



UNITED OVERSEAS BANK (THAI) PUBLIC COMPANY LIMITED
Annual Report 2011



***Sweet Rambutans* by Georgette Chen**

Oil on Canvas

This painting by Georgette Chen is one of the most acclaimed pieces in UOB's art collection. The Group started its collection in the 1970s as a way to support the local arts scene. Through this programme, UOB has collected more than 1,500 artworks which are displayed at the Group's offices worldwide.

As UOB is acknowledged as one of the pioneer banks in Singapore, so is too Chen recognised as a forerunner of the visual arts scene in the country. The rambutan fruit is a signature element of Chen's still-life paintings. Chen who is known for her Post-Impressionist style has blended western and eastern elements in this artwork.

Chen has forged a reputation for her portraits, landscape and still-life paintings. She was conferred the Cultural Medallion in 1982. A national arts scholarship has been established in her name.

Company Profile

The United Overseas Bank (Thai) Public Company Limited (“UOB (Thai)”) was incorporated in November 2005 following the merger of the Bank of Asia and UOB Radanasin Bank. UOB (Thai) is a fully-licensed commercial bank. With its wide network of 157 branches, 373 ATMs and 31 foreign exchange kiosks nationwide (as of 31 March 2012), UOB (Thai) offers consumer and corporate customers a comprehensive suite of quality products and services to meet their financial objectives and needs. To complement its commercial banking business, UOB (Thai) has three subsidiaries providing services including asset management, futures broking and debt collection.

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

Moody’s Investors Service:

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

Fitch Ratings:

International Ratings	Long-Term	BBB+
	Short-Term	F2
	Viability	bbb-
	Individual	C

National Ratings	Long-term	AAA(tha)
	Short-term	F1+(tha)

Standard & Poor’s:

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

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

UOB is rated among the world’s top banks by Moody’s Investors Service, receiving B for Financial strength, and Aa1 and Prime-1 for long-term and short-term bank deposits respectively.

UOB’s mission is to be a premier bank in the Asia Pacific region, committed to providing quality products and excellent customer service. UOB (Thai) aims to play a significant role in advancing this mission while contributing to Thailand’s economic development.

Financial Highlights

	Audited Financial Statements	
	2011	2010
Financial Position (Million Baht)		
Assets	298,589	247,891
Loans	189,433	163,135
Allowance for doubtful accounts	5,750	6,147
Deposits	166,307	152,040
Liabilities	266,459	216,109
Shareholders' equity	32,130	31,782
Capital funds	29,034	28,197
Earnings Performance (Million Baht)		
Net interest income	7,633	6,379
Non-interest income	1,907	2,301
Provisions for doubtful debts	1,280	739
Net profit before tax	1,474	1,845
Net profit after tax	125	1,119
Ratios (%)		
Net interest income to average assets	2.79	2.68
Return on average assets	0.05	0.47
Return on average equity	0.39	3.59
Earnings per share - basic (Baht)	0.05	0.45
Book value per share (Baht)	12.93	12.79
Dividend per share (Baht)	0.00	0.15
Capital adequacy ratio	16.69	18.95



“We will continue to invest and grow in Thailand in line with our long-term commitment to the country.”

2011 Review

In 2011, the world economy was impacted by the US's unstable recovery and Europe's sovereign debt issues. Asia continued to drive the global economy. Thailand showed a healthy growth rate until it was hard hit in the fourth quarter by one of the worst floods in recent years. The floods created severe and widespread damage to the industrial and agricultural sectors, and also negatively impacted the insurance and banking sectors. This resulted in Thailand's Gross Domestic Product (GDP) growth falling from the expected 4-5% to 1%.

However the quick response from the government to rehabilitate the disaster hit areas with various stimulus programmes, such as special investment incentives and lowering corporate income tax rates, kept investors' confidence up. These prompt actions persuaded foreign investors to maintain their operations in Thailand, and thus enabled a quick recovery of the economy.

2011 Bank Performance

United Overseas Bank (Thai) (UOB Thai), riding on the country's strong growth until it was derailed at the last quarter, achieved a healthy loans growth rate of 16.1% to Baht 189.4 billion and saw the deposit & bill of exchange growth rate significantly increase by 26.5% to Baht 208.6 billion. This gave us a loans to deposits and bill of exchange ratio of 90.8% at year's end.

The Bank's net interest income showed a strong improvement of 19.7% despite the increasing cost of funds, while the volatility in the foreign currency market affected non-interest income. The Bank's total income improved to Baht 9,539 million.

The strong business growth, however, was offset by consequences of the devastating floods and a one-time write off in tax expenses due to the reduction in corporate tax rate which had an adverse impact on our deferred tax accounting treatment. Arising from the destruction of business capacities by the floods, the Bank allocated additional provisions for our loans as well as our stake in an insurance company. As a result of these factors, the Bank's profit after tax in 2011 dropped to Baht 125 million from Baht 1.1 billion in 2010.

Corporate Developments

In line with our long-term commitment to Thailand, the Bank continued its investment in a few key areas.

UOB (Thai) embarked on a profile raising campaign based on its Fitch rating of AAA(thai). This coincided with the country's reduction of deposits insurance coverage for depositors. The campaign was also in line with our focus on new customer acquisition and deposits growth.

We also implemented a robust channels strategy to boost sales and service specialisation at branches with the aim of improving our service levels and customer experience. A revamped cluster concept focusing on core customer catchment areas in Chinatown and the Eastern Seaboard was introduced. More clusters have been identified to optimise our branch network and to create a strong presence in those zones.

To add value to our corporate and high net worth customers, we set up a Debt Capital Markets (DCM) function as well as revamped our Privilege Banking business. Both businesses will add to our future fee-generating opportunities as well as provide critical differentiation against competitors in a crowded market.

The Bank has also invested heavily to refresh its core retail system in 2011. When completed in 2012, it would enhance product capacity, while improving efficiency and service to our clients.

2012 Outlook

Looking ahead, there are concerns over the global economic weakness especially in the anaemic growth in the US and headwinds facing European economies in the coming years. In Asia, growth is moderating and the world watches closely if the Asian engines of growth can be sustained. Domestically, the strong fundamentals of the Thai economy, flood recovery efforts and increased trade within the Asia Pacific region provide the bases for a quiet sense of optimism that 2012 may be reasonably positive for Thailand.

We will continue to invest and grow in Thailand in line with our long-term commitment to the country and leverage on our extensive global network to provide seamless support for our customers' cross-border business needs. Our priority remains to maintain a healthy capital ratio and a sustainable liquidity position. UOB (Thai) will continue to focus on robust but prudent growth on the back of effective risk and cost management.

Acknowledgement

I would like to thank the Board of Directors for their wise counsel and guidance throughout the year. Moreover I want to acknowledge the contributions of Mr Chua Teng Hui who retired last year. He was Deputy President & Deputy CEO at UOB (Thai) for more than 7 years and had served the UOB Group for more than 23 years.

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

Wee Cho Yaw

Chairman

March 2012

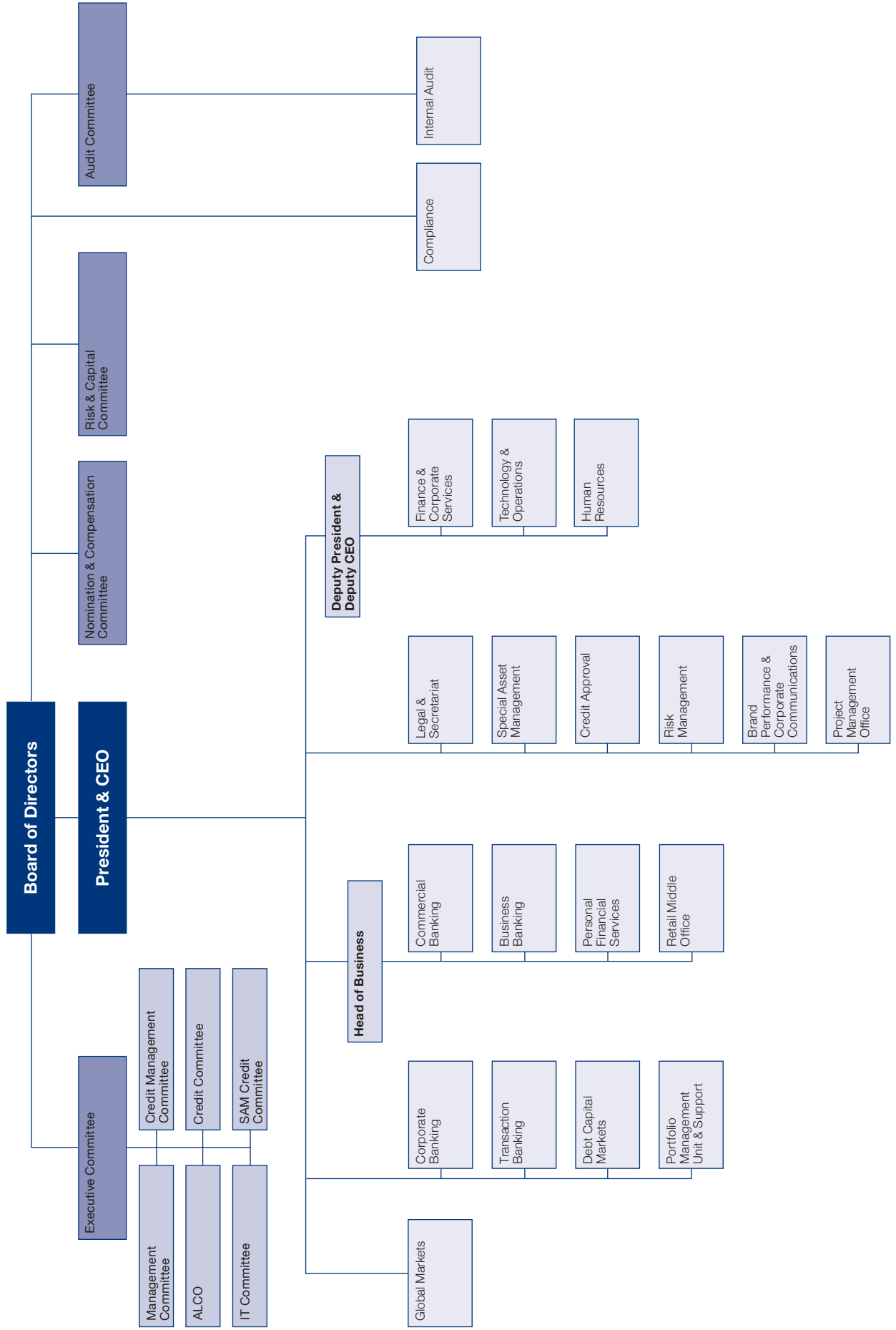
Board of Directors

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Suebtrakul Soonthornthum	Independent Director
Arun Chirachavala	Independent Director
Chinnawat Bulsuk	Independent Director
Lee Chin Yong	Director
Cheo Chai Hong	Director
Wong Kim Choong	Director
Chua Teng Hui	Director
<i>(Retired 1 January 2012)</i>	

Senior Management Team

Wong Kim Choong	President & CEO
Tay Han Chong	Head of Business (Personal Financial Services, Business Banking, Commercial Banking)
Adisorn Sermchaiwong	Executive Director, Country Head of Channels
Busba Virochpoka	Executive Director, Country Head of Brand Performance & Corporate Communications
Chanindh Homsilpakul	Executive Director, Country Head of Technology & Operations
Ho Swit Moy Margaret	Executive Director, Country Head of Credit Approval
Lek Ruangnaovarat	Executive Director, Country Head of Internal Audit
Lim Keng Teck	Executive Director, Country Head of Human Resources
Loh Chen Hwee	Executive Director, Country Head of Global Markets
Ngamjitt Sirijindalert	Executive Director, Country Head of Project Management Office
Pailin Ngsriwongse	Executive Director, Country Head of Corporate Banking 2
Pipat Assamongkol	Executive Director, Country Head of Transaction Banking
Pisal Kattiyothaivong	Executive Director, Country Head of Debt Capital Markets
Piyaporn Ratanaprasartporn	Executive Director, Country Head of Corporate Banking 1
Pornchai Wiwatpattarakul	Executive Director, Country Head of Compliance, Legal and Secretariat
Roongthip Angkasirisan	Executive Director, Country Head of Risk Management
Sanchai Apisaksirikul	Executive Director, Country Head of Finance & Corporate Services
Sayumrat Maranate	Executive Director, Country Head of Business Banking
Vajee Pramualrat	Executive Director, Country Head of Special Asset Management
Yuttachai Teyarachakul	Executive Director, Country Head of Personal Financial Services

Organisational Structure



Management Discussion and Analysis 2011

Statutory Financial Results

The US's slow and unstable economic recovery and Europe's sovereign debt crisis had a significant impact to the world economy. Asia, on the contrary, was the one who was driving world economy in 2011. Without the impact of the flood on its economy, Thailand would have delivered healthy growth as well. The damage from flood brought the country's GDP down to 1%. To help revive the economy, the Government introduced many economic support programmes such as corporate income tax rate reductions, consumer spending stimulus by raising minimum wages, and flood relief financial support programmes among others. These also impacted banking sector's performances.

Despite this, the Bank booked a healthy loans growth of 16.1% and deposit plus bill of exchange growth of 26.5%. The Bank reported a net profit before tax of Baht 1,474 million, a decrease of Baht 371 million from last year. This was mainly due to the prudent provisions against the impact of the floods. The tax expense significantly increased by Baht 621 million from 2010 resulted from the reversal of deferred tax assets to tax expense when the Government announced corporate income tax rate reduction from 30% to 23% and 20% in 2012 and 2013 respectively. This is in compliance with the Thai Accounting Standard. Consequently, net profit after tax decreased by Baht 994 million from 2010 to Baht 125 million in 2011.

Summarised Statutory Financial Results

For the years ended 31 December 2011 and 2010

	Million Baht		
Statements of Comprehensive Income	2011 audited	2010 audited	% change
Interest income	12,145	8,855	37.2
Interest expenses	4,512	2,476	82.2
Net Interest income	7,633	6,379	19.7
Non-interest income	1,907	2,301	(17.1)
Total income	9,539	8,680	9.9
Operating expenses	6,785	6,096	11.3
Operating profit	2,755	2,584	6.6
Impairment loss of loans and debt securities	1,280	739	73.3
Net profit before tax	1,474	1,845	(20.1)
Income tax	1,348	727	85.4
Non-controlling interest	1	(1)	(152.9)
Net profit after tax	125	1,119	(88.8)

	Million Baht		
Key Financial Position Items	31 Dec 11 audited	31 Dec 10 audited	% change
Total assets	298,589	247,891	20.5
Total loans	189,433	163,135	16.1
NPLs	7,503	8,620	(13.0)
Total deposits	166,307	152,040	9.4

Key Financial Ratios (%)	31 Dec 11 audited	31 Dec 10 audited	change
Net interest income to average assets	2.8	2.7	0.1
Loans to deposits ratio	113.9	107.3	6.6
NPLs to total loans ratio	3.1	5.0	(1.9)
Capital adequacy ratio	16.7	19.0	(2.3)

Net Interest Income

Net interest income for 2011 was Baht 7,633 million, an increase of Baht 1,254 million or 19.7% compared with the previous year. This was mainly due to average loans volume of Baht 171 billion, up by Baht 28 billion.

Non-interest Income

Non-interest income was Baht 1,907 million, a decrease of 17.1% compared with the previous year. This was mainly attributed to gains on the sale of investments in an offshore company in the previous year, lower gains on foreign currency exchange but was offset by higher fees and services income largely from insurance and card income.

Operating Expenses

The Bank's operating expenses for 2011 were Baht 6,785 million, an increase of 11.3% from the previous year. Personnel expenses were higher compared with last year due mainly to increased headcount especially in lending and sales, offset by lower premise expenses and lower losses on properties foreclosed.

Impairment

The Bank set aside a total of Baht 1,280 million in loan loss and debt securities provisions for 2011, which was Baht 541 million or 73.3% higher than provisions made for the previous year. This was due to flood impact provisions in 2011.

Capital Expenditure

Capital expenditure for 2011 totaled Baht 532 million compared with Baht 295 million in 2010, an increase of Baht 237 million. The capital expenditure in 2011 was primarily for new branch openings and renovations plus the upgrading of the Bank's information technology platform to improve efficiency and to support business activities.

Dividend Payment Policy

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

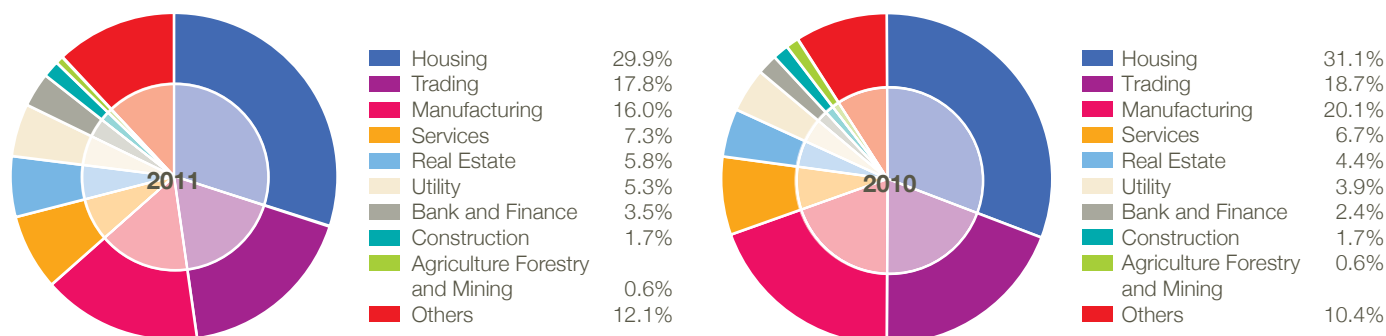
Assets

The total assets of the Bank and its subsidiaries as at 31 December 2011 were Baht 298,589 million, an increase of Baht 50,698 million or 20.5% from 31 December 2010. The increase was largely due to an increase in the Bank's core business in lending assets by Baht 26,298 million or 16.1% and in Treasury activities by Baht 21,951 million or 30.7%.

Loans Portfolio

	% of total loans	
	2011	2010
Housing	29.9	31.1
Trading	17.8	18.7
Manufacturing	16.0	20.1
Services	7.3	6.7
Real Estate	5.8	4.4
Utility	5.3	3.9
Bank and Finance	3.5	2.4
Construction	1.7	1.7
Agriculture Forestry and Mining	0.6	0.6
Others	12.1	10.4
Total loans	100.0	100.0

Loan by Industry



The Bank's loans to the manufacturing industry went down from 20.1% in 2010 to 16.0% in 2011. Loans to the trading industry also decreased from 18.7% to 17.8% and the proportion of housing loans decreased from 31.1% to 29.9%.

Loans to Top 10 Customer Groups

	% to total loans	
	2011	2010
Loans to top 10 customer groups	7.1	8.5
Others	92.9	91.5
Total loans	100.0	100.0

The loans concentration in 2011 improved from the previous year. Loans to the top 10 largest customer groups accounted for 7.1% of total loans, down from 8.5% in 2010.

Classification of Loans*

	2011		2010	
	Million Baht	%	Million Baht	%
Pass	230,902	95.5	161,756	93.4
Special mention	3,294	1.4	2,761	1.6
Total Performing loans	234,196	96.9	164,517	95.0
Substandard	1,423	0.6	1,429	0.8
Doubtful	586	0.2	445	0.3
Doubtful of loss	5,494	2.3	6,746	3.9
Total NPLs	7,503	3.1	8,620	5.0
Grand total	241,698	100.0	173,137	100.0

* including interbank and money market loans

Asset Quality Ratios

	% to total deposits	
	2011	2010
NPLs / Total loans*	3.1	5.0
Provision doubtful accounts / NPLs	76.6	71.3
Provision for doubtful accounts / Total loans	3.0	3.8

* Including interbank and money market loans

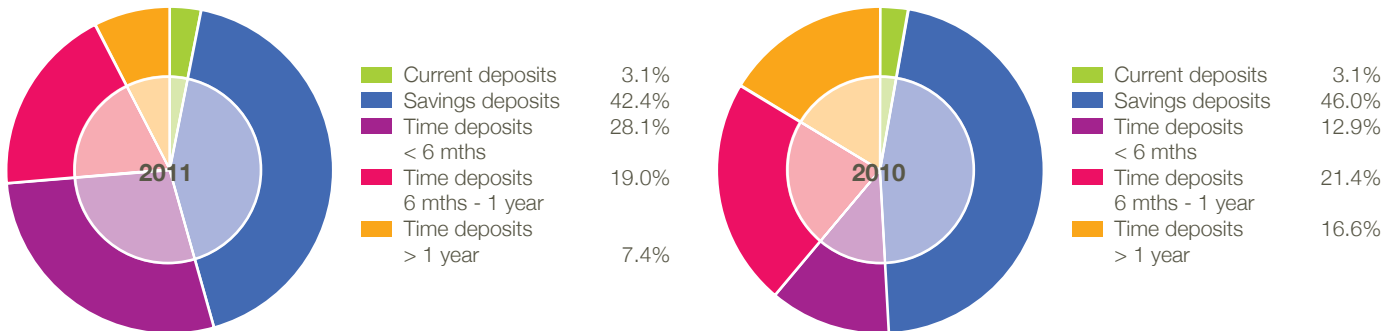
Non-Performing Loan Management

NPLs in 2011 amounted to Baht 7.5 billion, a decrease of Baht 1.1 billion when compared with 2010 mainly from the write off of fully exhausted NPLs. NPLs to total loans ratio decreased by 1.9% accordingly.

Deposit Structure

	% to total deposits	
	2011	2010
Current deposits	3.1	3.1
Savings deposits	42.4	46.0
Time deposits	54.5	50.9
- under 6 months	28.1	12.9
- 6 months - 1 year	19.0	21.4
- over 1 year	7.4	16.6
Total	100.0	100.0

Deposit Structure



As at 31 December 2011, the Bank had total deposits of Baht 166,307 million, an increase of 9.4% from end-2010. Total savings deposits accounted for 42.4% of total deposits, while fixed deposits accounted for 54.5%. The remaining 3.1% was current deposits. Loans to deposits ratio was 113.9% as at end-2011 compared with 107.3% as at end-2010.

Capital Funds

	2011		2010	
	Million Baht	%	Million Baht	%
Total capital	29,034	16.7	28,197	19.0
Tier 1 capital	27,027	15.5	26,446	17.8
Tier 2 capital and others	2,007	1.2	1,751	1.2

The Bank adopted the Foundation Internal Ratings Based Approach ("FIRB") of Basel II capital framework at the end of June 2010. Total capital adequacy ratio remained strong at 16.7% as at end-2011. Total capital adequacy and Tier 1 ratios are above the Bank of Thailand's minimum requirement of 8.50% and 4.25%, respectively.

Report of Independent Auditor

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

I have audited the accompanying consolidated statement of financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries as at 31 December 2011, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and have also audited the separate financial statements of United Overseas Bank (Thai) Public Company Limited for the same period. These financial statements are the responsibility of the Bank's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of United Overseas Bank (Thai) Public Company Limited and its subsidiaries, and the separate financial statements of United Overseas Bank (Thai) Public Company Limited as at 31 December 2010 and for the year then ended, as presented herein for comparative purposes, which were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those financial statements, under her respective reports dated 4 March 2011.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2011, and the results of their operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 4 to the financial statements. During the current year, the Bank and its subsidiaries adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.



Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok: 13 March 2012

Statements of Financial Position

As at 31 December 2011 and 2010

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Assets					
Cash	9	3,401,337	2,808,972	3,401,227	2,808,862
Interbank and money market items - net	10	59,503,263	24,065,011	59,235,184	23,876,781
Claims on security		1,009,497	-	1,009,497	-
Derivatives assets	11	4,112,621	3,358,890	4,112,621	3,358,890
Investments - net	12	34,038,306	47,525,952	34,037,681	47,525,327
Investments in subsidiaries and associate - net	13	5,661	136,401	332,636	749,343
Loans to customers and accrued interest receivables - net	14				
Loans to customers		189,433,185	163,135,472	189,432,302	163,134,636
Accrued interest receivables		540,816	312,420	540,816	312,420
Total loans to customers and accrued interest receivables		189,974,001	163,447,892	189,973,118	163,447,056
Less: Deferred revenue		(320,963)	(288,147)	(320,963)	(288,147)
Allowance for doubtful debts	15	(5,749,564)	(6,146,771)	(5,749,564)	(6,146,771)
Total loans to customers and accrued interest receivables - net		183,903,474	157,012,974	183,902,591	157,012,138
Customers' liability under acceptance		124,183	36,516	124,183	36,516
Properties foreclosed - net	16	3,142,181	4,389,325	3,142,181	4,389,325
Premises and equipment - net	17	4,985,340	3,566,720	4,967,174	3,546,197
Other intangible assets - net	18	913,238	915,727	901,393	902,782
Deferred tax assets - net	19	1,425,108	2,323,990	1,417,717	2,318,385
Other assets - net	20	2,025,039	1,750,317	1,987,113	1,588,874
Total assets		298,589,248	247,890,795	298,571,198	248,113,420

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

Statements of Financial Position (continued)

As at 31 December 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Liabilities and shareholders' equity					
Liabilities					
Deposits	22	166,306,922	152,040,393	166,358,717	152,139,099
Interbank and money market items	23	44,898,504	39,765,246	44,937,750	39,783,179
Liability payable on demand		2,034,943	2,436,524	2,034,943	2,436,524
Liabilities to deliver security		1,009,497	-	1,009,497	-
Derivatives liabilities	11	4,383,280	4,592,580	4,383,280	4,592,580
Debt issued and borrowings	24	42,160,210	12,238,503	42,318,210	12,894,503
Bank's liability under acceptance		124,183	36,516	124,183	36,516
Provisions for long-term employee benefits	25	1,371,901	812,979	1,352,144	811,241
Provisions for other liabilities	26	300,554	208,040	300,554	208,040
Accrued expenses		1,152,442	1,429,252	1,102,285	1,350,047
Other liabilities	27	2,716,368	2,549,058	2,723,137	2,406,830
Total liabilities		266,458,804	216,109,091	266,644,700	216,658,559
Shareholders' equity					
Share capital					
Registered share capital					
2,485,661,305 ordinary shares at par value					
of Baht 10 each					
		24,856,613	24,856,613	24,856,613	24,856,613
Issued and paid-up share capital					
2,485,661,305 ordinary shares at par value					
of Baht 10 each					
		24,856,613	24,856,613	24,856,613	24,856,613
Other components of equity	28	1,928,857	915,910	1,928,857	909,467
Retained earnings					
Appropriated					
Statutory reserve					
	30	202,000	190,000	202,000	190,000
Unappropriated					
		5,109,770	5,792,943	4,939,028	5,498,781
Equity attributable to equity holders of the Bank		32,097,240	31,755,466	31,926,498	31,454,861
Non-controlling interests of the subsidiaries		33,204	26,238	-	-
Total shareholders' equity		32,130,444	31,781,704	31,926,498	31,454,861
Total liabilities and shareholders' equity		298,589,248	247,890,795	298,571,198	248,113,420



Wong Kim Choong
President & Chief Executive Officer




Lee Chin Yong
Director

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

Statements of Comprehensive Income

For the years ended 31 December 2011 and 2010

	Note	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest income	41	12,144,610	8,854,841	12,139,441	8,726,721
Interest expenses	42	4,512,087	2,475,944	4,515,611	2,480,453
Net interest income		7,632,523	6,378,897	7,623,830	6,246,268
Fees and service income		2,350,303	2,079,848	2,141,275	1,871,606
Fees and service expenses		334,698	248,975	474,759	382,609
Net fees and service income	43	2,015,605	1,830,873	1,666,516	1,488,997
Net gain (loss) on foreign currency trading and exchange transactions	44	(51,829)	186,014	(51,829)	185,947
Net gain (loss) on investments	45	(33,200)	158,968	(18,657)	163,261
Shares of profit (loss) from investments accounted for using equity method		(129,958)	5,096	-	-
Dividend income		86,917	68,896	96,836	655,434
Other operating income		19,120	51,466	24,934	27,298
Total operating income		9,539,178	8,680,210	9,341,630	8,767,205
Other operating expenses					
Employee's expenses	46	3,596,091	3,003,383	3,378,528	2,763,384
Directors' remuneration		8,265	8,445	8,100	8,280
Premises and equipment expenses		650,934	921,765	632,037	896,008
Taxes and duties		387,212	329,114	387,130	327,962
Losses on impairment of properties foreclosed and other assets		300,000	500,000	300,000	500,000
Other expenses		1,842,168	1,333,386	1,797,080	1,297,161
Total other operating expenses		6,784,670	6,096,093	6,502,875	5,792,795
Impairment loss of loans and debt securities	47	1,280,331	738,964	1,280,331	704,523
Profit before income tax expenses		1,474,177	1,845,153	1,558,424	2,269,887
Income tax expenses	38	1,348,439	727,470	1,322,859	509,760
Net profit		125,738	1,117,683	235,565	1,760,127

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

Statements of Comprehensive Income (continued)

For the years ended 31 December 2011 and 2010

	Note	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Other comprehensive income					
Changes in revaluation surplus		1,062,524	-	1,062,524	-
Gain on revaluation of available-for-sale investments		62,307	64,898	62,307	60,487
Actuarial losses on defined benefit plans		(123,550)	-	(119,999)	-
Share gain (loss) of other comprehensive income of associate		(6,443)	1,251	-	-
Income tax relating to components of other comprehensive income		(70,336)	(19,473)	(71,043)	(18,147)
Total other comprehensive income		924,502	46,676	933,789	42,340
Total comprehensive income		1,050,240	1,164,359	1,169,354	1,802,467
Net profit attributable to:					
Equity holders of the Bank		125,010	1,119,059	235,565	1,760,127
Non-controlling interests of the subsidiaries		728	(1,376)		
		125,738	1,117,683		
Total comprehensive income attributable to:					
Equity holders of the Bank		1,049,512	1,165,735	1,169,354	1,802,467
Non-controlling interests of the subsidiaries		728	(1,376)		
		1,050,240	1,164,359		
Earnings per share of equity holders of the Bank					
Basic earning per share (Baht)	39	0.05	0.45	0.09	0.71



Wong Kim Choong
President & Chief Executive Officer




Lee Chin Yong
Director

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

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statement										
	Equity attributable to equity holders of the Bank										
	Other components of equity					Retained earnings					Total equity attributable to equity holders of the Bank
	Issued and paid-up share capital	Revaluation surplus on assets	Revaluation surplus on investments	Share of other comprehensive income of associate	Appropriated Statutory reserve	Unappropriated	Non-controlling interests of the subsidiaries	Total			
Beginning balance as of 1 January 2010	24,856,613	721,970	146,115	5,192	100,000	4,759,841	30,589,731	27,614	30,617,345	-	
Amortisation of revaluation surplus on assets	-	(4,043)	-	-	-	4,043	-	-	-	-	
Net profit for the year	-	-	-	-	-	1,119,059	1,119,059	(1,376)	1,117,683	-	
Other comprehensive income	-	-	45,425	1,251	-	-	46,676	-	46,676	-	
Total comprehensive income for the year	-	-	45,425	1,251	-	1,119,059	1,165,735	(1,376)	1,164,359	-	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	90,000	(90,000)	-	-	-	-	
Ending balance as of 31 December 2010	24,856,613	717,927	191,540	6,443	190,000	5,792,943	31,755,466	26,238	31,781,704	26,238	
Beginning balance as of 1 January 2011	24,856,613	717,927	191,540	6,443	190,000	5,792,943	31,755,466	26,238	31,781,704	26,238	
Cumulative effect of the change in an accounting policy regarding employee benefits (Note 4)	-	-	-	-	-	(419,944)	(419,944)	(9)	(419,953)	(9)	
Deferred tax recognised in shareholder equity from change in an accounting policy regarding employee benefits	-	-	-	-	-	84,008	84,008	-	84,008	-	
Disposal and amortisation of revaluation surplus on assets	-	(10,398)	-	-	-	11,442	1,044	-	1,044	-	
Net profit for the year	-	-	-	-	-	125,010	125,010	728	125,738	728	
Other comprehensive income	-	952,580	77,208	(6,443)	-	(98,840)	924,505	(3)	924,502	(3)	
Total comprehensive income for the year	-	952,580	77,208	(6,443)	-	26,170	1,049,515	725	1,050,240	725	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	12,000	(12,000)	-	-	-	-	
Dividend payment (Note 29)	-	-	-	-	-	(372,849)	(372,849)	-	(372,849)	-	
Non-controlling interests of the subsidiaries from increase of share capital of the subsidiary	-	-	-	-	-	-	-	6,250	6,250	6,250	
Ending balance as of 31 December 2011	24,856,613	1,660,109	268,748	-	202,000	5,109,770	32,097,240	33,204	32,130,444	33,204	

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

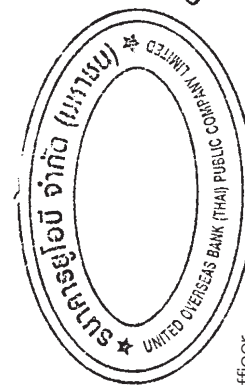
Statements of Changes in Shareholders' Equity (continued)

For the years ended 31 December 2011 and 2010

	(Unit: Thousand Baht)						
	Separate financial statements						
	Issued and paid-up share capital	Other components of equity			Retained earnings		
Revaluation surplus on assets		Revaluation surplus on investments	Revaluation surplus	Appropriated Statutory reserve	Unappropriated	Total	
Beginning balance as of 1 January 2010	24,856,613	721,970	149,200	100,000	3,824,611	29,652,394	
Amortisation of revaluation surplus on assets	-	(4,043)	-	-	4,043	-	
Net profit for the year	-	-	-	-	1,760,127	1,760,127	
Other comprehensive income	-	-	42,340	-	-	42,340	
Total comprehensive income for the year	-	-	42,340	-	1,760,127	1,802,467	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	90,000	(90,000)	-	
Ending balance as of 31 December 2010	24,856,613	717,927	191,540	190,000	5,498,781	31,454,861	
Beginning balance as of 1 January 2011	24,856,613	717,927	191,540	190,000	5,498,781	31,454,861	
Cumulative effect of the change in an accounting policy regarding employee benefits (Note 4)	-	-	-	-	(407,390)	(407,390)	
Deferred tax recognised in shareholders' equity from change in an accounting policy regarding employee benefits	-	-	-	-	81,478	81,478	
Disposal and amortisation of revaluation surplus on assets	-	(10,398)	-	-	11,442	1,044	
Net profit for the year	-	-	-	-	235,565	235,565	
Other comprehensive income	-	952,580	77,208	-	(95,999)	933,789	
Total comprehensive income for the year	-	952,580	77,208	-	139,566	1,169,354	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	12,000	(12,000)	-	
Dividend payment (Note 29)	-	-	-	-	(372,849)	(372,849)	
Ending balance as of 31 December 2011	24,856,613	1,660,109	268,748	202,000	4,939,028	31,926,498	



Wong Kim Chong
President & Chief Executive Officer




Lee Chin Yong
Director

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

Statements of Cash Flows

For the years ended 31 December 2011 and 2010

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before income tax expenses	1,474,177	1,845,153	1,558,424	2,269,887
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Shares of (profit) loss from investments accounted for using equity method	129,958	(5,096)	-	-
Depreciation	312,726	338,997	306,878	330,140
Amortisation and loss on assets written off	150,072	134,970	148,260	132,980
Unrealised (gain) loss on revaluation of investments	(33,154)	13,232	(33,154)	13,232
Impairment loss of loans and debt securities	1,771,232	1,331,558	1,771,232	1,308,115
Losses on impairment of properties foreclosed and other assets	300,000	500,000	300,000	500,000
(Gain) loss on disposal of investments	28,700	(158,968)	28,700	(163,261)
Provision for loss on impairment of investments in associated company	-	-	121,117	-
Reversal of revaluation loss on premises	(298,959)	-	(298,959)	-
Premium on return of share capital by subsidiary company	-	-	(135,661)	-
(Gain) loss on disposal of premises and equipment	3,504	(4,944)	4,334	14,197
(Gain) loss on exchange	(582,672)	1,331,706	(582,672)	1,331,706
Increase in accrued other income	(1,349)	(37,426)	(14,089)	(18,564)
Increase in provisions for long-term employee benefits	116,856	270,722	114,456	275,910
Increase in provisions	92,514	97,211	92,514	102,399
Increase (decrease) in accrued other expenses	(16,855)	170,539	8,820	183,886
Net interest income	(7,632,523)	(6,378,897)	(7,623,830)	(6,246,233)
Dividend income	(86,917)	(68,896)	(96,836)	(655,434)
Cash received on interest income	11,945,965	8,783,627	12,367,032	8,658,908
Cash received on dividend income	86,917	68,896	86,836	69,434
Cash paid on interest expenses	(4,384,835)	(2,402,832)	(4,389,063)	(2,409,883)
Cash paid on income tax	(768,606)	(852,225)	(742,593)	(786,630)
Income from operating activities before changes in operating assets and liabilities	2,606,751	4,977,327	2,991,746	4,910,789

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

Statements of Cash Flows (continued)

For the years ended 31 December 2011 and 2010

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(Increase) decrease in operating assets				
Interbank and money market items	(35,320,613)	22,942,247	(35,110,107)	22,982,026
Investment in securities for trading	1,139,225	(9,755,093)	1,139,225	(9,755,092)
Derivatives assets	2,090,017	1,100,921	2,090,017	1,100,921
Loans to customers	(28,257,597)	(20,436,374)	(28,257,550)	(20,534,348)
Properties foreclosed	1,027,496	1,464,018	1,027,496	1,461,460
Other assets	657,780	(512,403)	(7,245)	(908,944)
Increase (decrease) in operating liabilities				
Deposits	14,238,091	1,063,539	14,191,840	972,766
Interbank and money market items	4,702,087	12,089,996	4,723,399	11,967,791
Liability payable on demand	(401,874)	381,190	(401,874)	381,190
Derivatives liabilities	(2,427,823)	(1,056,339)	(2,427,823)	(1,056,339)
Debt issued and short-term borrowings	7,486,465	2,370,485	6,993,465	2,896,485
Provisions for long-term employee benefits	(101,427)	(102,092)	(100,944)	(102,092)
Other liabilities	107,149	924,359	249,460	988,219
Net cash (used in) provided by operating activities	(32,454,273)	15,451,781	(32,898,895)	15,304,832
Cash flows from investing activities				
Proceeds from sales of investments	61,717,520	29,292,805	61,717,520	29,270,643
Cash paid for investments	(50,205,011)	(45,267,234)	(50,205,011)	(45,265,272)
Cash paid for investment in subsidiary company	-	-	(18,750)	-
Cash paid for entire business transfer of a subsidiary	-	-	-	(465,798)
Proceeds from return of share capital by subsidiary company	-	-	450,000	-
Dividend received from subsidiary company	-	-	10,000	586,000
Proceeds from sales of premises and equipment	9,310	24,271	7,955	4,491
Purchases of premises and equipment	(384,265)	(149,720)	(380,249)	(147,201)
Purchases of intangible assets	(147,582)	(145,052)	(146,871)	(143,820)
Net cash provided by (used in) investing activities	10,989,972	(16,244,930)	11,434,594	(16,160,957)

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

Statements of Cash Flows (continued)

For the years ended 31 December 2011 and 2010

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from financing activities				
Decrease in long-term borrowings	22,429,515	43,773	22,429,515	106,773
Cash paid for dividend	(372,849)	-	(372,849)	-
Net cash provided by financing activities	22,056,666	43,773	22,056,666	106,773
Net increase (decrease) in cash and cash equivalents	592,365	(749,376)	592,365	(749,352)
Cash and cash equivalents as at 1 January	2,808,972	3,558,348	2,808,862	3,558,214
Cash and cash equivalents as at 31 December	3,401,337	2,808,972	3,401,227	2,808,862

Supplemental disclosures of cash flows information

Non-cash item

Properties foreclosed received in settlement of debts from borrowing

78,764	60,996	78,764	60,996
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Wong Kim Choong
President & Chief Executive Officer




Lee Chin Yong
Director

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

Notes to Consolidated Financial Statements

For the years ended 31 December 2011 and 2010

1. General information

1.1 Corporate information

United Overseas Bank (Thai) Public Company Limited (“the Bank”) is a public company incorporated and domiciled in Thailand. The Bank’s main business is commercial banking. The registered office of the Bank is at 191 South Sathon Road, Sathon, Bangkok. As at 31 December 2011, the Bank conducts its business through a network of 154 branches, covering all parts of Thailand (2010: 146 branches). Its major shareholder is United Overseas Bank Limited, a company registered in Singapore.

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

1.2 The entire business transfer of the subsidiary

At the Annual General Meeting No.18, held on 16 April 2010, the shareholders approved the transfer to the Bank of the entire business of UOB Leasing (Thai) Co., Ltd., a subsidiary company in which the Bank holds a 99.99% interest. Such transfer of business includes the transfer of all assets, liabilities, and employees of the subsidiary. On 1 October 2010, the Bank entered into an agreement to transfer an entire business with its subsidiary, under which it was to receive all of its subsidiary’s business, together with its assets, liabilities and obligations, including the employees of its subsidiary. The transfer price was set at the net book value of the subsidiary as at the end of the last working day prior to the effective date per the agreement (1 October 2010).

Asset and liability items of the subsidiary as at 30 September 2010 are as follows:

	(Unit: Baht)
Assets	
Cash and cash equivalents	49,996,016
Hire-purchase receivables	436,507,055
Financial lease receivables	2,401,375,838
Factoring receivables	471,508,596
Other current assets - net	7,451,442
Other long-term investments - net	1
Loans to other companies - net	2,008,687
Leasehold improvement and equipment - net	5,745,847
Other non-current assets - net	1,000,000
Liabilities	
Loans from the parent company	2,517,720,000
Installments received in advance	3,626,310
Current portion of deposits under lease agreements	1,738,318
Amount due to the parent company	300,000,000
Other current liabilities	44,737,531
Deferred tax liabilities	41,973,410
Transfer price - net book value	465,797,913

On 15 October 2010, an extraordinary general meeting of the subsidiary approved its dissolution, and this was registered with the Ministry of Commerce on 15 October 2010.

On 18 March 2011, the Annual General Meeting of the subsidiary approved the return of Baht 450 million of the subsidiary's capital to its shareholders, including the Bank. The Bank received the return of Baht 450 million on 21 March 2011.

2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and the presentation of the financial statements has been made in accordance with the Bank of Thailand ("The BOT")'s Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010, which is effective for fiscal years beginning on or after 1 January 2011. Hence, the Bank reclassified certain items of the comparative financial statements as described in Note 49 to the financial statements.

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

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

3. Basis of consolidation

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

	Business type	Country of registration	Percentage of share holdings		Percentage of total assets included in consolidated assets		Percentage of income included in consolidated income		
			As at 31 December		As at 31 December		For the years ended		
			2011	2010	2011	2010	2011	2010	
Subsidiaries									
UOB Leasing (Thai) Co., Ltd.	Liquidation	Thailand	99.99	99.99	-*	-	-*	1.84	
UOB Asset Management (Thai) Co., Ltd.	Fund Management	Thailand	99.99	99.99	0.10	0.10	1.91	2.38	
UOB Bullion and Futures (Thai) Co., Ltd.	Derivatives Brokerage	Thailand	75.00	75.00	0.01	0.05	0.24	0.15	
UOB Services Co., Ltd.	Debt Collection Business	Thailand	99.99	99.99	0.01	0.01	-	-	

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

The consolidated financial statements for the year ended 31 December 2011 excluded the financial statements of a subsidiary company, UOB Leasing (Thai) Company Limited, which has registered its dissolution with the Ministry of Commerce and is in the process of being liquidated. The Management believes that the financial statements as prepared by the management of the subsidiary for the year ended 31 December 2011 are immaterial, with the subsidiary presenting total assets of Baht 8 million and shareholders' equity of Baht 7 million and profit from operation for the year of Baht 2 million.

- (b) Subsidiaries are entities in which the Bank has control over the financial and operating policies of those entities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases. The effects to the consolidated financial statements of all significant transactions between the Bank and its subsidiaries are eliminated in the consolidated financial statements, including investment in subsidiaries and share capital of subsidiaries.
- (c) The financial statements of the subsidiaries are prepared using the same accounting periods and significant accounting policies as the Bank.
- (d) The accompanying financial statements include the accounts of all branches after elimination of significant inter-branch transactions and balances.
- (e) If the Bank receives shares as a result of debt restructuring of a borrower, which causes the Bank to hold more than 20% or 50% of the shares of such company, the Bank will not treat that investee company as an associated or a subsidiary company, but will treat it as general investments since the Bank intends to hold such shares only temporarily.
- (f) The consolidated financial statements do not include the financial statements of unit trusts in which the Bank holds more than 50% of their issued units since the Bank has no control over their financial and operating policies.
- (g) The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.
- (h) Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position.

4. Adoption of new accounting standards during the year

During the current year, the Bank and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting Standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures

TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial Reporting Standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue - Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans using actuarial techniques. Currently, the Bank records employee benefits when they are paid to the employees, and some portions being estimated as provisions through profit or loss from operation.

Hence, the Bank and its subsidiaries have changed this accounting policy since the beginning of the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. This resulted in the decrease in the retained earnings brought forward as at 1 January 2011 in the consolidated financial statements by Baht 336 million (long-term employee benefit obligations of Baht 420 million net of related deferred tax of Baht 84 million) and the separate financial statements by Baht 326 million (long-term employee benefit obligations of Baht 407 million net of related deferred tax of Baht 81 million). The cumulative effect of such change in the accounting policy has already been presented under the heading of “Cumulative effect of change in accounting policy regarding employee benefits” in the statements of changes in shareholders’ equity.

In addition, the change in such accounting policy also has the effect of decreasing the net profit of the Bank and its subsidiaries for the year ended 31 December 2011 by Baht 117 million, or Baht 0.05 per share (The Bank only: decreasing net profit by Baht 115 million, or Baht 0.05 per share).

5. New accounting standards issued during the years not yet effective

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

Accounting standards:

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

Accounting Standard Interpretations:

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

The Bank and its subsidiaries have early adopted TAS 12: Income Taxes. With respect to the other accounting standards and Accounting Standard Interpretations, the management of the Bank and its subsidiaries believe that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

6. Significant accounting policies

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

6.1 Revenue recognition

(a) Interest and discount on loans

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

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

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

(b) Hire purchase and financial lease income recognition

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

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

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

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

- (c) Revenues from factoring are recognised on an accrual basis except for overdue receivables more than three months, which are recognised on a cash basis.
- (d) Management fees and registrar fees are calculated as a percentage of the net asset value of the funds managed by a subsidiary or fixed amount as mentioned in prospectus and recognised as income on an accrual basis.
- (e) Brokerage fees on derivatives business and service fees on derivatives business are recognised as income on the transaction date.
- (f) Realised gains or losses resulting from sales of securities and derivatives are recognised as at transaction date.
- (g) Interest and dividends on investments
Interest on investments is recognised as income on an accrual basis based on the effective interest rate. Dividends are recognised as income when the right to receive the dividend is established.
- (h) Fee income and other service income are recognised on an accrual basis.

6.2 Expenses recognition

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

6.3 Cash

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

6.4 Claims on securities/Liabilities to deliver securities

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

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

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

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

6.5 Investments

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

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

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

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

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

Purchases and sales of investments are recognised on settlement date.

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

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

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

Fair values of securities are calculated on the following bases:

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

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

6.6 Investments in subsidiaries and associated company

Separate financial statements

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

Consolidated financial statements

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

6.7 Loans

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

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

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

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

6.8 Allowance for doubtful accounts

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

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

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

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

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

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

6.9 Troubled debt restructuring

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

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

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

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

6.10 Properties foreclosed

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

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

6.11 Premises and equipment and depreciation

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

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

Premises	-	50 years
Equipment	-	5 or 10 years

No depreciation is determined for land and assets under installation.

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

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

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

Amortisation of the revaluation surplus on assets is transferred directly to retained earnings (deficit).

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

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

6.12 Leasehold rights

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

6.13 Intangible assets and amortisation

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

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

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

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

6.14 Provisions - other liabilities

Provisions are recognised when the Bank and its subsidiaries has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that no independent market value can be obtained, then an estimate is assessed.

6.15 Related party transactions

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

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

6.16 Impairment of assets

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

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

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

6.17 Employee benefits

Short-term employment benefits

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

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

Post-employment benefits

Defined contribution plans

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

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

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

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

Defined benefit plans or other defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

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

6.18 Operating leases

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

6.19 Share-based payment transactions

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

6.20 Contributions to the Deposit Protection Agency

Contributions to the Deposit Protection Agency are recorded as expenses for the year on an accrual basis.

6.21 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

6.22 Translation of foreign currency

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

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

6.23 Financial derivatives

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

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

6.24 Offsetting

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

7. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. However, the use of different estimates and assumptions could affect the amounts of accounting estimate. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

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

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

Fair value of financial instruments

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

Impairment of investments

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

Recognition and derecognition of assets and liabilities

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

Post-employment benefits under defined benefit plan

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

Intangible assets

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

Litigation

The Bank has contingent liabilities as a result of litigation. The Bank's management has used judgment to assess of the results of the litigation. The estimated loss has been recorded under contingent liabilities as at the end of reporting period.

Leases

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

Premises and equipment and depreciation

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

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

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

Allowance for impairment of property foreclosed

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

Profit and loss sharing from transfer non-performing loan

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

Deferred tax assets

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

8. Regulatory rule related to capital fund

According to the BOT's Notification Sor Nor Sor 25/2552, commercial banks are required to disclose certain additional capital information for position of 31 December 2011. The Bank will disclose this mandatory information at its website (www.uob.co.th) by end-April 2012. The Bank also disclosed capital adequacy and capital risk exposure information as of 31 December 2010 since 11 April 2011.

9. Cash

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2011	2010
Cash	3,081	2,712
Cheques in transit	320	97
Total	3,401	2,809

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

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December					
	2011			2010		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	24,557	26,200	50,757	2,196	10,800	12,996
Commercial banks	93	1,889	1,982	74	5,557	5,631
Specific financial institutions	1	172	173	-	2,225	2,225
Other financial institutions	9	1,861	1,870	-	2,689	2,689
Total	24,660	30,122	54,782	2,270	21,271	23,541
Add: Accrued interest receivables	20	41	61	-	9	9
Less: Deferred revenue	-	(2)	(2)	-	(5)	(5)
Allowance for doubtful accounts	(2)	(16)	(18)	-	(4)	(4)
Total domestic items	24,678	30,145	54,823	2,270	21,271	23,541
Foreign items						
US Dollar	28	4,119	4,147	91	-	91
Yen	111	-	111	67	-	67
EURO	131	-	131	65	-	65
Other currencies	273	-	273	301	-	301
Total	543	4,119	4,662	524	-	524
Add: Accrued interest receivables	-	18	18	-	-	-
Total foreign items	543	4,137	4,680	524	-	524
Total domestic and foreign items	25,221	34,282	59,503	2,794	21,271	24,065

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2011			2010		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	24,557	26,200	50,757	2,196	10,800	12,996
Commercial banks	89	1,800	1,889	62	5,506	5,568
Specific financial institutions	-	-	-	-	2,100	2,100
Other financial institutions	9	1,861	1,870	-	2,689	2,689
Total	24,655	29,861	54,516	2,258	21,095	23,353
Add: Accrued interest receivables	20	39	59	-	9	9
Less: Deferred revenue	-	(2)	(2)	-	(5)	(5)
Allowance for doubtful accounts	(2)	(16)	(18)	-	(4)	(4)
Total domestic items	24,673	29,882	54,555	2,258	21,095	23,353
Foreign items						
US Dollar	28	4,119	4,147	91	-	91
Yen	111	-	111	67	-	67
EURO	131	-	131	65	-	65
Other currencies	273	-	273	301	-	301
Total	543	4,119	4,662	524	-	524
Add: Accrued interest receivables	-	18	18	-	-	-
Total foreign items	543	4,137	4,680	524	-	524
Total domestic and foreign items	25,216	34,019	59,235	2,782	21,095	23,877

11. Derivatives assets/liabilities

As at 31 December 2011 and 2010, the Bank has notional amounts and fair value of derivatives held for trading book classified by type of risk is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December					
	2011			2010		
	Fair Value		Notional amount	Fair Value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Foreign exchange rates	1,942	2,038	146,339	1,746	2,726	148,614
Interest rate	2,168	2,342	469,125	1,613	1,867	318,788
Others	3	3	168	-	-	429
Total	4,113	4,383	615,632	3,359	4,593	467,831

As at 31 December 2011 and 2010, the proportion, determined based on the notional amount, of derivatives transactions divided by type of counterparty is as follows:

Counterparty	(Unit: Percentage)	
	Consolidated and separate financial statements	
	As at 31 December	
	2011	2010
Financial institutions	94.54	96.67
Others	5.46	3.33
Total	100.00	100.00

12. Investments

12.1 Classified by types of investment

	(Unit: Million Baht)	
	Consolidated financial statements	
	As at 31 December	
	2011	2010
	Fair value	Fair value
Securities for trading		
Government and state enterprises securities	15,976	17,082
Total	15,976	17,082
Available-for-sale securities		
Government and state enterprises securities	17,065	28,462
Marketable domestic equity securities	276	301
Marketable foreign equity security	90	58
Structured notes	-	259
Unit trusts	517	531
Total	17,948	29,611

	(Unit: Million Baht)	
	Consolidated financial statements	
	As at 31 December	
	2011	2010
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity debt instruments - due within 1 year		
Thai Asset Management Corporation promissory notes	-	2,864
Less: Allowance for impairment of securities	-	(2,211)
Total	-	653
	Cost	Cost
General investments		
Non-marketable domestic equity securities	119	120
Non-marketable foreign equity securities	14	14
Unit trusts	63	123
Total	196	257
Less: Allowance for impairment of securities	(82)	(77)
Total	114	180
Total investments - net	34,038	47,526

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2011	2010
	Fair value	Fair value
Securities for trading		
Government and state enterprises securities	15,976	17,082
Total	15,976	17,082
Available-for-sale securities		
Government and state enterprises securities	17,065	28,462
Marketable domestic equity securities	276	301
Marketable foreign equity security	90	58
Structured notes	-	259
Unit trusts	517	531
Total	17,948	29,611

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2011	2010
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity debt instruments - due within 1 year		
Thai Asset Management Corporation promissory notes	-	2,864
Less: Allowance for impairment of securities	-	(2,211)
Total	-	653
	Cost	Cost
General investments		
Non-marketable domestic equity securities	119	119
Non-marketable foreign equity securities	14	14
Unit trusts	63	123
Total	196	256
Less: Allowance for impairment of securities	(82)	(77)
Total	114	179
Total investments - net	34,038	47,525

As at 31 December 2011, the Bank classified promissory notes received from TAMC as "other receivable", which were presented as part of other assets, as detailed in Note 20 to the financial statements. These promissory notes matured in 2011, as detailed in Note 14.8.3 to the financial statements.

As at 31 December 2011, the Bank has commitments to purchase debt securities of Baht 3,583 million (2010: Baht 11,711 million) and commitments to sell debt securities of Baht 3,576 million (2010: Baht 12,812 million).

The Bank has commitments in relation to an investment agreement to purchase investment units denominated in US Dollar currency. As at 31 December 2011, the Bank was committed to pay Baht 11 million, (2010: Baht 10 million) converted using the exchange rate ruling at the end of reporting period, for this investment.

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

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

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

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2010			
	Remaining within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	25,469	3,048	-	28,517
Private sector debt securities	25	-	-	25
Structured notes	259	-	-	259
Total	25,753	3,048	-	28,801
Less: Allowance for revaluation	(13)	(42)	-	(55)
Less: Allowance for impairment of securities	(25)	-	-	(25)
Total	25,715	3,006	-	28,721
Held-to-maturity debt instruments				
Thai Asset Management Corporation promissory notes	2,864	-	-	2,864
Less: Allowance for impairment of securities	(2,211)	-	-	(2,211)
Total	653	-	-	653

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

Company's name	Nature of business	Type of security	Consolidated and separate financial statements							
			Paid-up share capital		Percentage of investment		Carrying value*		Dividend for the years ended	
			As at 31 December		As at 31 December		As at 31 December		31 December	
			2011	2010	2011	2010	2011	2010	2011	2010
	(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)		

Related company

Wing Fat Co., Ltd.	Manufacturing	Common stock	70	70	14.29	14.29	-	-	-	-
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* Carrying value represents the cost less the allowance for impairment (if any).

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

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2011	2010
Investment in equity funds	180	204
Investment in flexible funds	337	327
Total	517	531

13. Investments in subsidiaries and associated company

Company's name	Nature of business	Type of security	Consolidated financial statements															
			Paid-up share capital		Percentage of holding		Cost method		Equity method		Dividend income recognised for the years ended		Shares of profit (loss) for the years ended					
			As at 31 December 2011	2010	As at 31 December 2011	2010	As at 31 December 2011	2010	As at 31 December 2011	2010	As at 31 December 2011	2010	As at 31 December 2011	2010	2011	2010	2011	2010
(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	
Subsidiary - not included in consolidated financial statement																		
UOB Leasing (Thai) Co., Ltd.	Liquidation	Common stock	4	320	99.99	99.99	6	-	6*	-	-	-	-	-	470	-	-	-
Associated company																		
AXA Insurance Public Co., Ltd.	Non-life insurance	Common stock	353	353	22.06	22.06	121	121	-	-	136	-	-	1	(130)	5	-	-
Investments in subsidiaries and associated company																		
Less: Allowance for impairment																		
Investments in subsidiaries and associated company - net																		
			6	121	6	136	6	136	6	136	6	136	6	136	6	136	6	136

* The consolidated financial statements for year ended 31 December 2011 excluded the financial statements of UOB Leasing (Thai) Co., Ltd, which was deregistered under liquidation. Such investment then stated at cost.

Company's name	Nature of business	Type of security	Paid-up share capital						Percentage of holding		Investment (Cost method)		Dividend income recognised for the years ended	
			As at 31 December 2010		As at 31 December 2011		As at 31 December 2010		As at 31 December 2011		31 December 2010		31 December 2011	
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
			2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Subsidiaries														
UOB Leasing (Thai) Co., Ltd.	Liquidation	Common stock	4	320	99.99	99.99	6	800	-	470	-	470		
UOB Asset Management (Thai) Co., Ltd.	Fund management	Common stock	100	100	99.99	99.99	135	135	-	50	-	50		
UOB Bullion and Futures (Thai) Co., Ltd.	Derivatives brokerage	Common stock	175	150	75.00	75.00	132	113	-	-	-	-		
UOB Services Co., Ltd.	Debt Collection Business	Common stock	60	60	99.99	99.99	60	60	10	66	10	66		
Associated company														
AXA Insurance Public Co., Ltd.	Non-life insurance	Common stock	353	353	22.06	22.06	121	121	-	1	-	1		
Investments in subsidiaries and associated company			454		1,229		10		587					
Less: Allowance for impairment			(121)		(480)									
Investments in subsidiaries and associated company - net			333		749									

Separate financial statements

On 18 March 2011, the Annual General Meeting of UOB Leasing (Thai) Co., Ltd. approved the return of Baht 450 million of its capital to its shareholders, including the Bank as detailed in Note 1.2 to the financial statements.

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

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

	(Unit: Million Baht)	
	As at 31 December	
	2011	2010
Paid-up capital	353	353
Fair values of investments (Net Assets Value)	(100)	612
Total assets	2,569	2,015
Total liabilities	2,669	1,403
Total revenues for the year	1,456	1,456
Income (loss) for the year	(683)	8
Dividend received during the year	-	1

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

	(Unit: Million Baht)	
	As at 31 December	
	2011	2010
Shareholders' equity in the separate financial statements	31,926	31,455
Reconciliation items		
Accumulated share of profit from investments under equity method	251	375
Accumulated dividend received from associated company	(80)	(80)
Non-controlling interests	33	26
Revaluation surplus of associated investment	-	6
Total reconciliation items	204	327
Shareholders' equity in consolidated financial statements	32,130	31,782

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

14. Loans to customers and accrued interest receivables - net

14.1 Classified by loan type

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Overdrafts	14,303	14,152	14,303	14,152
Loans	121,222	94,912	121,221	94,911
Trade bills	50,083	50,349	50,083	50,349
Hire-purchase receivables	691	487	691	487
Financial lease receivables	2,561	2,513	2,561	2,513
Others	573	722	573	722
Less: Deferred revenue	(321)	(288)	(321)	(288)
Total loans to customers net of deferred revenue	189,112	162,847	189,111	162,846
Add: Accrued interest receivables	541	313	541	313
Total loans to customers net of deferred revenue and accrued interest receivables	189,653	163,160	189,652	163,159
Less: Allowance for doubtful accounts				
1. The BOT's minimum requirement provision				
- Individual approach	(4,385)	(5,019)	(4,385)	(5,019)
- Collective approach	(239)	(383)	(239)	(383)
2. Provision in excess of the BOT's minimum rates required *	(1,125)	(745)	(1,125)	(745)
Total loans to customers and accrued interest receivables - net	183,904	157,013	183,903	157,012

* Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business factors including economic factors, and other risk that may affect the quality of assets.

14.2 Classified by currencies and residential status of debtors

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2011			2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	181,738	150	181,888	157,784	157	157,941
US Dollar	6,486	-	6,486	4,473	-	4,473
Other currencies	738	-	738	433	-	433
Total loans, net of deferred revenue	188,962	150	189,112	162,690	157	162,847

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2011			2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	181,737	150	181,887	157,783	157	157,940
US Dollar	6,486	-	6,486	4,473	-	4,473
Other currencies	738	-	738	433	-	433
Total loans, net of deferred revenue	188,961	150	189,111	162,689	157	162,846

14.3 Classified by types of business and classified loans

(Unit: Million Baht)

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

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2010						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	649	20	4	-	369	1,042
Manufacturing and commerce	56,648	1,192	614	28	4,679	63,161
Real estate and construction	9,426	251	37	2	340	10,056
Public utilities and services	16,460	516	65	-	212	17,253
Housing loans	48,500	441	383	215	1,096	50,635
Others	19,782	341	326	200	50	20,699
Total loans, net of deferred revenue	151,465	2,761	1,429	445	6,746	162,846

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

(Unit: Million Baht)

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

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

(2) Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business factors including economic factors, and other risk that may affect the quality of assets.

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2010						
	Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculate allowance for doubtful ⁽¹⁾	Percentage of allowance for doubtful account set up	Allowance for doubtful accounts
					(%)	
The BOT's minimum requirement provision						
Pass	151,766	5	151,771	48,640	1	486
Special mention	2,773	-	2,773	1,023	2	21
Sub-standard	1,429	4	1,433	798	100	798
Doubtful	445	1	446	216	100	216
Doubtful of loss	6,746	2	6,748	3,888	100	3,888
Provision in excess of the BOT's minimum rates required ⁽²⁾	-	-	-	-		745
Total	163,159	12	163,171	54,565		6,154

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

(2) Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business factors including economic factors, and other risk that may affect the quality of assets.

As at 31 December 2011, loan provisions mentioned above include provision for other claims, amounting to Baht 8 million (2010: Baht 7 million).

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

As at 31 December 2011 and 2010 the Bank has classified unsecured consumer loan in accordance with the Notification of the BOT for non-performing loans (excluding receivables classified as pass and special mention) using a collective approach, as follows:

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

Overdue (Days)	(Unit: Million Baht)		
	Separate financial statements		
	As at 31 December 2010		
	Unsecured consumer loans	The range of provision (%)	Provision amount
0 - 119	302	73 - 94	228
120 - 179	205	73 - 94	155
Total	507		383

14.5 Hire-purchase/finance lease receivables

As at 31 December 2011, the Bank has receivables under hire-purchase agreements and financial leases net of deferred revenue amounting to Baht 2,961 million (2010: Baht 2,734 million), mostly comprising hire-purchase agreements and financial leases for vehicles and machines. The terms of the agreements are generally between 3 - 5 years and most interest is charged at a fixed rate.

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

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

	(Unit: Million Baht)				
	As at 31 December 2010				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in hire-purchase/ finance leases	252	2,656	-	92	3,000
Less: Deferred revenue*	(7)	(251)	-	(8)	(266)
Present value of minimum lease payments receivables	245	2,405	-	84	2,734
Less: Allowance for doubtful accounts					(111)
Net hire-purchase/finance lease receivables					2,623

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

14.6 Non-accrual loans

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

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2011	2010
Non-accrual loans (principal only)	7,503	8,620
Percentage of total loans*	3.10	4.98

* Including interbank and money market loans

14.7 Troubled debt restructuring

During the years ended 31 December 2011 and 2010 the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below.

	(Unit: Million Baht)	
	Separate financial statements	
	For the years ended 31 December	
	2011	2010
Debt balances before restructuring	4,078	1,708
Total number of customers	3,111	7,239

Detail of the restructured debtors during the years ended 31 December 2011 and 2010 referred to above can be classified by method of troubled debt restructuring as follows:

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

(Unit: Million Baht)

Type of restructuring	Separate financial statements				
	For the year ended 31 December 2011				
	Number of customers subject to restructuring	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring
Modification of terms	7,239	1,708	-	-	1,708
Total	7,239	1,708		-	1,708

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

The debts restructured by means of modification of the term of repayment referred to above during the years ended 31 December 2011 and 2010 can be classified by the term of repayment under the restructuring agreement as follows:

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

	Separate financial statements		
	For the year ended 31 December 2010		
	Number of debtors	Debt balances (Million Baht)	
		Before restructuring	After restructuring
Term of repayment according to the restructuring agreements:			
Not more than 5 years	7,162	1,543	1,543
5 - 10 years	33	50	50
10 - 15 years	8	19	19
More than 15 years	36	96	96
Total	7,239	1,708	1,708

As at 31 December 2011 and 2010, the troubled debtors restructuring for which the Bank completed the restructuring can be summarised as follows:

	(Unit: Million Baht)	
	Separate financial statements	
	Number of debtors	Debt balances after restructuring
Balance of restructured debtors as at 31 December 2011	14,348	9,276
Balance of restructured debtors as at 31 December 2010	19,219	5,063

As at 31 December 2011, the Bank has committed additional funds to restructured debtors amounting to Baht 125 million (2010: Baht 98 million).

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

14.8.1 Asset transfer agreements and profit or loss sharing

On 12 October 2001, the Bank entered into an agreement with the Thai Asset Management Corporation (TAMC) to transfer non-performing loans in accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544. Under the agreement, the Bank was to receive a ten-year non-transferable promissory note availed by the Financial Institutions Development Fund, which bore interest at a rate based on the quarterly average deposit rate of the 5 major Thai commercial banks payable annually on the last working day of the year. The face value of the promissory note was to be determined based on the lower of (a) the collateral value or (b) the net book value of the loans, including three months accrued interest receivable as determined by the TAMC.

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

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

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

Throughout the period that assets were managed by TAMC, the Bank received notifications of transfer price adjustments and reports on the results on non-performing loan management from TAMC. Disputes raised by the Bank can be summarized, in order, as follows:

- (a) On 20 May 2004, the TAMC issued a letter to the Bank informing that it was reviewing whether to reduce the value of machinery and inventory which had been pledged as collateral relating to a major debtor. The receivable relating to this debtor was one of the assets transferred to the TAMC in October 2001. The letter argues that, as the pledged machinery and inventory was never moved to the location of the pledgee, the pledge agreement had been made with no intention of actual obligation and, as such, was invalid.

Based on legal advice received from independent legal counsel, the Bank's management assessed as remote, the possibility that the Bank will have to accept a reduction in the value of the promissory note from the TAMC because of the TAMC's contention that the above pledge of assets was invalid. As such, the Bank expected no loss, as a result of that mentioned matter.

- (b) On 30 June 2006, the Bank received a letter from TAMC informing that TAMC will not give value to such machinery, given that those assets were not valid collateral and asks the Bank to make adjustment to the original list of assets transferred by reducing the value of the pledged collateral and hence the transfer value of such debtor totaling Baht 1,660 million. However, the Bank's Management does not agree with TAMC's position. The Bank has written to the TAMC on 31 July 2006 to confirm that the original transfer value is correct.

On 15 October 2007, the Bank filed a law suit against TAMC regarding to the above matter. On 12 March 2009, the Court of First Instance judged in favor of the Bank. However, TAMC has appealed and currently the case is being processed by the Court of Appeal.

- (c) The Bank received TAMC's letter dated 10 July 2006 and 7 December 2006 requesting the Bank to review the value of collateral of the transferred non-performing loans which are leasehold rights and whether the Bank's right over the leasehold rights are valid. If the Bank's legal right over the leasehold rights are invalid, the Bank is requested to adjust the collateral value and its transferred price amounting to Baht 5.4 million. The Bank's Management has confirmed the Bank's right over such collateral at the transfer date and therefore maintained the transfer price as previously reported as correct.

Then, on 15 December 2011, the Bank filed a lawsuit against TAMC regarding a dispute over the legal rights to leasehold rights. The case is being processed by the Court of First Instance.

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

14.8.3 Settlement of promissory notes

The gross book value (before deduction of allowance for doubtful accounts) of non-performing loans transferred to TAMC was Baht 10,582 million, with the total transfer price based on the lower of collateral value or net book value of loans and accrued interest receivable totaling of Baht 6,399 million, of which included the value of collaterals as detailed in 14.8.2.

As at 31 December 2011 and 2010, the outstanding of the promissory notes from TAMC was Baht 2,864 million (before adjustment of price following the disputes mentioned in 14.8.2) that matured in the year 2011. These were presented in the statements of financial position under “Other receivable” as at 31 December 2011 and under “Investment” as at 31 December 2010. The management of the Bank set aside provisions for contingent losses from the gain/loss sharing from managing the impaired assets totaling Baht 2,240 million as at 31 December 2011 and Baht 2,211 million as at 31 December 2010, which are presented as deductions from other receivable and investment, respectively.

During the year, the Bank has not received payment of principal from TAMC but received interest payment amounting to Baht 9 million (2010: principal of Baht 42 million and interest of Baht 11 million, respectively).

On 14 October 2011, the Bank received letter No. Bor Sor Tor. Kor Thor Sor. 115/2544 from TAMC concerning the principles and procedures for redemption of promissory notes, under which the liquidation committee of TAMC stipulated principles and guidelines for the management of mature promissory notes. The procedure for promissory notes that are disputed and over which legal action has already been taken is that when the promissory notes mature TAMC is to deposit the principal and interest of the notes with the transferor on the date that the notes mature. Such deposits bear interest at the deposit rate announced by the transferor and are to be divided between two accounts as follows:

- (a) Account A – For the undisputed parts, when TAMC and the transferor make a joint petition to the court, TAMC will withdraw all deposits and interest and settle the notes with the transferor.
- (b) Account B – For the parts disputed, the deposits and interest will be maintained until settlement of the disputes or the final judgment of the court. If a dispute is settled or a final judgment orders TAMC to pay the transfer price disputed, TAMC will withdraw the deposit and interest and settle with the transferor for the full amount that is settled or order paid by final judgment.

On 27 October 2011, the Bank submitted a letter notifying TAMC that it wished to let the cases before the courts continue in accordance with court procedures, while it would treat the deposits amounting to Baht 3,110 million that TAMC had made with the Bank in accordance with TAMC’s guidelines on redemption of promissory notes, as normal deposits. TAMC deposited such amount with the Bank on 31 October 2011 and 30 November 2011.

15. Allowance for doubtful accounts

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

* Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business factors including economic factors, and other risk that may affect the quality of assets.

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2010						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum rates required*	Total
Beginning balance	440	48	582	263	3,713	895	5,941
Doubtful accounts (reversal)	15	(28)	86	(55)	1,253	(150)	1,121
Increase from entired business transferred of a subsidiary	34	1	25	8	176	-	244
Transferred from (transferred to) allowance for doubtful debts of loans to interbank and money market	(3)	-	100	-	-	-	97
Bad debts written off	-	-	-	-	(1,256)	-	(1,256)
Others	-	-	1	(1)	-	-	-
Ending balance	486	21	794	215	3,886	745	6,147

* Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business factors including economic factors, and other risk that may affect the quality of assets.

16. Properties foreclosed - net

Properties foreclosed represent properties obtained from debtors as a result of debt restructuring or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction.

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

Under the BOT's rules, the commercial banks are also required to treat owned closed branch's premises as "Properties foreclosed".

As at 31 December 2011 and 2010, the details of properties foreclosed are as follows:

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

(Unit: Million Baht)					
Consolidated financial statements					
For the year ended 31 December 2010					
Type of properties foreclosed	Beginning balance	Addition	Disposal	Ending balance	Obligations with regard to buy-back rights or first refusal rights
Assets transferred in settlement of debts and assets from bidding					
Immovable	7,985	74	(2,265)	5,794	-
Movable	6	2	(8)	-	-
Total	7,991	76	(2,273)	5,794	-
Others	22	-	(14)	8	-
Total properties foreclosed	8,013	76	(2,287)	5,802	-
Less: Allowance for impairment	(1,733)	(500)	820	(1,413)	-
Properties foreclosed - net	6,280	(424)	(1,467)	4,389	-

(Unit: Million Baht)

Type of properties foreclosed	Separate financial statements				Obligations with regard to buy-back rights or first refusal rights
	For the year ended 31 December 2010				
	Beginning balance	Addition	Disposal	Ending balance	
Assets transferred in settlement of debts and assets from bidding					
Immovable	7,985	74	(2,265)	5,794	-
Movable	-	-	-	-	-
Total	7,985	74	(2,265)	5,794	-
Others	22	-	(14)	8	-
Total properties foreclosed	8,007	74	(2,279)	5,802	-
Less: Allowance for impairment	(1,730)	(500)	817	(1,413)	-
Properties foreclosed - net	6,277	(426)	(1,462)	4,389	-

On 27 January 2010, the Bank signed a Sale and Purchase Agreement to sell properties foreclosed (“NPAs”) of approximately Baht 861 million, which were the carrying value before allowance for impairment to Bangkok Commercial Asset Management Company Limited (“BAM”). There was no additional loss from sales of those properties foreclosed as allowance for impairment already been provided by the Bank. Transfer of the title deeds to these properties was completed in July 2010.

Immovable assets foreclosed classified by external and internal appraisers as at 31 December 2011 and 2010 consist of the following:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2011	2010
Foreclosed assets - immovable assets		
Appraised by external appraisers	4,350	4,527
Appraised by internal appraisers	504	1,267
Total	4,854	5,794

17. Premises and equipment

(Unit: Million Baht)

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

(Unit: Million Baht)

	Consolidated financial statements				
	Land	Premises	Equipment	Assets under installation	Total
Cost					
31 December 2009	1,392	1,424	3,980	47	6,843
Acquisition	-	-	110	40	150
Transfer in (out)	(8)	26	36	(78)	(24)
Disposal and written off	-	-	(332)	-	(332)
31 December 2010	1,384	1,450	3,794	9	6,637
Increase from revaluation					
31 December 2009	882	206	-	-	1,088
31 December 2010	882	206	-	-	1,088
Accumulated depreciation					
31 December 2009	-	(885)	(2,808)	-	(3,693)
Depreciation charged for the year	-	(21)	(318)	-	(339)
Transfer out	-	11	-	-	11
Disposal and written off	-	-	311	-	311
31 December 2010	-	(895)	(2,815)	-	(3,710)
Impairment loss					
31 December 2009	(355)	(93)	(2)	-	(450)
Disposal and written off	-	-	2	-	2
31 December 2010	(355)	(93)	-	-	(448)
Net book value					
31 December 2009	1,919	652	1,170	47	3,788
31 December 2010	1,911	668	979	9	3,567
Depreciation charge included in profit or loss from operation for the years ended 31 December:					
2009					367
2010					339

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements				
	Land	Premises	Equipment	Assets under installation	Total
Cost					
31 December 2009	1,392	1,424	3,731	47	6,594
Acquisition	-	-	108	40	148
Increased from entired business transferred of a subsidiary	-	-	13	-	13
Transfer in (out)	(8)	26	36	(78)	(24)
Disposal and written off	-	-	(151)	-	(151)
31 December 2010	1,384	1,450	3,737	9	6,580
Increase from revaluation					
31 December 2009	882	206	-	-	1,088
31 December 2010	882	206	-	-	1,088
Accumulated depreciation					
31 December 2009	-	(885)	(2,593)	-	(3,478)
Increased from entired business transferred of a subsidiary	-	-	(9)	-	(9)
Depreciation charged for the year	-	(21)	(309)	-	(330)
Transfer out	-	11	-	-	11
Disposal and written off	-	-	132	-	132
31 December 2010	-	(895)	(2,779)	-	(3,674)
Impairment loss					
31 December 2009	(355)	(93)	-	-	(448)
31 December 2010	(355)	(93)	-	-	(448)
Net book value					
31 December 2009	1,919	652	1,138	47	3,756
31 December 2010	1,911	668	958	9	3,546
Depreciation charge included in profit or loss from operation for the years ended 31 December:					
2009					351
2010					330

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

Land	-	Fair market approach
Premises	-	Depreciated replacement cost

Difference arising from revaluation is recorded in the Bank's financial statements in accordance with the accounting policy as detailed in Note 6.11 to the financial statements.

As at 31 December 2011, certain premises and equipment items of the Bank and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation, of those assets amounted to Baht 1,880 million (2010: Baht 1,536 million). The Bank only: Baht 1,863 million (2010: Baht 1,523 million).

Revaluation surplus

This represents surplus arising from revaluation of land and premises

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	For the years ended 31 December	
	2011	2010
Beginning balance of the year	1,026	1,032
Increased during the year	1,062	-
Amortisation charged for the year	(7)	(6)
Transferred out during the year	(6)	-
Ending balance end of the year	2,075	1,026

18. Intangible assets

As at 31 December 2011 and 2010, the intangible assets are as follows:

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

(Unit: Million Baht)

	Consolidated financial statements			
	Application software	Assets under installation	Others	Total
Cost				
31 December 2009	1,629	34	2	1,665
Acquisition	76	69	-	145
Transfer in (out)	61	(61)	-	-
Written off	(4)	-	-	(4)
31 December 2010	1,762	42	2	1,806
Accumulated amortisation				
31 December 2009	(759)	-	-	(759)
Amortisation for the year	(135)	-	-	(135)
Written off	4	-	-	4
31 December 2010	(890)	-	-	(890)
Net book value				
31 December 2009	870	34	2	906
31 December 2010	872	42	2	916
Remaining useful lives (years)	5 - 10	-	-	
Amortisation charge included in profit or loss from operation for the years ended 31 December:				
2009				115
2010				135

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements			
	Application software	Assets under installation	Others	Total
Cost				
31 December 2009	1,597	34	2	1,633
Acquisition	75	69	-	144
Increased from entired business transferred of a subsidiary	2	-	-	2
Transfer in (out)	61	(61)	-	-
31 December 2010	1,735	42	2	1,779
Accumulated amortisation				
31 December 2009	(742)	-	-	(742)
Increased from entired business transferred of a subsidiary	(1)	-	-	(1)
Amortisation for the year	(133)	-	-	(133)
31 December 2010	(876)	-	-	(876)
Net book value				
31 December 2009	855	34	2	891
31 December 2010	859	42	2	903
Remaining useful lives (years)	5 - 10	-	-	
Amortisation charge included in profit or loss from operation for the years ended 31 December:				
2009				113
2010				133

As at 31 December 2011, certain intangible assets of the Bank and its subsidiaries have been fully amortised but are still in use. The gross carrying amount, before deducting accumulated amortisation, of those assets amounted to Baht 202 million (2010: Baht 163 million). The Bank only: Baht 194 million (2010: Baht 155 million).

19. Deferred Tax

The following table shows major components of deferred tax assets and deferred tax liabilities for the years ended 31 December 2011 and 2010.

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Statements of financial position		Statements of comprehensive income for the years ended		Statements of financial position		Statements of comprehensive income for the years ended	
	As at 31 December		As at 31 December		As at 31 December		31 December	
	2011	2010	2011	2010	2011	2010	2011	2010
Deferred tax assets on:								
Allowance for doubtful accounts	151	297	146	38	151	297	146	45
Allowance for impairment of properties foreclosed	348	424	76	96	348	424	76	95
Allowance for impairment and revaluation of assets	27	132	105	1	27	132	105	1
Allowance for impairment and revaluation of investments	165	929	764	(9)	165	929	764	(9)
Provisions for long-term employee benefits	278	244	139	(52)	274	243	140	(52)
Provisions for other liabilities	60	62	2	5	60	62	2	5
Unrealised loss on financial derivatives	59	370	311	(368)	59	370	311	(368)
Other receivables	458	16	(442)	(1)	458	16	(442)	(1)
Others	476	351	(299)	68	473	346	(302)	(36)
	2,022	2,825	802	(222)	2,015	2,819	800	(320)
Deferred tax liabilities on:								
Revaluation surplus on assets	415	308	107	(2)	415	308	107	(2)
Revaluation surplus on investments	67	82	-	-	67	82	-	-
Others	115	111	4	69	115	111	4	(4)
	597	501	111	67	597	501	111	(6)
Deferred tax - net	1,425	2,324			1,418	2,318		
Deferred tax - income			913	(155)			911	(326)

Movements in the deferred tax during the years ended 31 December 2011 and 2010 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Beginning balance	2,324	2,188	2,318	2,052
Charge to profit or loss from operation	(913)	155	(911)	326
Effect from entire business transferred of a subsidiary	-	-	-	(42)
Charge to other comprehensive income	(70)	(19)	(71)	(18)
Cumulative effect of change in accounting policy regarding employee benefits	84	-	82	-
Ending balance	1,425	2,324	1,418	2,318

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2011 and 2010 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Revaluation surplus (deficit) on investments	(19)	(19)	(19)	(18)
Actuarial losses on defined benefit plans	37	-	36	-
Revaluation surplus on assets	(315)	-	(315)	-
Effects of changes in the applicable tax rates	227	-	227	-
	(70)	(19)	(71)	(18)

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

Income tax effects relating to components of other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	For the years ended 31 December					
	2011			2010		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Revaluation surplus on assets	1,062	(108)	954	-	-	-
Increase (decrease) in surplus on change in value of investments	62	13	75	65	(19)	46
Actuarial losses on defined benefit plans	(124)	25	(99)	-	-	-
Share gain (losses) of other comprehensive income of associated	(6)	-	(6)	1	-	1
	994	(70)	924	66	(19)	47

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2011			2010		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Revaluation surplus on assets	1,062	(108)	954	-	-	-
Increase (decrease) in surplus on change in value of investments	62	13	75	60	(18)	42
Actuarial losses on defined benefit plans	(120)	24	(96)	-	-	-
	1,004	(71)	933	60	(18)	42

20. Other assets

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Accrued income	192	473	171	431
Suspense debtors	105	101	105	101
Prepaid and deferred expenses	181	158	176	148
Deposits	483	843	475	733
Leasehold right - net	116	129	116	129
Other receivable - TAMC	3,110	-	3,110	-
Others	134	46	130	47
Total	4,321	1,750	4,283	1,589
Less: Allowance for impairment	(2,296)	-	(2,296)	-
Other assets - net	2,025	1,750	1,987	1,589

21. Classified assets

	(Unit: Million Baht)				
	Separate financial statements				
	As at 31 December 2011				
	Investments	Loans ⁽¹⁾	Properties foreclosed	Other assets ⁽²⁾	Total
Classifications					
Pass	-	230,902	-	10	230,912
Special mention	-	3,294	-	-	3,294
Sub-standard	-	1,423	-	3	1,426
Doubtful	-	586	-	-	586
Doubtful of loss	517	5,494	138	1,971	8,120
Total	517	241,699	138	1,984	244,338

(1) Including interbank and money market loans.

(2) Including accrued interest receivable for non-performing loans.

	(Unit: Million Baht)				
	Separate financial statements				
	As at 31 December 2010				
	Investments	Loans ⁽¹⁾	Properties foreclosed	Other assets ⁽²⁾	Total
Classifications					
Pass	-	161,756	-	5	161,761
Special mention	-	2,761	-	-	2,761
Sub-standard	-	1,429	-	4	1,433
Doubtful	-	445	-	1	446
Doubtful of loss	3,167	6,746	159	70	10,142
Total	3,167	173,137	159	80	176,543

(1) Including interbank and money market loans.

(2) Including accrued interest receivable for non-performing loans.

22. Deposits

22.1 Classified by types of deposits

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Current accounts	5,126	4,722	5,126	4,728
Savings accounts	70,581	69,910	70,633	70,003
Fixed deposits	90,600	77,408	90,600	77,408
Total	166,307	152,040	166,359	152,139

22.2 Classified by currencies and residential status of depositors

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December					
	2011			2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	159,922	4,431	164,353	146,643	4,488	151,131
US Dollar	1,175	233	1,408	330	153	483
Others	317	229	546	219	207	426
Total	161,414	4,893	166,307	147,192	4,848	152,040

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2011			2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	159,974	4,431	164,405	146,742	4,488	151,230
US Dollar	1,175	233	1,408	330	153	483
Others	317	229	546	219	207	426
Total	161,466	4,893	166,359	147,291	4,848	152,139

23. Interbank and money market items (Liabilities)

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2011			2010		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	-	-	-	-	486	486
Commercial banks	4,094	3,000	7,094	1,458	-	1,458
Specific financial institutions	3,005	917	3,922	-	603	603
Other financial institutions	3,132	1,592	4,724	869	430	1,299
Total domestic items	10,231	5,509	15,740	2,327	1,519	3,846
Foreign items						
US Dollar	2,571	25,829	28,400	25	34,312	34,337
Yen	-	143	143	-	259	259
Other currencies	616	-	616	1,323	-	1,323
Total foreign items	3,187	25,972	29,159	1,348	34,571	35,919
Total domestic and foreign items	13,418	31,481	44,899	3,675	36,090	39,765

	(Unit: Million Baht)					
	Separate financial statements					
	As at 31 December					
	2011			2010		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and Financial Institutions Development Fund	-	-	-	-	486	486
Commercial banks	4,094	3,000	7,094	1,458	-	1,458
Specific financial institutions	3,005	917	3,922	-	603	603
Other financial institutions	3,139	1,624	4,763	882	435	1,317
Total domestic items	10,238	5,541	15,779	2,340	1,524	3,864
Foreign items						
US Dollar	2,571	25,829	28,400	25	34,312	34,337
Yen	-	143	143	-	259	259
Other currencies	616	-	616	1,323	-	1,323
Total foreign items	3,187	25,972	29,159	1,348	34,571	35,919
Total domestic and foreign items	13,425	31,513	44,938	3,688	36,095	39,783

24. Debt issued and Borrowings

As at 31 December 2011 and 2010, debt issued and borrowings comprising only domestic borrowings in Baht currency are classified by type of securities, maturity and interest rate as follows:

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

	(Unit: Million Baht)		
	Consolidated financial statements		
	As at 31 December 2010		
Types	Maturity	Interest rate per annum (%)	Amount
Bills of exchange	4 Jan 2011 - 30 Dec 2011	1.00 - 3.21	12,219
Term loan agreement	20 Jan 2013 - 4 Sep 2014	-	20
Total			12,239

(Unit: Million Baht)

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

(Unit: Million Baht)

Types	Separate financial statements		
	As at 31 December 2010		
	Maturity	Interest rate per annum (%)	Amount
Bills of exchange	4 Jan 2011 - 30 Dec 2011	1.00 - 3.21	12,875
Term loan agreement	20 Jan 2013 - 4 Sep 2014	-	20
Total			12,895

25. Provisions for long-term employee benefits

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Opening balance as at 31 December 2010	813	811
Cumulative effect of the change in an accounting policy regarding employee benefits (Note 4)	420	407
Current service cost	71	69
Interest cost	46	46
Actuarial losses on defined benefit plans for the year	124	120
Employee benefits paid during the year	(102)	(101)
Closing balance as at 31 December 2011	1,372	1,352

Long-term employee benefits expense included in profit or loss from operation for the year ended 31 December 2011 can be summarised as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Current service cost	71	69
Interest cost	46	46
Total employee benefits	117	115

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

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	As at 31 December	
	2011	2010
Future salary increases rate (depending on age)	4% - 6%	4% - 6%
Turnover rate (depending on age)	1.5% - 21%	1.5% - 21%
Discount rate	3.6%	4.1%

26. Provisions - other liabilities

Outstanding balance comprise the following:

	(Unit: Million Baht)		
	Consolidated and Separate financial statements		
	For the years ended 31 December 2011		
	Beginning balance	Addition (Deduction)	Ending balance
Contingencies	145	40	185
Obligation for litigation cases (Note 35)	47	58	105
Others	16	(5)	11
Total	208	93	301

	(Unit: Million Baht)		
	Consolidated and Separate financial statements		
	For the years ended 31 December 2010		
	Beginning balance	Deduction	Ending balance
Contingencies	150	(5)	145
Obligation for litigation cases (Note 35)	59	(12)	47
Others	16	-	16
Total	225	(17)	208

27. Other liabilities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Accounts payable - others	217	340	229	224
Suspense creditors	271	161	271	161
Deposits	311	53	313	56
Bills collection - branches	24	30	24	30
Deferred income	1,269	1,384	1,269	1,384
Interest payable	519	451	520	452
Others	105	130	97	100
Total	2,716	2,549	2,723	2,407

28. Other components of equity

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Revaluation surplus on assets	2,075	1,026	2,075	1,026
Revaluation surplus (deficit) on investments				
Revaluation surplus on investments				
Available-for-sale investments				
Debt instruments	19	-	19	-
Equity instruments	337	335	337	335
Total	356	335	356	335
Revaluation deficit on investments				
Available-for-sale investments				
Debt instruments	(5)	(56)	(5)	(56)
Equity instruments	(15)	(5)	(15)	(5)
Total	(20)	(61)	(20)	(61)
Total revaluation surplus on investments	336	274	336	274
Deferred tax relating to components of other comprehensive income	(482)	(390)	(482)	(390)
Share of other comprehensive income of associate	-	6	-	-
Total	1,929	916	1,929	910

29. Dividends

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

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

30. Statutory reserve

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

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

31. Capital funds

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

As at 31 December 2011 and 2010, the Bank maintained Capital Funds in compliance with the BOT's Basel II framework and received an approval from the BOT to adopt Foundation Internal Ratings - Based Approach (FIRB) to compute capital requirement for credit risk.

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2011	2010
Tier 1 Capital		
Paid up share capital	24,857	24,857
Statutory reserves	202	190
Retained earnings after appropriation	4,840	3,825
Deduct: Deductions items from Tier 1 Capital - Deferred tax assets	(2,872)	(2,426)
Total Tier 1 Capital	27,027	26,446

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2011	2010
Tier 2 Capital		
Unrealised revaluation surplus on land appraisal	616	617
Unrealised revaluation surplus on building appraisal	67	72
Reserve for normal performing loans	581	397
Excess provision which qualifies as Tier 2 Capital - IRB Approach	598	517
Net revaluation surplus from equity securities - Available-for-sale	145	148
Total Tier 2 Capital	2,007	1,751
Total capital funds	29,034	28,197

	Separate financial statements			
	As at 31 December			
	2011		2010	
	The Bank	The BOT's Minimum Requirement	The Bank	The BOT's Minimum Requirement
Capital Adequacy Ratio	(%)	(%)	(%)	(%)
Tier 1 capital funds to risk weighted assets	15.54	4.25	17.78	4.25
Total capital funds to risk weighted assets	16.69	8.50	18.95	8.50

32. Share-based compensation plans

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

Details of the plan are below:

- (a) Restricted Shares (RS), represent ordinary shares of United Overseas Bank Limited that participants will be entitled to receive upon fulfillment of certain time and performance conditions. Upon vesting, participants will receive United Overseas Bank Limited's shares represented by the restricted shares
- (b) Share Appreciation Rights (SAR) are the rights to receive a number of United Overseas Bank Limited shares equivalent in value to the difference between the prevailing market value and the grant value of the shares of the major shareholder, divided by the prevailing market value of the shares of the major shareholder. Upon vesting of the SAR, participants have up to six years from the date of grant to exercise their rights.

For year ended 31 December 2011, the Bank recorded expenses of Baht 32 million under the above plan and expenses that will be reimbursed from the major shareholder as other liabilities, as disclosed in Note 27 to the financial statements.

33. Commitments and contingencies liabilities

33.1 Commitments

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	As at 31 December	
	2011	2010
Aval to bills	754	716
Guarantees of loans	1,860	2,023
Liabilities under unmatured import bills	798	879
Letters of credit	2,633	2,416
Other commitments		
- Undrawn overdraft amount	21,655	19,835
- Other guarantees	14,243	11,589
Total	41,943	37,458

33.2 Operating lease commitments

As at 31 December 2011 and 2010, the Bank and its subsidiaries had land/building lease agreements for branch offices and vehicles lease agreements, for which the lease terms range from 3 to 30 years and are renewable. The Bank and its subsidiaries also have committed to pay future rental payments which can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2011	2010	2011	2010
Land and building rental commitments	405	341	405	341
Car rental commitments	97	84	93	83
Total	502	425	498	424

33.3 Commitments under Bancassurance Agreement

On 31 January 2010, the UOB Group and the Bank signed a business partner agreement (Bancassurance Agreement) with an Insurance Group. Under the agreement the Bank received a sum of the fees in advance. With the commitment to the agreement for 12 years from the date of the agreement. The Bank amortises such fees income over the term of the agreement and presents the fees received in advance under other liabilities, as disclosed in note 27 to the financial statements.

33.4 Other commitments

The Bank has contractual commitments in respect of the purchase and servicing of information technology systems as well as other services. The outstanding balances of these major contractual commitments as at 31 December 2011, were approximately Baht 476 million (2010: Baht 294 million).

As at 31 December 2011, the Bank also has commitments in relation to various “to-sell and to-purchase” agreements for its foreclosed properties, the net book value of which was Baht 38 million (2010: Baht 75 million). The estimated gains under those agreements is Baht 4 million (2010: gains Baht 9 million), moreover, the Bank has already provided allowance for impairment of those properties foreclosed.

In addition, the Bank has commitments in respect of the loss sharing under the Non-performing Loan Transfer Agreement made with TAMC, as discussed in Note 14.8 to the financial statements.

34. Assets pledged as collateral

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Net book value	
	As at 31 December	
	2011	2010
Government bonds		
Pledged as collateral for securities sold under repurchase agreement	-	5,288
Pledged as collateral for Intraday Liquidity Facilities to the BOT	3,252	13,126
Pledged as collateral for government departments	-	35
Pledged as collateral for Private Repurchase Agreements (Private Repo)	2,992	-

35. Litigation

In the course of operating its banking business, the Bank has various labor suits and civil suits brought against it, including cases of tort. Under these lawsuits, claims against the Bank as at 31 December 2011 totaled Baht 1,091 million (2010: Baht 1,069 million). The Bank’s management believes that the contingent liability (if any) resulting from the lawsuits will not have a material impact to the Bank’s financial position or results of operations.

36. Related party transactions

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

As at 31 December 2011, the Bank also has staff welfare loans to executives from level of Executive Director upwards of Baht 20 million (2010: Baht 6 million) and also has normal loans to Senior Management and their close family members with the outstanding balance of Baht 15 million (2010: Baht 13 million) and the average balance for the year ended of Baht 13 million (2010: Baht 11 million).

In addition, as at 31 December 2011, the Bank also has deposits of those staff and their close family members of Baht 76 million (2010: Baht 40 million).

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

(Unit: Million Baht)

Consolidated financial statements								
For the years ended 31 December								
2011					2010			
	Associated company	Related companies	Group of major shareholder (UOB)	Total	Associated company	Related companies	Group of major shareholder (UOB)	Total
Interest income	-	-	24	24	-	-	3	3
Interest expenses	-	43	206	249	-	17	106	123
Fees and service income	16	1	24	41	13	3	12	28
Net gain (loss) on foreign currency trading and exchange transaction	-	(3)	(141)	(144)	-	-	388	388
Other operating income	-	-	1	1	-	-	1	1
Insurance expenses	1	-	-	1	9	-	-	9
Other expenses	-	-	317	317	-	-	283	283

(Unit: Million Baht)

Separate financial statements										
For the years ended 31 December										
2011						2010				
	Subsidiaries	Associated company	Related companies	Group of major shareholder (UOB)	Total	Subsidiaries	Associated company	Related companies	Group of major shareholder (UOB)	Total
Interest income	-	-	-	24	24	46	-	-	3	49
Interest expenses	8	-	43	204	255	5	-	17	106	128
Fees and service income	88	16	1	7	112	78	13	3	1	95
Fees and service expenses	169	-	-	-	169	159	-	-	-	159
Net gain (loss) on foreign currency trading and exchange transaction	-	-	(3)	(141)	(144)	1	-	-	388	389
Other operating income	10	-	-	1	11	16	-	-	1	17
Insurance expenses	-	1	-	-	1	-	8	-	-	8
Premises and equipment expenses	(4)	-	-	-	(4)	(5)	-	-	-	(5)
Other expenses	-	-	-	317	317	-	-	-	283	283

In addition, for the year ended 31 December 2011, the Bank also has paid Baht 27 million (2010: Baht 47 million) on software development to United Overseas Bank Limited, major shareholder.

Senior management personnel compensation

For the year ended 31 December 2011, the remuneration that the Bank and its subsidiaries paid to their directors and senior management, who are key management personnel with authority and responsibility, whether direct or indirect, for planning, direction and controlling the operations of the Bank and its subsidiaries, consisted of monthly remuneration, meeting allowances, salaries, provident fund contributions and long-term benefits. This was as follows:

	(Unit: Million Baht)	
	For the year ended 31 December 2011	
	Consolidated financial statements	Separate financial statements
Short-term employee benefits	418	347
Post-employment benefits	15	13
Share-based payment	32	32
	465	392

The outstanding balances of significant related party transactions as at 31 December 2011 and 2010 are as follows:

(Unit: Million Baht)

Consolidated financial statements																					
As at 31 December																					
	2011						2010														
	Average loans to customers outstanding	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Debt issued and borrowings	Other liabilities	Average loans to customers outstanding	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Other liabilities	2011 Pricing policy of loans	
Non-consolidated subsidiary company																					
UOB Leasing (Thai) Co., Ltd.	-	-	-	-	-	3	-	-	5	-	-	-	-	-	-	-	-	-	-	-	N/A
Associated company																					
AXA Insurance Pcl.	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	42	-	-	-	-	N/A
Related companies																					
Wing Fat Co., Ltd.	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
Loxley Pcl.	-	-	-	-	18	1	-	-	-	-	-	-	-	-	30	1	-	-	-	-	N/A
The Muangthai Life Assurance Co., Ltd.	-	-	-	-	168	-	1,246	3	-	-	-	-	-	-	168	-	237	-	-	-	N/A
Underwaterworld Pattaya Co., Ltd.	-	-	-	-	-	280	-	-	-	-	-	-	-	-	-	236	-	-	-	-	N/A
PPHR (Thailand) Limited	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2	-	-	-	-	N/A
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	35	-	-	-	-	-	-	-	-	-	46	-	-	-	-	N/A
Loxley Wireless Co., Ltd.	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2	-	-	-	-	N/A
Loxbit Pcl.	-	-	-	-	1	4	-	-	-	-	-	-	-	-	2	2	-	-	-	-	N/A
TRC Construction Pcl.	-	-	-	-	14	13	-	-	-	-	-	-	-	-	-	1	-	-	-	-	N/A
Sanakarn Wisavakom Co., Ltd.	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
Major shareholders																					
United Overseas Bank Limited	-	4,202	3	-	2,915	-	28,614	71	-	74	-	90	304	-	26,774	-	34,848	43	53	Money market reference rate	
United Overseas Bank Group of Companies	-	-	-	31	-	-	219	-	-	315	-	-	-	-	13	-	257	-	130	Money market reference rate	

(Unit: Million Baht)

Separate financial statements

As at 31 December

	2011										2010													
	Average loans to customers outstanding	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Debt issued and borrowings	Other liabilities	Average loans to customers outstanding	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Debt issued and borrowings	Other liabilities	2011 Pricing policy of loans	
Subsidiary companies																								
UOB Leasing (Thai) Co., Ltd.	-	-	-	-	-	-	3	-	-	5	-	1,642	-	-	-	-	-	6	-	-	460	-	N/A	
UOB Asset Management (Thai) Co., Ltd.	-	-	-	-	7	-	-	39	-	-	2	-	-	-	-	4	-	-	107	-	-	2	N/A	
UOB Bullion and Futures (Thai) Co., Ltd.	-	-	-	-	3	-	2	-	-	113	-	-	-	-	-	-	42	-	-	-	87	-	N/A	
UOB Services Co., Ltd.	-	-	-	-	7	-	49	-	-	45	16	-	-	-	-	2	51	-	-	-	20	16	N/A	
Associated company																								
AXA Insurance Pcl.	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	42	-	-	-	-	-	N/A	
Related companies																								
Wing Fat Co., Ltd.	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	N/A	
Loxley Pcl.	-	-	-	-	-	18	1	-	-	-	-	-	-	-	-	-	30	1	-	-	-	-	N/A	
The Muangthai Life Assurance Co., Ltd.	-	-	-	-	-	168	-	1,246	3	-	-	-	-	-	-	-	168	-	237	-	-	-	N/A	
Underwaterworld Pattaya Co., Ltd.	-	-	-	-	-	-	280	-	-	-	-	-	-	-	-	-	-	236	-	-	-	-	N/A	
PPHR (Thailand) Limited	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	N/A	
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	-	35	-	-	-	-	-	-	-	-	-	-	46	-	-	-	-	N/A	
Loxley Wireless Co., Ltd.	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	N/A	
Loxbit Pcl.	-	-	-	-	-	1	4	-	-	-	-	-	-	-	-	-	2	2	-	-	-	-	N/A	
TRC Construction Pcl.	-	-	-	-	-	14	13	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	N/A	
Sahakarn Wisavakorn Co., Ltd.	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	
Major shareholders																								
United Overseas Bank Limited	-	4,202	3	-	2,915	-	28,614	71	-	74	-	-	90	304	-	26,774	-	34,848	43	-	53	-	Money market reference rate	
United Overseas Bank Group of Companies	-	-	-	-	29	-	219	-	-	-	-	-	-	-	-	13	-	257	-	-	-	-	Money market reference rate	

37. Other benefits paid to the directors and management

As at 31 December 2011 and 2010, the Bank and its subsidiaries had not paid other benefits to their directors and management except for the benefits that are normally received such as monthly directors' remuneration, meeting allowance, salary and bonus as discussed in Note 32 and Note 36 to the financial statements.

38. Income tax

Income tax expenses for the years ended 31 December 2011 and 2010 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Current income tax:				
Current income tax charge	434	843	412	797
Adjustment in respect of current income tax of previous year	1	39	-	39
Deferred tax:				
Relating to origination and reversal of temporary differences	45	(322)	45	(326)
Effects of changes in the applicable tax rates	868	-	866	-
Deferred tax adjustment	-	167	-	-
Income tax expense reported in the statement of comprehensive income	1,348	727	1,323	510

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2011 and 2010

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Accounting profit before tax	1,474	1,845	1,558	2,270
Applicable tax rate	30%	30%	30%	30%
Accounting profit before tax multiplied by applicable tax rate	442	553	468	681
Adjustment in respect of current income tax of previous year	1	39	-	39
Income not subject to tax	(19)	(16)	(19)	(187)
Expense not deductible for tax	11	(17)	8	(23)
Effects of change in the applicable tax rate	868	-	866	-
Deferred tax adjustment	-	167	-	-
Other adjustment	6	-	-	-
	1,309	726	1,323	510
Share of tax of an associated company	39	1	-	-
Income tax expense reported in the statement of comprehensive income	1,348	727	1,323	510

39. Earnings per share

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

The Bank had the basic earnings per share as follows:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
	Net income (Million Baht)	125	1,119	236
Weighted average number of ordinary shares (shares)	2,485,661,305	2,485,661,305	2,485,661,305	2,485,661,305
Basic earnings per share (Baht)	0.05	0.45	0.09	0.71

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

Key statement of financial position items as at 31 December 2011 and 2010, classified by type of business are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2011					
	Commercial Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated Total
Total assets	298,571	-	628	299,199	(610)	298,589
Interbank and money market items - net (assets)	59,235	-	518	59,753	(250)	59,503
Investments - net	34,370	-	1	34,371	(327)	34,044
Loans to customers and accrued interest receivables - net	183,903	-	1	183,904	-	183,904
Deposits	166,359	-	-	166,359	(52)	166,307
Interbank and money market items (liabilities)	44,938	-	-	44,938	(39)	44,899
Debt issued and borrowings	42,318	-	-	42,318	(158)	42,160

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

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2010					
	Commercial Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated Total
Total assets	248,113	467	721	249,301	(1,410)	247,891
Interbank and money market items - net (assets)	23,877	466	495	24,838	(773)	24,065
Investments - net	48,275	-	1	48,276	(614)	47,662
Loans to customers and accrued interest receivables - net	157,012	-	1	157,013	-	157,013
Deposits	152,139	-	-	152,139	(99)	152,040
Interbank and money market items (liabilities)	39,783	-	-	39,783	(18)	39,765
Debt issued and borrowings	12,895	-	-	12,895	(656)	12,239

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

Distribution of statements of financial position items by geographic locations of the Bank as at 31 December 2011 and 2010 are as follows:

	(Unit: Million Baht)					
	Separate financial statements					
	As at 31 December					
	2011			2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Total assets	298,571	-	298,571	248,113	-	248,113
Interbank and money market items - net (assets)	59,235	-	59,235	23,877	-	23,877
Investments - net	34,370	-	34,370	48,275	-	48,275
Loans to customers and accrued interest receivables - net	183,903	-	183,903	157,012	-	157,012
Deposits	166,359	-	166,359	152,139	-	152,139
Interbank and money market items (liabilities)	44,938	-	44,938	39,783	-	39,783
Debt issued and borrowings	42,318	-	42,318	12,895	-	12,895

Results of the Bank's operations for the years ended 31 December 2011 and 2010 classified by type of business are as follows:

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

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

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2010						
	Commercial Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated Total
Interest income	8,727	173	6	8,906	(51)	8,855
Less: Interest expenses	2,480	47	-	2,527	(51)	2,476
Net interest income	6,247	126	6	6,379	-	6,379
Net fees and service income	1,489	2	363	1,854	(23)	1,831
Other operating income	1,032	34	2	1,068	(598)	470
Less: Other operating expenses	5,793	38	304	6,135	(39)	6,096
Less: Impairment loss of loans and debt securities	705	34	-	739	-	739
Profit before income tax expenses	2,270	90	67	2,427	(582)	1,845

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

Results of the Bank's operations for the years ended 31 December 2011 and 2010 distributed by geographic locations are as follows:

(Unit: Million Baht)

Separate financial statements						
For the years ended 31 December						
	2011			2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Interest income	12,139	-	12,139	8,727	-	8,727
Less: Interest expenses	4,516	-	4,516	2,480	-	2,480
Net interest income	7,623	-	7,623	6,247	-	6,247
Net fees and service income	1,667	-	1,667	1,489	-	1,489
Other operating income	51	-	51	1,032	-	1,032
Less: Other operating expenses	6,503	-	6,503	5,790	3	5,793
Less: Impairment loss of loans and debt securities	1,280	-	1,280	705	-	705
Profit before income tax expenses	1,558	-	1,558	2,273	(3)	2,270

41. Interest income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Interbank and money market items	1,034	415	1,028	412
Investments and trading transactions	699	187	699	187
Investments in debt securities	395	396	395	396
Loans	9,829	7,656	9,829	7,680
Hire purchase and financial lease income	187	200	187	51
Others	1	1	1	1
Total interest income	12,145	8,855	12,139	8,727

42. Interest expenses

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Deposits	2,123	1,610	2,122	1,612
Interbank and money market items	548	131	550	132
Payments to the Deposit Protection Agency	550	594	550	594
Debt issued				
- Bills of exchange	1,283	124	1,286	125
- Other debt instruments	1	14	1	14
Others	7	3	7	3
Total interest expenses	4,512	2,476	4,516	2,480

43. Net fees and service income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Fees and service income				
- Acceptances, aval and guarantees	233	212	233	212
- Credit cards	612	542	612	542
- Insurance fees	563	427	563	427
- Others	942	899	733	691
Total fees and service income	2,350	2,080	2,141	1,872
Fees and service expenses				
- Agency referral fees	101	42	101	43
- Service expenses	14	9	183	167
- Others	219	198	190	173
Total fees and service expenses	334	249	474	383
Net fees and service income	2,016	1,831	1,667	1,489

44. Net gains (losses) on foreign currency trading and exchange transactions

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	For the years ended 31 December	
	2011	2010
Gains (losses) on foreign currency trading and exchange transactions		
- Foreign currencies and derivatives on foreign exchange	(53)	361
- Derivatives on interest rates	(55)	(262)
- Debt securities	56	87
Net gains (losses) on foreign currency trading and exchange transactions	(52)	186

45. Net gains (losses) on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Gains (losses) on disposal of securities				
- Available-for-sale securities	(25)	159	(25)	163
- General investments	(8)	-	(8)	-
Total	(33)	159	(33)	163
Losses on impairment of investments in associate	-	-	(121)	-
Gain on return of share capital by subsidiary company	-	-	135	-
Total	-	-	14	-
Net gains (losses) on investments	(33)	159	(19)	163

46. Employee's expenses

	(Unit: Million Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2011	2010
Salaries	2,249	1,922
Post-employment benefit costs		
- Defined contribution plans	104	92
- Defined benefit plans (Note 25)	117	-
Provision for employee benefits	-	83
Share-based compensation plan (Note 32)	32	-
Others	1,094	906
Total employee's expenses	3,596	3,003

	(Unit: Million Baht)	
	Separate financial statements	
	For the years ended 31 December	
	2011	2010
Salaries	2,097	1,767
Post-employment benefit costs		
- Defined contribution plans	95	83
- Defined benefit plans (Note 25)	115	-
Provision for employee benefits	-	72
Share-based compensation plan (Note 32)	32	-
Others	1,040	841
Total employee's expenses	3,379	2,763

47. Impairment loss of loans and debt securities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2011	2010	2011	2010
Bad debt and doubtful (reversal) accounts of interbank and money market items	14	(97)	14	(97)
Loss on impairment of Held-to-maturity debt instruments	29	20	29	20
Bad debt and doubtful accounts to loans to customers	1,237	816	1,237	782
Total impairment loss of loans and debt securities	1,280	739	1,280	705

48. Disclosure of financial instruments

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

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

48.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised in respect of each class of financial assets and financial liabilities, are disclosed in Note 6 to the financial statements.

48.2 Credit risk

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

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

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

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

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	As at 31 December	
	2011	2010
Foreign exchange contracts	1,821	1,086
Interest rate swap contracts	1,189	744
Cross currency interest rate swap contracts	81	52
Options	2	5
Avals to bills	684	484
Guarantees of loans	1,865	2,006
Performance guarantees	4,736	3,589
Bid guarantees	136	135
Liability under unmatured import bills	147	152
Import letters of credit	610	474
Others	11	33
Total	11,282	8,760

48.3 Interest rate risk

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

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

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

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

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2010							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
Financial assets							
Cash	-	-	-	-	2,809	2,809	-
Interbank and money market items - net	20,937	322	20	-	2,786	24,065	1.53
Derivatives assets	-	-	-	-	3,359	3,359	-
Investments - net	28,300	11,728	6,310	118	1,206	47,662	2.06
Loans to customers*	130,448	14,126	9,406	10	9,145	163,135	5.94
Financial liabilities							
Deposits	112,097	32,390	2,831	-	4,722	152,040	1.20
Interbank and money market items	35,463	2,500	233	-	1,569	39,765	0.47
Liabilities payable on demand	-	-	-	-	2,437	2,437	-
Derivatives liabilities	-	-	-	-	4,593	4,593	-
Debt issued and borrowings	7,431	4,788	20	-	-	12,239	1.82
Derivatives							
Derivatives on foreign exchange and interest rates							
- floating rate payer	844	1,332	-	-	-	2,176	1.15
- fixed rate payer	-	3,203	2,370	-	-	5,573	3.40
- floating rate payee	844	4,007	-	-	-	4,851	1.29
- fixed rate payee	-	2,898	-	-	-	2,898	0.50
Derivatives on interest rates							
- floating rate payer	85,167	70,255	-	-	-	155,422	1.23
- fixed rate payer	6,950	47,417	101,989	7,010	-	163,366	2.57
- floating rate payee	100,129	63,237	-	-	-	163,366	1.22
- fixed rate payee	9,730	35,123	103,563	7,006	-	155,422	2.58

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2010							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
Financial assets							
Cash	-	-	-	-	2,809	2,809	-
Interbank and money market items - net	20,859	236	-	-	2,782	23,877	1.53
Derivatives assets	-	-	-	-	3,359	3,359	-
Investments - net	28,300	11,728	6,310	118	1,819	48,275	2.06
Loans to customers*	130,448	14,126	9,405	10	9,145	163,134	5.94
Financial liabilities							
Deposits	112,190	32,390	2,831	-	4,728	152,139	1.20
Interbank and money market items	35,481	2,500	233	-	1,569	39,783	0.47
Liabilities payable on demand	-	-	-	-	2,437	2,437	-
Derivatives liabilities	-	-	-	-	4,593	4,593	-
Debt issued and borrowings	7,957	4,918	20	-	-	12,895	1.80
Derivatives							
Derivatives on foreign exchange and interest rates							
- floating rate payer	844	1,332	-	-	-	2,176	1.15
- fixed rate payer	-	3,203	2,370	-	-	5,573	3.40
- floating rate payee	844	4,007	-	-	-	4,851	1.29
- fixed rate payee	-	2,898	-	-	-	2,898	0.50
Derivatives on interest rates							
- floating rate payer	85,167	70,255	-	-	-	155,422	1.23
- fixed rate payer	6,950	47,417	101,989	7,010	-	163,366	2.57
- floating rate payee	100,129	63,237	-	-	-	163,366	1.22
- fixed rate payee	9,730	35,123	103,563	7,006	-	155,422	2.58

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

48.4 Exchange rate risk

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

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

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

48.5 Liquidity risk

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

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

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

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

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

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

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

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

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

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

Behavioural modeling is carried out and reviewed regularly to ensure that the cash flow requirements for the 'business as usual' and crisis scenarios are realistic. Loans and deposits which do not have maturity dates and fixed deposits which are rolled over frequently, are generally estimated based on their past statistics or trends. Cash flow mismatch limits are established to limit the Bank's liquidity exposure. The Bank also employs liquidity early warning indicators and trigger points to signal possible contingency situations.

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

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

The maturity analysis of financial assets, financial liabilities and commitments computed from the remaining maturity to repayment date is as follows:

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2011							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	3,401	-	-	-	-	-	3,401
Interbank and money market items - net	25,204	30,000	4,279	20	-	-	59,503
Derivatives assets	-	-	-	-	-	4,113	4,113
Investments - net	-	3,818	10,375	18,834	13	1,004	34,044
Loans to customers*	4,864	48,580	21,995	42,984	65,215	5,795	189,433
Other receivable - TAMC - net	-	-	-	-	870	-	870
Financial liabilities							
Deposits	75,707	62,908	21,673	6,019	-	-	166,307
Interbank and money market items	13,418	27,373	4,105	3	-	-	44,899
Liabilities payable on demand	2,035	-	-	-	-	-	2,035
Derivatives liabilities	-	-	-	-	-	4,383	4,383
Debt issued and borrowings	846	15,127	3,738	22,449	-	-	42,160
Commitments							
Avals to bills	5	669	80	-	-	-	754
Guarantee of loans	15	300	361	100	1,084	-	1,860
Liabilities under unmatured import bills	53	627	118	-	-	-	798
Letters of credit	122	1,957	423	131	-	-	2,633
Other commitments							
Undrawn overdraft amount	21,655	-	-	-	-	-	21,655
Other guarantees	8,399	1,610	3,838	386	10	-	14,243
Derivatives							
Derivatives on foreign exchange	6,345	90,985	43,512	5,497	-	-	146,339
Derivatives on interest rates	1,000	57,728	129,018	266,860	14,519	-	469,125
Others derivatives	-	-	168	-	-	-	168

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the no specific maturity bucket.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2010							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	2,809	-	-	-	-	-	2,809
Interbank and money market items - net	2,794	20,928	323	20	-	-	24,065
Derivatives assets	-	-	-	-	-	3,359	3,359
Investments - net	-	24,808	11,944	9,586	118	1,206	47,662
Loans to customers*	15,055	46,278	22,192	33,467	37,241	8,902	163,135
Financial liabilities							
Deposits	74,632	42,187	32,390	2,831	-	-	152,040
Interbank and money market items	3,675	33,357	2,500	233	-	-	39,765
Liabilities payable on demand	2,437	-	-	-	-	-	2,437
Derivatives liabilities	-	-	-	-	-	4,593	4,593
Debt issued and borrowings	10	7,421	4,788	20	-	-	12,239
Commitments							
Avals to bills	-	685	31	-	-	-	716
Guarantee of loans	15	873	99	112	924	-	2,023
Liabilities under unmatured import bills	-	701	176	2	-	-	879
Letters of credit	110	2,236	70	-	-	-	2,416
Other commitments							
Undrawn overdraft amount	19,835	-	-	-	-	-	19,835
Other guarantees	6,170	1,669	3,342	398	10	-	11,589
Derivatives							
Derivatives on foreign exchange	-	82,774	61,699	4,141	-	-	148,614
Derivatives on interest rates	-	16,680	82,539	205,552	14,017	-	318,788
Others derivatives	-	260	-	169	-	-	429

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the no specific maturity bucket.

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2011						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	3,401	-	-	-	-	-	3,401
Interbank and money market items - net	25,198	29,902	4,135	-	-	-	59,235
Derivatives assets	-	-	-	-	-	4,113	4,113
Investments - net	-	3,818	10,375	18,834	13	1,330	34,370
Loans to customers*	4,864	48,580	21,995	42,983	65,215	5,795	189,432
Other receivable - TAMC - net	-	-	-	-	870	-	870
Financial liabilities							
Deposits	75,759	62,908	21,673	6,019	-	-	166,359
Interbank and money market items	13,425	27,405	4,105	3	-	-	44,938
Liabilities payable on demand	2,035	-	-	-	-	-	2,035
Derivatives liabilities	-	-	-	-	-	4,383	4,383
Debt issued and borrowings	846	15,140	3,883	22,449	-	-	42,318
Commitments							
Avals to bills	5	669	80	-	-	-	754
Guarantee of loans	15	300	361	100	1,084	-	1,860
Liabilities under unmatured import bills	53	627	118	-	-	-	798
Letters of credit	122	1,957	423	131	-	-	2,633
Other commitments							
Undrawn overdraft amount	21,655	-	-	-	-	-	21,655
Other guarantees	8,399	1,610	3,838	386	10	-	14,243
Derivatives							
Derivatives on foreign exchange	6,345	90,985	43,512	5,497	-	-	146,339
Derivatives on interest rates	1,000	57,728	129,018	266,860	14,519	-	469,125
Others derivatives	-	-	168	-	-	-	168

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the no specific maturity bucket.

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2010							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	2,809	-	-	-	-	-	2,809
Interbank and money market items - net	2,782	20,858	237	-	-	-	23,877
Derivatives assets	-	-	-	-	-	3,359	3,359
Investments - net	-	24,808	11,944	9,586	118	1,819	48,275
Loans to customers*	15,055	46,278	22,192	33,466	37,241	8,902	163,134
Financial liabilities							
Deposits	74,731	42,187	32,390	2,831	-	-	152,139
Interbank and money market items	3,688	33,362	2,500	233	-	-	39,783
Liabilities payable on demand	2,437	-	-	-	-	-	2,437
Derivatives liabilities	-	-	-	-	-	4,593	4,593
Debt issued and borrowings	10	7,947	4,918	20	-	-	12,895
Commitments							
Avals to bills	-	685	31	-	-	-	716
Guarantee of loans	15	873	99	112	924	-	2,023
Liabilities under unmatured import bills	-	701	176	2	-	-	879
Letters of credit	110	2,236	70	-	-	-	2,416
Other commitments							
Undrawn overdraft amount	19,835	-	-	-	-	-	19,835
Other guarantees	6,170	1,669	3,342	398	10	-	11,589
Derivatives							
Derivatives on foreign exchange	-	82,774	61,699	4,141	-	-	148,614
Derivatives on interest rates	-	16,680	82,539	205,552	14,017	-	318,788
Others derivatives	-	260	-	169	-	-	429

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the no specific maturity bucket.

48.6 Estimated fair value of financial instruments

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

48.7 Fair value of financial instruments

As at 31 December 2011 and 2010, the fair value of financial instruments included in the statements of financial position of the Bank and its subsidiaries are as follows:

Type of financial instruments	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December			
	2011		2010	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets				
Cash	3,401	3,401	2,809	2,809
Interbank and money market items - net	59,503	59,503	24,065	24,065
Derivatives assets	4,113	4,113	3,359	3,359
Investments - net	34,044	34,239	47,662	47,694
Loans to customers and accrued interest receivables - net	183,904	183,904	157,013	157,013
Other receivable - TAMC - net	870	870	-	-
Financial liabilities				
Deposits	166,307	166,307	152,040	152,040
Interbank and money market items	44,899	44,899	39,765	39,765
Liabilities payable on demand	2,035	2,035	2,437	2,437
Derivatives liabilities	4,383	4,383	4,593	4,593
Debt issued and borrowings	42,160	42,160	12,239	12,239

Type of financial instruments	(Unit: Million Baht)			
	Separate financial statements			
	As at 31 December			
	2011		2010	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets				
Cash	3,401	3,401	2,809	2,809
Interbank and money market items - net	59,235	59,235	23,877	23,877
Derivatives assets	4,113	4,113	3,359	3,359
Investments - net	34,370	34,566	48,275	48,607
Loans to customers and accrued interest receivables - net	183,903	183,903	157,012	157,012
Other receivable - TAMC - net	870	870	-	-
Financial liabilities				
Deposits	166,359	166,359	152,139	152,139
Interbank and money market items	44,938	44,938	39,783	39,783
Liabilities payable on demand	2,035	2,035	2,437	2,437
Derivatives liabilities	4,383	4,383	4,593	4,593
Debt issued and borrowings	42,318	42,318	12,895	12,895

48.8 Methods and assumptions in estimating fair value of financial instruments

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

(a) Cash and interbank and money market items

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

(b) Investments

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

(c) Loans to customers

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

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

(d) Accrued interest receivables

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

(e) Deposit liabilities

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

(f) Interbank and money market items (liabilities)

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

(g) Debt issued and borrowings

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

(h) Fair value of commitments

Commitments to aval, guarantee, and letters of credit

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

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

Other commitments

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

49. Reclassification

Certain items in the financial statements as at 31 December 2010 have been reclassified to conform to the current period's classification, in accordance with the BOT's Notification No. Sor Nor Sor.11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010 which is effective for fiscal years beginning on or after 1 January 2011, but no effect to previously reported net profit or shareholders' equity. The reclassifications are as follows:

	(Unit: Million Baht)			
	As at 31 December 2010			
	Consolidated financial statements		Separate financial statements	
	After reclassification	As previously reported	After reclassification	As previously reported
Statements of financial position				
Investments - net	47,526	47,662	47,526	48,275
Investments in subsidiaries and associate - net	136	-	749	-
Interbank and money market items - (Liabilities)	39,765	39,838	39,783	39,945
Debt issued and borrowings	12,239	12,166	12,895	12,733
Provisions for long-term employee benefits	813	-	811	-
Provision - other liabilities	208	1,113	208	1,111
Interest payable	-	451	-	452
Other liabilities	2,549	2,006	2,407	1,863

(Unit: Million Baht)

	For the year ended 31 December 2010			
	Consolidated financial statements		Separate financial statements	
	After reclassification	As previously reported	After reclassification	As previously reported
Statements of comprehensive income				
Interest income	8,855	-	8,727	-
Dividend income	69	-	655	-
Interest and dividend income	-	8,924	-	9,382
Interest expenses	2,476	1,882	2,480	1,886
Payments to the Deposit Protection Agency	-	594	-	594
Fees and service income	2,080	2,086	1,872	1,872
Fees and service expenses	249	694	383	820
Net gain on foreign currency trading and exchange transactions	186	-	186	-
Net gain on investments	159	226	163	230
Gain on exchange	-	99	-	99
Other operating income	51	45	27	27
Premises and equipment expenses	922	1,156	896	1,126
Losses on impairment of properties foreclosed and other assets	500	505	500	504
Other operating expenses	1,334	650	1,297	627
Impairment loss of loans and debt securities	739	-	705	-
Bad debts and doubtful accounts	-	719	-	684

50. Event after the reporting period

On 13 March 2012, a meeting of the Bank's Board of Directors' passed a resolution to propose the issue of up to Baht 50,000 million of debentures to the Annual General Meeting of Shareholders for approval.

51. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 13 March 2012.

Other Information

1. Subsidiaries and affiliated companies of UOB (Thai)

1. UOB Asset Management (Thai) Company Limited

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

2. UOB Services Company Limited

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

3. UOB Bullion and Futures (Thai) Company Limited

Business	:	Trading in futures contracts
Location	:	7 th Floor, 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Tel	:	0-2213-2611
Fax	:	0-2213-2614
Paid-up capital	:	Baht 175,000,000 (1,750,000 ordinary shares)
UOB (Thai)'s holding	:	75.00%

4. AXA Insurance Public Company Limited

Business	:	Non-life insurance company
Location	:	23 rd Floor, Lumpini Tower Building, 1168/67 Rama IV Road, Thungmahamek, Sathon, Bangkok 10120
Tel	:	0-2285-6385
Fax	:	0-2285-6383
Paid-up capital	:	Baht 352,642,100 (3,526,421 ordinary shares)
UOB (Thai)'s holding	:	22.06%

5. UOB Leasing (Thai) Company Limited

Business	:	The Company registered the closure on 15 October 2010
Location	:	191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Tel	:	0-2343-4546
Fax	:	0-2285-1633
Paid-up capital	:	Baht 3,975,396 (32,000,000 ordinary shares)
UOB (Thai)'s holding	:	99.99%

Other Information

2. Details of Directors

Name	Period	Experience
1. Wee Cho Yaw	Jul 2004 - Present 1974 - Present 1974 - Apr 2007	<ul style="list-style-type: none"> Chairman of the Board of Directors (Authorised Signatory), UOB (Thai) Chairman, United Overseas Bank Limited, Singapore Chairman and CEO, United Overseas Bank Limited, Singapore
2. Wee Ee Cheong	Jul 2004 - Present May 2007 - Present 2000 - Apr 2007	<ul style="list-style-type: none"> Deputy Chairman of the Board of Directors (Authorised Signatory), UOB (Thai) Deputy Chairman and CEO, United Overseas Bank Limited, Singapore Deputy Chairman and President, United Overseas Bank Limited, Singapore
3. Suebtrakul Soonthornthum	Aug 2010 - Present Aug 2008 - Aug 2010 Aug 2004 - Present 1992 - Present	<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee and Member of the Audit Committee, UOB (Thai) Chairman of the Audit Committee, UOB (Thai) Independent Director, UOB (Thai) Senior Executive Vice President, Loxley Public Company Limited
4. Arun Chirachavala	Aug 2010 - Present Apr 2008 - Present Aug 2007 - Present 2004 - 2006	<ul style="list-style-type: none"> Chairman of the Audit Committee, UOB (Thai) Independent Director, UOB (Thai) Executive Chairman, Krungdhep Sophon Pcl. and subsidiaries President, Siam City Bank Pcl.
5. Chinnawat Bulsuk	Aug 2008 - Aug 2010 Aug 2006 - Aug 2008 Aug 2004 - Present 2003 - Present	<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee, UOB (Thai) Chairman of the Audit Committee, UOB (Thai) Independent Director and Member of the Audit Committee, UOB (Thai) Director & CEO, Thai Samut Asset Co., Ltd.
6. Lee Chin Yong	Aug 2004 - Present 2003 - Present	<ul style="list-style-type: none"> Authorised Signatory Director, UOB (Thai) Managing Director, United Overseas Bank Limited, Singapore
7. Cheo Chai Hong	Nov 2009 - Present Jul 2005 - Present	<ul style="list-style-type: none"> Authorised Signatory Director, UOB (Thai) Managing Director, United Overseas Bank Limited, Singapore
8. Wong Kim Choong	Aug 2004 - Present 2003 - 2004	<ul style="list-style-type: none"> Authorised Signatory Director and President & CEO, UOB (Thai) Deputy CEO, United Overseas Bank (Malaysia) Berhad
9. Chua Teng Hui (Retired 1 January 2012)	Jul 2004 - Dec 2011 1999 - Jul 2004	<ul style="list-style-type: none"> Authorised Signatory Director and Deputy President & Deputy CEO, UOB (Thai) CEO, United Overseas Bank, Philippines

3. Directors' Remuneration

	Baht		
	Board of Directors	Audit Committee	Nomination & Compensation Committee
Wee Cho Yaw	1,440,000	-	-
Wee Ee Cheong	1,080,000	-	90,000
Chinnawat Bulsuk	720,000	360,000	-
Suebtrakul Soonthornthum	720,000	360,000	360,000
Arun Chirachavala	720,000	720,000	-
Lee Chin Yong	360,000	-	90,000
Cheo Chai Hong	360,000	-	-
Wong Kim Choong	360,000	-	-
Chua Teng Hui (<i>Retired 1 January 2012</i>)	360,000	-	-
Total	6,120,000	1,440,000	540,000

4. Senior Management's Remuneration

In 2011, the Bank paid cash remuneration to the Bank's Senior management amounted 329,803,033 Baht (2010 paid 237,654,972 Baht). In addition to cash remuneration, the Bank also paid non-cash remuneration, which included provident fund contribution, life and medical insurance premiums, and travelling allowance as disclosed in the Notes to Consolidated Financial Statement no. 36 in this Annual Report.

5. Directorships as of year end 2011 of Directors and Senior Management

Directors

1. Wee Cho Yaw

Company	Position
UOB Business Group	
United Overseas Bank Ltd.	Chairman
United Overseas Insurance Ltd.	Chairman
United Overseas Bank (Malaysia) Bhd	Chairman
UOB Australia Ltd.	Chairman
Far Eastern Bank Ltd.	Chairman
PT Bank UOB Indonesia	President Commissioner
United Overseas Bank (China) Ltd.	Supervisor
Overseas Union Bank Limited (pending dissolution-merged into UOB)	Chairman
United International Securities Ltd.	Chairman

Other Information

Company	Position
Wee Family Business Group	
C Y Wee & Company Pte Ltd.	Chairman
Ju Da Pte Ltd.	Chairman
Kheng Leong Company (Pte) Ltd.	Chairman
Wee Investments (Pte) Ltd.	Chairman
UOL Group Ltd.	Chairman
Pan Pacific Hotels Group Limited	Chairman
Haw Par Corporation Ltd.	Chairman
United Industrial Corporation Ltd.	Chairman
Singapore Land Ltd.	Chairman
Marina Centre Holdings Pte Ltd.	Chairman
Aquamarina Hotel Pte Ltd.	Chairman
Hotel Marina City Pte Ltd.	Chairman
Marina Bay Hotel Pte Ltd.	Chairman
Non-Profit/Community Service Business Group	
Chinese Development Assistance Council	Chairman (Board of Trustees)
Kim Mui Hoey Kuan	Chairman
Singapore Chinese Chamber of Commerce & Industry	Honorary President
Singapore Federation of Chinese Clan Associations	Honorary President
Singapore Hokkien Huay Kuan	Honorary President
Wee Foundation	Chairman

2. Wee Ee Cheong

Company	Position
UOB Business Group	
Chung Khiaw Bank (Malaysia) Bhd	Director
Far Eastern Bank Ltd.	Director
Hermes UOB Capital Management Ltd.	Director
OUB Centre Ltd.	Chairman
Overseas Union Bank Ltd. (pending dissolution-merged into UOB)	Director
PT Bank UOB Indonesia	Vice President Commissioner
United Overseas Bank Ltd.	Director
United Overseas Bank (China) Ltd.	Chairman
United Overseas Bank (Malaysia) Bhd	Director
United Overseas Insurance Ltd.	Director
UOBGC General Partners Ltd.	Director
UOB Australia Ltd.	Director
UOB Developments Pte Ltd.	Director
UOB Global Capital LLC	Chairman
UOB Global Capital Pte Ltd.	Chairman
UOB Hermes Asia Technology Fund	Director
UOB Travel Planners Pte Ltd.	Director
UOB Trust Ltd.	Director
United International Securities Ltd.	Director
Walden AB Ayala Ventures Co Inc	Director

Company	Position
Wee Family Business Group	
C Y Wee & Co Pte Ltd.	Director
E C Wee Pte Ltd.	Director
Great Racer Trading Ltd.	Director
Kheng Investment Ltd.	Director
Kheng Leong Co (HK) Ltd.	Director
Kheng Leong Company (Pte) Ltd.	Director
K.I.P. Industrial Holdings Ltd.	Director
KLC Holdings Ltd.	Director
KLC Holdings (Hong Kong) Ltd	Director
Phoebus Singapore Holdings Pte Ltd.	Director
Portfolio Nominees Ltd.	Director
Richly Joy Holdings Ltd.	Director
Wee Investments Pte Ltd.	Director
Wee Venture (Overseas) Ltd.	Director
Pilkon Development Co., Ltd.	Director
Plaza Hotel Co., Ltd.	Director
Non-Profit/Community Service/Relationship Business Group	
ASEAN Finance Corporation Ltd.	Director
INSEAD East Asia Council & International Council	Advisory Board Member
The Nanyang Academy of Fine Arts	Patron
Singapore-China Foundation	Member, Board of Governors
Singapore Chinese Chamber of Commerce & Industry	Honorary Council Member
The Association of Banks in Singapore	Council Member
The Institute of Banking & Finance	Director
Visa APCEMEA Senior Client Council	Member
Wee Foundation	Director

3. Suebtrakul Soonthornthum

Company	Position
Loxley Business Group	
Loxley Public Co., Ltd.	Director & SEVP
Loxley Global Co., Ltd.	Director
Loxley GTECH Technology Co., Ltd.	Director
Loxley Trading Co., Ltd.	Director
Loxley Property Development Co., Ltd.	Director
Guardfire Co., Ltd.	Chairman
Foseco (Thailand) Co., Ltd.	Chairman
General Aviation Co., Ltd.	Director
L Force 1 Co., Ltd.	Director
Blue Scope Steel (Thailand) Co., Ltd.	Director
Blue Scope Services (Thailand) Co., Ltd.	Director
Blue Scope Lysaght (Thailand) Co., Ltd.	Director
BP Castrol (Thailand) Co., Ltd.	Director

Other Information

Company	Position
Ekpavee Co., Ltd.	Director
Data Mining Co., Ltd.	Director
Asia Securities Management Co., Ltd.	Director
Zin Suapah Co., Ltd.	Director
Loxley Joint and Hold Co., Ltd.	Director
Oriental Post Co., Ltd.	Director
Postique Co., Ltd.	Director
Societe Commerciale Lao Co., Ltd.	Director
Other Business Groups	
Muang Thai Life Insurance Co., Ltd.	Independent Director
Muang Thai Real Estate Public Co., Ltd.	Chairman
Vanachai Group Public Co., Ltd.	Independent Director

4. Arun Chirachavala

Company	Position
Krungdhep Sophon Group	
Krungdhep Sophon Public Co., Ltd.	Executive Chairman
Krungdhep Document Co., Ltd.	Chairman
K.W.C. Warehouse Co., Ltd.	Chairman
Other Business Group	
Palang Sophon Co., Ltd.	Director
TRC Construction Public Co., Ltd.	Independent Director

5. Chinnawat Bulsuk

Company	Position
Chinnawat Bulsuk's Business Group	
Thai Samut Asset Co., Ltd.	Director & CEO
Other Business Group	
Chong Choe Co., Ltd.	Director

6. Lee Chin Yong

Company	Position
UOB Group of Companies	
United Overseas Bank (Malaysia) Bhd	Director
Uni.Asia Capital Sdn Bhd	Director
Uni.Asia Life Assurance Bhd	Director and Deputy Chairman
UOB Property Investment Pte Ltd.	Director
PT Bank UOB Indonesia	Commissioner
UOB International Investment Pte Ltd.	Director
UOB-Kay Hian Holdings Ltd.	Director
United Overseas Bank (China) Ltd.	Director
UOL Group of Companies	
President Hotel Sdn Bhd	Director
HPL Properties (Malaysia) Sdn Bhd	Director
Grand Elite Sdn Bhd	Director
Grand Elite (Penang) Sdn Bhd	Director
UOL Serviced Residences Sdn Bhd	Director

7. Cheo Chai Hong

Company	Position
UOB Group of Companies	
United Overseas Bank Philippines	Director
UOB Global Capital Pte Ltd.	Director
Other Business Group	
Banco De Oro Unibank Inc.	Director
Encus International Pte Ltd.	Director

8. Wong Kim Choong

-NIL-

9. Chua Teng Hui (Retired 1 January 2012)

Company	Position
UOB Group of Companies	
UOB Services Co., Ltd.	Chairman

Other Information

Senior Management

Name	Company	Position
1. Tay Han Chong	-	-
2. Adisorn Sermchaiwong	-	-
3. Chanindh Homsilpakul	-	-
4. Danupob Apichitsakul	-	-
5. Ho Swit Moy Margaret	-	-
6. Kanlika Buspavanich	-	-
7. Khoo Wah Sun <i>(Retired on 1 January 2012)</i>	-	-
8. Lek Ruangnaovarat	-	-
9. Lim Keng Teck	UOB Services Co., Ltd.	Director
10. Loh Chen Hwee	1. UOB Funding LLC 2. SME Opportunity Fund	Director Director
11. Loi Kai Cheow	-	-
12. Montira Utarapichat	-	-
13. Ngamjitt Sirijindalert	-	-
14. Onanong Udomkantong	UOB Services Co., Ltd.	Director
15. Pailin Ngsriwongse	Noble Line Ltd. (Thailand)	Director
16. Pimolrat Tangkosakul	-	-
17. Pipat Assamongkol	-	-
18. Pisal Kattiyothaivong	-	-
19. Piyaporn Ratanaprasartporn	UOB Asset Management (Thai) Co., Ltd.	Director
20. Pojanee Rungsang	-	-
21. Pornchai Wiwatpattarakul	-	-
22. Ratanachon Thanyodom	-	-
23. Roongthip Angkasirisan	-	-
24. Sanchai Apisaksirikul	1. UOB Asset Management (Thai) Co., Ltd. 2. UOB Services Co., Ltd. 3. UOB Bullion & Futures (Thai) Co., Ltd.	Director Director Director
25. Sayumrat Maranate	-	-
26. Vajee Pramualrat	-	-
27. Yeo Kian Ing	-	-
28. Yuttachai Teyarachakul	-	-
29. Yuwadee Chawatnpong	Siriruk Hospital Co., Ltd.	Director

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

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

7. Auditor's Remuneration

In 2011, the Bank and its subsidiaries paid for audit fee and special audit fee regarding to the Bank of Thailand's requirement to Ernst & Young Office Limited amounting to Baht 8,350,000 and Baht 350,000 respectively, totaling Baht 8,700,000.

8. Related Party Transactions

The Bank's transactions with the companies related to the Bank's directors during the year 2011 are as follows:

	Interbank and money market items		Interbank and money market items (liabilities)		Debt issued and borrowings		Related with UOB (Thai) Director		
	Loans to Customers	money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits		Derivatives liabilities	Other liabilities
Subsidiaries companies									
UOB Services Co., Ltd.				/		/		/	Chua Teng Hui
Related companies									
Loxley Pcl.				/		/			Suebrakul Soonthornthum
The Muangthai Life Assurance Co., Ltd.				/		/			Suebrakul Soonthornthum
Underwaterworld Pattaya Co., Ltd.				/		/			Wee Cho Yaw
PPHR (Thailand) Limited				/		/			Wee Cho Yaw, Wee Ee Cheong
Haw Par Tiger Balm (Thailand) Limited				/		/			Wee Cho Yaw, Wee Ee Cheong
Loxley Wireless Co., Ltd.				/		/			Suebrakul Soonthornthum
Loxbit Pcl.				/		/			Suebrakul Soonthornthum
Professional Computer Co., Ltd.				/		/			Suebrakul Soonthornthum
Netone Network Solution Co., Ltd.				/		/			Suebrakul Soonthornthum
L Hardware and Services Co., Ltd.				/		/			Suebrakul Soonthornthum
Loxley Trading Co., Ltd.				/		/			Suebrakul Soonthornthum
TRC Construction Pcl.				/		/			Arun Chirachavala
Sahakarn Wisavakorn Co., Ltd.				/		/			Arun Chirachavala
Major shareholders									
United Overseas Bank Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
United Overseas Bank Group of Companies									
United Overseas Bank (Malaysia) Bhd	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
UOB Bullion & Futures, Singapore				/		/			Wee Cho Yaw
Far Eastern Bank Ltd., Singapore				/		/			Wee Cho Yaw, Wee Ee Cheong
UOB Kay Hian Securities (Thailand) Co., Ltd.				/		/			Wee Cho Yaw

Details of all related party transactions are disclosed in Note 36 to the financial statements.

Related Party Transactions (continued)

The Bank's transactions with the companies related to the Bank's directors during the year 2011 are as follows:

	Interest income	Interest expenses	fees and service income	fees and service expenses	Net gain (loss) on foreign currency trading and exchange transactions	Other operating income	Premises and equipment expenses	Other expenses	Related with UOB (Thai) Director
Subsidiaries companies									
UOB Services Co., Ltd.	/	/	/	/	/	/	/	/	Chua Teng Hui
Related companies									
Loxley Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
The Muangthai Life Assurance Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Underwaterworld Pattaya Co., Ltd.	/	/	/	/	/	/	/	/	Wee Cho Yaw
PPHR (Thailand) Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
Haw Par Tiger Balm (Thailand) Limited	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
Loxley Wireless Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Loxbit Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Professional Computer Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Netone Network Solution Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
L Hardware and Services Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Loxley Trading Co., Ltd.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
TRC Construction Pcl.	/	/	/	/	/	/	/	/	Suebrakul Soonthornthum
Sahakarn Wisavakorn Co., Ltd.	/	/	/	/	/	/	/	/	Arun Chirachavala
	/	/	/	/	/	/	/	/	Arun Chirachavala
Major shareholders									
United Overseas Bank Limite	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
United Overseas Bank Group of Companies									
United Overseas Bank (Malaysia) Bhd	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
UOB Bullion & Futures, Singapore	/	/	/	/	/	/	/	/	Wee Cho Yaw
Far Eastern Bank Ltd., Singapore	/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
UOB Kay Hian Securities (Thailand) Co., Ltd.	/	/	/	/	/	/	/	/	Wee Cho Yaw

Details of all related party transactions are disclosed in Note 36 to the financial statements.

Risk Management

The assumption of financial and non-financial risks is an integral part of UOB (Thai) Group's business. Our risk management strategy is targeted at ensuring on-going effective risk discovery and achieving effective capital management. Risks are managed within level established by the management committees, and approved by the Board of Directors ("the Board") and its committees.

UOB (Thai) Group applies the following risk management principles:

- Promotion of sustainable long-term growth through embracing sound risk management principles and business practices;
- Continual improvement of risk discovery capabilities and establishment of appropriate value-creating risk controls; and
- Focus on facilitating business development within a prudent, consistent and efficient risk management framework that balances risks and returns.

UOB (Thai) Group has a comprehensive framework of policies and procedures for the identification, measurement, monitoring and control of risks. This framework is governed by the Board and appropriate senior management committees.

Credit Risk

Credit Risk is defined as the potential loss arising from any failure by customers to fulfill their obligations, as and when they fall due. These obligations may arise from on-balance sheet and off-balance sheet exposures such as direct lending, trade finance, receivables under derivatives and foreign exchange contracts, and other credit-related activities.

Through the Risk and Capital Committee or Credit Management Committee, UOB (Thai) Group establishes well-defined risk parameters for accepting credit risk, credit policies, guidelines and procedures to ensure that the credit portfolio is well-diversified and of an acceptable quality.

UOB (Thai) Group also has in place a rigorous process to regularly review, monitor and report credit exposures including credit risk concentration, industry sector exposures, level of non-performing loans as well as adequacy of provisions.

Credit Risk Policies and Processes

Credit policies and processes are in place to manage credit risk in the following key areas:

Credit Approval Process

To maintain independence and integrity of the credit approval process, the credit approval function is segregated from credit origination. Credit approval authority is delegated through a risk-based credit discretionary limit ("CDL") structure that is tiered according to the borrower's credit rating. Delegation of CDL follows a stringent process that takes into consideration the experience, seniority and track record of the officer. All credit approving officers are guided by credit policies and credit acceptance guidelines. Approval of consumer and small business loans is guided by product programmes. These credit policies, guidelines and product programmes are periodically reviewed to ensure their continued relevance.

Credit Risk Concentration

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

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

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

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

Credit Stress Test

UOB (Thai) Group incorporates periodic credit Stress Testing as an integral part of its credit portfolio management process. This allows UOB (Thai) Group to assess the potential credit losses arising from the impact of exceptional but plausible adverse events. The preventive actions against the potential vulnerabilities and credit deterioration shall be taken where necessary. Remedial actions such as exposure reduction, portfolio rebalancing, hedging and review of credit acceptance guidelines will be taken into consideration if necessary.

Delinquency Monitoring

All delinquent especially non-retail accounts, including credit limit excesses, are closely monitored and managed through a robust process by officers from business units, and risk management. Where appropriate, these accounts are also subject to more frequent credit reviews. For delinquent consumer loans as well as the small retail enterprise loans, delinquent accounts are auto-routed to the collectors for immediate actions.

Delinquency trends are monitored, analyzed and reported to the Credit Management Committee periodically.

Classification and Loan Loss Impairment

UOB (Thai) Group classifies its loan portfolios according to the borrower's ability to repay the loan from its normal source of income. All loans and advances to customers are classified into 'Pass', 'Special Mention' or 'Non-Performing or Default' categories. Non-performing loans ("NPL") are further classified as 'Substandard', 'Doubtful' or 'Doubtful of Loss' in accordance with Bank of Thailand ("BOT") guidelines.

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

A restructured account is categorized as "Non-performing" and placed on the appropriate classified grade depending on UOB (Thai) Group's assessment of the financial conditions of the borrower and the ability of the borrower to repay based on the restructured terms. A restructured account for credit facilities with monthly repayments or quarterly repayments can only be upgraded to 'Pass' status when all payments are current for six consecutive months and one year respectively. Credit facilities with semi-annual, annual or longer repayment bases are only upgraded if the borrower has fully complied with the restructured terms and demonstrated the ability to repay after achieving three consecutive repayment periods.

UOB (Thai) Group provides for impairment in accordance with regulatory requirement as well as accounting standards.

Special Asset Management

Special Asset Management ("SAM") manages the non-performing portfolios of UOB (Thai) Group. SAM proactively manages not only NPL accounts, with the primary intention of nursing these accounts back to health and transferring them back to the respective business units, but also disposal of Non-Performing Assets to maximize UOB (Thai) Group's recovery.

Write-off Policy

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

Intra-group Transactions

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

Credit Exposures under Basel II

Under Basel II, credit risk for the various asset classes may be computed using a combination of (i) Standardised Approach; (ii) Foundation Internal Ratings-Based (“FIRB”) Approach; and (iii) Advanced Internal Ratings-Based (“AIRB”) Approach. UOB (Thai) Group currently adopts FIRB Approach for regulatory capital computation purpose ie. UOB (Thai) Bank is under FIRB Approach whereas all subsidiaries are under Standardised Approach.

Credit Risk Mitigation (“CRM”)

As a fundamental credit principle, UOB (Thai) Group generally does not extend credit facilities solely on the basis of the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability.

Collateral is taken whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value as well as in accordance with specific regulations as mandated by BOT. The main types of collateral taken by UOB (Thai) Group are cash, qualified marketable securities, and real estate. Policies and procedures are in place to satisfy the standard applicable for credit risk mitigation.

In addition, personal guarantees are often taken as a form of moral support to ensure moral commitment from the principal shareholders and/or directors. Corporate guarantees are also often obtained when the borrower’s credit worthiness is not sufficient to justify an extension of credit.

UOB (Thai) Group currently uses supervisory prescribed haircuts for eligible financial collateral. For the purpose of capital computation, UOB (Thai) Group does not recognize personal and corporate guarantees as an eligible credit risk protection. UOB (Thai) Group also does not recognize International Swaps and Derivatives Association (“ISDA”) netting.

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

- **Legal certainty:** The documentation must be legally binding and enforceable (on an on-going basis) in all relevant jurisdictions.
- **Material positive correlation:** The value of the collateral must not be significantly affected by the deterioration of the borrower’s credit worthiness.
- **Third-party custodian:** The collateral that is held by a third-party custodian must be segregated from the custodian’s own assets.

To recognize the effects of guarantees under FIRB Approach, UOB (Thai) Group adopts the Probability of Default (“PD”) substitution approach whereby an exposure guaranteed by an eligible guarantor will utilize the PD of the computation of its capital requirements.

UOB (Thai) Group currently uses supervisory prescribed haircuts for eligible financial collateral.

Credit Exposures subject to Standardised Approach

For exposures subject to the Standardised Approach, approved External Credit Assessment Institutions (“ECAI”) ratings and prescribed risk weights based on asset class are used in the computation of regulatory capital except for Claims on Corporate where 100% risk weight is applied.

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

Credit Exposures subject to Supervisory’s Prescribed Risk Weight

Equity Asset Class

As per BOT’s guidelines, 100% risk weight is applied to equity exposures which have been exempted from IRB capital computation for the first 10 years of Basel II implementation (2008-2018) as its total position has been immaterial, accounting for fewer than 10 equities with Risk-Weighted Assets (“RWA”) comprising less than 5% of the total capital.

Credit Exposures subject to Supervisory Risk Weight under IRB Approach

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

IRB Rating System

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

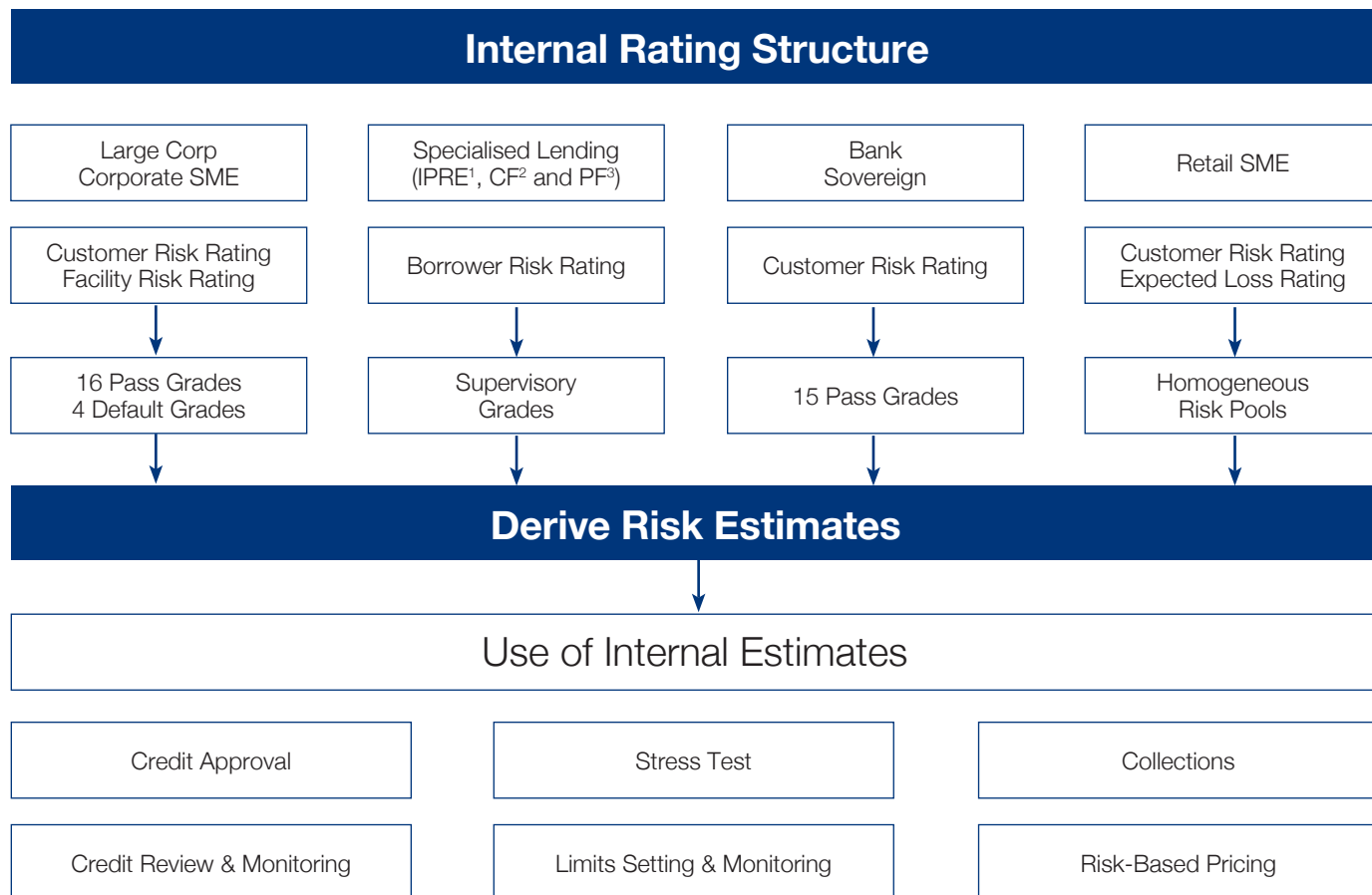
Rating System Governance

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

Rating Structure

UOB (Thai) Group has adopted the FIRB Approach for its non-retail exposures and the IRB Approach for its retail SME exposures.

UOB (Thai) Group's Internal Rating Structure is illustrated below.



1: IPRE refers to Income Producing Real Estate

2: CF refers to Commodity Finance

3: PF refers to Project Finance

Internal Rating System

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

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

An expert judgment model is one whereby the risk factors and their risk weights are determined judgmentally by credit experts. Such models are developed for portfolios with limited or no internal historical loss data, such as Bank and Sovereign asset classes.

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

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

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

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

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

Corporate Asset Class

The Group has rolled out Corporate SME ("CSME") model to rate exposures in this asset class. The rating structure consists of two dimensions:

- Risk of borrower default: Customer Risk Rating ("CRR") is the standalone rating of a borrower's credit risk based on financial (quantitative) and non-financial (qualitative) factors. This is derived from a comprehensive assessment of the borrower's financial strength, quality of management, business risks, and the industry it operates in.
- Transaction-specific factors: Facility Risk Rating is the rating of a facility's risk based on the borrower's CRR, facility and collateral-specific factors such as the type and structure of the facility, availability and type of collateral, and seniority of the exposure.

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

Specialised Lending Asset Sub-Class

Within the corporate asset class, UOB (Thai) Group has three sub-classes for Specialised Lending: Income Producing Real Estate ("IPRE"), Commodity Finance ("CF") and Project Finance ("PF"). Specialised Lending exposures are treated separately from normal Corporate exposures. Such exposures generally possess the following attributes either in legal form or economic substance:

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

IPRE, CF and PF

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

Bank and Sovereign Asset Classes

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

Retail Asset Class

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

Retail SME exposures are assessed and managed using a combination of Application and Behavioral scorecards, Loss Given Default (“LGD”) and Exposure At Default (“EAD”) models to segregate exposures according to their borrower and transaction risks. PD, LGD and EAD parameters are estimated using internal loss data covering an economic cycle including downturns. Where internal loss data do not cover an appropriate economic cycle and/or are insufficient to provide robust risk estimates, the PD, LGD and EAD models may incorporate internal and/or external proxies, and where necessary, may be augmented with appropriate margins of conservatism.

Probability of Default

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

Loss Given Default

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

Exposure At Default

EAD is an estimate of the expected gross exposure of a facility upon default. The definition of default in the EAD model is identical to that of the PD model. EAD comprises (i) the currently drawn exposures as well as an estimate of future drawings of available but unutilized credit [both on-balance and off-balance sheet exposures] (ii) the cash-equivalent amount of the off-balance sheet exposures.

Use of Internal Estimates

Internal ratings are used pervasively in the areas of credit approval, credit review and monitoring, credit stress test, limits setting, pricing and collections.

Market Risk

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

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

UOB (Thai) Group currently adopts the Standardised Approach for the calculation of regulatory market risk capital but uses Value-at-Risk ("VaR") to measure and control trading market risks. To complement the VaR measure, stress and scenario tests are performed to identify UOB (Thai) Group's vulnerability to event risk. These tests serve to provide early warnings of plausible extreme losses to facilitate proactive management of market risks.

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

Interest Rate Risk in Banking Book

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

The purposes of interest rate risk management are to protect and enhance capital or economic net-worth through adequate, stable and reliable growth in net interest earnings under a broad range of possible economic conditions. This is achieved by ensuring that the structural interest rate risk is identified, measured, monitored and managed over a range of potential and realistic interest rate scenarios, including under stress situations. In addition, UOB (Thai) Group maintains a prudent and continuous balance between meeting the requirements/expectations of customers, shareholders, and regulators, and maintaining the solvency and economic viability of UOB (Thai) Group.

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

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

Liquidity Risk

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

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

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

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

The distribution of deposits is managed actively to ensure a balance between cost effectiveness, continued accessibility to funds, and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of UOB (Thai) Group's core deposits and the maintenance of customer confidence. Core deposits are generally stable non-bank deposits, such as current accounts, savings accounts and fixed deposits. UOB (Thai) Group monitors the stability of its core deposits by analysing their volatility over time.

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

UOB (Thai) Group's liquidity risk management is aligned with the regulatory liquidity risk management framework, and is measured and managed on a projected cash flow basis. UOB (Thai) Group is monitored under 'Business as Usual', and three crisis scenarios, which are 'bank-specific crisis', 'general market crisis', and 'combination crisis'.

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

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

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

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

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

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

Operational Risk

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

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

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

A database of operational risk events and losses has been established to facilitate the future use of advanced approaches for quantification of operational risks. The analysis of loss trends and root causes of loss events helps in strengthening the internal control environment.

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

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

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

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

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

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

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

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

Report of the Audit Committee

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

In 2011, the Committee held four meetings to review the Bank's internal control system and discussed financial and operational audit issues with the Bank's External and Internal Auditors. Relevant Management members were invited to attend the meetings to provide additional information and clarification of the internal control systems.

Major matters in the meetings were as follows:

- Reviewed the major items of the financial reports, Management Letter (ML) and the reliability of those reports including the meetings (non-executive session) held with the External Auditor (E&Y).
- Reviewed the Audit Committee Charter.
- Reviewed the Internal Audit Charter and Codes of Ethics for Internal Audit.
- Reviewed the Whistle Blowing Policy and the Policy on Fraud.
- Approved the Annual Planned Schedules for Audit Committee Meetings.
- Approved and monitored the Internal Audit Year Plan and resources.
- Evaluated the Performance Evaluation of the Head of Internal Audit.
- Acknowledged the Quarterly Compliance and Risk Management reports.
- Acknowledged the major audit findings regarding the compliance with internal and external regulations.
- Acknowledged the quarterly audit reports, major findings, and status updates.
- Acknowledged the implementation issues and progresses of Basel II - Internal Ratings Based Approach (IRBA) and the Internal Capital Adequacy Assessment Process (ICAAP).
- Reviewed and discussed the adequacy and effectiveness of the Bank's Internal Control System with the Senior Management, Internal and External Auditors as well as the Management's Responses to the control deficiencies and timely remedial actions taken.
- Reviewed the reasonableness of the Connected and Related Parties' transactions.
- Reviewed and proposed the Bank's External Auditor Fees to the Board of Directors.

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

In addition, the Internal Audit System is ISO 9001 : 2008 certified.



Mr. Arun Chirachavala
Chairman of the Audit Committee
March 13, 2012

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

The Board of Directors has reviewed the opinion and the assessment form on the adequacy of Internal Control System prepared by the Audit Committee during the Board of Directors' Meeting No. 578 held on March 13, 2012. Participants of the meeting included the Audit Committee members comprising the three independent directors who are not employees of the Bank.

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

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

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

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

The External Auditor of the Bank is Ernst & Young Office Limited (E&Y) of which Mrs. Nonglak Pumnoi, a Certified Public Accountant (CPA), as Designated External Auditor, has examined and given her opinion that the Bank's Financial Statements in all material respects; its financial position, operations results and cash flows for the year then ended as at December 31, 2011 presented fairly and in accordance with generally accepted accounting principles.



Mr. Arun Chirachavala
Chairman of the Audit Committee
March 13, 2012

Report of the Nomination and Compensation Committee

The Nomination and Compensation Committee is appointed by the Board of Directors, and consists of an Independent Director as Committee Chairman and other 2 non-executive Directors as follows:

- | | |
|--------------------------------|----------|
| 1) Mr. Suebrakul Soonthornthum | Chairman |
| 2) Mr. Wee Ee Cheong | Member |
| 3) Mr. Francis Lee Chin Yong | Member |

The Nomination and Compensation Committee held 5 meetings in 2011.

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

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

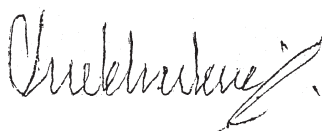
In selecting a Board Director, CEO and Senior Management, the factors to be taken into consideration, in addition to all applicable regulatory requirements, include the candidate's academic qualifications, personal character, technical and leadership competence, employment and career experience, and his or her management philosophy and management vision.

The successful candidate must share the Board's and Management's philosophy and vision in managing the financial institution in order to ensure that the institution's goals are met. Furthermore, the candidate must share the same beliefs that will help establish mutual trust and close working relationships with the Board and with the Senior Management team. The Nomination and Compensation Committee will review the successful candidate for suitability before the bank proceeds to obtain approval from the Bank of Thailand and from the Board of Directors.

In setting compensation for 2011 as disclosed in this Annual Report, the scale and component of remuneration for the Directors, Executive Directors, Non-Executive Directors, and Senior Management are comparable to the general practice in the financial industry with regard to work experience and the Bank's overall performance results and in accordance with the principles and policies which have been approved by the Board and shareholders.

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

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



Mr. Suebrakul Soonthornthum
Chairman, Nomination & Compensation Committee
February 14, 2012

Corporate Governance and Management Structure

Corporate Governance

United Overseas Bank (Thai) Public Company Limited (the “Bank”), a United Overseas Bank Limited (“UOB”) subsidiary, is committed to maintaining the highest standard of corporate governance. The Bank believes that good corporate governance is fundamental to sustaining business growth, as well as safeguarding the beneficial interests of stakeholders including all shareholders, employees, business partners, customers, government entities with supervisory authority and auditors. The Bank has established a “Code of Conduct” (the “code”) as a set of principles for the guidance for all employees, including the Management Team, in the performance of their roles and responsibilities. This code spells out the best practices that all employees should follow to uphold the core values of integrity and trust of the Bank.

The Board of Directors (the “Board”) has set up various committees for effective management and oversight of the Bank’s various activities and closely monitors their performance. These committees ensure that the Bank adheres to the good governance practices of the Bank of Thailand and government entities for the protection of the interests of all stakeholders are equally protected.

Control Systems, Compliance and Internal Audit

The Board and Management recognise the importance of having effective and efficient internal controls, risk management, compliance and internal audit. All units within the Bank are expected to comply with the governance guidelines on internal controls and ethics. Internal control activities form an integral part of operational processes. The Bank has established appropriate dual controls segregating the operational functions and the control and monitoring functions to achieve appropriate checks and balances. The Bank has also set up various committees to manage detailed day-to-day operational matters, and has an Internal Audit team, which comprises qualified members, to audit and ensure compliance with all established controls in all operational systems and the Bank’s Policies and Guidelines.

Compliance is an independent function that manages compliance risks within the Bank and reports directly to the Board of Directors. Compliance is responsible for communicating, educating and advising all units in the Bank on applicable regulatory development and the impact on the business practices as well as conducting compliance reviews and tests to ensure that all applicable law and regulations, as well as anti-money laundering and anti-terrorist and financial crime measures, are duly complied with in the Bank’s business conduct.

Internal Audit is an independent unit that reports directly to the Audit Committee and is responsible for auditing and providing assurance with regard to operational control (including related-party transactions) and internal control guidelines. Internal Audit is certified under international standards (ISO9001: 2008) and complies with UOB Group’s audit standards.

Directors’ Reporting

The Board is responsible for the Bank’s and its subsidiaries’ consolidated financial statements and for the financial information presented in this annual report. These financial statements were prepared in accordance with accounting standards enunciated under the Accounting Professions Act. B.E. 2547, and in reliance on governing policies, careful judgment and best estimates. Important information is adequately disclosed in the notes to financial statements and has been reviewed and unconditionally commented on by independent certified public accountants. The Bank’s financial statements reflect the true and transparent financial status and performance for the information of shareholders.

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

The Board of Directors has established the Audit Committee, consisting of independent members, who are responsible for the quality of the financial reports, internal control systems, internal audit and disclosure of related-party transactions or transactions that may cause conflict of interest, to ensure ethical standards and transparency.

Management Structure

Board of Directors

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

The Board’s roles and duties are to formulate the Bank’s policies and strategic directions, supervise and monitor the management to ensure efficiency and effectiveness, and compliance with the relevant laws, the policies, objectives and Articles of Association

of the Bank, and the resolutions of the shareholders' meetings. The Board has established the Executive Committee, Audit Committee, Nomination and Compensation Committee, and Risk & Capital Committee (previously called the "Risk Management Committee"), and has delegated authority to the Executive Committee to conduct any or several businesses under such conditions that the Board may think fit. The Board may also appoint one or several directors or any other person to perform any acts on its behalf.

The Board of Directors consists of:

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Chinnawat Bulsuk	Independent Director
Suebtrakul Soonthornthum	Independent Director
Arun Chirachavala	Independent Director
Lee Chin Yong	Director
Cheo Chai Hong	Director
Wong Kim Choong	Director
Chua Teng Hui	Director

(Retired 1 January 2012)

Executive Committee

The Executive Committee (the "EXCO") is mandated by the Board of Directors to manage the day-to-day operations of the Bank. Other responsibilities of the EXCO include:

- reviewing and approving business policies and strategies, risk management policies and guidelines, and other policy matters;
- setting credit discretionary limits;
- approving or ratifying approvals for credit applications and debt restructuring cases;
- delegating to the Assets and Liabilities Committee the responsibility to manage and review the Bank's assets and liabilities;
- approving and controlling the design and development of the use of the risk measurement system, including the processes and procedures applied in the risk appraisal;
- approving and controlling the administration and management of the capital fund, including the capital adequacy assessment process and stress testing.

The EXCO empowers the President & CEO to set up any necessary functional committees other than the committees required by the regulatory authorities, as well as appoint members and determine scope of duties and responsibilities of such committees. Apart from these roles and duties, the EXCO is also responsible for monitoring the progress of the Bank's business plans and operations.

The Executive Committee consists of:

Wong Kim Choong	Chairman
Wee Ee Cheong	Vice Chairman I
Lee Chin Yong	Vice Chairman II
Cheo Chai Hong	Member
Chua Teng Hui	Member

(Retired 1 January 2012)

Audit Committee

The Audit Committee is established by the Board of Directors and consists of three Independent Directors. Its main responsibilities are to ensure that the Bank has appropriate and efficient internal control systems, the internal audit function audits the business' compliance with the regulations imposed by governing laws, and that disclosure of information in the financial reports of the Bank is complete and correct. The Audit Committee is also responsible for the selection and nomination of the Bank's external auditors, including determining the external auditors' remuneration and considering the disclosure of information on related-party transactions or transactions where conflict of interest may occur, to ensure ethical standards and transparency.

The Audit Committee consists of:

Arun Chirachavala	Chairman
Suebtrakul Soonthornthum	Member
Chinnawat Bulsuk	Member

Nomination and Compensation Committee

The Nomination and Compensation Committee is established by the Board of Directors, and consists of one Independent Director as the Committee Chairman and two other non-executive directors. It is responsible for the setting up of policies and criteria for considering the selection and remuneration of the Bank's Board members and senior management. This includes:

- reviewing the nomination of qualified directors to the Board, Chief Executive Officer and management from Executive Director level and above, including deciding on any internal promotions to the rank of Executive Director and above; and
- recommending the remuneration of the Board of Directors and reviewing the remuneration of the senior management team.

The Nomination and Compensation Committee consists of:

Suebtrakul Soonthornthum	Chairman
Wee Ee Cheong	Member
Lee Chin Yong	Member

Risk & Capital Committee

The Risk & Capital Committee (the “RCC”) (previously called the “Risk Management Committee” or “RMC”) is composed of two directors and other eleven members from Heads of relevant function lines to assist the Board in overseeing the risk management of the Bank. The RCC reviews the Bank’s overall risk appetite, the Internal Capital Adequacy Assessment Process (“ICAAP”) and Capital. Other key functions performed by the RCC include:

1. establishing policies covering credit risk, market risk, liquidity risk, operational risk and any other types of risks that may affect the reputation and stability of the Bank and its subsidiaries;
2. reviewing the adequacy of the policies, risk management procedures and all important aspects of the rating systems, and processes which include the use of rating systems and estimates of Internal Ratings-Based Approach parameters and stress tests, taking into account the business and capital implication;
3. discussing risk and capital issues on an integrated basis including review of capital plan;
4. reviewing the Group’s risk appetite framework and risk appetite statement;
5. recommending risk treatments actions in response to material changes, events and breaches of Risk Appetite;
6. resolving outstanding disagreement on exiting customer relationship and denial of accounts opening to new and existing customers proposed by the Bank’s Anti-Money Laundering Committee (AMLO);
7. overseeing UOB (Thai) Group’s consolidated companies to ensure Group risk management policies and regulatory requirements are complied with.

The RCC reports directly to the Board and highlights new risks and exceptional risk events to the Audit Committee from time to time.

The Risk & Capital Committee consists of:

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

In addition to these committees, the Board also has sub-committees to manage the day-to-day operational matters. These committees consist of relevant management staff handling various functions. These committees include the Management Committee, Assets and Liabilities Committee, Credit Committee, Valuation Committee, IT Committee, Credit Risk Committee, Special Asset Management Credit Committee and UOB (Thai) Subsidiaries Management Committee.

In 2011, the Board held five meetings, and the Audit Committee held four meetings. The attendance of each director is as follows.

<u>Board of Directors’ meeting</u>	<u>Meetings attended</u>
Wee Cho Yaw	3/5
Wee Ee Cheong	2/5
Chinnawat Bulsuk	5/5
Sueptrakul Soonthornthum	5/5
Arun Chirachavala	5/5
Lee Chin Yong	4/5
Cheo Chai Hong	2/5
Wong Kim Choong	5/5
Chua Teng Hui (<i>Retired 1 January 2012</i>)	5/5

<u>Audit Committee’s meeting</u>	<u>Meetings attended</u>
Sueptrakul Soonthornthum	4/4
Chinnawat Bulsuk	4/4
Arun Chirachavala	4/4

Branch Network

as of 31 March 2012

Head Office

Sathon Head Office

191 South Sathon Road, Sathon,
Bangkok 10120
Tel : 0-2343-3000 ext. 2684, 2686
0-2343-2688, 0-2343-2689,
0-2343-2695
Fax : 0-2287-2972

Bangkok Metropolitan Branch Offices

All Seasons Place

3rd Floor M Thai Tower,
All Seasons Place,
87 Wittayu Road, Pathumwan,
Bangkok 10330
Tel : 0-2257-0116-8, 0-2257-0137
Fax : 0-2257-0149

Amarin Plaza

(Mon.-Fri. 8.30am-5.00pm)
1st Floor Amarin Plaza,
500 Ploenchit Road, Pathumwan,
Bangkok 10500
Tel : 0-2252-6292-3, 0-2251-8579,
0-2256-9045-6, 0-2256-9906,
0-2256-9677, 0-2256-9680
Fax : 0-2252-7871

Anusavaree Chaisamoraphoom

911/1-3 Phaholyothin Road, Phayatai,
Bangkok 10400
Tel : 0-2271-0089, 0-2271-3447,
0-2271-2662
Fax : 0-2271-0088

Asoke Montri

1st Floor Ratchapark Building,
163 Sukhumvit 21 Road,
Wattana, Bangkok 10110
Tel : 0-2258-3259, 0-2258-3261,
0-2258-3265, 0-2258-3268,
0-2258-3881
Fax : 0-2258-9552

Bang Bon

289, 291, 293 and 295 Eakchai Road,
Bangbon, Bangkok 10150
Tel : 0-2898-0423-5, 0-2415-6984
Fax : 0-2898-0426

Bangbuathong

28/33-35 Mu 4, Bangkruiy-Sainoi Road,
Sahno-loi, Bangbuathong, Nonthaburi 11110
Tel : 0-2920-2451-5
Fax : 0-2920-2450

Bangkae

455/9-11 Petchkasem Road (Soi 51-53),
Bangkae, Bangkok 10160
Tel : 0-2455-2091, 0-2455-2095,
0-2455-2097
Fax : 0-2455-2108

Bang Kapi

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

Bangmod

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

Bangna K.M.2

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

Bangplee

(everyday 10.00am-8.00pm)
BIG C Center Bangplee,
89 Mu 9 Taeparak KM 13 Road,
Bangplee, Samutprakarn 10540
Tel : 0-2752-4505-9
Fax : 0-2752-4504

Bang Poo Industrial Estate Market

(Mon.-Fri. 8.30am-5.00pm)
798-799 Tessaban Preakasa 14 Road,
Tumbon Preakasa, Maung District,
Samutprakarn Province 10280
Tel : 0-2324-3504-7
Fax : 0-2324-3508

Bangrak

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

Bangyai City

(Mon.-Sat. 10.00am-06.00pm)
89/12-14 Mu 6 Bangyai City,
Kanchanapisck Road, Saonthonghin,
Bangyai, Nonthaburi 11140
Tel : 0-2595-0481-82, 0-2595-0484-85
Fax : 0-2595-0486

Big C Omyai

(everyday 10.00am-8.00pm)
Big C Supercenter Omyai,
17/17 Mu 8 Omyai, Sampran,
Nakhon Prathom 73160
Tel : 0-2431-1534-37
Fax : 0-2431-1542

Bobae

(everyday 8.30am-5.00pm)
1082/2 Krungkasem Road,
Klong Mahanak, Pomprabsatruphai,
Bangkok 10100
Tel : 0-2282-3665, 0-2282-3796,
0-2282-4374, 0-2282-3694-5
Fax : 0-2282-1914

BTS On Nut

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

Buntudthong

56/20, 56/59-62 Rama I Road,
Pathumwan, Bangkok 10330
Tel : 0-2214-1733, 0-2214-2067,
0-2214-2252, 0-2214-1292
Fax : 0-2215-4836

Central Grand Rama 9

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

Central Pinklao

(everyday 10.00am-8.00pm)
Central Pinklao Department Store,
7/364 Baromratchonnane Road,
Bangkok-Noi, Bangkok 10700
Tel : 0-2884-8030-2
Fax : 0-2884-8033

Central Rama 2

(everyday 10.00am-8.00pm)
Room No.159, 1st Floor,
Central Plaza Rama 2 Department Store,
128 Mu 6 Rama 2 Road, Bang Khun Thien,
Bangkok 10150
Tel : 0-2415-1648-50, 0-2415-1867
Fax : 0-2415-1868

Central Rattanathibet

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

Chaengwatana

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

City Complex

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

Branch Network

as of 31 March 2012

Hua Mark

5, 7, 9 Ramkamhaeng Road
19/1, Ramkamhaeng Road,
Bangkapi, Bangkok 10240
Tel : 0-2318-8561-4, 0-2718-4624,
0-2319-3062
Fax : 0-2318-0139

Imperial (Ladphrao 81)

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

Klong Toey

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

Ladphrao

1558 Ladphrao Road, Wang Thong Lang,
Bangkok 10310
Tel : 0-2514-2709, 0-2514-2964,
0-2539-5800, 0-2530-1120
Fax : 0-2539-2003

Leng Nuei Yee

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

Major Phra Pra Daeng

(everyday 10.00am-8.00pm)
Major Hollywood, 360/1-3 Mu 7,
Suksawat Road, Rat Burana, Bangkok 10140
Tel : 0-2818-1970-2
Fax : 0-2818-1973

Manorom

Manorom Building,
3354/1 Rama 4 Road, Klongton,
Klongtoey Bangkok 10110
Tel : 0-2249-7480-2
Fax : 0-2249-7479

Minburi

Navamin Plaza, 599/1 Mu 13,
Sihaburanukit Road, Minburi,
Bangkok 10510
Tel : 0-2518-0815-7
Fax : 0-2518-0799

Muang Thong Thani

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

Navanakorn

(Mon.-Fri. 8.30am-5.00pm)
Nava Nakorn Industrial Estate,
12/47-48 Mu 19, Phaholyothin Road,
Klong Nueng, Klong Luang,
Pathumthani 12120
Tel : 0-2529-3154-6
Fax : 0-2529-5200

Ngam Wong Wan

207/15 Mu 6, Ngam Wong Wan Road,
Tung Songhon, Khet Luksit, Bangkok 10210
Tel : 0-2591-0770, 0-2591-7902
Fax : 0-2591-0771

Nong Khaem

77/207 Mu 2, Petchkasem Road,
Nong Khaem, Bangkok 10160
Tel : 0-2420-7941-4
Fax : 0-2420-7940

Nonthaburi

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

On Nut

1468, 1470, On Nut Road, Suanluang,
Bangkok 10250
Tel : 0-2332-3134-7
Fax : 0-2331-8519

Paradise Park

(everyday 10.00am-8.00pm)
Room No 2C004, 2nd Floor,
Paradise Park Building,
61 Srinakarin Road, Nongbon,
Praves, Bangkok 10260
Tel : 0-2746-0816-8
Fax : 0-2746-0819

Pattanakarn

309/1-4 Pattanakarn Road, Praves,
Bangkok 10250
Tel : 0-2322-0439, 0-2322-0441-3
Fax : 0-2322-0438

Phaholyothin K.M.26

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

Phaholyothin Soi 19

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

Phahurad

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

Phetchakasem 35

(Mon.-Fri. 8.30am-5.00pm)
455/9-11 Petchkasem Road (Soi 51-53),
Bangkae, Bangkok 10160
Tel : 0-2454-8792-5
Fax : 0-2454-8796

Phra Pinklao

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

Platinum Pratunam

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

Rajchaprarop

(Mon.-Fri. 8.30am-5.00pm)
120/3-6 Rajchaprarop Road,
Kwang Thanon, Phaythai,
Ratchatewi, Bangkok 10400
Tel : 0-2656-3071-2, 0-2656-3068
Fax : 0-2251-0404

Rajchawong

219/2 Rajawongse Road,
Samphandhawongse, Bangkok 10100
Tel : 0-2221-7515, 0-2622-7388-90,
0-2622-7392

Ramintra K.M.9

(everyday 10.00am-8.00pm)
Fashion Island Department Store,
587, 589 Mu 7, Ramintra Road,
Kunayao, Bangkok 10230
Tel : 0-2947-5307-9, 0-2947-5311
Fax : 0-2947-5310

Rangsit

(everyday 10.00am-8.00pm)
Future Park Rangsit Building,
94 Mu 2 Tanya Buri, Pathumthani 12130
Tel : 0-2958-0562-7
Fax : 0-2958-0568

Ratchada-Huay Khwang

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

Ratchada-Sathupradit

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

Ratchada-Thaphra

Hansawat Building,
299 Ratchadapisek Road,
Thonburi, Bangkok 10600
Tel : 0-2476-9945-9
Fax : 0-2476-9944

Samrong

999/99 Mu 1, Sukhumvit Road,
Muang, Samut Prakan 10270
Tel : 0-2384-7656, 0-2384-4510,
0-2394-0422, 0-2394-0428
Fax : 0-2384-4352

Sam Yaek

601 Charoen Krung Road,
Samphandhawongse, Bangkok 10100
Tel : 0-2222-5111-6
Fax : 0-2222-1354

Saphanmai

(everyday 10.00am-8.00pm)
108/502-503 Mu 7, Phaholyothin Road,
Anusavaree, Bangkok, Bangkok 10220
Tel : 0-2522-6646-8
Fax : 0-2522-6649

Sathon 2

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

Senanikom

126/19 Phaholyothin 32 Road
(Soi Senanikom 1), Chatuchak,
Bangkok 10900
Tel : 0-2561-3100-1, 0-2579-6248,
0-2561-1054, 0-2941-7775
Fax : 0-2579-9088

Siam Paragon

(everyday 10.00am-8.00pm)
Main Level Unit M14
Siam Paragon Shopping Center,
991 Rama 1 Road, Pathumwan,
Bangkok 10330
Tel : 0-2129-4570-2
Fax : 0-2129-4573

Siam Square

(Mon.-Fri. 8.30am-5.00pm)
410-410/1 Siam Square Soi 6,
Rama 1 Road, Pathumwan,
Bangkok 10500
Tel : 0-2251-3343, 0-2251-2145,
0-2251-2278-9
Fax : 0-2251-2280

Silom 2

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

Silom Complex

(Mon.-Fri. 8.30am-5.00pm)
Silom Complex Building,
191 Silom Road, Bangrak,
Bangkok 10500
Tel : 0-2231-3139-40, 0-2632-1177-8
Fax : 0-2231-3137

Si Phraya

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

Si Yeak Sriwara

573/139 Soi Ramkhamhaeng 39,
Pracha-U-Thit Road, Kwang Plubphla,
Khet Wangthonglang, Bangkok 10310
Tel : 0-2934-7941-4
Fax : 0-2934-7945

Soi Chokechai 4

141/3-4 Soi Chokechai 4 (Ladphrao 53),
Wang Thong Lang, Bangkok 10310
Tel : 0-2539-6112-3, 0-2539-5061,
0-2539-5062
Fax : 0-2539-3500

Soi Sukhumvit 101/1

339/101-102 Soi Sukhumvit 101/1,
Sukhumvit Road, Pra Khanong,
Bangkok 10260
Tel : 0-2361-6418-20, 0-2393-9952,
0-2399-4968
Fax : 0-2399-5132

Soi Yoo Dee

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

Songwad

1252-1254 Songwad Road,
Samphandhawongse, Bangkok 10100
Tel : 0-2225-6254-5, 0-2226-3606-7,
0-2225-3596-7
Fax : 0-2225-6256

Srinakarin

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

Sri Yan

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

St. Louis 3

31 Soi Chan 18/7 (St.Louis3),
Sathon, Bangkok 10120
Tel : 0-2212-7024, 0-2211-1407
Fax : 0-2211-0815

Sukhumvit 4

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

Sukhumvit 25

Ban Chang Glass House Building,
1 Sukhumvit Road, Soi Sukhumvit 25,
Klong Toey, Bangkok 10110
Tel : 0-2258-0270-1, 0-2260-6117-9,
0-2258-9330-2, 0-2661-7741
Fax : 0-2258-4582

Sukhumvit 26

690 Sukhumvit Road, Klong Toey,
Bangkok 10110
Tel : 0-2343-8888-90,
0-2620-4469-71, 73-80
Fax : 0-2260-5312

Sukhumvit 83

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

Sukhumvit 101 (Piyarom Park)

(Mon.-Fri. 8.30am-5.00pm)
3079/25 Soi Piyabuttra, Sukhumvit Road,
Phra Khanong, Bangkok 10260
Tel : 0-2730-5100-3, 0-2730-5105
0-2730-5104
Fax : 0-2730-5106

Suksawat

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

Surawong

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

Taksin

43,45,47 Taksin Road, Bangyirue Khet,
Thon Buri, Bangkok 10600
Tel : 0-2438-0063, 0-2439-1864,
0-2437-2387, 0-2437-2537
Fax : 0-2438-6426

Talard Si Mummuang

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

Branch Network

as of March 31, 2012

Thai Wah Tower

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

Thanon Asoke-Dindaeng

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

The Circle Ratchapruk

(everyday 10.00am-8.00pm)
39 Room R6, Ratchapruk Road,
Bangramad, Talingchun,
Bangkok 10170
Tel : 0-2863-8624-6
Fax : 0-2863-8627

Thanon Khaolarm

2214, 2216 Khaolarm Road,
Samphandhawongse,
Bangkok 10100
Tel : 0-2238-2540, 0-2238-3399,
0-2234-6823
Fax : 0-2238-2543

Thanon Kingkaew

(Mon.-Fri. 8.30am-5.00pm)
9/4 Mu 7 Kingkaew Road,
Rachatewa, Bangplee,
Samutprakan 10540
Tel : 0-2175-1967-70
Fax : 0-2175-1971

Thanon Krungthonburi

Sinsathorn Tower,
77/2 Krungthonburi Road,
Klongsarn, Bangkok 10600
Tel : 0-2440-0345-9
Fax : 0-2440-0350

Thanon Phaholyothin 8

G Floor Intouch Tower,
414 Phaholyothin Road,
Phayatai, Bangkok 10400
Tel : 0-2616-9760-2, 0-2357-1690
Fax : 0-2357-1490

Thanon Phayatai

1st Floor Golden Town Building,
71 Thanon Phayatai Road,
Khet Ratchathewi, Bangkok 10400
Tel : 0-2653-4530-2
Fax : 0-2653-4658

Thanon Phraram 6

Tipco Tower Building,
118/1 Rama 6 Road,
Phayatai, Bangkok 10400
Tel : 0-2357-3460-3, 0-2357-3332
Fax : 0-2357-3464

Thanon Phraram 9

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

Thanon Pracha-U-Thit

147/1-4 Mu 8, Pracha-U-Thit Road,
Rat Burana, Bangkok 10140
Tel : 0-2873-1457-60, 0-2873-1439
Fax : 0-2873-1440

Thanon Ramkhamhaeng 2

229 Mu 8, Ramkhamhaeng 2 Road,
Praves, Bangkok 10260
Tel : 0-2316-9735, 0-2316-9738,
0-2397-6042, 0-2397-6043,
0-2397-6045, 0-2397-6046
Fax : 0-2397-6044

Thanon Ramkhamhaeng 81/1

713 Ramkhamhaeng Road,
Bangkapi, Bangkok 10240
Tel : 0-2374-1374-7
Fax : 0-2732-2010

Thanon Sri Wara

314 Soi Ladphrao 94 (Panjarnit),
Sri Wara Road, Khwang Plubphla,
Khet Wangthonglang,
Bangkok 10310
Tel : 0-2559-3600-5, 0-2935-6025-6
Fax : 0-2559-3606

Thanon Sukhaphiban 3

198/3 Ramkhamhaeng Road
(Sukhaphiban 3), Bangkapi,
Bangkok 10240
Tel : 0-2375-8725, 0-2375-8794,
0-2375-8799, 0-2377-9183
Fax : 0-2375-8795

Thanon Vorachak

94-96 Vorachak Road,
Pom Prap Sattru Phai,
Bangkok 10100
Tel : 0-2225-9086, 0-2228-9088,
0-2225-9085, 0-2621-1247
Fax : 0-2225-9087

Thanon Witthayu

(Mon.-Fri. 8.30am-5.00pm)
Room No 121, G Floor CRC Tower Building,
87/2 Witthayu Road, Pathumwan,
Bangkok 10330
Tel : 0-2255-5392-4
Fax : 0-2255-5395

Thanon Yaowaraj

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

Thonglor

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

Tops Bangna

(everyday 10.00am-8.00pm)
Central City Department Store,
1090 Mu 12 Bangna-Trad Road,
Bangna, Bangkok 10260
Tel : 0-2361-7851-3, 0-2361-7855
Fax : 0-2361-7854

Union Mall Ladphrao

(everyday 10.00am-8.00pm)
2nd Floor Union Mall Center,
54 Ladphrao Road, Jomphol,
Chatuchak, Bangkok 10900
Tel : 0-2939-2613-5
Fax : 0-2939-2701

Wiphawadi-Rangsit 9

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

Yaowarat Mahajak

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

Upcountry Branch Office Central Area

Lop Buri

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

Nakhon Pathom

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

Phra Nakhon Si Ayutthaya

255 Mu 5, Rojana Road,
Phra Nakhon Si Ayutthaya,
Phra Nakhon Si Ayutthaya 13000
Tel : 0-3524-6116, 0-3524-6030,
0-3524-6118
Fax : 0-3524-1546

Phrapathomjedee

45-47 Saiphra Road, Phrapathomjedee,
Muang, Nakompathom 73000
Tel : 0-3427-2353-4, 0-3421-9236-7
Fax : 0-3425-7504

Sam Chuk

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

Samut Sakhon

927/403 Sethakit 1 Road, Muang,
Samut Sakhon 74000
Tel : 0-3481-0514, 0-3481-0516,
0-3481-0275
Fax : 0-3481-0513

Samut Songkhram

125/104 Tang Kao Muang Road,
Mae Klong, Muang,
Samut Songkhram 75000
Tel : 0-3471-8111, 0-3471-8222,
0-3471-8626
Fax : 0-3471-8627

Saraburi

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

Western Area**Damnoen Saduak**

234 Mu 8, Bangpare-Samut Songkhram Road,
Damnoen Saduak, Ratchaburi 70130
Tel : 0-3225-4444, 0-3225-4930,
0-3225-4332, 0-3224-1333,
0-3234-5065, 0-3234-5857
Fax : 0-3225-4913

Kanchanaburi

River Khwae Hotel,
284/15-16 Sangchutoe Road,
Muang, Kanchanaburi 71000
Tel : 0-3452-1621-3
Fax : 0-3452-1624

Phetchaburi

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

Ratchaburi

(Mon.-Fri. 8.30am-5.00pm)
11 Kathatorn Road, Tumbol Na Muang,
Muang, Ratchaburi 70000
Tel : 0-3231-0321-3
Fax : 0-3231-0324

Eastern Area**Baan Bung**

403 Chon Buri-Baan Bung Road,
Baan Bung, Chon Buri 20170
Tel : 0-3844-3628, 0-3844-3072,
0-3875-0979-80, 0-3875-1118-9
Fax : 0-3844-3039

Baan Chang

51/12 Mu 5, Sukhumvit Road,
Baan Chang, Rayong 21130
Tel : 0-3860-3120-3
Fax : 0-3860-3119

Bang Lamung

90/27 Mu 5, Pattaya-Nagluue Road,
Bang Lamung, Chon Buri 20150
Tel : 0-3842-8418, 0-3842-9333,
0-3842-7748-9, 0-3872-6817
Fax : 0-3842-3332

Central Chonburi

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

Chachoengsao

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

Chanthaburi

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

Chon Buri

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

Chon Buri 2

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

Eastern Seaboard

24/1 Mu 4, Thanon Hemaraj Avenue,
Pluak Daeng, Rayong 21140
Tel : 0-3895-5284-6, 0-3895-5288,
0-3895-5287, 0-3895-5290
Fax : 0-3895-5289

Laemthong Rayong

(everyday 10.00am-8.00pm)
1st Floor, Laemthong Shopping Plaza Rayong
554/4 Sukhumvit Road, Muang,
Rayong 21000
Tel : 0-3802-3400-3
Fax : 0-3802-3404

Map Ta Phut

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

Pattaya

325/115-116 Mu 10, Pattaya Sai 2 Road,
Bang Lamung, Chon Buri 20260
Tel : 0-3842-9464, 0-3871-0414,
0-3841-0027
Fax : 0-3842-9400

Rayong

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

Robinson Sriracha

Room No.1F-B-13, G Floor
Robinson Sriracha Department Store,
90/1 Sukhumvit Road, Sriracha,
Chon Buri 20110
Tel : 0-3832-8458-60
Fax : 0-3832-8461

Sriracha

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

Northern Area**Chiang Mai**

149-149/1-3 Chang-Klarn Road,
Muang, Chiang Mai 50100
Tel : 0-5327-0029-30, 0-5328-2903,
0-5382-1080-1
Fax : 0-5328-2015

Chiang Mai - Huaikaw

137 Huay Kaew Road, Muang,
Chiang Mai 50200
Tel : 0-5321-1091-4
Fax : 0-5321-1095

Chiang Rai

643/5 Mu 3, Utrakit Road,
Muang, Chiang Rai 57000
Tel : 0-5371-6786, 0-5371-1414,
0-5371-6557
Fax : 0-5371-5429

Lampang

255 Boonwat Road, Muang,
Lampang 52100
Tel : 0-5421-8383, 0-5422-7383,
0-5421-8454, 0-5421-8373
Fax : 0-5422-7637

Nakhon Sawan

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

Phitsanulok

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

Thanon Highway-Chiang Mai

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

Branch Network

as of March 31, 2012

North East Area

Central Plaza Udon Thani

(everyday 10.00am-8.00pm)

Central Plaza Udon Thani Department Store,
277/3 Prajaksillapakorn Road,
Muang, Udon Thani 41000
Tel : 0-4292-1458-61
Fax : 0-4292-1462

Khon Kaen

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

Nakhon Ratchasima

2-4 Choopool Road, Muang,
Nakhon Ratchasima 30000
Tel : 0-4426-8873-7
Fax : 0-4425-5476

Nakhon Ratchasima 2

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

Roiet

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

Sakon Nakhon

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

Surin

79,81,83 Chitbunrung Road,
Muang, Surin 32000
Tel : 0-4451-1848, 0-4451-8997,
0-4451-8998
Fax : 0-4451-1081

Ubon Ratchathani

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

Udon Thani

359 Phosri Road, Muang,
Udon Thani 41000
Tel : 0-4222-1333, 0-4222-3613,
0-4234-3425, 0-4224-9590
Fax : 0-4224-4062

Khonkaen - Thanon Mittrpararb

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

Southern Area

Central Festival Phuket

(everyday 10.00am-8.00pm)

Central Festival Phuket Department Store,
74-75 Mu 5 Tumbol Vichit,
Muang, Phuket 83000
Tel : 0-7621-0526, 0-7621-0534,
0-7621-0575
Fax : 0-7621-0596

Hat Pa Tong

159, 161, 163 Rat-U-Thit 200 years Road,
Krathu, Phuket 83150
Tel : 0-7634-0489, 0-7634-0142-3
Fax : 0-7634-1169

Hat Yai

164 Nipat-utit 1 Road, Hat Yai,
Songkhla 90110
Tel : 0-7424-3032, 0-7424-3810,
0-7424-5033, 0-7423-5605
Fax : 0-7423-5606

Nakhon Sri Thammarat

(Mon.-Fri. 8.30am-5.00pm)

1719-1721 Rajdamnern Road,
Muang, Nakhon Sri Thammarat 80000
Tel : 0-7535-6112, 0-7535-6860-1
Fax : 0-7534-2352

Phuket

206 Phuket Road, Muang,
Phuket 83000
Tel : 0-7621-1566, 0-7621-1577,
0-7621-4901-2, 0-7621-0970-1
Fax : 0-7621-4902

Surat Thani

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

Thanon Phetchakasem Hatyai

452/8 Phetchakasem Hatyai Road,
Hatyai district, Songkhla 90110
Tel : 0-7422-0262-3, 0-7422-0274-5
Fax : 0-7422-0281

Trang

(Mon.-Fri. 8.30am-5.00pm)

1/5-6 Phraram 6 Road, Thap Thian,
Muang, Trang 92000
Tel : 0-7521-7782-4, 0-7521-7781
Fax : 0-7521-7785

Yala

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

Distribution Channels

Branches	157
ATM	373
Foreign Exchange Kiosks	31
UOB Call Center	0-2285-1555
Website	www.uob.co.th

Company Information

Name : United Overseas Bank (Thai) Public Company Limited
Public company registration number : 0107535000176
Nature of business : Commercial Bank
Registration address : 191 South Sathon Road, Sathon, Bangkok 10120
Tel : 0-2343-3000
Fax : 0-2287-2973-4
S.W.I.F.T. : UOVBTBHK
Website : www.uob.co.th

Auditor

Mrs. Nonglak Pumnoi : Certified Public Accountant (Thailand) No. 4172 and/or
Ms. Rungnapa Lertsuwankul : Certified Public Accountant (Thailand) No. 3516 and/or
Mr. Narong Puntawong : Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited
33rd Floor Lake Rajada Office Complex
193/136-137 Rajadapisek Road,
Klong Toey, Bangkok 10110
G.P.O. Box 1047 Bangkok 10501, Thailand
Tel : 0-2264-0777
Fax : 0-2264-0789-90
Website : www.ey.com

Registrar

United Overseas Bank (Thai) Public Company Limited
191 South Sathon Road, Sathon, Bangkok 10120
Tel : 0-2343-4951-2
Fax : 0-2286-5841

Credit Ratings

Moody's Investors Service	Rating	as at 1 November 2011
Long-Term Bank Deposits	Baa1	
Short-Term Bank Deposits	Prime-2	
Long-Term Outlook	Stable	
Short-Term Outlook	Stable	
Financial Strength	D	
Financial Strength Outlook	Stable	

Fitch Ratings	Rating	as at 25 November 2011
Long-Term Foreign Currency	BBB+	
Short-Term Foreign Currency	F2	
Long-Term Outlook	Stable	
Viability	bbb-	
Individual	C	
Support	2	
National Rating-Long-Term	AAA(th)	
National Rating-Short-Term	F1+(th)	
National Rating Outlook	Stable	

Standard & Poor's	Rating	as at 1 December 2011
Counterparty Credit-Long-Term	BBB+	
Counterparty Credit-Short-Term	A2	
Outlook	Stable	
ASEAN regional scale ratings-Long-Term	axA+	
ASEAN regional scale ratings-Short-Term	axA-1	

UNITED OVERSEAS BANK (THAI) PUBLIC COMPANY LIMITED

Head Office

191 South Sathon Road, Sathon, Bangkok 10120, Thailand

Phone: (66) 2343 3000 Fax: (66) 2287 2973 4

www.uob.co.th