

**TMB Bank Public Company Limited  
and its Subsidiaries**

Interim financial statements  
for the three-month and six-month periods ended  
30 June 2015  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Board of Directors of TMB Bank Public Company Limited**

I have audited the accompanying interim consolidated and the Bank only statements of TMB Bank Public Company Limited and its Subsidiaries (the "Group"), and of TMB Bank Public Company Limited (the "Bank"), respectively, which comprise the consolidated and the Bank only statements of financial position as at 30 June 2015, the interim consolidated and the Bank only statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 interim consolidated and the Bank only financial statements present fairly, in all material respects, the financial position of the Group and the Bank only, respectively, as at 30 June 2015 and their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

### *Review Report*

I have also reviewed the accompanying interim consolidated and the Bank only statements of comprehensive income for the three-month period ended 30 June 2015 of the Group and the Bank, respectively. Management is responsible for the preparation and presentation of these interim consolidated and the Bank only statements of comprehensive income in accordance with Thai Financial Reporting Standards. My responsibility is to express a conclusion on these interim consolidated and the Bank only statements of comprehensive income based on my review.

### *Scope of Review*

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and the Bank only statements of comprehensive income for the three-month period ended 30 June 2015 are not prepared, in all material respects, in accordance with Thai Financial Reporting Standards.

### *Other Matter*

The accompanying consolidated and the Bank only financial statements of TMB Bank Public Company Limited and its subsidiaries, and of TMB Bank Public Company Limited, respectively as at 31 December 2014, the consolidated and Bank only statements of comprehensive income, changes in equity and cash flows for the six-month period ended 30 June 2014, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in her report dated 18 February 2015 and 21 August 2014, respectively. Furthermore, the consolidated and Bank only statements of comprehensive income of TMB Bank Public Company Limited and its subsidiaries, and of TMB Bank Public Company Limited, for the three-month period ended 30 June 2014, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in her report dated 21 August 2014.

(Chanchai Sakulkoedsin)  
Certified Public Accountant  
Registration No. 6827

KPMG Phoomchai Audit Ltd.  
Bangkok  
26 August 2015

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

|                                                               |          | Consolidated       |              | Bank only    |              |
|---------------------------------------------------------------|----------|--------------------|--------------|--------------|--------------|
|                                                               |          | 30 June            | 31 December  | 30 June      | 31 December  |
| Assets                                                        | Note     | 2015               | 2014         | 2015         | 2014         |
|                                                               |          | (in thousand Baht) |              |              |              |
| Cash                                                          |          | 12,164,272         | 16,427,953   | 12,163,649   | 16,427,874   |
| Interbank and money market items, net                         | 9, 36.2  | 106,587,133        | 113,096,814  | 105,780,277  | 112,426,118  |
| Claims on securities                                          |          | 9,161,400          | 22,689,700   | 9,161,400    | 22,689,700   |
| Derivative assets                                             | 10       | 12,229,886         | 10,875,999   | 12,229,886   | 10,875,999   |
| Investments, net                                              | 11, 36.2 | 104,449,655        | 110,859,350  | 101,793,698  | 108,785,569  |
| Investments in subsidiaries and associate, net                | 12       | 8                  | 8            | 3,229,428    | 3,229,428    |
| Loans to customers and accrued interest receivable, net       | 13, 36.2 |                    |              |              |              |
| Loans to customers                                            |          | 550,703,693        | 530,446,525  | 550,663,847  | 530,403,628  |
| Accrued interest receivable                                   |          | 1,226,879          | 1,068,201    | 1,226,879    | 1,068,201    |
| Total loans to customers and accrued interest receivable      |          | 551,930,572        | 531,514,726  | 551,890,726  | 531,471,829  |
| Less deferred revenue                                         |          | (85,580)           | (86,162)     | (85,580)     | (86,162)     |
| Less allowance for doubtful accounts                          | 15, 36.2 | (29,029,480)       | (28,252,268) | (29,002,693) | (28,224,616) |
| Less revaluation allowance for debt restructuring             | 13.7     | (231,809)          | (109,818)    | (231,809)    | (109,818)    |
| Total loans to customers and accrued interest receivable, net |          | 522,583,703        | 503,066,478  | 522,570,644  | 503,051,233  |
| Customers' liabilities under acceptances                      |          | 11,106             | 15,095       | 11,106       | 15,095       |
| Properties for sale, net                                      | 16       | 1,151,784          | 1,860,150    | 1,108,888    | 1,817,253    |
| Premises and equipment, net                                   | 17       | 10,442,267         | 10,672,208   | 10,417,926   | 10,645,551   |
| Goodwill and other intangible assets, net                     | 18       | 1,091,554          | 1,002,878    | 1,026,621    | 937,812      |
| Deferred tax assets                                           | 19       | 2,032,315          | 2,065,370    | 2,007,387    | 2,057,586    |
| Other receivables, net                                        | 20, 36.2 | 22,390,099         | 12,973,198   | 22,124,923   | 12,188,199   |
| Other assets, net                                             | 21, 36.2 | 4,005,537          | 3,577,057    | 3,985,933    | 3,432,069    |
| Total assets                                                  |          | 808,300,719        | 809,182,258  | 807,611,766  | 808,579,486  |

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

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

|                                                                                                                             |          | Consolidated       |                    | Bank only          |                    |
|-----------------------------------------------------------------------------------------------------------------------------|----------|--------------------|--------------------|--------------------|--------------------|
|                                                                                                                             |          | 30 June            | 31 December        | 30 June            | 31 December        |
| Liabilities and equity                                                                                                      | Note     | 2015               | 2014               | 2015               | 2014               |
|                                                                                                                             |          | (in thousand Baht) |                    |                    |                    |
| <b>Liabilities</b>                                                                                                          |          |                    |                    |                    |                    |
| Deposits                                                                                                                    | 22, 36.2 | 593,188,130        | 571,625,314        | 593,244,337        | 571,720,372        |
| Interbank and money market items                                                                                            | 23, 36.2 | 54,052,274         | 72,716,662         | 54,052,274         | 72,716,662         |
| Liabilities payable on demand                                                                                               |          | 3,319,778          | 3,145,176          | 3,319,778          | 3,145,176          |
| Liabilities to deliver security                                                                                             |          | 9,161,400          | 22,689,700         | 9,161,400          | 22,689,700         |
| Financial liabilities designated at fair value through<br>profit or loss                                                    | 24       | 239,426            | 183,337            | 239,426            | 183,337            |
| Derivative liabilities                                                                                                      | 10       | 12,106,125         | 10,171,992         | 12,106,125         | 10,171,992         |
| Debt issued and borrowings, net                                                                                             | 25, 36.2 | 30,352,756         | 36,249,255         | 30,352,756         | 36,249,255         |
| Bank's liabilities under acceptances                                                                                        |          | 11,106             | 15,095             | 11,106             | 15,095             |
| Provisions for obligations on transfers of non-performing assets                                                            | 8, 36.2  | 5,998,333          | 5,998,333          | 5,998,333          | 5,998,333          |
| Provisions for employee benefits                                                                                            | 26       | 1,423,103          | 1,534,712          | 1,404,136          | 1,513,303          |
| Provisions for other liabilities                                                                                            | 27       | 529,452            | 534,751            | 529,422            | 529,490            |
| Other payables                                                                                                              | 28       | 19,576,424         | 5,636,688          | 19,572,699         | 5,629,503          |
| Other liabilities                                                                                                           | 29, 36.2 | 7,223,742          | 8,888,207          | 7,027,608          | 8,673,907          |
| <b>Total liabilities</b>                                                                                                    |          | <b>737,182,049</b> | <b>739,389,222</b> | <b>737,019,400</b> | <b>739,236,125</b> |
| <b>Equity</b>                                                                                                               |          |                    |                    |                    |                    |
| Share capital                                                                                                               |          |                    |                    |                    |                    |
| Authorised share capital                                                                                                    |          |                    |                    |                    |                    |
| 44,108,738,479 ordinary shares of Baht 0.95 each                                                                            |          | 41,903,302         | 41,903,302         | 41,903,302         | 41,903,302         |
| Issued and paid-up share capital                                                                                            |          |                    |                    |                    |                    |
| 43,749,499,615 ordinary shares of Baht 0.95 each<br>(31 December 2014: 43,678,764,288 ordinary shares<br>of Baht 0.95 each) | 30       | 41,562,025         | 41,494,826         | 41,562,025         | 41,494,826         |
| Premium on share capital                                                                                                    | 30       | 236,181            | 157,690            | 236,181            | 157,690            |
| Other reserves                                                                                                              |          | 3,978,007          | 4,164,566          | 3,973,479          | 4,116,641          |
| Retained earnings                                                                                                           |          |                    |                    |                    |                    |
| Appropriated                                                                                                                |          |                    |                    |                    |                    |
| Legal reserve                                                                                                               | 32, 33   | 1,250,000          | 1,250,000          | 1,250,000          | 1,250,000          |
| Unappropriated                                                                                                              |          | 23,994,402         | 22,637,090         | 23,570,681         | 22,324,204         |
| <b>Equity attributable to equity holders of the Bank</b>                                                                    |          | <b>71,020,615</b>  | <b>69,704,172</b>  | <b>70,592,366</b>  | <b>69,343,361</b>  |
| Non-controlling interest                                                                                                    |          | 98,055             | 88,864             | -                  | -                  |
| <b>Total equity</b>                                                                                                         |          | <b>71,118,670</b>  | <b>69,793,036</b>  | <b>70,592,366</b>  | <b>69,343,361</b>  |
| <b>Total liabilities and equity</b>                                                                                         |          | <b>808,300,719</b> | <b>809,182,258</b> | <b>807,611,766</b> | <b>808,579,486</b> |

Mr. Boontuck Wungcharoen  
Chief Executive Officer

Mr. Rungson Sriworasat  
Chairman of the Board

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of comprehensive income (Unaudited)**

|                                                                                              | <i>Note</i> | <b>Consolidated</b>                 |                  | <b>Bank only</b>                    |                  |
|----------------------------------------------------------------------------------------------|-------------|-------------------------------------|------------------|-------------------------------------|------------------|
|                                                                                              |             | Three-month period ended<br>30 June |                  | Three-month period ended<br>30 June |                  |
|                                                                                              |             | 2015                                | 2014             | 2015                                | 2014             |
|                                                                                              |             | <i>(in thousand Baht)</i>           |                  |                                     |                  |
| Interest income                                                                              | 36.1, 39    | 9,033,927                           | 8,935,481        | 9,026,572                           | 8,883,356        |
| Interest expenses                                                                            | 36.1, 40    | 3,315,982                           | 3,711,668        | 3,316,073                           | 3,711,751        |
| <b>Net interest income</b>                                                                   |             | <b>5,717,945</b>                    | <b>5,223,813</b> | <b>5,710,499</b>                    | <b>5,171,605</b> |
| Fees and service income                                                                      | 36.1, 41    | 2,497,405                           | 1,884,392        | 2,382,468                           | 1,756,032        |
| Fees and service expenses                                                                    | 36.1, 41    | 484,669                             | 538,374          | 453,271                             | 516,023          |
| <b>Net fees and service income</b>                                                           |             | <b>2,012,736</b>                    | <b>1,346,018</b> | <b>1,929,197</b>                    | <b>1,240,009</b> |
| Gains on trading and foreign exchange transactions, net                                      | 42          | 419,102                             | 459,647          | 419,102                             | 459,647          |
| Gain (loss) on financial liabilities designated<br>at fair value through profit or loss, net | 43          | 734                                 | (13,117)         | 734                                 | (13,117)         |
| Gains on investments, net                                                                    | 44          | 105,975                             | 130,888          | 23,552                              | 130,888          |
| Other operating income                                                                       | 36.1        | 144,162                             | 110,847          | 136,720                             | 103,570          |
| <b>Total operating income</b>                                                                |             | <b>8,400,654</b>                    | <b>7,258,096</b> | <b>8,219,804</b>                    | <b>7,092,602</b> |
| <b>Other operating expenses</b>                                                              |             |                                     |                  |                                     |                  |
| Employee expenses                                                                            | 36.3        | 1,989,249                           | 1,883,166        | 1,936,830                           | 1,830,234        |
| Directors' remuneration                                                                      | 36.3        | 20,549                              | 15,468           | 20,459                              | 15,378           |
| Premises and equipment expenses                                                              |             | 765,279                             | 752,731          | 751,537                             | 738,932          |
| Taxes and duties                                                                             |             | 344,080                             | 296,644          | 343,977                             | 295,838          |
| Others                                                                                       | 36.1, 45    | 1,045,320                           | 779,121          | 1,030,546                           | 754,212          |
| <b>Total other operating expenses</b>                                                        |             | <b>4,164,477</b>                    | <b>3,727,130</b> | <b>4,083,349</b>                    | <b>3,634,594</b> |
| Impairment loss on loans and debt securities                                                 | 36.1, 46    | 1,348,490                           | 309,033          | 1,354,360                           | 326,510          |
| <b>Profit from operations before income tax expense</b>                                      |             | <b>2,887,687</b>                    | <b>3,221,933</b> | <b>2,782,095</b>                    | <b>3,131,498</b> |
| Income tax expense                                                                           | 19          | 623,564                             | 643,140          | 602,836                             | 626,030          |
| <b>Profit for the period</b>                                                                 |             | <b>2,264,123</b>                    | <b>2,578,793</b> | <b>2,179,259</b>                    | <b>2,505,468</b> |
| <b>Other comprehensive income</b>                                                            |             |                                     |                  |                                     |                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                    |             |                                     |                  |                                     |                  |
| Change in revaluation surplus on assets                                                      |             | (2,173)                             | (11,128)         | (2,173)                             | (11,128)         |
| Actuarial gains on post-employment benefit plan                                              |             | 95,162                              | -                | 95,253                              | -                |
| Income tax relating to items that will not be reclassified<br>subsequently to profit or loss | 19          | (18,598)                            | 2,225            | (18,616)                            | 2,225            |
|                                                                                              |             | <b>74,391</b>                       | <b>(8,903)</b>   | <b>74,464</b>                       | <b>(8,903)</b>   |
| <b>Items that will be reclassified subsequently to profit or loss</b>                        |             |                                     |                  |                                     |                  |
| Gains (losses) on remeasuring available-for-sale investments                                 |             | (71,094)                            | 5,142            | (4,607)                             | (4,554)          |
| Gains arising from translating the financial statements of<br>foreign operations             |             | 20,358                              | 10,071           | 20,358                              | 10,071           |
| Income tax relating to items that will be reclassified<br>subsequently to profit or loss     | 19          | 10,147                              | (3,042)          | (3,150)                             | (1,103)          |
|                                                                                              |             | <b>(40,589)</b>                     | <b>12,171</b>    | <b>12,601</b>                       | <b>4,414</b>     |
| <b>Total other comprehensive income for the period,<br/>net of income tax</b>                |             | <b>33,802</b>                       | <b>3,268</b>     | <b>87,065</b>                       | <b>(4,489)</b>   |
| <b>Total comprehensive income for the period</b>                                             |             | <b>2,297,925</b>                    | <b>2,582,061</b> | <b>2,266,324</b>                    | <b>2,500,979</b> |

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of comprehensive income (Unaudited)**

|                                                    | <b>Consolidated</b>                 |                  | <b>Bank only</b>                    |                  |
|----------------------------------------------------|-------------------------------------|------------------|-------------------------------------|------------------|
|                                                    | Three-month period ended<br>30 June |                  | Three-month period ended<br>30 June |                  |
| <i>Note</i>                                        | 2015                                | 2014             | 2015                                | 2014             |
|                                                    | <i>(in thousand Baht)</i>           |                  |                                     |                  |
| <b>Profit attributable to:</b>                     |                                     |                  |                                     |                  |
| Equity holders of the Bank                         | 2,259,527                           | 2,575,307        | 2,179,259                           | 2,505,468        |
| Non-controlling interest                           | 4,596                               | 3,486            | -                                   | -                |
| <b>Profit for the period</b>                       | <b>2,264,123</b>                    | <b>2,578,793</b> | <b>2,179,259</b>                    | <b>2,505,468</b> |
| <b>Total comprehensive income attributable to:</b> |                                     |                  |                                     |                  |
| Equity holders of the Bank                         | 2,293,338                           | 2,578,575        | 2,266,324                           | 2,500,979        |
| Non-controlling interest                           | 4,587                               | 3,486            | -                                   | -                |
| <b>Total comprehensive income for the period</b>   | <b>2,297,925</b>                    | <b>2,582,061</b> | <b>2,266,324</b>                    | <b>2,500,979</b> |
| <b>Earnings per share</b>                          |                                     |                  |                                     |                  |
| Basic earnings per share <i>(in Baht)</i>          | <b>0.0517</b>                       | <b>0.0590</b>    | <b>0.0498</b>                       | <b>0.0574</b>    |
| Diluted earnings per share <i>(in Baht)</i>        | <b>0.0515</b>                       | <b>0.0587</b>    | <b>0.0497</b>                       | <b>0.0572</b>    |

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Mr. Boontuck Wungcharoen  
Chief Executive Officer

Mr. Rungson Sriworasat  
Chairman of the Board

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

**TMB Bank Public Company Limited and its subsidiaries**
**Statements of comprehensive income**

|                                                                                              | <i>Note</i> | <b>Consolidated</b>       |                   | <b>Bank only</b>       |                   |
|----------------------------------------------------------------------------------------------|-------------|---------------------------|-------------------|------------------------|-------------------|
|                                                                                              |             | Six-month period ended    |                   | Six-month period ended |                   |
|                                                                                              |             | 30 June                   |                   | 30 June                |                   |
|                                                                                              |             | 2015                      | 2014              | 2015                   | 2014              |
|                                                                                              |             | <i>(in thousand Baht)</i> |                   |                        |                   |
| Interest income                                                                              | 36.1, 39    | 17,968,607                | 17,669,130        | 17,952,241             | 17,580,577        |
| Interest expenses                                                                            | 36.1, 40    | 6,547,080                 | 7,408,622         | 6,547,154              | 7,408,687         |
| <b>Net interest income</b>                                                                   |             | <b>11,421,527</b>         | <b>10,260,508</b> | <b>11,405,087</b>      | <b>10,171,890</b> |
| Fees and service income                                                                      | 36.1, 41    | 4,658,130                 | 3,571,116         | 4,400,791              | 3,316,954         |
| Fees and service expenses                                                                    | 36.1, 41    | 957,699                   | 1,089,591         | 899,084                | 1,046,391         |
| <b>Net fees and service income</b>                                                           |             | <b>3,700,431</b>          | <b>2,481,525</b>  | <b>3,501,707</b>       | <b>2,270,563</b>  |
| Gains on trading and foreign exchange transactions, net                                      | 42          | 829,280                   | 992,637           | 829,280                | 992,637           |
| Loss on financial liabilities designated<br>at fair value through profit or loss, net        | 43          | (6,089)                   | (22,276)          | (6,089)                | (22,276)          |
| Gains on investments, net                                                                    | 44          | 176,610                   | 167,029           | 94,187                 | 167,029           |
| Other operating income                                                                       | 36.1        | 242,910                   | 206,912           | 231,392                | 182,735           |
| <b>Total operating income</b>                                                                |             | <b>16,364,669</b>         | <b>14,086,335</b> | <b>16,055,564</b>      | <b>13,762,578</b> |
| <b>Other operating expenses</b>                                                              |             |                           |                   |                        |                   |
| Employee expenses                                                                            | 36.3        | 3,817,921                 | 3,806,895         | 3,712,121              | 3,699,873         |
| Directors' remuneration                                                                      | 36.3        | 27,505                    | 23,195            | 27,325                 | 23,015            |
| Premises and equipment expenses                                                              |             | 1,522,580                 | 1,460,469         | 1,495,592              | 1,433,785         |
| Taxes and duties                                                                             |             | 644,365                   | 590,156           | 643,873                | 588,602           |
| Others                                                                                       | 36.1, 45    | 1,710,498                 | 1,609,373         | 1,663,968              | 1,566,079         |
| <b>Total other operating expenses</b>                                                        |             | <b>7,722,869</b>          | <b>7,490,088</b>  | <b>7,542,879</b>       | <b>7,311,354</b>  |
| Impairment loss on loans and debt securities                                                 | 36.1, 46    | 3,735,577                 | 1,469,732         | 3,756,236              | 1,528,218         |
| <b>Profit from operations before income tax expense</b>                                      |             | <b>4,906,223</b>          | <b>5,126,515</b>  | <b>4,756,449</b>       | <b>4,923,006</b>  |
| Income tax expense                                                                           | 19          | 999,839                   | 942,130           | 970,164                | 901,183           |
| <b>Profit for the period</b>                                                                 |             | <b>3,906,384</b>          | <b>4,184,385</b>  | <b>3,786,285</b>       | <b>4,021,823</b>  |
| <b>Other comprehensive income</b>                                                            |             |                           |                   |                        |                   |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                    |             |                           |                   |                        |                   |
| Change in revaluation surplus on assets                                                      |             | (5,322)                   | (12,587)          | (5,322)                | (12,587)          |
| Actuarial gains on post-employment benefit plan                                              |             | 95,162                    | -                 | 95,253                 | -                 |
| Income tax relating to items that will not be reclassified<br>subsequently to profit or loss | 19          | (17,968)                  | 2,517             | (17,986)               | 2,517             |
|                                                                                              |             | <b>71,872</b>             | <b>(10,070)</b>   | <b>71,945</b>          | <b>(10,070)</b>   |
| <i>Items that will be reclassified subsequently to profit or loss</i>                        |             |                           |                   |                        |                   |
| Gains (losses) on remeasuring available-for-sale investments                                 |             | (37,984)                  | 4,995             | 16,262                 | (15,123)          |
| Gains arising from translating the financial statements of<br>foreign operations             |             | 10,179                    | -                 | 10,179                 | -                 |
| Income tax relating to items that will be reclassified<br>subsequently to profit or loss     | 19          | 5,561                     | (999)             | (5,288)                | 3,025             |
|                                                                                              |             | <b>(22,244)</b>           | <b>3,996</b>      | <b>21,153</b>          | <b>(12,098)</b>   |
| <b>Total other comprehensive income for the period,<br/>net of income tax</b>                |             | <b>49,628</b>             | <b>(6,074)</b>    | <b>93,098</b>          | <b>(22,168)</b>   |
| <b>Total comprehensive income for the period</b>                                             |             | <b>3,956,012</b>          | <b>4,178,311</b>  | <b>3,879,383</b>       | <b>3,999,655</b>  |

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

**TMB Bank Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**

|                                                    | <b>Consolidated</b>       |                  | <b>Bank only</b>       |                  |
|----------------------------------------------------|---------------------------|------------------|------------------------|------------------|
|                                                    | Six-month period ended    |                  | Six-month period ended |                  |
|                                                    | 30 June                   |                  | 30 June                |                  |
| <i>Note</i>                                        | 2015                      | 2014             | 2015                   | 2014             |
|                                                    | <i>(in thousand Baht)</i> |                  |                        |                  |
| <b>Profit attributable to:</b>                     |                           |                  |                        |                  |
| Equity holders of the Bank                         | 3,897,184                 | 4,177,212        | 3,786,285              | 4,021,823        |
| Non-controlling interest                           | 9,200                     | 7,173            | -                      | -                |
| <b>Profit for the period</b>                       | <b>3,906,384</b>          | <b>4,184,385</b> | <b>3,786,285</b>       | <b>4,021,823</b> |
| <b>Total comprehensive income attributable to:</b> |                           |                  |                        |                  |
| Equity holders of the Bank                         | 3,946,821                 | 4,171,138        | 3,879,383              | 3,999,655        |
| Non-controlling interest                           | 9,191                     | 7,173            | -                      | -                |
| <b>Total comprehensive income for the period</b>   | <b>3,956,012</b>          | <b>4,178,311</b> | <b>3,879,383</b>       | <b>3,999,655</b> |
| <b>Earnings per share</b>                          |                           |                  |                        |                  |
| Basic earnings per share <i>(in Baht)</i>          | <b>0.0892</b>             | <b>0.0957</b>    | <b>0.0866</b>          | <b>0.0922</b>    |
| Diluted earnings per share <i>(in Baht)</i>        | <b>0.0889</b>             | <b>0.0954</b>    | <b>0.0864</b>          | <b>0.0918</b>    |

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Mr. Boontuck Wungcharoen  
Chief Executive Officer

Mr. Rungson Sriworasat  
Chairman of the Board

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

**TMB Bank Public Company Limited and its subsidiaries**
**Statements of changes in equity**

| Note                                                                 | Consolidated                     |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
|----------------------------------------------------------------------|----------------------------------|--------------------------|---------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------|------------------|--------------------|---------------------------------------------------|--------------------------|--------------------|
|                                                                      | Other reserves                   |                          |                                                   |                                                 |                                                                           |                                                                                                     | Retained earnings   |                  |                    |                                                   |                          |                    |
|                                                                      | Issued and paid-up share capital | Premium on share capital | Other reserve - share-based payments<br>(Note 30) | Revaluation surplus on assets, net<br>(Note 31) | Revaluation surplus on available-for-sale investments, net<br>(Note 11.4) | Translation adjustment arising from translating the financial statements of foreign operations, net | Total other reserve | Legal reserve    | Unappropriated     | Equity attributable to equity holders of the Bank | Non-controlling interest | Total equity       |
| (in thousand Baht)                                                   |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| <b>Six-month period ended 30 June 2014</b>                           |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| <b>Balance at 1 January 2014</b>                                     | <b>41,426,006</b>                | <b>81,196</b>            | <b>256,596</b>                                    | <b>3,918,131</b>                                | <b>57,781</b>                                                             | <b>43,563</b>                                                                                       | <b>4,276,071</b>    | <b>770,000</b>   | <b>15,203,983</b>  | <b>61,757,256</b>                                 | <b>76,131</b>            | <b>61,833,387</b>  |
| Comprehensive income for the period                                  |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| Profit for the period                                                | -                                | -                        | -                                                 | -                                               | -                                                                         | -                                                                                                   | -                   | -                | 4,177,212          | 4,177,212                                         | 7,173                    | 4,184,385          |
| Other comprehensive income                                           | -                                | -                        | -                                                 | (10,070)                                        | 3,996                                                                     | -                                                                                                   | (6,074)             | -                | -                  | (6,074)                                           | -                        | (6,074)            |
| <b>Total comprehensive income for the period</b>                     | <b>-</b>                         | <b>-</b>                 | <b>-</b>                                          | <b>(10,070)</b>                                 | <b>3,996</b>                                                              | <b>-</b>                                                                                            | <b>(6,074)</b>      | <b>-</b>         | <b>4,177,212</b>   | <b>4,171,138</b>                                  | <b>7,173</b>             | <b>4,178,311</b>   |
| <b>Contributions by and distribution to owners of the bank</b>       |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| Expenses in relation to share-based payments                         | -                                | -                        | 80,532                                            | -                                               | -                                                                         | -                                                                                                   | 80,532              | -                | -                  | 80,532                                            | -                        | 80,532             |
| Issued ordinary shares to employees                                  | 68,820                           | 77,070                   | (145,890)                                         | -                                               | -                                                                         | -                                                                                                   | (145,890)           | -                | -                  | -                                                 | -                        | -                  |
| Expenses in relation to issuance of ordinary shares to employees     | -                                | (576)                    | -                                                 | -                                               | -                                                                         | -                                                                                                   | -                   | -                | -                  | (576)                                             | -                        | (576)              |
| Dividend paid                                                        | 33                               | -                        | -                                                 | -                                               | -                                                                         | -                                                                                                   | -                   | -                | (1,747,101)        | (1,747,101)                                       | -                        | (1,747,101)        |
| <b>Total contributions by and distribution to owners of the bank</b> | <b>68,820</b>                    | <b>76,494</b>            | <b>(65,358)</b>                                   | <b>-</b>                                        | <b>-</b>                                                                  | <b>-</b>                                                                                            | <b>(65,358)</b>     | <b>-</b>         | <b>(1,747,101)</b> | <b>(1,667,145)</b>                                | <b>-</b>                 | <b>(1,667,145)</b> |
| Transfer to retained earnings                                        | -                                | -                        | -                                                 | (39,014)                                        | -                                                                         | -                                                                                                   | (39,014)            | -                | 39,014             | -                                                 | -                        | -                  |
| <b>Balance at 30 June 2014</b>                                       | <b>41,494,826</b>                | <b>157,690</b>           | <b>191,238</b>                                    | <b>3,869,047</b>                                | <b>61,777</b>                                                             | <b>43,563</b>                                                                                       | <b>4,165,625</b>    | <b>770,000</b>   | <b>17,673,108</b>  | <b>64,261,249</b>                                 | <b>83,304</b>            | <b>64,344,553</b>  |
| <b>Six-month period ended 30 June 2015</b>                           |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| <b>Balance at 31 December 2014 - as reported</b>                     | <b>41,494,826</b>                | <b>157,690</b>           | <b>265,836</b>                                    | <b>3,748,394</b>                                | <b>106,773</b>                                                            | <b>43,563</b>                                                                                       | <b>4,164,566</b>    | <b>1,250,000</b> | <b>22,637,090</b>  | <b>69,704,172</b>                                 | <b>88,864</b>            | <b>69,793,036</b>  |
| Impact of changes in accounting policy                               | 3                                | -                        | -                                                 | -                                               | -                                                                         | -                                                                                                   | -                   | -                | (50,925)           | (50,925)                                          | -                        | (50,925)           |
| <b>Balance at 1 January 2015</b>                                     | <b>41,494,826</b>                | <b>157,690</b>           | <b>265,836</b>                                    | <b>3,748,394</b>                                | <b>106,773</b>                                                            | <b>43,563</b>                                                                                       | <b>4,164,566</b>    | <b>1,250,000</b> | <b>22,586,165</b>  | <b>69,653,247</b>                                 | <b>88,864</b>            | <b>69,742,111</b>  |
| Comprehensive income for the period                                  |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| Profit for the period                                                | -                                | -                        | -                                                 | -                                               | -                                                                         | -                                                                                                   | -                   | -                | 3,897,184          | 3,897,184                                         | 9,200                    | 3,906,384          |
| Other comprehensive income                                           | -                                | -                        | -                                                 | (4,257)                                         | (30,387)                                                                  | 8,143                                                                                               | (26,501)            | -                | 76,138             | 49,637                                            | (9)                      | 49,628             |
| <b>Total comprehensive income for the period</b>                     | <b>-</b>                         | <b>-</b>                 | <b>-</b>                                          | <b>(4,257)</b>                                  | <b>(30,387)</b>                                                           | <b>8,143</b>                                                                                        | <b>(26,501)</b>     | <b>-</b>         | <b>3,973,322</b>   | <b>3,946,821</b>                                  | <b>9,191</b>             | <b>3,956,012</b>   |
| <b>Contributions by and distribution to owners of the bank</b>       |                                  |                          |                                                   |                                                 |                                                                           |                                                                                                     |                     |                  |                    |                                                   |                          |                    |
| Expenses in relation to share-based payments                         | 30.3                             | -                        | -                                                 | 45,993                                          | -                                                                         | -                                                                                                   | 45,993              | -                | -                  | 45,993                                            | -                        | 45,993             |
| Issued ordinary shares to employees                                  | 30.3                             | 67,199                   | 79,053                                            | (146,252)                                       | -                                                                         | -                                                                                                   | (146,252)           | -                | -                  | -                                                 | -                        | -                  |
| Expenses in relation to issuance of ordinary shares to employees     | 30.3                             | -                        | (562)                                             | -                                               | -                                                                         | -                                                                                                   | -                   | -                | -                  | (562)                                             | -                        | (562)              |
| Dividend paid                                                        | 33                               | -                        | -                                                 | -                                               | -                                                                         | -                                                                                                   | -                   | -                | (2,624,884)        | (2,624,884)                                       | -                        | (2,624,884)        |
| <b>Total contributions by and distribution to owners of the bank</b> | <b>67,199</b>                    | <b>78,491</b>            | <b>(100,259)</b>                                  | <b>-</b>                                        | <b>-</b>                                                                  | <b>-</b>                                                                                            | <b>(100,259)</b>    | <b>-</b>         | <b>(2,624,884)</b> | <b>(2,579,453)</b>                                | <b>-</b>                 | <b>(2,579,453)</b> |
| Transfer to retained earnings                                        | -                                | -                        | -                                                 | (59,799)                                        | -                                                                         | -                                                                                                   | (59,799)            | -                | 59,799             | -                                                 | -                        | -                  |
| <b>Balance at 30 June 2015</b>                                       | <b>41,562,025</b>                | <b>236,181</b>           | <b>165,577</b>                                    | <b>3,684,338</b>                                | <b>76,386</b>                                                             | <b>51,706</b>                                                                                       | <b>3,978,007</b>    | <b>1,250,000</b> | <b>23,994,402</b>  | <b>71,020,615</b>                                 | <b>98,055</b>            | <b>71,118,670</b>  |

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

**TMB Bank Public Company Limited and its subsidiaries**
**Statements of changes in equity**

|                                                                     |                                        | Bank only                   |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
|---------------------------------------------------------------------|----------------------------------------|-----------------------------|---------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------|-------------------|----------------|--------------|
|                                                                     |                                        | Other reserves              |                                                         |                                                       |                                                                                    |                                                                                                                       |                        | Retained earnings |                |              |
|                                                                     |                                        |                             |                                                         |                                                       |                                                                                    | Translation<br>adjustment arising<br>from translating<br>the financial<br>statements<br>of foreign<br>operations, net |                        |                   |                |              |
| Note                                                                | Issued and<br>paid-up<br>share capital | Premium on<br>share capital | Other reserve -<br>share-based<br>payments<br>(Note 30) | Revaluation<br>surplus on<br>assets, net<br>(Note 31) | Revaluation<br>surplus on<br>available-for-sale<br>investments, net<br>(Note 11.4) |                                                                                                                       | Total other<br>reserve | Legal reserve     | Unappropriated | Total equity |
| (in thousand Baht)                                                  |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Six-month period ended 30 June 2014                                 |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Balance at 1 January 2014                                           | 41,426,006                             | 81,196                      | 256,596                                                 | 3,918,131                                             | 42,543                                                                             | 43,563                                                                                                                | 4,260,833              | 770,000           | 14,986,829     | 61,524,864   |
| Comprehensive income for the period                                 |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Profit for the period                                               | -                                      | -                           | -                                                       | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | 4,021,823      | 4,021,823    |
| Other comprehensive income                                          | -                                      | -                           | -                                                       | (10,070)                                              | (12,098)                                                                           | -                                                                                                                     | (22,168)               | -                 | -              | (22,168)     |
| Total comprehensive income for the period                           | -                                      | -                           | -                                                       | (10,070)                                              | (12,098)                                                                           | -                                                                                                                     | (22,168)               | -                 | 4,021,823      | 3,999,655    |
| Contributions by and distribution to owners<br>of the bank          |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Expenses in relation to share-based payments                        | -                                      | -                           | 80,532                                                  | -                                                     | -                                                                                  | -                                                                                                                     | 80,532                 | -                 | -              | 80,532       |
| Issued ordinary shares to employees                                 | 68,820                                 | 77,070                      | (145,890)                                               | -                                                     | -                                                                                  | -                                                                                                                     | (145,890)              | -                 | -              | -            |
| Expenses in relation to issuance of ordinary shares<br>to employees | -                                      | (576)                       | -                                                       | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | -              | (576)        |
| Dividend paid                                                       | 33                                     | -                           | -                                                       | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | (1,747,101)    | (1,747,101)  |
| Total contributions by and distribution to<br>owners of the bank    |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
|                                                                     | 68,820                                 | 76,494                      | (65,358)                                                | -                                                     | -                                                                                  | -                                                                                                                     | (65,358)               | -                 | (1,747,101)    | (1,667,145)  |
| Transfer to retained earnings                                       | -                                      | -                           | -                                                       | (39,014)                                              | -                                                                                  | -                                                                                                                     | (39,014)               | -                 | 39,014         | -            |
| Balance at 30 June 2014                                             | 41,494,826                             | 157,690                     | 191,238                                                 | 3,869,047                                             | 30,445                                                                             | 43,563                                                                                                                | 4,134,293              | 770,000           | 17,300,565     | 63,857,374   |
| Six-month period ended 30 June 2015                                 |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Balance at 31 December 2014 - as reported                           | 41,494,826                             | 157,690                     | 265,836                                                 | 3,748,394                                             | 58,848                                                                             | 43,563                                                                                                                | 4,116,641              | 1,250,000         | 22,324,204     | 69,343,361   |
| Impact of changes in accounting policy                              | 3                                      | -                           | -                                                       | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | (50,925)       | (50,925)     |
| Balance at 1 January 2015                                           | 41,494,826                             | 157,690                     | 265,836                                                 | 3,748,394                                             | 58,848                                                                             | 43,563                                                                                                                | 4,116,641              | 1,250,000         | 22,273,279     | 69,292,436   |
| Comprehensive income for the period                                 |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Profit for the period                                               | -                                      | -                           | -                                                       | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | 3,786,285      | 3,786,285    |
| Other comprehensive income                                          | -                                      | -                           | -                                                       | (4,257)                                               | 13,010                                                                             | 8,143                                                                                                                 | 16,896                 | -                 | 76,202         | 93,098       |
| Total comprehensive income for the period                           | -                                      | -                           | -                                                       | (4,257)                                               | 13,010                                                                             | 8,143                                                                                                                 | 16,896                 | -                 | 3,862,487      | 3,879,383    |
| Contributions by and distribution to owners<br>of the bank          |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
| Expenses in relation to share-based payments                        | 30.3                                   | -                           | 45,993                                                  | -                                                     | -                                                                                  | -                                                                                                                     | 45,993                 | -                 | -              | 45,993       |
| Issued ordinary shares to employees                                 | 30.3                                   | 67,199                      | (146,252)                                               | -                                                     | -                                                                                  | -                                                                                                                     | (146,252)              | -                 | -              | -            |
| Expenses in relation to issuance of ordinary shares<br>to employees | 30.3                                   | -                           | (562)                                                   | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | -              | (562)        |
| Dividend paid                                                       | 33                                     | -                           | -                                                       | -                                                     | -                                                                                  | -                                                                                                                     | -                      | -                 | (2,624,884)    | (2,624,884)  |
| Total contributions by and distribution to<br>owners of the bank    |                                        |                             |                                                         |                                                       |                                                                                    |                                                                                                                       |                        |                   |                |              |
|                                                                     | 67,199                                 | 78,491                      | (100,259)                                               | -                                                     | -                                                                                  | -                                                                                                                     | (100,259)              | -                 | (2,624,884)    | (2,579,453)  |
| Transfer to retained earnings                                       | -                                      | -                           | -                                                       | (59,799)                                              | -                                                                                  | -                                                                                                                     | (59,799)               | -                 | 59,799         | -            |
| Balance at 30 June 2015                                             | 41,562,025                             | 236,181                     | 165,577                                                 | 3,684,338                                             | 71,858                                                                             | 51,706                                                                                                                | 3,973,479              | 1,250,000         | 23,570,681     | 70,592,366   |

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

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

|                                                                                                                                                | <b>Consolidated</b>       |                   | <b>Bank only</b>       |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------|------------------------|-------------------|
|                                                                                                                                                | Six-month period ended    |                   | Six-month period ended |                   |
|                                                                                                                                                | 30 June                   |                   | 30 June                |                   |
|                                                                                                                                                | 2015                      | 2014              | 2015                   | 2014              |
|                                                                                                                                                | <i>(in thousand Baht)</i> |                   |                        |                   |
| <b><i>Cash flows from operating activities</i></b>                                                                                             |                           |                   |                        |                   |
| Profit from operations before income tax expense                                                                                               | 4,906,223                 | 5,126,515         | 4,756,449              | 4,923,006         |
| <b><i>Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities</i></b> |                           |                   |                        |                   |
| Depreciation and amortisation                                                                                                                  | 579,456                   | 604,511           | 572,525                | 598,639           |
| Impairment loss on loans and debt securities                                                                                                   | 3,735,577                 | 1,469,732         | 3,756,236              | 1,528,218         |
| Impairment loss on premises and equipment                                                                                                      | 6,853                     | 3,830             | 6,853                  | 3,830             |
| Impairment loss on properties for sale and other assets                                                                                        | 35,145                    | 80,705            | 35,116                 | 80,714            |
| Provisions for employee benefits and other liabilities                                                                                         | 53,722                    | 130,675           | 59,166                 | 132,025           |
| Impairment losses on investment (reversal of)                                                                                                  | 2,400                     | (2,623)           | 2,400                  | (2,623)           |
| Losses (gains) on revaluation of trading investments                                                                                           | (4,407)                   | 4,031             | (4,407)                | 4,031             |
| Loss on disposal of other assets                                                                                                               | 3,420                     | -                 | 3,420                  | -                 |
| Gains on disposal of premises and equipment                                                                                                    | (51,085)                  | (8,607)           | (51,085)               | (8,603)           |
| Gains on disposal of investments                                                                                                               | (179,010)                 | (164,406)         | (96,587)               | (164,406)         |
| Unrealised losses (gains) on remeasurement of financial liabilities designated at fair value through profit or loss                            | 6,089                     | (8,450)           | 6,089                  | (8,450)           |
| Unrealised losses (gains) on exchange on borrowings and derivatives                                                                            | 675,119                   | (481,947)         | 675,119                | (481,947)         |
| Expenses in relation to share-based payments                                                                                                   | 45,993                    | 80,532            | 45,993                 | 80,532            |
| Net interest income                                                                                                                            | (11,421,527)              | (10,260,508)      | (11,405,087)           | (10,171,890)      |
| Dividend income                                                                                                                                | (25,799)                  | (28,615)          | (25,799)               | (28,615)          |
| Interest received                                                                                                                              | 16,418,834                | 16,308,581        | 16,400,514             | 16,218,813        |
| Interest paid                                                                                                                                  | (5,772,054)               | (6,475,163)       | (5,772,190)            | (6,475,290)       |
| Income tax paid                                                                                                                                | (687,256)                 | (104,671)         | (585,254)              | (91,498)          |
| <b>Profit from operations before changes in operating assets and liabilities</b>                                                               | <b>8,327,693</b>          | <b>6,274,122</b>  | <b>8,379,471</b>       | <b>6,136,486</b>  |
| <b><i>Decrease (increase) operating assets</i></b>                                                                                             |                           |                   |                        |                   |
| Interbank and money market items                                                                                                               | 6,381,295                 | (14,193,711)      | 6,519,408              | (14,118,525)      |
| Trading investments                                                                                                                            | 8,097,550                 | (14,742,259)      | 8,097,550              | (14,742,259)      |
| Loans to customers                                                                                                                             | (23,037,793)              | (14,122,278)      | (23,060,639)           | (14,276,795)      |
| Properties for sale                                                                                                                            | 815,308                   | 204,790           | 815,308                | 204,790           |
| Other receivables                                                                                                                              | 768,741                   | 1,172,596         | 248,917                | 1,193,069         |
| Other accrued income                                                                                                                           | 99,316                    | (39,318)          | (24,519)               | (29,937)          |
| Other assets                                                                                                                                   | 359,194                   | (1,186,659)       | 359,966                | (1,183,800)       |
| <b><i>Increase (decrease) in operating liabilities</i></b>                                                                                     |                           |                   |                        |                   |
| Deposits                                                                                                                                       | 21,541,628                | 43,228,501        | 21,502,777             | 43,254,294        |
| Interbank and money market items                                                                                                               | (18,664,388)              | 9,487,156         | (18,664,388)           | 9,487,156         |
| Liabilities payable on demand                                                                                                                  | 174,602                   | (190,328)         | 174,602                | (190,328)         |
| Financial liabilities designated at fair value through profit or loss                                                                          | 50,000                    | (250,000)         | 50,000                 | (250,000)         |
| Short-term debt issued and borrowings                                                                                                          | (63,239)                  | (1,666,711)       | (63,239)               | (1,666,711)       |
| Provision for employee benefits                                                                                                                | (72,475)                  | (56,505)          | (70,154)               | (54,356)          |
| Provisions for other liabilities                                                                                                               | (6,642)                   | (53,032)          | (6,642)                | (47,895)          |
| Account payables                                                                                                                               | (376,349)                 | (1,283,732)       | (372,889)              | (1,274,848)       |
| Other accrued expenses                                                                                                                         | (689,370)                 | (844,813)         | (701,762)              | (872,183)         |
| Other liabilities                                                                                                                              | (2,220,271)               | (626,592)         | (2,249,324)            | (599,425)         |
| <b>Net cash provided by operating activities</b>                                                                                               | <b>1,484,800</b>          | <b>11,111,227</b> | <b>934,443</b>         | <b>10,968,733</b> |

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

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

|                                                                                                                     | <b>Consolidated</b>       |                    | <b>Bank only</b>       |                    |
|---------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|------------------------|--------------------|
|                                                                                                                     | Six-month period ended    |                    | Six-month period ended |                    |
|                                                                                                                     | 30 June                   |                    | 30 June                |                    |
|                                                                                                                     | 2015                      | 2014               | 2015                   | 2014               |
|                                                                                                                     | <i>(in thousand Baht)</i> |                    |                        |                    |
| <b><i>Cash flows from investing activities</i></b>                                                                  |                           |                    |                        |                    |
| Interest received                                                                                                   | 1,351,318                 | 1,433,720          | 1,342,617              | 1,433,704          |
| Dividend received                                                                                                   | 25,799                    | 28,615             | 25,799                 | 28,615             |
| Purchase of available-for-sale investments                                                                          | (35,126,356)              | (41,026,641)       | (31,876,058)           | (40,866,641)       |
| Proceeds from sales of available-for-sale investments                                                               | 29,443,065                | 36,548,343         | 26,746,767             | 36,548,343         |
| Proceeds from redemption of matured held to maturity debt securities                                                | 8,304,959                 | 5,750              | 8,304,959              | 5,750              |
| Capital return from investment units and proceeds from sales of general investments                                 | 71,862                    | 69,050             | 71,862                 | 69,050             |
| Purchase of premises and equipment                                                                                  | (259,636)                 | (243,213)          | (256,321)              | (240,725)          |
| Purchase of leasehold rights                                                                                        | (977)                     | (4,543)            | (977)                  | (4,543)            |
| Purchase of intangible assets                                                                                       | (232,075)                 | (202,968)          | (230,908)              | (202,947)          |
| Proceeds from disposals of premises and equipment                                                                   | 54,127                    | 28,775             | 54,127                 | 28,765             |
| <b>Net cash provided by (used in) investing activities</b>                                                          | <b>3,632,086</b>          | <b>(3,363,112)</b> | <b>4,181,867</b>       | <b>(3,200,629)</b> |
| <b><i>Cash flows from financing activities</i></b>                                                                  |                           |                    |                        |                    |
| Repayments of long-term debts issued and borrowings                                                                 | (898,081)                 | (1,583,420)        | (898,081)              | (1,583,420)        |
| Interest paid on long-term debts issued and borrowings                                                              | (1,011,008)               | (936,727)          | (1,010,976)            | (936,694)          |
| Cash receipts on senior debenture issued                                                                            | 3,143,789                 | -                  | 3,143,789              | -                  |
| Cash paid for redemption of subordinated debenture                                                                  | (8,000,000)               | (4,000,000)        | (8,000,000)            | (4,000,000)        |
| Expenses in relation to issuance of ordinary shares to employees                                                    | (562)                     | (576)              | (562)                  | (576)              |
| Dividends paid                                                                                                      | (2,624,884)               | (1,747,101)        | (2,624,884)            | (1,747,101)        |
| <b>Net cash used in financing activities</b>                                                                        | <b>(9,390,746)</b>        | <b>(8,267,824)</b> | <b>(9,390,714)</b>     | <b>(8,267,791)</b> |
| Change in translation adjustments of foreign operations                                                             | 10,179                    | -                  | 10,179                 | -                  |
| <b>Net decrease in cash</b>                                                                                         | <b>(4,263,681)</b>        | <b>(519,709)</b>   | <b>(4,264,225)</b>     | <b>(499,687)</b>   |
| Cash at 1 January                                                                                                   | 16,427,953                | 16,576,203         | 16,427,874             | 16,556,121         |
| <b>Cash at 30 June</b>                                                                                              | <b>12,164,272</b>         | <b>16,056,494</b>  | <b>12,163,649</b>      | <b>16,056,434</b>  |
| <b>Supplementary disclosures of cash flow information</b>                                                           |                           |                    |                        |                    |
| Non-cash transactions:                                                                                              |                           |                    |                        |                    |
| Issuance of ordinary shares to employees                                                                            | 146,252                   | 145,890            | 146,252                | 145,890            |
| Change in remeasuring available-for-sale investments                                                                | (37,984)                  | 4,995              | 16,262                 | (15,123)           |
| Change in revaluation surplus on assets and transferred revaluation surplus on assets directly to retained earnings | (80,070)                  | (61,356)           | (80,070)               | (61,356)           |
| Actuarial gains on post-employment benefit plan                                                                     | 95,162                    | -                  | 95,253                 | -                  |
| Change in translation adjustments of foreign operations                                                             | 10,179                    | -                  | 10,179                 | -                  |
| Increase in properties for sale due to debts settlement                                                             | 44,364                    | 1,154              | 44,364                 | 1,154              |
| Transfer of premises and equipment to properties for sale                                                           | 50,752                    | 80,722             | 50,752                 | 80,722             |

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

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# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 26 August 2015.

### **1 General information**

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

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

The principal business of the Bank is operating commercial banking businesses. All subsidiaries are incorporated as limited companies under Thai laws and have been operating in Thailand, with their core businesses being provisions of asset management and fund management services. Details of the Bank’s subsidiaries and associate as at 30 June 2015 and 31 December 2014 are given in note 12.

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

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

The interim financial statements are prepared in accordance with Thai Accounting Standards (TAS) No. 34 (revised 2014) *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor. 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

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

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

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

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

#### **(c) Functional and presentation currency**

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### **(d) Judgments and estimates**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the interim financial statements are described in note 4 “Significant accounting policies” and in the following notes:

|         |                                      |
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### **3 Change in accounting policy**

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

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

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### **4 Significant accounting policies**

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

#### **(a) Basis of consolidation**

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as the “Group”) and the Bank and its subsidiaries’ interests in associates.

##### *Business combinations*

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

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

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

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

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

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

##### *Subsidiaries*

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### *Loss of control*

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

### *Transactions eliminated on consolidation*

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

## **(b) Foreign currencies**

### *Foreign currency transactions*

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

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

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

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

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

The financial statements of overseas branches are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting period-end dates. Foreign exchange difference arising on translation is recognised in other comprehensive income until dissolution of the branch's business, except for the Cayman Islands Branch, for which the foreign exchange differences arising on translation are recognised in profit or loss.

## **(c) Cash**

Cash includes cash in hand and cash on collection

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

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

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

The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

### **(e) *Investments***

#### *Investments in subsidiaries and associate*

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

If the Bank and its subsidiaries receive shares as a result of debt restructuring of a borrower, which cause them to hold more than 50% or 20% of the paid-up share capital of such company, they will not treat that investee company as a subsidiary or an associate, respectively, since they intend to hold such investment temporarily. Such investments are classified as general investments and stated at cost less allowance for impairment losses (if any).

The Bank and its subsidiaries do not treat investments in any mutual funds in which they hold more than 50% or 20% of the issued units of the fund as investments in a subsidiary or an associate, respectively, because the Bank and its subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund managers in accordance with the details stipulated in the mutual fund prospectus and under the supervision of the Office of Securities and Exchange Commission. Such investments are classified as general investments and stated at cost less allowance for impairment losses (if any).

#### *Investments in debt and equity securities*

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

Debt securities, including rights to receive non-negotiable promissory notes availed by the Financial Institution Development Fund (“FIDF”) on the transfer of non-performing assets to Thai Asset Management Corporation (“TAMC”), that the Bank and its subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less allowance for impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign currency differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Investments in (a) non-marketable equity securities, (b) investment units with conditions regarding the return on the investments similar to those of debt securities, (c) equity securities that were received as a result of debt restructuring, or (d) mutual funds, which are not classified as investments in subsidiaries or associate, are classified as general investments and stated at cost less allowance for impairment losses (if any).

### *Recognition*

Purchases and sales of investments are recorded on trade dates.

### *Disposal of investments*

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

For equity securities, cost of both investments sold and those still held are determined using the weighted average method.

For debt securities, cost of both investments that are disposed of and are still held are determined using the first-in, first-out method.

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

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### **(g) *Bill purchased, trade finance and factoring***

The Bank classifies bill purchased transactions, trade finance transactions by purchasing, discounting or rediscounting bills under letters of credit, and factoring transactions as assets based on the business type of the counterparty whom the Bank has its legal recourses. In case that there is acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of “Interbank and money market items, net (assets)”. In case that there is no acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of “Loans to customers” or “Interbank and money market items, net (assets)” depending upon the business type of its counterparty.

The Bank recognises the difference between purchase price and the face value of bill as unearned discounts which are presented as deductions against “Loans to customers” or “Interbank and money market items, net (assets)” as the case may be and gradually amortises such unearned discounts as interest income using the effective interest rate over the term of discounting or rediscounting periods.

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

Allowance for doubtful debts is determined based on relevant BoT’s criteria and regulations. The allowance for doubtful debts includes (a) an allowance determined at the minimum percentage as specified in the BoT notifications, (b) an allowance in excess of such minimum percentage as specified in the BoT’s notifications to cover losses incurred but not yet reported and (c) an additional provision following its business plan and management of non-performing loans. The allowance for doubtful debts is calculated based on the shortfall between the carrying value of the outstanding debts and the present value of future cash flows expected to be collected from debtors or from the disposal of the underlying collateral, which is determined in accordance with the BoT’s notifications.

The allowance in excess of such minimum percentage as specified in the BoT’s notifications to cover losses incurred but not yet reported is determined, taking into accounts the relevant factors such as the types of lendings, historical loss, the debtor’s credit risk, management’s experience and so on. The additional provision is determined, taking into accounts the debtor’s payment ability, the expected amount to be collected from the underlying collateral and debt management plan etc.

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

### **(i) *Troubled debt restructuring***

Foreclosed assets transferred as a result of troubled debt restructuring are recorded at the fair value of the assets net of estimated disposal expenses, to the extent that this does not exceed the book value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Where restructuring a loan involves modification of its terms, the present value of the future cash flows expected to be collected from the debtor is calculated by using a discount rate. The difference between the then-determined present value and the outstanding balances of loans to customers and accrued interest receivables is recorded as a revaluation allowance on debt restructuring in the statements of financial position. Such revaluation allowance is reviewed using the present value of the projected expected cash to be received over the remaining terms.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

For debt restructuring agreements made before 1 January 2014, the present value of the future cash flows expected to be collected from the debtor is determined using the market rates at the restructuring dates as the discount rates. For debt restructuring agreements made since 1 January 2014 onwards, the Bank used the effective interest rates under the original loan agreements as the discount rates.

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

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

Cost of properties foreclosed as a result of settlement from a debtor is stated at the lower of the appraised value or carrying value of the related debt for properties acquired from debt settlement before 2002, and at fair value less estimated direct cost to sell for properties acquired from debt settlement after 2002, to the extent that this does not exceed the carrying value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Cost of properties foreclosed through a public auction process is the purchase price plus transfer costs and less estimated direct cost to sell.

The Bank and its subsidiaries consider net realisable value for each unit of properties foreclosed. Net realisable value is the recoverable value from disposal of properties foreclosed less estimated selling expenses. The recoverable value from disposal of properties foreclosed is assessed with reference to the appraisal value of each unit of properties foreclosed and is adjusted down by varying discount rates, taking into consideration the quality of assets (location, infrastructure and property usage potential), holding period, historical disposal experience and market demand.

### **(k) *Premises and equipment***

#### *Recognition and measurement*

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment losses except for land and buildings which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and allowance for impairment losses.

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

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

Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### *Revalued assets*

Revaluations are performed by independent professional appraisers with sufficient regularity according to guidelines prescribed by the BoT to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented as “Revaluation surplus on asset” in the other reserves in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

### *Subsequent costs*

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

### *Finance leased assets*

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

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of premises and equipment. The estimated useful lives are as follows:

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

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### **(l) Leasehold rights**

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

### **(m) Lease payments**

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

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

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

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

#### *Goodwill*

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

#### *Other intangible assets*

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

#### *Subsequent expenditure*

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

#### *Amortisation*

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

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

|                   |         |
|-------------------|---------|
| Computer software | 5 years |
|-------------------|---------|

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

### **(o) Impairment**

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

#### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with short duration are not discounted.

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

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

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

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

### **(q) Hybrid instruments**

The Bank records financial liabilities that are created in the form of hybrid instruments with reference to the BoT's Notification, which requires the Bank to apply International Accounting Standard No.39 (IAS 39) in relation to financial liabilities whereby it has an option to classify financial liabilities as "Financial liabilities designated at fair value through profit or loss" when one of the following criteria are met:

1. To reduce a mismatch in profit or loss that would otherwise arise from different accounting recognition between financial assets and financial liabilities; or
2. For management and evaluation of a group of financial assets or financial liabilities under a documented risk management or investment strategy policy as approved by the Board of Directors of the Bank; or
3. It is a financial instrument containing an embedded derivative.

When the Bank classifies its hybrid instrument liabilities as "Financial liabilities designated at fair value through profit or loss", it will not be able to reclassify such liabilities over their remaining lives to recognise them under another accounting method.

The fair value of financial liabilities designated at fair value through profit or loss is calculated based on a valuation model, using market data obtained from reliable sources. Changes in the fair value are recorded as income or expense in profit or loss.

## **TMB Bank Public Company Limited and its Subsidiaries**

### **Notes to the interim financial statements**

#### **For the six-month period ended 30 June 2015**

#### **For the three-month period ended 30 June 2015 (Unaudited)**

If the Bank opts not to classify the hybrid instrument liabilities as “Financial liabilities designated at fair value through profit or loss” or the criteria for classifying them are not met, the Bank is to classify and account for hybrid instrument liabilities in accordance with IAS 39 regarding hybrid instruments, taken into consideration all of the following criteria:

1. The hybrid instrument is not measured at fair value with changes in fair value recognised in profit or loss.
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
3. The economic characteristics and risks of the embedded derivative and the host contract are not closely related.

If all 3 conditions are met, the Bank will account for the host contract at cost or amortised cost and measure the embedded derivative separately from the host contract at fair value with changes in the fair value of the embedded derivative recognised as income or expense in profit or loss. If any of the 3 conditions is not met, the Bank will recognise the hybrid instrument at cost or amortised cost.

#### **(r) *Derivative***

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

Derivatives, entered for the banking book purpose, with interest components are recognised on an accrual basis, in the same manner as the hedged assets and liabilities. That is, the interest income or interest expense is recognised over the term of the contracts. Derivatives with foreign exchange components are recognised based on exchange rates ruling on the reporting period-end date. Unrealised gain or loss on exchange rate is recognised in profit or loss and the difference between the forward rate and the spot rate at the contract date is recognised by amortise as income or expense using the straight-line basis over the contract periods.

#### **(s) *Employee benefits***

##### ***Short-term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank and its subsidiaries has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### ***Post employment benefits***

#### ***Defined contribution plans***

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

#### ***Defined benefit plans***

The Bank and its subsidiaries' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Bank and its subsidiaries determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank and its subsidiaries recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

### ***Other long-term employee benefits***

The Bank and its subsidiaries' net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

### ***Termination benefits***

Termination benefits are expensed when the Bank and its subsidiaries can no longer withdraw the offer of those benefits or when the Bank and its subsidiaries recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### ***Share-based payments***

The cost of the TMB Performance Share Bonus Project ("Share-based payment plan") is recognised when services are rendered by employees. The cost of the share-based payment plan is measured by reference to the fair value of the issued shares on the grant date (date of offering of new ordinary shares to the employees).

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

The cost of the share-based payment plan is recognised as expense in profit or loss with a corresponding increase in “Other reserve - share-based payments” in equity over the periods in which the performance and service conditions are fulfilled. The cumulative expense, which involves the Bank’s management best estimate of number or ordinary shares that will ultimately vest, is recognised for the share-based payment plan at each reporting period-end until the vesting date. The expense or reversal of expense for a period represented the movement in cumulative expense recognised as at the beginning and at the end of the reporting period.

### **(t) Provisions**

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

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

The Bank provides provisions for those off-balance sheet items having credit risk exposures, such as loan guarantees, avals or commitments irrevocable by financial institutions, or obligation according to letter of guarantee of which the Bank was claimed against, using the same criteria and methods applied to allowance for doubtful debts that are described in Note 4 (h) to the financial statements.

### **(u) Income**

#### *Interest income*

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

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

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

#### *Fees and service income*

Fees are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered, taking into account the stage of completion of the services provided. In case that the Bank and its subsidiaries give away customer loyalty programmes, such as award points to redeem goods or services, etc. to their customers to motivate them to become their loyal customers, the Bank and its subsidiaries shall allocate the fair value of the award points earned by customers each time they use services of the Bank and its subsidiaries from considerations received on services they provide each time. The then allocated amount is recorded as deferred revenue, which is presented as a part of “Other liabilities” in the statements of financial position and it will be recognised as revenue in profit or loss when the customers redeem the award points.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### *Dividend income*

The Bank and its subsidiaries recognises dividend income as revenue on the date which the Bank and its subsidiaries earns the rights to receive the dividend.

## **(v) Expenses**

### *Interest expenses*

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

### *Fees and service expenses*

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

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

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

## **(w) Income tax**

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

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

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

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

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

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

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

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

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

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

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

### **(y) *Segment information***

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

### **(z) *Offsetting***

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

## **5 Financial risk management**

### ***Risk management approach***

The Bank has set up its risk management structure in order to efficiently manage its core risks, i.e. credit, market, operational, liquidity, reputational and strategic risks. Appropriate risk policies and risk management procedures have been established to provide common guidelines and standards to be consistently applied across the Bank and its subsidiaries.

The Bank manages its risks under the following key principles: Core risks must be identified, measured, monitored, reported, analysed and controlled; and Business activities are managed under a risk-return framework to ensure that risks undertaken are commensurate with an appropriate return.

The Bank's risk governance structure consists of the Board of Directors (BOD), which holds the ultimate responsibility for the Bank's overall risk management, the Risk Management Committee (RMC), which has been delegated by the BOD with the authority to review and oversee the management of all risks across the Bank and is authorised to approve certain risk management strategies, policies, frameworks and standards, as well as risk appetite and risk concentration levels. Other senior management risk committees that oversee specific risk areas include the Risk Policy Committee (RPC), the Operational Risk Management Committee (ORC), the Asset and Liabilities Management Committee (ALCO) and the Portfolio Monitoring Committee (PoMoCo).

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

While business units are primarily responsible for managing risks within their own responsible areas as per the defined operating framework, the following dedicated risk management related functions are under the stewardship of the Chief Risk Officer (CRO): Credit Risk Management, Credit Risk Intelligence, Market Risk Management, Corporate Operational Risk Management, Compliance and Legal. Under the Credit Risk Management unit, sub-functions including Corporate Credit Underwriting, Business Banking and Small Enterprise Underwriting, Consumer Credit, Credit Restructuring, NPL Prevention Team and Credit Policy Management are set in order to manage credit risk of each portfolio. These functions are responsible for establishing firm-wide risk management policies and guidelines, and take care of the following roles: developing tools for managing risks; proposing risk management strategies and recommending risk appetite to top management for approval in order to be used for monitoring, controlling and managing risk levels of the Bank.

### **5.1 Credit risk**

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

The maximum credit risk exposure is the carrying values of the financial assets after deducting allowance for losses as presented in the statements of financial position, and the provision for contingent liabilities arising as a result of loan guarantees and other guarantees.

#### *Credit policies/Framework*

The Bank's credit risk appetite and strategy are approved by the Board of Directors (BOD). To properly manage credit risk, the Bank has put in place the Core Credit Risk Policies (CCRP) and frameworks to ensure that credit decisions are prudently made and make credit risk management an integral part of all credit-related business processes. All relevant Business Units and Support Units are required to formulate their own specific policies and supplementary policies under the CCRP. The Bank has also established policies to ensure diversification of its credit portfolio to address various concentration risks covering single exposure concentration risk on a group basis that is economically interdependent, industry / business sector concentration risk and country exposure concentration risk. Additionally, the Bank's Stress Testing Policy ensures a consistent framework to assess the Bank's ability to withstand extreme but plausible adverse changes to economic conditions.

#### *Credit approval process*

In managing credit risk, the Bank segregates the roles and responsibilities of the credit marketing function from the credit granting function to ensure proper checks and balance. Individual credit risk is analysed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and risk levels of credit requested.

Where appropriate, the Bank demands the placement of adequate collateral by customers in various forms including, for example, land and building, bank deposits, securities, and personal/corporate guarantees.

The Bank has contingent liabilities by issuing loan payment and other forms of guarantees, as well as issuing letters of credit and endorsing aval on commercial bills and notes for its customers. Such contingent transaction activities require assessment on financial condition of customers in the same manner as done for direct lending. The Bank also makes a standard practice to set conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

### *Credit review*

The Audit unit, independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the risk management processes. Moreover, the Independent Credit Review (ICR) team, under the Audit unit, performs individual credit reviews to ensure that the credit process and account administration are effectively conducted in accordance with policies and procedures, and in compliance with the regulatory requirements.

## **5.2 Market risk**

Market risk refers to losses that may happen due to the fluctuations of foreign exchange rates, interest rates, and prices of equity securities and commodities, all of which may impact the Bank's assets, liabilities, and off-balance sheet items.

The ALCO holds the responsibility to assist the BOD and the RMC to ensure that bank-wide market risk management complies with the relevant risk policies and defined levels of risk appetite. The Bank classifies the overall market risk management into two parts: trading book and banking book. The Bank has developed a policy to set standards on the book definitions and transaction classification criteria as well as the treatment of each book.

### *Market risk in the trading book*

Market risk in the trading book consists of market risk from exposures of financial instruments and derivatives that are held with trading intent or for hedging other positions in the trading book. The Bank has established Market Risk Management: Trading Book Policy to ensure the proper management of market risks in the trading book as well as impose limits to control the risks.

### *Market risk in the banking book*

Market risk in the banking book consists of market risks incurred from the Bank's both on and off-balance sheet items, and derivatives designated to hedge other banking book items.

The Bank has established Market Risk Management: Banking Book Policy, which outlines the approach for managing market risks in the banking book and setting the relevant limits appropriate to the positions of the risks in the book and in line with the Bank's risk appetite.

The Bank also analyses risks and regularly assesses the impact, the results of which are used as tools to manage the Bank's assets and liabilities structure to be in line with the changing market environment.

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

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

The Bank's and its subsidiaries' principal financial assets, namely loans to customers mostly earn interest at floating rates, based on MRR, MLR, MOR, interest rates of time deposits or other benchmark floating rates such as BIBOR, LIBOR, etc.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the six-month period ended 30 June 2015

### For the three-month period ended 30 June 2015 (Unaudited)

As at 30 June 2015 and 31 December 2014, financial assets and liabilities classified by types of interest rates are as follows:

|                                                                          |                           | <b>Consolidated</b><br>30 June 2015 |                         |                |
|--------------------------------------------------------------------------|---------------------------|-------------------------------------|-------------------------|----------------|
|                                                                          | Floating<br>interest rate | Fixed<br>interest rate              | Non-interest<br>bearing | Total          |
|                                                                          | <i>(in million Baht)</i>  |                                     |                         |                |
| <b><i>Financial assets</i></b>                                           |                           |                                     |                         |                |
| Cash                                                                     | -                         | -                                   | 12,164                  | 12,164         |
| Interbank and money market items                                         | 38,484                    | 61,070                              | 7,071                   | 106,625        |
| Investments, net                                                         | 2,937                     | 98,237                              | 3,276                   | 104,450        |
| Loan to customers net of<br>deferred revenue                             | 331,472                   | 214,283                             | 4,863                   | 550,618        |
| Other financial assets                                                   | 2,813                     | 1                                   | 23,143                  | 25,957         |
| <b>Total financial assets</b>                                            | <b>375,706</b>            | <b>373,591</b>                      | <b>50,517</b>           | <b>799,814</b> |
| <b><i>Financial liabilities</i></b>                                      |                           |                                     |                         |                |
| Deposits                                                                 | 385,692                   | 185,983                             | 21,513                  | 593,188        |
| Interbank and money market items                                         | 5,764                     | 46,378                              | 1,910                   | 54,052         |
| Liabilities payable on demand                                            | -                         | -                                   | 3,320                   | 3,320          |
| Financial liabilities designated<br>at fair value through profit or loss | 188                       | -                                   | -                       | 188            |
| Debt issued and borrowings                                               | 1,710                     | 28,622                              | 21                      | 30,353         |
| Other financial liabilities                                              | 98                        | -                                   | 26,436                  | 26,534         |
| <b>Total financial liabilities</b>                                       | <b>393,452</b>            | <b>260,983</b>                      | <b>53,200</b>           | <b>707,635</b> |

  

|                                                                          |                           | <b>Consolidated</b><br>31 December 2014 |                         |                |
|--------------------------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|----------------|
|                                                                          | Floating<br>interest rate | Fixed<br>interest rate                  | Non-interest<br>bearing | Total          |
|                                                                          | <i>(in million Baht)</i>  |                                         |                         |                |
| <b><i>Financial assets</i></b>                                           |                           |                                         |                         |                |
| Cash                                                                     | -                         | -                                       | 16,428                  | 16,428         |
| Interbank and money market items                                         | 21,713                    | 86,013                                  | 5,280                   | 113,006        |
| Investments, net                                                         | 2,950                     | 105,147                                 | 2,762                   | 110,859        |
| Loan to customers net of<br>deferred revenue                             | 322,247                   | 203,240                                 | 4,873                   | 530,360        |
| Other financial assets                                                   | 2,183                     | 662                                     | 13,383                  | 16,228         |
| <b>Total financial assets</b>                                            | <b>349,093</b>            | <b>395,062</b>                          | <b>42,726</b>           | <b>786,881</b> |
| <b><i>Financial liabilities</i></b>                                      |                           |                                         |                         |                |
| Deposits                                                                 | 373,335                   | 173,236                                 | 25,054                  | 571,625        |
| Interbank and money market items                                         | 7,162                     | 63,624                                  | 1,931                   | 72,717         |
| Liabilities payable on demand                                            | -                         | -                                       | 3,145                   | 3,145          |
| Financial liabilities designated<br>at fair value through profit or loss | 137                       | -                                       | -                       | 137            |
| Debt issued and borrowings                                               | 2,055                     | 34,172                                  | 22                      | 36,249         |
| Other financial liabilities                                              | 281                       | -                                       | 14,077                  | 14,358         |
| <b>Total financial liabilities</b>                                       | <b>382,970</b>            | <b>271,032</b>                          | <b>44,229</b>           | <b>698,231</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                                                          | <b>Bank only</b><br>30 June 2015 |                        |                         |                |
|--------------------------------------------------------------------------|----------------------------------|------------------------|-------------------------|----------------|
|                                                                          | Floating<br>interest rate        | Fixed<br>interest rate | Non-interest<br>bearing | Total          |
|                                                                          | <i>(in million Baht)</i>         |                        |                         |                |
| <b>Financial assets</b>                                                  |                                  |                        |                         |                |
| Cash                                                                     | -                                | -                      | 12,164                  | 12,164         |
| Interbank and money market items                                         | 38,477                           | 60,274                 | 7,071                   | 105,822        |
| Investments, net                                                         | 2,937                            | 98,237                 | 620                     | 101,794        |
| Loans to customers net of deferred<br>revenue                            | 331,432                          | 214,283                | 4,864                   | 550,579        |
| Other financial assets                                                   | 2,709                            | 1                      | 22,970                  | 25,680         |
| <b>Total financial assets</b>                                            | <b>375,555</b>                   | <b>372,795</b>         | <b>47,689</b>           | <b>796,039</b> |
| <b>Financial liabilities</b>                                             |                                  |                        |                         |                |
| Deposits                                                                 | 385,737                          | 185,983                | 21,524                  | 593,244        |
| Interbank and money market items                                         | 5,764                            | 46,378                 | 1,910                   | 54,052         |
| Liabilities payable on demand                                            | -                                | -                      | 3,320                   | 3,320          |
| Financial liabilities designated<br>at fair value through profit or loss | 188                              | -                      | -                       | 188            |
| Debt issued and borrowings                                               | 1,710                            | 28,622                 | 21                      | 30,353         |
| Other financial liabilities                                              | 98                               | -                      | 26,309                  | 26,407         |
| <b>Total financial liabilities</b>                                       | <b>393,497</b>                   | <b>260,983</b>         | <b>53,084</b>           | <b>707,564</b> |

|                                                                          | <b>Bank only</b><br>31 December 2014 |                        |                         |                |
|--------------------------------------------------------------------------|--------------------------------------|------------------------|-------------------------|----------------|
|                                                                          | Floating<br>interest rate            | Fixed<br>interest rate | Non-interest<br>bearing | Total          |
|                                                                          | <i>(in million Baht)</i>             |                        |                         |                |
| <b>Financial assets</b>                                                  |                                      |                        |                         |                |
| Cash                                                                     | -                                    | -                      | 16,428                  | 16,428         |
| Interbank and money market items                                         | 21,711                               | 85,350                 | 5,280                   | 112,341        |
| Investments, net                                                         | 2,950                                | 105,147                | 689                     | 108,786        |
| Loans to customers net of deferred<br>revenue                            | 322,204                              | 203,240                | 4,873                   | 530,317        |
| Other financial assets                                                   | 2,079                                | 105                    | 13,119                  | 15,303         |
| <b>Total financial assets</b>                                            | <b>348,944</b>                       | <b>393,842</b>         | <b>40,389</b>           | <b>783,175</b> |
| <b>Financial liabilities</b>                                             |                                      |                        |                         |                |
| Deposits                                                                 | 373,416                              | 173,236                | 25,068                  | 571,720        |
| Interbank and money market items                                         | 7,162                                | 63,624                 | 1,931                   | 72,717         |
| Liabilities payable on demand                                            | -                                    | -                      | 3,145                   | 3,145          |
| Financial liabilities designated<br>at fair value through profit or loss | 137                                  | -                      | -                       | 137            |
| Debt issued and borrowings                                               | 2,055                                | 34,172                 | 22                      | 36,249         |
| Other financial liabilities                                              | 281                                  | -                      | 13,865                  | 14,146         |
| <b>Total financial liabilities</b>                                       | <b>383,051</b>                       | <b>271,032</b>         | <b>44,031</b>           | <b>698,114</b> |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

As at 30 June 2015 and 31 December 2014, significant financial assets and liabilities classified by interest repricing periods are as follows:

|                                            | Repricing periods |                         |               | Non-performing assets | Non-interest bearing | Total          |
|--------------------------------------------|-------------------|-------------------------|---------------|-----------------------|----------------------|----------------|
|                                            | Within 3 months   | Over 3 months to 1 year | Over 1 year   |                       |                      |                |
|                                            | (in million Baht) |                         |               |                       |                      |                |
| <b>Financial assets</b>                    |                   |                         |               |                       |                      |                |
| Cash                                       | -                 | -                       | -             | -                     | 12,164               | 12,164         |
| Interbank and money market items           | 99,055            | 499                     | -             | -                     | 7,071                | 106,625        |
| Investments, net                           | 33,258            | 31,141                  | 36,775        | -                     | 3,276                | 104,450        |
| Loans to customers net of deferred revenue | 426,419           | 45,766                  | 53,515        | 20,055                | 4,863                | 550,618        |
| Other financial assets                     | 2,813             | 1                       | -             | -                     | 23,143               | 25,957         |
| <b>Total financial assets</b>              | <b>561,545</b>    | <b>77,407</b>           | <b>90,290</b> | <b>20,055</b>         | <b>50,517</b>        | <b>799,814</b> |

|                                                                       |                |                |               |          |               |                |
|-----------------------------------------------------------------------|----------------|----------------|---------------|----------|---------------|----------------|
| <b>Financial liabilities</b>                                          |                |                |               |          |               |                |
| Deposits                                                              | 447,652        | 116,958        | 7,065         | -        | 21,513        | 593,188        |
| Interbank and money market items                                      | 47,877         | 1,043          | 3,222         | -        | 1,910         | 54,052         |
| Liabilities payable on demand                                         | -              | -              | -             | -        | 3,320         | 3,320          |
| Financial liabilities designated at fair value through profit or loss | 188            | -              | -             | -        | -             | 188            |
| Debt issued and borrowings                                            | 512            | 1,468          | 28,352        | -        | 21            | 30,353         |
| Other financial liabilities                                           | 98             | -              | -             | -        | 26,436        | 26,534         |
| <b>Total financial liabilities</b>                                    | <b>496,327</b> | <b>119,469</b> | <b>38,639</b> | <b>-</b> | <b>53,200</b> | <b>707,635</b> |

|                                            | Repricing periods |                         |               | Non-performing assets | Non-interest bearing | Total          |
|--------------------------------------------|-------------------|-------------------------|---------------|-----------------------|----------------------|----------------|
|                                            | Within 3 months   | Over 3 months to 1 year | Over 1 year   |                       |                      |                |
|                                            | (in million Baht) |                         |               |                       |                      |                |
| <b>Financial assets</b>                    |                   |                         |               |                       |                      |                |
| Cash                                       | -                 | -                       | -             | -                     | 16,428               | 16,428         |
| Interbank and money market items           | 107,304           | 422                     | -             | -                     | 5,280                | 113,006        |
| Investments, net                           | 33,147            | 40,238                  | 34,712        | -                     | 2,762                | 110,859        |
| Loans to customers net of deferred revenue | 411,141           | 56,250                  | 40,003        | 18,093                | 4,873                | 530,360        |
| Other financial assets                     | 2,844             | -                       | 1             | -                     | 13,383               | 16,228         |
| <b>Total financial assets</b>              | <b>554,436</b>    | <b>96,910</b>           | <b>74,716</b> | <b>18,093</b>         | <b>42,726</b>        | <b>786,881</b> |

|                                                                       |                |                |               |          |               |                |
|-----------------------------------------------------------------------|----------------|----------------|---------------|----------|---------------|----------------|
| <b>Financial liabilities</b>                                          |                |                |               |          |               |                |
| Deposits                                                              | 450,533        | 88,818         | 7,220         | -        | 25,054        | 571,625        |
| Interbank and money market items                                      | 65,490         | 1,588          | 3,708         | -        | 1,931         | 72,717         |
| Liabilities payable on demand                                         | -              | -              | -             | -        | 3,145         | 3,145          |
| Financial liabilities designated at fair value through profit or loss | 137            | -              | -             | -        | -             | 137            |
| Debt issued and borrowings                                            | 1,010          | 9,855          | 25,362        | -        | 22            | 36,249         |
| Other financial liabilities                                           | 281            | -              | -             | -        | 14,077        | 14,358         |
| <b>Total financial liabilities</b>                                    | <b>517,451</b> | <b>100,261</b> | <b>36,290</b> | <b>-</b> | <b>44,229</b> | <b>698,231</b> |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

|                                                                          | Bank only          |                               |                |                              |                             |                |
|--------------------------------------------------------------------------|--------------------|-------------------------------|----------------|------------------------------|-----------------------------|----------------|
|                                                                          | 30 June 2015       |                               |                |                              |                             |                |
|                                                                          | Repricing periods  |                               |                |                              |                             |                |
|                                                                          | Within<br>3 months | Over<br>3 months<br>to 1 year | Over<br>1 year | Non-<br>performing<br>assets | Non-<br>interest<br>bearing | Total          |
|                                                                          | (in million Baht)  |                               |                |                              |                             |                |
| <b>Financial assets</b>                                                  |                    |                               |                |                              |                             |                |
| Cash                                                                     | -                  | -                             | -              | -                            | 12,164                      | 12,164         |
| Interbank and money market items                                         | 98,751             | -                             | -              | -                            | 7,071                       | 105,822        |
| Investments, net                                                         | 33,258             | 31,141                        | 36,775         | -                            | 620                         | 101,794        |
| Investments in subsidiaries and<br>associate, net                        | -                  | -                             | -              | -                            | 3,229                       | 3,229          |
| Loans to customers net of<br>deferred revenue                            | 426,419            | 45,765                        | 53,515         | 20,016                       | 4,864                       | 550,579        |
| Other financial assets                                                   | 2,709              | 1                             | -              | -                            | 22,970                      | 25,680         |
| <b>Total financial assets</b>                                            | <b>561,137</b>     | <b>76,907</b>                 | <b>90,290</b>  | <b>20,016</b>                | <b>50,918</b>               | <b>799,268</b> |
| <b>Financial liabilities</b>                                             |                    |                               |                |                              |                             |                |
| Deposits                                                                 | 447,697            | 116,958                       | 7,065          | -                            | 21,524                      | 593,244        |
| Interbank and money market items                                         | 47,877             | 1,043                         | 3,222          | -                            | 1,910                       | 54,052         |
| Liabilities payable on demand                                            | -                  | -                             | -              | -                            | 3,320                       | 3,320          |
| Financial liabilities designated at<br>fair value through profit or loss | 188                | -                             | -              | -                            | -                           | 188            |
| Debt issued and borrowings                                               | 512                | 1,468                         | 28,352         | -                            | 21                          | 30,353         |
| Other financial liabilities                                              | 98                 | -                             | -              | -                            | 26,309                      | 26,407         |
| <b>Total financial liabilities</b>                                       | <b>496,372</b>     | <b>119,469</b>                | <b>38,639</b>  | <b>-</b>                     | <b>53,084</b>               | <b>707,564</b> |

|                                                                          | Bank only          |                               |                |                              |                             |                |
|--------------------------------------------------------------------------|--------------------|-------------------------------|----------------|------------------------------|-----------------------------|----------------|
|                                                                          | 31 December 2014   |                               |                |                              |                             |                |
|                                                                          | Repricing periods  |                               |                |                              |                             |                |
|                                                                          | Within<br>3 months | Over<br>3 months<br>to 1 year | Over<br>1 year | Non-<br>performing<br>assets | Non-<br>interest<br>bearing | Total          |
|                                                                          | (in million Baht)  |                               |                |                              |                             |                |
| <b>Financial assets</b>                                                  |                    |                               |                |                              |                             |                |
| Cash                                                                     | -                  | -                             | -              | -                            | 16,428                      | 16,428         |
| Interbank and money market items                                         | 107,061            | -                             | -              | -                            | 5,280                       | 112,341        |
| Investments, net                                                         | 33,147             | 40,238                        | 34,712         | -                            | 689                         | 108,786        |
| Investments in subsidiaries and<br>associate, net                        | -                  | -                             | -              | -                            | 3,229                       | 3,229          |
| Loans to customers net of<br>deferred revenue                            | 411,141            | 56,249                        | 40,003         | 18,051                       | 4,873                       | 530,317        |
| Other financial assets                                                   | 2,183              | -                             | 1              | -                            | 13,119                      | 15,303         |
| <b>Total financial assets</b>                                            | <b>553,532</b>     | <b>96,487</b>                 | <b>74,716</b>  | <b>18,051</b>                | <b>43,618</b>               | <b>786,404</b> |
| <b>Financial liabilities</b>                                             |                    |                               |                |                              |                             |                |
| Deposits                                                                 | 450,614            | 88,818                        | 7,220          | -                            | 25,068                      | 571,720        |
| Interbank and money market items                                         | 65,490             | 1,588                         | 3,708          | -                            | 1,931                       | 72,717         |
| Liabilities payable on demand                                            | -                  | -                             | -              | -                            | 3,145                       | 3,145          |
| Financial liabilities designated at<br>fair value through profit or loss | 137                | -                             | -              | -                            | -                           | 137            |
| Debt issued and borrowings                                               | 1,010              | 9,855                         | 25,362         | -                            | 22                          | 36,249         |
| Other financial liabilities                                              | 281                | -                             | -              | -                            | 13,865                      | 14,146         |
| <b>Total financial liabilities</b>                                       | <b>517,532</b>     | <b>100,261</b>                | <b>36,290</b>  | <b>-</b>                     | <b>44,031</b>               | <b>698,114</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

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

|                                                 | Consolidated                            |                         |                                           |                                         |                         |                                           |
|-------------------------------------------------|-----------------------------------------|-------------------------|-------------------------------------------|-----------------------------------------|-------------------------|-------------------------------------------|
|                                                 | 30 June 2015                            |                         |                                           | 31 December 2014                        |                         |                                           |
|                                                 | Average<br>balance<br>(in million Baht) | Interest <sup>(1)</sup> | Average<br>interest rate<br>(% per annum) | Average<br>balance<br>(in million Baht) | Interest <sup>(1)</sup> | Average<br>interest rate<br>(% per annum) |
| <b>Interest-bearing financial assets</b>        |                                         |                         |                                           |                                         |                         |                                           |
| Interbank and money market items                | 111,791                                 | 1,041                   | 1.86                                      | 104,311                                 | 2,229                   | 2.14                                      |
| Investments in debt securities                  | 102,275                                 | 1,312                   | 2.57                                      | 106,773                                 | 2,947                   | 2.76                                      |
| Loans to customers net from<br>deferred revenue | 536,352                                 | 15,431                  | 5.75                                      | 514,285                                 | 30,210                  | 5.87                                      |
| <b>Total</b>                                    | <b>750,418</b>                          | <b>17,784</b>           |                                           | <b>725,369</b>                          | <b>35,386</b>           |                                           |
| <b>Interest-bearing financial liabilities</b>   |                                         |                         |                                           |                                         |                         |                                           |
| Deposits                                        | 558,440                                 | 5,366                   | 1.92                                      | 542,838                                 | 11,806                  | 2.17                                      |
| Interbank and money market items                | 48,257                                  | 471                     | 1.95                                      | 46,218                                  | 1,054                   | 2.28                                      |
| Debt issued and borrowings                      | 33,927                                  | 708                     | 4.17                                      | 36,581                                  | 1,388                   | 3.79                                      |
| <b>Total</b>                                    | <b>640,624</b>                          | <b>6,545</b>            |                                           | <b>625,637</b>                          | <b>14,248</b>           |                                           |

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

|                                                 | Bank only                               |                         |                                           |                                         |                         |                                           |
|-------------------------------------------------|-----------------------------------------|-------------------------|-------------------------------------------|-----------------------------------------|-------------------------|-------------------------------------------|
|                                                 | 30 June 2015                            |                         |                                           | 31 December 2014                        |                         |                                           |
|                                                 | Average<br>balance<br>(in million Baht) | Interest <sup>(1)</sup> | Average<br>interest rate<br>(% per annum) | Average<br>balance<br>(in million Baht) | Interest <sup>(1)</sup> | Average<br>interest rate<br>(% per annum) |
| <b>Interest-bearing financial assets</b>        |                                         |                         |                                           |                                         |                         |                                           |
| Interbank and money market items                | 111,043                                 | 1,032                   | 1.86                                      | 103,668                                 | 2,211                   | 2.13                                      |
| Investments in debt securities                  | 102,275                                 | 1,312                   | 2.57                                      | 106,773                                 | 2,947                   | 2.76                                      |
| Loans to customers net from<br>deferred revenue | 536,311                                 | 15,426                  | 5.75                                      | 513,100                                 | 30,086                  | 5.86                                      |
| <b>Total</b>                                    | <b>749,629</b>                          | <b>17,770</b>           |                                           | <b>723,541</b>                          | <b>35,244</b>           |                                           |
| <b>Interest-bearing financial liabilities</b>   |                                         |                         |                                           |                                         |                         |                                           |
| Deposits                                        | 558,598                                 | 5,366                   | 1.92                                      | 542,981                                 | 11,807                  | 2.17                                      |
| Interbank and money market items                | 48,257                                  | 471                     | 1.95                                      | 46,218                                  | 1,054                   | 2.28                                      |
| Debt issued and borrowings                      | 33,927                                  | 708                     | 4.17                                      | 36,581                                  | 1,388                   | 3.79                                      |
| <b>Total</b>                                    | <b>640,782</b>                          | <b>6,545</b>            |                                           | <b>625,780</b>                          | <b>14,249</b>           |                                           |

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

### (b) Foreign exchange risk

Foreign exchange risk is the risk that the value of the financial instruments will be affected by changes in foreign exchange rates.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements. As at 30 June 2015 and 31 December 2014, the Bank's net foreign currency positions categorised by major foreign currencies were as follows:

|                     | Bank only               |                     |                                 |                  |                     |                                 |
|---------------------|-------------------------|---------------------|---------------------------------|------------------|---------------------|---------------------------------|
|                     | 30 June 2015            |                     |                                 | 31 December 2014 |                     |                                 |
|                     | USD                     | Euro <sup>(*)</sup> | Other currencies <sup>(*)</sup> | USD              | Euro <sup>(*)</sup> | Other currencies <sup>(*)</sup> |
|                     | <i>(in USD million)</i> |                     |                                 |                  |                     |                                 |
| Spot                | 752                     | 23                  | (83)                            | 626              | 26                  | 15                              |
| Forward             | (734)                   | (25)                | 84                              | (584)            | (28)                | (15)                            |
| <b>Net position</b> | <b>18</b>               | <b>(2)</b>          | <b>1</b>                        | <b>42</b>        | <b>(2)</b>          | <b>-</b>                        |

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

### (c) Equity price risk

Equity price risk is the risk that the Bank's earnings or value of financial assets may fluctuate due to changes in the price of equities.

The equity portfolio of the Bank is managed by specific units depending on the strategy, the types of business of the issuers, and the objectives for holding such equities. The equity investment management is under the supervision of the ALCO and/or the Chief Executive Committee (CEC). All equity investments must comply with the bank-wide investment policy and framework, and related risk policies. The criteria for equity investments include consideration of risk factors such as credit, market, and liquidity risks. Various limits are set, including Gross Limit and Loss Limit. All of these measures are established to ensure that securities investments comply with policies and remain within the approved limits taking into consideration the capital adequacy.

### 5.3 Liquidity risk

Liquidity risk refers to the risk that the Bank fails to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds necessary for its operations, causing damage to the Bank.

The ALCO is responsible for assisting the BOD and the RMC in supervising the liquidity risk management of the Bank in compliance with the BOT's regulations, and ensuring that the Bank has sufficient liquidity for its operations in both normal and crisis situations. In addition, the ALCO is responsible for ensuring that appropriate funding sources are secured in line with the changing market environment.

The Balance Sheet Management unit is responsible for overall liquidity management and the Capital Markets unit is responsible for day-to-day liquidity management. Additionally, the responsibilities of the Balance Sheet Management unit include liquidity risk measurement and reporting the performance of the liquidity management to the ALCO. The Market Risk Management unit is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has a liquidity risk management policy, which is reviewed at least once a year or when necessary, to ensure that it is appropriate with the prevailing environment. The Bank and each company in the Bank's financial business group manage their liquidity risk separately.

## **TMB Bank Public Company Limited and its Subsidiaries**

### **Notes to the interim financial statements**

#### **For the six-month period ended 30 June 2015**

#### **For the three-month period ended 30 June 2015 (Unaudited)**

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

Risk indicators are used as tools to measure and monitor liquidity risk. These comprise financial ratios such as Loans to Deposits Ratio, Liquidity Coverage Ratio, and Net Stable Funding Ratio, as well as cash flow models incorporating contractual and behavioral maturities. Aside from this, the Bank has its own internal ratio to monitor its daily net liquid assets called Marketable Liquid Asset Ratio (MLAR). The components under MLAR are similar to Basel III's Liquidity Coverage Ratio which includes both cash inflows, cash outflows and liquid assets. The Bank sets risk limits and indicators in order to maintain its liquidity risk within the Bank's approved risk appetite. The liquidity position is monitored daily for day-to-day management and monthly reported to the ALCO.

Stress tests are performed under various scenarios, in accordance with the BoT's guidelines, in order to assess the Bank's ability to withstand a crisis. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

As at 30 June 2015, the loan to deposit ratio of the Bank were 94.0% (*31 December 2014: 94.3%*).

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

The significant financial assets and liabilities classified by remaining periods to maturity, counted from the date of statements of financial position, as at 30 June 2015 and 31 December 2014 are summarised as follows:

|                                                                          | At call <sup>(1)</sup> | Within<br>3 months | Over 3 months<br>to 1 year | Consolidated<br>30 June 2015<br>Over 1 year<br>to 5 years<br>(in million Baht) | Over<br>5 years | No<br>maturity        | Total          |
|--------------------------------------------------------------------------|------------------------|--------------------|----------------------------|--------------------------------------------------------------------------------|-----------------|-----------------------|----------------|
| <b>Financial assets</b>                                                  |                        |                    |                            |                                                                                |                 |                       |                |
| Cash                                                                     | 12,164                 | -                  | -                          | -                                                                              | -               | -                     | 12,164         |
| Interbank and money market items                                         | 7,752                  | 92,374             | 499                        | 6,000                                                                          | -               | -                     | 106,625        |
| Investments, net                                                         |                        |                    |                            |                                                                                |                 |                       |                |
| Trading securities and general<br>investments                            | -                      | 1,788              | 9,946                      | 4,221                                                                          | 237             | 616 <sup>(2)</sup>    | 16,808         |
| Available-for-sale securities                                            | -                      | 8,977              | 25,611                     | 10,982                                                                         | 1,452           | 2,660 <sup>(2)</sup>  | 49,682         |
| Held-to-maturity debt securities                                         | -                      | 5,152              | 8,468                      | 24,340                                                                         | -               | -                     | 37,960         |
| Loans to customers net of deferred revenue                               | 124,450                | 130,044            | 98,057                     | 112,318                                                                        | 65,694          | 20,055 <sup>(3)</sup> | 550,618        |
| Other financial assets                                                   | 809                    | 16,987             | 1,029                      | 309                                                                            | 823             | 6,000                 | 25,957         |
| <b>Total financial assets</b>                                            | <b>145,175</b>         | <b>255,322</b>     | <b>143,610</b>             | <b>158,170</b>                                                                 | <b>68,206</b>   | <b>29,331</b>         | <b>799,814</b> |
| <b>Financial liabilities</b>                                             |                        |                    |                            |                                                                                |                 |                       |                |
| Deposits                                                                 | 407,020                | 61,826             | 117,002                    | 7,340                                                                          | -               | -                     | 593,188        |
| Interbank and money market items                                         | 7,692                  | 42,095             | 1,043                      | 3,222                                                                          | -               | -                     | 54,052         |
| Liabilities payable on demand                                            | 3,320                  | -                  | -                          | -                                                                              | -               | -                     | 3,320          |
| Financial liabilities designated at<br>fair value through profit or loss | -                      | -                  | -                          | -                                                                              | 188             | -                     | 188            |
| Debt issued and borrowings                                               | 194                    | 76                 | 686                        | 29,324                                                                         | 73              | -                     | 30,353         |
| Other financial liabilities                                              | 701                    | 19,479             | -                          | -                                                                              | 1,111           | 5,243                 | 26,534         |
| <b>Total financial liabilities</b>                                       | <b>418,927</b>         | <b>123,476</b>     | <b>118,731</b>             | <b>39,886</b>                                                                  | <b>1,372</b>    | <b>5,243</b>          | <b>707,635</b> |
| <b>Net liquidity gap</b>                                                 | <b>(273,752)</b>       | <b>131,846</b>     | <b>24,879</b>              | <b>118,284</b>                                                                 | <b>66,834</b>   | <b>24,088</b>         | <b>92,179</b>  |
| <b>Net cash flow on derivatives</b>                                      | <b>-</b>               | <b>422</b>         | <b>13</b>                  | <b>457</b>                                                                     | <b>85</b>       | <b>-</b>              | <b>977</b>     |

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

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

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

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                                                          | Consolidated<br>31 December 2014 |                    |                            |                                                |                 |                       |                |
|--------------------------------------------------------------------------|----------------------------------|--------------------|----------------------------|------------------------------------------------|-----------------|-----------------------|----------------|
|                                                                          | At call <sup>(1)</sup>           | Within<br>3 months | Over 3 months<br>to 1 year | Over 1 year<br>to 5 years<br>(in million Baht) | Over<br>5 years | No<br>maturity        | Total          |
| <b>Financial assets</b>                                                  |                                  |                    |                            |                                                |                 |                       |                |
| Cash                                                                     | 16,428                           | -                  | -                          | -                                              | -               | -                     | 16,428         |
| Interbank and money market items                                         | 6,490                            | 100,094            | 422                        | 6,000                                          | -               | -                     | 113,006        |
| Investments, net                                                         |                                  |                    |                            |                                                |                 |                       |                |
| Trading securities and general<br>investments                            | -                                | 10,825             | 5,734                      | 3,641                                          | -               | 685 <sup>(2)</sup>    | 20,885         |
| Available-for-sale securities                                            | -                                | 6,997              | 21,301                     | 13,252                                         | -               | 2,077 <sup>(2)</sup>  | 43,627         |
| Held-to-maturity debt securities                                         | -                                | 3,015              | 18,937                     | 24,395                                         | -               | -                     | 46,347         |
| Loans to customers net of deferred revenue                               | 124,993                          | 120,202            | 101,799                    | 103,074                                        | 62,199          | 18,093 <sup>(3)</sup> | 530,360        |
| Other financial assets                                                   | 989                              | 6,636              | 243                        | 1,338                                          | 893             | 6,129                 | 16,228         |
| <b>Total financial assets</b>                                            | <b>148,900</b>                   | <b>247,769</b>     | <b>148,436</b>             | <b>151,700</b>                                 | <b>63,092</b>   | <b>26,984</b>         | <b>786,881</b> |
| <b>Financial liabilities</b>                                             |                                  |                    |                            |                                                |                 |                       |                |
| Deposits                                                                 | 397,768                          | 77,092             | 89,303                     | 7,462                                          | -               | -                     | 571,625        |
| Interbank and money market items                                         | 7,445                            | 59,976             | 1,588                      | 3,708                                          | -               | -                     | 72,717         |
| Liabilities payable on demand                                            | 3,145                            | -                  | -                          | -                                              | -               | -                     | 3,145          |
| Financial liabilities designated at<br>fair value through profit or loss | -                                | -                  | -                          | -                                              | 137             | -                     | 137            |
| Debt issued and borrowings                                               | 141                              | 574                | 8,816                      | 26,637                                         | 81              | -                     | 36,249         |
| Other financial liabilities                                              | 1,238                            | 5,382              | -                          | -                                              | 1,157           | 6,581                 | 14,358         |
| <b>Total financial liabilities</b>                                       | <b>409,737</b>                   | <b>143,024</b>     | <b>99,707</b>              | <b>37,807</b>                                  | <b>1,375</b>    | <b>6,581</b>          | <b>698,231</b> |
| <b>Net liquidity gap</b>                                                 | <b>(260,837)</b>                 | <b>104,745</b>     | <b>48,729</b>              | <b>113,893</b>                                 | <b>61,717</b>   | <b>20,403</b>         | <b>88,650</b>  |
| <b>Net cash flow on derivatives</b>                                      | <b>-</b>                         | <b>466</b>         | <b>391</b>                 | <b>88</b>                                      | <b>15</b>       | <b>-</b>              | <b>960</b>     |

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

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

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

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                                                          | At call <sup>(1)</sup> | Within<br>3 months | Over 3 months<br>to 1 year | <b>Bank only</b><br>30 June 2015<br>Over 1 year<br>to 5 years<br>(in million Baht) | Over<br>5 years | No<br>maturity        | Total          |
|--------------------------------------------------------------------------|------------------------|--------------------|----------------------------|------------------------------------------------------------------------------------|-----------------|-----------------------|----------------|
| <b>Financial assets</b>                                                  |                        |                    |                            |                                                                                    |                 |                       |                |
| Cash                                                                     | 12,164                 | -                  | -                          | -                                                                                  | -               | -                     | 12,164         |
| Interbank and money market items                                         | 7,746                  | 92,076             | -                          | 6,000                                                                              | -               | -                     | 105,822        |
| Investments, net                                                         |                        |                    |                            |                                                                                    |                 |                       |                |
| Trading securities and general<br>investments                            | -                      | 1,788              | 9,946                      | 4,221                                                                              | 237             | 616 <sup>(2)</sup>    | 16,808         |
| Available-for-sale securities                                            | -                      | 8,977              | 25,611                     | 10,982                                                                             | 1,452           | 4 <sup>(2)</sup>      | 47,026         |
| Held-to-maturity debt securities                                         | -                      | 5,152              | 8,468                      | 24,340                                                                             | -               | -                     | 37,960         |
| Investments in subsidiaries and associate, net                           | -                      | -                  | -                          | -                                                                                  | -               | 3,229 <sup>(2)</sup>  | 3,229          |
| Loans to customers net of deferred revenue                               | 124,450                | 130,044            | 98,056                     | 112,319                                                                            | 65,694          | 20,016 <sup>(3)</sup> | 550,579        |
| Other financial assets                                                   | 809                    | 16,987             | 945                        | 289                                                                                | 822             | 5,828                 | 25,680         |
| <b>Total financial assets</b>                                            | <b>145,169</b>         | <b>255,024</b>     | <b>143,026</b>             | <b>158,151</b>                                                                     | <b>68,205</b>   | <b>29,693</b>         | <b>799,268</b> |
| <b>Financial liabilities</b>                                             |                        |                    |                            |                                                                                    |                 |                       |                |
| Deposits                                                                 | 407,076                | 61,826             | 117,002                    | 7,340                                                                              | -               | -                     | 593,244        |
| Interbank and money market items                                         | 7,692                  | 42,095             | 1,043                      | 3,222                                                                              | -               | -                     | 54,052         |
| Liabilities payable on demand                                            | 3,320                  | -                  | -                          | -                                                                                  | -               | -                     | 3,320          |
| Financial liabilities designated at<br>fair value through profit or loss | -                      | -                  | -                          | -                                                                                  | 188             | -                     | 188            |
| Debt issued and borrowings                                               | 194                    | 76                 | 686                        | 29,324                                                                             | 73              | -                     | 30,353         |
| Other financial liabilities                                              | 701                    | 19,471             | -                          | -                                                                                  | 1,111           | 5,124                 | 26,407         |
| <b>Total financial liabilities</b>                                       | <b>418,983</b>         | <b>123,468</b>     | <b>118,731</b>             | <b>39,886</b>                                                                      | <b>1,372</b>    | <b>5,124</b>          | <b>707,564</b> |
| <b>Net liquidity gap</b>                                                 | <b>(273,814)</b>       | <b>131,556</b>     | <b>24,295</b>              | <b>118,265</b>                                                                     | <b>66,833</b>   | <b>24,569</b>         | <b>91,704</b>  |
| <b>Net cash flow on derivatives</b>                                      | <b>-</b>               | <b>422</b>         | <b>13</b>                  | <b>457</b>                                                                         | <b>85</b>       | <b>-</b>              | <b>977</b>     |

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

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

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

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

|                                                                          |                        |                    |                            | <b>Bank only</b><br>31 December 2014           |                 |                       |                |
|--------------------------------------------------------------------------|------------------------|--------------------|----------------------------|------------------------------------------------|-----------------|-----------------------|----------------|
|                                                                          | At call <sup>(1)</sup> | Within<br>3 months | Over 3 months<br>to 1 year | Over 1 year<br>to 5 years<br>(in million Baht) | Over<br>5 years | No<br>maturity        | Total          |
| <b><i>Financial assets</i></b>                                           |                        |                    |                            |                                                |                 |                       |                |
| Cash                                                                     | 16,428                 | -                  | -                          | -                                              | -               | -                     | 16,428         |
| Interbank and money market items                                         | 6,488                  | 99,853             | -                          | 6,000                                          | -               | -                     | 112,341        |
| Investments, net                                                         |                        |                    |                            |                                                |                 |                       |                |
| Trading securities and general<br>investments                            | -                      | 10,825             | 5,734                      | 3,641                                          | -               | 685 <sup>(2)</sup>    | 20,885         |
| Available-for-sale securities                                            | -                      | 6,997              | 21,301                     | 13,252                                         | -               | 4 <sup>(2)</sup>      | 41,554         |
| Held-to-maturity debt securities                                         | -                      | 3,015              | 18,937                     | 24,395                                         | -               | -                     | 46,347         |
| Investments in subsidiaries and associate, net                           | -                      | -                  | -                          | -                                              | -               | 3,229 <sup>(2)</sup>  | 3,229          |
| Loans to customers net of deferred revenue                               | 124,993                | 120,202            | 101,798                    | 103,074                                        | 62,199          | 18,051 <sup>(3)</sup> | 530,317        |
| Other financial assets                                                   | 989                    | 6,079              | 243                        | 1,234                                          | 884             | 5,874                 | 15,303         |
| <b>Total financial assets</b>                                            | <b>148,898</b>         | <b>246,971</b>     | <b>148,013</b>             | <b>151,596</b>                                 | <b>63,083</b>   | <b>27,843</b>         | <b>786,404</b> |
| <b><i>Financial liabilities</i></b>                                      |                        |                    |                            |                                                |                 |                       |                |
| Deposits                                                                 | 397,863                | 77,092             | 89,303                     | 7,462                                          | -               | -                     | 571,720        |
| Interbank and money market items                                         | 7,445                  | 59,976             | 1,588                      | 3,708                                          | -               | -                     | 72,717         |
| Liabilities payable on demand                                            | 3,145                  | -                  | -                          | -                                              | -               | -                     | 3,145          |
| Financial liabilities designated at<br>fair value through profit or loss | -                      | -                  | -                          | -                                              | 137             | -                     | 137            |
| Debt issued and borrowings                                               | 141                    | 574                | 8,816                      | 26,637                                         | 81              | -                     | 36,249         |
| Other financial liabilities                                              | 1,238                  | 5,365              | -                          | -                                              | 1,156           | 6,387                 | 14,146         |
| <b>Total financial liabilities</b>                                       | <b>409,832</b>         | <b>143,007</b>     | <b>99,707</b>              | <b>37,807</b>                                  | <b>1,374</b>    | <b>6,387</b>          | <b>698,114</b> |
| <b>Net liquidity gap</b>                                                 | <b>(260,934)</b>       | <b>103,964</b>     | <b>48,306</b>              | <b>113,789</b>                                 | <b>61,709</b>   | <b>21,456</b>         | <b>88,290</b>  |
| <b>Net cash flow on derivatives</b>                                      | <b>-</b>               | <b>466</b>         | <b>391</b>                 | <b>88</b>                                      | <b>15</b>       | <b>-</b>              | <b>960</b>     |

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

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

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

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**For the three-month period ended 30 June 2015 (Unaudited)**

**6 Fair value of assets and liabilities**

**6.1 Financial assets and liabilities**

The fair values in comparison with carrying values of each line item of financial assets and financial liabilities as shown in the statements of financial position at 30 June 2015 are as follows:

|                                                                       | <b>Consolidated</b>      |                | <b>Bank only</b> |                |
|-----------------------------------------------------------------------|--------------------------|----------------|------------------|----------------|
|                                                                       | Carrying value           | Fair value     | Carrying value   | Fair value     |
|                                                                       | <i>(in million Baht)</i> |                |                  |                |
| <b><i>Financial assets</i></b>                                        |                          |                |                  |                |
| Cash                                                                  | 12,164                   | 12,164         | 12,164           | 12,164         |
| Interbank and money market items, net                                 | 106,587                  | 106,587        | 105,780          | 105,780        |
| Claims on securities                                                  | 9,161                    | 9,161          | 9,161            | 9,161          |
| Derivatives assets                                                    | 12,230                   | 12,590         | 12,230           | 12,590         |
| Investments, net                                                      | 104,450                  | 105,665        | 101,794          | 103,009        |
| Loans to customers and accrued interest receivable, net               | 522,584                  | 522,584        | 522,571          | 522,571        |
| Other financial assets                                                | 25,957                   | 25,957         | 25,680           | 25,680         |
| <b>Total financial assets</b>                                         | <b>793,133</b>           | <b>794,708</b> | <b>789,380</b>   | <b>790,955</b> |
| <b><i>Financial liabilities</i></b>                                   |                          |                |                  |                |
| Deposits                                                              | 593,188                  | 593,203        | 593,244          | 593,239        |
| Interbank and money market items                                      | 54,052                   | 54,053         | 54,052           | 54,053         |
| Liability payable on demand                                           | 3,320                    | 3,320          | 3,320            | 3,320          |
| Liabilities to deliver security                                       | 9,161                    | 9,161          | 9,161            | 9,161          |
| Financial liabilities designated at fair value through profit or loss | 239                      | 239            | 239              | 239            |
| Derivatives liabilities                                               | 12,106                   | 12,081         | 12,106           | 12,081         |
| Debts issued and borrowings                                           | 30,353                   | 32,411         | 30,353           | 32,411         |
| Other financial liabilities                                           | 26,534                   | 26,534         | 26,407           | 26,407         |
| <b>Total financial liabilities</b>                                    | <b>728,953</b>           | <b>731,002</b> | <b>728,882</b>   | <b>730,911</b> |

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

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets)

The fair value is approximated based on the carrying value of interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at market interest rates.

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- Claims on securities:

The fair value is approximated based on its carrying value.

- Investments, net:

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association (“ThaiBMA”). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA’s yield rates adjusted by appropriate risk factors.

The fair value of marketable equity securities held for trading and as available-for-sale is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date. The fair value of non-marketable equity securities is determined mainly based on the net asset value of the investee company.

- Loans to customers and accrued interest receivables:

The fair value is based on the carrying value of loans to customers and accrued interest receivable net of deferred revenue and allowance for doubtful debts as most loans are floating rate loans or fixed rate loans with repricing periods of less than 1 year.

- Other financial assets

The fair value is approximated based on its carrying value.

- Deposits and interbank and money market items (liabilities):

The fair value is approximated based on the carrying value of deposits or interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at interest rates currently being offered on such deposits or interbank and money market items or similar deposits.

- Liability payable on demand and Liabilities to deliver security:

The fair value is approximated based on its carrying value.

- Financial liabilities designated at fair value through profit or loss:

Fair value is calculated based on a valuation model, using market data obtained from reliable sources.

- Debts issued and borrowings:

The fair value is approximated based on their carrying value, except for the fair value of fixed rate borrowings with remaining maturities greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at the market rates of interest at the reporting dates, in cases where there is no active market, and the market value, in cases where there is an active market.

# **TMB Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

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

### ***Fair value hierarchy***

Fair value measurements for assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

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

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

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the six-month period ended 30 June 2015.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

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For the three-month period ended 30 June 2015 (Unaudited)

### 6.1.1 Financial assets and liabilities measured at fair value

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

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

|                                                                       | Consolidated      |         |         |        |
|-----------------------------------------------------------------------|-------------------|---------|---------|--------|
|                                                                       | Fair value        |         |         |        |
|                                                                       | Level 1           | Level 2 | Level 3 | Total  |
|                                                                       | (in million Baht) |         |         |        |
| <b>30 June 2015</b>                                                   |                   |         |         |        |
| <b>Financial assets</b>                                               |                   |         |         |        |
| Derivatives (trading book)                                            |                   |         |         |        |
| - Foreign currency related                                            | -                 | 6,876   | -       | 6,876  |
| - Interest rate related                                               | -                 | 5,268   | -       | 5,268  |
| Investments                                                           |                   |         |         |        |
| - Trading investments                                                 | -                 | 16,192  | -       | 16,192 |
| - Available-for-sale investments                                      | -                 | 49,682  | -       | 49,682 |
| <b>Financial liabilities</b>                                          |                   |         |         |        |
| Financial liabilities designated at fair value through profit or loss | -                 | 239     | -       | 239    |
| Derivatives (trading book)                                            |                   |         |         |        |
| - Foreign currency related                                            | -                 | 6,419   | -       | 6,419  |
| - Interest rate related                                               | -                 | 5,427   | -       | 5,427  |
|                                                                       |                   |         |         |        |
|                                                                       | Bank only         |         |         |        |
|                                                                       | Fair value        |         |         |        |
|                                                                       | Level 1           | Level 2 | Level 3 | Total  |
|                                                                       | (in million Baht) |         |         |        |
| <b>30 June 2015</b>                                                   |                   |         |         |        |
| <b>Financial assets</b>                                               |                   |         |         |        |
| Derivatives (trading book)                                            |                   |         |         |        |
| - Foreign currency related                                            | -                 | 6,876   | -       | 6,876  |
| - Interest rate related                                               | -                 | 5,268   | -       | 5,268  |
| Investments                                                           |                   |         |         |        |
| - Trading investments                                                 | -                 | 16,192  | -       | 16,192 |
| - Available-for-sale investments                                      | -                 | 47,026  | -       | 47,026 |
| <b>Financial liabilities</b>                                          |                   |         |         |        |
| Financial liabilities designated at fair value through profit or loss | -                 | 239     | -       | 239    |
| Derivatives (trading book)                                            |                   |         |         |        |
| - Foreign currency related                                            | -                 | 6,419   | -       | 6,419  |
| - Interest rate related                                               | -                 | 5,427   | -       | 5,427  |

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## Notes to the interim financial statements

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For the three-month period ended 30 June 2015 (Unaudited)

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

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

|                                                            | Carrying<br>value | Consolidated<br>Fair value |                   |         |         |
|------------------------------------------------------------|-------------------|----------------------------|-------------------|---------|---------|
|                                                            |                   | Level 1                    | Level 2           | Level 3 | Total   |
|                                                            |                   |                            | (in million Baht) |         |         |
| <b>30 June 2015</b>                                        |                   |                            |                   |         |         |
| <b><i>Financial assets</i></b>                             |                   |                            |                   |         |         |
| Cash                                                       | 12,164            | 12,164                     | -                 | -       | 12,164  |
| Interbank and money market items, net                      | 106,587           | -                          | 106,587           | -       | 106,587 |
| Claims on securities                                       | 9,161             | 9,161                      | -                 | -       | 9,161   |
| Derivatives (banking book)                                 | 86                | -                          | 446               | -       | 446     |
| Investments                                                |                   |                            |                   |         |         |
| - Held-to-maturity investments                             | 37,960            | -                          | 38,893            | -       | 38,893  |
| - General investments                                      | 616               | -                          | -                 | 898     | 898     |
| Loans to customers and accrued interest<br>receivable, net | 522,584           | -                          | -                 | 522,584 | 522,584 |
| Other financial assets                                     | 25,957            | 15,806                     | 10,151            | -       | 25,957  |
| <b><i>Financial liabilities</i></b>                        |                   |                            |                   |         |         |
| Deposits                                                   | 593,188           | -                          | 593,203           | -       | 593,203 |
| Interbank and money market items                           | 54,052            | -                          | 54,053            | -       | 54,053  |
| Liabilities payable on demand                              | 3,320             | 3,320                      | -                 | -       | 3,320   |
| Liabilities to deliver security                            | 9,161             | 9,161                      | -                 | -       | 9,161   |
| Derivatives (banking book)                                 | 260               | -                          | 235               | -       | 235     |
| Debt issued and borrowings                                 | 30,353            | -                          | 32,411            | -       | 32,411  |
| Other financial liabilities                                | 26,534            | 19,096                     | 7,438             | -       | 26,534  |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                                            | Carrying<br>value | Bank only<br>Fair value |                   |         |         |
|------------------------------------------------------------|-------------------|-------------------------|-------------------|---------|---------|
|                                                            |                   | Level 1                 | Level 2           | Level 3 | Total   |
|                                                            |                   |                         | (in million Baht) |         |         |
| <b>30 June 2015</b>                                        |                   |                         |                   |         |         |
| <b>Financial assets</b>                                    |                   |                         |                   |         |         |
| Cash                                                       | 12,164            | 12,164                  | -                 | -       | 12,164  |
| Interbank and money market items, net                      | 105,780           | -                       | 105,780           | -       | 105,780 |
| Claims on securities                                       | 9,161             | 9,161                   | -                 | -       | 9,161   |
| Derivatives (banking book)                                 | 86                | -                       | 446               | -       | 446     |
| Investments                                                |                   |                         |                   |         |         |
| - Held-to-maturity investments                             | 37,960            | -                       | 38,893            | -       | 38,893  |
| - General investments                                      | 616               | -                       | -                 | 898     | 898     |
| Loans to customers and accrued interest<br>receivable, net | 522,571           | -                       | -                 | 522,571 | 522,571 |
| Other financial assets                                     | 25,680            | 15,806                  | 9,874             | -       | 25,680  |
| <b>Financial liabilities</b>                               |                   |                         |                   |         |         |
| Deposits                                                   | 593,244           | -                       | 593,239           | -       | 593,239 |
| Interbank and money market items                           | 54,052            | -                       | 54,053            | -       | 54,053  |
| Liabilities payable on demand                              | 3,320             | 3,320                   | -                 | -       | 3,320   |
| Liabilities to deliver security                            | 9,161             | 9,161                   | -                 | -       | 9,161   |
| Derivatives (banking book)                                 | 260               | -                       | 235               | -       | 235     |
| Debt issued and borrowings                                 | 30,353            | -                       | 32,411            | -       | 32,411  |
| Other financial liabilities                                | 26,407            | 19,096                  | 7,311             | -       | 26,407  |

## 6.2 Non-financial assets measured at fair value

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

|                      |                   | Consolidated and Bank only |         |         |       |
|----------------------|-------------------|----------------------------|---------|---------|-------|
|                      | Carrying<br>value | Fair value                 |         |         |       |
|                      |                   | Level 1                    | Level 2 | Level 3 | Total |
| 30 June 2015         |                   |                            |         |         |       |
| Non-financial assets |                   |                            |         |         |       |
| Premises, net        | 8,847             | -                          | -       | 8,847   | 8,847 |

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

# TMB Bank Public Company Limited and its Subsidiaries

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### For the six-month period ended 30 June 2015

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

#### Level 3 fair value

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

|                                         | <b>Consolidated and<br/>Bank only<br/>(in million Baht)</b> |
|-----------------------------------------|-------------------------------------------------------------|
| Balance at 1 January 2015               | 8,980                                                       |
| Acquisitions                            | 55                                                          |
| Transferred to property for sale        | (50)                                                        |
| Depreciation                            | (135)                                                       |
| Change in revaluation surplus on assets | (3)                                                         |
| <b>Balance at 30 June 2015</b>          | <b>8,847</b>                                                |

## 7 Maintenance of capital fund

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 8 May 2015, the Bank is required to calculate its Capital Fund in accordance with Basel III. As at 30 June 2015 and 31 December 2014, the Bank's total capital funds can be categorised as follows:

|                                                    | <b>Bank only</b>         |                     |
|----------------------------------------------------|--------------------------|---------------------|
|                                                    | 30 June<br>2015          | 31 December<br>2014 |
|                                                    | <i>(in million Baht)</i> |                     |
| <b>Tier 1 capital</b>                              |                          |                     |
| <b>Common Equity Tier 1 capital (CET1)</b>         |                          |                     |
| Paid-up share capital                              | 41,562                   | 41,495              |
| Share premium                                      | 236                      | 157                 |
| Legal reserve                                      | 1,250                    | 1,250               |
| Net profits after appropriation                    | 19,648                   | 15,770              |
| Other comprehensive income                         | 3,621                    | 3,658               |
| Capital adjustment items on CET1                   | (88)                     | -                   |
| Capital deduction items on CET1                    | (3,370)                  | (3,208)             |
| <b>Total Tier 1 Capital</b>                        | <b>62,859</b>            | <b>59,122</b>       |
| <b>Tier 2 capital</b>                              |                          |                     |
| Allowance for classified assets of "pass" category | 6,066                    | 5,700               |
| Subordinated debentures                            | 25,350                   | 33,350              |
| <b>Total Tier 2 Capital</b>                        | <b>31,416</b>            | <b>39,050</b>       |
| <b>Total Capital funds</b>                         | <b>94,275</b>            | <b>98,172</b>       |
| <b>Total Risk-Weighted Assets</b>                  | <b>557,200</b>           | <b>535,363</b>      |

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**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

|                                                              | The BoT's<br>regulation<br>minimum<br>requirement | 30 June<br>2015<br>(%) | 31 December<br>2014 |
|--------------------------------------------------------------|---------------------------------------------------|------------------------|---------------------|
| Capital Adequacy Ratio/Total Risk-Weighted Asset             | 8.50                                              | 16.92                  | 18.34               |
| Tier 1 Capital Ratio/Total Risk-Weighted Asset               | 6.00                                              | 11.28                  | 11.04               |
| Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset | 4.50                                              | 11.28                  | 11.04               |

According to Bank of Thailand notification number For Nor Sor (23) Wor 263/2556 dated 22 February 2013, the Bank is required to disclose CET1 after deducting capital add-on arising from Single Lending Limit, effective at the end of January 2015. As at 30 June 2015, the Bank has no add-on arising from Single Lending Limit.

The Bank will disclose capital adequacy and capital risk exposure information for the Bank and the full consolidation as at 30 June 2015 through the Bank's website at [www.tmbbank.com](http://www.tmbbank.com) within October 2015.

### ***Capital management***

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

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

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

The Bank and a subsidiary entered into the Asset Transfer Agreements with TAMC in 2001 for sales of non-performing assets to TAMC, and the Bank and its subsidiary (as the transferors) received promissory notes from TAMC (as the transferee) for settlement of the transfer prices. Under the agreements, TAMC and the transferors were jointly responsible for sharing the profits or losses from TAMC's management of the non-performing assets at the end of the fifth year and the tenth year commencing 1 July 2001.

In September 2013, the Bank and its subsidiary received letters from TAMC on the subject of "Results of calculating profits or losses from the management of the non-performing assets as of 30 November 2012, official version, and lodging claims for settlement with TAMC", informing them of their loss sharing of Baht 1,403 million (the Bank only: Baht 1,317 million) from the management of assets transferred (excluding the portion in dispute with respect to transfer price reduction requests) from the Bank and its subsidiary. The Bank and its subsidiary therefore adjusted provisions for liabilities to correspond to the information received from TAMC. As at 30 June 2015 and 31 December 2014, the Bank has outstanding provisions for loss sharing of Baht 1,317 million, which are included under the caption of "Provisions for obligations on transfers of non-performing assets" in the statements of financial position.

<sup>(1)</sup> TAMC was liquidated on 8 June 2013 and has already delivered the remaining assets and liabilities to the Ministry of Finance for further arrangement.

**TMB Bank Public Company Limited and its Subsidiaries**  
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**For the six-month period ended 30 June 2015**  
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**8.2 Promissory notes disputed over transfer price adjustment requests**

Over the period of asset management by TAMC, TAMC issued letters to the Bank informing its requests of transfer price adjustments as summarized below:

- (a) In November 2006, TAMC informed the Bank that it requested a transfer price adjustment of Baht 4,341 million, being the collateral value of the pledged machinery transferred to TAMC. The Bank has refused the adjustment request since it breached the conditions of the Asset Transfer Agreements dated 12 October 2001, and therefore has no legal enforcement. The Bank took legal action against TAMC. On 27 April 2010, the Court of First Instance judged in favour of the Bank. On 4 February 2014, however, the Appeal Court reversed the earlier Court's verdict by making decision to dismiss the case. Currently, the case is in the proceeding session of the Supreme Court.
- (b) In June 2011, the Bank sued TAMC for an additional sum of Baht 242 million over TAMC's refusals to make settlement of four items of non-performing assets transferred to TAMC of Baht 56 million and interest on promissory notes for the years 2006 and 2007. On 27 September 2012, the Court of First Instance already dismissed the case. On 22 January 2014, the Appeal Court decided to uphold the earlier Court's verdict. Currently, the case is in the proceeding session of the Supreme Court.

As at 30 June 2015 and 31 December 2014, the Bank recorded liabilities provisions Baht 4,681 million, as a result of the transfer price adjustment requested for non-performing loans against which machinery is pledged as collateral, as mentioned in 8.2 (a) (including accrued interest receivable of Baht 276 million), and TAMC's refusals to make settlement for non-performing assets transferred to TAMC, as mentioned in 8.2 (b). Such amounts are included under the caption of "Provisions for obligation on transfers of non-performing assets" in the statements of financial position.

**8.3 Settlement of promissory notes**

As at 30 June 2015, the Bank has matured promissory notes of Baht 4,398 million due from TAMC, presented as a part of "Other receivables" in the statements of financial position, in dispute with TAMC regarding the transfer price adjustment as described in Note 8.2 to the financial statements.

The Bank is not to call for any penalties, default interest or remedies from TAMC and the Financial Institutions Development Fund in case of late redemption of disputed promissory notes, for which the disputes have yet to be resolved or the court judgement has yet been finalised.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 9 Interbank and money market items, net (assets)

|                                                              | <b>Consolidated</b>      |               |                  |              |                |                |
|--------------------------------------------------------------|--------------------------|---------------|------------------|--------------|----------------|----------------|
|                                                              | 30 June 2015             |               | 31 December 2014 |              |                |                |
|                                                              | At call                  | Term          | Total            | At call      | Term           | Total          |
|                                                              | <i>(in million Baht)</i> |               |                  |              |                |                |
| <b>Domestic</b>                                              |                          |               |                  |              |                |                |
| Bank of Thailand and Financial Institutions Development Fund | 5,442                    | 71,835        | 77,277           | 3,390        | 62,300         | 65,690         |
| Commercial banks                                             | 12                       | 4,213         | 4,225            | 16           | 22,167         | 22,183         |
| Specialised financial institutions                           | 13                       | 6,001         | 6,014            | 20           | 6,001          | 6,021          |
| Other financial institutions                                 | 10                       | 16,543        | 16,553           | 19           | 14,063         | 14,082         |
| <b>Total</b>                                                 | <b>5,477</b>             | <b>98,592</b> | <b>104,069</b>   | <b>3,445</b> | <b>104,531</b> | <b>107,976</b> |
| Add accrued interest receivable                              | -                        | 95            | 95               | -            | 123            | 123            |
| Less allowance for doubtful accounts                         | -                        | (133)         | (133)            | -            | (27)           | (27)           |
| <b>Total domestic, net</b>                                   | <b>5,477</b>             | <b>98,554</b> | <b>104,031</b>   | <b>3,445</b> | <b>104,627</b> | <b>108,072</b> |
| <b>Foreign</b>                                               |                          |               |                  |              |                |                |
| US Dollar                                                    | 1,168                    | 281           | 1,449            | 1,724        | 1,930          | 3,654          |
| Japanese Yen                                                 | 208                      | -             | 208              | 389          | -              | 389            |
| Euro                                                         | 126                      | -             | 126              | 251          | -              | 251            |
| Other currencies                                             | 773                      | -             | 773              | 681          | 55             | 736            |
| <b>Total</b>                                                 | <b>2,275</b>             | <b>281</b>    | <b>2,556</b>     | <b>3,045</b> | <b>1,985</b>   | <b>5,030</b>   |
| Less allowance for doubtful accounts                         | -                        | -             | -                | -            | (5)            | (5)            |
| <b>Total foreign, net</b>                                    | <b>2,275</b>             | <b>281</b>    | <b>2,556</b>     | <b>3,045</b> | <b>1,980</b>   | <b>5,025</b>   |
| <b>Total domestic and foreign, net</b>                       | <b>7,752</b>             | <b>98,835</b> | <b>106,587</b>   | <b>6,490</b> | <b>106,607</b> | <b>113,097</b> |

|                                                              | <b>Bank only</b>         |               |                  |              |                |                |
|--------------------------------------------------------------|--------------------------|---------------|------------------|--------------|----------------|----------------|
|                                                              | 30 June 2015             |               | 31 December 2014 |              |                |                |
|                                                              | At call                  | Term          | Total            | At call      | Term           | Total          |
|                                                              | <i>(in million Baht)</i> |               |                  |              |                |                |
| <b>Domestic</b>                                              |                          |               |                  |              |                |                |
| Bank of Thailand and Financial Institutions Development Fund | 5,442                    | 71,835        | 77,277           | 3,390        | 62,300         | 65,690         |
| Commercial banks                                             | 5                        | 3,417         | 3,422            | 15           | 21,504         | 21,519         |
| Specialised financial institutions                           | 13                       | 6,001         | 6,014            | 20           | 6,001          | 6,021          |
| Other financial institutions                                 | 10                       | 16,543        | 16,553           | 19           | 14,063         | 14,082         |
| <b>Total</b>                                                 | <b>5,470</b>             | <b>97,796</b> | <b>103,266</b>   | <b>3,444</b> | <b>103,868</b> | <b>107,312</b> |
| Add accrued interest receivables                             | -                        | 91            | 91               | -            | 116            | 116            |
| Less allowance for doubtful accounts                         | -                        | (133)         | (133)            | -            | (27)           | (27)           |
| <b>Total domestic, net</b>                                   | <b>5,470</b>             | <b>97,754</b> | <b>103,224</b>   | <b>3,444</b> | <b>103,957</b> | <b>107,401</b> |
| <b>Foreign</b>                                               |                          |               |                  |              |                |                |
| US Dollar                                                    | 1,168                    | 281           | 1,449            | 1,724        | 1,930          | 3,654          |
| Japanese Yen                                                 | 208                      | -             | 208              | 389          | -              | 389            |
| Euro                                                         | 126                      | -             | 126              | 251          | -              | 251            |
| Other currencies                                             | 773                      | -             | 773              | 681          | 55             | 736            |
| <b>Total</b>                                                 | <b>2,275</b>             | <b>281</b>    | <b>2,556</b>     | <b>3,045</b> | <b>1,985</b>   | <b>5,030</b>   |
| Less allowance for doubtful accounts                         | -                        | -             | -                | -            | (5)            | (5)            |
| <b>Total foreign, net</b>                                    | <b>2,275</b>             | <b>281</b>    | <b>2,556</b>     | <b>3,045</b> | <b>1,980</b>   | <b>5,025</b>   |
| <b>Total domestic and foreign, net</b>                       | <b>7,745</b>             | <b>98,035</b> | <b>105,780</b>   | <b>6,489</b> | <b>105,937</b> | <b>112,426</b> |

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## 10 Derivatives

As at 30 June 2015 and 31 December 2014, fair value of derivatives held for trading book, readjustment based on accrual basis of derivatives held for banking book and notional amount classified by type of risks are as follows:

| Type of risks                 | Consolidated and Bank only                           |               |                    |                                                      |               |                    |
|-------------------------------|------------------------------------------------------|---------------|--------------------|------------------------------------------------------|---------------|--------------------|
|                               | 30 June 2015                                         |               |                    | 31 December 2014                                     |               |                    |
|                               | Fair value/Readjustment<br>based on an accrual basis |               | Notional<br>amount | Fair value/Readjustment<br>based on an accrual basis |               | Notional<br>amount |
|                               | Assets                                               | Liabilities   |                    | Assets                                               | Liabilities   |                    |
|                               | (in million Baht)                                    |               |                    |                                                      |               |                    |
| Foreign currency related      |                                                      |               |                    |                                                      |               |                    |
| - Trading Book                | 6,876                                                | 6,419         | 560,531            | 5,866                                                | 5,005         | 712,512            |
| - Banking Book <sup>(1)</sup> | 126                                                  | 260           | 29,823             | 66                                                   | 167           | 25,992             |
| Interest rate related         |                                                      |               |                    |                                                      |               |                    |
| - Trading Book                | 5,268                                                | 5,427         | 612,902            | 4,944                                                | 5,000         | 673,940            |
| - Banking Book <sup>(1)</sup> | 75                                                   | 170           | 15,000             | 77                                                   | 174           | 15,000             |
| Commodity                     |                                                      |               |                    |                                                      |               |                    |
| - Trading Book                | -                                                    | -             | -                  | -                                                    | -             | 17                 |
| <b>Total</b>                  | <b>12,345</b>                                        | <b>12,276</b> | <b>1,218,256</b>   | <b>10,953</b>                                        | <b>10,346</b> | <b>1,427,461</b>   |

<sup>(1)</sup> Readjustment made on an accrual basis at the end of period/year for interest rate swap contracts held for banking book are adjustments of accrued interest receivables or payables or interest paid or received in advance based on the contracts. As at 30 June 2015, accrued interest receivables and interest paid in advance amounting to Baht 115 million (31 December 2014: Baht 77 million) are presented as a part of "Other assets" and accrued interest payable and interest received in advance amounting to Baht 170 million (31 December 2014: Baht 174 million) are presented as a part of "Other liabilities" in the consolidated and Bank only financial statements.

As at 30 June 2015 and 31 December 2014, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

| Counterparties         | Consolidated and Bank only |                  |
|------------------------|----------------------------|------------------|
|                        | 30 June 2015               | 31 December 2014 |
|                        | <i>(%)</i>                 |                  |
| Financial institutions | 82.65                      | 82.27            |
| Other parties          | 17.35                      | 17.73            |
| <b>Total</b>           | <b>100.00</b>              | <b>100.00</b>    |

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**11 Investments, net**

**11.1 Classified by type of investments**

|                                                               | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|---------------------------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                                               | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                                               | <i>(in million Baht)</i> |                     |                  |                     |
| <b>Trading securities - Fair value</b>                        |                          |                     |                  |                     |
| Government and state enterprise securities                    | 16,192                   | 20,201              | 16,192           | 20,201              |
| <b>Total</b>                                                  | <b>16,192</b>            | <b>20,201</b>       | <b>16,192</b>    | <b>20,201</b>       |
| <b>Available-for-sale securities - Fair value</b>             |                          |                     |                  |                     |
| Government and state enterprise securities                    | 47,022                   | 41,549              | 47,022           | 41,549              |
| Domestic marketable equity securities                         | 2,660                    | 2,078               | 4                | 5                   |
| <b>Total</b>                                                  | <b>49,682</b>            | <b>43,627</b>       | <b>47,026</b>    | <b>41,554</b>       |
| <b>Held-to-maturity debt securities - Cost/Amortised cost</b> |                          |                     |                  |                     |
| Government and state enterprise securities                    | 37,960                   | 46,346              | 37,960           | 46,346              |
| <b>Total</b>                                                  | <b>37,960</b>            | <b>46,346</b>       | <b>37,960</b>    | <b>46,346</b>       |
| <b>General investments - Cost</b>                             |                          |                     |                  |                     |
| Domestic non-marketable equity securities                     | 1,395                    | 1,467               | 1,395            | 1,467               |
| Foreign non-marketable equity securities                      | 36                       | 34                  | 36               | 34                  |
| <b>Total</b>                                                  | <b>1,431</b>             | <b>1,501</b>        | <b>1,431</b>     | <b>1,501</b>        |
| Less allowance for impairment                                 | (815)                    | (816)               | (815)            | (816)               |
| <b>Net</b>                                                    | <b>616</b>               | <b>685</b>          | <b>616</b>       | <b>685</b>          |
| <b>Total investments, net</b>                                 | <b>104,450</b>           | <b>110,859</b>      | <b>101,794</b>   | <b>108,786</b>      |

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

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

As at 30 June 2015 and 31 December 2014, the Bank had investments in entities in which the Bank holds 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associate. Those investments were summarised below.

|                                       | <b>Consolidated and Bank only</b> |                     |
|---------------------------------------|-----------------------------------|---------------------|
|                                       | 30 June<br>2015                   | 31 December<br>2014 |
|                                       | <i>(in million Baht)</i>          |                     |
| Property development and construction | 34                                | 34                  |
| Public utilities and services         | 14                                | 14                  |
| Mutual funds and financial services   | 396                               | 452                 |
| Others                                | 11                                | 11                  |
| <b>Total</b>                          | <b>455</b>                        | <b>511</b>          |
| Less allowance for impairment         | (41)                              | (41)                |
| <b>Investment, net</b>                | <b>414</b>                        | <b>470</b>          |

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

As at 30 June 2015 and 31 December 2014, the Bank had the following investments in listed companies which meet the Stock Exchange of Thailand (“SET”)’s criteria for delisting, and are in default on debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET:

|                                                                                                                                                                                                                                 | <b>Consolidated and Bank only</b> |                                 |               |                                          |                             |                                 |               |                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|---------------|------------------------------------------|-----------------------------|---------------------------------|---------------|------------------------------------------|
|                                                                                                                                                                                                                                 | 30 June 2015                      |                                 |               |                                          | 31 December 2014            |                                 |               |                                          |
|                                                                                                                                                                                                                                 | No.<br>of<br>Com-<br>panies       | Cost<br>value/<br>book<br>value | Fair<br>value | Allowance<br>for impair-<br>ment<br>loss | No.<br>of<br>Com-<br>panies | Cost<br>value/<br>book<br>value | Fair<br>value | Allowance<br>for impair-<br>ment<br>loss |
|                                                                                                                                                                                                                                 |                                   |                                 |               |                                          |                             |                                 |               |                                          |
|                                                                                                                                                                                                                                 |                                   | <i>(in million Baht)</i>        |               |                                          |                             | <i>(in million Baht)</i>        |               |                                          |
| - Listed companies under delisting conditions/ defaulted debt securities                                                                                                                                                        | 2                                 | 62                              | -             | (62)                                     | 2                           | 62                              | -             | (62)                                     |
| - Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET | 11                                | 733                             | -             | (733)                                    | 11                          | 733                             | -             | (733)                                    |
| <b>Total</b>                                                                                                                                                                                                                    | <b>13</b>                         | <b>795</b>                      | <b>-</b>      | <b>(795)</b>                             | <b>13</b>                   | <b>795</b>                      | <b>-</b>      | <b>(795)</b>                             |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

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

As at 30 June 2015 and 31 December 2014, revaluation surplus on investments can be summarised as follows:

|                                                                          | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|--------------------------------------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                                                          | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                                                          | <i>(in million Baht)</i> |                     |                  |                     |
| <b><i>Revaluation surplus on investments</i></b>                         |                          |                     |                  |                     |
| Debt securities                                                          | 111                      | 76                  | 111              | 76                  |
| Equity securities                                                        | 5                        | 60                  | -                | -                   |
| <b>Total</b>                                                             | <b>116</b>               | <b>136</b>          | <b>111</b>       | <b>76</b>           |
| <b><i>Revaluation deficit on investments</i></b>                         |                          |                     |                  |                     |
| Debt securities                                                          | (20)                     | (2)                 | (20)             | (2)                 |
| Equity securities                                                        | (1)                      | -                   | (1)              | -                   |
| <b>Total</b>                                                             | <b>(21)</b>              | <b>(2)</b>          | <b>(21)</b>      | <b>(2)</b>          |
| <b>Revaluation surplus on investments</b>                                | <b>95</b>                | <b>134</b>          | <b>90</b>        | <b>74</b>           |
| <i>Less deferred income taxes</i>                                        | <i>(19)</i>              | <i>(27)</i>         | <i>(18)</i>      | <i>(15)</i>         |
| <b>Revaluation surplus on investment<br/>- net deferred income taxes</b> | <b>76</b>                | <b>107</b>          | <b>72</b>        | <b>59</b>           |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

**12 Investments in subsidiaries and associate, net**

**12.1 Detail of investments in subsidiaries and associate**

| Companies                                           | Type of Business           | Bank only                        |             |                 |             |                   |             |                                 |             |              |             |
|-----------------------------------------------------|----------------------------|----------------------------------|-------------|-----------------|-------------|-------------------|-------------|---------------------------------|-------------|--------------|-------------|
|                                                     |                            | Percentage of ownership interest |             | Paid-up capital |             | Cost              |             | Allowance for impairment losses |             | At cost, net |             |
|                                                     |                            | 30 June                          | 31 December | 30 June         | 31 December | 30 June           | 31 December | 30 June                         | 31 December | 30 June      | 31 December |
|                                                     |                            | 2015                             | 2014        | 2015            | 2014        | 2015              | 2014        | 2015                            | 2014        | 2015         | 2014        |
|                                                     |                            | (%)                              |             |                 |             | (in million Baht) |             |                                 |             |              |             |
| Subsidiaries                                        |                            |                                  |             |                 |             |                   |             |                                 |             |              |             |
| Phayathai Asset Management Co., Ltd.                | Asset management business  | 100.00                           | 100.00      | 1,070           | 1,070       | 3,870             | 3,870       | (945)                           | (945)       | 2,925        | 2,925       |
| Designee for ETA Contract Ltd.                      | Financial support business | 99.50                            | 99.50       | -               | -           | -                 | -           | -                               | -           | -            | -           |
| TMB Asset Management Co., Ltd.                      | Fund management business   | 87.50                            | 87.50       | 100             | 100         | 304               | 304         | -                               | -           | 304          | 304         |
| Total investment in subsidiaries, net               |                            |                                  |             |                 |             | 4,174             | 4,174       | (945)                           | (945)       | 3,229        | 3,229       |
| Associate                                           |                            |                                  |             |                 |             |                   |             |                                 |             |              |             |
| Metro Designee Co., Ltd.                            | Financial support business | 30.00                            | 30.00       | -               | -           | -                 | -           | -                               | -           | -            | -           |
| Total investment in associate                       |                            |                                  |             |                 |             | -                 | -           | -                               | -           | -            | -           |
| Total investment in subsidiaries and associate, net |                            |                                  |             |                 |             | 4,174             | 4,174       | (945)                           | (945)       | 3,229        | 3,229       |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

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

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

#### Phayathai Assets Management Co., Ltd. Statement of cash flows

|                                                                                                                                         | Six-month period ended<br>30 June |              |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------|
|                                                                                                                                         | 2015                              | 2014         |
|                                                                                                                                         | (in million Baht)                 |              |
| <b>Cash flows from operating activities</b>                                                                                             |                                   |              |
| Profit from operations before income tax expense                                                                                        | 96                                | 94           |
| <b>Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities</b> |                                   |              |
| Reversal of impairment loss on investments in receivables                                                                               | (2)                               | (13)         |
| Reversal of impairment loss on loans and securities                                                                                     | (1)                               | (33)         |
| Reversal of provisions for liabilities                                                                                                  | (5)                               | -            |
| Gains on disposal of investments                                                                                                        | (83)                              | -            |
| Provisions for employee benefits                                                                                                        | 1                                 | -            |
| Net interest income                                                                                                                     | (22)                              | (79)         |
| Interest received                                                                                                                       | 25                                | 72           |
| Income tax paid                                                                                                                         | (91)                              | -            |
| <b>Profit (loss) from operations before changes in operating assets and liabilities</b>                                                 | <b>(82)</b>                       | <b>41</b>    |
| <b>Decrease (increase) in operating assets</b>                                                                                          |                                   |              |
| Intercompany and money market items                                                                                                     | 31                                | (12)         |
| Investments in receivables                                                                                                              | 2                                 | 31           |
| Loans to customers                                                                                                                      | 16                                | 77           |
| Receivables from BAM's promissory notes                                                                                                 | 557                               | -            |
| Receivables from legal Execution Department                                                                                             | 31                                | 21           |
| Other assets                                                                                                                            | 3                                 | 13           |
| <b>Increase (decrease) in operating liabilities</b>                                                                                     |                                   |              |
| Other payables                                                                                                                          | (1)                               | (10)         |
| Accrued expenses                                                                                                                        | (1)                               | 1            |
| Provisions for employee benefits                                                                                                        | (2)                               | (2)          |
| <b>Net cash provided by operating activities</b>                                                                                        | <b>554</b>                        | <b>160</b>   |
| <b>Cash flows from investing activities</b>                                                                                             |                                   |              |
| Proceeds from sales of available-for-sale investments                                                                                   | 2,696                             | -            |
| Purchase of available-for-sale investments                                                                                              | (3,250)                           | (160)        |
| <b>Net cash used in investing activities</b>                                                                                            | <b>(554)</b>                      | <b>(160)</b> |
| <b>Net increase (decrease) in cash</b>                                                                                                  | <b>-</b>                          | <b>-</b>     |
| Cash at 1 January                                                                                                                       | -                                 | -            |
| <b>Cash at 30 June</b>                                                                                                                  | <b>-</b>                          | <b>-</b>     |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 13 Loans to customers and accrued interest receivable, net

#### 13.1 Classified by loan type

|                                                                                              | Consolidated             |                     | Bank only       |                     |
|----------------------------------------------------------------------------------------------|--------------------------|---------------------|-----------------|---------------------|
|                                                                                              | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015 | 31 December<br>2014 |
|                                                                                              | <i>(in million Baht)</i> |                     |                 |                     |
| Overdrafts                                                                                   | 147,391                  | 145,808             | 147,391         | 145,808             |
| Loans                                                                                        | 257,583                  | 228,249             | 257,544         | 228,207             |
| Bills                                                                                        | 145,586                  | 156,331             | 145,586         | 156,331             |
| Others                                                                                       | 144                      | 58                  | 144             | 58                  |
| Less deferred revenue                                                                        | (86)                     | (86)                | (86)            | (86)                |
| Loans to customers net of deferred revenue                                                   | 550,618                  | 530,360             | 550,579         | 530,318             |
| Add accrued interest receivables                                                             | 1,227                    | 1,068               | 1,227           | 1,068               |
| <b>Total loans to customers net of deferred revenue<br/>add accrued interest receivables</b> | <b>551,845</b>           | <b>531,428</b>      | <b>551,806</b>  | <b>531,386</b>      |
| Less allowance for doubtful accounts                                                         |                          |                     |                 |                     |
| - Provision at BoT's minimum rates required                                                  | (13,520)                 | (12,362)            | (13,494)        | (12,334)            |
| - Provision in excess of BoT's minimum rates<br>required                                     | (15,509)                 | (15,890)            | (15,509)        | (15,890)            |
| Less revaluation allowance for debt restructuring                                            | (232)                    | (110)               | (232)           | (110)               |
| <b>Loans to customers and accrued interest<br/>receivables, net</b>                          | <b>522,584</b>           | <b>503,066</b>      | <b>522,571</b>  | <b>503,052</b>      |

#### 13.2 Classified by currency and residency of debtors

|                  | Consolidated             |              |                |                  |              |                |
|------------------|--------------------------|--------------|----------------|------------------|--------------|----------------|
|                  | 30 June 2015             |              |                | 31 December 2014 |              |                |
|                  | Domestic                 | Foreign      | Total          | Domestic         | Foreign      | Total          |
|                  | <i>(in million Baht)</i> |              |                |                  |              |                |
| Baht             | 515,229                  | 5,833        | 521,062        | 498,436          | 5,780        | 504,216        |
| US Dollars       | 25,800                   | 2,662        | 28,462         | 23,726           | 1,178        | 24,904         |
| Other currencies | 1,030                    | 64           | 1,094          | 1,149            | 91           | 1,240          |
| <b>Total</b>     | <b>542,059</b>           | <b>8,559</b> | <b>550,618</b> | <b>523,311</b>   | <b>7,049</b> | <b>530,360</b> |

  

|                  | Bank only                |              |                |                  |              |                |
|------------------|--------------------------|--------------|----------------|------------------|--------------|----------------|
|                  | 30 June 2015             |              |                | 31 December 2014 |              |                |
|                  | Domestic                 | Foreign      | Total          | Domestic         | Foreign      | Total          |
|                  | <i>(in million Baht)</i> |              |                |                  |              |                |
| Baht             | 515,190                  | 5,833        | 521,023        | 498,394          | 5,780        | 504,174        |
| US Dollars       | 25,800                   | 2,662        | 28,462         | 23,726           | 1,178        | 24,904         |
| Other currencies | 1,030                    | 64           | 1,094          | 1,149            | 91           | 1,240          |
| <b>Total</b>     | <b>542,020</b>           | <b>8,559</b> | <b>550,579</b> | <b>523,269</b>   | <b>7,049</b> | <b>530,318</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

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

|                                       | <b>Consolidated</b><br>30 June 2015 |                    |                                       |            |                     | Total          |
|---------------------------------------|-------------------------------------|--------------------|---------------------------------------|------------|---------------------|----------------|
|                                       | Pass                                | Special<br>mention | Sub-<br>standard<br>(in million Baht) | Doubtful   | Doubtful<br>of loss |                |
| Agriculture and mining                | 9,582                               | 523                | -                                     | -          | 455                 | 10,560         |
| Manufacturing and commerce            | 309,329                             | 10,326             | 850                                   | 269        | 13,446              | 334,220        |
| Property development and construction | 15,082                              | 313                | 3                                     | 34         | 508                 | 15,940         |
| Infrastructure and services           | 60,821                              | 695                | 98                                    | -          | 1,449               | 63,063         |
| Housing loans                         | 53,229                              | 1,725              | 195                                   | 173        | 1,015               | 56,337         |
| Others                                | 67,287                              | 1,651              | 743                                   | 439        | 378                 | 70,498         |
| <b>Total*</b>                         | <b>515,330</b>                      | <b>15,233</b>      | <b>1,889</b>                          | <b>915</b> | <b>17,251</b>       | <b>550,618</b> |

|                                       | <b>Consolidated</b><br>31 December 2014 |                    |                                       |            |                     | Total          |
|---------------------------------------|-----------------------------------------|--------------------|---------------------------------------|------------|---------------------|----------------|
|                                       | Pass                                    | Special<br>mention | Sub-<br>standard<br>(in million Baht) | Doubtful   | Doubtful<br>of loss |                |
| Agriculture and mining                | 6,108                                   | 247                | 12                                    | -          | 500                 | 6,867          |
| Manufacturing and commerce            | 305,541                                 | 9,494              | 775                                   | 148        | 11,784              | 327,742        |
| Property development and construction | 13,389                                  | 337                | 34                                    | 10         | 678                 | 14,448         |
| Infrastructure and services           | 57,376                                  | 3,395              | 190                                   | 23         | 1,306               | 62,290         |
| Housing loans                         | 50,106                                  | 1,519              | 174                                   | 196        | 1,042               | 53,037         |
| Others                                | 63,290                                  | 1,465              | 639                                   | 291        | 291                 | 65,976         |
| <b>Total*</b>                         | <b>495,810</b>                          | <b>16,457</b>      | <b>1,824</b>                          | <b>668</b> | <b>15,601</b>       | <b>530,360</b> |

|                                       | <b>Bank only</b><br>30 June 2015 |                    |                                       |            |                     | Total          |
|---------------------------------------|----------------------------------|--------------------|---------------------------------------|------------|---------------------|----------------|
|                                       | Pass                             | Special<br>mention | Sub-<br>standard<br>(in million Baht) | Doubtful   | Doubtful<br>of loss |                |
| Agriculture and mining                | 9,582                            | 523                | -                                     | -          | 446                 | 10,551         |
| Manufacturing and commerce            | 309,329                          | 10,326             | 850                                   | 269        | 13,438              | 334,212        |
| Property development and construction | 15,082                           | 313                | 3                                     | 34         | 486                 | 15,918         |
| Infrastructure and services           | 60,821                           | 695                | 98                                    | -          | 1,449               | 63,063         |
| Housing loans                         | 53,229                           | 1,725              | 195                                   | 173        | 1,015               | 56,337         |
| Others                                | 67,287                           | 1,651              | 743                                   | 439        | 378                 | 70,498         |
| <b>Total*</b>                         | <b>515,330</b>                   | <b>15,233</b>      | <b>1,889</b>                          | <b>915</b> | <b>17,212</b>       | <b>550,579</b> |

|                                       | <b>Bank only</b><br>31 December 2014 |                    |                                       |            |                     | Total          |
|---------------------------------------|--------------------------------------|--------------------|---------------------------------------|------------|---------------------|----------------|
|                                       | Pass                                 | Special<br>mention | Sub-<br>standard<br>(in million Baht) | Doubtful   | Doubtful<br>of loss |                |
| Agriculture and mining                | 6,108                                | 247                | 12                                    | -          | 491                 | 6,858          |
| Manufacturing and commerce            | 305,541                              | 9,494              | 775                                   | 148        | 11,773              | 327,731        |
| Property development and construction | 13,389                               | 337                | 34                                    | 10         | 656                 | 14,426         |
| Infrastructure and services           | 57,376                               | 3,395              | 190                                   | 23         | 1,306               | 62,290         |
| Housing loans                         | 50,106                               | 1,519              | 174                                   | 196        | 1,042               | 53,037         |
| Others                                | 63,290                               | 1,465              | 639                                   | 291        | 291                 | 65,976         |
| <b>Total*</b>                         | <b>495,810</b>                       | <b>16,457</b>      | <b>1,824</b>                          | <b>668</b> | <b>15,559</b>       | <b>530,318</b> |

\* Loans to customers net of deferred revenue.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 13.4 Classified by loan classification

The Bank and its subsidiary have classified loans to customers and accrued interest receivables (excluding interbank and money market items) in accordance with the BOT's notifications, regarding the Classification and Provisions made by Financial Institutions, as follows:

| <b>Consolidated</b>                                    |                                                                                   |                                                                                                            |                                     |                                                                           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------|
| 30 June 2015                                           |                                                                                   |                                                                                                            |                                     |                                                                           |
|                                                        | Loans to<br>customers and<br>accrued interest<br>receivables<br>(in million Baht) | Net amount<br>used to set<br>the allowance<br>for doubtful<br>accounts <sup>(1)</sup><br>(in million Baht) | Minimum<br>rates<br>required<br>(%) | Allowance<br>for doubtful<br>accounts <sup>(2)</sup><br>(in million Baht) |
| Minimum allowance as per<br>BoT's Regulations          |                                                                                   |                                                                                                            |                                     |                                                                           |
| Pass                                                   | 516,491                                                                           | 407,624                                                                                                    | 1                                   | 4,705                                                                     |
| Special mention                                        | 15,299                                                                            | 7,369                                                                                                      | 2                                   | 236                                                                       |
| Sub-standard                                           | 1,889                                                                             | 1,066                                                                                                      | 100                                 | 1,185                                                                     |
| Doubtful                                               | 915                                                                               | 584                                                                                                        | 100                                 | 606                                                                       |
| Doubtful of loss <sup>(4)</sup>                        | 17,251                                                                            | 4,432                                                                                                      | 100                                 | 6,788                                                                     |
| Total*                                                 | <u>551,845</u>                                                                    | <u>421,075</u>                                                                                             |                                     | <u>13,520</u>                                                             |
| Provision in excess of BoT's<br>minimum rates required |                                                                                   |                                                                                                            |                                     | <u>15,509<sup>(3)</sup></u>                                               |
| <b>Total</b>                                           |                                                                                   |                                                                                                            |                                     | <b><u>29,029</u></b>                                                      |

| <b>Consolidated</b>                                    |                                                                                   |                                                                                                            |                                     |                                                                           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------|
| 31 December 2014                                       |                                                                                   |                                                                                                            |                                     |                                                                           |
|                                                        | Loans to<br>customers and<br>accrued interest<br>receivables<br>(in million Baht) | Net amount<br>used to set<br>the allowance<br>for doubtful<br>accounts <sup>(1)</sup><br>(in million Baht) | Minimum<br>rates<br>required<br>(%) | Allowance<br>for doubtful<br>accounts <sup>(2)</sup><br>(in million Baht) |
| Minimum allowance as per<br>BoT's Regulations          |                                                                                   |                                                                                                            |                                     |                                                                           |
| Pass                                                   | 496,806                                                                           | 382,378                                                                                                    | 1                                   | 4,491                                                                     |
| Special mention                                        | 16,529                                                                            | 10,143                                                                                                     | 2                                   | 297                                                                       |
| Sub-standard                                           | 1,824                                                                             | 973                                                                                                        | 100                                 | 1,058                                                                     |
| Doubtful                                               | 668                                                                               | 330                                                                                                        | 100                                 | 368                                                                       |
| Doubtful of loss <sup>(4)</sup>                        | 15,601                                                                            | 4,397                                                                                                      | 100                                 | 6,148                                                                     |
| Total*                                                 | <u>531,428</u>                                                                    | <u>398,221</u>                                                                                             |                                     | <u>12,362</u>                                                             |
| Provision in excess of BoT's<br>minimum rates required |                                                                                   |                                                                                                            |                                     | <u>15,890<sup>(3)</sup></u>                                               |
| <b>Total</b>                                           |                                                                                   |                                                                                                            |                                     | <b><u>28,252</u></b>                                                      |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <b>Bank only</b>                                       |                                                                                   |                                                                                                            |                                     |                                                                           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------|
| 30 June 2015                                           |                                                                                   |                                                                                                            |                                     |                                                                           |
|                                                        | Loans to<br>customers and<br>accrued interest<br>receivables<br>(in million Baht) | Net amount<br>used to set<br>the allowance<br>for doubtful<br>accounts <sup>(1)</sup><br>(in million Baht) | Minimum<br>rates<br>required<br>(%) | Allowance<br>for doubtful<br>accounts <sup>(2)</sup><br>(in million Baht) |
| Minimum allowance as per<br>BoT's Regulations          |                                                                                   |                                                                                                            |                                     |                                                                           |
| Pass                                                   | 516,491                                                                           | 407,624                                                                                                    | 1                                   | 4,705                                                                     |
| Special mention                                        | 15,299                                                                            | 7,369                                                                                                      | 2                                   | 236                                                                       |
| Sub-standard                                           | 1,889                                                                             | 1,066                                                                                                      | 100                                 | 1,185                                                                     |
| Doubtful                                               | 915                                                                               | 584                                                                                                        | 100                                 | 606                                                                       |
| Doubtful of loss                                       | 17,212                                                                            | 4,415                                                                                                      | 100                                 | 6,762                                                                     |
| Total*                                                 | <u>551,806</u>                                                                    | <u>421,058</u>                                                                                             |                                     | <u>13,494</u>                                                             |
| Provision in excess of BoT's<br>minimum rates required |                                                                                   |                                                                                                            |                                     | <u>15,509<sup>(3)</sup></u>                                               |
| <b>Total</b>                                           |                                                                                   |                                                                                                            |                                     | <b><u>29,003</u></b>                                                      |

| <b>Bank only</b>                                       |                                                                                   |                                                                                                            |                                     |                                                                           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------|
| 31 December 2014                                       |                                                                                   |                                                                                                            |                                     |                                                                           |
|                                                        | Loans to<br>customers and<br>accrued interest<br>receivables<br>(in million Baht) | Net amount<br>used to set<br>the allowance<br>for doubtful<br>accounts <sup>(1)</sup><br>(in million Baht) | Minimum<br>rates<br>required<br>(%) | Allowance<br>for doubtful<br>accounts <sup>(2)</sup><br>(in million Baht) |
| Minimum allowance as per<br>BoT's Regulations          |                                                                                   |                                                                                                            |                                     |                                                                           |
| Pass                                                   | 496,806                                                                           | 382,377                                                                                                    | 1                                   | 4,491                                                                     |
| Special mention                                        | 16,529                                                                            | 10,143                                                                                                     | 2                                   | 297                                                                       |
| Sub-standard                                           | 1,824                                                                             | 973                                                                                                        | 100                                 | 1,058                                                                     |
| Doubtful                                               | 668                                                                               | 330                                                                                                        | 100                                 | 368                                                                       |
| Doubtful of loss                                       | 15,559                                                                            | 4,370                                                                                                      | 100                                 | 6,120                                                                     |
| Total*                                                 | <u>531,386</u>                                                                    | <u>398,193</u>                                                                                             |                                     | <u>12,334</u>                                                             |
| Provision in excess of BoT's<br>minimum rates required |                                                                                   |                                                                                                            |                                     | <u>15,890<sup>(3)</sup></u>                                               |
| <b>Total</b>                                           |                                                                                   |                                                                                                            |                                     | <b><u>28,224</u></b>                                                      |

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

<sup>(1)</sup> Balance net of collateral: In the case of loans that are classified as pass and special mention means the principal balance net of the value of collateral, excluding land, buildings and constructions thereon, leasehold rights and machinery. In the case of loans that are classified as substandard, doubtful and doubtful of loss, it means the debt balance after deduction of the present value of future cash flows expected to be received from debt collection, or from the disposal of collateral, excluding machinery.

<sup>(2)</sup> Allowance for doubtful debts on loans guaranteed by Small Business Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the Bank of Thailand's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Small Business Credit Guarantee Corporation.

<sup>(3)</sup> As at 30 June 2015, this included provision of Baht 3,454 million (31 December 2014: Baht 3,285 million) provided for non-performing loans.

<sup>(4)</sup> Loans classified as doubtful of loss in the consolidated financial statements included the balances of the Bank and Phayathai Assets Management Co., Ltd.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 13.5 Non-performing loans

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

As at 30 June 2015 and 31 December 2014, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

|                                                                                      | <b>Consolidated<sup>(1)</sup></b> |                     | <b>Bank only</b> |                     |
|--------------------------------------------------------------------------------------|-----------------------------------|---------------------|------------------|---------------------|
|                                                                                      | 30 June<br>2015                   | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
| <b>Net NPLs (principal net of allowance for doubtful accounts)</b>                   |                                   |                     |                  |                     |
| NPLs after allowance for doubtful accounts                                           |                                   |                     |                  |                     |
| on NPLs ( <i>in million Baht</i> )                                                   | 8,018                             | 7,234               | 8,005            | 7,220               |
| Total loans after allowance for doubtful accounts on NPLs ( <i>in million Baht</i> ) | 636,396                           | 623,890             | 636,383          | 623,875             |
| Percentage of net NPLs (%)                                                           | 1.26                              | 1.16                | 1.26             | 1.16                |
| <b>NPLs (principal)</b>                                                              |                                   |                     |                  |                     |
| NPLs ( <i>in million Baht</i> )                                                      | 20,055                            | 18,093              | 20,016           | 18,051              |
| Total loans ( <i>in million Baht</i> )                                               | 648,433                           | 634,749             | 648,394          | 634,706             |
| Percentage of NPLs (%)                                                               | 3.09                              | 2.85                | 3.09             | 2.84                |

<sup>(1)</sup> Non-performing loans in the consolidated financial statements included the balances of the Bank and Phayathai Asset Management Co., Ltd.

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

As at 30 June 2015, the Bank had loans to customers, amounting to Baht 32,745 million (*31 December 2014: Baht 27,466 million*) on which it ceased recognition of interest income on an accrual basis.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 13.6 Troubled debt restructuring

During the six-month periods ended 30 June 2015 and 2014, the Bank and its subsidiary entered into contracts for troubled debt restructuring, (only the case where debtor has present value loss/losses on debt structuring is presented), which can be summarised as follows:

| Consolidated and Bank only          |                   |                                           |                     |                   |            |
|-------------------------------------|-------------------|-------------------------------------------|---------------------|-------------------|------------|
| Six-month period ended 30 June 2015 |                   |                                           |                     |                   |            |
| Type of restructuring               | Number of debtors | Before restructuring<br>(in million Baht) | After restructuring | Asset acquired    |            |
|                                     |                   |                                           |                     | Type              | Fair value |
|                                     |                   |                                           |                     |                   |            |
| Modification of terms of payments   | 2,265             | 6,334                                     | 6,334               | -                 | -          |
| Combination of methods              | 1                 | 57                                        | 57                  | Land and building | 41         |
| <b>Total</b>                        | <b>2,266</b>      | <b>6,391</b>                              | <b>6,391</b>        |                   | <b>41</b>  |

#### Term of debt restructuring agreements

|                  |              |              |              |
|------------------|--------------|--------------|--------------|
| Not over 5 years | 1,049        | 4,324        | 4,324        |
| 5 - 10 years     | 1,082        | 1,374        | 1,374        |
| Over 10 years    | 135          | 693          | 693          |
| <b>Total</b>     | <b>2,266</b> | <b>6,391</b> | <b>6,391</b> |

| Consolidated and Bank only          |                      |                         |                        |
|-------------------------------------|----------------------|-------------------------|------------------------|
| Six-month period ended 30 June 2014 |                      |                         |                        |
|                                     | Number<br>of debtors | Before<br>restructuring | After<br>restructuring |
|                                     |                      | (in million Baht)       |                        |
| Type of restructuring               |                      |                         |                        |
| Modification of terms of payments   | 345                  | 2,355                   | 2,355                  |
| Total                               | 345                  | 2,355                   | 2,355                  |

#### Term of debt restructuring agreements

|                  |            |              |              |
|------------------|------------|--------------|--------------|
| Not over 5 years | 256        | 1,601        | 1,601        |
| 5 - 10 years     | 64         | 492          | 492          |
| Over 10 years    | 25         | 262          | 262          |
| <b>Total</b>     | <b>345</b> | <b>2,355</b> | <b>2,355</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

Supplemental information relating to restructuring debtors for the six-month periods ended 30 June 2015 and 2014 were as follows:

|                                                                              | Consolidated                    |      | Bank only |      |
|------------------------------------------------------------------------------|---------------------------------|------|-----------|------|
|                                                                              | Six-month periods ended 30 June |      |           |      |
|                                                                              | 2015                            | 2014 | 2015      | 2014 |
|                                                                              | (in million Baht)               |      |           |      |
| Interest income on restructured debts,<br>which is recognised in the periods | 97                              | 31   | 97        | 28   |
| Cash settlement by debtors                                                   | 393                             | 326  | 393       | 300  |
| Losses on debt restructuring                                                 | 122                             | 17   | 122       | 17   |

As at 30 June 2015 and 31 December 2014, the Bank and its subsidiary have the outstanding balances with troubled debt restructuring debtors which had been performing in accordance with debt restructuring agreements, as follows:

|                                           | Consolidated         |                        | Bank only            |                        | Consolidated         |                        | Bank only            |                        |
|-------------------------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|
|                                           | 30 June 2015         |                        |                      |                        | 31 December 2014     |                        |                      |                        |
|                                           | Number<br>of debtors | Outstanding<br>balance | Number<br>of debtors | Outstanding<br>balance | Number<br>of debtors | Outstanding<br>balance | Number<br>of debtors | Outstanding<br>balance |
|                                           |                      | (in million<br>Baht)   |                      | (in million<br>Baht)   |                      | (in million<br>Baht)   |                      | (in million<br>Baht)   |
| Troubled debt<br>restructuring<br>debtors | 2,267                | 6,696                  | 2,266                | 6,685                  | 932                  | 2,397                  | 931                  | 2,386                  |

### 13.7 Revaluation allowance for debt restructuring

|                                 | <b>Consolidated and Bank only</b> |                     |
|---------------------------------|-----------------------------------|---------------------|
|                                 | 30 June<br>2015                   | 31 December<br>2014 |
|                                 | <i>(in million Baht)</i>          |                     |
| Beginning balance               | 110                               | 68                  |
| Increase during the period/year | 122                               | 42                  |
| <b>Ending balance</b>           | <b>232</b>                        | <b>110</b>          |

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

As at 30 June 2015 and 31 December 2014, the Bank and its subsidiary had loans and accrued interest receivables due from listed companies having problems with their financial position and operating results, and set aside allowances for doubtful debts as follows:

**For the three-month period ended 30 June 2015 (Unaudited)**

## 14 Classified assets

As at 30 June 2015 and 31 December 2014, classified assets, were classified in accordance with the BoT regulation, consisting of investments (including investments in subsidiaries and associate), loans to customer and accrued interest receivables (including interbank and money market items), properties for sale, premises and equipment and other assets as follows:

|                  | Consolidated<br>31 December 2014 |                                                 |                                                    |                           |              |                |
|------------------|----------------------------------|-------------------------------------------------|----------------------------------------------------|---------------------------|--------------|----------------|
|                  | Investments                      | Loans and<br>accrued<br>interest<br>receivables | Properties<br>for sale<br><i>(in million Baht)</i> | Premises and<br>equipment | Other assets | Total          |
| Pass             | -                                | 601,312                                         | -                                                  | -                         | -            | 601,312        |
| Special mention  | -                                | 16,529                                          | -                                                  | -                         | -            | 16,529         |
| Sub-standard     | -                                | 1,824                                           | -                                                  | -                         | 2            | 1,826          |
| Doubtful         | -                                | 668                                             | -                                                  | -                         | 1            | 669            |
| Doubtful of loss | 879                              | 15,601                                          | 401                                                | 442                       | 328          | 17,651         |
| <b>Total</b>     | <b>879</b>                       | <b>635,934</b>                                  | <b>401</b>                                         | <b>442</b>                | <b>331</b>   | <b>637,987</b> |

# TMB Bank Public Company Limited and its Subsidiaries

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For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <b>Bank only</b> |              |                                                 |                                             |                              |              |                |
|------------------|--------------|-------------------------------------------------|---------------------------------------------|------------------------------|--------------|----------------|
| 30 June 2015     |              |                                                 |                                             |                              |              |                |
|                  | Investments  | Loans and<br>accrued<br>interest<br>receivables | Properties<br>for sale<br>(in million Baht) | Premises<br>and<br>equipment | Other assets | Total          |
| Pass             | -            | 614,396                                         | -                                           | -                            | -            | 614,396        |
| Special mention  | -            | 15,299                                          | -                                           | -                            | -            | 15,299         |
| Sub-standard     | -            | 1,889                                           | -                                           | -                            | 3            | 1,892          |
| Doubtful         | -            | 915                                             | -                                           | -                            | 1            | 916            |
| Doubtful of loss | 1,837        | 17,212                                          | 104                                         | 442                          | 375          | 19,970         |
| <b>Total</b>     | <b>1,837</b> | <b>649,711</b>                                  | <b>104</b>                                  | <b>442</b>                   | <b>379</b>   | <b>652,473</b> |

| <b>Bank only</b> |              |                                                 |                                             |                              |              |                |
|------------------|--------------|-------------------------------------------------|---------------------------------------------|------------------------------|--------------|----------------|
| 31 December 2014 |              |                                                 |                                             |                              |              |                |
|                  | Investments  | Loans and<br>accrued<br>interest<br>receivables | Properties<br>for sale<br>(in million Baht) | Premises<br>and<br>equipment | Other assets | Total          |
| Pass             | -            | 601,311                                         | -                                           | -                            | -            | 601,311        |
| Special mention  | -            | 16,529                                          | -                                           | -                            | -            | 16,529         |
| Sub-standard     | -            | 1,824                                           | -                                           | -                            | 2            | 1,826          |
| Doubtful         | -            | 668                                             | -                                           | -                            | 1            | 669            |
| Doubtful of loss | 1,824        | 15,559                                          | 399                                         | 442                          | 328          | 18,552         |
| <b>Total</b>     | <b>1,824</b> | <b>635,891</b>                                  | <b>399</b>                                  | <b>442</b>                   | <b>331</b>   | <b>638,887</b> |

## 15 Allowance for doubtful accounts

The movements in the allowance for doubtful accounts during the period/year were as follow:

| <b>Consolidated</b>                                     |                                           |                    |                  |            |                     |                                                                    |
|---------------------------------------------------------|-------------------------------------------|--------------------|------------------|------------|---------------------|--------------------------------------------------------------------|
| Six-month period ended 30 June 2015                     |                                           |                    |                  |            |                     |                                                                    |
|                                                         | Provision at BoT's minimum rates required |                    |                  |            |                     | Provision<br>in excess<br>of BoT's<br>minimum<br>rates<br>required |
|                                                         | Pass                                      | Special<br>mention | Sub-<br>standard | Doubtful   | Doubtful<br>of loss | Total                                                              |
|                                                         | (in million Baht)                         |                    |                  |            |                     |                                                                    |
| Beginning balance                                       | 4,491                                     | 297                | 1,058            | 368        | 6,148               | 15,890                                                             |
| Allowance for doubtful accounts                         | 214                                       | (61)               | 127              | 238        | 3,476               | (381)                                                              |
| Bad debt recovery                                       | -                                         | -                  | -                | -          | 263                 | -                                                                  |
| Bad debt written-off                                    | -                                         | -                  | -                | -          | (2,870)             | -                                                                  |
| Allowance for doubtful accounts<br>of the disposed debt | -                                         | -                  | -                | -          | (229)               | -                                                                  |
| <b>Ending balance</b>                                   | <b>4,705</b>                              | <b>236</b>         | <b>1,185</b>     | <b>606</b> | <b>6,788</b>        | <b>15,509</b>                                                      |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Consolidated

Year ended 31 December 2014

|                                                         | Provision at BoT's minimum rates required |                    |                  |            |                     | Provision<br>in excess of<br>BoT's<br>minimum<br>rates<br>required | Total         |
|---------------------------------------------------------|-------------------------------------------|--------------------|------------------|------------|---------------------|--------------------------------------------------------------------|---------------|
|                                                         | Pass                                      | Special<br>mention | Sub-<br>standard | Doubtful   | Doubtful<br>of loss |                                                                    |               |
|                                                         | <i>(in million Baht)</i>                  |                    |                  |            |                     |                                                                    |               |
| Beginning balance                                       | 4,218                                     | 285                | 1,979            | 468        | 8,518               | 15,932                                                             | 31,400        |
| Allowance for doubtful accounts                         | 273                                       | 12                 | (921)            | (100)      | 4,888               | (42)                                                               | 4,110         |
| Bad debt recovery                                       | -                                         | -                  | -                | -          | 417                 | -                                                                  | 417           |
| Bad debt written-off                                    | -                                         | -                  | -                | -          | (4,316)             | -                                                                  | (4,316)       |
| Allowance for doubtful accounts<br>of the disposed debt | -                                         | -                  | -                | -          | (3,359)             | -                                                                  | (3,359)       |
| <b>Ending balance</b>                                   | <b>4,491</b>                              | <b>297</b>         | <b>1,058</b>     | <b>368</b> | <b>6,148</b>        | <b>15,890</b>                                                      | <b>28,252</b> |

### Bank only

Six-month period ended 30 June 2015

|                                                         | Provision at BoT's minimum rates required |                    |                  |            |                     | Provision<br>in excess<br>of BoT's<br>minimum<br>rates<br>required | Total         |
|---------------------------------------------------------|-------------------------------------------|--------------------|------------------|------------|---------------------|--------------------------------------------------------------------|---------------|
|                                                         | Pass                                      | Special<br>mention | Sub-<br>standard | Doubtful   | Doubtful<br>of loss |                                                                    |               |
|                                                         | <i>(in million Baht)</i>                  |                    |                  |            |                     |                                                                    |               |
| Beginning balance                                       | 4,491                                     | 297                | 1,058            | 368        | 6,120               | 15,890                                                             | 28,224        |
| Allowance for doubtful accounts                         | 214                                       | (61)               | 127              | 238        | 3,496               | (381)                                                              | 3,633         |
| Bad debt recovery                                       | -                                         | -                  | -                | -          | 245                 | -                                                                  | 245           |
| Bad debt written-off                                    | -                                         | -                  | -                | -          | (2,870)             | -                                                                  | (2,870)       |
| Allowance for doubtful accounts<br>of the disposed debt | -                                         | -                  | -                | -          | (229)               | -                                                                  | (229)         |
| <b>Ending balance</b>                                   | <b>4,705</b>                              | <b>236</b>         | <b>1,185</b>     | <b>606</b> | <b>6,762</b>        | <b>15,509</b>                                                      | <b>29,003</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Bank only Year ended 31 December 2014

|                                                         | Provision at BoT's minimum rates required |                    |                  |            |                     | Provision<br>in excess<br>of BoT's<br>minimum<br>rates<br>required | Total         |
|---------------------------------------------------------|-------------------------------------------|--------------------|------------------|------------|---------------------|--------------------------------------------------------------------|---------------|
|                                                         | Pass                                      | Special<br>mention | Sub-<br>standard | Doubtful   | Doubtful<br>of loss |                                                                    |               |
|                                                         | <i>(in million Baht)</i>                  |                    |                  |            |                     |                                                                    |               |
| Beginning balance                                       | 4,218                                     | 285                | 1,979            | 468        | 7,461               | 15,932                                                             | 30,343        |
| Allowance for doubtful accounts                         | 273                                       | 12                 | (921)            | (100)      | 5,015               | (42)                                                               | 4,237         |
| Bad debt recovery                                       | -                                         | -                  | -                | -          | 348                 | -                                                                  | 348           |
| Bad debt written-off                                    | -                                         | -                  | -                | -          | (3,779)             | -                                                                  | (3,779)       |
| Allowance for doubtful accounts<br>of the disposed debt | -                                         | -                  | -                | -          | (2,925)             | -                                                                  | (2,925)       |
| <b>Ending balance</b>                                   | <b>4,491</b>                              | <b>297</b>         | <b>1,058</b>     | <b>368</b> | <b>6,120</b>        | <b>15,890</b>                                                      | <b>28,224</b> |

## 16 Properties for sale, net

As at 30 June 2015 and 31 December 2014, the changes to the properties for sale, net were as follows:

|                                               |                      | Consolidated<br>30 June 2015 |                        |                   |
|-----------------------------------------------|----------------------|------------------------------|------------------------|-------------------|
|                                               | Beginning<br>balance | Additions                    | Disposals/<br>Decrease | Ending<br>balance |
|                                               |                      | (in million Baht)            |                        |                   |
| Assets foreclosed in settlement<br>of debts   |                      |                              |                        |                   |
| - Immovable assets                            | 1,767                | 118                          | (1,076)                | 809               |
| Assets for sales                              | 494                  | 50                           | (95)                   | 449               |
| Total                                         | 2,261                | 168                          | (1,171)                | 1,258             |
| Add (less) allowance for<br>impairment losses | (401)                | 20                           | 275                    | (106)             |
| Net                                           | 1,860                | 188                          | (896)                  | 1,152             |

|                                               |                      | Consolidated<br>31 December 2014 |                        |                   |
|-----------------------------------------------|----------------------|----------------------------------|------------------------|-------------------|
|                                               | Beginning<br>balance | Additions                        | Disposals/<br>Decrease | Ending<br>balance |
|                                               |                      | (in million Baht)                |                        |                   |
| Assets foreclosed in settlement<br>of debts   |                      |                                  |                        |                   |
| - Immovable assets                            | 2,129                | 462                              | (824)                  | 1,767             |
| - Movable assets                              | 24                   | -                                | (24)                   | -                 |
| Assets for sales                              | 431                  | 467                              | (404)                  | 494               |
| Total                                         | 2,584                | 929                              | (1,252)                | 2,261             |
| Add (less) allowance for<br>impairment losses | (687)                | (16)                             | 302                    | (401)             |
| Net                                           | 1,897                | 913                              | (950)                  | 1,860             |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                               | <b>Bank only</b><br>30 June 2015 |            |                        |                   |
|-----------------------------------------------|----------------------------------|------------|------------------------|-------------------|
|                                               | Beginning<br>balance             | Additions  | Disposals/<br>Decrease | Ending<br>balance |
|                                               | <i>(in million Baht)</i>         |            |                        |                   |
| Assets foreclosed in settlement<br>of debts   |                                  |            |                        |                   |
| - Immovable assets                            | 1,722                            | 118        | (1,076)                | 764               |
| Assets for sales                              | 494                              | 50         | (95)                   | 449               |
| Total                                         | 2,216                            | 168        | (1,171)                | 1,213             |
| Add (less) allowance for<br>impairment losses | (399)                            | 20         | 275                    | (104)             |
| <b>Net</b>                                    | <b>1,817</b>                     | <b>188</b> | <b>(896)</b>           | <b>1,109</b>      |

|                                               | <b>Bank only</b><br>31 December 2014 |            |                        |                   |
|-----------------------------------------------|--------------------------------------|------------|------------------------|-------------------|
|                                               | Beginning<br>balance                 | Additions  | Disposals/<br>Decrease | Ending<br>balance |
|                                               | <i>(in million Baht)</i>             |            |                        |                   |
| Assets foreclosed in settlement<br>of debts   |                                      |            |                        |                   |
| - Immovable assets                            | 2,065                                | 462        | (805)                  | 1,722             |
| Assets for sales                              | 431                                  | 467        | (404)                  | 494               |
| Total                                         | 2,496                                | 929        | (1,209)                | 2,216             |
| Add (less) allowance for<br>impairment losses | (649)                                | (16)       | 266                    | (399)             |
| <b>Net</b>                                    | <b>1,847</b>                         | <b>913</b> | <b>(943)</b>           | <b>1,817</b>      |

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 30 June 2015 and 31 December 2014 were as follows:

|                                          | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                          | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                          | <i>(in million Baht)</i> |                     |                  |                     |
| Assets foreclosed in settlement of debts |                          |                     |                  |                     |
| Immovable assets                         |                          |                     |                  |                     |
| - Appraised by external appraisers       | 504                      | 1,432               | 461              | 1,389               |
| - Appraised by internal appraisers       | 305                      | 335                 | 303              | 333                 |
| <b>Total</b>                             | <b>809</b>               | <b>1,767</b>        | <b>764</b>       | <b>1,722</b>        |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

**17 Premises and equipment, net**

As at 30 June 2015 and 31 December 2014, changes in premises and equipment were as follows:

|                              | <b>Cost</b>                                  |                      |                            |                                             |                   | <b>Consolidated<br/>30 June 2015<br/>Accumulated depreciation</b> |              |                                             |                   | <b>Allowance for impairment losses</b> |                                               |                                             |                   | Net book<br>value as at<br>30 June<br>2015 |
|------------------------------|----------------------------------------------|----------------------|----------------------------|---------------------------------------------|-------------------|-------------------------------------------------------------------|--------------|---------------------------------------------|-------------------|----------------------------------------|-----------------------------------------------|---------------------------------------------|-------------------|--------------------------------------------|
|                              | Net book<br>value as at<br>1 January<br>2015 | Beginning<br>balance | Purchases/<br>transfers in | Disposals/<br>written off/<br>transfers out | Ending<br>balance | Beginning<br>balance                                              | Depreciation | Disposals/<br>written off/<br>transfers out | Ending<br>balance | Beginning<br>balance                   | Loss on<br>impairment<br>during<br>the period | Disposals/<br>written-off/<br>transfers out | Ending<br>balance |                                            |
|                              |                                              |                      |                            |                                             |                   |                                                                   |              |                                             |                   |                                        |                                               |                                             |                   |                                            |
| Land                         |                                              |                      |                            |                                             |                   |                                                                   |              |                                             |                   |                                        |                                               |                                             |                   |                                            |
| - Cost                       | 2,240                                        | 2,579                | -                          | (2)                                         | 2,577             | -                                                                 | -            | -                                           | -                 | (339)                                  | -                                             | -                                           | (339)             | 2,238                                      |
| - Incremental<br>revaluation | 2,872                                        | 2,872                | -                          | (34)                                        | 2,838             | -                                                                 | -            | -                                           | -                 | -                                      | -                                             | -                                           | -                 | 2,838                                      |
| Building                     |                                              |                      |                            |                                             |                   |                                                                   |              |                                             |                   |                                        |                                               |                                             |                   |                                            |
| - Cost                       | 2,193                                        | 4,993                | 55                         | (15)                                        | 5,033             | (2,697)                                                           | (101)        | 11                                          | (2,787)           | (103)                                  | -                                             | -                                           | (103)             | 2,143                                      |
| - Incremental<br>revaluation | 1,675                                        | 3,479                | -                          | (53)                                        | 3,426             | (1,804)                                                           | (34)         | 40                                          | (1,798)           | -                                      | -                                             | -                                           | -                 | 1,628                                      |
| Leasehold<br>improvements    | 375                                          | 1,200                | 33                         | (34)                                        | 1,199             | (825)                                                             | (49)         | 27                                          | (847)             | -                                      | (7)                                           | 7                                           | -                 | 352                                        |
| Equipment                    | 1,317                                        | 5,827                | 171                        | (187)                                       | 5,811             | (4,510)                                                           | (240)        | 182                                         | (4,568)           | -                                      | -                                             | -                                           | -                 | 1,243                                      |
| <b>Total</b>                 | <b>10,672</b>                                | <b>20,950</b>        | <b>259</b>                 | <b>(325)</b>                                | <b>20,884</b>     | <b>(9,836)</b>                                                    | <b>(424)</b> | <b>260</b>                                  | <b>(10,000)</b>   | <b>(442)</b>                           | <b>(7)</b>                                    | <b>7</b>                                    | <b>(442)</b>      | <b>10,442</b>                              |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

|                           | <b>Consolidated</b><br>31 December 2014 |                   |                         |                                       |                |                                 |                          |                                       |                |                                        |                                    |                                       |                |                                       |
|---------------------------|-----------------------------------------|-------------------|-------------------------|---------------------------------------|----------------|---------------------------------|--------------------------|---------------------------------------|----------------|----------------------------------------|------------------------------------|---------------------------------------|----------------|---------------------------------------|
|                           | <b>Cost</b>                             |                   |                         |                                       |                | <b>Accumulated depreciation</b> |                          |                                       |                | <b>Allowance for impairment losses</b> |                                    |                                       |                | Net book value as at 31 December 2014 |
|                           | Net book value as at 1 January 2014     | Beginning balance | Purchases/ transfers in | Disposals/ written off/ transfers out | Ending balance | Beginning balance               | Depreciation             | Disposals/ written off/ transfers out | Ending balance | Beginning balance                      | Loss on impairment during the year | Disposals/ written-off/ transfers out | Ending balance |                                       |
|                           |                                         |                   |                         |                                       |                |                                 | <i>(in million Baht)</i> |                                       |                |                                        |                                    |                                       |                |                                       |
| Land                      |                                         |                   |                         |                                       |                |                                 |                          |                                       |                |                                        |                                    |                                       |                |                                       |
| - Cost                    | 2,437                                   | 2,779             | -                       | (200)                                 | 2,579          | -                               | -                        | -                                     | -              | (342)                                  | -                                  | 3                                     | (339)          | 2,240                                 |
| - Incremental revaluation | 2,994                                   | 2,994             | -                       | (122)                                 | 2,872          | -                               | -                        | -                                     | -              | -                                      | -                                  | -                                     | -              | 2,872                                 |
| Building                  |                                         |                   |                         |                                       |                |                                 |                          |                                       |                |                                        |                                    |                                       |                |                                       |
| - Cost                    | 2,402                                   | 5,072             | 118                     | (197)                                 | 4,993          | (2,567)                         | (203)                    | 73                                    | (2,697)        | (103)                                  | (3)                                | 3                                     | (103)          | 2,193                                 |
| - Incremental revaluation | 1,815                                   | 3,628             | -                       | (149)                                 | 3,479          | (1,813)                         | (71)                     | 80                                    | (1,804)        | -                                      | -                                  | -                                     | -              | 1,675                                 |
| Leasehold improvements    | 371                                     | 1,168             | 112                     | (80)                                  | 1,200          | (797)                           | (92)                     | 64                                    | (825)          | -                                      | (8)                                | 8                                     | -              | 375                                   |
| Equipment                 | 1,393                                   | 5,747             | 415                     | (335)                                 | 5,827          | (4,354)                         | (486)                    | 330                                   | (4,510)        | -                                      | -                                  | -                                     | -              | 1,317                                 |
| <b>Total</b>              | <b>11,412</b>                           | <b>21,388</b>     | <b>645</b>              | <b>(1,083)</b>                        | <b>20,950</b>  | <b>(9,531)</b>                  | <b>(852)</b>             | <b>547</b>                            | <b>(9,836)</b> | <b>(445)</b>                           | <b>(11)</b>                        | <b>14</b>                             | <b>(442)</b>   | <b>10,672</b>                         |

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 30 June 2015 amounted to Baht 3,422 million (31 December 2014: Baht 3,410 million).

Depreciation presented in the Bank and its subsidiaries' profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 424 million and Baht 416 million, respectively.

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

|                              | <b>Cost</b>                                  |                      |                            |                                             |                   | <b>Bank only<br/>30 June 2015<br/>Accumulated depreciation</b> |                               |                                             |                   | <b>Allowance for impairment losses</b> |                                               |                                             |                   | Net book<br>value as at<br>30 June<br>2015 |
|------------------------------|----------------------------------------------|----------------------|----------------------------|---------------------------------------------|-------------------|----------------------------------------------------------------|-------------------------------|---------------------------------------------|-------------------|----------------------------------------|-----------------------------------------------|---------------------------------------------|-------------------|--------------------------------------------|
|                              | Net book<br>value as at<br>1 January<br>2015 | Beginning<br>balance | Purchases/<br>transfers in | Disposals/<br>written off/<br>transfers out | Ending<br>balance | Beginning<br>balance                                           | Depreciation<br>transfers out | Disposals/<br>written off/<br>transfers out | Ending<br>balance | Beginning<br>balance                   | Loss on<br>impairment<br>during<br>the period | Disposals/<br>written-off/<br>transfers out | Ending<br>balance |                                            |
|                              |                                              |                      |                            |                                             |                   |                                                                |                               |                                             |                   |                                        |                                               |                                             |                   |                                            |
| Land                         |                                              |                      |                            |                                             |                   |                                                                |                               |                                             |                   |                                        |                                               |                                             |                   |                                            |
| - Cost                       | 2,240                                        | 2,579                | -                          | (2)                                         | 2,577             | -                                                              | -                             | -                                           | -                 | (339)                                  | -                                             | -                                           | (339)             | 2,238                                      |
| - Incremental<br>revaluation | 2,872                                        | 2,872                | -                          | (34)                                        | 2,838             | -                                                              | -                             | -                                           | -                 | -                                      | -                                             | -                                           | -                 | 2,838                                      |
| Building                     |                                              |                      |                            |                                             |                   |                                                                |                               |                                             |                   |                                        |                                               |                                             |                   |                                            |
| - Cost                       | 2,193                                        | 4,993                | 55                         | (15)                                        | 5,033             | (2,697)                                                        | (101)                         | 11                                          | (2,787)           | (103)                                  | -                                             | -                                           | (103)             | 2,143                                      |
| - Incremental<br>revaluation | 1,675                                        | 3,479                | -                          | (53)                                        | 3,426             | (1,804)                                                        | (34)                          | 40                                          | (1,798)           | -                                      | -                                             | -                                           | -                 | 1,628                                      |
| Leasehold<br>improvements    | 375                                          | 1,200                | 33                         | (34)                                        | 1,199             | (825)                                                          | (49)                          | 27                                          | (847)             | -                                      | (7)                                           | 7                                           | -                 | 352                                        |
| Equipment                    | 1,291                                        | 5,720                | 168                        | (188)                                       | 5,700             | (4,429)                                                        | (234)                         | 182                                         | (4,481)           | -                                      | -                                             | -                                           | -                 | 1,219                                      |
| <b>Total</b>                 | <b>10,646</b>                                | <b>20,843</b>        | <b>256</b>                 | <b>(326)</b>                                | <b>20,773</b>     | <b>(9,755)</b>                                                 | <b>(418)</b>                  | <b>260</b>                                  | <b>(9,913)</b>    | <b>(442)</b>                           | <b>(7)</b>                                    | <b>7</b>                                    | <b>(442)</b>      | <b>10,418</b>                              |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

|                           | Cost                                |                   |                         |                                       |                | Accumulated depreciation |              |                                       |                | Allowance for impairment losses |                                    |                                       |                | Net book value as at 31 December 2014 |
|---------------------------|-------------------------------------|-------------------|-------------------------|---------------------------------------|----------------|--------------------------|--------------|---------------------------------------|----------------|---------------------------------|------------------------------------|---------------------------------------|----------------|---------------------------------------|
|                           | Net book value as at 1 January 2014 | Beginning balance | Purchases/ transfers in | Disposals/ written off/ transfers out | Ending balance | Beginning balance        | Depreciation | Disposals/ written off/ transfers out | Ending balance | Beginning balance               | Loss on impairment during the year | Disposals/ written-off/ transfers out | Ending balance |                                       |
|                           |                                     |                   |                         |                                       |                |                          |              |                                       |                |                                 |                                    |                                       |                |                                       |
| Land                      |                                     |                   |                         |                                       |                |                          |              |                                       |                |                                 |                                    |                                       |                |                                       |
| - Cost                    | 2,437                               | 2,779             | -                       | (200)                                 | 2,579          | -                        | -            | -                                     | -              | (342)                           | -                                  | 3                                     | (339)          | 2,240                                 |
| - Incremental revaluation | 2,994                               | 2,994             | -                       | (122)                                 | 2,872          | -                        | -            | -                                     | -              | -                               | -                                  | -                                     | -              | 2,872                                 |
| Building                  |                                     |                   |                         |                                       |                |                          |              |                                       |                |                                 |                                    |                                       |                |                                       |
| - Cost                    | 2,402                               | 5,072             | 118                     | (197)                                 | 4,993          | (2,567)                  | (203)        | 73                                    | (2,697)        | (103)                           | (3)                                | 3                                     | (103)          | 2,193                                 |
| - Incremental revaluation | 1,815                               | 3,628             | -                       | (149)                                 | 3,479          | (1,813)                  | (71)         | 80                                    | (1,804)        | -                               | -                                  | -                                     | -              | 1,675                                 |
| Leasehold improvements    | 371                                 | 1,165             | 112                     | (77)                                  | 1,200          | (794)                    | (92)         | 61                                    | (825)          | -                               | (8)                                | 8                                     | -              | 375                                   |
| Equipment                 | 1,364                               | 5,635             | 407                     | (322)                                 | 5,720          | (4,271)                  | (477)        | 319                                   | (4,429)        | -                               | -                                  | -                                     | -              | 1,291                                 |
| <b>Total</b>              | <b>11,383</b>                       | <b>21,273</b>     | <b>637</b>              | <b>(1,067)</b>                        | <b>20,843</b>  | <b>(9,445)</b>           | <b>(843)</b> | <b>533</b>                            | <b>(9,755)</b> | <b>(445)</b>                    | <b>(11)</b>                        | <b>14</b>                             | <b>(442)</b>   | <b>10,646</b>                         |

The gross amount of the Bank's fully depreciated premises and equipment that were still in use as at 30 June 2015 amounted to Baht 3,365 million (31 December 2014: Baht 3,357 million).

Depreciation presented in the Bank's profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 418 million and Baht 411 million, respectively.

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

**18 Goodwill and other intangible assets, net**

As at 30 June 2015 and 31 December 2014, changes in goodwill and other intangible assets were as follows:

|                                            | <b>Consolidated</b><br>30 June 2015          |                      |             |             |                        |                          |                      |                                      |                                                |                   | Net book<br>value as at<br>30 June<br>2015 |
|--------------------------------------------|----------------------------------------------|----------------------|-------------|-------------|------------------------|--------------------------|----------------------|--------------------------------------|------------------------------------------------|-------------------|--------------------------------------------|
|                                            | Net book<br>value as at<br>1 January<br>2015 | Beginning<br>Balance | <b>Cost</b> |             | Transfers in/<br>(out) | Ending<br>balance        | Beginning<br>Balance | <b>Accumulated amortisation</b>      |                                                | Ending<br>balance |                                            |
|                                            |                                              |                      | Additions   | Written-off |                        |                          |                      | Amortisation<br>during<br>the period | Accumulated<br>amortisation on<br>transfer out |                   |                                            |
|                                            |                                              |                      |             |             |                        | <i>(in million Baht)</i> |                      |                                      |                                                |                   |                                            |
| Goodwill                                   | 60                                           | 60                   | -           | -           | -                      | 60                       | -                    | -                                    | -                                              | -                 | 60                                         |
| Computer<br>softwares                      | 799                                          | 4,037                | 31          | (8)         | 170                    | 4,230                    | (3,238)              | (145)                                | 5                                              | (3,378)           | 852                                        |
| Computer<br>softwares under<br>development | 144                                          | 144                  | 201         | -           | (165)                  | 180                      | -                    | -                                    | -                                              | -                 | 180                                        |
| <b>Total</b>                               | <b>1,003</b>                                 | <b>4,241</b>         | <b>232</b>  | <b>(8)</b>  | <b>5</b>               | <b>4,470</b>             | <b>(3,238)</b>       | <b>(145)</b>                         | <b>5</b>                                       | <b>(3,378)</b>    | <b>1,092</b>                               |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                            | Consolidated<br>31 December 2014             |                      |            |             |                        |                                               |                          |                                    |                                                |                   |                                                |
|--------------------------------------------|----------------------------------------------|----------------------|------------|-------------|------------------------|-----------------------------------------------|--------------------------|------------------------------------|------------------------------------------------|-------------------|------------------------------------------------|
|                                            |                                              | Cost                 |            |             |                        |                                               | Accumulated amortisation |                                    |                                                |                   |                                                |
|                                            | Net book<br>value as at<br>1 January<br>2014 | Beginning<br>Balance | Additions  | Written-off | Transfers in/<br>(out) | Ending<br>balance<br><i>(in million Baht)</i> | Beginning<br>Balance     | Amortisation<br>during<br>the year | Accumulated<br>amortization on<br>transfer out | Ending<br>balance | Net book<br>value as at<br>31 December<br>2014 |
| Goodwill                                   | 60                                           | 60                   | -          | -           | -                      | 60                                            | -                        | -                                  | -                                              | -                 | 60                                             |
| Computer<br>softwares                      | 717                                          | 3,712                | 30         | (38)        | 333                    | 4,037                                         | (2,995)                  | (281)                              | 38                                             | (3,238)           | 799                                            |
| Computer<br>softwares under<br>development | 138                                          | 138                  | 340        | -           | (334)                  | 144                                           | -                        | -                                  | -                                              | -                 | 144                                            |
| <b>Total</b>                               | <b>915</b>                                   | <b>3,910</b>         | <b>370</b> | <b>(38)</b> | <b>(1)</b>             | <b>4,241</b>                                  | <b>(2,995)</b>           | <b>(281)</b>                       | <b>38</b>                                      | <b>(3,238)</b>    | <b>1,003</b>                                   |

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 30 June 2015 amounted to Baht 2,750 million (31 December 2014: Baht 2,630 million).

Amortisation presented in the consolidated profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 145 million and Baht 138 million, respectively.

|                                      | Bank only<br>30 June 2015           |                   |            |             |                     |                                            |                          |                                |                                          |                |                                   |
|--------------------------------------|-------------------------------------|-------------------|------------|-------------|---------------------|--------------------------------------------|--------------------------|--------------------------------|------------------------------------------|----------------|-----------------------------------|
|                                      |                                     | Cost              |            |             |                     |                                            | Accumulated amortisation |                                |                                          |                |                                   |
|                                      | Net book value as at 1 January 2015 | Beginning Balance | Additions  | Written-off | Transfers in/ (out) | Ending balance<br><i>(in million Baht)</i> | Beginning Balance        | Amortisation during the period | Accumulated amortisation on transfer out | Ending balance | Net book value as at 30 June 2015 |
| Computer softwares                   | 794                                 | 3,975             | 30         | (8)         | 170                 | 4,167                                      | (3,181)                  | (144)                          | 5                                        | (3,320)        | 847                               |
| Computer softwares under development | 144                                 | 144               | 201        | -           | (165)               | 180                                        | -                        | -                              | -                                        | -              | 180                               |
| <b>Total</b>                         | <b>938</b>                          | <b>4,119</b>      | <b>231</b> | <b>(8)</b>  | <b>5</b>            | <b>4,347</b>                               | <b>(3,181)</b>           | <b>(144)</b>                   | <b>5</b>                                 | <b>(3,320)</b> | <b>1,027</b>                      |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

|                                            | Net book<br>value as at<br>1 January<br>2014 | <b>Cost</b>          |            |             |                        |                                        | <b>Accumulated amortisation</b> |                                    |                                                |                   | Net book<br>value as at<br>31 December<br>2014 |
|--------------------------------------------|----------------------------------------------|----------------------|------------|-------------|------------------------|----------------------------------------|---------------------------------|------------------------------------|------------------------------------------------|-------------------|------------------------------------------------|
|                                            |                                              | Beginning<br>Balance | Additions  | Written-off | Transfers in/<br>(out) | Ending<br>balance<br>(in million Baht) | Beginning<br>Balance            | Amortisation<br>during<br>the year | Accumulated<br>amortization on<br>transfer out | Ending<br>balance |                                                |
| Computer<br>softwares                      | 712                                          | 3,614                | 28         | -           | 333                    | 3,975                                  | (2,902)                         | (279)                              | -                                              | (3,181)           | 794                                            |
| Computer<br>softwares under<br>development | 137                                          | 137                  | 340        | -           | (333)                  | 144                                    | -                               | -                                  | -                                              | -                 | 144                                            |
| <b>Total</b>                               | <b>849</b>                                   | <b>3,751</b>         | <b>368</b> | <b>-</b>    | <b>-</b>               | <b>4,119</b>                           | <b>(2,902)</b>                  | <b>(279)</b>                       | <b>-</b>                                       | <b>(3,181)</b>    | <b>938</b>                                     |

The gross amount of the Bank's fully amortised intangible assets that were still in use as at 30 June 2015 amounted to Baht 2,697 million (31 December 2014: Baht 2,577 million).

Amortisation presented in the consolidated profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 144 million and Baht 136 million, respectively.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 19 Deferred tax and income tax expense

#### 19.1 Deferred tax

Movements in deferred tax assets and liabilities during the six-month periods ended 30 June 2015 and 2014 were as follows:

|                                                                     | At<br>1 January<br>2015 | Consolidated<br>(Charged) / Credited to:              |                                       |                      | At<br>30 June<br>2015 |
|---------------------------------------------------------------------|-------------------------|-------------------------------------------------------|---------------------------------------|----------------------|-----------------------|
|                                                                     |                         | Profit<br>or loss<br>(note 19.2)<br>(in million Baht) | Other<br>compre-<br>hensive<br>income | Retained<br>earnings |                       |
| <b>Deferred tax assets</b>                                          |                         |                                                       |                                       |                      |                       |
| Investments                                                         | 176                     | (1)                                                   | -                                     | -                    | 175                   |
| Loans to customers and accrued<br>interest receivables              | 690                     | 123                                                   | -                                     | -                    | 813                   |
| Properties for sale                                                 | 85                      | (60)                                                  | -                                     | -                    | 25                    |
| Premises and equipment                                              | 100                     | -                                                     | -                                     | -                    | 100                   |
| Provisions for obligations on<br>transfers of non-performing assets | 1,200                   | -                                                     | -                                     | -                    | 1,200                 |
| Provisions for employee benefits                                    | 306                     | (2)                                                   | (19)                                  | -                    | 285                   |
| Provisions for other liabilities                                    | 109                     | (5)                                                   | -                                     | -                    | 104                   |
| Other payables and other liabilities                                | 260                     | (113)                                                 | -                                     | -                    | 147                   |
| Others                                                              | 124                     | 6                                                     | -                                     | 12                   | 142                   |
| <b>Total</b>                                                        | <b>3,050</b>            | <b>(52)</b>                                           | <b>(19)</b>                           | <b>12</b>            | <b>2,991</b>          |
| <b>Deferred tax liabilities</b>                                     |                         |                                                       |                                       |                      |                       |
| Investments                                                         | 27                      | -                                                     | (8)                                   | -                    | 19                    |
| Premises and equipment                                              | 939                     | (15)                                                  | (1)                                   | -                    | 923                   |
| Others                                                              | 19                      | (4)                                                   | 2                                     | -                    | 17                    |
| <b>Total</b>                                                        | <b>985</b>              | <b>(19)</b>                                           | <b>(7)</b>                            | <b>-</b>             | <b>959</b>            |
| <b>Net</b>                                                          | <b>2,065</b>            | <b>(33)</b>                                           | <b>(12)</b>                           | <b>12</b>            | <b>2,032</b>          |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                                                     | At<br>1 January<br>2014 | Consolidated<br>(Charged) / Credited to:              |                                  | At<br>30 June<br>2014 |
|---------------------------------------------------------------------|-------------------------|-------------------------------------------------------|----------------------------------|-----------------------|
|                                                                     |                         | Profit<br>or loss<br>(note 19.2)<br>(in million Baht) | Other<br>comprehensive<br>income |                       |
| <b>Deferred tax assets</b>                                          |                         |                                                       |                                  |                       |
| Investments                                                         | 174                     | -                                                     | -                                | 174                   |
| Loans to customer and accrued<br>interest receivables               | 617                     | 84                                                    | -                                | 701                   |
| Properties for sale                                                 | 147                     | (8)                                                   | -                                | 139                   |
| Premises and equipment                                              | 100                     | -                                                     | -                                | 100                   |
| Provisions for obligations on<br>transfers of non-performing assets | 1,200                   | -                                                     | -                                | 1,200                 |
| Provisions for employee benefits                                    | 285                     | 11                                                    | -                                | 296                   |
| Provisions for other liabilities                                    | 109                     | (1)                                                   | -                                | 108                   |
| Other payables and other liabilities                                | 281                     | (132)                                                 | -                                | 149                   |
| Unused tax losses                                                   | 456                     | (440)                                                 | -                                | 16                    |
| Others                                                              | 103                     | (5)                                                   | -                                | 98                    |
| <b>Total</b>                                                        | <b>3,472</b>            | <b>(491)</b>                                          | <b>-</b>                         | <b>2,981</b>          |
| <b>Deferred tax liabilities</b>                                     |                         |                                                       |                                  |                       |
| Investments                                                         | 14                      | -                                                     | 1                                | 15                    |
| Premises and equipment                                              | 981                     | (9)                                                   | (3)                              | 969                   |
| Others                                                              | 28                      | (7)                                                   | -                                | 21                    |
| <b>Total</b>                                                        | <b>1,023</b>            | <b>(16)</b>                                           | <b>(2)</b>                       | <b>1,005</b>          |
| <b>Net</b>                                                          | <b>2,449</b>            | <b>(475)</b>                                          | <b>2</b>                         | <b>1,976</b>          |

|                                                                     | At<br>1 January<br>2015 | Bank only<br>(Charged) / Credited to:                 |                                       |                      | At<br>30 June<br>2015 |
|---------------------------------------------------------------------|-------------------------|-------------------------------------------------------|---------------------------------------|----------------------|-----------------------|
|                                                                     |                         | Profit<br>or loss<br>(note 19.2)<br>(in million Baht) | Other<br>compre-<br>hensive<br>income | Retained<br>earnings |                       |
| <b>Deferred tax assets</b>                                          |                         |                                                       |                                       |                      |                       |
| Investments                                                         | 176                     | (1)                                                   | -                                     | -                    | 175                   |
| Loans to customers and accrued<br>interest receivables              | 677                     | 122                                                   | -                                     | -                    | 799                   |
| Properties for sale                                                 | 84                      | (60)                                                  | -                                     | -                    | 24                    |
| Premises and equipment                                              | 100                     | -                                                     | -                                     | -                    | 100                   |
| Provisions for obligations on<br>transfers of non-performing assets | 1,200                   | -                                                     | -                                     | -                    | 1,200                 |
| Provisions for employee benefits                                    | 303                     | (3)                                                   | (19)                                  | -                    | 281                   |
| Provisions for other liabilities                                    | 105                     | (1)                                                   | -                                     | -                    | 104                   |
| Other payables and other liabilities                                | 260                     | (113)                                                 | -                                     | -                    | 147                   |
| Others                                                              | 124                     | (3)                                                   | -                                     | 12                   | 133                   |
| <b>Total</b>                                                        | <b>3,029</b>            | <b>(59)</b>                                           | <b>(19)</b>                           | <b>12</b>            | <b>2,963</b>          |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                                 | Bank only<br>(Charged) / Credited to: |                                                        |                                                               |                       |
|---------------------------------|---------------------------------------|--------------------------------------------------------|---------------------------------------------------------------|-----------------------|
|                                 | At<br>1 January<br>2015               | Profit<br>or loss<br>(note 19.2 )<br>(in million Baht) | Other<br>compre-<br>hensive<br>income<br>Retained<br>earnings | At<br>30 June<br>2015 |
| <b>Deferred tax liabilities</b> |                                       |                                                        |                                                               |                       |
| Investments                     | 15                                    | -                                                      | 3                                                             | 18                    |
| Premises and equipment          | 937                                   | (15)                                                   | (1)                                                           | 921                   |
| Others                          | 19                                    | (4)                                                    | 2                                                             | 17                    |
| <b>Total</b>                    | <b>971</b>                            | <b>(19)</b>                                            | <b>4</b>                                                      | <b>956</b>            |
| <b>Net</b>                      | <b>2,058</b>                          | <b>(40)</b>                                            | <b>(23)</b>                                                   | <b>2,007</b>          |

|                                                                     | Bank only<br>(Charged) / Credited to: |                                                       |                                  |                       |
|---------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------|----------------------------------|-----------------------|
|                                                                     | At<br>1 January<br>2014               | Profit<br>or loss<br>(note 19.2)<br>(in million Baht) | Other<br>comprehensive<br>income | At<br>30 June<br>2014 |
| <b>Deferred tax assets</b>                                          |                                       |                                                       |                                  |                       |
| Investments                                                         | 174                                   | -                                                     | -                                | 174                   |
| Loans to customers and accrued<br>interest receivables              | 606                                   | 84                                                    | -                                | 690                   |
| Properties for sale                                                 | 139                                   | (9)                                                   | -                                | 130                   |
| Premises and equipment                                              | 100                                   | -                                                     | -                                | 100                   |
| Provisions for obligations on<br>transfers of non-performing assets | 1,200                                 | -                                                     | -                                | 1,200                 |
| Provisions for employee benefits                                    | 280                                   | 11                                                    | -                                | 291                   |
| Provisions for other liabilities                                    | 105                                   | 2                                                     | -                                | 107                   |
| Other payables and other liabilities                                | 281                                   | (132)                                                 | -                                | 149                   |
| Unused tax losses                                                   | 414                                   | (414)                                                 | -                                | -                     |
| Others                                                              | 103                                   | (5)                                                   | -                                | 98                    |
| <b>Total</b>                                                        | <b>3,402</b>                          | <b>(463)</b>                                          | <b>-</b>                         | <b>2,939</b>          |
| <b>Deferred tax liabilities</b>                                     |                                       |                                                       |                                  |                       |
| Investments                                                         | 11                                    | -                                                     | (3)                              | 8                     |
| Premises and equipment                                              | 979                                   | (9)                                                   | (3)                              | 967                   |
| Others                                                              | 28                                    | (7)                                                   | -                                | 21                    |
| <b>Total</b>                                                        | <b>1,018</b>                          | <b>(16)</b>                                           | <b>(6)</b>                       | <b>996</b>            |
| <b>Net</b>                                                          | <b>2,384</b>                          | <b>(447)</b>                                          | <b>6</b>                         | <b>1,943</b>          |

As at 30 June 2015 and 31 December 2014, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totalling Baht 945 million, for which deferred tax assets have not yet been recognised because certain recognition criteria were not met.

As at 30 June 2015 and 31 December 2014, the Bank and a subsidiary have tax-deductible temporary differences in respect of loans to customers and accrued interest receivables, for which deferred tax assets have not been recognised since it is uncertain as to whether the Bank and its subsidiary would be able to utilise such temporary differences.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 19.2 Income tax expenses

#### Income tax recognised in profit or loss

| <i>Three-month periods ended 30 June</i> | <b>Consolidated</b>      |            | <b>Bank only</b> |            |
|------------------------------------------|--------------------------|------------|------------------|------------|
|                                          | 2015                     | 2014       | 2015             | 2014       |
|                                          | <i>(in million Baht)</i> |            |                  |            |
| <b>Current tax expense</b>               |                          |            |                  |            |
| Current period                           | 661                      | 460        | 635              | 454        |
| Under (over) provided in prior year      | 17                       | (1)        | 17               | -          |
|                                          | <b>678</b>               | <b>459</b> | <b>652</b>       | <b>454</b> |
| <b>Deferred tax expense</b>              |                          |            |                  |            |
| Movements in temporary differences       | (54)                     | 184        | (49)             | 172        |
|                                          | <b>(54)</b>              | <b>184</b> | <b>(49)</b>      | <b>172</b> |
| <b>Total</b>                             | <b>624</b>               | <b>643</b> | <b>603</b>       | <b>626</b> |

| <i>Six-month periods ended 30 June</i> | <i>Note</i> | <b>Consolidated</b>      |            | <b>Bank only</b> |            |
|----------------------------------------|-------------|--------------------------|------------|------------------|------------|
|                                        |             | 2015                     | 2014       | 2015             | 2014       |
|                                        |             | <i>(in million Baht)</i> |            |                  |            |
| <b>Current tax expense</b>             |             |                          |            |                  |            |
| Current period                         |             | 978                      | 552        | 941              | 539        |
| Over provided in prior year            |             | (11)                     | (85)       | (11)             | (85)       |
|                                        |             | <b>967</b>               | <b>467</b> | <b>930</b>       | <b>454</b> |
| <b>Deferred tax expense</b>            |             |                          |            |                  |            |
| Movements in temporary differences     | 19.1        | 33                       | 475        | 40               | 447        |
|                                        |             | <b>33</b>                | <b>475</b> | <b>40</b>        | <b>447</b> |
| <b>Total</b>                           |             | <b>1,000</b>             | <b>942</b> | <b>970</b>       | <b>901</b> |

#### Income tax recognised in other comprehensive income

| <b>Consolidated</b>                      |                          |                            |            |            |                            |            |
|------------------------------------------|--------------------------|----------------------------|------------|------------|----------------------------|------------|
| <i>Three-month periods ended 30 June</i> |                          |                            |            |            |                            |            |
|                                          | Before tax               | 2015 Tax (expense) benefit | Net of tax | Before tax | 2014 Tax (expense) benefit | Net of tax |
|                                          | <i>(in million Baht)</i> |                            |            |            |                            |            |
| Investments                              | (71)                     | 15                         | (56)       | 5          | (1)                        | 4          |
| Premises and equipment                   | (2)                      | -                          | (2)        | (12)       | 3                          | (9)        |
| Provisions for employee benefits         | 95                       | (20)                       | 75         | -          | -                          | -          |
| Others                                   | 20                       | (4)                        | 16         | 10         | (2)                        | 8          |
| <b>Total</b>                             | <b>42</b>                | <b>(9)</b>                 | <b>33</b>  | <b>3</b>   | <b>-</b>                   | <b>3</b>   |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <i>Three-month periods<br/>ended 30 June</i> | Bank only  |                      |                          |            |                      |            |
|----------------------------------------------|------------|----------------------|--------------------------|------------|----------------------|------------|
|                                              |            | 2015                 |                          |            | 2014                 |            |
|                                              | Before     | Tax                  | Net of                   | Before     | Tax                  | Net of     |
|                                              | tax        | (expense)<br>benefit | tax                      | tax        | (expense)<br>benefit | tax        |
|                                              |            |                      | <i>(in million Baht)</i> |            |                      |            |
| Investments                                  | (5)        | 1                    | (4)                      | (4)        | 1                    | (3)        |
| Premises and equipment                       | (2)        | 1                    | (1)                      | (12)       | 3                    | (9)        |
| Provisions for employee benefits             | 95         | (19)                 | 76                       | -          | -                    | -          |
| Others                                       | 20         | (4)                  | 16                       | 10         | (2)                  | 8          |
| <b>Total</b>                                 | <b>108</b> | <b>(21)</b>          | <b>87</b>                | <b>(6)</b> | <b>2</b>             | <b>(4)</b> |

| <i>Six-month periods<br/>ended 30 June</i> | <b>Consolidated</b> |                             |                          |               |                             |               |
|--------------------------------------------|---------------------|-----------------------------|--------------------------|---------------|-----------------------------|---------------|
|                                            |                     |                             |                          |               |                             |               |
|                                            |                     | 2015                        |                          |               | 2014                        |               |
|                                            | Before<br>tax       | Tax<br>(expense)<br>benefit | Net of<br>tax            | Before<br>tax | Tax<br>(expense)<br>benefit | Net of<br>tax |
|                                            |                     |                             | <i>(in million Baht)</i> |               |                             |               |
| Investments                                | (38)                | 8                           | (30)                     | 5             | (1)                         | 4             |
| Premises and equipment                     | (5)                 | 1                           | (4)                      | (13)          | 3                           | (10)          |
| Provisions for employee benefits           | 95                  | (19)                        | 76                       | -             | -                           | -             |
| Others                                     | 10                  | (2)                         | 8                        | -             | -                           | -             |
| <b>Total</b>                               | <b>62</b>           | <b>(12)</b>                 | <b>50</b>                | <b>(8)</b>    | <b>2</b>                    | <b>(6)</b>    |

| <i>Six-month periods<br/>ended 30 June</i> | Bank only  |                      |                          |             |                      |             |
|--------------------------------------------|------------|----------------------|--------------------------|-------------|----------------------|-------------|
|                                            |            | 2015                 |                          |             | 2014                 |             |
|                                            | Before     | Tax                  | Net of                   | Before      | Tax                  | Net of      |
|                                            | tax        | (expense)<br>benefit | tax                      | tax         | (expense)<br>benefit | tax         |
|                                            |            |                      | <i>(in million Baht)</i> |             |                      |             |
| Investments                                | 16         | (3)                  | 13                       | (15)        | 3                    | (12)        |
| Premises and equipment                     | (5)        | 1                    | (4)                      | (13)        | 3                    | (10)        |
| Provisions for employee benefits           | 95         | (19)                 | 76                       | -           | -                    | -           |
| Others                                     | 10         | (2)                  | 8                        | -           | -                    | -           |
| <b>Total</b>                               | <b>116</b> | <b>(23)</b>          | <b>93</b>                | <b>(28)</b> | <b>6</b>             | <b>(22)</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Reconciliation of effective tax rate

| <i>Three-month periods ended 30 June</i>                                                                                 | <b>Consolidated</b> |                      |             |                      |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|-------------|----------------------|
|                                                                                                                          | 2015                |                      | 2014        |                      |
|                                                                                                                          | Rate<br>(%)         | (in million<br>Baht) | Rate<br>(%) | (in million<br>Baht) |
| Profit before income tax expense                                                                                         |                     | 2,888                |             | 3,222                |
| Income tax using the Thai corporation tax rate                                                                           | 20                  | 577                  | 20          | 644                  |
| Tax effect of income and expenses that are not taxable<br>income or not deductible in determining taxable<br>profit, net | -                   | 4                    | -           | -                    |
| Unutilised deferred tax                                                                                                  | 1                   | 26                   | -           | -                    |
| Under (over) provided in prior periods                                                                                   | 1                   | 17                   | -           | (1)                  |
| <b>Total</b>                                                                                                             | <b>22</b>           | <b>624</b>           | <b>20</b>   | <b>643</b>           |

| <i>Three-month periods ended 30 June</i>                                                                                 | <b>Bank only</b> |                      |             |                      |
|--------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|-------------|----------------------|
|                                                                                                                          | 2015             |                      | 2014        |                      |
|                                                                                                                          | Rate<br>(%)      | (in million<br>Baht) | Rate<br>(%) | (in million<br>Baht) |
| Profit before income tax expense                                                                                         |                  | 2,782                |             | 3,131                |
| Income tax using the Thai corporation tax rate                                                                           | 20               | 556                  | 20          | 626                  |
| Tax effect of income and expenses that are not taxable<br>income or not deductible in determining taxable<br>profit, net | -                | 4                    | -           | -                    |
| Unutilised deferred tax                                                                                                  | 1                | 26                   | -           | -                    |
| Under provided in prior periods                                                                                          | 1                | 17                   | -           | -                    |
| <b>Total</b>                                                                                                             | <b>22</b>        | <b>603</b>           | <b>20</b>   | <b>626</b>           |

| <i>Six-month periods ended 30 June</i>                                                                                   | <b>Consolidated</b> |                      |             |                      |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|-------------|----------------------|
|                                                                                                                          | 2015                |                      | 2014        |                      |
|                                                                                                                          | Rate<br>(%)         | (in million<br>Baht) | Rate<br>(%) | (in million<br>Baht) |
| Profit before income tax expense                                                                                         |                     | 4,906                |             | 5,127                |
| Income tax using the Thai corporation tax rate                                                                           | 20                  | 981                  | 20          | 1,025                |
| Tax effect of income and expenses that are not taxable<br>income or not deductible in determining taxable<br>profit, net | -                   | 4                    | -           | 2                    |
| Unutilised deferred tax                                                                                                  | -                   | 26                   | -           | -                    |
| Over provided in prior periods                                                                                           | -                   | (11)                 | (2)         | (85)                 |
| <b>Total</b>                                                                                                             | <b>20</b>           | <b>1,000</b>         | <b>18</b>   | <b>942</b>           |

| <i>Six-month periods ended 30 June</i>                                                                                   | <b>Bank only</b> |                      |             |                      |
|--------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|-------------|----------------------|
|                                                                                                                          | 2015             |                      | 2014        |                      |
|                                                                                                                          | Rate<br>(%)      | (in million<br>Baht) | Rate<br>(%) | (in million<br>Baht) |
| Profit before income tax expense                                                                                         |                  | 4,756                |             | 4,923                |
| Income tax using the Thai corporation tax rate                                                                           | 20               | 951                  | 20          | 984                  |
| Tax effect of income and expenses that are not taxable<br>income or not deductible in determining taxable<br>profit, net | -                | 4                    | -           | 2                    |
| Unutilised deferred tax                                                                                                  | -                | 26                   | -           | -                    |
| Over provided in prior periods                                                                                           | -                | (11)                 | (2)         | (85)                 |
| <b>Total</b>                                                                                                             | <b>20</b>        | <b>970</b>           | <b>18</b>   | <b>901</b>           |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Income tax rate

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015. The Bank and its subsidiaries have applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 30 June 2015 and 31 December 2014 in accordance with the clarification issued by the FAP in 2012.

## 20 Other receivables, net

|                                                                   | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|-------------------------------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                                                   | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                                                   | <i>(in million Baht)</i> |                     |                  |                     |
| Receivables on sales of investments                               | 15,806                   | 5,578               | 15,806           | 5,578               |
| Promissory notes from transfer of<br>non-performing assets to BAM | 1,338                    | 2,241               | 1,234            | 1,580               |
| TAMC's promissory notes and interest<br>receivable                | 4,398                    | 4,398               | 4,398            | 4,398               |
| Other receivables                                                 | 974                      | 867                 | 813              | 743                 |
| <b>Total</b>                                                      | <b>22,516</b>            | <b>13,084</b>       | <b>22,251</b>    | <b>12,299</b>       |
| Less allowance for impairment                                     | (126)                    | (111)               | (126)            | (111)               |
| <b>Net</b>                                                        | <b>22,390</b>            | <b>12,973</b>       | <b>22,125</b>    | <b>12,188</b>       |

## 21 Other assets, net

|                                                      | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|------------------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                                      | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                                      | <i>(in million Baht)</i> |                     |                  |                     |
| Accrued income                                       | 1,189                    | 1,360               | 1,211            | 1,249               |
| Collateral on derivative<br>transactions             | 1,476                    | 497                 | 1,476            | 497                 |
| Suspense account - debtors                           | 567                      | 859                 | 567              | 859                 |
| Suspense account between<br>head office and branches | 27                       | 130                 | 27               | 130                 |
| Others                                               | 989                      | 943                 | 948              | 909                 |
| <b>Total</b>                                         | <b>4,248</b>             | <b>3,789</b>        | <b>4,229</b>     | <b>3,644</b>        |
| Less allowance for impairment                        | (243)                    | (212)               | (243)            | (212)               |
| <b>Net</b>                                           | <b>4,005</b>             | <b>3,577</b>        | <b>3,986</b>     | <b>3,432</b>        |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

## 22 Deposits

### 22.1 Classified by type of deposits

|                               | Consolidated             |                     | Bank only       |                     |
|-------------------------------|--------------------------|---------------------|-----------------|---------------------|
|                               | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015 | 31 December<br>2014 |
|                               | <i>(in million Baht)</i> |                     |                 |                     |
| Current                       | 42,232                   | 51,497              | 42,244          | 51,511              |
| Savings                       | 364,484                  | 346,104             | 364,528         | 346,185             |
| Term                          | 187,115                  | 174,688             | 187,115         | 174,688             |
| <b>Total</b>                  | <b>593,831</b>           | <b>572,289</b>      | <b>593,887</b>  | <b>572,384</b>      |
| Less prepaid interest expense | (643)                    | (664)               | (643)           | (664)               |
| <b>Total</b>                  | <b>593,188</b>           | <b>571,625</b>      | <b>593,244</b>  | <b>571,720</b>      |

### 22.2 Classified by currency and residency of depositors

|                  | Consolidated             |              |                |                  |              |                |
|------------------|--------------------------|--------------|----------------|------------------|--------------|----------------|
|                  | 30 June 2015             |              |                | 31 December 2014 |              |                |
|                  | Domestic                 | Foreign      | Total          | Domestic         | Foreign      | Total          |
|                  | <i>(in million Baht)</i> |              |                |                  |              |                |
| Thai Baht        | 585,817                  | 5,485        | 591,302        | 564,884          | 5,290        | 570,174        |
| US Dollar        | 1,532                    | 151          | 1,683          | 1,175            | 152          | 1,327          |
| Other currencies | 181                      | 22           | 203            | 109              | 15           | 124            |
| <b>Total</b>     | <b>587,530</b>           | <b>5,658</b> | <b>593,188</b> | <b>566,168</b>   | <b>5,457</b> | <b>571,625</b> |

  

|                  | Bank only                |              |                |                  |              |                |
|------------------|--------------------------|--------------|----------------|------------------|--------------|----------------|
|                  | 30 June 2015             |              |                | 31 December 2014 |              |                |
|                  | Domestic                 | Foreign      | Total          | Domestic         | Foreign      | Total          |
|                  | <i>(in million Baht)</i> |              |                |                  |              |                |
| Thai Baht        | 585,873                  | 5,485        | 591,358        | 564,979          | 5,290        | 570,269        |
| US Dollar        | 1,532                    | 151          | 1,683          | 1,175            | 152          | 1,327          |
| Other currencies | 181                      | 22           | 203            | 109              | 15           | 124            |
| <b>Total</b>     | <b>587,586</b>           | <b>5,658</b> | <b>593,244</b> | <b>566,263</b>   | <b>5,457</b> | <b>571,720</b> |

## 23 Interbank and money market items (liabilities)

|                                             | Consolidated and Bank only |               |               |                  |               |               |
|---------------------------------------------|----------------------------|---------------|---------------|------------------|---------------|---------------|
|                                             | 30 June 2015               |               |               | 31 December 2014 |               |               |
|                                             | At call                    | Term          | Total         | At call          | Term          | Total         |
|                                             | <i>(in million Baht)</i>   |               |               |                  |               |               |
| <b>Domestic</b>                             |                            |               |               |                  |               |               |
| Bank of Thailand and Financial Institutions | -                          | 4,444         | 4,444         | -                | 4,957         | 4,957         |
| Development Fund                            | 174                        | 30,420        | 30,594        | 135              | 36,150        | 36,285        |
| Commercial banks                            |                            |               |               |                  |               |               |
| Specialised financial institutions          | 482                        | 9,978         | 10,460        | 1,049            | 19,775        | 20,824        |
| Other financial institutions                | 5,668                      | 76            | 5,744         | 4,881            | 70            | 4,951         |
| <b>Total domestic</b>                       | <b>6,324</b>               | <b>44,918</b> | <b>51,242</b> | <b>6,065</b>     | <b>60,952</b> | <b>67,017</b> |
| <b>Foreign</b>                              |                            |               |               |                  |               |               |
| US Dollar                                   | 758                        | 979           | 1,737         | 351              | 3,296         | 3,647         |
| Other currencies                            | 1,073                      | -             | 1,073         | 2,052            | -             | 2,052         |
| <b>Total foreign</b>                        | <b>1,831</b>               | <b>979</b>    | <b>2,810</b>  | <b>2,403</b>     | <b>3,296</b>  | <b>5,699</b>  |
| <b>Total domestic and foreign</b>           | <b>8,155</b>               | <b>45,897</b> | <b>54,052</b> | <b>8,468</b>     | <b>64,248</b> | <b>72,716</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 24 Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss as at 30 June 2015 and 31 December 2014 were as follows:

|              | <b>Consolidated and Bank only</b> |                     |
|--------------|-----------------------------------|---------------------|
|              | 30 June<br>2015                   | 31 December<br>2014 |
|              | <i>(in million Baht)</i>          |                     |
| Debt issued  | 239                               | 183                 |
| <b>Total</b> | <b>239</b>                        | <b>183</b>          |

Proportion of transactions classified by the contract parties based on the amount of the contract as at 30 June 2015 and 31 December 2014 were as follows:

|                         | <b>Consolidated and Bank only</b> |                     |
|-------------------------|-----------------------------------|---------------------|
|                         | 30 June<br>2015                   | 31 December<br>2014 |
|                         | <i>(%)</i>                        |                     |
| <b>Contract parties</b> |                                   |                     |
| Financial institutions  | 100.00                            | 100.00              |
| <b>Total</b>            | <b>100.00</b>                     | <b>100.00</b>       |

### 25 Debts issued and borrowings, net

|                                        | Consolidated and Bank only |                                             |                   |         |        |                  |         |        |
|----------------------------------------|----------------------------|---------------------------------------------|-------------------|---------|--------|------------------|---------|--------|
|                                        | Interest rates             |                                             | 30 June 2015      |         |        | 31 December 2014 |         |        |
|                                        | as at                      |                                             | Domestic          | Foreign | Total  | Domestic         | Foreign | Total  |
|                                        | 30 June 2015               | Maturities                                  |                   |         |        |                  |         |        |
|                                        | (%)                        |                                             | (in million Baht) |         |        |                  |         |        |
| Subordinated debentures <sup>(1)</sup> | 4.50 and 5.50              | 2017 <sup>(2)</sup> and 2019 <sup>(2)</sup> | 25,350            | -       | 25,350 | 33,350           | -       | 33,350 |
| Senior debentures                      | 5.50                       | 2018                                        | -                 | 3,268   | 3,268  | -                | -       | -      |
| Bills of exchange                      | 2.00 - 4.50                | 2015                                        | 194               | -       | 194    | 724              | -       | 724    |
| Other borrowings                       | 0.00 - 2.00                | 2015 - 2031                                 | 100               | 1,852   | 1,952  | 131              | 2,220   | 2,351  |
| Total                                  |                            |                                             | 25,644            | 5,120   | 30,764 | 34,205           | 2,220   | 36,425 |
| Less prepaid interest expenses         |                            |                                             | (411)             | -       | (411)  | (176)            | -       | (176)  |
| Net                                    |                            |                                             | 25,233            | 5,120   | 30,353 | 34,029           | 2,220   | 36,249 |

<sup>(1)</sup> Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's Notification (Note 7)

<sup>(2)</sup> The years in which call option exercise periods start

#### 25.1 Subordinated debentures

25.1.1 On 2 April 2010, the Bank issued the Subordinated Debenture No.1/2553, amounting to Baht 8,000 million, which has a 10-year maturity period and carries a fixed interest rate of 4.70% per annum for the first 5 years and 6.00% per annum for the sixth to the tenth years. Interest is payable quarterly in January, April, July and October of every year. The Bank can early redeem the Subordinated Debenture No.1/2553 after 5 years from the issue date or accordingly to certain specified conditions.

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#### **For the six-month period ended 30 June 2015**

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On 2 April 2015, the Bank early redeemed its entire subordinated debenture No. 1/2553, with a principal of Baht 8,000 million, together with interest thereon, since the Bank issued this debenture for five years which meet criteria to early redeem and therefore no longer qualified as Tier 2 capital of the Bank. Such early redemption has already been approved by the Bank of Thailand.

25.1.2 On 18 May 2012, the Bank issued the Subordinated Debenture No.1/2555, amounting to Baht 9,400 million, which was a 10-year maturity period and carries a fixed interest rate of 4.50% per annum, payable annually in advance on 18 May of every year with the exception of the first interest payment, which was made on 25 May 2012. The Bank can early redeem the Subordinated Debenture No.1/2555 under each of the following circumstances:

1. On or after the fifth anniversary of the issue date.
2. The Bank can show that the interest on the debenture could not be treated as tax-deductible expenses.
3. The Bank of Thailand issues additional regulations which allow the Bank to early redeem the debenture.

25.1.3 On 25 May 2012, the Bank issued the Subordinated Debenture No.2/2555, amounting to Baht 950 million, which has a 10-year maturity period and carries a fixed interest rate of 4.50% per annum, payable annually in advance on 25 May of every year with the exception of the first interest payment, which was made on 1 June 2012. The Bank can early redeem the Subordinated Debenture No.2/2555 under each of the following circumstances:

1. On or after the fifth anniversary of the issue date.
2. The Bank can show that the interest on the debenture could not be treated as tax-deductible expenses.
3. The Bank of Thailand issues additional regulations which allow the Bank to early redeem the debenture.

25.1.4 On 29 August 2014, the Bank issued the Subordinated Debenture No.1/2557 to be counted as tier 2 capital under Basel III requirement, amounting to Baht 15,000 million, which has a 10-year maturity period and carries a fixed interest rate of 5.50% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Notes No.1/2557 after 5 years from the issue date or according to certain specified conditions. The Bank has to get The Bank of Thailand's approval before early redemption of the Subordinated Notes.

## **25.2 Senior debentures**

On 9 March 2015, the Bank issued the unsecured senior debentures with the bondholder representatives offered to offshore investors for a total amount of CNY 600 million, which has a 3-year maturity carrying a fixed interest rate of 5.50% per annum, payable semi-annually in March and September of every year. The debentures have been issued under the Bank's Euro Medium Term Note Programme.

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### 25.3 Other Borrowings

Borrowings with specific uses (other borrowings) as at 30 June 2015 and 31 December 2014 are as follows:

| Borrowings from                                          | Objectives of borrowings                                                                                                                                                                                                                                       | Consolidated and Bank only |                                         |                         |                                         |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|-------------------------|-----------------------------------------|
|                                                          |                                                                                                                                                                                                                                                                | 30 June 2015               |                                         | 31 December 2014        |                                         |
|                                                          |                                                                                                                                                                                                                                                                | Outstanding<br>balances    | Baht<br>equivalent<br>(in million Baht) | Outstanding<br>balances | Baht<br>equivalent<br>(in million Baht) |
| Energy Conservation<br>Promotion Fund                    | For enterprises investing for<br>energy conservation                                                                                                                                                                                                           | Baht 79 million            | 79                                      | Baht 110 million        | 110                                     |
| National Science and<br>Technology Development<br>Agency | For enterprises involving in<br>research and development<br>activities                                                                                                                                                                                         | Baht 21 million            | 21                                      | Baht 21 million         | 21                                      |
| Nordic Investment Bank (NIB)                             | For joint ventures with the<br>Nordic countries and<br>businesses using Nordic<br>machinery/equipment                                                                                                                                                          | USD 9 million              | 303                                     | USD 12 million          | 408                                     |
| Japan Bank for International<br>Cooperation (JBIC)       | For equity investment & on-<br>lending to non-SET listed<br>enterprises and non-<br>environmental impact<br>having a joint-venture with<br>Japanese or Japanese<br>connection, or Tsunami<br>adversely affected<br>entrepreneurs having<br>Japanese connection | USD 42 million             | 1,407                                   | USD 50 million          | 1,648                                   |
| KfW Bankengruppe (KfW)                                   | For small industry businesses                                                                                                                                                                                                                                  | EUR 4 million              | 142                                     | EUR 4 million           | 164                                     |
| <b>Total</b>                                             |                                                                                                                                                                                                                                                                |                            | <b>1,952</b>                            |                         | <b>2,351</b>                            |

## 26 Provision for employee benefits

### 26.1 Defined contribution plan

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 2 - 10% of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 5 - 10%, depending on the number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. The fund assets are held separately from those of the Bank and its subsidiaries, under the management of the fund manager.

For the six-month periods ended 30 June 2015 and 2014, the Bank and its subsidiaries contributed Baht 191 million and Baht 192 million, respectively to the funds (Bank only: Baht 186 million and Baht 188 million, respectively).

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 26.2 Defined benefits plans

#### (a) Detail of defined benefits plans

|                                        | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|----------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                        | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                        | <i>(in million Baht)</i> |                     |                  |                     |
| Post-employment benefit plans          | 1,411                    | 1,520               | 1,392            | 1,498               |
| Other long-term employee benefit plans | 12                       | 15                  | 12               | 15                  |
| <b>Total defined benefits plan</b>     | <b>1,423</b>             | <b>1,535</b>        | <b>1,404</b>     | <b>1,513</b>        |

#### (b) Movement in post-employment benefit obligations

Movements in provisions for post-employment benefits for the period ended 30 June 2015 and for the year ended 31 December 2014 were as follows:

|                                               | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|-----------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                               | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                               | <i>(in million Baht)</i> |                     |                  |                     |
| Beginning balance                             | 1,520                    | 1,409               | 1,498            | 1,387               |
| <b>Included in profit or loss</b>             |                          |                     |                  |                     |
| Current service cost                          | 83                       | 162                 | 81               | 158                 |
| Past service cost                             | (44)                     | (5)                 | (41)             | (5)                 |
| Interest cost                                 | 19                       | 52                  | 19               | 51                  |
|                                               | <b>58</b>                | <b>208</b>          | <b>59</b>        | <b>204</b>          |
| <b>Included in other comprehensive income</b> |                          |                     |                  |                     |
| Remeasurements loss (gain) :                  |                          |                     |                  |                     |
| - Actuarial loss (gain) arising from :        |                          |                     |                  |                     |
| - Demographic assumptions                     | (58)                     | -                   | (60)             | -                   |
| - Financial assumptions                       | 149                      | -                   | 149              | -                   |
| - Experience adjustment                       | (186)                    | -                   | (184)            | -                   |
|                                               | <b>(95)</b>              | <b>-</b>            | <b>(95)</b>      | <b>-</b>            |
| <b>Others</b>                                 |                          |                     |                  |                     |
| Benefits paid                                 | (72)                     | (98)                | (70)             | (93)                |
|                                               | <b>(72)</b>              | <b>(98)</b>         | <b>(70)</b>      | <b>(93)</b>         |
| <b>Ending balance</b>                         | <b>1,411</b>             | <b>1,520</b>        | <b>1,392</b>     | <b>1,498</b>        |

# TMB Bank Public Company Limited and its Subsidiaries

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For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### (c) Actuarial assumptions of post-employment benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

|                      | <b>Consolidated</b> |                     | <b>Bank only</b> |                     |
|----------------------|---------------------|---------------------|------------------|---------------------|
|                      | 30 June<br>2015     | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                      |                     |                     |                  |                     |
|                      |                     |                     |                  | (%)                 |
| Discount rate        | 2.86, 3.15          | 3.28, 3.73, 3.95    | 2.86             | 3.73                |
| Future salary growth | 5.00, 5.30          | 5.00 , 5.50         | 5.30             | 5.00                |
| Staff turnover rates | 0.00 - 30.00        | 0.00 - 18.00        | 0.00 - 30.00     | 0.00 - 18.00        |

### (d) Sensitivity analysis of post-employment benefit obligations

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

|                      |                                | <b>Consolidated</b><br>30 June 2015                                                |                                |                                                                                    |
|----------------------|--------------------------------|------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------|
|                      | Change (+)<br>in<br>assumption | Post-employment<br>benefit obligations<br>increase (decrease)<br>(in million Baht) | Change (-)<br>in<br>assumption | Post-employment<br>benefit obligations<br>increase (decrease)<br>(in million Baht) |
| Discount rate        | + 1%                           | (132)                                                                              | - 1%                           | 153                                                                                |
| Future salary growth | + 1%                           | 139                                                                                | - 1%                           | (124)                                                                              |
| Future mortality     | + 1 year                       | 11                                                                                 | - 1 year                       | (11)                                                                               |
|                      |                                | <b>Bank only</b><br>30 June 2015                                                   |                                |                                                                                    |
|                      | Change (+)<br>in<br>assumption | Post-employment<br>benefit obligations<br>increase (decrease)<br>(in million Baht) | Change (-)<br>in<br>assumption | Post-employment<br>benefit obligations<br>increase (decrease)<br>(in million Baht) |
| Discount rate        | + 1%                           | (130)                                                                              | - 1%                           | 150                                                                                |
| Future salary growth | + 1%                           | 137                                                                                | - 1%                           | (122)                                                                              |
| Future mortality     | + 1 year                       | 11                                                                                 | - 1 year                       | (11)                                                                               |

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**For the three-month period ended 30 June 2015 (Unaudited)**

**27 Provision for other liabilities**

The movement in provision for other liabilities during the period were as follows:

| <b>Consolidated</b>                 |                                                                                     |                                                                        |           |            |
|-------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------|------------|
| Six-month period ended 30 June 2015 |                                                                                     |                                                                        |           |            |
|                                     | Commitment from<br>letters of<br>guarantee issued,<br>avals and other<br>guarantees | Obligation for<br>litigation cases<br>(Note 35.2)<br>(in million Baht) | Others    | Total      |
| Beginning balance                   | 439                                                                                 | 48                                                                     | 48        | 535        |
| Provisions made                     | 29                                                                                  | -                                                                      | -         | 29         |
| Provisions used                     | -                                                                                   | (27)                                                                   | (5)       | (32)       |
| Paid during the period              | -                                                                                   | (1)                                                                    | (1)       | (2)        |
| <b>Ending balance</b>               | <b>468</b>                                                                          | <b>20</b>                                                              | <b>42</b> | <b>530</b> |

  

| <b>Bank only</b>                    |                                                                                     |                                                                        |           |            |
|-------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------|------------|
| Six-month period ended 30 June 2015 |                                                                                     |                                                                        |           |            |
|                                     | Commitment from<br>letters of<br>guarantee issued,<br>avals and other<br>guarantees | Obligation for<br>litigation cases<br>(Note 35.2)<br>(in million Baht) | Others    | Total      |
| Beginning balance                   | 439                                                                                 | 43                                                                     | 47        | 529        |
| Provisions made                     | 29                                                                                  | -                                                                      | -         | 29         |
| Provisions used                     | -                                                                                   | (22)                                                                   | (5)       | (27)       |
| Paid during the period              | -                                                                                   | (1)                                                                    | (1)       | (2)        |
| <b>Ending balance</b>               | <b>468</b>                                                                          | <b>20</b>                                                              | <b>41</b> | <b>529</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 28 Other payables

|                                      | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|--------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                      | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                      | <i>(in million Baht)</i> |                     |                  |                     |
| Payables on purchases of investments | 19,096                   | 4,780               | 19,096           | 4,780               |
| Others                               | 480                      | 857                 | 476              | 850                 |
| <b>Total</b>                         | <b>19,576</b>            | <b>5,637</b>        | <b>19,572</b>    | <b>5,630</b>        |

### 29 Other liabilities

|                                       | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|---------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                       | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                       | <i>(in million Baht)</i> |                     |                  |                     |
| Accrued expenses                      | 3,492                    | 3,872               | 3,403            | 3,722               |
| Accrued interest expenses             | 1,111                    | 1,156               | 1,111            | 1,156               |
| Deposits and guarantees received      | 564                      | 716                 | 549              | 702                 |
| Collateral on derivative transactions | 63                       | 178                 | 63               | 178                 |
| Suspense accounts - creditors         | 1,403                    | 2,293               | 1,397            | 2,285               |
| Others                                | 591                      | 673                 | 505              | 631                 |
| <b>Total</b>                          | <b>7,224</b>             | <b>8,888</b>        | <b>7,028</b>     | <b>8,674</b>        |

### 30 Share-based payments - TMB Performance Share Bonus

#### 30.1 Information of TMB Performance Share Bonus Scheme

On 24 June 2010, the Extraordinary General Meeting of Shareholders No.1/2553 approved the TMB Performance Share Bonus 2010 Project (TMB PSBP 2010 scheme) which will offer newly issued ordinary shares of the Bank to its employees (including employees who hold a position of director of the Bank) who have qualifications under TMB PSBP 2010. The employees under TMB PSBP 2010 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TMB PSBP 2010 with mandatory participation of top management but optional participation of staff at other levels.

Term of continuing scheme: 5 years starting from the first offering date.

Number of ordinary shares to be offered: Not exceeding the total of 400,000,000 newly issued ordinary shares with the par value of Baht 0.95 each, which will be offered pursuant to the continuing scheme.

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Offering price per share: The offering price per share to be offered to the employees under TMB PSBP 2010 is equivalent to the average closing price of ordinary shares of the Bank on the Stock Exchange of Thailand (“SET”) on each trading day for the period of 90 calendar days prior to each offering date of the newly issued shares.

The offering price may be lower than 90% of the market price as prescribed in the notification of the Securities and Exchange Commission relating to the calculation of the offering price and the determination of the offering price for issuance of the newly issued shares.

In the case that the calculation of the offering price in any offering is lower than the par value of the ordinary shares of the Bank, the Bank is required to offer newly issued shares to the employees under TMB PSBP 2010 Project at the price equivalent to the par value of the ordinary shares of the Bank.

Condition of subscription for the newly issued shares: The employees under TMB PSBP 2010 who will subscribe for the newly issued shares shall be employees of the Bank as of the subscription date of such newly issued shares (the rights for employees who are retired pursuant to the Bank’s regulation or death are still retained).

During the six-month periods ended 30 June 2015 and 2014, the Bank recorded expenses in relation to share-based payments of Baht 46 million and Baht 81 million, respectively.

## 30.2 The offering of new ordinary shares

| The offering of new ordinary shares | Par value    | Offering Price | The offering of new ordinary shares | Ordinary shares issued to employees <sup>(1)</sup> | Ordinary shares not to be issued | Balance of new ordinary shares unissued as at 30 June 2015 |
|-------------------------------------|--------------|----------------|-------------------------------------|----------------------------------------------------|----------------------------------|------------------------------------------------------------|
|                                     | (Baht/share) |                |                                     | (shares)                                           |                                  |                                                            |
| The first offering, 2011            | 0.95         | 2.25           | 68,393,400                          | (61,556,286)                                       | (6,837,114)                      | -                                                          |
| The second offering, 2012           | 0.95         | 1.67           | 101,795,300                         | (88,262,936)                                       | (13,532,364)                     | -                                                          |
| The third offering, 2013            | 0.95         | 2.28           | 78,634,700                          | (46,923,995)                                       | (10,611,122)                     | 21,099,583                                                 |
| The fourth offering, 2014           | 0.95         | 2.30           | 85,191,700                          | (24,017,919)                                       | (13,710,365)                     | 47,463,416                                                 |
| The fifth offering, 2015            | 0.95         | 3.04           | 53,599,400                          | -                                                  | (168,500)                        | 53,430,900                                                 |
| <b>Total</b>                        |              |                | <b>387,614,500</b>                  | <b>(220,761,136)</b>                               | <b>(44,859,465)</b>              | <b>121,993,899</b>                                         |

<sup>(1)</sup> The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

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For the three-month period ended 30 June 2015 (Unaudited)

### 30.3 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve - share-based payments

| <b>Consolidated and Bank only</b>                                |                                                              |                       |                            |                                      |
|------------------------------------------------------------------|--------------------------------------------------------------|-----------------------|----------------------------|--------------------------------------|
| Six-month period ended 30 June 2015                              |                                                              |                       |                            |                                      |
|                                                                  | Issued and paid-up ordinary share capital<br>(No. of shares) | (in Baht)             | Share premium<br>(in Baht) | Other reserve - share-based payments |
| <b>Beginning balance</b>                                         | 43,678,764,288                                               | 41,494,826,074        | 157,689,646                | 265,835,782                          |
| Issued ordinary shares to employees                              | 70,735,327                                                   | 67,198,561            | 79,053,115                 | (146,251,676)                        |
| Expenses in relation to issuance of ordinary shares to employees | -                                                            | -                     | (561,354)                  | -                                    |
| Expenses in relation to share-based payments                     | -                                                            | -                     | -                          | 45,992,709                           |
| <b>Ending balance</b>                                            | <b>43,749,499,615</b>                                        | <b>41,562,024,635</b> | <b>236,181,407</b>         | <b>165,576,815</b>                   |

| <b>Consolidated and Bank only</b>                                |                                                              |                       |                            |                                      |
|------------------------------------------------------------------|--------------------------------------------------------------|-----------------------|----------------------------|--------------------------------------|
| Year ended 31 December 2014                                      |                                                              |                       |                            |                                      |
|                                                                  | Issued and paid-up ordinary share capital<br>(No. of shares) | (in Baht)             | Share premium<br>(in Baht) | Other reserve - share-based payments |
| <b>Beginning balance</b>                                         | 43,606,322,266                                               | 41,426,006,153        | 81,196,245                 | 256,594,958                          |
| Issued ordinary shares to employees                              | 72,442,022                                                   | 68,819,921            | 77,069,887                 | (145,889,808)                        |
| Expenses in relation to issuance of ordinary shares to employees | -                                                            | -                     | (576,486)                  | -                                    |
| Expenses in relation to share-based payments                     | -                                                            | -                     | -                          | 155,130,632                          |
| <b>Ending balance</b>                                            | <b>43,678,764,288</b>                                        | <b>41,494,826,074</b> | <b>157,689,646</b>         | <b>265,835,782</b>                   |

### 31 Revaluation surplus on assets

This represents surplus arising from revaluation of land and buildings. The revaluation surplus can neither be offset against deficit nor used for dividend distribution.

The movement in revaluation surplus on assets during the period/year were as follows:

| <b>Consolidated and Bank only</b>                 |                                        |                                |
|---------------------------------------------------|----------------------------------------|--------------------------------|
|                                                   | Six-month period ended<br>30 June 2015 | Year ended<br>31 December 2014 |
|                                                   | <i>(in million Baht)</i>               |                                |
| Beginning balance                                 | 4,686                                  | 4,898                          |
| Amortised during the period/year                  | (34)                                   | (71)                           |
| Derecognised during the period/year               | (41)                                   | (81)                           |
| Transferred out during the period/year            | (5)                                    | (60)                           |
| <b>Balance - end of the period/year</b>           | <b>4,606</b>                           | <b>4,686</b>                   |
| Less deferred income tax                          | (921)                                  | (937)                          |
| <b>Ending balance, net of deferred income tax</b> | <b>3,685</b>                           | <b>3,749</b>                   |

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**For the three-month period ended 30 June 2015 (Unaudited)**

### **32 Legal reserves**

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

### **33 Appropriation of profit and dividend payment**

(a) On 10 April 2015, the 2015 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2014 operating profit and dividend payment as follows:

- (1) Appropriation of net profit of Baht 480 million to be legal reserve.
- (2) Payment of a dividend of Baht 0.06 per share from the 2014 operating profit to the shareholders.

The Bank paid such dividend to its shareholders on 7 May 2015.

(b) On 11 April 2014, the 2014 Annual General Meeting of shareholders passed resolutions approving the appropriation of the 2013 operating profit and dividend payment as follows:

- (1) Appropriation of net profit of Baht 290 million to be legal reserve.
- (2) Payment of a dividend of Baht 0.04 per share from the 2013 operating profit to the shareholders.

The Bank paid such dividend to its shareholders on 8 May 2014.

### **34 Assets pledged as collateral and under restriction**

Assets pledged as collateral and under restriction as at 30 June 2015 and 31 December 2014 were as follow:

|                                                         | <b>Consolidated and Bank only</b> |                    |
|---------------------------------------------------------|-----------------------------------|--------------------|
|                                                         | <b>30 June</b>                    | <b>31 December</b> |
|                                                         | <b>2015</b>                       | <b>2014</b>        |
|                                                         | <i>(in million Baht)</i>          |                    |
| Investments in securities                               |                                   |                    |
| - Pledged as collateral with the courts                 | -                                 | 13                 |
| - Pledged as security for daily liquidity               | -                                 | 3,437              |
| - Pledged as collateral against repurchase transactions | 24,681                            | 26,705             |
| <b>Total</b>                                            | <b>24,681</b>                     | <b>30,155</b>      |

# TMB Bank Public Company Limited and its Subsidiaries

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For the three-month period ended 30 June 2015 (Unaudited)

### 35 Commitments and contingent liabilities

#### 35.1 Commitments

|                                        | <b>Consolidated and Bank only</b> |                     |
|----------------------------------------|-----------------------------------|---------------------|
|                                        | 30 June<br>2015                   | 31 December<br>2014 |
|                                        | <i>(in million Baht)</i>          |                     |
| Avals to bills                         | 896                               | 543                 |
| Guarantees of loans                    | 3                                 | 3                   |
| Liability under unmatured import bills | 2,157                             | 1,855               |
| Letters of credit                      | 30,814                            | 28,131              |
| Other contingencies                    |                                   |                     |
| - Other guarantees                     | 46,516                            | 40,428              |
| - Amount of unused bank overdrafts     | 93,983                            | 82,935              |
| - Others                               | 561                               | 624                 |
| <b>Total</b>                           | <b>174,930</b>                    | <b>154,519</b>      |

As at 30 June 2015, the Bank had commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand, amounting to Baht 11 million (31 December 2014: Baht 11 million).

#### 35.2 Litigation

- (a) As at 30 June 2015 and 31 December 2014, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 103 cases and 106 cases, respectively in the approximate dispute amounts of Baht 11,649 million and Baht 11,705 million, respectively (Bank only: claims for 93 cases and 97 cases, respectively in the approximate dispute amounts of Baht 10,816 million and Baht 10,872 million, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 856 million<sup>(1)</sup> and Baht 1,421 million<sup>(1)</sup>, respectively (Bank only: Baht 784 million<sup>(1)</sup> and Baht 1,350 million<sup>(1)</sup>, respectively).
- (b) As at 30 June 2015 and 31 December 2014, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 20 million and Baht 48 million, respectively (Bank only: Baht 20 million and Baht 43 million, respectively). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.
- (c) In addition, the Bank was claimed in another lawsuit with the sum of Baht 140,261 million due to the purported issuance of a letter of guarantee with a credit limit of Baht 200 million. The Court of First Instance and the Appeals Court dismissed the case. At present, the plaintiff is in the process of filing a petition with the Supreme Court. The management was advised that there is no sufficient supporting ground for filing the petition with the Supreme Court and it is unlikely that the plaintiff will win the case; the management believes that the Bank will not be liable in this case.

<sup>(1)</sup> Excluding the liabilities of the Bank as of 30 June 2015 and 31 December 2014 for Baht 2,356 million and Baht 1,761 million, respectively, which the Court of First Instance and the Appeals Court dismissed the cases or rendered the judgment to decrease the Bank's liabilities.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 35.3 Non-cancellable operating lease commitments

|                                      | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|--------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                      | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                      | <i>(in million Baht)</i> |                     |                  |                     |
| Within one year                      | 433                      | 383                 | 419              | 370                 |
| After one year but within five years | 782                      | 758                 | 776              | 749                 |
| <b>Total</b>                         | <b>1,215</b>             | <b>1,141</b>        | <b>1,195</b>     | <b>1,119</b>        |

### 36 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

#### Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Entities with joint control or significant influence over the entity are
  - 2.1 Related companies of major shareholders
  - 2.2 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
  - 2.3 Entities in which the Bank holds over 10% of paid-up share capital (excluding subsidiaries and associate)
3. Subsidiaries
4. Associate
5. Key management personnel of the Bank are directors, management personnel at the level 'Head of' or executive vice president and above, and related management personnel of Accounting or Finance.
6. Other related parties are
  - 6.1 Close family members of key management personnel
  - 6.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
  - 6.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

The additional information on investments in subsidiaries and associate is disclosed in Note 12 to the financial statements.

Relationships with key management and other related parties were as follows:

| Name of entity/ Personnel                                                                | Country of incorporation/<br>nationality | Nature of relationship                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key management personnel                                                                 | Thailand and other counties              | Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries |
| Ministry of Finance                                                                      | Thailand                                 | The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital                                                                                                                                            |
| ING Bank N.V.                                                                            | The Netherlands                          | The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital                                                                                                                                            |
| Entities whose shares have been owned or have been controlled by the Ministry of Finance | Thailand                                 | Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital                                                                                                                           |
| Phayathai Asset Management Co., Ltd.                                                     | Thailand                                 | Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank                                                                                                                                        |
| Designee for ETA Contract Ltd.                                                           | Thailand                                 | Subsidiary, 99.5% shareholding, more than 50% of directors are representatives of the Bank                                                                                                                                       |
| TMB Asset Management Co., Ltd.                                                           | Thailand                                 | Subsidiary, 87.5% shareholding, more than 50% of directors are representatives of the Bank                                                                                                                                       |
| Metro Designee Co., Ltd.                                                                 | Thailand                                 | Associate, 30% shareholding, less than 50% of directors are representatives from the Bank                                                                                                                                        |

The pricing policies for particular types of transactions were explained further below:

### Transactions

Interest rates of loans

### Pricing policies

Based on market rate and the collateral consideration process, the same as the Bank's normal course of business, except for the interest rates of staff welfare loans which are in accordance with the Bank's regulation.

Fee and service income

Registrar and related services, money transfer services for unit holders, agents and support services for funds managed by its subsidiary is charged by the Bank at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into account the size of funds and the purchase and sale volumes of investment units

Interest rate on deposits and borrowings

Based on market rate

Fee and services income for other types of services

Based on market price

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Transactions

Branch office rental and related service  
Sale of non-performing assets to a subsidiary

### Pricing policies

Based on market rate  
Based on market price

## 36.1 Related parties transactions with key management and other related parties

Significant related parties transactions for the three-month and six-month periods ended 30 June 2015 and 2014 with key management and other related parties were as follows:

| <b>Consolidated</b>                                                     |                          |                   |                         |                           |                        |                          |                                                            |
|-------------------------------------------------------------------------|--------------------------|-------------------|-------------------------|---------------------------|------------------------|--------------------------|------------------------------------------------------------|
| Three-month period ended 30 June 2015                                   |                          |                   |                         |                           |                        |                          |                                                            |
|                                                                         | Interest income          | Interest expenses | Fees and service income | Fees and service expenses | Other operating income | Other operating expenses | Impairment loss on loans and debt securities (reversal of) |
|                                                                         | <i>(in million Baht)</i> |                   |                         |                           |                        |                          |                                                            |
| 1. Major shareholders                                                   | 41                       | 1                 | -                       | -                         | -                      | 1                        | -                                                          |
| 2. Entities with joint control or significant influence over the entity | 93                       | 164               | 7                       | -                         | 13                     | 65                       | (25)                                                       |
| 3. Subsidiaries                                                         | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 4. Associate                                                            | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 5. Key management personnel of the Bank                                 | -                        | 1                 | -                       | -                         | -                      | -                        | -                                                          |
| 6. Other related parties                                                | -                        | 1                 | -                       | -                         | -                      | 6                        | -                                                          |

| <b>Consolidated</b>                                                     |                          |                   |                         |                           |                        |                          |                                                            |
|-------------------------------------------------------------------------|--------------------------|-------------------|-------------------------|---------------------------|------------------------|--------------------------|------------------------------------------------------------|
| Three-month period ended 30 June 2014                                   |                          |                   |                         |                           |                        |                          |                                                            |
|                                                                         | Interest income          | Interest expenses | Fees and service income | Fees and service expenses | Other operating income | Other operating expenses | Impairment loss on loans and debt securities (reversal of) |
|                                                                         | <i>(in million Baht)</i> |                   |                         |                           |                        |                          |                                                            |
| 1. Major shareholders                                                   | 32                       | -                 | -                       | -                         | -                      | 2                        | -                                                          |
| 2. Entities with joint control or significant influence over the entity | 51                       | 114               | 5                       | -                         | 16                     | 69                       | (8)                                                        |
| 3. Subsidiaries                                                         | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 4. Associate                                                            | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 5. Key management personnel of the Bank                                 | -                        | 1                 | -                       | -                         | -                      | -                        | -                                                          |
| 6. Other related parties                                                | -                        | 1                 | -                       | -                         | -                      | 4                        | -                                                          |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Consolidated

Six-month period ended 30 June 2015

|                                                                               | Interest<br>income       | Interest<br>expenses | Fees and<br>service<br>income | Fees and<br>service<br>expenses | Other<br>operating<br>income | Other<br>operating<br>expenses | Impairment<br>loss on<br>loans and<br>debt<br>securities<br>(reversal of) |
|-------------------------------------------------------------------------------|--------------------------|----------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------|---------------------------------------------------------------------------|
|                                                                               | <i>(in million Baht)</i> |                      |                               |                                 |                              |                                |                                                                           |
| 1. Major shareholders                                                         | 80                       | 2                    | -                             | -                               | -                            | 3                              | -                                                                         |
| 2. Entities with joint control<br>or significant influence<br>over the entity | 199                      | 354                  | 13                            | -                               | 21                           | 130                            | (32)                                                                      |
| 3. Subsidiaries                                                               | -                        | -                    | -                             | -                               | -                            | -                              | -                                                                         |
| 4. Associate                                                                  | -                        | -                    | -                             | -                               | -                            | -                              | -                                                                         |
| 5. Key management personnel<br>of the Bank                                    | 1                        | 2                    | -                             | -                               | -                            | -                              | -                                                                         |
| 6. Other related parties                                                      | -                        | 2                    | -                             | -                               | -                            | 6                              | -                                                                         |

### Consolidated

Six-month period ended 30 June 2014

|                                                                               | Interest<br>income       | Interest<br>expenses | Fees and<br>service<br>income | Fees and<br>service<br>expenses | Other<br>operating<br>income | Other<br>operating<br>expenses | Impairment<br>loss on<br>loans and<br>debt<br>securities<br>(reversal of) |
|-------------------------------------------------------------------------------|--------------------------|----------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------|---------------------------------------------------------------------------|
|                                                                               | <i>(in million Baht)</i> |                      |                               |                                 |                              |                                |                                                                           |
| 1. Major shareholders                                                         | 54                       | -                    | -                             | -                               | -                            | 8                              | -                                                                         |
| 2. Entities with joint control<br>or significant influence<br>over the entity | 114                      | 271                  | 12                            | -                               | 25                           | 118                            | (5)                                                                       |
| 3. Subsidiaries                                                               | -                        | -                    | -                             | -                               | -                            | -                              | -                                                                         |
| 4. Associate                                                                  | -                        | -                    | -                             | -                               | -                            | -                              | -                                                                         |
| 5. Key management personnel<br>of the Bank                                    | 1                        | 2                    | -                             | -                               | -                            | -                              | -                                                                         |
| 6. Other related parties                                                      | -                        | 1                    | -                             | -                               | -                            | 5                              | -                                                                         |

### Bank only

Three-month period ended 30 June 2015

|                                                                               | Interest<br>income       | Interest<br>expenses | Fees and<br>service<br>income | Fees and<br>service<br>expenses | Other<br>operating<br>income | Other<br>operating<br>expenses | Impairment<br>loss on loans<br>and debt<br>securities<br>(reversal of) |
|-------------------------------------------------------------------------------|--------------------------|----------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------|------------------------------------------------------------------------|
|                                                                               | <i>(in million Baht)</i> |                      |                               |                                 |                              |                                |                                                                        |
| 1. Major shareholders                                                         | 41                       | 1                    | -                             | -                               | -                            | 1                              | -                                                                      |
| 2. Entities with joint control<br>or significant influence<br>over the entity | 92                       | 164                  | 7                             | -                               | 13                           | 65                             | (25)                                                                   |
| 3. Subsidiaries                                                               | -                        | -                    | 413                           | -                               | -                            | -                              | -                                                                      |
| 4. Associate                                                                  | -                        | -                    | -                             | -                               | -                            | -                              | -                                                                      |
| 5. Key management personnel<br>of the Bank                                    | -                        | 1                    | -                             | -                               | -                            | -                              | -                                                                      |
| 6. Other related parties                                                      | -                        | 1                    | -                             | -                               | -                            | 6                              | -                                                                      |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <b>Bank only</b>                                                        |                          |                   |                         |                           |                        |                          |                                                            |
|-------------------------------------------------------------------------|--------------------------|-------------------|-------------------------|---------------------------|------------------------|--------------------------|------------------------------------------------------------|
| Three-month period ended 30 June 2014                                   |                          |                   |                         |                           |                        |                          |                                                            |
|                                                                         | Interest income          | Interest expenses | Fees and service income | Fees and service expenses | Other operating income | Other operating expenses | Impairment loss on loans and debt securities (reversal of) |
|                                                                         | <i>(in million Baht)</i> |                   |                         |                           |                        |                          |                                                            |
| 1. Major shareholders                                                   | 32                       | -                 | -                       | -                         | -                      | 2                        | -                                                          |
| 2. Entities with joint control or significant influence over the entity | 48                       | 114               | 5                       | -                         | 16                     | 69                       | (8)                                                        |
| 3. Subsidiaries                                                         | -                        | -                 | 143                     | -                         | 1                      | -                        | -                                                          |
| 4. Associate                                                            | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 5. Key management personnel of the Bank                                 | -                        | 1                 | -                       | -                         | -                      | -                        | -                                                          |
| 6. Other related parties                                                | -                        | 1                 | -                       | -                         | -                      | 4                        | -                                                          |

| <b>Bank only</b>                                                        |                          |                   |                         |                           |                        |                          |                                                            |
|-------------------------------------------------------------------------|--------------------------|-------------------|-------------------------|---------------------------|------------------------|--------------------------|------------------------------------------------------------|
| Six-month period ended 30 June 2015                                     |                          |                   |                         |                           |                        |                          |                                                            |
|                                                                         | Interest income          | Interest expenses | Fees and service income | Fees and service expenses | Other operating income | Other operating expenses | Impairment loss on loans and debt securities (reversal of) |
|                                                                         | <i>(in million Baht)</i> |                   |                         |                           |                        |                          |                                                            |
| 1. Major shareholders                                                   | 80                       | 2                 | -                       | -                         | -                      | 3                        | -                                                          |
| 2. Entities with joint control or significant influence over the entity | 196                      | 354               | 13                      | -                         | 21                     | 130                      | (32)                                                       |
| 3. Subsidiaries                                                         | -                        | -                 | 670                     | -                         | -                      | -                        | -                                                          |
| 4. Associate                                                            | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 5. Key management personnel of the Bank                                 | 1                        | 2                 | -                       | -                         | -                      | -                        | -                                                          |
| 6. Other related parties                                                | -                        | 2                 | -                       | -                         | -                      | 6                        | -                                                          |

| <b>Bank only</b>                                                        |                          |                   |                         |                           |                        |                          |                                                            |
|-------------------------------------------------------------------------|--------------------------|-------------------|-------------------------|---------------------------|------------------------|--------------------------|------------------------------------------------------------|
| Six-month period ended 30 June 2014                                     |                          |                   |                         |                           |                        |                          |                                                            |
|                                                                         | Interest income          | Interest expenses | Fees and service income | Fees and service expenses | Other operating income | Other operating expenses | Impairment loss on loans and debt securities (reversal of) |
|                                                                         | <i>(in million Baht)</i> |                   |                         |                           |                        |                          |                                                            |
| 1. Major shareholders                                                   | 54                       | -                 | -                       | -                         | -                      | 8                        | -                                                          |
| 2. Entities with joint control or significant influence over the entity | 110                      | 271               | 12                      | -                         | 25                     | 118                      | (5)                                                        |
| 3. Subsidiaries                                                         | -                        | -                 | 275                     | -                         | 1                      | -                        | -                                                          |
| 4. Associate                                                            | -                        | -                 | -                       | -                         | -                      | -                        | -                                                          |
| 5. Key management personnel of the Bank                                 | 1                        | 2                 | -                       | -                         | -                      | -                        | -                                                          |
| 6. Other related parties                                                | -                        | 1                 | -                       | -                         | -                      | 5                        | -                                                          |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the six-month period ended 30 June 2015

### For the three-month period ended 30 June 2015 (Unaudited)

## 36.2 Outstanding balances with related parties

As at 30 June 2015 and 31 December 2014, significant outstanding balances with related persons or parties were as follows:

### 36.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 June 2015 and 31 December 2014 were as follows:

|                                                                                               | <b>Consolidated and Bank only</b> |                             |
|-----------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                                                               | <b>30 June<br/>2015</b>           | <b>31 December<br/>2014</b> |
|                                                                                               | <i>(in million Baht)</i>          |                             |
| <b>Loans to customers and accrued interest receivables, net</b>                               |                                   |                             |
| Ministry of Finance                                                                           | 6,551                             | 6,553                       |
| <b>Deposits (including interbank and money market items - liabilities)</b>                    |                                   |                             |
| ING Bank N.V.                                                                                 | 288                               | 326                         |
| <b>Debts issued and borrowings (Including interbank and money market items - liabilities)</b> |                                   |                             |
| ING Bank N.V.                                                                                 | -                                 | 1,648                       |
| <b>Contingencies - Derivatives<sup>(1)</sup></b>                                              |                                   |                             |
| ING Bank N.V.                                                                                 | 601                               | 600                         |
| <sup>(1)</sup> Presented in notional amount                                                   |                                   |                             |
| <b>Other contingencies</b>                                                                    |                                   |                             |
| ING Bank N.V.                                                                                 | 17                                | 16                          |
| <b>Other liabilities</b>                                                                      |                                   |                             |
| ING Bank N.V.                                                                                 | -                                 | 1                           |

### 36.2.2 Significant balances between the Bank and its subsidiaries and other entities with joint control or significant influence over the entities as at 30 June 2015 and 31 December 2014 were as follows:

|                                                                                                          | <b>Consolidated</b>      |                             | <b>Bank only</b>        |                             |
|----------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------|-------------------------|-----------------------------|
|                                                                                                          | <b>30 June<br/>2015</b>  | <b>31 December<br/>2014</b> | <b>30 June<br/>2015</b> | <b>31 December<br/>2014</b> |
|                                                                                                          | <i>(in million Baht)</i> |                             |                         |                             |
| <b>Investment in debt securities</b>                                                                     |                          |                             |                         |                             |
| Entities whose shares are owned or controlled by the Ministry of Finance                                 | -                        | 15                          | -                       | 15                          |
| <b>Interbank and money market items - assets and loans to customers and accrued interest receivables</b> |                          |                             |                         |                             |
| Entities whose shares are owned or controlled by the Ministry of Finance                                 | 10,330                   | 27,021                      | 10,007                  | 26,743                      |
| Thai Charoenpol Industry Co., Ltd.                                                                       | 3                        | 3                           | 3                       | 3                           |
| <b>Total</b>                                                                                             | <b>10,333</b>            | <b>27,024</b>               | <b>10,010</b>           | <b>26,746</b>               |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the six-month period ended 30 June 2015

### For the three-month period ended 30 June 2015 (Unaudited)

|                                                                                               | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|-----------------------------------------------------------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                                                                               | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                                                                               | <i>(in million Baht)</i> |                     |                  |                     |
| <b>Allowance for doubtful accounts</b>                                                        |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 39                       | 72                  | 39               | 72                  |
| Thai Charoenpol Industry Co., Ltd.                                                            | 2                        | 2                   | 2                | 2                   |
| <b>Total</b>                                                                                  | <b>41</b>                | <b>74</b>           | <b>41</b>        | <b>74</b>           |
| <b>Other receivables</b>                                                                      |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 4,398                    | 4,398               | 4,398            | 4,398               |
| <b>Other assets</b>                                                                           |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 288                      | 285                 | 288              | 285                 |
| <b>Deposits (Including interbank and money market items - liabilities)</b>                    |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 11,125                   | 15,635              | 11,125           | 15,635              |
| TMB Property Development Co., Ltd.                                                            | 4                        | 4                   | 4                | 4                   |
| <b>Total</b>                                                                                  | <b>11,129</b>            | <b>15,639</b>       | <b>11,129</b>    | <b>15,639</b>       |
| <b>Debts issued and borrowings (Including interbank and money market items - liabilities)</b> |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 20,828                   | 30,725              | 20,828           | 30,725              |
| <b>Provisions for obligation on transfers of non-performing assets</b>                        |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 5,998                    | 5,998               | 5,998            | 5,998               |
| <b>Other liabilities</b>                                                                      |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 15                       | 29                  | 15               | 29                  |
| <b>Contingencies - derivatives<sup>(1)</sup></b>                                              |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 153,720                  | 141,128             | 153,720          | 141,128             |
| <sup>(1)</sup> Presented in notional amount                                                   |                          |                     |                  |                     |
| <b>Other contingencies</b>                                                                    |                          |                     |                  |                     |
| Entities whose shares are owned or controlled                                                 |                          |                     |                  |                     |
| by the Ministry of Finance                                                                    | 1,265                    | 626                 | 1,265            | 626                 |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

36.2.3 Significant balances between the Bank and its subsidiaries and associate as at 30 June 2015 and 31 December 2014 were as follows:

|                                      | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|--------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                      | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                      | <i>(in million Baht)</i> |                     |                  |                     |
| <b>Other assets</b>                  |                          |                     |                  |                     |
| Phayathai Asset Management Co., Ltd. | -                        | -                   | 4                | 3                   |
| TMB Asset Management Co., Ltd.       | -                        | -                   | 157              | 57                  |
| <b>Total</b>                         | <u>-</u>                 | <u>-</u>            | <u>161</u>       | <u>60</u>           |
| <b>Deposits</b>                      |                          |                     |                  |                     |
| Phayathai Asset Management Co., Ltd. | -                        | -                   | 29               | 61                  |
| TMB Asset Management Co., Ltd.       | -                        | -                   | 27               | 34                  |
| <b>Total</b>                         | <u>-</u>                 | <u>-</u>            | <u>56</u>        | <u>95</u>           |
| <b>Other liabilities</b>             |                          |                     |                  |                     |
| Phayathai Asset Management Co., Ltd. | -                        | -                   | 1                | 4                   |
| TMB Asset Management Co., Ltd.       | -                        | -                   | 15               | 31                  |
| <b>Total</b>                         | <u>-</u>                 | <u>-</u>            | <u>16</u>        | <u>35</u>           |

36.2.4 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 June 2015 and 31 December 2014 were as follows:

|                                                          | <b>Consolidated and Bank only</b> |                     |
|----------------------------------------------------------|-----------------------------------|---------------------|
|                                                          | 30 June<br>2015                   | 31 December<br>2014 |
|                                                          | <i>(in million Baht)</i>          |                     |
| Loans to customers and accrued interest receivables, net | 11                                | 11                  |
| Welfare loans                                            | 44                                | 44                  |
| Deposits                                                 | 192                               | 186                 |
| Allowance for doubtful accounts                          | 1                                 | 1                   |

36.2.5 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 June 2015 and 31 December 2014 were as follows:

|                                                          | <b>Consolidated</b>      |                     | <b>Bank only</b> |                     |
|----------------------------------------------------------|--------------------------|---------------------|------------------|---------------------|
|                                                          | 30 June<br>2015          | 31 December<br>2014 | 30 June<br>2015  | 31 December<br>2014 |
|                                                          | <i>(in million Baht)</i> |                     |                  |                     |
| Loans to customers and accrued interest receivables, net | 2                        | 3                   | 2                | 3                   |
| Deposits                                                 | 77                       | 184                 | 77               | 184                 |
| Other liabilities                                        | -                        | 1                   | -                | 1                   |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 36.3 Senior management personnel compensation

For the three-month and six-month periods ended 30 June 2015 and 2014, senior management personnel compensation, included in profit or loss, was classified as follows:

|                                                | Consolidated |                   | Bank only  |            |
|------------------------------------------------|--------------|-------------------|------------|------------|
|                                                | 2015         | 2014              | 2015       | 2014       |
| <i>For three-month period ended 30 June</i>    |              |                   |            |            |
|                                                |              | (in million Baht) |            |            |
| Short-term employee benefits - directors       | 21           | 15                | 20         | 15         |
| Short-term employee benefits - management      | 176          | 147               | 169        | 137        |
| Post-employment benefits                       | 13           | 12                | 12         | 10         |
| Share-based payments (performance share bonus) | 24           | 31                | 24         | 31         |
| <b>Total</b>                                   | <b>234</b>   | <b>205</b>        | <b>225</b> | <b>193</b> |
|                                                |              |                   |            |            |
|                                                | Consolidated |                   | Bank only  |            |
|                                                | 2015         | 2014              | 2015       | 2014       |
| <i>For six-month period ended 30 June</i>      |              |                   |            |            |
|                                                |              | (in million Baht) |            |            |
| Short-term employee benefits - directors       | 28           | 23                | 27         | 23         |
| Short-term employee benefits - management      | 353          | 301               | 338        | 281        |
| Post-employment benefits                       | 24           | 23                | 22         | 20         |
| Termination benefit                            | 3            | -                 | -          | -          |
| Share-based payments (performance share bonus) | 49           | 68                | 49         | 68         |
| <b>Total</b>                                   | <b>457</b>   | <b>415</b>        | <b>436</b> | <b>392</b> |

Senior management personnel of the Bank are directors, management personnel at the level 'Head of' or executive vice president and above, and related management personnel of Accounting or Finance. Senior managements of the subsidiaries are those at the level of director and executive officer upwards.

### 36.4 Other benefits payable to the senior management personnel

The Bank's senior management personnel do not receive other benefits both in terms of monetary and non-monetary items, except for the benefits that are normally received as mentioned in Note 36.3 such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank's executives and the representative directors who are the executives of ING Bank N.V. shall not receive director remuneration as per the criteria of the Bank and ING Bank N.V. Nevertheless, directors with permanent residence abroad can reimburse travelling and accommodation expenses in connection with the operation of the Bank's business as actually incurred. Foreign executives are eligible for additional benefits, which are housing allowances, including utilities, telephone and home trip expenses in accordance with the established criteria.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 37 Segment information

For management purposes, the Bank's businesses are divided into the following core segments, based on customer segmentation:

#### 1. Commercial Banking

1.1 Wholesale Banking: These are corporate customers and owner operators with annual revenues of Baht 500 million and over. The main products and services are corporate loans, letters of guarantee, deposits, trade finance, supply chain solution and financial management, syndicated loans, and investment banking.

1.2 Small and Medium Enterprise: These are corporate customers and owner operators with annual revenues of less than Baht 500 million. The main products and services are corporate loans, letters of guarantee, deposits, trade finance, supply chain solution and financial management.

2. Retail Banking: This represents individual persons. The main products and services are deposits, housing and personal loans, cards services, bancassurance and mutual funds, and foreign currency services.

The Bank evaluates segment performance based on profit from operation, using the same accounting policies as those used in its preparation of the financial statements.

The inter-segment transfer pricing policy is to set prices with reference to market rates. Direct operating expenses are recorded as expenses for each operating segment and certain expenses are allocated to each operating segments based on relevant variables e.g. number of transactions, asset based and liabilities base, etc.

The operating segment information, as reported below, is reported in a manner consistent with the Bank's internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions on the allocation of resources to the operating segments and assess their performance. The Chief Operating Decision Maker has been identified as the Chief Executive Committee.

#### Information about reportable segments:

Three-month period ended  
30 June 2015

|                                                                              | Commercial<br>Banking | Retail<br>Banking | Consolidated<br>Other<br>segments<br>(in million Baht) | Elimination | Total        |
|------------------------------------------------------------------------------|-----------------------|-------------------|--------------------------------------------------------|-------------|--------------|
| Net interest income                                                          | 3,633                 | 1,624             | 449                                                    | -           | 5,706        |
| Other operating income                                                       | 1,108                 | 1,280             | 255                                                    | (12)        | 2,631        |
| Total operating income                                                       | 4,741                 | 2,904             | 704                                                    | (12)        | 8,337        |
| Operating expenses                                                           | (1,835)               | (2,067)           | (166)                                                  | 12          | (4,056)      |
| Profits from operation                                                       | 2,906                 | 837               | 538                                                    | -           | 4,281        |
| Other income (expenses), net                                                 |                       |                   |                                                        |             | 5            |
| Provision for doubtful accounts on<br>loans and loan-related<br>transactions |                       |                   |                                                        |             | (1,398)      |
| <b>Profit before income tax expense</b>                                      |                       |                   |                                                        |             | <b>2,888</b> |
| Income tax expense                                                           |                       |                   |                                                        |             | (624)        |
| <b>Profit for the period</b>                                                 |                       |                   |                                                        |             | <b>2,264</b> |
| <b>Depreciation and amortisation</b>                                         | <b>32</b>             | <b>169</b>        | <b>90</b>                                              | <b>-</b>    | <b>291</b>   |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Three-month period ended 30 June 2015

|                                                                           | Commercial<br>Banking | Retail<br>Banking | Consolidated<br>Other<br>segments<br>(in million Baht) | Elimination | Total        |
|---------------------------------------------------------------------------|-----------------------|-------------------|--------------------------------------------------------|-------------|--------------|
| <b>Source of operating income<br/>breakdown by operating<br/>segments</b> |                       |                   |                                                        |             |              |
| Third party                                                               | 6,674                 | 772               | 891                                                    | -           | 8,337        |
| Inter - segment                                                           | (1,933)               | 2,132             | (187)                                                  | (12)        | -            |
| <b>Total operating income</b>                                             | <b>4,741</b>          | <b>2,904</b>      | <b>704</b>                                             | <b>(12)</b> | <b>8,337</b> |

### Three-month period ended 30 June 2014

|                                                                              | Commercial<br>Banking | Retail<br>Banking | Consolidated<br>Other<br>segments<br>(in million Baht) | Elimination | Total        |
|------------------------------------------------------------------------------|-----------------------|-------------------|--------------------------------------------------------|-------------|--------------|
| Net interest income                                                          | 3,336                 | 1,455             | 444                                                    | -           | 5,235        |
| Other operating income                                                       | 894                   | 942               | 155                                                    | (7)         | 1,984        |
| Total operating income                                                       | 4,230                 | 2,397             | 599                                                    | (7)         | 7,219        |
| Operating expenses                                                           | (1,699)               | (1,924)           | (122)                                                  | 7           | (3,738)      |
| Profits from operation                                                       | 2,531                 | 473               | 477                                                    | -           | 3,481        |
| Other income (expenses), net                                                 |                       |                   |                                                        |             | 32           |
| Provision for doubtful accounts on<br>loans and loan-related<br>transactions |                       |                   |                                                        |             | (291)        |
| <b>Profit before income tax expense</b>                                      |                       |                   |                                                        |             | <b>3,222</b> |
| Income tax expense                                                           |                       |                   |                                                        |             | (643)        |
| <b>Profit for the period</b>                                                 |                       |                   |                                                        |             | <b>2,579</b> |
| <b>Depreciation and amortisation</b>                                         | <b>34</b>             | <b>174</b>        | <b>97</b>                                              | <b>-</b>    | <b>305</b>   |
| <b>Source of operating income<br/>breakdown by operating<br/>segments</b>    |                       |                   |                                                        |             |              |
| Third party                                                                  | 6,279                 | 153               | 787                                                    | -           | 7,219        |
| Inter - segment                                                              | (2,049)               | 2,244             | (188)                                                  | (7)         | -            |
| <b>Total operating income</b>                                                | <b>4,230</b>          | <b>2,397</b>      | <b>599</b>                                             | <b>(7)</b>  | <b>7,219</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Six-month period ended 30 June 2015

|                                                                           | Commercial<br>Banking | Retail<br>Banking | Consolidated<br>Other<br>segments<br>(in million Baht) | Elimination | Total        |
|---------------------------------------------------------------------------|-----------------------|-------------------|--------------------------------------------------------|-------------|--------------|
| Net interest income                                                       | 7,154                 | 3,350             | 920                                                    | -           | 11,424       |
| Other operating income                                                    | 2,180                 | 2,267             | 454                                                    | (24)        | 4,877        |
| Total operating income                                                    | 9,334                 | 5,617             | 1,374                                                  | (24)        | 16,301       |
| Operating expenses                                                        | (3,497)               | (3,954)           | (274)                                                  | 24          | (7,701)      |
| Profits from operation                                                    | 5,837                 | 1,663             | 1,100                                                  | -           | 8,600        |
| Other income (expenses), net                                              |                       |                   |                                                        |             | 5            |
| Provision for doubtful accounts on<br>loans and loan-related transactions |                       |                   |                                                        |             | (3,699)      |
| <b>Profit before income tax expense</b>                                   |                       |                   |                                                        |             | <b>4,906</b> |
| Income tax expense                                                        |                       |                   |                                                        |             | (1,000)      |
| <b>Profit for the period</b>                                              |                       |                   |                                                        |             | <b>3,906</b> |

|                                      |           |            |            |          |            |
|--------------------------------------|-----------|------------|------------|----------|------------|
| <b>Depreciation and amortisation</b> | <b>65</b> | <b>342</b> | <b>172</b> | <b>-</b> | <b>579</b> |
|--------------------------------------|-----------|------------|------------|----------|------------|

### Source of operating income breakdown by operating segments

|                               |              |              |              |             |               |
|-------------------------------|--------------|--------------|--------------|-------------|---------------|
| Third party                   | 13,302       | 1,489        | 1,510        | -           | 16,301        |
| Inter - segment               | (3,968)      | 4,128        | (136)        | (24)        | -             |
| <b>Total operating income</b> | <b>9,334</b> | <b>5,617</b> | <b>1,374</b> | <b>(24)</b> | <b>16,301</b> |

### Six-month period ended 30 June 2014

|                                                                           | Commercial<br>Banking | Retail<br>Banking | Consolidated<br>Other<br>segments<br>(in million Baht) | Elimination | Total        |
|---------------------------------------------------------------------------|-----------------------|-------------------|--------------------------------------------------------|-------------|--------------|
| Net interest income                                                       | 6,569                 | 2,885             | 808                                                    | -           | 10,262       |
| Other operating income                                                    | 1,664                 | 1,802             | 321                                                    | (13)        | 3,774        |
| Total operating income                                                    | 8,233                 | 4,687             | 1,129                                                  | (13)        | 14,036       |
| Operating expenses                                                        | (3,401)               | (3,809)           | (192)                                                  | 13          | (7,389)      |
| Profits from operation                                                    | 4,832                 | 878               | 937                                                    | -           | 6,647        |
| Other income (expenses), net                                              |                       |                   |                                                        |             | (6)          |
| Provision for doubtful accounts on<br>loans and loan-related transactions |                       |                   |                                                        |             | (1,515)      |
| <b>Profit before income tax expense</b>                                   |                       |                   |                                                        |             | <b>5,126</b> |
| Income tax expense                                                        |                       |                   |                                                        |             | (942)        |
| <b>Profit for the period</b>                                              |                       |                   |                                                        |             | <b>4,184</b> |

|                                      |           |            |            |          |            |
|--------------------------------------|-----------|------------|------------|----------|------------|
| <b>Depreciation and amortisation</b> | <b>69</b> | <b>346</b> | <b>190</b> | <b>-</b> | <b>605</b> |
|--------------------------------------|-----------|------------|------------|----------|------------|

### Source of operating income breakdown by operating segments

|                               |              |              |              |             |               |
|-------------------------------|--------------|--------------|--------------|-------------|---------------|
| Third party                   | 12,314       | 234          | 1,488        | -           | 14,036        |
| Inter - segment               | (4,081)      | 4,453        | (359)        | (13)        | -             |
| <b>Total operating income</b> | <b>8,233</b> | <b>4,687</b> | <b>1,129</b> | <b>(13)</b> | <b>14,036</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### Reconciliation of reportable segment profit or loss

#### Three-month period ended

30 June 2015

|                                                       | Net<br>interest<br>income | Non-<br>interest<br>income | Consolidated<br><br>Operating<br>expenses<br><br>(in million Baht) | Other<br>income<br>(expenses) | Impairment<br>loss on loans<br>and debt<br>securities |
|-------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------------------------------|-------------------------------|-------------------------------------------------------|
| Segment reporting                                     | 5,706                     | 2,631                      | (4,056)                                                            | 5                             | (1,398)                                               |
| Bad debts, doubtful accounts and<br>impairment losses | -                         | 41                         | (91)                                                               | -                             | 50                                                    |
| Others                                                | 12                        | 11                         | (18)                                                               | (5)                           | -                                                     |
| <b>Consolidated financial statements</b>              | <b>5,718</b>              | <b>2,683</b>               | <b>(4,165)</b>                                                     | <b>-</b>                      | <b>(1,348)</b>                                        |

#### Three-month period ended

30 June 2014

|                                                       | Net<br>interest<br>income | Non-<br>interest<br>income | Consolidated<br><br>Operating<br>expenses<br><br>(in million Baht) | Other<br>income<br>(expenses) | Impairment<br>loss on loans<br>and debt<br>securities |
|-------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------------------------------|-------------------------------|-------------------------------------------------------|
| Segment reporting                                     | 5,235                     | 1,984                      | (3,738)                                                            | 32                            | (291)                                                 |
| Bad debts, doubtful accounts and<br>impairment losses | -                         | 11                         | 7                                                                  | -                             | (18)                                                  |
| Others                                                | (12)                      | 40                         | 4                                                                  | (32)                          | -                                                     |
| <b>Consolidated financial statements</b>              | <b>5,223</b>              | <b>2,035</b>               | <b>(3,727)</b>                                                     | <b>-</b>                      | <b>(309)</b>                                          |

#### Six-month period ended

30 June 2015

|                                                       | Net<br>interest<br>income | Non-<br>interest<br>income | Consolidated<br><br>Operating<br>expenses<br><br>(in million Baht) | Other<br>income<br>(expenses) | Impairment<br>loss on loans<br>and debt<br>securities |
|-------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------------------------------|-------------------------------|-------------------------------------------------------|
| Segment reporting                                     | 11,424                    | 4,877                      | (7,701)                                                            | 5                             | (3,699)                                               |
| Bad debts, doubtful accounts and<br>impairment losses | -                         | 49                         | (12)                                                               | -                             | (37)                                                  |
| Others                                                | (2)                       | 17                         | (10)                                                               | (5)                           | -                                                     |
| <b>Consolidated financial statements</b>              | <b>11,422</b>             | <b>4,943</b>               | <b>(7,723)</b>                                                     | <b>-</b>                      | <b>(3,736)</b>                                        |

#### Six-month period ended

30 June 2014

|                                                       | Net<br>interest<br>income | Non-<br>interest<br>income | Consolidated<br><br>Operating<br>expenses<br><br>(in million Baht) | Other<br>income<br>(expenses) | Impairment<br>loss on loans<br>and debt<br>securities |
|-------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------------------------------|-------------------------------|-------------------------------------------------------|
| Segment reporting                                     | 10,262                    | 3,774                      | (7,389)                                                            | (6)                           | (1,515)                                               |
| Bad debts, doubtful accounts and<br>impairment losses | -                         | 20                         | (65)                                                               | -                             | 45                                                    |
| Others                                                | (2)                       | 32                         | (36)                                                               | 6                             | -                                                     |
| <b>Consolidated financial statements</b>              | <b>10,260</b>             | <b>3,826</b>               | <b>(7,490)</b>                                                     | <b>-</b>                      | <b>(1,470)</b>                                        |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

|                        | <b>Consolidated</b><br>30 June 2015 |                   |                                        |             | Total   |
|------------------------|-------------------------------------|-------------------|----------------------------------------|-------------|---------|
|                        | Commercial<br>banking               | Retail<br>banking | Other<br>segments<br>(in million Baht) | Elimination |         |
| Assets                 | 588,562                             | 93,659            | 129,549                                | (3,469)     | 808,301 |
| Liabilities and equity | 232,692                             | 403,154           | 175,924                                | (3,469)     | 808,301 |

|                        | <b>Consolidated</b><br>31 December 2014 |                   |                                        |             | Total   |
|------------------------|-----------------------------------------|-------------------|----------------------------------------|-------------|---------|
|                        | Commercial<br>banking                   | Retail<br>banking | Other<br>segments<br>(in million Baht) | Elimination |         |
| Assets                 | 570,299                                 | 88,501            | 153,759                                | (3,377)     | 809,182 |
| Liabilities and equity | 253,031                                 | 374,523           | 185,005                                | (3,377)     | 809,182 |

### 38 The financial position and results of operations classified by domestic and foreign business

38.1 As at 30 June 2015 and 31 December 2014, the financial position classified by domestic and foreign business was as follows:

|                                                             | <b>Consolidated</b><br>30 June 2015 |                     |         | <b>Consolidated</b><br>31 December 2014 |                     |         |
|-------------------------------------------------------------|-------------------------------------|---------------------|---------|-----------------------------------------|---------------------|---------|
|                                                             | Domestic<br>business                | Foreign<br>business | Total   | Domestic<br>business                    | Foreign<br>business | Total   |
|                                                             | (in million Baht)                   |                     |         |                                         |                     |         |
| Total assets                                                | 807,637                             | 664                 | 808,301 | 808,545                                 | 637                 | 809,182 |
| Interbank and money market<br>items, net (assets)           | 106,052                             | 535                 | 106,587 | 112,624                                 | 473                 | 113,097 |
| Investments, net                                            | 104,450                             | -                   | 104,450 | 110,859                                 | -                   | 110,859 |
| Loans to customers and accrued<br>interest receivables, net | 522,519                             | 65                  | 522,584 | 502,975                                 | 91                  | 503,066 |
| Deposits                                                    | 593,059                             | 129                 | 593,188 | 571,461                                 | 164                 | 571,625 |
| Interbank and money market<br>items (liabilities)           | 52,981                              | 1,071               | 54,052  | 69,351                                  | 3,366               | 72,717  |
| Debt issued and borrowings, net                             | 25,677                              | 4,676               | 30,353  | 34,601                                  | 1,648               | 36,249  |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

38.2 The results of operations classified by domestic and foreign business for the three-month and the six-month periods ended 30 June 2015 and 2014 were as follows:

| <i>Three-month periods<br/>ended 30 June</i>                 | <b>Consolidated</b>      |                     |             |              |                      |                     |             |              |
|--------------------------------------------------------------|--------------------------|---------------------|-------------|--------------|----------------------|---------------------|-------------|--------------|
|                                                              | 2015                     |                     |             |              | 2014                 |                     |             |              |
|                                                              | Domestic<br>business     | Foreign<br>business | Elimination | Total        | Domestic<br>business | Foreign<br>business | Elimination | Total        |
|                                                              | <i>(in million Baht)</i> |                     |             |              |                      |                     |             |              |
| Interest income                                              | 9,033                    | 51                  | (50)        | 9,034        | 8,933                | 7                   | (5)         | 8,935        |
| Interest expense                                             | 3,315                    | 51                  | (50)        | 3,316        | 3,712                | 5                   | (5)         | 3,712        |
| Net interest income                                          | 5,718                    | -                   | -           | 5,718        | 5,221                | 2                   | -           | 5,223        |
| Net fees and service income                                  | 2,013                    | -                   | -           | 2,013        | 1,346                | -                   | -           | 1,346        |
| Other operating income                                       | 671                      | (1)                 | -           | 670          | 689                  | -                   | -           | 689          |
| Other operating expenses                                     | 4,162                    | 3                   | -           | 4,165        | 3,725                | 2                   | -           | 3,727        |
| Impairment loss on loans<br>and debt securities              | 1,348                    | -                   | -           | 1,348        | 314                  | (5)                 | -           | 309          |
| <b>Profit from operations before<br/>income tax expenses</b> | <b>2,892</b>             | <b>(4)</b>          | <b>-</b>    | <b>2,888</b> | <b>3,217</b>         | <b>5</b>            | <b>-</b>    | <b>3,222</b> |

| <i>Six-month periods ended 30<br/>June</i>                   | <b>Consolidated</b>      |                     |             |              |                      |                     |             |              |
|--------------------------------------------------------------|--------------------------|---------------------|-------------|--------------|----------------------|---------------------|-------------|--------------|
|                                                              | 2015                     |                     |             |              | 2014                 |                     |             |              |
|                                                              | Domestic<br>business     | Foreign<br>business | Elimination | Total        | Domestic<br>business | Foreign<br>business | Elimination | Total        |
|                                                              | <i>(in million Baht)</i> |                     |             |              |                      |                     |             |              |
| Interest income                                              | 17,967                   | 70                  | (68)        | 17,969       | 17,665               | 18                  | (14)        | 17,669       |
| Interest expense                                             | 6,546                    | 69                  | (68)        | 6,547        | 7,410                | 13                  | (14)        | 7,409        |
| Net interest income                                          | 11,421                   | 1                   | -           | 11,422       | 10,255               | 5                   | -           | 10,260       |
| Net fees and service income                                  | 3,700                    | -                   | -           | 3,700        | 2,480                | 1                   | -           | 2,481        |
| Other operating income                                       | 1,244                    | (1)                 | -           | 1,243        | 1,345                | -                   | -           | 1,345        |
| Other operating expenses                                     | 7,719                    | 4                   | -           | 7,723        | 7,485                | 5                   | -           | 7,490        |
| Impairment loss on loans<br>and debt securities              | 3,736                    | -                   | -           | 3,736        | 1,471                | (1)                 | -           | 1,470        |
| <b>Profit from operations before<br/>income tax expenses</b> | <b>4,910</b>             | <b>(4)</b>          | <b>-</b>    | <b>4,906</b> | <b>5,124</b>         | <b>2</b>            | <b>-</b>    | <b>5,126</b> |

## 39 Interest income

| <i>Three-month periods ended 30 June</i> | <b>Consolidated</b>      |              | <b>Bank only</b> |              |
|------------------------------------------|--------------------------|--------------|------------------|--------------|
|                                          | 2015                     | 2014         | 2015             | 2014         |
|                                          | <i>(in million Baht)</i> |              |                  |              |
| Interbank and money market items         | 517                      | 615          | 513              | 610          |
| Investments and trading transactions     | 80                       | 71           | 80               | 71           |
| Investments in debt securities           | 573                      | 691          | 573              | 691          |
| Loans to customers                       | 7,778                    | 7,459        | 7,775            | 7,412        |
| Others                                   | 86                       | 99           | 86               | 99           |
| <b>Total</b>                             | <b>9,034</b>             | <b>8,935</b> | <b>9,027</b>     | <b>8,883</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <i>Six-month periods ended 30 June</i> | <b>Consolidated</b>      |               | <b>Bank only</b> |               |
|----------------------------------------|--------------------------|---------------|------------------|---------------|
|                                        | 2015                     | 2014          | 2015             | 2014          |
|                                        | <i>(in million Baht)</i> |               |                  |               |
| Interbank and money market items       | 1,041                    | 1,150         | 1,032            | 1,142         |
| Investments and trading transactions   | 147                      | 153           | 147              | 153           |
| Investments in debt securities         | 1,165                    | 1,389         | 1,165            | 1,389         |
| Loans to customers                     | 15,431                   | 14,756        | 15,426           | 14,677        |
| Others                                 | 185                      | 221           | 182              | 220           |
| <b>Total</b>                           | <b>17,969</b>            | <b>17,669</b> | <b>17,952</b>    | <b>17,581</b> |

### 40 Interest expenses

| <i>Three-month periods ended 30 June</i>           | <b>Consolidated</b>      |              | <b>Bank only</b> |              |
|----------------------------------------------------|--------------------------|--------------|------------------|--------------|
|                                                    | 2015                     | 2014         | 2015             | 2014         |
|                                                    | <i>(in million Baht)</i> |              |                  |              |
| Deposits                                           | 2,060                    | 2,431        | 2,060            | 2,431        |
| Interbank and money market items                   | 239                      | 309          | 239              | 309          |
| Contribution to Deposits Protection Agency and BoT | 705                      | 678          | 705              | 678          |
| Debt issued                                        |                          |              |                  |              |
| - Subordinated debentures                          | 292                      | 240          | 292              | 240          |
| - Others                                           | 13                       | 32           | 13               | 32           |
| Borrowings                                         | 7                        | 21           | 7                | 21           |
| Others                                             | -                        | 1            | -                | 1            |
| <b>Total</b>                                       | <b>3,316</b>             | <b>3,712</b> | <b>3,316</b>     | <b>3,712</b> |

| <i>Six-month periods ended 30 June</i>             | <b>Consolidated</b>      |              | <b>Bank only</b> |              |
|----------------------------------------------------|--------------------------|--------------|------------------|--------------|
|                                                    | 2015                     | 2014         | 2015             | 2014         |
|                                                    | <i>(in million Baht)</i> |              |                  |              |
| Deposits                                           | 3,996                    | 4,818        | 3,996            | 4,818        |
| Interbank and money market items                   | 471                      | 612          | 471              | 612          |
| Contribution to Deposits Protection Agency and BoT | 1,371                    | 1,322        | 1,371            | 1,322        |
| Debt issued                                        |                          |              |                  |              |
| - Subordinated debentures                          | 676                      | 541          | 676              | 541          |
| - Others                                           | 19                       | 68           | 19               | 68           |
| Borrowings                                         | 12                       | 44           | 12               | 44           |
| Others                                             | 2                        | 4            | 2                | 4            |
| <b>Total</b>                                       | <b>6,547</b>             | <b>7,409</b> | <b>6,547</b>     | <b>7,409</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 41 Net fees and service income

| <i>Three-month periods ended 30 June</i> | <b>Consolidated</b>      |              | <b>Bank only</b> |              |
|------------------------------------------|--------------------------|--------------|------------------|--------------|
|                                          | 2015                     | 2014         | 2015             | 2014         |
|                                          | <i>(in million Baht)</i> |              |                  |              |
| <b>Fees and service income</b>           |                          |              |                  |              |
| - Acceptance, avals and guarantees       | 111                      | 94           | 111              | 94           |
| - Credit card and ATM                    | 586                      | 586          | 586              | 586          |
| - Funds and Bancassurance                | 1,161                    | 695          | 1,034            | 560          |
| - Others                                 | 640                      | 509          | 652              | 516          |
| <b>Total</b>                             | <b>2,498</b>             | <b>1,884</b> | <b>2,383</b>     | <b>1,756</b> |
| <b>Fees and service expenses</b>         |                          |              |                  |              |
| - Credit card and ATM                    | (326)                    | (324)        | (326)            | (324)        |
| - Others                                 | (159)                    | (214)        | (128)            | (192)        |
| <b>Total</b>                             | <b>(485)</b>             | <b>(538)</b> | <b>(454)</b>     | <b>(516)</b> |
| <b>Net</b>                               | <b>2,013</b>             | <b>1,346</b> | <b>1,929</b>     | <b>1,240</b> |

  

| <i>Six-month periods ended 30 June</i> | <b>Consolidated</b>      |                | <b>Bank only</b> |                |
|----------------------------------------|--------------------------|----------------|------------------|----------------|
|                                        | 2015                     | 2014           | 2015             | 2014           |
|                                        | <i>(in million Baht)</i> |                |                  |                |
| <b>Fees and service income</b>         |                          |                |                  |                |
| - Acceptance, avals and guarantees     | 214                      | 176            | 214              | 176            |
| - Credit card and ATM                  | 1,156                    | 1,201          | 1,156            | 1,201          |
| - Funds and Bancassurance              | 2,034                    | 1,206          | 1,753            | 939            |
| - Others                               | 1,254                    | 988            | 1,278            | 1,001          |
| <b>Total</b>                           | <b>4,658</b>             | <b>3,571</b>   | <b>4,401</b>     | <b>3,317</b>   |
| <b>Fees and service expenses</b>       |                          |                |                  |                |
| - Credit card and ATM                  | (656)                    | (678)          | (656)            | (678)          |
| - Others                               | (302)                    | (412)          | (243)            | (369)          |
| <b>Total</b>                           | <b>(958)</b>             | <b>(1,090)</b> | <b>(899)</b>     | <b>(1,047)</b> |
| <b>Net</b>                             | <b>3,700</b>             | <b>2,481</b>   | <b>3,502</b>     | <b>2,270</b>   |

### 42 Gains on trading and foreign exchange transactions, net

| <i>Three-month periods ended 30 June</i>                     | <b>Consolidated and Bank only</b> |            |
|--------------------------------------------------------------|-----------------------------------|------------|
|                                                              | 2015                              | 2014       |
|                                                              | <i>(in million Baht)</i>          |            |
| Gains (losses) on tradings and foreign exchange transactions |                                   |            |
| - Foreign currencies and derivatives on foreign exchange     | 365                               | 429        |
| - Derivatives on interest rates                              | (13)                              | 24         |
| - Debt securities                                            | 67                                | 7          |
| <b>Total</b>                                                 | <b>419</b>                        | <b>460</b> |

**TMB Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

| <i>Six-month periods ended 30 June</i>                       | <b>Consolidated and Bank only</b> |            |
|--------------------------------------------------------------|-----------------------------------|------------|
|                                                              | 2015                              | 2014       |
|                                                              | <i>(in million Baht)</i>          |            |
| Gains (losses) on tradings and foreign exchange transactions |                                   |            |
| - Foreign currencies and derivatives on foreign exchange     | 762                               | 888        |
| - Derivatives on interest rates                              | (36)                              | 38         |
| - Derivatives on commodity                                   | -                                 | 1          |
| - Debt securities                                            | 103                               | 66         |
| <b>Total</b>                                                 | <b>829</b>                        | <b>993</b> |

**43 Gains (losses) on financial liabilities designated at fair value through profit or loss, net**

Gains (losses) on financial liabilities designated at fair value through profit or loss for the three-month and six-month periods ended 30 June 2015 and 2014 were as follows:

| <i>Three-month periods ended 30 June</i>                                                          | <b>Consolidated and Bank only</b> |             |
|---------------------------------------------------------------------------------------------------|-----------------------------------|-------------|
|                                                                                                   | 2015                              | 2014        |
|                                                                                                   | <i>(in million Baht)</i>          |             |
| Net change in fair value                                                                          | 1                                 | 4           |
| Net loss on financial liabilities transferred                                                     | -                                 | (17)        |
| <b>Gain (loss) on financial liabilities designated at fair value through profit or loss , net</b> | <b>1</b>                          | <b>(13)</b> |

| <i>Six-month periods ended 30 June</i>                                                    | <b>Consolidated and Bank only</b> |             |
|-------------------------------------------------------------------------------------------|-----------------------------------|-------------|
|                                                                                           | 2015                              | 2014        |
|                                                                                           | <i>(in million Baht)</i>          |             |
| Net change in fair value                                                                  | (6)                               | (5)         |
| Net loss on financial liabilities transferred                                             | -                                 | (17)        |
| <b>Loss on financial liabilities designated at fair value through profit or loss, net</b> | <b>(6)</b>                        | <b>(22)</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 44 Gains on investments, net

| <i>Three-month periods ended 30 June</i>      | <b>Consolidated</b>      |            | <b>Bank only</b> |            |
|-----------------------------------------------|--------------------------|------------|------------------|------------|
|                                               | 2015                     | 2014       | 2015             | 2014       |
|                                               | <i>(in million Baht)</i> |            |                  |            |
| <b>Gains on sales</b>                         |                          |            |                  |            |
| - Available-for-sale investments              | 108                      | 123        | 25               | 123        |
| - General investments                         | -                        | 5          | -                | 5          |
| <b>Total gains on sales</b>                   | <b>108</b>               | <b>128</b> | <b>25</b>        | <b>128</b> |
| <br><b>Reversal of (losses on) impairment</b> |                          |            |                  |            |
| - General investments                         | (2)                      | 3          | (2)              | 3          |
| <b>Net</b>                                    | <b>106</b>               | <b>131</b> | <b>23</b>        | <b>131</b> |
|                                               |                          |            |                  |            |
| <i>Six-month periods ended 30 June</i>        | <b>Consolidated</b>      |            | <b>Bank only</b> |            |
|                                               | 2015                     | 2014       | 2015             | 2014       |
|                                               | <i>(in million Baht)</i> |            |                  |            |
| <b>Gains on sales</b>                         |                          |            |                  |            |
| - Available-for-sale investments              | 174                      | 159        | 91               | 159        |
| - General investments                         | 5                        | 5          | 5                | 5          |
| <b>Total gains on sales</b>                   | <b>179</b>               | <b>164</b> | <b>96</b>        | <b>164</b> |
| <br><b>Reversal of (losses on) impairment</b> |                          |            |                  |            |
| - General investments                         | (2)                      | 3          | (2)              | 3          |
| <b>Net</b>                                    | <b>177</b>               | <b>167</b> | <b>94</b>        | <b>167</b> |

### 45 Other operating expenses

| <i>Three-month periods ended 30 June</i>                          | <b>Consolidated</b>      |            | <b>Bank only</b> |            |
|-------------------------------------------------------------------|--------------------------|------------|------------------|------------|
|                                                                   | 2015                     | 2014       | 2015             | 2014       |
|                                                                   | <i>(in million Baht)</i> |            |                  |            |
| Marketing and business promotion expenses                         | 341                      | 274        | 331              | 263        |
| Communication expenses                                            | 106                      | 92         | 106              | 92         |
| Amortisation of intangible assets                                 | 74                       | 69         | 73               | 68         |
| Losses on impairment of properties<br>foreclosed and other assets | 39                       | 49         | 39               | 49         |
| Others                                                            | 485                      | 295        | 482              | 282        |
| <b>Total</b>                                                      | <b>1,045</b>             | <b>779</b> | <b>1,031</b>     | <b>754</b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <i>Six-month periods ended 30 June</i>                            | <b>Consolidated</b>      |              | <b>Bank only</b> |              |
|-------------------------------------------------------------------|--------------------------|--------------|------------------|--------------|
|                                                                   | 2015                     | 2014         | 2015             | 2014         |
|                                                                   | <i>(in million Baht)</i> |              |                  |              |
| Marketing and business promotion expenses                         | 553                      | 498          | 519              | 480          |
| Communication expenses                                            | 202                      | 184          | 202              | 183          |
| Amortisation of intangible assets                                 | 145                      | 137          | 144              | 136          |
| Losses on impairment of properties<br>foreclosed and other assets | 35                       | 81           | 35               | 81           |
| Others                                                            | 775                      | 709          | 764              | 686          |
| <b>Total</b>                                                      | <b>1,710</b>             | <b>1,609</b> | <b>1,664</b>     | <b>1,566</b> |

### 46 Impairment loss of loans and debt securities

| <i>Three-month periods ended 30 June</i>                                | <b>Consolidated</b>      |            | <b>Bank only</b> |            |
|-------------------------------------------------------------------------|--------------------------|------------|------------------|------------|
|                                                                         | 2015                     | 2014       | 2015             | 2014       |
|                                                                         | <i>(in million Baht)</i> |            |                  |            |
| Bad debts and doubtful accounts (reversal of)                           |                          |            |                  |            |
| - Interbank and money market items                                      | (44)                     | 11         | (44)             | 11         |
| - Loans to customers                                                    | 1,307                    | 290        | 1,313            | 308        |
| Allowance for debt restructuring on loans<br>to customers (reversal of) | 85                       | 8          | 85               | 8          |
| <b>Total</b>                                                            | <b>1,348</b>             | <b>309</b> | <b>1,354</b>     | <b>327</b> |

| <i>Six-month periods ended 30 June</i>                                  | <b>Consolidated</b>      |              | <b>Bank only</b>     |              |
|-------------------------------------------------------------------------|--------------------------|--------------|----------------------|--------------|
|                                                                         | 2015                     | 2014         | 2015                 | 2014         |
|                                                                         | <i>(in million Baht)</i> |              |                      |              |
| Bad debts and doubtful accounts (reversal of)                           |                          |              |                      |              |
| - Interbank and money market items                                      | 100                      | (11)         | 100                  | (11)         |
| - Loans to customers                                                    | 3,514 <sup>(1)</sup>     | 1,464        | 3,534 <sup>(1)</sup> | 1,522        |
| Allowance for debt restructuring on loans<br>to customers (reversal of) | 122                      | 17           | 122                  | 17           |
| <b>Total</b>                                                            | <b>3,736</b>             | <b>1,470</b> | <b>3,756</b>         | <b>1,528</b> |

<sup>(1)</sup> The selling price in excess of the carrying value of NPLs sale (see in Note 13.5) of Baht 99 million was presented as a deduction from this item.

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

### 47 Earnings per share

#### *Basic earnings per share*

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2015 and 2014 were based on the profit for the periods attributable to equity holders of the Bank and the number of ordinary shares outstanding during the periods as follows:

| <b>Three-month periods ended 30 June</b>                                                     | <b>Consolidated</b>  |                      | <b>Bank only</b>     |                      |
|----------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                              | 2015                 | 2014                 | 2015                 | 2014                 |
| Profit for the periods attributable to equity holders of the Bank ( <i>in million Baht</i> ) | <u>2,260</u>         | <u>2,575</u>         | <u>2,179</u>         | <u>2,505</u>         |
| Weighted average number of ordinary shares outstanding ( <i>in million shares</i> )          | <u>43,742</u>        | <u>43,671</u>        | <u>43,742</u>        | <u>43,671</u>        |
| <b>Basic earnings per share (<i>in Baht</i>)</b>                                             | <b><u>0.0517</u></b> | <b><u>0.0590</u></b> | <b><u>0.0498</u></b> | <b><u>0.0574</u></b> |
| <b>Six-month periods ended 30 June</b>                                                       | <b>Consolidated</b>  |                      | <b>Bank only</b>     |                      |
|                                                                                              | 2015                 | 2014                 | 2015                 | 2014                 |
| Profit for the periods attributable to equity holders of the Bank ( <i>in million Baht</i> ) | <u>3,897</u>         | <u>4,177</u>         | <u>3,786</u>         | <u>4,022</u>         |
| Weighted average number of ordinary shares outstanding ( <i>in million shares</i> )          | <u>43,710</u>        | <u>43,639</u>        | <u>43,710</u>        | <u>43,639</u>        |
| <b>Basic earnings per share (<i>in Baht</i>)</b>                                             | <b><u>0.0892</u></b> | <b><u>0.0957</u></b> | <b><u>0.0866</u></b> | <b><u>0.0922</u></b> |

#### *Diluted earnings per share*

The calculations of diluted earnings per share for the three-month and six-month periods ended 30 June 2015 and 2014 were based on the profit for the periods attributable to equity holders of the Bank and the number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

| <b>Three-month periods ended 30 June</b>                                                            | <b>Consolidated</b>  |                      | <b>Bank only</b>     |                      |
|-----------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                     | 2015                 | 2014                 | 2015                 | 2014                 |
| Profit for the periods attributable to equity holders of the Bank ( <i>in million Baht</i> )        | <u>2,260</u>         | <u>2,575</u>         | <u>2,179</u>         | <u>2,505</u>         |
| Weighted average number of ordinary shares outstanding ( <i>in million shares</i> )                 | <u>43,742</u>        | <u>43,671</u>        | <u>43,742</u>        | <u>43,671</u>        |
| Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme ( <i>in million shares</i> ) | <u>130</u>           | <u>165</u>           | <u>130</u>           | <u>165</u>           |
| Weighted average number of diluted ordinary shares outstanding ( <i>in million shares</i> )         | <u>43,872</u>        | <u>43,836</u>        | <u>43,872</u>        | <u>43,836</u>        |
| <b>Diluted earnings per share (<i>in Baht</i>)</b>                                                  | <b><u>0.0515</u></b> | <b><u>0.0587</u></b> | <b><u>0.0497</u></b> | <b><u>0.0572</u></b> |

# TMB Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the six-month period ended 30 June 2015

For the three-month period ended 30 June 2015 (Unaudited)

| <i>Six-month periods ended 30 June</i>                                                              | <b>Consolidated</b>  |                      | <b>Bank only</b>     |                      |
|-----------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                     | 2015                 | 2014                 | 2015                 | 2014                 |
| Profit for the periods attributable to equity holders of the Bank ( <i>in million Baht</i> )        | <u>3,897</u>         | <u>4,177</u>         | <u>3,786</u>         | <u>4,022</u>         |
| Weighted average number of ordinary shares outstanding ( <i>in million shares</i> )                 | 43,710               | 43,639               | 43,710               | 43,639               |
| Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme ( <i>in million shares</i> ) | <u>138</u>           | <u>166</u>           | <u>138</u>           | <u>166</u>           |
| Weighted average number of diluted ordinary shares outstanding ( <i>in million shares</i> )         | <u>43,848</u>        | <u>43,805</u>        | <u>43,848</u>        | <u>43,805</u>        |
| <b>Diluted earnings per share (<i>in Baht</i>)</b>                                                  | <b><u>0.0889</u></b> | <b><u>0.0954</u></b> | <b><u>0.0864</u></b> | <b><u>0.0918</u></b> |

## 48 Events after the reporting period

### Counting a part of net profit for the period as Tier 1 Capital

On 26 August 2015, the Board of Directors' Meeting of the Bank passed a resolution to approve the inclusion of a part of net profit for the six-month period ended 30 June 2015 amounting to Baht 2,460 million to be counted as Tier 1 Capital of the Bank.