

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

Interim financial statements
for the three-month and six-month periods ended
30 June 2016
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 financial statements of TMB Bank Public Company Limited and its Subsidiaries (the "Group"), and of TMB Bank Public Company Limited (the "Bank"), respectively, which comprise the consolidated and the Bank only statements of financial position as at 30 June 2016, the interim consolidated and the Bank only statements of profit or loss and other 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the 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 2016 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 profit or loss and other comprehensive income for the three-month period ended 30 June 2016 of the Group and the Bank only, respectively. Management is responsible for the preparation and presentation of these interim consolidated and the Bank only statements of profit or loss and other 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 profit or loss and other 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 profit or loss and other comprehensive income for the three-month period ended 30 June 2016 are not prepared, in all material respects, in accordance with Thai Financial Reporting Standards.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
24 August 2016

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	2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Cash		12,169,871	17,290,402	12,169,757	17,289,833
Interbank and money market items, net	8, 35.2	106,412,832	115,758,178	105,511,054	114,957,730
Claims on securities		-	11,944,900	-	11,944,900
Derivative assets	9	10,183,542	12,250,311	10,183,542	12,250,311
Investments, net	10, 35.2	81,962,542	98,260,036	79,037,275	95,470,360
Investments in subsidiaries and associate, net	11	8	8	3,331,428	3,331,428
Loans to customers and accrued interest receivables, net	12, 35.2				
Loans to customers		591,424,516	580,867,827	591,375,496	580,836,479
Accrued interest receivables		1,019,227	1,068,312	1,019,227	1,068,312
Total loans to customers and accrued interest receivables		592,443,743	581,936,139	592,394,723	581,904,791
Less deferred revenue		(86,527)	(91,694)	(86,527)	(91,694)
Less allowance for doubtful accounts	12.4, 14, 35.2	(28,207,778)	(28,844,706)	(28,177,088)	(28,821,032)
Less revaluation allowance for debt restructuring	12.7	(146,569)	(180,558)	(146,569)	(180,558)
Total loans to customers and accrued interest receivables, net		564,002,869	552,819,181	563,984,539	552,811,507
Customers' liabilities under acceptances		15,667	10,913	15,667	10,913
Properties for sale, net	15	1,164,617	1,207,101	1,164,617	1,207,101
Premises and equipment, net	16	12,161,890	10,291,853	12,137,365	10,266,657
Goodwill and other intangible assets, net	17	1,420,397	1,238,552	1,356,953	1,173,917
Deferred tax assets	18	1,063,137	2,044,523	1,062,471	2,032,134
Other receivables, net	19, 35.2	21,320,287	11,325,343	21,168,536	11,066,170
Other assets, net	20, 35.2	3,784,067	4,495,980	3,732,632	4,420,344
Total assets		815,661,726	838,937,281	814,855,836	838,233,305

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	2016	2015	2016	2015
(in thousand Baht)					
Liabilities					
Deposits	21, 35.2	641,395,893	644,693,924	641,435,618	644,729,505
Interbank and money market items	22, 35.2	16,686,384	36,216,663	16,686,384	36,216,663
Liabilities payable on demand		4,335,613	3,008,198	4,335,613	3,008,198
Liabilities to deliver security		-	11,944,900	-	11,944,900
Financial liabilities designated at fair value through profit or loss	23	371,354	298,869	371,354	298,869
Derivative liabilities	9	10,296,253	12,141,438	10,296,253	12,141,438
Debts issued and borrowings, net	24, 35.2	39,903,368	30,183,564	39,903,368	30,183,564
Bank's liabilities under acceptances		15,667	10,913	15,667	10,913
Provisions for obligations on transfers of non-performing assets	7, 35.2	1,656,553	5,998,333	1,656,553	5,998,333
Provisions for employee benefits	25	1,407,996	1,492,439	1,382,125	1,471,505
Provisions for other liabilities	26	681,985	542,453	681,955	542,423
Deferred tax liabilities	18	1,729	-	-	-
Other payables	27	12,179,793	6,988,253	12,175,441	6,983,792
Other liabilities	28, 35.2	6,713,570	8,818,971	6,621,585	8,705,973
Total liabilities		735,646,158	762,338,918	735,561,916	762,236,076
Equity					
Share capital					
Authorised share capital					
44,108,738,479 ordinary shares of Baht 0.95 each		41,903,302	41,903,302	41,903,302	41,903,302
Issued and paid-up share capital					
43,807,370,307 ordinary shares of Baht 0.95 each					
(31 December 2015: 43,749,499,615 ordinary shares					
of Baht 0.95 each)	29	41,617,002	41,562,025	41,617,002	41,562,025
Premium on share capital	29	325,406	236,181	325,406	236,181
Other reserves		5,494,849	3,959,690	5,432,544	3,927,758
Retained earnings					
Appropriated					
Legal reserve	31, 32	1,710,000	1,710,000	1,710,000	1,710,000
Unappropriated		30,754,109	29,023,338	30,208,968	28,561,265
Equity attributable to equity holders of the Bank		79,901,366	76,491,234	79,293,920	75,997,229
Non-controlling interest		114,202	107,129	-	-
Total equity		80,015,568	76,598,363	79,293,920	75,997,229
Total liabilities and equity		815,661,726	838,937,281	814,855,836	838,233,305

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 profit or loss and other comprehensive income (Unaudited)

	Note	Consolidated		Bank only	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest income	35.1, 38	8,971,707	9,033,927	8,962,964	9,026,572
Interest expenses	35.1, 39	2,798,677	3,315,982	2,798,728	3,316,073
Net interest income		6,173,030	5,717,945	6,164,236	5,710,499
Fees and service income	35.1, 40	2,453,291	2,497,405	2,290,033	2,382,468
Fees and service expenses	35.1, 40	538,047	484,669	509,875	453,271
Net fees and service income		1,915,244	2,012,736	1,780,158	1,929,197
Gains on trading and foreign exchange transactions, net	41	270,421	419,102	270,421	419,102
Gains (losses) on financial liabilities designated at fair value through profit or loss, net	42	(4,416)	734	(4,416)	734
Gains on investments, net	43	2,850	105,975	2,376	23,552
Other operating income	35.1	158,580	144,162	150,324	136,720
Total operating income		8,515,709	8,400,654	8,363,099	8,219,804
Other operating expenses					
Employee expenses	35.3	1,916,932	1,989,249	1,858,237	1,936,830
Directors' remuneration	35.3	19,938	20,549	19,848	20,459
Premises and equipment expenses		802,861	765,279	787,065	751,537
Taxes and duties		321,983	344,080	321,694	343,977
Others	35.1, 44	977,576	1,045,320	962,232	1,030,546
Total other operating expenses		4,039,290	4,164,477	3,949,076	4,083,349
Impairment loss on loans and debt securities	35.1, 45	1,998,199	1,348,490	2,002,617	1,354,360
Profit from operations before income tax expense		2,478,220	2,887,687	2,411,406	2,782,095
Income tax expense	18	324,841	623,564	311,258	602,836
Profit for the period		2,153,379	2,264,123	2,100,148	2,179,259
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring available-for-sale investments		(4,776)	(71,094)	(21,902)	(4,607)
Gains arising from translating the financial statements of foreign operations		10,125	20,358	10,125	20,358
Income tax relating to items that will be reclassified subsequently to profit or loss	18	(1,070)	10,147	2,355	(3,150)
		4,279	(40,589)	(9,422)	12,601
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(4,097)	(2,173)	(4,097)	(2,173)
Actuarial gains on post-employment benefit plan	25	89,069	95,162	91,464	95,253
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	(16,994)	(18,598)	(17,473)	(18,616)
		67,978	74,391	69,894	74,464
Total other comprehensive income for the period, net of income tax		72,257	33,802	60,472	87,065
Total comprehensive income for the period		2,225,636	2,297,925	2,160,620	2,266,324

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

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

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Equity holders of the Bank	2,150,545	2,259,527	2,100,148	2,179,259
Non-controlling interest	2,834	4,596	-	-
Profit for the period	2,153,379	2,264,123	2,100,148	2,179,259
Total comprehensive income attributable to:				
Equity holders of the Bank	2,223,042	2,293,338	2,160,620	2,266,324
Non-controlling interest	2,594	4,587	-	-
Total comprehensive income for the period	2,225,636	2,297,925	2,160,620	2,266,324
Earnings per share				
Basic earnings per share <i>(in Baht)</i>	0.0491	0.0517	0.0479	0.0498
Diluted earnings per share <i>(in Baht)</i>	0.0490	0.0515	0.0479	0.0497

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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 profit or loss and other comprehensive income

		Consolidated		Bank only	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest income	35.1, 38	18,058,856	17,968,607	18,043,885	17,952,241
Interest expenses	35.1, 39	5,957,240	6,547,080	5,957,291	6,547,154
Net interest income		12,101,616	11,421,527	12,086,594	11,405,087
Fees and service income	35.1, 40	4,778,862	4,658,130	4,433,970	4,400,791
Fees and service expenses	35.1, 40	1,021,241	957,699	969,793	899,084
Net fees and service income		3,757,621	3,700,431	3,464,177	3,501,707
Gains on trading and foreign exchange transactions, net	41	744,269	829,280	744,269	829,280
Losses on financial liabilities designated at fair value through profit or loss, net	42	(22,485)	(6,089)	(22,485)	(6,089)
Gains on investments, net	43	72,746	176,610	72,123	94,187
Other operating income	35.1	269,636	242,910	255,586	231,392
Total operating income		16,923,403	16,364,669	16,600,264	16,055,564
Other operating expenses					
Employee expenses	35.3	3,901,429	3,817,921	3,785,106	3,712,121
Directors' remuneration	35.3	26,445	27,505	26,265	27,325
Premises and equipment expenses		1,496,023	1,522,580	1,464,760	1,495,592
Taxes and duties		635,632	644,365	635,192	643,873
Others	35.1, 44	1,890,408	1,710,498	1,829,076	1,663,968
Total other operating expenses		7,949,937	7,722,869	7,740,399	7,542,879
Impairment loss on loans and debt securities	35.1, 45	3,875,031	3,735,577	3,876,809	3,756,236
Profit from operations before income tax expense		5,098,435	4,906,223	4,983,056	4,756,449
Income tax expense	18	848,415	999,839	825,092	970,164
Profit for the period		4,250,020	3,906,384	4,157,964	3,786,285
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments		9,496	(37,984)	(28,472)	16,262
Gains (losses) arising from translating the financial statements of foreign operations		(16)	10,179	(16)	10,179
Income tax relating to items that will be reclassified subsequently to profit or loss	18	(1,896)	5,561	5,698	(5,288)
		7,584	(22,244)	(22,790)	21,153
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		2,104,292	(5,322)	2,104,292	(5,322)
Actuarial gains on post-employment benefit plan	25	89,069	95,162	91,464	95,253
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	(438,672)	(17,968)	(439,151)	(17,986)
		1,754,689	71,872	1,756,605	71,945
Total other comprehensive income for the period, net of income tax		1,762,273	49,628	1,733,815	93,098
Total comprehensive income for the period		6,012,293	3,956,012	5,891,779	3,879,383

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

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

	Consolidated		Bank only	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Equity holders of the Bank	4,242,707	3,897,184	4,157,964	3,786,285
Non-controlling interest	7,313	9,200	-	-
Profit for the period	4,250,020	3,906,384	4,157,964	3,786,285
Total comprehensive income attributable to:				
Equity holders of the Bank	6,005,220	3,946,821	5,891,779	3,879,383
Non-controlling interest	7,073	9,191	-	-
Total comprehensive income for the period	6,012,293	3,956,012	5,891,779	3,879,383
Earnings per share				
Basic earnings per share <i>(in Baht)</i>	0.0969	0.0892	0.0950	0.0866
Diluted earnings per share <i>(in Baht)</i>	0.0967	0.0889	0.0948	0.0864

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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

		Consolidated										
		Other reserves						Retained earnings				
						Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve			Equity attributable to equity holders of the Bank	Non-controlling interest	Total equity
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments (Note 29)	Revaluation surplus on assets, net (Note 30)	Revaluation surplus on available-for-sale investments, net (Note 10.4)			Legal reserve	Unappropriated			
(in thousand Baht)												
Six-month period ended 30 June 2015												
Balance at 1 January 2015	41,494,826	157,690	265,836	3,748,394	106,773	43,563	4,164,566	1,250,000	22,586,165	69,653,247	88,864	69,742,111
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
Total comprehensive income for the period	-	-	-	(4,257)	(30,387)	8,143	(26,501)	-	3,973,322	3,946,821	9,191	3,956,012
Contributions by and distribution to owners of the bank												
Expenses in relation to share-based payments	29.3	-	-	45,993	-	-	45,993	-	-	45,993	-	45,993
Issued of ordinary shares to employees	29.3	67,199	79,053	(146,252)	-	-	(146,252)	-	-	-	-	-
Expenses in relation to issuance of ordinary shares to employees	29.3	-	(562)	-	-	-	-	-	-	(562)	-	(562)
Dividend paid	32	-	-	-	-	-	-	-	(2,624,884)	(2,624,884)	-	(2,624,884)
Total contributions by and distribution to owners of the bank	67,199	78,491	(100,259)	-	-	-	(100,259)	-	(2,624,884)	(2,579,453)	-	(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	76,386	51,706	3,978,007	1,250,000	23,994,402	71,020,615	98,055	71,118,670
Six-month period ended 30 June 2016												
Balance at 1 January 2016	41,562,025	236,181	212,651	3,596,433	82,615	67,991	3,959,690	1,710,000	29,023,338	76,491,234	107,129	76,598,363
Comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	4,242,707	4,242,707	7,313	4,250,020
Other comprehensive income	-	-	-	1,683,434	7,596	(13)	1,691,017	-	71,496	1,762,513	(240)	1,762,273
Total comprehensive income for the period	-	-	-	1,683,434	7,596	(13)	1,691,017	-	4,314,203	6,005,220	7,073	6,012,293
Contributions by and distribution to owners of the bank												
Expenses in relation to share-based payments	29.3	-	-	33,758	-	-	33,758	-	-	33,758	-	33,758
Issued of ordinary shares to employees	29.3	54,977	89,766	(144,743)	-	-	(144,743)	-	-	-	-	-
Expenses in relation to issuance of ordinary shares to employees	29.3	-	(541)	-	-	-	-	-	-	(541)	-	(541)
Dividend paid	32	-	-	-	-	-	-	-	(2,628,305)	(2,628,305)	-	(2,628,305)
Total contributions by and distribution to owners of the bank	54,977	89,225	(110,985)	-	-	-	(110,985)	-	(2,628,305)	(2,595,088)	-	(2,595,088)
Transfer to retained earnings	-	-	-	(44,873)	-	-	(44,873)	-	44,873	-	-	-
Balance at 30 June 2016	41,617,002	325,406	101,666	5,234,994	90,211	67,978	5,494,849	1,710,000	30,754,109	79,901,366	114,202	80,015,568

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		
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments (Note 29)	Revaluation surplus on assets, net (Note 30)	Revaluation surplus on available-for-sale investments, net (Note 10.4)	Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Total equity
(in thousand Baht)										
Six-month period ended 30 June 2015										
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 of the bank										
Expenses in relation to share-based payments	29.3	-	-	45,993	-	-	45,993	-	-	45,993
Issued of ordinary shares to employees	29.3	67,199	79,053	(146,252)	-	-	(146,252)	-	-	-
Expenses in relation to issuance of ordinary shares to employees	29.3	-	(562)	-	-	-	-	-	-	(562)
Dividend paid	32	-	-	-	-	-	-	-	(2,624,884)	(2,624,884)
Total contributions by and distribution to 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
Six-month period ended 30 June 2016										
Balance at 1 January 2016	41,562,025	236,181	212,651	3,596,433	50,683	67,991	3,927,758	1,710,000	28,561,265	75,997,229
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	4,157,964	4,157,964
Other comprehensive income	-	-	-	1,683,434	(22,777)	(13)	1,660,644	-	73,171	1,733,815
Total comprehensive income for the period	-	-	-	1,683,434	(22,777)	(13)	1,660,644	-	4,231,135	5,891,779
Contributions by and distribution to owners of the bank										
Expenses in relation to share-based payments	29.3	-	-	33,758	-	-	33,758	-	-	33,758
Issued of ordinary shares to employees	29.3	54,977	89,766	(144,743)	-	-	(144,743)	-	-	-
Expenses in relation to issuance of ordinary shares to employees	29.3	-	(541)	-	-	-	-	-	-	(541)
Dividend paid	32	-	-	-	-	-	-	-	(2,628,305)	(2,628,305)
Total contributions by and distribution to owners of the bank										
	54,977	89,225	(110,985)	-	-	-	(110,985)	-	(2,628,305)	(2,595,088)
Transfer to retained earnings	-	-	-	(44,873)	-	-	(44,873)	-	44,873	-
Balance at 30 June 2016	41,617,002	325,406	101,666	5,234,994	27,906	67,978	5,432,544	1,710,000	30,208,968	79,293,920

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

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

Note	Bank only			
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2016	2015	2016	2015
	(in thousand Baht)			
Cash flows from operating activities				
Profit from operations before income tax expense	5,098,435	4,906,223	4,983,056	4,756,449
Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities				
Depreciation and amortisation	604,916	579,456	597,367	572,525
Impairment loss on loans and debt securities	3,875,031	3,735,577	3,876,809	3,756,236
Impairment loss on premises and equipment (reversal of)	(65,496)	6,853	(65,496)	6,853
Impairment loss on properties for sale and other assets	9,048	35,145	10,502	35,116
Provisions for employee benefits and other liabilities	249,190	53,722	246,649	59,166
Impairment losses on investment	5,147	2,400	5,147	2,400
Losses (gains) on revaluation of trading investments	7,627	(4,407)	7,627	(4,407)
Loss on disposal of other assets	-	3,420	-	3,420
Gains on disposal of premises and equipment	(12,528)	(51,085)	(10,549)	(51,085)
Gains on disposal of investments	(77,893)	(179,010)	(77,270)	(96,587)
Unrealised losses on remeasurement of financial liabilities designated at fair value through profit or loss	22,485	6,089	22,485	6,089
Unrealised losses on exchange on borrowings and derivatives	21,349	675,119	21,349	675,119
Expenses in relation to share-based payments	33,758	45,993	33,758	45,993
Net interest income	(12,101,616)	(11,421,527)	(12,086,594)	(11,405,087)
Dividend income	(28,674)	(25,799)	(28,674)	(25,799)
Interest received	17,311,081	16,418,834	17,294,690	16,400,514
Interest paid	(5,346,817)	(5,772,054)	(5,346,867)	(5,772,190)
Income tax paid	(1,113,292)	(687,256)	(1,090,002)	(585,254)
Profit from operations before changes in operating assets and liabilities	8,491,751	8,327,693	8,393,987	8,379,471
Decrease (increase) in operating assets				
Interbank and money market items	9,284,556	6,381,295	9,387,307	6,519,408
Trading investments	(19,544,783)	8,097,550	(19,544,783)	8,097,550
Loans to customers	(15,107,426)	(23,037,793)	(15,098,547)	(23,060,639)
Properties for sale	72,887	815,308	72,887	815,308
Other receivables	(278,124)	768,741	(385,547)	248,917
Other accrued income	110,195	99,316	60,460	(24,519)
Other assets	590,400	359,194	614,923	359,966
Increase (decrease) in operating liabilities				
Deposits	(3,458,382)	21,541,628	(3,454,238)	21,502,777
Interbank and money market items	(19,530,279)	(18,664,388)	(19,530,279)	(18,664,388)
Liabilities payable on demand	1,327,415	174,602	1,327,415	174,602
Financial liabilities designated at fair value through profit or loss	50,000	50,000	50,000	50,000
Short-term debts issued and borrowings	(16,011)	(63,239)	(16,011)	(63,239)
Provisions for employee benefits	(100,475)	(72,475)	(100,475)	(70,154)
Provisions for other liabilities	(11,100)	(6,642)	(11,100)	(6,642)
Account payables	(349,537)	(376,349)	(349,427)	(372,889)
Other accrued expenses	(1,046,105)	(689,370)	(1,085,330)	(701,762)
Other liabilities	(100,905)	(2,220,271)	(47,213)	(2,249,324)
Net cash provided by (used in) operating activities	(39,615,923)	1,484,800	(39,715,971)	934,443

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

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

	Note	Bank only			
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Cash flows from investing activities					
Interest received		835,235	1,351,318	835,031	1,342,617
Dividend received		28,674	25,799	28,674	25,799
Purchase of available-for-sale investments		(20,848,076)	(35,126,356)	(20,632,076)	(31,876,058)
Proceeds from sales of available-for-sale investments		43,522,460	29,443,065	43,403,460	26,746,767
Purchase of held to maturity debt securities		(8,058,246)	-	(8,058,246)	-
Proceeds from redemption of matured held to maturity debt securities		12,762,474	8,304,959	12,762,474	8,304,959
Proceeds from sales of general investments		61,250	71,862	61,250	71,862
Purchase of premises and equipment		(346,494)	(259,636)	(340,667)	(256,321)
Purchase of leasehold rights		(1,395)	(977)	(1,395)	(977)
Purchase of intangible assets		(366,882)	(232,075)	(366,547)	(230,908)
Proceeds from disposals of premises and equipment		215,983	54,127	213,528	54,127
Net cash provided by investing activities		27,804,983	3,632,086	27,905,486	4,181,867
Cash flows from financing activities					
Repayments of long-term debts issued and borrowings		(394,744)	(898,081)	(394,744)	(898,081)
Interest paid on long-term debts issued and borrowings		(828,284)	(1,011,008)	(828,284)	(1,010,976)
Cash receipts on senior debentures issued		10,542,300	3,143,789	10,542,300	3,143,789
Cash paid for redemption of subordinated debenture		-	(8,000,000)	-	(8,000,000)
Expenses in relation to issuance of ordinary shares to employees		(542)	(562)	(542)	(562)
Dividends paid		(2,628,305)	(2,624,884)	(2,628,305)	(2,624,884)
Net cash provided by (used in) financing activities		6,690,425	(9,390,746)	6,690,425	(9,390,714)
Change in translation adjustments of foreign operations		(16)	10,179	(16)	10,179
Net decrease in cash		(5,120,531)	(4,263,681)	(5,120,076)	(4,264,225)
Cash at 1 January		17,290,402	16,427,953	17,289,833	16,427,874
Cash at 30 June		12,169,871	12,164,272	12,169,757	12,163,649
Supplementary disclosures of cash flow information					
Non-cash transactions:					
Issuance of ordinary shares to employees		144,743	146,252	144,743	146,252
Change in remeasuring available-for-sale investments		9,496	(37,984)	(28,472)	16,262
Change in revaluation surplus on assets and transferred revaluation surplus on assets directly to retained earnings		2,048,201	(80,070)	2,048,201	(80,070)
Actuarial gains on post-employment benefit plan		89,069	95,162	91,464	95,253
Change in translation adjustments of foreign operations		(16)	10,179	(16)	10,179
Increase in properties for sale due to debts settlement		2,650	44,364	2,650	44,364
Transfer of premises and equipment to properties for sale		40,047	50,752	40,047	50,752
Reversal of provisions for obligation on transfers of non-performing assets net off written off the promissory note	7	4,341,000	-	4,341,000	-

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

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For the three-month period ended 30 June 2016 (Unaudited)

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For the six-month period ended 30 June 2016
For the three-month period ended 30 June 2016 (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 24 August 2016.

1 General information

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

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

The principal business of the Bank is operating commercial banking businesses. All subsidiaries are incorporated as limited companies under Thai laws and have been operating in Thailand, with their core businesses being provisions of asset management and fund management services. Details of the Bank’s subsidiaries and associate as at 30 June 2016 and 31 December 2015 are given in note 11.

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 2015) *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. 21/2558, directive dated 4 December 2015, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Bank and its subsidiaries.

In addition to the above new and revised TFRS, the FAP has issued a new accounting guideline which is effective for annual financial periods beginning on or after 1 January 2017 and has not been adopted in the preparation of these interim financial statements. The new accounting guideline that is relevant to the Bank and its subsidiaries’ operations is disclosed in note 47.

(b) Basis of measurement

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

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

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2016

For the three-month period ended 30 June 2016 (Unaudited)

(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.

(d) Use of judgements 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 policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Note 9	Derivatives
Note 14	Allowance for doubtful accounts

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements.

(a) Basis of consolidation

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

Business combinations

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

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

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

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

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2016

For the three-month period ended 30 June 2016 (Unaudited)

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

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

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

Subsidiaries

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

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

Loss of control

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

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

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

TMB Bank Public Company Limited and its Subsidiaries

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For the three-month period ended 30 June 2016 (Unaudited)

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

Foreign operations

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

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

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

(c) Cash

Cash includes cash in hand and cash on collection

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

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

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

(e) Investments

Investments in subsidiaries and associate

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

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

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For the three-month period ended 30 June 2016 (Unaudited)

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

Investments in other debt and equity securities

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

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

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

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

Recognition

Purchases and sales of investments are recorded on the 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.

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2016

For the three-month period ended 30 June 2016 (Unaudited)

(f) *Loans to customers*

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

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

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

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

(h) *Allowance for doubtful accounts*

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

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

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

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Notes to the interim financial statements

For the six-month period ended 30 June 2016

For the three-month period ended 30 June 2016 (Unaudited)

(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.

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

(j) *Properties for sale*

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

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

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

(k) *Premises and equipment*

Land is stated at revalued amount less allowance for impairment (if any), buildings are stated at revalued amount less accumulated depreciation and allowance for impairment (if any), and equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

The Bank and its subsidiaries initially record land, buildings and equipment at their costs on the acquisition dates. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

The Bank, thereafter, arranges to have the independent valuers appraise the land and buildings on a regular basis and records them at the revalued amount (Revalued amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings) such that the carrying values of such assets as at the end of the reporting period do not materially differ from their fair values.

The Bank recognises surplus/deficit arising as a result of revaluation of their assets as follows:

- (1) When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in other reserve under the heading of "Revaluation surplus on assets". However, if the asset is previously devalued and the Bank used to recognise such revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- (2) When an asset's carrying amount is decreased as a result of a revaluation of the asset, the decrease is recognised in profit or loss. However, if the asset was previously revalued and an outstanding balance of revaluation surplus remains in other reserve under the heading of "Revaluation surplus on assets", the revaluation decrease is then charged to other comprehensive income to the extent that it does not exceed the amount already held in "Revaluation surplus on assets" in respect of the same asset and the revaluation decrease in excess of the amount already held in "Revaluation surplus on assets" in respect of the same asset is recognised in profit or loss.

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

Depreciation of buildings and equipment is calculated by reference to their cost or the revalued amounts, on a straight-line basis over the following estimated periods of useful lives. (Depreciation of fixed assets of overseas branches is computed at a rate specified by the applicable laws, which is at the rate of 20% of the cost or the estimated useful life of 5 years.)

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

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

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The revaluation surplus on assets is amortised, using the straight-line method, over the estimated remaining periods of those assets' estimated useful lives and directly charged to retained earnings. The remaining of revaluation surplus on an item of land and buildings, that is derecognised of, is transferred directly to retained earnings when the asset is derecognised of.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is recognised in profit or loss when the asset is derecognised.

(l) *Leasehold rights*

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

(m) *Lease payments*

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

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

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

(n) *Goodwill and other intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (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.

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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.

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

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

Calculation of recoverable amount

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

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

The recoverable amount of loans to customers and accrued interest receivables is calculated as described in note 3 from item (f) to (i).

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

Reversals of impairment

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

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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.

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

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

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

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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

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

Post employment benefits and other long-term employee benefits

Defined contribution plan

The Bank, its subsidiaries and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Bank and its subsidiaries. The fund's assets are held in a separate trust fund and the Bank and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank and its subsidiaries treat the severance payments they must make to employees upon retirement under labour law and other benefit (if any) as a post-employment benefit plan and the obligation to provide memorable gifts to employees when the employees have worked for the Bank and its subsidiaries for the specified length of years in service as other long-term employee benefit plan.

Provisions for post-employment benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. These actuarial techniques involve assumptions with reference to various variables such as demographic assumptions (e.g. staff turnover rate, mortality rate, etc.) and financial assumptions (e.g. salary incremental rate, discount rate, etc.).

Actuarial gain or loss arising from a post-employment benefit plan is recognised in other comprehensive income and taken as a part of retained earnings.

Actuarial gain or loss arising from other long-term employee benefit plan is recognised in profit or loss.

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Share-based payments

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

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

(t) Provisions

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

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

The Bank provides provisions for those off-balance sheet items having credit risk exposures, such as loan guarantees, avals or commitments irrevocable by financial institutions, or obligation according to letter of guarantee of which the Bank was claimed against, using the same criteria and methods applied to allowance for doubtful accounts that are described in Note 3 (h).

(u) Income

Interest income

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

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

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

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Fees and service income

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

Dividend income

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

(v) Expenses

Interest expenses

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

Fees and service expenses

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

Contributions to the Deposit Protection Agency and Bank of Thailand

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

(w) Income tax

Income tax expense for the 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.

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

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

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

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

(x) *Earnings per share*

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

(y) *Segment reporting*

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

(z) *Offsetting*

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

4 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.

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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 Non-Financial Risk Committee (NFRC), the Asset and Liability Management Committee (ALCO) and the Portfolio Monitoring Committee (PoMoCo).

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

4.1 Credit risk

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

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

Credit policies/Framework

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

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Credit approval process

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

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

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

Credit review

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

4.2 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 the 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.

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

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

(a) Interest rate risk

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

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

As at 30 June 2016 and 31 December 2015, financial assets and liabilities classified by types of interest rates were as follows:

	Consolidated 30 June 2016			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	<i>(in million Baht)</i>			
Financial assets				
Cash	-	-	12,170	12,170
Interbank and money market items net of deferred revenue	22,691	76,717	7,167	106,575
Investments, net	3,498	75,035	3,430	81,963
Loans to customers net of deferred revenue	327,607	257,500	6,231	591,338
Other financial assets	1,374	69	22,989	24,432
Total financial assets	355,170	409,321	51,987	816,478
Financial liabilities				
Deposits	474,101	143,366	23,929	641,396
Interbank and money market items	6,325	8,096	2,265	16,686
Liabilities payable on demand	-	-	4,336	4,336
Financial liabilities designated at fair value through profit or loss	291	-	-	291
Debts issued and borrowings	1,068	38,816	19	39,903
Other financial liabilities	278	-	18,417	18,695
Total financial liabilities	482,063	190,278	48,966	721,307

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	Floating interest rate	Consolidated 31 December 2015		Total
		Fixed interest rate	Non-interest bearing	
		<i>(in million Baht)</i>		
Financial assets				
Cash	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	40,113	67,859	7,888	115,860
Investments, net	3,437	91,464	3,359	98,260
Loans to customers net of deferred revenue	335,520	239,216	6,040	580,776
Other financial assets	2,172	131	13,142	15,445
Total financial assets	381,242	398,670	47,719	827,631
Financial liabilities				
Deposits	450,302	169,842	24,550	644,694
Interbank and money market items	8,544	26,061	1,611	36,216
Liabilities payable on demand	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	239
Debts issued and borrowings	1,462	28,701	20	30,183
Other financial liabilities	185	-	15,381	15,566
Total financial liabilities	460,732	224,604	44,570	729,906
	Floating interest rate	Bank only 30 June 2016		Total
		Fixed interest rate	Non-interest bearing	
		<i>(in million Baht)</i>		
Financial assets				
Cash	-	-	12,170	12,170
Interbank and money market items net of deferred revenue	22,682	75,828	7,167	105,677
Investments, net	3,498	75,035	505	79,038
Investment in subsidiaries and associate, net	-	-	3,331	3,331
Loans to customers net of deferred revenue	327,558	257,500	6,231	591,289
Other financial assets	1,353	69	22,833	24,255
Total financial assets	355,091	408,432	52,237	815,760
Financial liabilities				
Deposits	474,129	143,366	23,941	641,436
Interbank and money market items	6,325	8,096	2,265	16,686
Liabilities payable on demand	-	-	4,336	4,336
Financial liabilities designated at fair value through profit or loss	291	-	-	291
Debts issued and borrowings	1,068	38,816	19	39,903
Other financial liabilities	278	-	18,321	18,599
Total financial liabilities	482,091	190,278	48,882	721,251

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For the three-month period ended 30 June 2016 (Unaudited)

	Bank only 31 December 2015			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	40,111	67,066	7,888	115,065
Investments, net	3,437	91,464	569	95,470
Investment in subsidiaries and associate, net	-	-	3,331	3,331
Loans to customers net of deferred revenue	335,489	239,216	6,040	580,745
Other financial assets	2,068	131	12,918	15,117
Total financial assets	381,105	397,877	48,036	827,018
Financial liabilities				
Deposits	450,328	169,842	24,560	644,730
Interbank and money market items	8,544	26,061	1,611	36,216
Liabilities payable on demand	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	239
Debts issued and borrowings	1,462	28,701	20	30,183
Other financial liabilities	185	-	15,308	15,493
Total financial liabilities	460,758	224,604	44,507	729,869

As at 30 June 2016 and 31 December 2015, significant financial assets and liabilities classified by interest repricing periods are as follows:

	Consolidated 30 June 2016					
	Repricing periods			Non- performing assets	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year			
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	12,170	12,170
Interbank and money market items net of deferred revenue	98,014	1,394	-	-	7,167	106,575
Investments, net	35,804	14,406	28,323	-	3,430	81,963
Loans to customers net of deferred revenue	415,855	59,075	90,399	19,778	6,231	591,338
Other financial assets	1,374	69	-	-	22,989	24,432
Total financial assets	551,047	74,944	118,722	19,778	51,987	816,478
Financial liabilities						
Deposits	534,756	75,252	7,459	-	23,929	641,396
Interbank and money market items	9,220	2,020	3,181	-	2,265	16,686
Liabilities payable on demand	-	-	-	-	4,336	4,336
Financial liabilities designated at fair value through profit or loss	291	-	-	-	-	291
Debts issued and borrowings	204	10,858	28,822	-	19	39,903
Other financial liabilities	278	-	-	-	18,417	18,695
Total financial liabilities	544,749	88,130	39,462	-	48,966	721,307

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Consolidated						
31 December 2015						
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	106,458	1,514	-	-	7,888	115,860
Investments, net	37,570	26,873	30,458	-	3,359	98,260
Loans to customers net of deferred revenue	421,095	56,150	77,018	20,473	6,040	580,776
Other financial assets	2,303	-	-	-	13,142	15,445
Total financial assets	567,426	84,537	107,476	20,473	47,719	827,631
Financial liabilities						
Deposits	524,133	88,752	7,259	-	24,550	644,694
Interbank and money market items	29,456	2,031	3,118	-	1,611	36,216
Liabilities payable on demand	-	-	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	-	-	239
Debts issued and borrowings	286	1,255	28,622	-	20	30,183
Other financial liabilities	185	-	-	-	15,381	15,566
Total financial liabilities	554,299	92,038	38,999	-	44,570	729,906
Bank only						
30 June 2016						
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	12,170	12,170
Interbank and money market items net of deferred revenue	97,791	719	-	-	7,167	105,677
Investments, net	35,804	14,406	28,323	-	505	79,038
Investments in subsidiaries and associate, net	-	-	-	-	3,331	3,331
Loans to customers net of deferred revenue	415,855	59,075	90,399	19,729	6,231	591,289
Other financial assets	1,353	69	-	-	22,833	24,255
Total financial assets	550,803	74,269	118,722	19,729	52,237	815,760
Financial liabilities						
Deposits	534,784	75,252	7,459	-	23,941	641,436
Interbank and money market items	9,220	2,020	3,181	-	2,265	16,686
Liabilities payable on demand	-	-	-	-	4,336	4,336
Financial liabilities designated at fair value through profit or loss	291	-	-	-	-	291
Debts issued and borrowings	204	10,858	28,822	-	19	39,903
Other financial liabilities	278	-	-	-	18,321	18,599
Total financial liabilities	544,777	88,130	39,462	-	48,882	721,251

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	Bank only					
	31 December 2015					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	17,290	17,290
Interbank and money market items net of deferred revenue	106,455	722	-	-	7,888	115,065
Investments, net	37,570	26,873	30,458	-	569	95,470
Investments in subsidiaries and associate, net	-	-	-	-	3,331	3,331
Loans to customers net of deferred revenue	421,095	56,150	77,018	20,442	6,040	580,745
Other financial assets	2,199	-	-	-	12,918	15,117
Total financial assets	567,319	83,745	107,476	20,442	48,036	827,018
Financial liabilities						
Deposits	524,159	88,752	7,259	-	24,560	644,730
Interbank and money market items	29,456	2,031	3,118	-	1,611	36,216
Liabilities payable on demand	-	-	-	-	3,008	3,008
Financial liabilities designated at fair value through profit or loss	239	-	-	-	-	239
Debts issued and borrowings	286	1,255	28,622	-	20	30,183
Other financial liabilities	185	-	-	-	15,308	15,493
Total financial liabilities	554,325	92,038	38,999	-	44,507	729,869

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 2016			31 December 2015		
	Average balance <i>(in million Baht)</i>	Interest ⁽¹⁾	Average interest rate <i>(% per annum)</i>	Average balance <i>(in million Baht)</i>	Interest ⁽¹⁾	Average interest rate <i>(% per annum)</i>
Interest-bearing financial assets						
Interbank and money market items	115,083	913	1.59	116,719	2,037	1.75
Investments in debt securities	92,420	916	1.98	101,699	2,422	2.38
Loans to customers net from deferred revenue	583,588	16,122	5.53	550,193	31,588	5.74
Total	791,091	17,951		768,611	36,047	
Interest-bearing financial liabilities						
Deposits	616,441	5,097	1.65	575,872	10,992	1.91
Interbank and money market items	33,901	177	1.04	64,357	882	1.37
Debts issued and borrowings	35,414	682	3.85	32,348	1,336	4.13
Total	685,756	5,956		672,577	13,210	

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

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	Bank only					
	30 June 2016			31 December 2015		
	Average balance (in million Baht)	Interest ⁽¹⁾	Average interest rate (% per annum)	Average balance (in million Baht)	Interest ⁽¹⁾	Average interest rate (% per annum)
<i>Interest-bearing financial assets</i>						
Interbank and money market items	114,227	906	1.59	115,937	2,020	1.74
Investments in debt securities	92,420	916	1.98	101,699	2,422	2.38
Loans to customers net from deferred revenue	583,545	16,115	5.52	550,156	31,567	5.74
Total	790,192	17,937		767,792	36,009	
<i>Interest-bearing financial liabilities</i>						
Deposits	616,460	5,097	1.65	575,960	10,992	1.91
Interbank and money market items	33,901	177	1.04	64,357	882	1.37
Debts issued and borrowings	35,414	682	3.85	32,348	1,336	4.13
Total	685,775	5,956		672,665	13,210	

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

(b) Foreign exchange risk

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

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements. As at 30 June 2016 and 31 December 2015, the Bank's net foreign currency positions categorised by major foreign currencies were as follows:

	Bank only					
	30 June 2016			31 December 2015		
	USD	Euro ^(*)	Other currencies ^(*) (in USD million)	USD	Euro ^(*)	Other currencies ^(*)
Spot	430	19	(71)	868	13	(71)
Forward	(402)	(21)	70	(880)	(15)	71
Net position	28	(2)	(1)	(12)	(2)	-

^(*) 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.

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4.3 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 the Liquidity Risk Management Policy, which is reviewed at least once a year or when necessary, to ensure that it is appropriate with the prevailing environment. The Bank and each company in the Bank's financial business group manage their liquidity risk separately.

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

Risk indicators are used as tools to measure and monitor liquidity risk. These comprise financial ratios such as Loans to Deposits Ratio (LDR), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), as well as cash flow models incorporating Contractual Liquidity Gap and Behavioral Liquidity Gap. Aside from this, the Bank has its own internal ratio to monitor liquid assets for net cash flow in normal situation called Marketable Liquid Asset Ratio (MLAR). The Bank sets risk limits and indicators in order to maintain its liquidity risk within the Bank's approved risk appetite. The liquidity position is monitored and reported on daily and monthly basis to the ALCO.

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

As at 30 June 2016, the loans to deposits ratio of the Bank was 93.5% (31 December 2015: 91.6%).

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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 2016 and 31 December 2015 were summarised as follows:

	At call ⁽¹⁾	Within 3 months	Over 3 months to 1 year	Consolidated 30 June 2016 Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
<i>Financial assets</i>							
Cash	12,170	-	-	-	-	-	12,170
Interbank and money market items net of deferred revenue	7,716	97,231	887	741	-	-	106,575
Investments, net							
Trading securities and general investments	-	1,386	18,308	6,653	111	501 ⁽²⁾	26,959
Available-for-sale securities	-	3,686	3,139	8,980	2,361	2,929 ⁽²⁾	21,095
Held-to-maturity debt securities	-	2,162	11,267	13,968	6,512	-	33,909
Loans to customers net of deferred revenue	119,581	123,670	105,942	126,185	96,182	19,778 ⁽³⁾	591,338
Other financial assets	744	20,325	379	-	662	2,322	24,432
Total financial assets	140,211	248,460	139,922	156,527	105,828	25,530	816,478
<i>Financial liabilities</i>							
Deposits	497,937	60,412	75,429	7,618	-	-	641,396
Interbank and money market items	8,590	2,895	2,020	3,180	1	-	16,686
Liabilities payable on demand	4,336	-	-	-	-	-	4,336
Financial liabilities designated at fair value through profit or loss	-	-	-	-	291	-	291
Debt issued and borrowings	6	73	10,631	18,570	10,623	-	39,903
Other financial liabilities	720	12,090	-	-	883	5,002	18,695
Total financial liabilities	511,589	75,470	88,080	29,368	11,798	5,002	721,307
Net liquidity gap	(371,378)	172,990	51,842	127,159	94,030	20,528	95,171
Net cash flow on derivatives	-	303	194	359	135	-	991

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	Consolidated 31 December 2015 (in million Baht)						
	At call ⁽¹⁾	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Total
Financial assets							
Cash	17,290	-	-	-	-	-	17,290
Interbank and money market items net of deferred revenue	8,777	99,720	6,808	555	-	-	115,860
Investments, net							
Trading securities and general investments	-	20	8,705	6,697	-	565 ⁽²⁾	15,987
Available-for-sale securities	-	13,423	17,471	9,916	-	2,794 ⁽²⁾	43,604
Held-to-maturity debt securities	-	8,225	9,402	18,391	2,651	-	38,669
Loans to customers net of deferred revenue	123,791	128,098	100,553	123,897	83,964	20,473 ⁽³⁾	580,776
Other financial assets	1,166	6,887	199	309	661	6,223	15,445
Total financial assets	151,024	256,373	143,138	159,765	87,276	30,055	827,631
Financial liabilities							
Deposits	475,236	73,076	88,843	7,539	-	-	644,694
Interbank and money market items	10,160	20,908	2,031	3,117	-	-	36,216
Liabilities payable on demand	3,008	-	-	-	-	-	3,008
Financial liabilities designated at fair value through profit or loss	-	-	-	-	239	-	239
Debt issued and borrowings	15	77	722	29,296	73	-	30,183
Other financial liabilities	1,165	6,632	-	-	1,084	6,685	15,566
Total financial liabilities	489,584	100,693	91,596	39,952	1,396	6,685	729,906
Net liquidity gap	(338,560)	155,680	51,542	119,813	85,880	23,370	97,725
Net cash flow on derivatives	-	(1)	777	(42)	160	-	894

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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				Bank only 30 June 2016			
	At call ⁽¹⁾	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
<i>Financial assets</i>							
Cash	12,170	-	-	-	-	-	12,170
Interbank and money market items net of deferred revenue	7,707	97,017	212	741	-	-	105,677
Investments, net							
Trading securities and general investments	-	1,386	18,308	6,653	111	501 ⁽²⁾	26,959
Available-for-sale securities	-	3,686	3,139	8,980	2,361	4 ⁽²⁾	18,170
Held-to-maturity debt securities	-	2,162	11,267	13,968	6,512	-	33,909
Investments in subsidiaries and associate, net	-	-	-	-	-	3,331 ⁽²⁾	3,331
Loans to customers net of deferred revenue	119,581	123,670	105,942	126,185	96,182	19,729 ⁽³⁾	591,289
Other financial assets	744	20,325	358	-	662	2,166	24,255
Total financial assets	140,202	248,246	139,226	156,527	105,828	25,731	815,760
<i>Financial liabilities</i>							
Deposits	497,977	60,412	75,429	7,618	-	-	641,436
Interbank and money market items	8,590	2,895	2,020	3,180	1	-	16,686
Liabilities payable on demand	4,336	-	-	-	-	-	4,336
Financial liabilities designated at fair value through profit or loss	-	-	-	-	291	-	291
Debt issued and borrowings	6	73	10,631	18,570	10,623	-	39,903
Other financial liabilities	720	12,085	-	-	883	4,911	18,599
Total financial liabilities	511,629	75,465	88,080	29,368	11,798	4,911	721,251
Net liquidity gap	(371,427)	172,781	51,146	127,159	94,030	20,820	94,509
Net cash flow on derivatives	-	303	194	359	135	-	991

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	Bank only 31 December 2015						
	At call ⁽¹⁾	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
Financial assets							
Cash	17,290	-	-	-	-	-	17,290
Interbank and money market items net of deferred revenue	8,775	99,568	6,167	555	-	-	115,065
Investments, net							
Trading securities and general investments	-	20	8,705	6,697	-	565 ⁽²⁾	15,987
Available-for-sale securities	-	13,423	17,471	9,916	-	4 ⁽²⁾	40,814
Held-to-maturity debt securities	-	8,225	9,402	18,391	2,651	-	38,669
Investments in subsidiaries and associate, net	-	-	-	-	-	3,331 ⁽²⁾	3,331
Loans to customers net of deferred revenue	123,791	128,098	100,553	123,897	83,964	20,442 ⁽³⁾	580,745
Other financial assets	1,166	6,887	115	289	661	5,999	15,117
Total financial assets	151,022	256,221	142,413	159,745	87,276	30,341	827,018
Financial liabilities							
Deposits	475,272	73,076	88,843	7,539	-	-	644,730
Interbank and money market items	10,160	20,908	2,031	3,117	-	-	36,216
Liabilities payable on demand	3,008	-	-	-	-	-	3,008
Financial liabilities designated at fair value through profit or loss	-	-	-	-	239	-	239
Debt issued and borrowings	15	77	722	29,296	73	-	30,183
Other financial liabilities	1,165	6,615	-	-	1,084	6,629	15,493
Total financial liabilities	489,620	100,676	91,596	39,952	1,396	6,629	729,869
Net liquidity gap	(338,598)	155,545	50,817	119,793	85,880	23,712	97,149
Net cash flow on derivatives	-	(1)	777	(42)	160	-	894

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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5 Fair value of assets and liabilities

5.1 Financial assets and liabilities

The significant different of fair values in comparison with carrying values of each line item of financial assets and financial liabilities as shown in the statements of financial position at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated			
	30 June 2016		31 December 2015	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets	10,184	10,777	12,250	12,474
Investments, net	81,963	83,110	98,260	99,415
Total financial assets	92,147	93,887	110,510	111,889
Financial liabilities				
Deposits	641,396	641,468	644,694	644,666
Derivatives liabilities	10,297	10,811	12,141	12,050
Debts issued and borrowings	39,903	41,446	30,183	32,028
Total financial liabilities	691,596	693,725	687,018	688,744
	Bank only			
	30 June 2016		31 December 2015	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets	10,184	10,777	12,250	12,474
Investments, net	79,038	80,185	95,470	96,625
Total financial assets	89,222	90,962	107,720	109,099
Financial liabilities				
Deposits	641,436	641,508	644,730	644,701
Derivatives liabilities	10,297	10,811	12,141	12,050
Debts issued and borrowings	39,903	41,446	30,183	32,028
Total financial liabilities	691,636	693,765	687,054	688,779

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 receivable:

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

- Other financial assets

The fair value is approximated based on its carrying value.

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

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

- Liability payable on demand and Liabilities to deliver security:

The fair value is approximated based on its carrying value.

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

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

- Debts issued and borrowings:

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

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- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

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

Fair value hierarchy

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

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

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

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the six-month period ended 30 June 2016 and the year ended 31 December 2015.

5.1.1 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 assets and liabilities measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

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	Consolidated Fair value			Total
	Level 1	Level 2 (in million Baht)	Level 3	
30 June 2016				
Financial assets				
Derivatives (trading book)				
- Foreign currency related	-	4,491	-	4,491
- Interest rate related	-	5,631	-	5,631
Investments				
- Trading investments	-	26,458	-	26,458
- Available-for-sale investments	-	21,095	-	21,095
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	-	371	-	371
Derivatives (trading book)				
- Foreign currency related	-	4,268	-	4,268
- Interest rate related	-	5,802	-	5,802
31 December 2015				
Financial assets				
Derivatives (trading book)				
- Foreign currency related	-	7,781	-	7,781
- Interest rate related	-	4,428	-	4,428
Investments				
- Trading investments	-	15,422	-	15,422
- Available-for-sale investments	-	43,604	-	43,604
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	-	299	-	299
Derivatives (trading book)				
- Foreign currency related	-	7,242	-	7,242
- Interest rate related	-	4,575	-	4,575

	Bank only Fair value			Total
	Level 1	Level 2 (in million Baht)	Level 3	
30 June 2016				
Financial assets				
Derivatives (trading book)				
- Foreign currency related	-	4,491	-	4,491
- Interest rate related	-	5,631	-	5,631
Investments				
- Trading investments	-	26,458	-	26,458
- Available-for-sale investments	-	18,170	-	18,170

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	Bank only			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities designated at fair value				
through profit or loss	-	371	-	371
Derivatives (trading book)				
- Foreign currency related	-	4,268	-	4,268
- Interest rate related	-	5,802	-	5,802
31 December 2015				
Financial assets				
Derivatives (trading book)				
- Foreign currency related	-	7,781	-	7,781
- Interest rate related	-	4,428	-	4,428
Investments				
- Trading investments	-	15,422	-	15,422
- Available-for-sale investments	-	40,814	-	40,814
Financial liabilities				
Financial liabilities designated at fair value				
through profit or loss	-	299	-	299
Derivatives (trading book)				
- Foreign currency related	-	7,242	-	7,242
- Interest rate related	-	4,575	-	4,575

5.1.2 Financial assets and liabilities not measured at fair value

The following table analyses financial assets and liabilities 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 amount	Consolidated Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
30 June 2016					
<i>Financial assets</i>					
Derivatives (banking book)	62	-	655	-	655
Investments					
- Held-to-maturity investments	33,909	-	34,732	-	34,732
- General investments	501	-	-	825	825
<i>Financial liabilities</i>					
Deposits	641,396	-	641,468	-	641,468
Derivatives (banking book)	227	-	741	-	741
Debt issued and borrowings	39,903	-	41,446	-	41,446

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	Carrying amount	Consolidated Fair value			Total
		Level 1	Level 2 (in million Baht)	Level 3	
31 December 2015					
Financial assets					
Derivatives (banking book)	41	-	202	-	202
Investments					
- Held-to-maturity investments	38,669	-	39,557	-	39,557
- General investments	565	-	-	832	832
Financial liabilities					
Deposits	644,694	-	644,666	-	644,666
Derivatives (banking book)	324	-	170	-	170
Debt issued and borrowings	30,183	-	32,028	-	32,028
	Carrying amount	Bank only Fair value			Total
		Level 1	Level 2 (in million Baht)	Level 3	
30 June 2016					
Financial assets					
Derivatives (banking book)	62	-	655	-	655
Investments					
- Held-to-maturity investments	33,909	-	34,732	-	34,732
- General investments	501	-	-	825	825
Financial liabilities					
Deposits	641,436	-	641,508	-	641,508
Derivatives (banking book)	227	-	741	-	741
Debt issued and borrowings	39,903	-	41,446	-	41,446
31 December 2015					
Financial assets					
Derivatives (banking book)	41	-	202	-	202
Investments					
- Held-to-maturity investments	38,669	-	39,557	-	39,557
- General investments	565	-	-	832	832
Financial liabilities					
Deposits	644,730	-	644,701	-	644,701
Derivatives (banking book)	324	-	170	-	170
Debt issued and borrowings	30,183	-	32,028	-	32,028

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5.2 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.

	Carrying value	Consolidated and Bank only			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
30 June 2016					
Non-financial assets					
Premises, net	10,624	-	-	10,624	10,624
31 December 2015					
Non-financial assets					
Premises, net	8,663	-	-	8,663	8,663

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

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

Level 3 fair value

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

	Consolidated and Bank only	
	Six-month period ended 30 June 2016	Year ended 31 December 2015
	(in million Baht)	
Beginning balance	8,663	8,980
Acquisitions	146	248
Incremental revaluation	2,112	-
Adjustments from revaluation	(19)	-
Transferred to property for sale	(40)	(238)
Written-off	(183)	(44)
Depreciation	(145)	(276)
Reversal (loss) on impairment during the period/year	90	(7)
Ending balance	10,624	8,663

6 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 2016 and 31 December 2015, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

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For the three-month period ended 30 June 2016 (Unaudited)

	Consolidated supervision	
	30 June 2016	31 December 2015
	(in million Baht)	
Tier 1 capital		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	41,617	41,562
Share premium	325	236
Legal reserve	1,710	1,710
Net profits after appropriation	26,395	22,421
Other comprehensive income	5,235	3,549
Capital adjustment items on CET1	(71)	(87)
Capital deduction items on CET1	(3,286)	(3,512)
Total Common Equity Tier 1 capital	71,925	65,879
Additional Tier 1 capital		
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that countable as Tier 1 of financial instruments of consolidated financial institutions	37	38
Total Tier 1 Capital	71,962	65,917
Tier 2 capital		
Allowance for classified assets of “pass” category	5,751	5,702
Subordinated debentures	25,350	25,350
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Tier 2 of consolidated financial institutions	8	9
Total Tier 2 Capital	31,109	31,061
Total Capital funds	103,071	96,978
Total Risk-Weighted Assets	573,150	581,336

		The BoT's regulation minimum requirement*	30 June 2016	31 December 2015
			<i>(%)</i>	
Capital Adequacy Ratio/Total Risk-Weighted Asset	9.125		17.98	16.68
Tier 1 Capital Ratio/Total Risk-Weighted Asset	6.625		12.56	11.34
Common Equity Tier 1 Capital Ratio/Total Risk- weighted Asset	5.125		12.55	11.33

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	Bank only	
	30 June 2016	31 December 2015
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	41,617	41,562
Share premium	325	236
Legal reserve	1,710	1,710
Net profits after appropriation	25,933	22,108
Other comprehensive income	5,173	3,517
Capital adjustment items on CET1	(71)	(87)
Capital deduction items on CET1	(3,209)	(3,430)
Total Tier 1 Capital	71,478	65,616
Tier 2 capital		
Allowance for classified assets of “pass” category	5,751	5,702
Subordinated debentures	25,350	25,350
Total Tier 2 Capital	31,101	31,052
Total Capital funds	102,579	96,668
Total Risk-Weighted Assets	571,627	579,513

	The BoT's regulation minimum requirement*	30 June 2016	31 December 2015
		(%)	
Capital Adequacy Ratio/Total Risk-Weighted Asset	9.125	17.94	16.68
Tier 1 Capital Ratio/Total Risk-Weighted Asset	6.625	12.50	11.32
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	5.125	12.50	11.32

* Includes capital conservation buffer as required by the BOT commencing 1 January 2016.

According to BoT's notification number For Nor Sor (23) Wor 263/2556 dated 22 February 2013, the Bank is required to disclose CET1 after deducting capital add-on arising from Single Lending Limit, effective at the end of January 2015. As at 30 June 2016 and 31 December 2015, the Bank has no add-on arising from Single Lending Limit.

The Bank will disclose capital adequacy and capital risk exposure information for the Bank and the full consolidated financial institutions as at 30 June 2016 through the Bank's website at www.tmbbank.com within October 2016.

Capital management

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

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7 Sale of non-performing assets to Thai Asset Management Corporation (“TAMC”)⁽¹⁾

7.1 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 2016 and 31 December 2015, 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.

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

7.2 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.

On 25 February 2016, the Supreme Court confirmed the Appeal Court’s verdict to dismiss the case. Therefore, TAMC is eligible to adjust the transfer price of non-performing loans down by Baht 4,341 million. Accordingly, the Bank has written off the promissory note, presented as a part of “Other receivables” and reversed the related provision, both amounting to Baht 4,341 million, as the case was finalised.

- (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, presented as a part of “Other receivables”, 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 2016, the Bank had outstanding other receivables and accrued interest receivables amounting to Baht 56 million and Baht 282 million, respectively, totaling Baht 338 million, of which provisions were fully provided (31 December 2015: Baht 4,681 million). Such amounts are included under the caption of “Provisions for obligation on transfers of non-performing assets” in the statement of financial position.

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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.

8 Interbank and money market items, net (assets)

	30 June 2016			31 December 2015		
	At call	Term	Total	At call	Term	Total
	Consolidated					
	<i>(in million Baht)</i>					
Domestic						
Bank of Thailand and Financial Institutions Development Fund	5,508	62,936	68,444	5,732	68,200	73,932
Commercial banks	9	10,256	10,265	3	15,112	15,115
Specialised financial institutions	14	6,501	6,515	17	6,900	6,917
Other financial institutions	10	16,833	16,843	6	13,536	13,542
Total	5,541	96,526	102,067	5,758	103,748	109,506
Add accrued interest receivable	-	39	39	-	100	100
Less deferred revenues	-	(5)	(5)	-	(1)	(1)
allowance for doubtful accounts	-	(204)	(204)	-	(204)	(204)
Total domestic, net	5,541	96,356	101,897	5,758	103,643	109,401
Foreign						
US Dollar	1,129	2,338	3,467	1,759	3,311	5,070
Japanese Yen	269	-	269	319	-	319
Euro	82	-	82	129	-	129
Other currencies	696	-	696	813	24	837
Total	2,176	2,338	4,514	3,020	3,335	6,355
Add accrued interest receivable	-	9	9	-	5	5
Less deferred revenues	-	(1)	(1)	-	-	-
allowance for doubtful accounts	-	(6)	(6)	-	(3)	(3)
Total foreign, net	2,176	2,340	4,516	3,020	3,337	6,357
Total domestic and foreign, net	7,717	98,696	106,413	8,778	106,980	115,758

	30 June 2016			31 December 2015		
	At call	Term	Total	At call	Term	Total
	Bank only					
	<i>(in million Baht)</i>					
Domestic						
Bank of Thailand and Financial Institutions Development Fund	5,508	62,936	68,444	5,732	68,200	73,932
Commercial banks	-	9,367	9,367	-	14,320	14,320
Specialised financial institutions	14	6,501	6,515	17	6,900	6,917
Other financial institutions	10	16,833	16,843	6	13,536	13,542
Total	5,532	95,637	101,169	5,755	102,956	108,711
Add accrued interest receivable	-	35	35	-	95	95
Less deferred revenues	-	(5)	(5)	-	(1)	(1)
allowance for doubtful accounts	-	(204)	(204)	-	(204)	(204)
Total domestic, net	5,532	95,463	100,995	5,755	102,846	108,601
Foreign						
US Dollar	1,129	2,338	3,467	1,759	3,311	5,070
Japanese Yen	269	-	269	319	-	319
Euro	82	-	82	129	-	129
Other currencies	696	-	696	813	24	837
Total	2,176	2,338	4,514	3,020	3,335	6,355
Add accrued interest receivable	-	9	9	-	5	5
Less deferred revenues	-	(1)	(1)	-	-	-
allowance for doubtful accounts	-	(6)	(6)	-	(3)	(3)
Total foreign, net	2,176	2,340	4,516	3,020	3,337	6,357
Total domestic and foreign, net	7,708	97,803	105,511	8,775	106,183	114,958

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9 Derivatives

As at 30 June 2016 and 31 December 2015, fair value of derivatives held for trading book, readjustment based on accrual basis of derivatives held for banking book and notional amount classified by type of risks were as follows:

Type of risks	Consolidated and Bank only					
	30 June 2016			31 December 2015		
	Fair value/Readjustment based on an accrual basis		Notional amount (in million Baht)	Fair value/Readjustment based on an accrual basis		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Foreign currency related						
- Trading Book	4,491	4,268	500,866	7,781	7,242	529,622
- Banking Book ⁽¹⁾	94	227	19,758	80	324	34,216
Interest rate related						
- Trading Book	5,631	5,802	807,526	4,428	4,575	682,342
- Banking Book ⁽¹⁾	122	190	25,554	72	165	15,000
Total	10,338	10,487	1,353,704	12,361	12,306	1,261,180

⁽¹⁾ 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 receivable or payable or interest paid or received in advance based on the contracts. As at 30 June 2016, accrued interest receivable and interest paid in advance amounting to Baht 154 million (31 December 2015: Baht 111 million) are presented as a part of "Other assets" and accrued interest payable and interest received in advance amounting to Baht 190 million (31 December 2015: Baht 165 million) are presented as a part of "Other liabilities" in the consolidated and Bank only financial statements.

As at 30 June 2016 and 31 December 2015, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

Counterparties	Consolidated and Bank only	
	30 June 2016	31 December 2015
	(%)	
Financial institutions	84.67	82.49
Other parties	15.33	17.51
Total	100.00	100.00

10 Investments, net

10.1 Classified by type of investments

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(in million Baht)			
Trading securities - Fair value				
Government and state enterprise securities	26,458	15,422	26,458	15,422
Total	26,458	15,422	26,458	15,422

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	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Available-for-sale securities				
- Fair value				
Government and state enterprise securities	18,166	40,810	18,166	40,810
Domestic marketable equity securities	2,929	2,794	4	4
Total	21,095	43,604	18,170	40,814
Held-to-maturity debt securities				
- Cost/Amortised cost				
Government and state enterprise securities	33,909	38,669	33,909	38,669
Total	33,909	38,669	33,909	38,669
General investments - Cost				
Domestic non-marketable equity securities	1,283	1,344	1,283	1,344
Foreign non-marketable equity securities	37	36	37	36
Total	1,320	1,380	1,320	1,380
Less allowance for impairment	(819)	(815)	(819)	(815)
Net	501	565	501	565
Total investments, net	81,963	98,260	79,038	95,470

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

As at 30 June 2016 and 31 December 2015, the Bank had investments in entities in which the Bank holds 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associate. Those investments were summarised below.

	Consolidated and Bank only	
	30 June 2016	31 December 2015
	<i>(in million Baht)</i>	
Property development and construction	34	34
Public utilities and services	14	14
Mutual funds and financial services	275	337
Others	11	11
Total	334	396
Less allowance for impairment	(41)	(41)
Investment, net	293	355

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For the three-month period ended 30 June 2016 (Unaudited)

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(in million Baht)			
Revaluation deficit on investments				
Debt securities	(2)	(2)	(2)	(2)
Equity securities	-	(1)	-	(1)
Total	(2)	(3)	(2)	(3)
Total revaluation surplus on investments	113	104	35	64
Less deferred income taxes	(23)	(21)	(7)	(13)
Net	90	83	28	51

11 Investments in subsidiaries and associate, net

11.1 Detail of investments in subsidiaries and associate

Companies	Type of Business	Bank only									
		Percentage of ownership interest		Paid-up capital		Cost		Allowance for impairment		At cost, net	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(%)				(in million Baht)					
Subsidiaries											
Phayathai Asset Management Co., Ltd.	Asset management business	100.00	100.00	1,070	1,070	3,870	3,870	(843)	(843)	3,027	3,027
Designee for ETA Contract Ltd.	Financial support business	99.50	99.50	-	-	-	-	-	-	-	-
TMB Asset Management Co., Ltd.	Fund management business	87.50	87.50	100	100	304	304	-	-	304	304
Total investment in subsidiaries, net						4,174	4,174	(843)	(843)	3,331	3,331
Associate											
Metro Designee Co., Ltd.	Financial support business	30.00	30.00	-	-	-	-	-	-	-	-
Total investment in associate						-	-	-	-	-	-
Total						4,174	4,174	(843)	(843)	3,331	3,331

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11.2 Disclosure of the statement of cash flows of the asset management company

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

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

	Six-month period ended 30 June	
	2016	2015
	(in million Baht)	
Cash flows from operating activities		
Profit from operations before income tax expense	12	96
Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities		
Reversal of impairment loss on investments in receivables	-	(2)
Impairment loss on loans (reversal)	7	(1)
Reversal of impairment loss on other assets	(1)	-
Reversal of provisions for liabilities	-	(5)
Gains on disposal of investments	(1)	(83)
Provisions for employee benefits	-	1
Net interest income	(24)	(22)
Interest received	24	25
Income tax paid	(8)	(91)
Profit (loss) from operations before changes in operating assets and liabilities	9	(82)
Decrease (increase) in operating assets		
Intercompany and money market items	(1)	31
Investments in receivables	-	2
Loans to customers	(18)	16
Receivables from BAM's promissory notes	84	557
Receivables from legal Execution Department	29	31
Other assets	-	3
Increase (decrease) in operating liabilities		
Other payables	(4)	(1)
Accrued expenses	(1)	(2)
Provisions for employee benefits	-	(2)
Other liabilities	(1)	1
Net cash provided by operating activities	97	554
Cash flows from investing activities		
Proceeds from sales of available-for-sale investments	119	2,696
Purchase of available-for-sale investments	(216)	(3,250)
Net cash used in investing activities	(97)	(554)
Net increase (decrease) in cash	-	-
Cash at 1 January	-	-
Cash at 30 June	-	-

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12 Loans to customers and accrued interest receivables, net

12.1 Classified by loan type

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Overdrafts	134,343	141,957	134,343	141,957
Loans	322,563	300,716	322,514	300,685
Bills	134,417	138,080	134,417	138,080
Others	101	115	101	115
Less deferred revenue	(86)	(92)	(86)	(92)
Loans to customers net of deferred revenue	591,338	580,776	591,289	580,745
Add accrued interest receivables	1,019	1,068	1,019	1,068
Total loans to customers net of deferred revenue add accrued interest receivables	592,357	581,844	592,308	581,813
Less allowance for doubtful accounts				
- Provision at BoT's minimum rates required	(15,872)	(16,078)	(15,841)	(16,054)
- Provision in excess of BoT's minimum rates required	(12,336)	(12,767)	(12,336)	(12,767)
Less revaluation allowance for debt restructuring	(146)	(180)	(146)	(180)
Loans to customers and accrued interest receivables, net	564,003	552,819	563,985	552,812

12.2 Classified by currency and residency of debtors

	Consolidated					
	30 June 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	555,767	5,337	561,104	542,802	5,605	548,407
US Dollars	25,165	3,646	28,811	27,510	4,011	31,521
Other currencies	1,352	71	1,423	758	90	848
Total	582,284	9,054	591,338	571,070	9,706	580,776

	Bank only					
	30 June 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	555,718	5,337	561,055	542,771	5,605	548,376
US Dollars	25,165	3,646	28,811	27,510	4,011	31,521
Other currencies	1,352	71	1,423	758	90	848
Total	582,235	9,054	591,289	571,039	9,706	580,745

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12.3 Classified by business type and quality of loan classification

	Pass	Special mention	Consolidated 30 June 2016		Doubtful of loss	Total
			Sub- standard (in million Baht)	Doubtful		
Agriculture and mining	10,502	162	-	-	650	11,314
Manufacturing and commerce	307,199	14,520	988	659	13,218	336,584
Property development and construction	24,819	218	18	-	300	25,355
Infrastructure and services	61,954	843	19	8	821	63,645
Housing loans	81,378	1,785	228	229	976	84,596
Others	66,400	1,780	775	414	475	69,844
Total*	552,252	19,308	2,028	1,310	16,440	591,338

	Pass	Special mention	Consolidated 31 December 2015		Doubtful of loss	Total
			Sub- standard (in million Baht)	Doubtful		
Agriculture and mining	11,652	179	43	-	644	12,518
Manufacturing and commerce	317,238	11,354	1,065	156	14,319	344,132
Property development and construction	23,232	200	23	-	291	23,746
Infrastructure and services	66,858	855	55	-	953	68,721
Housing loans	62,922	2,096	246	207	817	66,288
Others	61,836	1,881	821	478	355	65,371
Total*	543,738	16,565	2,253	841	17,379	580,776

	Pass	Special mention	Bank only 30 June 2016		Doubtful of loss	Total
			Sub- standard (in million Baht)	Doubtful		
Agriculture and mining	10,502	162	-	-	641	11,305
Manufacturing and commerce	307,199	14,520	988	659	13,218	336,584
Property development and construction	24,819	218	18	-	277	25,332
Infrastructure and services	61,954	843	19	8	804	63,628
Housing loans	81,378	1,785	228	229	976	84,596
Others	66,400	1,780	775	414	475	69,844
Total*	552,252	19,308	2,028	1,310	16,391	591,289

	Pass	Special mention	Bank only 31 December 2015		Doubtful of loss	Total
			Sub- standard (in million Baht)	Doubtful		
Agriculture and mining	11,652	179	43	-	635	12,509
Manufacturing and commerce	317,238	11,354	1,065	156	14,319	344,132
Property development and construction	23,232	200	23	-	269	23,724
Infrastructure and services	66,858	855	55	-	953	68,721
Housing loans	62,922	2,096	246	207	817	66,288
Others	61,836	1,881	821	478	355	65,371
Total*	543,738	16,565	2,253	841	17,348	580,745

* Loans to customers net of deferred revenue.

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12.4 Classified by loan classification

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

Consolidated 30 June 2016				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's Regulations				
Pass	553,171	458,447	1	5,177
Special mention	19,408	11,154	2	351
Sub-standard	2,028	1,029	100	1,267
Doubtful	1,310	830	100	907
Doubtful of loss ⁽⁴⁾	16,440	5,466	100	8,170
Total*	<u>592,357</u>	<u>476,926</u>		<u>15,872</u>
Provision in excess of BoT's minimum rates required				<u>12,336 ⁽³⁾</u>
Total				<u>28,208</u>

Consolidated 31 December 2015				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's Regulations				
Pass	544,746	441,075	1	5,027
Special mention	16,625	9,314	2	306
Sub-standard	2,253	1,114	100	1,412
Doubtful	841	525	100	564
Doubtful of loss ⁽⁴⁾	17,379	5,181	100	8,769
Total*	<u>581,844</u>	<u>457,209</u>		<u>16,078</u>
Provision in excess of BoT's minimum rates required				<u>12,767 ⁽³⁾</u>
Total				<u>28,845</u>

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Bank only 30 June 2016				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's Regulations				
Pass	553,171	458,447	1	5,177
Special mention	19,408	11,154	2	351
Sub-standard	2,028	1,029	100	1,267
Doubtful	1,310	830	100	907
Doubtful of loss	16,391	5,436	100	8,139
Total*	<u>592,308</u>	<u>476,896</u>		<u>15,841</u>
Provision in excess of BoT's minimum rates required				<u>12,336 ⁽³⁾</u>
Total				<u>28,177</u>

Bank only 31 December 2015				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's Regulations				
Pass	544,746	441,075	1	5,027
Special mention	16,625	9,314	2	306
Sub-standard	2,253	1,114	100	1,412
Doubtful	841	525	100	564
Doubtful of loss	17,348	5,157	100	8,745
Total*	<u>581,813</u>	<u>457,185</u>		<u>16,054</u>
Provision in excess of BoT's minimum rates required				<u>12,767 ⁽³⁾</u>
Total				<u>28,821</u>

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

- (1) Balance net of collateral: In the case of loans that are classified as pass and special mention means the principal balance net of the value of collateral, excluding land, buildings and constructions thereon, leasehold rights and machinery. In the case of loans that are classified as substandard, doubtful and doubtful of loss, it means the debt balance after deduction of the present value of future cash flows expected to be received from debt collection, or from the disposal of collateral, excluding machinery.
- (2) Allowance for doubtful accounts on loans guaranteed by Small Business Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the BoT's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Small Business Credit Guarantee Corporation.
- (3) As at 30 June 2016, this included provision of Baht 1,152 million (31 December 2015: Baht 1,545 million) provided for non-performing loans.
- (4) Loans classified as doubtful of loss in the consolidated financial statements included the balances of the Bank and Phayathai Assets Management Co., Ltd.

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12.5 Non-performing loans

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

As at 30 June 2016 and 31 December 2015, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	30 June 2016			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
Net NPLs (principal net of allowance for doubtful accounts)				
NPLs after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	8,264	18	-	8,282
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	676,994	18	-	677,012
Percentage of net NPLs (%)	1.22	100.00		1.22
NPLs (principal)				
NPLs (<i>in million Baht</i>)	19,729	49	-	19,778
Total loans (<i>in million Baht</i>)	688,459	49	-	688,508
Percentage of NPLs (%)	2.87	100.00		2.87
	31 December 2015			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
Net NPLs (principal net of allowance for doubtful accounts)				
NPLs after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	8,176	7	-	8,183
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	672,428	7	-	672,435
Percentage of net NPLs (%)	1.22	100.00		1.22
NPLs (principal)				
NPLs (<i>in million Baht</i>)	20,442	31	-	20,473
Total loans (<i>in million Baht</i>)	684,694	31	-	684,725
Percentage of NPLs (%)	2.99	100.00		2.99

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On 17 June 2016, 17 March 2015, 7 September 2015 and 27 November 2015, the Bank sold non-performing loans, with principal totalling approximately Baht 200 million, Baht 300 million, Baht 800 million and Baht 300 million, respectively, to Bangkok Commercial Asset Management Company Limited (“BAM”). The selling price in excess of the carrying value of those non-performing loans was presented as a deduction from “Impairment loss on loans and debt securities” in the statement of profit or loss and other comprehensive income.

As at 30 June 2016, the Bank had loans to customers, amounting to Baht 42,777 million (31 December 2015: Baht 39,876 million) on which it ceased recognition of interest income on an accrual basis.

12.6 Troubled debt restructuring

During the six-month periods ended 30 June 2016 and 2015, the Bank and its subsidiaries entered into contracts for troubled debt restructuring, (only the account where debtor has present value loss/losses on debt structuring is presented)*, which could be summarised as follows:

Consolidated and Bank only					
Six-month period ended 30 June 2016					
	Number of debtors	Before restructuring	After restructuring	Asset acquired	Fair value
		<i>(in million Baht)</i>		Type	
Type of restructuring					
Modification of terms of payments	2,674	1,507	1,507	-	-
Total	2,674	1,507	1,507		-
Term of debt restructuring agreements					
Not over 5 years	540	1,079	1,079		
5 - 10 years	2,121	381	381		
Over 10 years	13	47	47		
Total	2,674	1,507	1,507		
Consolidated and Bank only					
Six-month period ended 30 June 2015					
	Number of debtors	Before restructuring	After restructuring	Asset acquired	Fair value
		<i>(in million Baht)</i>		Type	
Type of restructuring					
Modification of terms of payments	1,389	1,782	1,782	-	-
Combination of methods	1	57	57	Land and building	41
Total	1,390	1,839	1,839		41
Term of debt restructuring agreements					
Not over 5 years	607	1,619	1,619		
5 - 10 years	775	195	195		
Over 10 years	8	25	25		
Total	1,390	1,839	1,839		

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

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Supplemental information relating to restructuring debtors for the six-month periods ended 30 June 2016 and 2015 was as follows:

	Consolidated and Bank only	
	Six-month periods ended 30 June	
	2016	2015
	<i>(in million Baht)</i>	
Interest income on restructured debts, which is recognised during the periods	137	97
Cash settlement by debtors	1,045	393
Losses (gains) on debt restructuring	(34)	122

As at 30 June 2016 and 31 December 2015, the Bank and its subsidiaries have the outstanding balances with troubled debt restructuring debtors which had been performing in accordance with debt restructuring agreements, as follows:

	Consolidated				Bank only			
	30 June 2016		31 December 2015		30 June 2016		31 December 2015	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
		<i>(in million Baht)</i>		<i>(in million Baht)</i>		<i>(in million Baht)</i>		<i>(in million Baht)</i>
Troubled debt restructuring debtors	3,964	7,710	3,018	6,287	3,963	7,700	3,017	6,276

12.7 Revaluation allowance for debt restructuring

	Consolidated and Bank only	
	30 June 2016	31 December 2015
	<i>(in million Baht)</i>	
Beginning balance	180	110
Increase (decrease) during period/year	(34)	70
Ending balance	146	180

12.8 Loans to customers having problems with financial position and operating results

As at 30 June 2016 and 31 December 2015, the Bank and its subsidiaries had loans and accrued interest receivables due from listed companies having problems with their financial position and operating results, and set aside allowances for doubtful accounts as follows:

	Consolidated and Bank only							
	30 June 2016				31 December 2015			
	Loans and accrued interest		Allowance for doubtful accounts		Loans and accrued interest		Allowance for doubtful accounts	
	Number of debtors	receivables	Collateral		Number of debtors	receivables	Collateral	
		<i>(in million Baht)</i>				<i>(in million Baht)</i>		
Listed companies under delisting conditions in SET	3	123	-	1	4	103	-	1

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13 Classified assets

As at 30 June 2016 and 31 December 2015, classified assets were classified in accordance with the BoT's regulation, consisting of investments (including investments in subsidiaries and associate), loans to customers and accrued interest receivables (including interbank and money market items), properties for sale, premises and equipment and other assets as follows:

Consolidated						
30 June 2016						
	Investments	Loans to customers and accrued interest receivables	Properties for sale	Premises and equipment	Other assets	Total
	<i>(in million Baht)</i>					
Pass	-	650,385	-	-	-	650,385
Special mention	-	19,408	-	-	-	19,408
Sub-standard	-	2,028	-	-	8	2,036
Doubtful	-	1,310	-	-	3	1,313
Doubtful of loss	886	16,440	100	341	398	18,165
Total	886	689,571	100	341	409	691,307

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

Bank only						
30 June 2016						
	Investments	Loans to customers and accrued interest receivables	Properties for sale	Premises and equipment	Other assets	Total
	<i>(in million Baht)</i>					
Pass	-	650,385	-	-	-	650,385
Special mention	-	19,408	-	-	-	19,408
Sub-standard	-	2,028	-	-	8	2,036
Doubtful	-	1,310	-	-	3	1,313
Doubtful of loss	1,729	16,391	100	341	396	18,957
Total	1,729	689,522	100	341	407	692,099

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Bank only 31 December 2015

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

14 Allowance for doubtful accounts

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

Consolidated Six-month period ended 30 June 2016

	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
	(in million Baht)						
Beginning balance	5,027	306	1,412	564	8,769	12,767	28,845
Allowance for doubtful accounts	150	45	(145)	343	3,971	(431)	3,933
Bad debt recovery	-	-	-	-	184	-	184
Bad debt written-off	-	-	-	-	(4,656)	-	(4,656)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(98)	-	(98)
Ending balance	5,177	351	1,267	907	8,170	12,336	28,208

Consolidated Year ended 31 December 2015

	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
	(in million Baht)						
Beginning balance	4,491	297	1,058	368	6,148	15,890	28,252
Allowance for doubtful accounts	536	9	354	196	7,726	(3,123)	5,698
Bad debt recovery	-	-	-	-	549	-	549
Bad debt written-off	-	-	-	-	(4,711)	-	(4,711)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(943)	-	(943)
Ending balance	5,027	306	1,412	564	8,769	12,767	28,845

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Bank only							
Six-month period ended 30 June 2016							
	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		Total
	(in million Baht)						
Beginning balance	5,027	306	1,412	564	8,745	12,767	28,821
Allowance for doubtful accounts	150	45	(145)	343	3,973	(431)	3,935
Bad debt recovery	-	-	-	-	175	-	175
Bad debt written-off	-	-	-	-	(4,656)	-	(4,656)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(98)	-	(98)
Ending balance	5,177	351	1,267	907	8,139	12,336	28,177

Bank only							
Year ended 31 December 2015							
	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		Total
	(in million Baht)						
Beginning balance	4,491	297	1,058	368	6,120	15,890	28,224
Allowance for doubtful accounts	536	9	354	196	7,764	(3,123)	5,736
Bad debt recovery	-	-	-	-	515	-	515
Bad debt written-off	-	-	-	-	(4,711)	-	(4,711)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(943)	-	(943)
Ending balance	5,027	306	1,412	564	8,745	12,767	28,821

15 Properties for sale, net

As at 30 June 2016 and 31 December 2015, changes to the properties for sale, net were as follows:

	Consolidated and Bank only			
	30 June 2016			
	Beginning balance	Additions	Disposals/ Decrease	Ending balance
	(in million Baht)			
Assets foreclosed in settlement of debts				
- Immovable assets	766	60	(20)	806
Assets for sales	539	40	(120)	459
Total	<u>1,305</u>	<u>100</u>	<u>(140)</u>	<u>1,265</u>
Add (less) allowance for impairment losses	<u>(98)</u>	<u>(3)</u>	<u>1</u>	<u>(100)</u>
Net	<u>1,207</u>	<u>97</u>	<u>(139)</u>	<u>1,165</u>

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	Beginning balance	Consolidated 31 December 2015		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	1,767	186	(1,187)	766
Assets for sales	494	238	(193)	539
Total	2,261	424	(1,380)	1,305
Add (less) allowance for impairment losses	(401)	12	291	(98)
Net	1,860	436	(1,089)	1,207

	Beginning balance	Bank only 31 December 2015		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	1,722	186	(1,142)	766
Assets for sales	494	238	(193)	539
Total	2,216	424	(1,335)	1,305
Add (less) allowance for impairment losses	(399)	12	289	(98)
Net	1,817	436	(1,046)	1,207

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated and Bank only	
	30 June 2016	31 December 2015
	<i>(in million Baht)</i>	
Assets foreclosed in settlement of debts		
Immovable assets		
- Appraised by external appraisers	367	390
- Appraised by internal appraisers	439	376
Total	806	766

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16 Premises and equipment, net

As at 30 June 2016 and 31 December 2015, changes in premises and equipment were as follows:

	Cost					Consolidated 30 June 2016 Accumulated depreciation				Allowance for impairment				Net book value as at 30 June 2016
	Net book value as at 1 January 2016	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation	Ending balance	Beginning balance	Reversal (loss) on impairment during the period	Disposals/ written-off/ transfers out	Ending balance	
							<i>(in million Baht)</i>							
Land														
- Cost	2,137	2,476	-	(36)	2,440	-	-	-	-	(339)	56	9	(274)	2,166
- Incremental revaluation*	2,789	2,789	1,483	(8)	4,264	-	-	-	-	-	-	-	-	4,264
Building														
- Cost	2,186	5,117	146	(192)	5,071	(2,830)	(104)	(10)	(2,944)	(101)	34	-	(67)	2,060
- Incremental revaluation*	1,551	3,333	629	(11)	3,951	(1,782)	(41)	6	(1,817)	-	-	-	-	2,134
Leasehold improvements	343	1,206	76	(41)	1,241	(863)	(56)	33	(886)	-	(3)	3	-	355
Equipment	1,286	5,917	125	(230)	5,812	(4,631)	(224)	226	(4,629)	-	-	-	-	1,183
Total	10,292	20,838	2,459	(518)	22,779	(10,106)	(425)	255	(10,276)	(440)	87	12	(341)	12,162

* The Bank's revaluation has been performed in 2016.

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	Consolidated 31 December 2015													Net book value as at 31 December 2015
	Cost					Accumulated depreciation				Allowance for impairment				
	Net book value as at 1 January 2015	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Disposals/ written-off/ transfers out		Ending balance	Beginning balance	Loss on impairment		Ending balance	
							Depreciation	transfers out			during the year	written-off/ transfers out		
							(in million Baht)							
Land														
- Cost	2,240	2,579	-	(103)	2,476	-	-	-	-	(339)	(2)	2	(339)	2,137
- Incremental revaluation*	2,872	2,872	-	(83)	2,789	-	-	-	-	-	-	-	-	2,789
Building														
- Cost	2,193	4,993	248	(124)	5,117	(2,697)	(208)	75	(2,830)	(103)	(5)	7	(101)	2,186
- Incremental revaluation*	1,675	3,479	-	(146)	3,333	(1,804)	(68)	90	(1,782)	-	-	-	-	1,551
Leasehold improvements	375	1,200	86	(80)	1,206	(825)	(102)	64	(863)	-	(11)	11	-	343
Equipment	1,317	5,827	468	(378)	5,917	(4,510)	(476)	355	(4,631)	-	-	-	-	1,286
Total	10,672	20,950	802	(914)	20,838	(9,836)	(854)	584	(10,106)	(442)	(18)	20	(440)	10,292

* The Bank's revaluation has been performed in 2012.

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 30 June 2016 amounted to Baht 3,401 million (31 December 2015: Baht 3,518 million).

Depreciation presented in the consolidated profit or loss for the six-month periods ended 30 June 2016 and 2015 amounted to Baht 425 million and Baht 424 million, respectively.

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Bank only														
30 June 2016														
	Cost					Accumulated depreciation				Allowance for impairment				
	Net book value as at 1 January 2016	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Disposals/ written-off/ transfers out/ adjustments	Ending balance	Beginning balance	Reversal (loss) on impairment during the period	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 30 June 2016	
	(in million Baht)													
Land														
- Cost	2,137	2,476	-	(36)	2,440	-	-	-	(339)	56	9	(274)	2,166	
- Incremental revaluation*	2,789	2,789	1,483	(8)	4,264	-	-	-	-	-	-	-	4,264	
Building														
- Cost	2,186	5,117	146	(192)	5,071	(2,830)	(104)	(10)	(2,944)	(101)	34	(67)	2,060	
- Incremental revaluation*	1,551	3,333	629	(11)	3,951	(1,782)	(41)	6	(1,817)	-	-	-	2,134	
Leasehold improvements	343	1,206	76	(41)	1,241	(863)	(56)	33	(886)	-	(3)	3	355	
Equipment	1,261	5,802	119	(223)	5,698	(4,541)	(218)	220	(4,539)	-	-	-	1,159	
Total	10,267	20,723	2,453	(511)	22,665	(10,016)	(419)	249	(10,186)	(440)	87	12	12,138	

* The Bank's revaluation has been performed in 2016.

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	Bank only 31 December 2015													
	Cost					Accumulated depreciation				Allowance for impairment				
	Net book value as at 1 January 2015	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2015	
	(in million Baht)													
Land														
- Cost	2,240	2,579	-	(103)	2,476	-	-	-	(339)	(2)	2	(339)	2,137	
- Incremental revaluation*	2,872	2,872	-	(83)	2,789	-	-	-	-	-	-	-	2,789	
Building														
- Cost	2,193	4,993	248	(124)	5,117	(2,697)	(208)	75	(2,830)	(103)	(5)	7	2,186	
- Incremental revaluation*	1,675	3,479	-	(146)	3,333	(1,804)	(68)	90	(1,782)	-	-	-	1,551	
Leasehold improvements	375	1,200	86	(80)	1,206	(825)	(102)	64	(863)	-	(11)	11	343	
Equipment	1,291	5,720	457	(375)	5,802	(4,429)	(463)	351	(4,541)	-	-	-	1,261	
Total	10,646	20,843	791	(911)	20,723	(9,755)	(841)	580	(10,016)	(442)	(18)	20	10,267	

* The Bank's revaluation has been performed in 2012.

The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 30 June 2016 amounted to Baht 3,340 million (31 December 2015: Baht 3,460 million).

Depreciation presented in the Bank only's profit or loss for the six-month periods ended 30 June 2016 and 2015 amounted to Baht 419 million and Baht 418 million, respectively.

In March 2016, the Bank had the land and buildings re-appraised by independent valuers, in accordance with the BoT regulations. The surplus from revaluation was credited to other reserves under the heading "Revaluation surplus on assets" totalling Baht 2,112 million, and reversing allowance for impairment of assets in the statement of profit or loss and other comprehensive income amounting to Baht 68 million. The Bank of Thailand approved the incremental revaluation amount to be included as part of Common Equity Tier 1 Capital, with effect from 11 May 2016.

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17 Goodwill and other intangible assets, net

As at 30 June 2016 and 31 December 2015, changes in goodwill and other intangible assets were as follows:

	Consolidated 30 June 2016										
	Cost						Accumulated amortisation				
	Net book value as at 1 January 2016	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance <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 2016
Goodwill	60	60	-	-	-	60	-	-	-	-	60
Computer software	874	4,410	41	-	126	4,577	(3,536)	(170)	-	(3,706)	871
Computer software under development	305	305	325	-	(141)	489	-	-	-	-	489
Total	1,239	4,775	366	-	(15)	5,126	(3,536)	(170)	-	(3,706)	1,420

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	Consolidated 31 December 2015										
	Net book value as at 1 January 2015	Cost					Accumulated amortisation				Net book value as at 31 December 2015
		Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance <i>(in million Baht)</i>	Beginning Balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	
Goodwill	60	60	-	-	-	60	-	-	-	-	60
Computer software	799	4,037	41	(9)	341	4,410	(3,238)	(304)	6	(3,536)	874
Computer software under development	144	144	518	-	(357)	305	-	-	-	-	305
Total	1,003	4,241	559	(9)	(16)	4,775	(3,238)	(304)	6	(3,536)	1,239

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 30 June 2016 amounted to Baht 2,935 million (31 December 2015: Baht 2,823 million).

Amortisation presented in the consolidated profit or loss for the six-month periods ended 30 June 2016 and 2015 amounted to Baht 170 million and Baht 145 million, respectively.

	Bank only 30 June 2016										
		Cost					Accumulated amortisation				
	Net book value as at 1 January 2016	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance <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 2016
Computer software	868	4,346	41	-	126	4,513	(3,478)	(168)	-	(3,646)	867
Computer software under development	306	306	325	-	(141)	490	-	-	-	-	490
Total	1,174	4,652	366	-	(15)	5,003	(3,478)	(168)	-	(3,646)	1,357

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	Bank only										Net book value as at 31 December 2015
	31 December 2015										
	Cost					Accumulated amortisation					
	Net book value as at 1 January 2015	Beginning Balance	Additions	Written-off	Transfers in/ (out)	Ending balance <i>(in million Baht)</i>	Beginning Balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	
Computer software	794	3,975	38	(8)	341	4,346	(3,181)	(302)	5	(3,478)	868
Computer software under development	144	144	519	-	(357)	306	-	-	-	-	306
Total	938	4,119	557	(8)	(16)	4,652	(3,181)	(302)	5	(3,478)	1,174

The gross amount of the Bank only's fully amortised intangible assets that were still in use as at 30 June 2016 amounted to Baht 2,883 million (*31 December 2015: Baht 2,771 million*).

Amortisation presented in the Bank only's profit or loss for the six-month periods ended 30 June 2016 and 2015 amounted to Baht 168 million and Baht 144 million, respectively.

TMB Bank Public Company Limited and its Subsidiaries

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For the three-month period ended 30 June 2016 (Unaudited)

18 Deferred tax and income tax expense

18.1 Deferred tax

Deferred tax assets and liabilities presented net by entity were as follows:

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in million Baht)		
Deferred tax assets	1,063	2,045	1,063	2,032
Deferred tax liabilities	2	-	-	-
Net	1,061	2,045	1,063	2,032

Movements in deferred tax assets and liabilities during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated (Charged) / Credited to:			
	At 1 January 2016	Profit or loss	Other comprehensive income	At 30 June 2016
		(note 18.2) (in million Baht)		
Deferred tax assets				
Investments	174	3	-	177
Loans to customer and accrued interest receivables	629	493	-	1,122
Properties for sale	26	2	-	28
Premises and equipment	100	(25)	-	75
Provisions for obligations on transfers of non-performing assets	1,200	(868)	-	332
Provisions for employee benefits	298	2	(18)	282
Provisions for other liabilities	110	26	-	136
Other payables and other liabilities	294	(167)	-	127
Others	158	(22)	-	136
Total	2,989	(556)	(18)	2,415
Deferred tax liabilities				
Investments	21	-	2	23
Premises and equipment	900	(11)	421	1,310
Others	23	(2)	-	21
Total	944	(13)	423	1,354
Net	2,045	(543)	(441)	1,061

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For the three-month period ended 30 June 2016 (Unaudited)

	At 1 January 2015	Consolidated (Charged) / Credited to:			At 30 June 2015
		Profit or loss (note 18.2) (in million Baht)	Other compre- hensive income	Retained earnings	
Deferred tax assets					
Investments	176	(1)	-	-	175
Loans to customers and accrued interest receivables	690	123	-	-	813
Properties for sale	85	(60)	-	-	25
Premises and equipment	100	-	-	-	100
Provisions for obligations on 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
Total	3,050	(52)	(19)	12	2,991
Deferred tax liabilities					
Investments	27	-	(8)	-	19
Premises and equipment	939	(15)	(1)	-	923
Others	19	(4)	2	-	17
Total	985	(19)	(7)	-	959
Net	2,065	(33)	(12)	12	2,032

	At 1 January 2016	Bank only (Charged) / Credited to:		At 30 June 2016
		Profit or loss (note 18.2) (in million Baht)	Other comprehensive income	
Deferred tax assets				
Investments	174	3	-	177
Loans to customers and accrued interest receivables	616	493	-	1,109
Properties for sale	26	2	-	28
Premises and equipment	100	(25)	-	75
Provisions for obligations on transfers of non-performing assets	1,200	(868)	-	332
Provisions for employee benefits	294	-	(18)	276
Provisions for other liabilities	108	28	-	136
Other payables and other liabilities	294	(167)	-	127
Others	155	(15)	-	140
Total	2,967	(549)	(18)	2,400

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	At 1 January 2016	Bank only (Charged) / Credited to:		At 30 June 2016
		Profit or loss	Other comprehensive income	
		(note 18.2) (in million Baht)		
Deferred tax liabilities				
Investments	13	-	(6)	7
Premises and equipment	899	(11)	421	1,309
Others	23	(2)	-	21
Total	935	(13)	415	1,337
Net	2,032	(536)	(433)	1,063

	At 1 January 2015	Bank only (Charged) / Credited to:			At 30 June 2015
		Profit or loss	Other compre- hensive income	Retained earnings	
		(note 18.2) (in million Baht)			
Deferred tax assets					
Investments	176	(1)	-	-	175
Loans to customers and accrued interest receivables	677	122	-	-	799
Properties for sale	84	(60)	-	-	24
Premises and equipment	100	-	-	-	100
Provisions for obligations on 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
Total	3,029	(59)	(19)	12	2,963
Deferred tax liabilities					
Investments	15	-	3	-	18
Premises and equipment	937	(15)	(1)	-	921
Others	19	(4)	2	-	17
Total	971	(19)	4	-	956
Net	2,058	(40)	(23)	12	2,007

As at 30 June 2016 and 31 December 2015, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totaling Baht 843 million, for which deferred tax assets have not yet been recognised because certain recognition criteria were not met.

As at 30 June 2016 and 31 December 2015, the Bank and its subsidiaries have tax-deductible temporary differences in respect of loans to customers and accrued interest receivables, for which deferred tax assets have not been recognised since it is uncertain as to whether the Bank and its subsidiaries would be able to utilise such temporary differences.

TMB Bank Public Company Limited and its Subsidiaries

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18.2 Income tax expenses

Income tax recognised in profit or loss

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Current tax expense				
Current period	309	661	302	635
Under (over) provided in prior year	(13)	17	(13)	17
	296	678	289	652
Deferred tax expense				
Movements in temporary differences	28	(54)	22	(49)
	28	(54)	22	(49)
Total	324	624	311	603

<i>Six-month periods ended 30 June</i>	<i>Note</i>	Consolidated		Bank only	
		2016	2015	2016	2015
		<i>(in million Baht)</i>			
Current tax expense					
Current period		318	978	302	941
Over provided in prior year		(13)	(11)	(13)	(11)
		305	967	289	930
Deferred tax expense					
Movements in temporary differences	18.1	543	33	536	40
		543	33	536	40
Total		848	1,000	825	970

Income tax recognised in other comprehensive income

Consolidated						
<i>Three-month periods ended 30 June</i>						
	Before tax	2016 Tax (expense) benefit	Net of tax	Before tax	2015 Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Investments	(5)	1	(4)	(71)	15	(56)
Premises and equipment	(4)	1	(3)	(2)	-	(2)
Provisions for employee benefits	89	(18)	71	95	(20)	75
Others	10	(2)	8	20	(4)	16
Total	90	(18)	72	42	(9)	33

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For the three-month period ended 30 June 2016 (Unaudited)

<i>Three-month periods ended 30 June</i>	Bank only					
		2016			2015	
	Before	Tax	Net of	Before	Tax	Net of
	tax	(expense) benefit	tax	tax	(expense) benefit	tax
			<i>(in million Baht)</i>			
Investments	(21)	4	(17)	(5)	1	(4)
Premises and equipment	(4)	1	(3)	(2)	1	(1)
Provisions for employee benefits	91	(18)	73	95	(19)	76
Others	10	(2)	8	20	(4)	16
Total	76	(15)	61	108	(21)	87

<i>Six-month periods ended 30 June</i>	Consolidated					
		2016			2015	
	Before	Tax	Net of	Before	Tax	Net of
	tax	(expense) benefit	tax	tax	(expense) benefit	tax
			(in million Baht)			
Investments	10	(2)	8	(38)	8	(30)
Premises and equipment	2,104	(421)	1,683	(5)	1	(4)
Provisions for employee benefits	89	(18)	71	95	(19)	76
Others	-	-	-	10	(2)	8
Total	2,203	(441)	1,762	62	(12)	50

<i>Six-month periods ended 30 June</i>	Bank only					
		2016			2015	
	Before	Tax	Net of	Before	Tax	Net of
	tax	(expense) benefit	tax	tax	(expense) benefit	tax
			(in million Baht)			
Investments	(28)	6	(22)	16	(3)	13
Premises and equipment	2,104	(421)	1,683	(5)	1	(4)
Provisions for employee benefits	91	(18)	73	95	(19)	76
Others	-	-	-	10	(2)	8
Total	2,167	(433)	1,734	116	(23)	93

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Reconciliation of effective tax rate

<i>Three-month periods ended 30 June</i>	Consolidated			
	2016		2015	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		2,478		2,888
Income tax using the Thai corporation tax rate	20	496	20	577
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria	(6)	(155)	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(4)	-	4
Unutilised deferred tax	-	-	1	26
Under (over) provided in prior periods	(1)	(13)	1	17
Total	13	324	22	624

<i>Three-month periods ended 30 June</i>	Bank only			
	2016		2015	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		2,411		2,782
Income tax using the Thai corporation tax rate	20	483	20	556
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria	(6)	(155)	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(4)	-	4
Unutilised deferred tax	-	-	1	26
Under (over) provided in prior periods	(1)	(13)	1	17
Total	13	311	22	603

<i>Six-month periods ended 30 June</i>	Consolidated			
	2016		2015	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		5,098		4,906
Income tax using the Thai corporation tax rate	20	1,020	20	981
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria	(3)	(155)	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(4)	-	4
Unutilised deferred tax	-	-	-	26
Over provided in prior periods	-	(13)	-	(11)
Total	17	848	20	1,000

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For the three-month period ended 30 June 2016 (Unaudited)

Six-month periods ended 30 June	Bank only			
	2016		2015	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		4,983		4,756
Income tax using the Thai corporation tax rate	20	997	20	951
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria	(3)	(155)	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(4)	-	4
Unutilised deferred tax	-	-	-	26
Over provided in prior periods	-	(13)	-	(11)
Total	17	825	20	970

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015. Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

19 Other receivables, net

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in million Baht)		
Receivables on sales of investments	19,484	5,425	19,484	5,425
Promissory notes from transfer of non-performing assets	378	639	358	535
TAMC's promissory notes and interest receivable	56	4,398	56	4,398
Other receivables	1,584	1,038	1,451	878
Total	21,502	11,500	21,349	11,236
Less allowance for impairment losses	(182)	(175)	(180)	(170)
Net	21,320	11,325	21,169	11,066

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20 Other assets, net

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Accrued income	1,061	1,170	1,061	1,120
Collateral on derivative transactions	1,053	1,664	1,053	1,664
Suspense account - debtors	611	923	611	922
Suspense account between head office and branches	38	43	38	43
Prepaid expenses	445	214	419	208
Others	803	747	778	728
Total	4,011	4,761	3,960	4,685
Less allowance for impairment losses	(227)	(265)	(227)	(265)
Net	3,784	4,496	3,733	4,420

21 Deposits

21.1 Classified by type of deposits

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Current	53,099	65,347	53,111	65,358
Savings	444,560	409,120	444,588	409,145
Term	144,063	170,713	144,063	170,713
Total	641,722	645,180	641,762	645,216
Less prepaid interest expense	(326)	(486)	(326)	(486)
Total	641,396	644,694	641,436	644,730

21.2 Classified by currency and residency of depositors

	Consolidated					
	30 June 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	631,773	5,954	637,727	636,273	5,709	641,982
US Dollar	3,096	305	3,401	2,195	297	2,492
Other currencies	239	29	268	199	21	220
Total	635,108	6,288	641,396	638,667	6,027	644,694

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	Bank only					
	30 June 2016		Total (in million Baht)	31 December 2015		Total
	Domestic	Foreign		Domestic	Foreign	
Thai Baht	631,813	5,954	637,767	636,309	5,709	642,018
US Dollar	3,096	305	3,401	2,195	297	2,492
Other currencies	239	29	268	199	21	220
Total	635,148	6,288	641,436	638,703	6,027	644,730

22 Interbank and money market items (liabilities)

	Consolidated and Bank only					
	30 June 2016		Total (in million Baht)	31 December 2015		Total
	At call	Term		At call	Term	
Domestic						
Bank of Thailand and Financial Institutions Development Fund	-	3,484	3,484	-	3,837	3,837
Commercial banks	450	-	450	109	16,570	16,679
Specialised financial institutions	16	2,777	2,793	17	5,575	5,592
Other financial institutions	6,643	77	6,720	6,578	74	6,652
Total domestic	7,109	6,338	13,447	6,704	26,056	32,760
Foreign						
US Dollar	197	1,759	1,956	1,249	-	1,249
Other currencies	1,283	-	1,283	2,207	-	2,207
Total foreign	1,480	1,759	3,239	3,456	-	3,456
Total domestic and foreign, net	8,589	8,097	16,686	10,160	26,056	36,216

23 Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated and Bank only	
	30 June 2016	31 December 2015
	(in million Baht)	
Debt issued	371	299
Total	371	299

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Proportion of transactions classified by the contract parties based on the amount of the contract as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated and Bank only	
	30 June 2016	31 December 2015
Contract parties	(%)	
Financial institutions	100.00	100.00
Total	100.00	100.00

24 Debts issued and borrowings, net

	Interest rates as at 30 June 2016 (%)	Maturities	Consolidated and Bank only					
			30 June 2016			31 December 2015		
			Domestic	Foreign	Total	Domestic	Foreign	Total
			(in million Baht)					
Subordinated debentures ⁽¹⁾	4.50 and 5.50	2017 ⁽²⁾ and 2019 ⁽²⁾	25,350	-	25,350	25,350	-	25,350
Senior debentures	3.108 and 5.50	2018 and 2021	-	13,720	13,720	-	3,327	3,327
Bills of exchange ⁽³⁾	2.15-2.50	2012-2013	6	-	6	15	-	15
Other borrowings	0.00-2.00	2016-2031	48	1,189	1,237	71	1,597	1,668
Total			25,404	14,909	40,313	25,436	4,924	30,360
Less prepaid interest expenses			(410)	-	(410)	(177)	-	(177)
Net			24,994	14,909	39,903	25,259	4,924	30,183

⁽¹⁾ Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's Notification (Note 6)

⁽²⁾ The years in which call option exercise periods start

⁽³⁾ As of 30 June 2016, the outstanding balance of bills of exchange amounting of Baht 6 million (31 December 2015: 15 million), were matured during the year 2012-2013 which were waiting for redeem by the holders.

24.1 Subordinated debentures

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

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

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24.1.2 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.

24.1.3 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.

24.2 Senior debentures

On 9 March 2015, the Bank issued the unsecured senior debentures of CNY 600 million, with 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.

On 1 April 2016, the Bank issued unsecured senior debentures of USD 300 million, with a 5.5-year maturity and carrying a fixed interest rate of 3.108% per annum, payable semi-annually in April and October of every year. The debentures have been issued under the Bank's Euro Medium Term Note Programme.

24.3 Other Borrowings

Borrowings with specific uses (other borrowings) as at 30 June 2016 and 31 December 2015 were as follows:

Borrowings from	Objectives of borrowings	Consolidated and Bank only			
		30 June 2016		31 December 2015	
		Outstanding balances	Baht equivalent (in million Baht)	Outstanding balances	Baht equivalent (in million Baht)
Energy Conservation Promotion Fund	For enterprises investing for energy conservation	Baht 29 million	29	Baht 51 million	51
National Science and Technology Development Agency	For enterprises involving in research and development activities	Baht 19 million	19	Baht 20 million	20
Nordic Investment Bank (NIB)	For joint ventures with the Nordic countries and businesses using Nordic machinery/equipment	USD 5 million	189	USD 7 million	259

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Borrowings from	Objectives of borrowings	Consolidated and Bank only			
		30 June 2016	Baht equivalent	31 December 2015	Baht equivalent
		Outstanding balances	(in million Baht)	Outstanding balances	(in million Baht)
Japan Bank for International Cooperation (JBIC)	For equity investment & on-lending to non-SET listed enterprises and non-environmental impact having a joint-venture with Japanese or Japanese connection, or Tsunami adversely affected entrepreneurs having Japanese connection	USD 25 million	879	USD 33 million	1,203
KfW Bankengruppe (KfW)	For small industry businesses	EUR 3 million	121	EUR 3 million	135
Total			1,237		1,668

25 Provision for employee benefits

25.1 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 2016 and 2015, the Bank and its subsidiaries contributed Baht 194 million and Baht 191 million, respectively to the funds (Bank only: Baht 193 million and Baht 186 million, respectively).

25.2 Defined benefit plans

(a) Detail of defined benefit plans

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in million Baht)		
Post-employment benefit plans	1,398	1,479	1,372	1,458
Other long-term employee benefit plans	10	14	10	14
Total	1,408	1,493	1,382	1,472

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(b) Movement in post-employment benefit obligations

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Beginning balance	1,479	1,520	1,458	1,498
Included in profit or loss:				
Current service cost	96	169	93	166
Past service cost	-	(44)	-	(42)
Interest on obligation	12	37	12	37
	108	162	105	161
Included in other comprehensive income				
- Actuarial gain	(89)	(95)	(91)	(95)
Others				
Benefits paid	(100)	(108)	(100)	(106)
	(189)	(203)	(191)	(201)
Ending balance	1,398	1,479	1,372	1,458

Actuarial gains recognised in other comprehensive income arising from:

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Demographic assumptions	(119)	(58)	(120)	(60)
Financial assumptions	105	149	104	149
Experience adjustment	(75)	(186)	(75)	(184)
Total	(89)	(95)	(91)	(95)

(c) Actuarial assumptions of post-employment benefit obligations

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

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(%)</i>			
Discount rate	1.86, 2.51	2.86, 3.15	1.86	2.86
Future salary growth	5.00	5.00, 5.30	5.00	5.30
Staff turnover rates	0.00 - 30.00	0.00 - 30.00	0.00 - 30.00	0.00 - 30.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

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(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.

Consolidated 30 June 2016				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+ 1%	(126)	- 1%	144
Future salary growth	+ 1%	125	- 1%	(112)
Turnover Rate	+ 1%	(134)	- 1%	38
Future mortality	+ 1 year	11	- 1 year	(11)

Consolidated 31 December 2015				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+ 1%	(138)	- 1%	159
Future salary growth	+ 1%	146	- 1%	(129)
Future mortality	+ 1 year	12	- 1 year	(12)

Bank only 30 June 2016				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+ 1%	(123)	- 1%	141
Future salary growth	+ 1%	122	- 1%	(109)
Turnover Rate	+ 1%	(131)	- 1%	37
Future mortality	+ 1 year	11	- 1 year	(11)

Bank only 31 December 2015				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+ 1%	(136)	- 1%	157
Future salary growth	+ 1%	143	- 1%	(127)
Future mortality	+ 1 year	12	- 1 year	(12)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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26 Provision for other liabilities

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

Consolidated and Bank only				
Six-month period ended 30 June 2016				
	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases (Note 34.2)	Others	Total
	<i>(in million Baht)</i>			
Beginning balance	457	19	66	542
Provisions made	-	162	27	189
Provisions used	(38)	-	-	(38)
Paid during the period	-	-	(11)	(11)
Ending balance	419	181	82	682

27 Other payables

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Payables on purchases of investments	11,546	6,005	11,546	6,005
Others	634	983	630	979
Total	12,180	6,988	12,176	6,984

28 Other liabilities

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Accrued expenses	2,886	4,683	2,803	4,633
Accrued interest expenses	883	1,084	883	1,084
Deposits and guarantees received	297	283	297	282
Collateral on derivative transactions	278	185	278	185
Suspense accounts - creditors	1,924	1,916	1,922	1,910
Others	446	668	439	612
Total	6,714	8,819	6,622	8,706

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29 Share-based payments - TMB Performance Share Bonus

29.1 Information of TMB Performance Share Bonus Scheme

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

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

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

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

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 2016 and 2015, the Bank recorded expenses in relation to share-based payments of Baht 34 million and Baht 46 million, respectively.

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29.2 The offering of new ordinary shares

The offering of new ordinary shares	Par value	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾	Ordinary shares not to be issued	Balance of new ordinary shares unissued as at 30 June 2016
	(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	(66,598,950)	(12,035,750)	-
The fourth offering, 2014	0.95	2.30	85,191,700	(45,951,289)	(18,402,490)	20,837,921
The fifth offering, 2015	0.95	3.04	53,599,400	(16,262,367)	(6,183,264)	31,153,769
Total			387,614,500	(278,631,828)	(56,990,982)	51,991,690

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

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

Consolidated and Bank only				
Six-month period ended 30 June 2016				
	Issued and paid-up ordinary shares (No. of shares)	share capital (in Baht)	Share premium (in Baht)	Other reserve - share-based payments
Beginning balance	43,749,499,615	41,562,024,635	236,181,407	212,650,444
Issued ordinary shares to employees	57,870,692	54,977,157	89,766,084	(144,743,241)
Expenses in relation to issuance of ordinary shares to employees	-	-	(541,855)	-
Expenses in relation to share-based payments	-	-	-	33,758,771
Ending balance	43,807,370,307	41,617,001,792	325,405,636	101,665,974

Consolidated and Bank only				
Year ended 31 December 2015				
	Issued and paid-up ordinary shares (No. of shares)	share capital (in Baht)	Share premium (in Baht)	Other reserve - share-based payments
Beginning balance	43,678,764,288	41,494,826,074	157,689,646	265,835,782
Issued ordinary shares to employees	70,735,327	67,198,561	79,053,115	(146,251,676)
Expenses in relation to issuance of ordinary shares to employees	-	-	(561,354)	-
Expenses in relation to share-based payments	-	-	-	93,066,338
Ending balance	43,749,499,615	41,562,024,635	236,181,407	212,650,444

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30 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:

	Consolidated and Bank only	
	Six-month period ended 30 June 2016	Year ended 31 December 2015
	<i>(in million Baht)</i>	
Beginning balance	4,496	4,686
Reappraisal during the period/year	2,112	-
Amortised during the period/year	(41)	(68)
Derecognised during the period/year	(15)	(73)
Transferred out during the period/year	(8)	(49)
Balance - end of the period/year	6,544	4,496
<i>Less deferred tax</i>	<i>(1,309)</i>	<i>(899)</i>
Ending balance, net of deferred tax	5,235	3,597

31 Legal reserve

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

32 Appropriation of profit and dividend payment

- (a) On 8 April 2016, the 2016 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2015 operating profit and dividend payment:
- (1) Appropriation of net profit of Baht 460 million to be legal reserve.
 - (2) Payment of a dividend of Baht 0.06 per share from the 2015 operating profit to the shareholders. The Bank paid such dividend to its shareholders on 4 May 2016.
- (b) On 10 April 2015, the 2015 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2014 operating profit and dividend payment as follows:
- (1) Appropriation of net profit of Baht 480 million to the legal reserve.
 - (2) Payment of a dividend of Baht 0.06 per share from the 2014 operating profit to the shareholders. The Bank paid such dividend to its shareholders on 7 May 2015.

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33 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 30 June 2016 and 31 December 2015 were as follow:

	Consolidated and Bank only	
	30 June	31 December
	2016	2015
	<i>(in million Baht)</i>	
Investments in securities		
- Pledged as collateral against repurchase transactions	-	3,987
Total	-	3,987

34 Commitments and contingent liabilities

34.1 Commitments

	Consolidated and Bank only	
	30 June	31 December
	2016	2015
	<i>(in million Baht)</i>	
Avals to bills	1,670	1,880
Guarantees of loans	-	3
Liability under unmatured import bills	2,749	2,568
Letters of credit	29,828	33,656
Other contingencies		
- Other guarantees	63,321	60,775
- Amount of unused bank overdrafts	95,669	94,036
- Committed line	21,133	29,954
- Others	1,003	568
Total	215,373	223,440

As at 30 June 2016 and 31 December 2015, the Bank had no commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand.

34.2 Litigation

- (a) As at 30 June 2016 and 31 December 2015, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 84 cases and 92 cases in the approximate dispute amounts of Baht 10,875 million and Baht 11,012 million, respectively (Bank only: claims for 80 cases and 85 cases in the approximate dispute amounts of Baht 10,337 million and Baht 10,462 million, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 2,908 million ⁽¹⁾ and Baht 663 million ⁽¹⁾, respectively (Bank only: Baht 2,893 million ⁽¹⁾ and Baht 635 million ⁽¹⁾, respectively).
- (b) As at 30 June 2016 and 31 December 2015, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 181 million and Baht 19 million, respectively (Bank only: Baht 181 million and Baht 19 million, respectively). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.

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- (c) In addition, the Bank was claimed in another lawsuit with the sum of Baht 140,261 million due to the purported issuance of a letter of guarantee with a credit limit of Baht 200 million. The Court of First Instance and the Appeals Court dismissed the case. At present, the plaintiff is in the process of filing a petition with the Supreme Court. The management was advised that there is insufficient supporting ground for filing the petition with the Supreme Court and it is unlikely that the plaintiff will win the case; the management believes that the Bank will not be liable in this case.

⁽¹⁾ Excluding the liabilities of the Bank as of 30 June 2016 and 31 December 2015 of Baht 726 million and Baht 2,124 million, respectively, which the Court of First Instance and the Appeals Court dismissed the cases or rendered the judgement to decrease the Bank's liabilities.

34.3 Non-cancellable operating lease commitments

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in million Baht)		
Within one year	490	434	485	424
After one year but within five years	669	561	668	559
Total	1,159	995	1,153	983

35 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.

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6. Other related parties are

- 6.1 Close family members of key management personnel
- 6.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
- 6.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence

The additional information on investments in subsidiaries and associate is disclosed in Note 11.

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

Name of entity/ Personnel	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thailand and other countries	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

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Transactions

Interest rate on deposits and borrowings
 Fee and services income for other types of services
 Branch office rental and related service
 Sale of non-performing assets to a subsidiary

Pricing policies

Based on market rate
 Based on market price
 Based on market rate
 Based on market price

35.1 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 2016 and 2015 with key management and other related parties were as follows:

Consolidated							
Three-month period ended 30 June 2016							
	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	12	2	-	-	-	2	-
2. Entities with joint control or significant influence over the entity	72	38	6	-	19	60	39
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	-	-	-	-	-	-
6. Other related parties	-	1	-	-	-	6	-

Consolidated							
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	-

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For the three-month period ended 30 June 2016 (Unaudited)

Consolidated							
Six-month period ended 30 June 2016							
	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	36	2	-	-	-	6	-
2. Entities with joint control or significant influence over the entity	142	141	9	-	24	114	33
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	1	-	-	-	-	-
6. Other related parties	1	2	-	-	-	9	-

Consolidated							
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	199	354	13	-	21	130	(32)
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	2	-	-	-	-	-
6. Other related parties	-	2	-	-	-	6	-

Bank only							
Three-month period ended 30 June 2016							
	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	12	2	-	-	-	2	-
2. Entities with joint control or significant influence over the entity	70	38	6	-	19	60	39
3. Subsidiaries	-	-	312	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	-	-	-	-	-	-
6. Other related parties	-	1	-	-	-	6	-

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Bank only							
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	92	164	7	-	13	65	(25)
3. Subsidiaries	-	-	413	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	-	1	-	-	-	6	-

Bank only							
Six-month period ended 30 June 2016							
	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	36	2	-	-	-	6	-
2. Entities with joint control or significant influence over the entity	138	141	9	-	24	114	33
3. Subsidiaries	-	-	538	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	1	-	-	-	-	-
6. Other related parties	1	2	-	-	-	9	-

Bank only							
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	-

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35.2 Outstanding balances with related parties

As at 30 June 2016 and 31 December 2015, significant outstanding balances with related persons or parties were as follows:

35.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated and Bank only	
	30 June 2016	31 December 2015
	<i>(in million Baht)</i>	
Loans to customers and accrued interest receivables, net		
Ministry of Finance	2,014	6,548
Deposits (including interbank and money market items - liabilities)		
ING Bank N.V.	352	286
Debts issued and borrowings (including interbank and money market items - liabilities)		
ING Bank N.V.	1,759	-
Commitments – Derivatives ⁽¹⁾		
ING Bank N.V.	5,837	1,773
⁽¹⁾ Presented in notional amount		
Other commitments		
ING Bank N.V.	17	18
Other liabilities		
ING Bank N.V.	2	-

35.2.2 Significant balances between the Bank and its subsidiaries and other entities with joint control or significant influence over the entities as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Investment in debt securities				
Entities whose shares are owned or controlled by the Ministry of Finance	-	-	-	-
Interbank and money market items - assets and loans to customers and accrued interest receivables				
Entities whose shares are owned or controlled by the Ministry of Finance	20,723	19,605	20,283	19,198
Thai Charoenpol Industry Co., Ltd.	3	3	3	3
Total	20,726	19,608	20,286	19,201

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	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Allowance for doubtful accounts				
Entities whose shares are owned or controlled by the Ministry of Finance	96	62	96	62
Thai Charoenpol Industry Co., Ltd.	2	2	2	2
Total	98	64	98	64
Other receivables				
Entities whose shares are owned or controlled by the Ministry of Finance	56	4,398	56	4,398
Other assets				
Entities whose shares are owned or controlled by the Ministry of Finance	287	286	287	286
Deposits (including interbank and money market items - liabilities)				
Entities whose shares are owned or controlled by the Ministry of Finance	11,537	11,886	11,537	11,886
TMB Property Development Co., Ltd.	4	4	4	4
Total	11,541	11,890	11,541	11,890
Debts issued and borrowings (including interbank and money market items - liabilities)				
Entities whose shares are owned or controlled by the Ministry of Finance	2,777	5,575	2,777	5,575
Provisions for obligation on transfers of non-performing assets				
Entities whose shares are owned or controlled by the Ministry of Finance	1,657	5,998	1,657	5,998
Other liabilities				
Entities whose shares are owned or controlled by the Ministry of Finance	10	9	10	9
Commitments - derivatives ⁽¹⁾				
Entities whose shares are owned or controlled by the Ministry of Finance	128,587	130,302	128,587	130,302
⁽¹⁾ Presented in notional amount				
Other commitments				
Entities whose shares are owned or controlled by the Ministry of Finance	865	1,261	865	1,261

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35.2.3 Significant balances between the Bank and its subsidiaries and associate as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Other assets				
Phayathai Asset Management Co., Ltd.	-	-	1	1
TMB Asset Management Co., Ltd.	-	-	119	69
Total	<u>-</u>	<u>-</u>	<u>120</u>	<u>70</u>
Deposits				
Phayathai Asset Management Co., Ltd.	-	-	7	6
TMB Asset Management Co., Ltd.	-	-	33	30
Total	<u>-</u>	<u>-</u>	<u>40</u>	<u>36</u>
Other liabilities				
Phayathai Asset Management Co., Ltd.	-	-	-	-
TMB Asset Management Co., Ltd.	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

35.2.4 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	13	22	12	21
Welfare loans	45	52	45	52
Deposits	213	177	210	171
Allowance for doubtful accounts	1	1	1	1

35.2.5 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated		Bank only	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	33	31	33	31
Deposits	235	220	234	220
Other liabilities	1	2	1	2

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35.3 Senior management personnel compensation

For the three-month and six-month periods ended 30 June 2016 and 2015, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
	2016	2015	2016	2015
<i>For three-month period ended 30 June</i>				
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	20	21	20	20
Short-term employee benefits - management	164	176	156	169
Post-employment benefits	11	13	10	12
Share-based payments (performance share bonus)	10	24	10	24
Total	205	234	196	225
	Consolidated		Bank only	
	2016	2015	2016	2015
<i>For six-month period ended 30 June</i>				
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	27	28	26	27
Short-term employee benefits - management	344	353	329	338
Post-employment benefits	24	24	21	22
Termination benefit	-	3	-	-
Share-based payments (performance share bonus)	22	49	22	49
Total	417	457	398	436

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.

35.4 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 35.3 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.

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36 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 2016

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,831	1,856	506	-	6,193
Other operating income	811	1,228	282	(13)	2,308
Total operating income	4,642	3,084	788	(13)	8,501
Operating expenses	(1,863)	(2,129)	(71)	13	(4,050)
Profits from operation	2,779	955	717	-	4,451
Other income (expenses), net					-
Provision for doubtful accounts on loans and loan-related transactions					(1,973)
Profit before income tax expense					2,478
Income tax expense					(325)
Profit for the period					2,153
Depreciation and amortisation	31	171	107	-	309

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Three-month period ended 30 June 2016

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Source of operating income breakdown by operating segments					
Third party	6,650	1,277	574	-	8,501
Inter - segment	(2,008)	1,807	214	(13)	-
Total operating income	4,642	3,084	788	(13)	8,501

Three-month period ended 30 June 2015

	Commercial Banking	Retail Banking	Consolidated Other segments (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 loans and loan-related transactions					(1,398)
Profit before income tax expense					2,888
Income tax expense					(624)
Profit for the period					2,264

Depreciation and amortisation	32	169	90	-	291
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Source of operating income breakdown by operating segments

Third party	6,674	772	891	-	8,337
Inter - segment	(1,933)	2,132	(187)	(12)	-
Total operating income	4,741	2,904	704	(12)	8,337

Six-month period ended 30 June 2016

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	7,614	3,446	1,103	-	12,163
Other operating income	1,864	2,369	521	(23)	4,731
Total operating income	9,478	5,815	1,624	(23)	16,894
Operating expenses	(3,603)	(4,069)	(224)	23	(7,873)
Profits from operation	5,875	1,746	1,400	-	9,021
Other income (expenses), net					-
Provision for doubtful accounts on loans and loan-related transactions					(3,923)
Profit before income tax expense					5,098
Income tax expense					(848)
Profit for the period					4,250

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Six-month period ended 30 June 2016

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Depreciation and amortisation	<u>64</u>	<u>335</u>	<u>206</u>	<u>-</u>	<u>605</u>
Source of operating income breakdown by operating segments					
Third party	13,512	2,244	1,138	-	16,894
Inter - segment	(4,034)	3,571	486	(23)	-
Total operating income	<u>9,478</u>	<u>5,815</u>	<u>1,624</u>	<u>(23)</u>	<u>16,894</u>

Six-month period ended 30 June 2015

	Commercial Banking	Retail Banking	Consolidated Other segments (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	<u>5,837</u>	<u>1,663</u>	<u>1,100</u>	<u>-</u>	<u>8,600</u>
Other income (expenses), net					5
Provision for doubtful accounts on loans and loan-related transactions					(3,699)
Profit before income tax expense					<u>4,906</u>
Income tax expense					(1,000)
Profit for the period					<u>3,906</u>
Depreciation and amortisation	<u>65</u>	<u>342</u>	<u>172</u>	<u>-</u>	<u>579</u>

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)	-
Total operating income	<u>9,334</u>	<u>5,617</u>	<u>1,374</u>	<u>(24)</u>	<u>16,301</u>

Reconciliation of reportable segment profit or loss

Three-month period ended 30 June 2016

	Net interest income	Non- interest income	Consolidated Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	6,193	2,308	(4,050)	-	(1,973)
Bad debts, doubtful accounts and impairment losses	-	10	15	-	(25)
Others	(20)	24	(4)	-	-
Consolidated financial statements	<u>6,173</u>	<u>2,342</u>	<u>(4,039)</u>	<u>-</u>	<u>(1,998)</u>

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Three-month period ended 30 June 2015

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

Six-month period ended 30 June 2016

	Net interest income	Non- interest income	Consolidated Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	12,163	4,731	(7,873)	-	(3,923)
Bad debts, doubtful accounts and impairment losses	-	13	(61)	-	48
Others	(61)	77	(16)	-	-
Consolidated financial statements	12,102	4,821	(7,950)	-	(3,875)

Six-month period ended 30 June 2015

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

	Commercial banking	Retail banking	Consolidated 30 June 2016 Other segments (in million Baht)	Elimination	Total
Assets	585,039	125,161	108,897	(3,435)	815,662
Liabilities and equity	199,801	445,430	173,866	(3,435)	815,662

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For the three-month period ended 30 June 2016 (Unaudited)

	Consolidated				
	31 December 2015				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	<i>(in million Baht)</i>				
Assets	610,984	106,068	125,293	(3,408)	838,937
Liabilities and equity	236,224	433,889	172,232	(3,408)	838,937

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

37.1 As at 30 June 2016 and 31 December 2015, the financial position classified by domestic and foreign business was as follows:

	Consolidated					
	30 June 2016			31 December 2015		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	814,910	752	815,662	838,248	689	838,937
Interbank and money market items, net (assets)	105,824	589	106,413	115,219	539	115,758
Investments, net	81,963	-	81,963	98,260	-	98,260
Loans to customers and accrued interest receivables, net	563,931	72	564,003	552,727	92	552,819
Deposits	641,239	157	641,396	644,561	133	644,694
Interbank and money market items (liabilities)	14,816	1,870	16,686	36,118	98	36,216
Debts issued and borrowings, net	25,304	14,599	39,903	25,653	4,530	30,183

37.2 The results of operations classified by domestic and foreign business for the three-month and the six-month periods ended 30 June 2016 and 2015 were as follows:

Three-month periods ended 30 June	Consolidated							
	2016				2015			
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	8,971	136	(135)	8,972	9,033	51	(50)	9,034
Interest expense	2,798	136	(135)	2,799	3,315	51	(50)	3,316
Net interest income	6,173	-	-	6,173	5,718	-	-	5,718
Net fees and service income	1,915	-	-	1,915	2,013	-	-	2,013
Other operating income	427	-	-	427	671	(1)	-	670
Other operating expenses	4,037	2	-	4,039	4,162	3	-	4,165
Impairment loss on loans and debt securities	1,998	-	-	1,998	1,348	-	-	1,348
Profit from operations before income tax expenses	2,480	(2)	-	2,478	2,892	(4)	-	2,888

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<i>Six-month periods ended 30 June</i>	Consolidated							
	2016				2015			
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	18,056	189	(186)	18,059	17,967	70	(68)	17,969
Interest expense	5,957	186	(186)	5,957	6,546	69	(68)	6,547
Net interest income	12,099	3	-	12,102	11,421	1	-	11,422
Net fees and service income	3,757	-	-	3,757	3,700	-	-	3,700
Other operating income	1,064	-	-	1,064	1,244	(1)	-	1,243
Other operating expenses	7,941	9	-	7,950	7,719	4	-	7,723
Impairment loss on loans and debt securities	3,875	-	-	3,875	3,736	-	-	3,736
Profit from operations before income tax expenses	5,104	(6)	-	5,098	4,910	(4)	-	4,906

38 Interest income

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Interbank and money market items	433	517	429	513
Investments and trading transactions	64	80	64	80
Investments in debt securities	343	573	343	573
Loans to customers	8,097	7,778	8,092	7,775
Others	35	86	35	86
Total	8,972	9,034	8,963	9,027

<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Interbank and money market items	913	1,041	906	1,032
Investments and trading transactions	137	147	137	147
Investments in debt securities	779	1,165	779	1,165
Loans to customers	16,122	15,431	16,115	15,426
Others	108	185	107	182
Total	18,059	17,969	18,044	17,952

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39 Interest expenses

<i>Three-month periods ended 30 June</i>	Consolidated and Bank only	
	2016	2015
	<i>(in million Baht)</i>	
Deposits	1,649	2,060
Interbank and money market items	19	239
Contribution to Deposits Protection Agency and BoT	757	705
Debt issued		
- Subordinated debentures	263	292
- Others	100	13
Borrowings	10	7
Others	1	-
Total	2,799	3,316

<i>Six-month periods ended 30 June</i>	Consolidated and Bank only	
	2016	2015
	<i>(in million Baht)</i>	
Deposits	3,585	3,996
Interbank and money market items	177	471
Contribution to Deposits Protection Agency and BoT	1,513	1,371
Debt issued		
- Subordinated debentures	550	676
- Others	115	19
Borrowings	16	12
Others	1	2
Total	5,957	6,547

40 Net fees and service income

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	129	111	129	111
- Credit card and ATM	644	586	644	586
- Funds and Bancassurance	1,098	1,161	921	1,034
- Others	582	640	596	652
Total	2,453	2,498	2,290	2,383
Fees and service expenses				
- Credit card and ATM	(349)	(326)	(349)	(326)
- Others	(189)	(159)	(161)	(128)
Total	(538)	(485)	(510)	(454)
Net	1,915	2,013	1,780	1,929

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<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	267	214	267	214
- Credit card and ATM	1,261	1,156	1,261	1,156
- Funds and Bancassurance	2,131	2,034	1,763	1,753
- Others	1,119	1,254	1,143	1,278
Total	4,778	4,658	4,434	4,401
Fees and service expenses				
- Credit card and ATM	(709)	(656)	(709)	(656)
- Others	(312)	(302)	(261)	(243)
Total	(1,021)	(958)	(970)	(899)
Net	3,757	3,700	3,464	3,502

41 Gains on trading and foreign exchange transactions, net

<i>Three-month periods ended 30 June</i>	Consolidated and Bank only	
	2016	2015
	<i>(in million Baht)</i>	
Gains (losses) on tradings and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	351	365
- Derivatives on interest rates	(58)	(13)
- Debt securities	(22)	67
Total	271	419

<i>Six-month periods ended 30 June</i>	Consolidated and Bank only	
	2016	2015
	<i>(in million Baht)</i>	
Gains (losses) on tradings and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	692	762
- Derivatives on interest rates	1	(36)
- Debt securities	51	103
Total	744	829

42 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, net for the three-month and six-month periods ended 30 June 2016 and 2015 were as follows:

<i>Three-month periods ended 30 June</i>	Consolidated and Bank only	
	2016	2015
	<i>(in million Baht)</i>	
Net change in fair value	(4)	1
Gain (loss) on financial liabilities designated at fair value through profit or loss, net	(4)	1

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For the six-month period ended 30 June 2016

For the three-month period ended 30 June 2016 (Unaudited)

<i>Six-month periods ended 30 June</i>	Consolidated and Bank only	
	2016	2015
	<i>(in million Baht)</i>	
Net change in fair value	(22)	(6)
Loss on financial liabilities designated at fair value through profit or loss, net	(22)	(6)

43 Gains on investments, net

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Gains on sales				
- Available-for-sale investments	8	108	7	25
Total	8	108	7	25
 Losses on impairment				
- Available-for-sale investments	(1)	-	(1)	-
- General investments	(4)	(2)	(4)	(2)
Total	(5)	(2)	(5)	(2)
 Net	3	106	2	23
<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Gains on sales				
- Available-for-sale investments	78	174	77	91
- General investments	-	5	-	5
Total	78	179	77	96
 Losses on impairment				
- Available-for-sale investments	(1)	-	(1)	-
- General investments	(4)	(2)	(4)	(2)
Total	(5)	(2)	(5)	(2)
 Net	73	177	72	94

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For the six-month period ended 30 June 2016

For the three-month period ended 30 June 2016 (Unaudited)

44 Other operating expenses

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Marketing and business promotion expenses	316	341	306	331
Communication expenses	99	106	99	106
Amortisation of intangible assets	85	74	84	73
Losses on impairment of properties foreclosed and other assets	2	39	3	39
Others	476	485	470	482
Total	978	1,045	962	1,031

<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Marketing and business promotion expenses	530	553	481	519
Communication expenses	204	202	204	202
Amortisation of intangible assets	170	145	168	144
Losses on impairment of properties foreclosed and other assets	9	35	11	35
Others	977	775	965	764
Total	1,890	1,710	1,829	1,664

45 Impairment loss of loans and debt securities

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Bad debts and doubtful accounts (reversal of)				
- Interbank and money market items	(12)	(44)	(12)	(44)
- Loans to customers	2,089	1,307	2,094	1,313
Allowance for debt restructuring on loans to customers (reversal of)	(79)	85	(79)	85
Total	1,998	1,348	2,003	1,354

<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Bad debts and doubtful accounts (reversal of)				
- Interbank and money market items	3	100	3	100
- Loans to customers	3,906	3,514 ⁽¹⁾	3,908	3,534 ⁽¹⁾
Allowance for debt restructuring on loans to customers (reversal of)	(34)	122	(34)	122
Total	3,875	3,736	3,877	3,756

⁽¹⁾ The selling price in excess of the carrying value of NPLs sale (see in Note 12.5) of Baht 99 million was presented as a deduction from this item.

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46 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 2016 and 2015 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:

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>2,151</u>	<u>2,260</u>	<u>2,100</u>	<u>2,179</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,801</u>	<u>43,742</u>	<u>43,801</u>	<u>43,742</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.0491</u>	<u>0.0517</u>	<u>0.0479</u>	<u>0.0498</u>
<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>4,243</u>	<u>3,897</u>	<u>4,158</u>	<u>3,786</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,775</u>	<u>43,710</u>	<u>43,775</u>	<u>43,710</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.0969</u>	<u>0.0892</u>	<u>0.0950</u>	<u>0.0866</u>

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and six-month periods ended 30 June 2016 and 2015 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:

<i>Three-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>2,151</u>	<u>2,260</u>	<u>2,100</u>	<u>2,179</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,801</u>	<u>43,742</u>	<u>43,801</u>	<u>43,742</u>
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme (<i>in million shares</i>)	<u>60</u>	<u>130</u>	<u>60</u>	<u>130</u>
Weighted average number of diluted ordinary shares outstanding (<i>in million shares</i>)	<u>43,861</u>	<u>43,872</u>	<u>43,861</u>	<u>43,872</u>
Diluted earnings per share (<i>in Baht</i>)	<u>0.0490</u>	<u>0.0515</u>	<u>0.0479</u>	<u>0.0497</u>

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<i>Six-month periods ended 30 June</i>	Consolidated		Bank only	
	2016	2015	2016	2015
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>4,243</u>	<u>3,897</u>	<u>4,158</u>	<u>3,786</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	43,775	43,710	43,775	43,710
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme (<i>in million shares</i>)	<u>86</u>	<u>138</u>	<u>86</u>	<u>138</u>
Weighted average number of diluted ordinary shares outstanding (<i>in million shares</i>)	<u>43,861</u>	<u>43,848</u>	<u>43,861</u>	<u>43,848</u>
Diluted earnings per share (<i>in Baht</i>)	<u>0.0967</u>	<u>0.0889</u>	<u>0.0948</u>	<u>0.0864</u>

47 Thai Financial Reporting Standards (TFRS) not yet adopted

A new accounting guideline which has been issued but is not yet effective and has not been applied in preparing these financial statements. The new guideline which will become effective for annual financial periods beginning on or after 1 January 2017, is set out below. The Bank and its subsidiaries do not plan to early adopt this accounting guideline.

TFRS	Topic
FAP announcement No. 5/2016	FAP Guidance on derecognition of financial assets and financial liabilities

The Bank and its subsidiaries have made a preliminary assessment of the potential initial impact on the consolidated and the Bank only financial statements of this new accounting guideline and expects that there will be no material impact on the financial statements in the period of initial application.

48 Events after the reporting period

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

On 24 August 2016, 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 2016 amounting to Baht 2,920 million to be counted as Tier 1 Capital of the Bank.