0 2273 8122

Yaowarat Mahajak

(Mon - Fri from 8.30am - 5.00pm)
236, 238, 240 Yaowarat Rd., Chakkrawat,
Samphanthawong, Bangkok 10110
Tel : 0 2225 5241-4
Fax : 0 2225 5245

Central Area

Samut Sakhon

927/403 Sethakit 1 Rd.,
Muang, Samut Sakhon 74000
Tel : 0 3481 0514-5, 0 3442 7510
Fax : 0 3481 0513

Samut Songkhram

125/104 Tang Kao Mooang Rd., Mae Klong
Muang, Samut Songkhram 75000
Tel : 0 3471 8111, 0 3471 8222,
0 3471 8626, 0 3471 8628,
0 3471 8629, 0 3474 0028
Fax : 0 3471 8627

Bangplee

(Daily from 10.00am - 8.00pm)
89 Moo 9, BIG C Center Bangplee,
Taeparak KM. 13 Rd., Bangplee,
Samutprakarn 10540
Tel : 0 2752 4505-9
Fax : 0 2752 4504

Bangpoo Industrial Estate Market

(Mon - Fri from 8.30am - 5.00pm)
798-799 Tessaban Preakasa 14 Rd.,
Preakasa, Muang, Samutprakarn 10280
Tel : 0 2324 3504-7
Fax : 0 2324 3508

Megabangna

(Daily from 10.00am - 8.00pm)
39 Moo 6 Bangna-Trad Rd., KM. 8,
Bangkaew, Bangplee, Samutprakarn, 10540
Tel : 0 2186 8702-5
Fax : 0 2186 8706

Samrong

999/99 Moo 1, Sukhumvit Rd.,
Muang, Samutprakarn 10270
Tel : 0 2384 4510, 0 2394 0422,
0 2394 0428, 0 2384 7656
Fax : 0 2384 4352

Srinakarin

395/5 Srinakarin Rd.,
Muang, Samutprakarn 10270
Tel : 0 2385 7312-5
Fax : 0 2385 7316

Thanon Kingkaew

(Mon - Fri from 8.30am - 5.00pm)
9/4 Moo 7 Kingkaew Rd.,
Rachatewa, Bangplee,
Samutprakarn 10540
Tel : 0 2175 1967-70
Fax : 0 2175 1971

Lopburi

21/11-12 Moo 1, Phaholyothin Rd.,
Muang, Lop Buri 15000
Tel : 0 3641 4248-50
Fax : 0 3641 4251

Big C Omyai

(Daily from 10.00am - 8.00pm)
Big C Supercenter Omyai 17/17 Moo 8,
Omyai, Sampran, Nakhon Pathom 73160
Tel : 0 2431 1534-37
Fax : 0 2431 1542

Nakhon Pathom

(Mon - Fri from 8.30am - 5.00pm)
63-65 Rajvithi Rd., Phrapathomjedee,
Mooang, Nakhon Pathom 73000
Tel : 0 3425 1184-6, 0 3425 1178
Fax : 0 3425 1187

Phrapathomjedee

45-47 Saiphra Rd., Phrapathomjedee,
Mooang, Nakhompathom 73000
Tel : 0 3427 2353-4, 0 3421 9236-7
Fax : 0 3425 7504

Phra Nakhon Si Ayutthaya

255 Moo 5, Rojana Rd.,
Phra Nakhon Si Ayutthaya 13000
Tel : 0 3524 6116, 0 3524 6030,
0 35246118
Fax : 0 3524 1546

Saraburi

427 Phaholyothin Rd., Pakpeaw,
Muang, Saraburi 18000
Tel : 0 3621 2137-8, 0 3631 2055-6,
0 3622 2344, 0 3622 1630
Fax : 0 3622 1636

Sam Chuk

225/2 Moo 2, Sam Chuk,
Suphan Buri 72130
Tel : 0 3557 1055, 0 3557 1980,
0 3557 1990
Fax : 0 3557 1044

Eastern Area

Chachoengsao

94/3 Chumphon Rd., Muang,
Chachoengsao 24000
Tel : 0 3851 1621-2, 0 3881 8149,
0 3853 5083
Fax : 0 3851 1623

Chanthaburi

82/9 Thachalab Rd., Muang,
Chanthaburi 22000
Tel : 0 3931 2822, 0 3934 6616,
0 3934 6434-5
Fax : 0 3932 1201

Ban Bung

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

Bang Lamung

90/27 Moo 5, Pattaya-Naglua Rd.,
Bang Lamung, Chon Buri 20150
Tel : 0 3842 8418, 0 3842 9333,
0 3842 7748-9, 0 3872 6817
Fax : 0 3842 3332

Central Chonburi

(Daily from 10.00am - 8.00pm)
55/88-9, 55/91 Central Plaza Chonburi
Sukhumvit Rd., Samet, Muang,
Chonburi 20000
Tel : 0 3805 3920-3
Fax : 0 3805 3924

Chonburi

804 Kor Chetchamnong Rd.,
Muang, Chon Buri 20000
Tel : 0 3827 3601-6
Fax : 0 3827 3607

Chonburi 2

116/110 Moo 3, Sukhumvit Rd.,
Muang, Chon Buri 20000
Tel : 0 3879 7457-9, 0 3879 7462
Fax : 0 3879 7461

Pattaya

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

Robinson Sriracha

90/1 Robinson Sriracha Department Store,
Sukhumvit Rd., Sriracha, Chon Buri 20110
Tel : 0 3832 8458-60
Fax : 0 3832 8461

Sriracha

135/18-19 Sukhumvit Rd.
Sriracha, Chon Buri 20110
Tel : 0 3832 4500-2, 0 3832 4504
Fax : 0 3832 4503

Ban Chang

51/12 Moo 5, Sukhumvit Rd.,
Baan Chang, Rayong 21130
Tel : 0 3860 3120-3
Fax : 0 3860 3119

Eastern Seaboard

24/1 Moo 4, Thanon Hemaraj Avenue,
Pluak Daeng, Rayong 21140
Tel : 0 3895 5284-6, 0 3895 5288,
0 3895 5287, 0 3895 5290
(0 3889 1489 ATM)
Fax : 038-955289

Laemthong Rayong

(Daily from 10.00am - 8.00pm)
Laemthong Shopping Plaza Rayong
554/4 1st Fl., Sukhumvit Rd.,
Muang, Rayong 21000
Tel : 0 3802 3400-3
Fax : 0 3802 3404

Map Ta Phut

(Mon - Fri from 8.30am - 5.00pm)
267/11-13 Sukhumvit Rd.,
Map Ta Phut, Muang, Rayong 21150
Tel : 0 3860 7945, 0 3860 7947,
0 3860 7949, 0 3860 7957
Fax : 0 3860 7964

Rayong

144/39-41 Sukhumvit Rd.,
Tapradu, Muang, Rayong 21000
Tel : 0 3861 4730-2
Fax : 0 3861 4734

Northeastern Area

Khon Kaen

34, 34/1-2 NaMuang Rd.,
Muang, Khon Kaen 40000
Tel : 0 4323 7620-1, 0 4333 4577,
0 4323 7609
Fax : 0 4323 7435

Khonkaen-Thanon Mittrpararb

81/1 Mittrpararb Rd., Muang,
Khon Kaen 40000
Tel : 0 4324 1686, 0 4324 1268,
0 4324 2547
Fax : 0 4323 8435

Nokhon Ratchasrima

2-4 Choompol Rd., Muang,
Nakhon Ratchasima 30000
Tel : 0 4426 8873-7
Fax : 0 4425 5476

Nokhon Ratchasrima 2

545 Friendship Highway,
Muang, Nakhon Ratchasima 30000
Tel : 0 4426 3487-91
Fax : 0 4426 3493

Roiet

427-429 Phadungpanich Rd.,
Muang, Roiet 45000
Tel : 0 4351 5850-2
Fax : 0 4351 5854

Sakhon Nakhon

1551/9-10 Sukkasem Rd.,
Muang, Sakon Nakhon 47000
Tel : 0 4271 6350, 0 4271 6303,
0 4271 6895, 0 4271 6765,
0 4271 6230
Fax : 0 4271 6728

Surin

79,81,83 Chitbumrung Rd.,
Muang, Surin 32000
Tel : 0 4451 1848, 0 4451 8997,
0 4451 8998
Fax : 0 4451 1081

Ubon Ratchathani

177 Ubparat Rd., Muang,
Ubon Ratchathani 34000
Tel : 0 4524 3830-1, 0 4526 2904
Fax : 0 4524 3832

CentralPlaza Udonthani

(Daily from 10.00am - 8.00pm)
CentralPlaza Udonthani Department Store,
277/3 Prajaksillapakom Rd., Muang,
Udonthani 41000
Tel : 0 4292 1458-61
Fax : 0 4292 1462

Udonthani

359 Phosri Rd., Muang,
Udonthani 41000
Tel : 0 4222 1333, 0 4222 3613,
0 4234 3425, 0 4224 9590,
0 4234 3023, 0 4221 3036,
0 4224 4733, 0 4224 4062
Fax : 0 4224 4062

Northern Area

Central Airport Chiangmai

(Daily from 10.00am - 8.00pm)
2 Manidol Rd., 252-252/1 Wualai Rd.,
Haiya, Mooang District, Chiangmai 50100
Tel : 0 5390 4143-6
Fax : 0 5390 4147

Chiangmai Huaikaew

137 Huaikaew Rd.,
Muang, Chiangmai 50200
Tel : 0 5321 1091-4
Fax : 0 5321 1095

Thanon Highway Chiang Mai

1/99 Chiang Mai-Lampang Rd.,
Muang, Chiang Mai 50000
Tel : 0 5330 4701-4, 0 5330 4706
Fax : 0 5330 4705

Thanon Sridonchai Chiangmai

(Mon - Fri from 8.30am - 5.00pm)
54/1 Sridonchai Rd., Haiya,
Muang, Chiang Mai 50100
Tel : 0 5327 0029-30, 0 5328 2903,
0 5382 1080-1
Fax : 0 5328 2015

Chiangrai

643/5 Moo 3, Uttrakit Rd.,
Muang, Chiang Rai 57000
Tel : 0 5371 6786, 0 5371 1414,
0 5371 6557,
Fax : 0 5371 5429

Lampang

255 Boonwat Rd., Suan Dok,
Muang, Lampang 52100
Tel : 0 5421 8383, 0 5422 7383,
0 5421 8454, 0 5421 8373
Fax : 0 5422 7637

Nakhon Sawan

532-534 Kosi Rd., Muang,
Nakhon Sawan 60000
Tel : 0 5621 4109, 0 5621 4690,
0 5621 4709, 0 5631 4234,
0 5631 4299
Fax : 0 5621 3224

Phitsanulok

112/39-41 Akartodsrod Rd.,
Muang, Phitsanulok 65000
Tel : 0 5522 5153-5
Fax : 0 5522 5156

Southern Area

Nakhon Sri Thammarat

(Mon - Fri from 8.30am - 5.00pm)
1719-1721 Rajdamnern Rd., Muang,
Nakhon Sri Thammarat 80000
Tel : 0 7535 6112, 0 7535 6860-1
Fax : 0 7534 2352

Central Festival Phuket

(Daily from 10.00am - 8.00pm)
74-75 Central Festival Phuket 2nd Fl.,
Moo 5, Wishit, Muang Phuket,
Phuket 83000
Tel : 0 7621 0526, 0 7621 0534,
0 7621 0575
Fax : 0 7621 0596

Branch Network

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Hat Patong

(Mon - Fri from 10.00am - 6.00pm)
159, 161, 163 Rat-U-Thit 200 Years Rd.,
Krathu, Phuket 83150
Tel : 0 7634 0489, 0 7634 0142-3
Fax : 0 7634 1169

Phuket

206 Phuket Rd.,
Muang, Phuket 83000
Tel : 0 7621 1566, 0 7621 1577,
0 7621 4901-2, 0 7621 0970-1
0 7621 4902 Br.
Fax : 0 7621 4903 SME

Hat Yai

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

Thanon Phetchakasem Hadyai

452/8 Phetchakasem, Hat Yai,
Songkhla 90110
Tel : 0 7422 0262-3, 0 7422 0274-5
Fax : 0 7422 0281

CentralPlaza Suratthani

(Daily from 10.00am - 8.00pm)
88 Moo 10, Wat Pradu,
Muang, Suratthani 84000
Tel : 0 7760 2700-3
Fax : 0 7760 2704

Surat Thani

208/2-3 Chonkasem Rd.,
Taraat, Muang, Surat Thani 84000
Tel : 0 7728 6292-4
Fax : 0 7728 6298

Trang

(Mon - Fri from 8.30am - 5.00pm)
1/5-6 Phraram 6 Rd., Thap Thiang
Muang, Trang 92000
Tel : 0 7521 7782-4, 0 7521 7781
Fax : 0 7521 7785

Yala

8-12 Pipitpakdi Rd.,
Muang, Yala 95000
Tel : 0 7321 2218, 0 7321 2414,
0 7324 0872, 0 7324 0873
Fax : 0 7321 3764

Western Area

Kanchanaburi

(Mon - Sat from 8.30am - 5.00pm)
160/39-40 Sangchutoe Rd.,
Muang, Kanchanaburi 71000
Tel : 0 3452 1621-3, 0 3452 1625
Fax : 0 3452 1624

Phetchaburi

28 Panich Charoen Rd.,
Muang, Phetchaburi 76000
Tel : 0 3241 5883-4, 0 3242 5169,
0 3242 5959
Fax : 0 3242 8517

Damnoen Saduak

234 Moo 8, Bangpare-SaMoot Songkhram Rd.,
Damnoen Saduak, Ratchaburi 70130
Tel : 0 3225 4444, 0 3225 4930,
0 3225 4332, 0 3224 1333,
0 3234 5065, 0 3234 5857,
0 3234 6529, 0 3225 4334
Fax : 0 3225 4913

Ratchaburi

(Mon - Fri from 8.30am - 5.00pm)
11 Kathatorm Rd., Na Mooang
Muang Ratchaburi, Ratchaburi 70000
Tel : 0 3231 0321-3
Fax : 0 3231 0324

Remark: Normal branch operates Mon - Fri from
8.30am - 3.30pm.

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
S.W.I.F.T : UOVBTBKK
Website : www.uob.co.th

Auditor

Mrs. Nonglak Pumnoi : Certified Public Accountant (Thailand) No.4172 and/or
Ms. Ratana Jala : Certified Public Accountant (Thailand) No.3734 and/or
Ms. Phuphun Charoensuk : Certified Public Accountant (Thailand) No.4950

Ernst & Young 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 0789-90
Website : www.ey.com

Credit Ratings

Moody's Investors Service	Rating	as at 13 April 2012
Long - Term Bank Deposits	Baa1	
Short - Term Bank Deposits	Prime-2	
Long - Term Outlook	Stable	
Short - Term Outlook	Stable	
Financial Strength	D	
Financial Strength Outlook	Stable	

Fitch Ratings	Rating	as at 11 March 2013
Long - Term Foreign Currency	A-	
Short - Term Foreign Currency	F2	
Long - Term Outlook	Stable	
Viability	bb+	
Support	1	
National Rating - Long-term	AAA(th)	
National Rating - Short-term	F1+(th)	
National Rating Outlook	Stable	

Standard & Poor's	Rating	as at 16 January 2013
Counterparty Credit - Long-term	BBB+	
Counterparty Credit - Short-term	A2	
Outlook	Stable	
ASEAN regional scale ratings - Long-term	axA+	
ASEAN regional scale ratings - Short-term	axA-1	