th Anniversary

A Financial Bridge between Thailand and China

Industrial and Commercial Bank of China (Thai) Public Company Limited

Annual Report 2014

ICBC 中国工商银行(泰国)

ธนาคารไอซีบีซี (ไทย)

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Financial Highlights

	2014	2013	2012
Consolidated			
Financial position (million baht)			
Loans to customers net of deferred revenue	146,875	137,943	106,504
Allowance for doubtful accounts and revaluation on debt restructuring	3,483	3,417	2,107
Non-performing loans	2,508	2,746	2,273
Total assets	194,887	176,714	129,614
Deposits, interbank and money market items and borrowings	168,181	156,938	111,710
Liabilities	3,318	3,592	2,644
Shareholders' equity	23,388	16,184	15,260
Performance results (million baht)			
Net interest income	4,118	4,147	3,162
Net fee and service income	290	396	368
Other operating incomes	701	691	481
Other operating expenses[1]	(1,833)	(1,776)	(1,652)
Profit from operation before bad debts, doubtful accounts and impairment losses, including properties foreclosed	3,276	3,458	2,359
Bad debts, doubtful accounts and impairment losses, including properties foreclosed	(1,790)	(2,375)	(1,672)
Reversal other provisions for TAMC	-	177	-
Profit from operation before income taxes	1,486	1,260	687
Income taxes	(297)	(246)	(174)
Profit for the years	1,189	1,014	513
Financial ratio (%)			
Return on average assets (ROA)	0.64	0.66	0.47
Return on average equity (ROE)	6.01	6.45	3.44
Capital adequacy ratio	17.60	12.61	14.05
Basic earnings per share (baht)	0.66	0.64	0.32
Book value per share (baht)	10.36	10.18	9.59

[1] *exclude item losses on properties foreclosed and reversal of estimate for loss sharing of TAMC*

Message from the Chairman

Dear All Shareholders and Valued Customers,

As it is known that since late 2013 through to mid 2014 Thailand went through a period of political turbulence. The economic expansion was almost at a standstill in the first half of 2014, especially the government infrastructure projects while investors both local and international prolonged their decisions to invest waiting for the political situation to unravel. The tourism industry, in particular, was directly and heavily affected by the political conflict.

However, after the new government was formed in the latter part of 2014, the intense political situation calmed down and the sentiment improved markedly. The government tried to maneuver the economy to head back to its full potential by formulating policies to restore consumer confidence as well as investors' confidence both locally and internationally. Moreover, the government stepped up its stimulus policies by effectively increasing government spending which was the main factor in driving the economy in the latter part of 2014 to finish at a better position than the start of the year.

Apart from the internal factors, the Thai economy was also affected by the poor economic conditions of its important trade partners such as the USA, Japan and the EU coupled with the effort from the government of China in controlling the heated economy to be at an appropriate level. These external factors resulted in the overall expansion of the Thai economy at 0.7%, a much lower level than the actual potential of the country.

Despite all the adversities, with the determination and dedication of the management and staff of the Bank as well as the support from ICBC, the Bank and its subsidiary ended the year on a positive note with a Baht 1,189 million profit or an increase of 17%. The total assets of the Bank on a consolidated basis increased 10% to be at Baht 194,887 million. At the same time, the Bank still placed emphasis on the importance of quality asset management and prudent business operations evidenced by the reduction in the NPLs to total loans ratio from 0.89% at the end of December 2013 to 0.71% at the end of December 2014.

On the Bank's funding, in 2014 the Bank achieved a planned capital increase of Baht 5,945 million to enhance the capital fund of the Bank as well as to support the future business expansion in various dimensions. At the end of 2014, the paid-up capital of the Bank stood at Baht 20,132 million, while the total capital fund of the Bank and its Subsidiary stood at Baht 22,952 million and the BIS ratio of 17.60%. Furthermore, the Bank continued to hold its credit rating by Fitch Ratings at the highest attainable rating of AAA (tha) for the third consecutive year confirming the Bank's solid financial position.

Looking forward to 2015, I believe that the Bank will continue to face many challenges both from within and outside the country which will inevitably have an impact on the Thai economic expansion. Thus, the main factors that will drive the economy this year are the investments by the government in various infrastructure projects and the growth in tourism and export. Another important factor for the future growth of the country is the preparation for the readiness for the ASEAN Economic Community (AEC) which will, no doubt, enhance the potential for trade and investment within the region. With this said, it is forecasted that the Thai economy is likely to grow at a faster pace than the previous year. The Bank with the extensive ICBC Group network is ever ready to be the bridge between the trades and economies of the ASEAN countries.

On 6 January 2015, the Bank was designated as the RMB Clearing Bank in Thailand to promote the use of RMB currency as the region's main currency for cross-border transactions, to enhance the potentiality of trades and investments between Thailand, China and the ASEAN member nations as well as to mitigate the risk associated with the fluctuation in foreign exchange which are in line with the strategies of the ASEAN economic partnership.

For the aforementioned reasons, in 2015 the Bank will continue to develop and innovate new products and services to answer to our customers' needs as well as to promote the RMB business. Moreover, the Bank will focus on strengthening its competitive edge by improving its services and introducing new innovative ways of doing business for the utmost satisfaction of our customers and business partners as well as our shareholders.

On behalf of the Board of Directors of the Bank, I would like to offer our earnest gratitude to our shareholders, customers and patrons for your continuous support throughout the years. The Board of Directors, the management and all staff of the Bank will continue to manage the Bank's operations with professionalism by adhering to the principles of corporate governance together with the maintenance of the Bank's strong financial position so as to provide the Bank with sustainable growth and to actively take part in the economic and financial development of Thailand.

Hu Ye

Dr. Ye Hu
Chairman of the Board of Directors and
Chairman of the Executive Committee

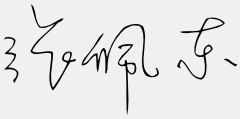
中 华 人 民 共 和 国 大 使 馆

As a premium bank in China, the ICBC has provided good financial service for many customers around the world. The founding of the ICBC (Thai) has in particular contributed to the promotion of economic and trade cooperation between China and Thailand. On the occasion of the fifth anniversary of the founding of the ICBC (Thai), I would like to extend my warm congratulations and wish the ICBC (Thai) to play a larger role on the bilateral and trade cooperation.

Ning Fukui
Ambassador Extraordinary and Plenipotentiary
of the People's Republic of China
to the Kingdom of Thailand

5th Anniversary

On the auspicious occasion of the 5th anniversary of ICBC (Thai), I would like to wish the Bank the best of success and sincerely hope that the Bank will be an organization firmly bridging the economies of Thailand and China, nurturing close and ever growing trades between the 2 countries. Congrutulations.



Zhang Pei Dong
Embassy of The People's Republic of China
in the Kingdomof Thailand,
Economic and Commercial Counsellor

Mr. Dhanin Chearavanont
Chairman, CP Group PCL

The CP Group and ICBC (Thai) are good business allies and we have been maintaining close business relations for a long time.

On the occasion of the 5th anniversary of ICBC (Thai), the management of Charoen Pokphand Group PCL and I would like to wish the Bank great success and for the Bank to build a solid financial and banking base in Thailand as well as to be the bridge that connects the prosperous and long standing economies of Thailand and China.

Mr. Vikrom Kromadit
Chairman, AMATA Corporation PCL

I was impressed at the service of ICBC (Thai) since my caravan tour in 2012. It was very convenient for me to use the service of the Bank and ICBC Group with its numerous branches all along the travel route. On the same token, in terms of business, ICBC (Thai) as part of the ICBC Group is a large bank that plays an important role in attracting Chinese investors to Thailand. Thank you ICBC (Thai) for its continued support to Amata.

Mr. Dhongchai Lamsam
President, LOXLEY Company Limited

ICBC (Thai) is a subsidiary of the well-established ICBC Group that has extensive network covering all corners of the world. I would like to offer my appreciation to the Bank for providing support and impressive service to the company for the last 5 years.

On the occasion of the 5th anniversary of ICBC (Thai), I would like to extend my congratulations for its success and wishes the Bank continued progress and development so as to permanently be a part of the financial system and business sector of Thailand.

Mr. Yeap Swee Chuan,
President & CEO, AAPICO Hitech Plc.

It is an honor to be a customer to ICBC the largest bank in China. Very professional, proactive and friendly to work with.

The Board of Directors

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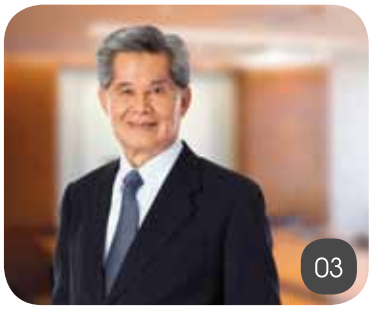
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01 Dr. Ye Hu

Age 51 years

Position

Chairman of the Board of Directors • Authorized Director • Chairman of the Executive Committee

Education

PhD, Economic, Public Finance, Southwestern University of Finance and Economics, P.R. China

Experience

July 2012-Present Chairman of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2011 Vice President, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch • 2002-2005 President Assistant, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch • 2000-2002 Director, Financial Accounting Department, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch

Shareholding (%)

None

02 Dr. Zhigang Li

Age 41 years

Position

Chief Executive Officer • Authorized Director • Chairman of the Management Committee • Member of the Executive Committee

Education

PhD, Economics, Renmin University, P.R. China

Experience

July 2013-Present Chief Executive Officer/Chairman of the Management Committee/ Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2013-Present Director, Finansia Syrus Securities Public Company Limited • 2011-2013 Deputy General Manager of Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2008-2011 Deputy CEO of ICBC (Macau) • 2007-2008 Division Head, Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2004-2006 Division Head, Reform and IPO office, Industrial and Commercial Bank of China Limited, H.O. • 2003-2004 Senior Manager of Risk Management Dept., Industrial and Commercial Bank of China Limited, H.O. • 2002-2003 Manager of Credit Risk Management Dept. and Market Risk Management Dept., ICBC Asia (Hong Kong)

Shareholding (%)

None

03 Dr. Kosol Petchsuwan

Age 76 years

Position

Independent Director • Chairman of the Audit Committee

Education

PhD, Engineering, Imperial College London, UK

Experience

2004-Present Independent Director/Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Chairman of the Corporate Governance Committee, TRUE Corporation Public Company Limited • 1999-Present Independent Director/Member of the Audit Committee, TRUE Corporation Public Company Limited • 2014-Present Member of the National Legislative Assembly • 2004-Present Chairman of the ICT Business Committee, Board of Trade of Thailand • 2001-2009 Director, Mahidol Wittayanusorn School (Public Organization) • 2001-2005 President, the Telecommunications Association of Thailand under the Royal Patronage • 2000-2001 Chairman, Aeronautical Radio of Thailand Limited • 1986-1992 President, King Mongkut's Institute of Technology Ladkrabang

Shareholding (%)

None

04 Dr. Prasit Damrongchai

Age 74 years

Position

Independent Director • Chairman of the Nomination, Compensation and Corporate Governance Committee

Education

PhD, Political Science, University of Oklahoma, USA • National Defence College (Class 388)

Experience

2006-Present Independent Director/Chairman of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2012-Present Independent Director/Vice Chairman/Chairman of the Audit Committee, Dhipaya Insurance Plc. • 2004-2011 Director, Dhipaya Insurance Plc. • 2005-2008 Chairman, Wyncoast Industrial Park Plc. • 2005-2006 Director/ Executive Director, Thai Airways International Plc. • 2004-2006 Director/Executive Director, Krung Thai Bank Plc.

Shareholding (%)

None

05 Dr. You Ye

Age 43 years

Position

Authorized Director • Member of the Executive Committee

Education

PhD, Business Administration, Accounting, Renmin University, P.R.China

Experience

April 2013-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Branch Banking & Chinese Business Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2009-March 2013 Deputy Head (GM Rank) of ICBC Credit Card Call Centre (Shijiazhuang) • 2008-2009 Deputy Head of General Administration Department & Head of Brand Management Office, ICBC Card Centre • 2008-2008 Deputy Head of Project Department, ICBC Card Centre • 2006-2008 Deputy Head of Sales Department, ICBC Card Centre • 2005-2006 Marketing Department, ICBC Card Centre • 1999-2002 Vice President Marketing & Sales, Beijing EgoChina E-commerce Ltd. • 1996-1999 Sales Controller For North Region, Unilever Wall's (China) Ltd. • 1994-1996 Trade Representative, China National Electronic Materials Corporation

Shareholding (%)

None

06 Mr. Guohui Song

Age 47 years

Position

Authorized Director • Member of the Executive Committee

Education

MA, Economics, Southwestern University of Finance and Economics, P.R. China

Experience

2010-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Manager, Industrial and Commercial Bank of China Limited • 2003-2007 Head of Financial Control & IT, ICBC (London)

Shareholding (%)

None

07 Dr. Li Lan

Age 51 years

Position

Director • Member of the Nomination, Compensation and Corporate Governance Committee

Education

PhD, Economics, Tianjin University of Finance Economics, P.R. China

Experience

2011-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Full-time Overseas Institutional Directors, Industrial and Commercial Bank of China Limited • 2010-2011 Vice Head of Internal Auditing, Industrial and Commercial Bank of China Limited • 2005-2010 Deputy Head of Tianjin Regional Headquarters, Industrial and Commercial Bank of China Limited

Shareholding (%)

None

08 Mr. Jianfeng Zheng

Age 49 years

Position

Director • Member of the Nomination, Compensation and Corporate Governance Committee

Education

Master of Finance, The University of York • Master of Management Engineering, Tianjin University

Experience

February 2015-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2014-Present Senior Expert and Accredited Non-executive Director of Corporate Strategy and Investor Relations Dept., Industrial and Commercial Bank of China Limited, H.O. • September 2010-June 2014 Deputy Head of Supervisory Board Office, Industrial and Commercial Bank of China Limited, H.O. • December 2005-September 2010 Supervisory Commissioner (rank equals to deputy head) of Supervisory Board Office, Industrial and Commercial Bank of China Limited, H.O. • June 2003-December 2005 Division Chief of Office of Supervisors to Industrial and Commercial Bank of China, Supervisory Boards of the Key State-owned Financial Institutions of the State Council (under the charge of China Banking Regulatory Commission) • June 2000-June 2003 Deputy Division Chief of Office of Supervisors to Agricultural Bank of China, Supervisory Boards of the Key State-owned Financial Institutions of the State Council (under the charge of Central Financial Work Committee)

Shareholding (%)

None

09 Mr. Plengsakdi Prakaspesat

Age 72 years

Position

Independent Director • Member of the Audit Committee

Education

Honorary Doctorate Degree, Ramkhamhaeng University • Honorary Doctorate Degree, Lampang Rajabhat University • Commerce, Ross College (Dublin), Ireland • National Defence College (Class 311)

Experience

1978-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2010 Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1999 - Present Independent Director, Bangkok Insurance Plc. • 2005-Present Chairman of the Audit Committee, Bangkok Insurance Plc. • 1997-Present Senior Advisor, Thai Central Chemical Plc. • 2001-Present Advisor, United Flour Mill Plc.

Shareholding (%)

3,374 ordinary shares 0.00015 %

10 Ms. Ladda Siriwattanakosol

Age 58 years

Position

Independent Director • Member of the Audit Committee

Education

MBA, Thammasart University

Experience

2007-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Independent Director/Chairman of the Audit Committee, Pace Development Corporation Plc. • 2004-2006 Chief of Credit Officer/Executive Vice President, Chief of Credit Corporate Strategy Group, TMB Bank Plc.

Shareholding (%)

None

11 Pol.Lt.Gen. Werapong Chuenpagdee

Age 57 years

Position

Independent Director

Education

Master of Public Administration, Chulalongkorn University • Master of Development Administration, National Institute of Development Administration • Bachelor of Public Administration, Royal Police Cadet Academy • National Defence Course, National Defence Studies Institute (Class 52)

Experience

2014-Present Independent Director, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2014-Present Director, Country Group Holding Plc. • 2014-Present Commissioner of Provincial Police Region 7, Royal Thai Police • 2013-2014 Deputy Commissioner of Provincial Police Region 4, Royal Thai Police • 2011-Present Director/ Member of the Audit Committee, Thai Hua Rubber Plc. • 2011-Present Director, Fusin Mining Industry (Thailand) Co., Ltd. • 2011-Present Consultant, Thai Industries Association • 2010-Present Director, Country Group Securities Plc. • 2010-Present Independent Director/Chairman of the Audit Committee, The Sing Sian Yer Pao Daily News Co., Ltd. • 2009-Present Independent Director/Member of the Audit Committee, Country Group Development Co., Ltd. • 2002-Present Boonyachinda foundation for Thai Royal Police and Family

Shareholding (%)

None

Senior Executives

01 Dr. Zhigang Li

Age 41 years

Position

Chief Executive Officer • Chairman of the Management Committee • Member of the Executive Committee

Education

PhD, Economics, Renmin University, P.R. China

Experience

July 2013-Present Chief Executive Officer/Chairman of the Management Committee/Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2013-Present Director, Finansia Syrus Securities Public Company Limited • 2011-2013 Deputy General Manager of Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2008-2011 Deputy CEO of ICBC (Macau) • 2007-2008 Division Head, Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2004-2006 Division Head, Reform and IPO office, Industrial and Commercial Bank of China Limited, H.O. • 2003-2004 Senior Manager of Risk Management Dept., Industrial and Commercial Bank of China Limited, H.O. • 2002-2003 Manager of Credit Risk Management Dept. and Market Risk Management Dept., ICBC Asia (Hong Kong)

Shareholding (%)

None

02 Dr. You Ye

Age 43 years

Position

Senior Executive Vice President, Branch Banking & Chinese Business Group • Member of the Executive Committee

Education

PhD, Business Administration, Accounting, Renmin University, P.R.China

Experience

April 2013-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Branch Banking & Chinese Business Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2009-March 2013 Deputy Head (GM Rank) of ICBC Credit Card Call Centre (Shijiazhuang) • 2008-2009 Deputy Head of General Administration Department & Head of Brand Management Office, ICBC Card Centre • 2008-2008 Deputy Head of Project Department, ICBC Card Centre • 2006-2008 Deputy Head of Sales Department, ICBC Card Centre • 2005-2006 Marketing Department, ICBC Card Centre • 1999-2002 Vice President Marketing & Sales, Beijing EgoChina E-commerce Ltd. • 1996-1999 Sales Controller For North Region, Unilever Wall's (China) Ltd. • 1994-1996 Trade Representative, China National Electronic Materials Corporation

Shareholding (%)

None

03 Mr. Guohui Song

Age 47 years

Position

Senior Executive Vice President, Supporting Group • Member of the Executive Committee

Education

MA, Economics, Southwestern University of Finance and Economics, P.R. China

Experience

2010-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Manager, Industrial and Commercial Bank of China Limited • 2003-2007 Head of Financial Control & IT, ICBC (London)

Shareholding (%)

None

04 Mr. Apichart Kasemkulsiri

Age 48 years

Position

Senior Executive Vice President, Treasury and Branding Group • Member of the Executive Committee

Education

MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Experience

December 2012-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2015-Present Senior Executive Vice President, Treasury and Branding Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • September 2012-January 2015 Senior Executive Vice President, Treasury and Banking Operations Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2010-September 2012 Senior Executive Vice President, Treasury and Branch Operations Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Executive Vice President, Treasury Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-Present Director, ICBC (Thai) Leasing Company Limited • 2007-Present Director, Sri Sam Ank Suppliers Company Limited • 2004-Present Director, T.Krung Thai Industry Public Company Limited

Shareholding (%)

None

05 Ms. Suree Wipatakanok

Age 51 years

Position

Executive Vice President, Head of Corporate Banking Division • Member of the Executive Committee

Education

BA, Business Administration, Ramkamhaeng University

Experience

December 2012-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-Present Executive Vice President, Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Executive Vice President, Corporate Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-2006 Senior Vice President, Credit & Marketing-Medium Enterprise Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2000-2004 Vice President/ Head of Commercial Sales Department, Bank of Asia Public Company Limited • 2006-August 2012 Director, ICBC (Thai) Leasing Company Limited

Shareholding (%)

None

06 Mr. Chaiwat Tanchewawong

Age 56 years

Position

Executive Vice President, Head of Branch Banking Division • Member of the Executive Committee

Education

MBA, Chulalongkorn University

Experience

December 2012-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-Present Executive Vice President, Head of Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, Head of Branch Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2000-2005 Head of Sales, SME Banking Department, Standard Chartered Bank Plc.

Shareholding (%)

None

07 Ms. Kanchana Vongratanakulthon

Age 59 years

Position

Executive Vice President, Head of Recovery & Credit Card Management Division

Education

BBA, Sukhothai Thammathirat Open University

Experience

December 2013-Present Executive Vice President, Recovery & Credit Card Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2012-December 2013 Executive Vice President, Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-February 2012 Executive Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2006 Senior Vice President, Asset Management Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

Shareholding (%)

None

08 Ms. Orapin Sreesangkom

Age 51 years

Position

Executive Vice President, Head of Corporate Secretary & Legal Division

Education

LL.M., Harvard Law School, USA • LL.M. (International Banking Law), Boston University School of Law, USA

Experience

2007-Present Executive Vice President, Corporate Secretary & Legal Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, General Secretariat Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-2005 Vice President, Legal and Compliance Department, ACL Securities Company Limited • 2000-2004 Vice President, Capital Markets Legal, SG Asia Credit Securities., Ltd. • 1997-2000 Consultant, Linklaters (Thailand) Limited • 1988-1997 Associate, International Legal Counsellors Thailand Limited

Shareholding (%)

None

09 Mr. Som Pisarnsopon

Age 50 years

Position

Executive Vice President, Head of Finance & Strategy Division

Education

MS, Industrial Administration, Carnegie-Mellon University, USA

Experience

2008-Present Executive Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2008 Senior Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Strategy and Planning Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-Present Director, ICBC (Thai) Leasing Company Limited • 2008-2009 Director, ACL Securities Company Limited • 2004-2005 Vice President, Head of Retail Deposit and Fee Product Management Department, Kasikorn Bank Plc.

Shareholding (%)

None

10 Ms. Sasiwadee Somboonthum

Age 55 years

Position

Executive Vice President, Head of Banking Operations Division

Education

MBA, Thammasart University • MS, Information Systems, PACE University, USA

Experience

September 2012-Present Executive Vice President, Banking Operations Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-September 2012 Executive Vice President, Branch Operations & Organization Development Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2008 Senior Vice President, Branch Operations & Organization Development Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Information Systems & Organization Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2003-2006 First Vice President, Information Systems & Organization Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

Shareholding (%)

None

11 Mr. Wisit Ausawalaithong

Age 47 years

Position

Executive Vice President, Head of Information Technology Division

Education

MS, Computer Science, Asian Institute of Technology

Experience

2007-Present Executive Vice President, Information Technology Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 Senior Vice President, Information Technology Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1994-2007 Principal Consultant, Temenos (Thailand) Company Limited

Shareholding (%)

None

12 Mr. Wasun Muangmee

Age 56 years

Position

Executive Vice President, Head of Risk Management Division

Education

BA, Education, Chulalongkorn University

Experience

October 2013-Present Executive Vice President, Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2010-October 2013 Senior Vice President, Credit Risk Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 First Vice President, Credit Risk Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Vice President, Credit Risk-Retail Banking & Branch Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

Shareholding (%)

None

13 Mr. Yongmin Tang

Age 41 years

Position

Executive Vice President, Head of Chinese Business Center Division

Education

BA, Finance and Banking, Shanxi Institute of Finance and Economics, P.R. China

Experience

February 2015-Present Executive Vice President, Head of Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2015-February 2015 Executive Vice President, Deputy Head of Division, Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • February 2012-December 2014 Executive Vice President, Deputy Head of Division, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-2011 Deputy General Manager, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarters • 2005-2007 Division Head, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarters • August 2012-Present Director, ICBC (Thai) Leasing Company Limited

Shareholding (%)

None

14 Mr. Nathapol Sukhum

Age 43 years

Position

Executive Vice President, Deputy Head of Division, Branch Banking Division

Education

MBA, Assumption University (ABAC)

Experience

2014-Present Executive Vice President, Deputy Head of Division, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2014 Senior Vice President, SMEs Business Network Head-Medium SMEs Network (Eastern Area), SMEs Business Division, Kasikornbank Plc. • 2009-2013 First Vice President-Senior Vice President, Department Head-Medium SMEs Segment Management Department, SMEs Business Division, Kasikornbank Plc. • 2007-2008 Assistant Vice President- Vice President, Team Leader, SMEs Business Marketing Management Department, SMEs Business Division, Kasikornbank Plc.

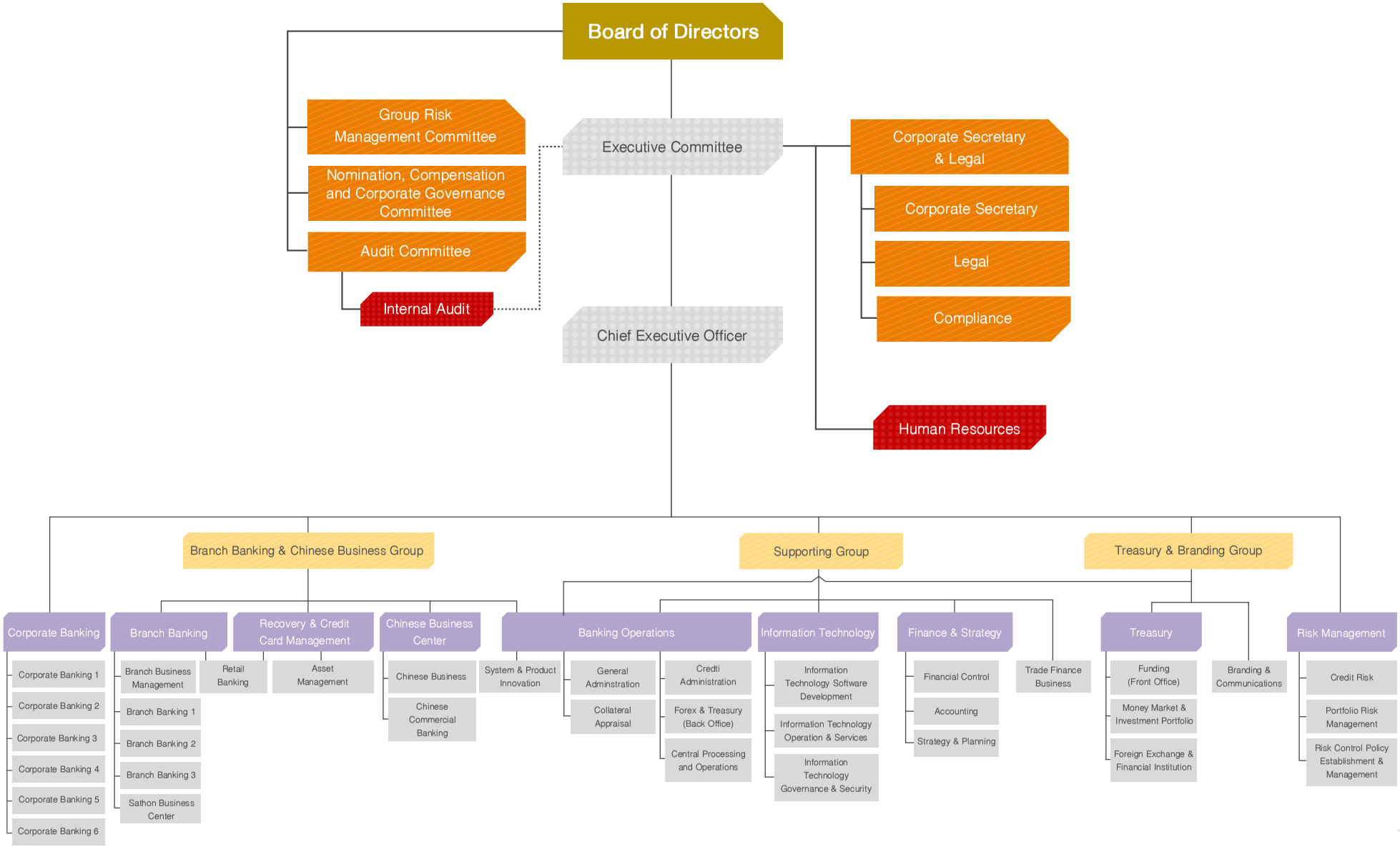
Shareholding (%)

None

Executive Officers

No.	Name	Position	Division/Department
1	Mr. Senut Chavana	Senior Vice President	Legal Department
2	Mr. Sayarm Lohsawat	Senior Vice President	Corporate Banking 2 Department
3	Mr. Thanin Wanasuthanon	Senior Vice President	Chinese Business Department
4	Mrs. Araya Watanakun	Senior Vice President	Central Processing and Operations Department
5	Mrs. Narumol Meksingvee	Senior Vice President	Funding (Front Office) Department
6	Ms. Kulnida Cheausuwan	Senior Vice President	Money Market & Investment Portfolio Department
7	Ms. Suwimol Itthiputh	Senior Vice President	Foreign Exchange & Financial Institution Department
8	Ms. Urai Chatvattanano	First Vice President	Internal Audit Department
9	Mr. Gan Huang	First Vice President	Corporate Secretary Department
10	Ms. Samerjai Charoensri	First Vice President	Compliance Department
11	Mr. Vatcharasit Verayangkura	First Vice President	Corporate Banking 3 Department
12	Mrs. Rachanoke Vichitlekarn	First Vice President	Corporate Banking 4 Department
13	Ms. Wanpen Yongchayanuntakul	First Vice President	Branch Banking 1 Department
14	Mr. Methin Leosirichai	First Vice President	Branch Banking 2 Department
15	Mr. Supakit Olarachin	First Vice President	Branch Banking 3 Department
16	Mrs. Narissara Chaowarit	First Vice President	Sathon Business Center
17	Mr. Wei Wang	First Vice President	Retail Banking Department
18	Ms. Naiyana Noibanchong	First Vice President	System & Product Innovation Department
19	Mr. Parames Tonnamning	First Vice President	General Administration Department
20	Mr. Ayanut Dussadeesimarath	First Vice President	Collateral Appraisal Department
21	Mrs. Sirinan Kanchanakom	First Vice President	Credit Administration Department
22	Mr. Wijit Sriwijitchok	First Vice President	Foreign Exchange & Treasury (Back Office) Department
23	Mr. Xing Zan	First Vice President	Information Technology Governance & Security Department
24	Mr. Liyong Zhang	First Vice President	Financial Control Department
25	Mrs. Suntaree Thummaratchapimon	First Vice President	Accounting Department
26	Mr. Chaveng Mahapornprajuck	First Vice President	Trade Finance Business Department
27	Mrs. Patsamon Sanghiran	First Vice President	Branding & Communications Department
28	Mr. Seksan Chunsereechai	First Vice President	Portfolio Risk Management Department
29	Mr. Zhuhua Chen	First Vice President	Risk Control Policy Establishment & Management Department
30	Mr. Chairat Kongkreingkrai	Vice President	Asset Management Department
31	Mr. Ming Xu	Vice President	Chinese Commercial Banking Department
32	Mr. Permsak Tananon	Vice President	Information Technology Operation & Services Department

Organization Chart



Description of Business

Founded on 26 August 1969 originally as a commercial company, the company later obtained a license to undertake finance and securities business from the Ministry of Finance on 26 October 1973 and was listed on the Stock Exchange of Thailand (SET) in 1978. On 23 December 2005, the Bank was granted a commercial bank license from the Ministry of Commerce.

On 21 April 2010, the Industrial and Commercial Bank of China Limited (ICBC), the largest commercial bank in the world in terms of market capitalization, acquired 97.24% of the total issued shares of the Bank from a voluntary tender offer of all shares traded on the SET and changed the name of the Bank to "Industrial and Commercial Bank of China (Thai) Public Company Limited" becoming a part of the ICBC Group. On 19 March 2011, the Bank delisted from the SET. At present, the ICBC holds 97.86% of the total shares sold of the Bank. An increase of 0.16% from 2013 as a result of a capital increase at a ratio of 2.3735 existing shares to 1 ordinary share at par value of Baht 8.92 registered on 4 September 2014.

As a fully licensed commercial bank, the Bank aims to be on the forefront of commercial banks in Thailand on international banking service. Being a part of the ICBC Group means customers of the Bank are able to fully utilize the services provided by the Group's network which is growing at a rapid pace in China as well as around the world. As of the end of 2014, ICBC Group had a total of 17,167 branches and service centers in China and 331 additional branches in 40 countries around the world. Furthermore, ICBC also has more than 1,978 correspondent banks across the globe.

At present, the Bank has one subsidiary, ICBC (Thai) Leasing Company Limited, which the Bank owns 99.99%, the company offers leasing and hire purchase services. Moreover, the Bank has one associated company, Finansia Syrus Securities Public Company Limited, the company which the Bank owns a 23.56% stake offers securities services.

The Bank is proud to be rated by Fitch Ratings at 'AAA (tha)' for National Long-term rating and 'F1+(tha)' for National Short-term rating with Stable Outlook for a third consecutive years.

Shareholders' Structure of ICBC (Thai) Group

(as of 31 December 2014)

Corporate
Social Responsibility

Corporate Social Responsibility of ICBC (Thai)

ICBC (Thai) realizes and values the importance of being an organization of quality, good corporate governance and corporate social responsibility (CSR). The Bank, as a member of a community, takes an active part in contributing to society at large through various activities. One essential activity is to instill a sense of social responsibility to its employees while conducting normal business operations. All the CSR activities initiated by the Bank are aimed for material results for the betterment of society.

In 2014, the Bank continued to focus on the promotion of youth development in terms of social and academic opportunities, sharing of knowledge and improvement of health in order to mentally stimulate the youths' emotion and creativity by helping to donate and renovate playgrounds and libraries of schools in remote areas. Moreover, as the Bank is aware of the lack of adequate resources in rural areas, therefore, it also held various activities to help many communities around the country such as donating water tanks to store water for use during droughts, handing out blankets to people affected by the winter weather, giving medicines and medical supplies to many communities.

Report of the Audit Committee

The Audit Committee comprises three qualified independent directors who fully met the qualifications under the rules and sound practices stipulated by the Bank's supervisory authorities. The three members, Dr. Kosol Petchsuwan, Mr. Plengsakdi Prakaspesat and Ms. Ladda Siriwattanakosol, have been appointed by the Board of Directors of the Bank to perform duties of Audit Committee of the Bank and all holding a two-year term of office.

In 2014, the Audit Committee performed its duties and responsibilities according to the scope and authority assigned by the Board of Directors as defined in the Audit Committee Charter. Throughout the year 2014, the Audit Committee held six meetings with full attendance of Audit Committee members. The Audit Committee reported the significance of its performed duties in each quarter to the Board of Directors with a summary as follows:

1. Financial Statements

The Audit Committee reviewed the accuracy and reliability of the semi-annually and annually financial statements of the Bank, itself and consolidated financial statements as well as the adequacy of disclosure of information supplementary to the financial statements and considered the issues noted from the audit of financial statements made by the external auditors. The review was made along with the management from Accounting Department and always with the external auditors in attendance by considering the accounting information, compliance with accounting standards and regulatory requirements. Furthermore, the Audit Committee held one meeting with the external auditors without the participation of the Bank's management to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinions and any points of concern arising from their audits.

Considering the auditor's opinion expressed in the financial statements as well as the issues raised from examination of the external auditors, the Audit Committee opined that the Bank has maintained adequate control system for preparing the financial statements. The Audit Committee considered and opined in line with the opinion of the external auditors that the financial statements fairly presented and adequately disclosed the reliable information in conformity with the generally accepted accounting principles. The results of the consideration on the annually financial statements and approval on the annually financial statements as authority delegated by the Board of Directors made by the Audit Committee were presented to the Board of Directors for endorsement and acknowledgement, respectively in the subsequent meeting. Meanwhile, the noticeable issues raised by the external auditors in the management letter were also brought into the consideration and acknowledgement of the Board of Directors as well. In the course of external auditors' duties, they have independently performed their duties without limitation. The points of concern raised by the external auditors had been brought to the attention of the Audit Committee. It was reported that such concerns have been well aware of and been well managed by the Bank's responsible executives.

2. Internal Control and Audit System

The Audit Committee considered the results of control assessment and the efficiency of the Bank and its subsidiary's management in relation to both operations and information technology through the reports of Internal Audit Department and those of external auditors. Appropriate discussion with relevant executives would be taken as the case may be for ensuring the implementation of sound and adequate internal control system. In year 2014, the Audit Committee discussed with the relevant managements in regard to the process of new products launching and planning for the year 2014 for ensuring the smoothness of the operations and the services provision to the customers, there were no significant noticeable deficiencies.

In the year 2014, the Audit Committee acknowledged the Fraud Risk Management Policy initiated by the Internal Audit Department to design the Fraud Risk Management Framework as a tool and operational guideline for managing for overall fraud risk possibly incur. The Fraud Risk Management Framework was started implementing in the year 2014 and consecutively performed and monitored under the main responsibility of the Risk Management Division.

As for the Bank's audit system, the Audit Committee considered and approved the annual audit plan as well as the revision of approved plan and ensured that the audit scope covered the significant banking operations and any areas/processes which expose high risk to the Bank based upon the result of risk assessment. The Audit Committee also reviewed the audit performance against the approved audit plan on a quarterly basis.

The Audit Committee was of the opinion that the Bank and its subsidiary maintained the appropriate and sufficient control system with sound management and remedial implementation. In addition, the audit systems have been sufficient, appropriate and capable to support business undertaking with sound supervision.

3. Regulatory Compliance

The Audit Committee supervised the Bank's compliance monitoring system through the operation audit. Anyway, the Audit Committee still regularly acknowledged reports on regulatory changes affecting the banking operations through the report of Compliance Department.

As for business operations undertaking in year 2014 based upon the supervision through the whole year audit functions, there was no significant incompliance with the regulations of the Bank's supervisory authorities, nor any issues regarding conflict of interest. The Audit Committee opined that the Bank maintained the appropriate compliance functions to ascertain compliance with requirements and laws relevant to the banking business.

4. Statutory Auditors

Reference is made to the policy of the Industrial and Commercial Bank of China Limited (ICBC), the Bank's parent company which requests all subsidiaries maintain the identical statutory auditors in order to facilitate the financial audits as a whole. For the year 2013 onwards, the KPMG (Thailand) Co., Ltd. is recommended by the ICBC to be the statutory auditors of the Bank and its subsidiary. Although the selection of audit firm is proceeding through the recommendation of the ICBC, in the consideration process, the Audit Committee still considered the performance, independency and qualifications of the statutory auditors as well as the quality of the auditing services as usual.

The considering result made by the Audit Committee to propose KPMG Phoomchai Audit Ltd. to be the statutory auditors of the Bank and its subsidiary for the year of 2015 shall be proposed together with their remuneration which been negotiated worldwide by the Bank's parent company to the Board of Directors for consideration and further submission to the 2015 shareholders' meeting for approval.

In overall, the Audit Committee has performed its duties carefully, independently and expressed opinions straightforwardly with intent to optimize benefit for the Bank. The Audit Committee has annually reviewed the Audit Committee Charter and assessed its performance for ensuring that it completely and effectively conducted according to its roles and responsibilities assigned by the Board of Directors and fully addressed the defined objectives.

Dr. Kosol Petchsuwan
Chairman of the Audit Committee

Report of the Nomination, Compensation and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee (NCC) of Industrial and Commercial Bank of China (Thai) Public Company Limited (the Bank) comprises of three Non-executive Directors with the Chairman being an Independent Director.

The NCC has, in the past year, conducted its duties as assigned by the Board of Directors in accordance with the NCC Charter. The roles of the NCC are to nominate persons who possess the appropriate abilities, experience and qualifications to be appointed as Directors, Members of Committees and Senior Executives, propose appropriate compensations for Directors and Senior Executives to the Board of Directors and oversee that the Bank's operations are in compliance with the principles of good corporate governance.

In the year 2014, the NCC held 6 meetings, in total, to conduct the following matters:

- Considered the nomination of qualified persons who were not prohibited by the regulations of the Bank of Thailand for the position of Executive Vice President, Directors and Members of a Committee of the Bank, including Directors who were retiring by rotation and to be reappointed for another term, to the Board of Directors and/or the Shareholders' Meeting for appointment.
- Reviewed the positions held in other companies by the Directors and Senior Executives of the Bank to ensure that they are able to fully devote time to perform their duties to the Bank effectively and submitted the review to the Board of Directors for approval.
- Considered the amendments to the Bank's Corporate Governance Policy to be proposed to the Board of Directors for approval as well as conducted the annual review of the policies on corporate governance and business ethics.
- Considered the amendments to the Policy, Criteria and Procedures for the Nomination and Compensation of the Chief Executive Officer and Senior Executives and recommended to the Board of Directors for approval.
- Considered the Anti-Corruption Policy and recommended to the Board of Directors for approval.
- Considered the annual increase of salaries and bonuses for the Senior Executives as assigned by the Board of Directors.
- Considered the bonus for the Chairman of the Executive Committee and recommended to the Board of Directors for approval.
- Acknowledged Audit Committee Self-Assessment for the year 2013
- Considered and approved the NCC Report for the year 2013.
- Considered the extension of staff retirement for senior executives at EVP level and recommended it to the Board of Directors for approval.
- Acknowledged the complaints of the Bank, recommended remedial actions to ensure justice to all parties and submitted such recommendations to the Board of Directors for approval.
- Acknowledged the results of the Board of Directors Assessment 2013.

As banks serve an important role in the economy of a country, active corporate governance principles are crucial for ensuring accountability, transparency and proper functioning of the financial system and the economy. For this reason, the NCC adheres to the good corporate governance practices not only as means for promoting and maintaining the Bank's credibility and reputation but also for the sustainability of the economy as a whole.

Dr. Prasit Damrongchai
Chairman of the Nomination, Compensation
and Corporate Governance Committee

Analysis of Operating Results and Financial Position

Operating Results

The total assets of the Bank and its subsidiary at the end of 2014 amounted to 194,887 million baht, representing an increase of 18,173 million baht or 10% from the end of 2013. Loans to customers net of deferred revenue increased from 137,943 million baht to 146,875 million baht, representing an increase of 8,932 million baht or 6% from the end of 2013.

(Unit : Million Baht)

Key balance sheets items	31 Dec 14	31 Dec 13	% change
Total assets	194,887	176,714	10%
Loans to customers net of deferred revenue	146,875	137,943	6%
Deposits, interbank and money market items and borrowings	168,181	156,938	7%

Total liabilities of the Bank and its subsidiaries at the end of 2014 amounted to 171,499 million baht, increased from the end of 2013 by 10,969 million baht or 7%. The main reason was the 11,243 million baht or 7% increase in deposits, interbank and money market items and borrowings.

Shareholder's equity of the Bank and its subsidiaries at the end of 2014 stood at 23,388 million baht, representing an increase of 7,204 million baht or 45% from the end of 2013. This increase was mainly due to the capital injection 5,945 million baht and profit after tax of the Bank and its subsidiaries which was 1,189 million baht in 2014. The book value of the Bank and its subsidiaries as of 31 December 2014 was 10.36 baht per share, increased from 10.18 baht per share at the end of 2013.

In 2014, the Bank and its subsidiaries posted profit after tax of 1,189 million baht, representing an increase of 175 million baht or 17% from 2013 and profit before tax of 1,486 million baht, representing an increase of 226 million baht or 18% from 2013.

(Unit : Million Baht)

Profit & Loss Statements	2014	2013	% change
Net interest income	4,118	4,147	(1)%
Non-interest income	991	1,087	(9)%
Total net interest income and non-interest income	**5,109**	**5,234**	**(2)%**
Total other operating expenses	(2,757)	(2,109)	(31)%
Operating profit	**2,352**	**3,125**	**(25)%**
Bad debt, doubtful accounts and impairment losses	(866)	(1,865)	54%
Profit before tax	**1,486**	**1,260**	**18%**
Income tax expense	(297)	(246)	(21)%
Profit after tax	**1,189**	**1,014**	**17%**

Net Interest income amounted to 4,118 million baht, representing a decrease of 29 million baht or 1% from 2013 was mainly due to decreasing in the return from investment in Y 2013 and one extra item in Y 2013, the bank received interest income from loan customer which already written off.

Non-interest income was 991 million baht, representing a decrease of 96 million baht or 9% from 2013 mainly due to decrease in fee income from life insurance and assurance of Leasing Company according to recession of leasing business.

A decrease in gain on disposal of assets 91 million baht or 57% and decrease in bad debt recovery 81 million baht or 32% reflect dull economy.

Total other operating expenses was 2,757 million baht, representing an increase of 648 million baht or 31% from 2013 which this expense already included item losses on properties foreclosed and reversal of estimate for loss sharing of TAMC. If excluded these items total other operating expenses in Y 2014, representing an increase of 57 million baht or 3% from Y 2013.

In 2014, the Bank and its subsidiary recorded expenses related to bad debt, doubtful accounts and impairment losses in the amount of 866 million baht, representing a decrease of 999 million baht from 2013 or 54%.

In 2014, net earnings per share for the Bank and its subsidiary amounted to 0.66 baht, representing an increase of 0.02 baht or 3% from the previous year.

Asset Quality

At the end of 2014, the Bank and its Subsidiary's ratio non-performing loans (NPLs) to total loans, before the deduction of allowance for doubtful accounts, was 1.59%, representing a decrease of 1.91% from the end of 2013, while such ratio after deduction of allowance for doubtful accounts was 0.93%, which was a decrease from the ratio at the end of 2013 which was 1.18%.

(Unit : Percentage)

Key financial ratios (%)	31 Dec 14	31 Dec 13
NPLs to total loans ratio (before deduct allowance for doubtful accounts)	1.59	1.91
NPLs to total loans ratio (after deduct allowance for doubtful accounts)	0.93	1.18
Capital adequacy ratio	17.60	12.61

Capital Adequacy Ratio

As at 31 December 2014, the Bank and its Subsidiary had capital fund of 22,952 million baht, which was Tier-1 capital of 21,543 million baht and Tier-2 capital of 1,409 million baht. The BIS ratio stood at 17.60% of capital fund per risk assets.

(Unit : Million Baht)

Capital funds	31 Dec 14	31 Dec 13
Tier 1 capital	21,543	14,519
Tier 2 capital	1,409	1,247
Total capital funds	22,952	15,766

(Unit : Percentage)

Capital ratios		
Ratio of tier 1 capital to risk assets	16.52%	11.62%
Ratio of tier 2 capital to risk assets	1.08%	0.99%
Ratio of total capital to risk assets	17.60%	12.61%

Independent Auditor's Report

To the Shareholders of Industrial and Commercial Bank of China (Thai) Public Company Limited

I have audited the accompanying consolidated and the Bank's financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary and of Industrial and Commercial Bank of China (Thai) Public Company Limited, respectively, which comprise the consolidated and the Bank's statements of financial position as at 31 December 2014, the consolidated and the Bank's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and the Bank's Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and the Bank's financial statements present fairly, in all material respects, the consolidated and the Bank's financial positions of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary, and of Industrial and Commercial Bank of China (Thai) Public Company Limited, respectively, as at 31 December 2014, and of their consolidated and the Bank's financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Pantip Gulsantithamrong)
Certified Public Accountant Registration No. 4208
KPMG Phoomchai Audit Ltd. Bangkok
20 March 2015

Statement of Financial Position

Industrial and Commercial Bank of China (Thai)
Public Company Limited and its Subsidiary

		Consolidated		The Bank	
		31 December		31 December	
		2014	2013	2014	2013
		(in thousand Baht)			
Assets	*Note*				
Cash		364,389	403,646	363,487	402,877
Interbank and money market items, net	*7*	12,027,094	7,453,544	11,818,191	7,144,502
Derivative assets	*8*	339,729	402,466	339,729	402,466
Investments, net	9	35,474,259	30,832,130	35,474,259	30,832,130
Investments in a subsidiary and an associate, net	*10, 11*	517,433	463,197	4,554,874	4,554,874
Loans to customers and accrued interest receivables, net	*12*				
Loans to customers		153,399,539	146,114,549	105,043,854	105,172,664
Accrued interest receivables		232,138	206,896	233,004	218,880
Total loans to customers and accrued interest receivables		153,631,677	146,321,445	105,276,858	105,391,544
Less deferred revenue		(6,524,675)	(8,171,356)	(1,497)	-
Less allowance for doubtful accounts	*15*	(3,462,588)	(3,397,761)	(2,469,075)	(2,423,467)
Less revaluation allowance for debt restructuring	*16*	(20,605)	(19,461)	(20,605)	(19,461)
Total loans to customers and accrued interest receivables, net		143,623,809	134,732,867	102,785,681	102,948,616
Properties foreclosed, net	*17*	952,305	987,883	812,406	869,984
Premises and equipment, net	*18*	157,311	179,926	110,801	113,329
Intangible assets, net	*19*	56,257	72,426	48,110	62,465
Leasehold right, net		165,073	175,758	165,073	175,758
Deferred tax assets, net	*20*	647,296	359,660	233,776	66,173
Accrued income, net		361,684	312,610	357,050	299,337
Receivables on credit support for derivative contracts		24,396	135,287	24,396	135,287
Other receivables, net		145,967	171,903	83,714	92,413
Other assets, net	*21*	29,591	30,763	18,449	18,471
Total assets		**194,886,593**	**176,714,066**	**157,189,996**	**148,118,682**

The accompanying notes are an integral part of these financial statements

Statement of Financial Position

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiary

		Consolidated		The Bank	
		31 December		31 December	
		2014	2013	2014	2013
		(in thousand Baht)			
Liabilities and equity	*Note*				
Liabilities					
Deposits	*23*	90,028,525	83,734,809	90,028,586	83,734,983
Interbank and money market items	*24*	40,423,896	44,785,767	40,423,896	42,585,767
Liabilities payable on demand		6,053	15,458	6,053	15,458
Derivative liabilities	*8*	530,672	1,131,227	530,672	1,131,227
Debt issued and borrowings	*25*	37,728,517	28,417,377	992,890	3,250,820
Employee benefit obligations	*26*	159,611	133,347	121,079	103,145
Other provisions	*27*	23,700	132,450	23,700	132,450
Accrued interest payables		991,169	685,900	802,090	536,615
Other liabilities	*28*	1,606,242	1,493,432	1,163,943	817,044
Total liabilities		**171,498,385**	**160,529,767**	**134,092,909**	**132,307,509**
Equity					
Share capital	*29*				
Authorised share capital					
451,081 non-cumulative preference shares of Baht 8.92 each		4,023	4,023	4,023	4,023
2,260,089,475 ordinary shares of Baht 8.92 each					
(2013: 1,590,001,864 ordinary shares of Baht 8.92 each)		20,159,998	14,182,817	20,159,998	14,182,817
Issued and paid-up share capital					
451,081 non-cumulative preference shares of Baht 8.92 each		4,023	4,023	4,023	4,023
2,256,510,117 ordinary shares of Baht 8.92 each					
(2013: 1,590,001,864 ordinary shares of Baht 8.92 each)		20,128,071	14,182,817	20,128,071	14,182,817
Other components of equity	*9.3, 30, 31*	267,831	198,651	267,831	198,651
Retained earnings					
Appropriated					
Legal reserve	*30*	300,000	200,000	300,000	200,000
Unappropriated		2,688,283	1,598,808	2,397,162	1,225,682
Equity attributable to the Bank's shareholders		**23,388,208**	**16,184,299**	**23,097,087**	**15,811,173**
Non-controlling interest		-	-	-	-
Total equity		**23,388,208**	**16,184,299**	**23,097,087**	**15,811,173**
Total liabilities and equity		**194,886,593**	**176,714,066**	**157,189,996**	**148,118,682**

(Mr. Zhigang Li)
Chief Executive Officer

(Mr. Guohui Song)
Senior Executive Vice President

The accompanying notes are an integral part of these financial statements

Statement of Comprehensive Income

Industrial and Commercial Bank of China (Thai)
Public Company Limited and its Subsidiary

	Note	Consolidated		The Bank	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
		(in thousand Baht)			
Interest income	36	8,799,077	7,939,081	5,728,323	5,533,283
Interest expense	37	4,681,026	3,792,125	3,450,761	3,089,854
Net interest income		4,118,051	4,146,956	2,277,562	2,443,429
Fees and service income		306,433	410,325	106,974	84,557
Fees and service expense		16,806	13,505	16,806	13,505
Net fees and service income	38	289,627	396,820	90,168	71,052
Net trading income	39	58,570	73,494	58,581	73,612
Net (loss) gain on investments	40	(265)	3,829	(265)	3,829
Share of profit of associate	11	57,705	91,558	-	-
Gains on disposals of equipment, properties foreclosed and other assets		67,834	158,473	62,750	148,388
Bad debts recovered		171,585	252,965	58,597	176,088
Dividends income		9,718	7,945	13,187	24,454
Gains on disposals of non-performing loans	12.7	235,496	-	235,496	-
Other operating income		100,446	102,177	11,179	29,471
Total operating income		**5,108,767**	**5,234,217**	**2,807,255**	**2,970,323**
Other operating expenses					
Employee expenses		1,067,766	1,027,237	702,874	653,015
Directors' remuneration	41	18,336	16,487	18,335	16,337
Premises and equipment expenses		191,892	180,856	119,475	116,494
Taxes and duties		155,785	193,792	144,503	163,042
Amortisation expense on intangible assets		19,204	20,696	15,006	16,864
Reversal of estimate for loss sharing of TAMC	27	-	(176,591)	-	(176,591)
Losses on properties foreclosed (reversal)		924,139	510,153	2,486	(93,522)
Others		380,084	336,154	138,878	136,234
Total other operating expenses		**2,757,206**	**2,108,784**	**1,141,557**	**831,873**
Bad debts, doubtful accounts and impairment losses	42	865,775	1,865,477	69,786	810,873
Profit before tax		1,485,786	1,259,956	1,595,912	1,327,577
Income tax expense	43	296,311	246,002	324,432	269,295
Profit for the year		**1,189,475**	**1,013,954**	**1,271,480**	**1,058,282**

The accompanying notes are an integral part of these financial statements

Statement of Comprehensive Income

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiary

	Note	Consolidated		The Bank	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
		(in thousand Baht)			
Other comprehensive income	43				
Net change in fair value of available-for-sale investments		86,475	(111,582)	86,475	(111,582)
Income tax on other comprehensive income		(17,295)	22,317	(17,295)	22,317
Other comprehensive income for the year, net of income tax		**69,180**	**(89,265)**	**69,180**	**(89,265)**
Total comprehensive income for the year		**1,258,655**	**924,689**	**1,340,660**	**969,017**
Profit attributable to					
Shareholders of the Bank		1,189,475	1,013,954	1,271,480	1,058,282
Non-controlling interest		-	-	-	-
Profit for the year		**1,189,475**	**1,013,954**	**1,271,480**	**1,058,282**
Total comprehensive income attributable to					
Shareholders of the Bank		1,258,655	924,689	1,340,660	969,017
Non-controlling interest		-	-	-	-
Total comprehensive income for the year		**1,258,655**	**924,689**	**1,340,660**	**969,017**
Earnings per share of the Bank					
Basic earnings per share *(in Baht)*	44	**0.66**	**0.64**	**0.70**	**0.67**

(Mr. Zhigang Li)
Chief Executive Officer

(Mr. Guohui Song)
Senior Executive Vice President

The accompanying notes are an integral part of these financial statements

Statement of Changes in Equity

	Note	Consolidated							
		Issued and paid-up share capital		Other components of equity	Retained earnings		Total equity attributable to the Bank's shareholders	Non-controlling interest	Total equity
		Preference shares	Ordinary shares	Revaluation surplus on available-for-sale investments	Legal reserve	Unappropriated			
		(in thousand Baht)							
Year ended 31 December 2013									
Balance at 1 January 2013		**4,023**	**14,182,817**	**287,916**	**100,000**	**684,854**	**15,259,610**	**-**	**15,259,610**
Comprehensive income for the year									
Profit for the year		-	-	-	-	1,013,954	1,013,954	-	1,013,954
Other comprehensive income, net of tax	*43*	-	-	(89,265)	-	-	(89,265)	-	(89,265)
Total comprehensive income for the year		**-**	**-**	**(89,265)**	**-**	**1,013,954**	**924,689**	**-**	**924,689**
Transfer to legal reserve		-	-	-	100,000	(100,000)	-	-	-
Balance at 31 December 2013		**4,023**	**14,182,817**	**198,651**	**200,000**	**1,598,808**	**16,184,299**	**-**	**16,184,299**
Year ended 31 December 2014									
Balance at 1 January 2014		**4,023**	**14,182,817**	**198,651**	**200,000**	**1,598,808**	**16,184,299**	**-**	**16,184,299**
Transactions with owners, recorded directly in equity									
Contributions by owners of the Bank									
Issue ordinary shares	*29*	-	5,945,254	-	-	-	5,945,254	-	5,945,254
Total contributions by owners of the Bank		**-**	**5,945,254**	**-**	**-**	**-**	**5,945,254**	**-**	**5,945,254**
Comprehensive income for the year									
Profit for the year		-	-	-	-	1,189,475	1,189,475	-	1,189,475
Other comprehensive income, net of tax	*43*	-	-	69,180	-	-	69,180	-	69,180
Total comprehensive income for the year		**-**	**-**	**69,180**	**-**	**1,189,475**	**1,258,655**	**-**	**1,258,655**
Transfer to legal reserve		-	-	-	100,000	(100,000)	-	-	-
Balance at 31 December 2014		**4,023**	**20,128,071**	**267,831**	**300,000**	**2,688,283**	**23,388,208**	**-**	**23,388,208**

The accompanying notes are an integral part of these financial statements

Statement of Changes in Equity

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiary

	Note	The Bank					
		Issued and paid-up share capital		Other components of equity	Retained earnings		Total equity
		Preference shares	Ordinary shares	Revaluation surplus on available-for-sale investments	Legal reserve	Unappropriated	
		(in thousand Baht)					
Year ended 31 December 2013							
Balance at 1 January 2013		**4,023**	**14,182,817**	**287,916**	**100,000**	**267,400**	**14,842,156**
Comprehensive income for the year							
Profit for the year		-	-	-	-	1,058,282	1,058,282
Other comprehensive income, net of tax	43	-	-	(89,265)	-	-	(89,265)
Total comprehensive income for the year		**-**	**-**	**(89,265)**	**-**	**1,058,282**	**969,017**
Transfer to legal reserve		-	-	-	100,000	(100,000)	-
Balance at 31 December 2013		**4,023**	**14,182,817**	**198,651**	**200,000**	**1,225,682**	**15,811,173**
Year ended 31 December 2014							
Balance at 1 January 2014		**4,023**	**14,182,817**	**198,651**	**200,000**	**1,225,682**	**15,811,173**
Transactions with owners, recorded directly in equity							
Contributions by owners of the Bank							
Issue ordinary shares	29	-	5,945,254	-	-	-	5,945,254
Total contributions by owners of the Bank		**-**	**5,945,254**	**-**	**-**	**-**	**5,945,254**
Comprehensive income for the year							
Profit for the year		-	-	-	-	1,271,480	1,271,480
Other comprehensive income, net of tax	43	-	-	69,180	-	-	69,180
Total comprehensive income for the year		**-**	**-**	**69,180**	**-**	**1,271,480**	**1,340,660**
Transfer to legal reserve		-	-	-	100,000	(100,000)	-
Balance at 31 December 2014		**4,023**	**20,128,071**	**267,831**	**300,000**	**2,397,162**	**23,097,087**

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

Industrial and Commercial Bank of China (Thai)
Public Company Limited and its Subsidiary

	Consolidated		The Bank	
	Year ended 31 December		Year ended 31 December	
	2014	2013	2014	2013
	(in thousand Baht)			
Cash flows from operating activities				
Profit before tax	1,485,786	1,259,956	1,595,912	1,327,577
Adjustments for				
Depreciation and amortisation	85,449	83,982	55,977	59,061
Bad debts, doubtful accounts and impairment losses	865,775	1,865,477	69,786	810,873
Losses of write-off of fixed assets	44	520	23	-
Gains on disposals of properties foreclosed	(67,898)	(157,815)	(62,750)	(147,191)
Losses on properties foreclosed (reversal)	924,116	510,153	2,463	(93,522)
Net gain on investments	265	(3,829)	265	(3,829)
Gain on disposal of non-performing loans	(235,496)	-	(235,496)	-
Proceeds from disposal of non-performing loans	330,000	-	330,000	-
Gain on sales of equipment	43	(1,178)	-	(1,197)
Net trading income	(58,570)	(73,494)	(58,581)	(73,612)
Employee benefit obligations	26,788	17,054	17,933	9,836
Provisions for other liabilities	1,133	3,750	1,133	3,750
Reversal of estimate for loss sharing of TAMC	-	(176,591)	-	(176,591)
Other income from revaluation of other receivables	(1,074)	(2,121)	(1,074)	(2,121)
Amortisation of borrowing fee	-	11,606	-	728
Share of profit of associate	(57,705)	(91,558)	-	-
Net interest income	(4,118,051)	(4,146,956)	(2,277,562)	(2,443,429)
Dividend income	(9,718)	(7,945)	(13,187)	(24,454)
Proceeds from interest	7,758,474	7,194,025	4,699,883	4,794,690
Interest paid	(3,318,747)	(2,737,026)	(3,102,284)	(2,763,433)
Proceeds from dividend	9,718	7,945	9,718	7,945
Income tax paid	(463,863)	(203,614)	(323,687)	(57,685)
Income from operations before changes in operating assets and liabilities	**3,156,469**	**3,352,341**	**708,472**	**1,227,396**
(Increase) decrease in operating assets				
Interbank and money market items	(4,581,746)	(1,342,124)	(4,681,881)	(1,201,074)
Derivative assets	580,747	560,999	580,747	560,999
Loans to customers	(9,815,265)	(32,068,990)	23,485	(11,726,781)
Properties foreclosed	(818,608)	(228,155)	119,897	379,787
Receivables on credit support for derivative contracts	110,891	(134,708)	110,891	(134,708)
Fee receivable	8,639	-	-	-
Other receivables	27,009	143,765	9,773	74,896
Other assets	10,880	(24,576)	15,286	(29,848)

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

Industrial and Commercial Bank of China (Thai)
Public Company Limited and its Subsidiary

	Consolidated		The Bank	
	Year ended 31 December		Year ended 31 December	
	2014	2013	2014	2013
	(in thousand Baht)			
Cash flows from operating activities				
Increase (decrease) in operating liabilities				
Deposits	6,293,717	16,529,694	6,293,604	16,526,921
Interbank and money market items	(4,361,871)	8,595,739	(2,161,871)	8,895,739
Liabilities payable on demand	(9,405)	1,923	(9,405)	1,923
Derivative liabilities	(1,059,995)	234,424	(1,059,984)	234,542
Accrued expense	24,978	(32,723)	11,005	20,542
Other liabilities	(182,668)	(172,787)	8,371	(36,602)
Net cash from (used in) operating activities	**(10,616,228)**	**(4,585,178)**	**(31,610)**	**14,793,732**
Cash flows from investing activities				
Interest received	937,740	602,176	937,740	602,176
Dividend received	3,469	16,510	3,469	16,510
Increase in long-term investments	(4,556,873)	(15,087,411)	(4,556,873)	(15,087,411)
Investments in receivables	296	(7,112)	648	(7,112)
Purchases of investments in a subsidiary	-	-	-	(500,000)
Purchases of equipment	(32,501)	(77,893)	(26,955)	(32,227)
Sales of equipment	-	1,312	-	1,196
Purchases of intangible assets	(3,324)	(16,570)	(1,296)	(14,556)
Net cash (used in) investing activities	**(3,651,193)**	**(14,568,988)**	**(3,643,267)**	**(15,021,424)**
Cash flows from financing activities				
Interest paid from borrowing and debt issued	(1,006,937)	(895,290)	(51,818)	(258,787)
Proceeds from borrowings and debt issued	66,717,390	25,018,709	5,241,051	5,453,021
Repayment of borrowings and debt issued	(57,425,160)	(4,928,305)	(7,499,000)	(4,928,305)
Finance lease payments	(2,383)	(6,147)	-	(3,320)
Proceeds from issue of ordinary shares	5,945,254	-	5,945,254	-
Net cash from financing activities	**14,228,164**	**19,188,967**	**3,635,487**	**262,609**
Net increase in cash	**(39,257)**	**34,801**	**(39,390)**	**34,917**
Cash at 1 January	403,646	368,845	402,877	367,960
Cash at 31 December	**364,389**	**403,646**	**363,487**	**402,877**

The accompanying notes are an integral part of these financial statements

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Notes
to Financial Statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 20 March 2015.

1 General information

Industrial and Commercial Bank of China (Thai) Public Company Limited, "the Bank", is incorporated in Thailand and has its registered office at No. 622, Sukhumvit Road, Klongton Sub-district, Klongtoey District, Bangkok.

The parent company during the financial year was Industrial and Commercial Bank of China Limited, which is incorporated in the People's Republic of China. The Parent Company of the Bank holds 97.86% of the issued and paid-up share capital of the Bank.

The principal activities of the Bank is the provision of financial products and services through its branches network in Thailand.

Detail of the Bank's subsidiary as at 31 December 2014 and 2013 are given in notes 10 and 33.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP); and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding "The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services".

The FAP has issued the following new and revised TFRS relevant to the Bank and its subsidiary's operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures

TAS 28 (revised 2012)	Investments in Associates
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TFRIC 18	Transfers of Assets from Customers

The initial application of these new and revised TFRS has resulted in changes in certain of the Bank and its subsidiary's accounting policies. These changes have no material effect on the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments held for trading purpose are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- Investment in an associate is accounted for in the consolidated financial statements using the equity method.

(c) Functional and Presentation currency

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

(d) Use of estimates and judgments

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3 (u)	Current tax and deferred tax
Note 5	Fair value of financial instruments
Note 8	Derivatives
Note 15	Allowance for doubtful accounts
Note 27&32	Other provision and contingencies

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiary (together referred to as "the Bank and its subsidiary") and interests in associates.

Subsidiary

Subsidiary is an entity controlled by the Bank. Control exists when the Bank has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of a subsidiary have been changed where necessary to align them with the policies adopted by the Bank, except that the subsidiary calculates depreciation of motor vehicles using the sum-of-the-years digits method. However, the effect of the use of a different method of depreciation for motor vehicles is not significant to the consolidated financial statements as a whole.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Bank and its subsidiary derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Bank retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Associate

Associate is an entity in which the Bank and its subsidiary has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Bank and its subsidiary holds between 20% and 50% of the voting power of another entity.

Investments in an associate are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Bank and its subsidiary's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Bank and its subsidiary, from the date that significant influence commences until the date that significant influence ceases. When the Bank and its subsidiary's share of losses exceeds its interest in an associate, the Bank and its subsidiary's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank and its subsidiary has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

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

The Bank and its subsidiary do not treat investments in any mutual funds in which they hold more than 50% of outstanding units as investments in a subsidiary because they do not have control over the financial and operating policies of these funds. In case that the Bank and its subsidiary receive shares as a result of debt restructuring of a borrower, which causes the Bank and its subsidiary to hold more than 50 % or 20 % of the paid-up share capital of such company, the Bank and its subsidiary will not treat that investee company as a subsidiary or an associate, respectively, since they intend to hold such investment temporarily and will treat it as a general investment. Such investment is stated at cost less allowance for impairment losses (if any).

(b) Revenue

Interest and discounts on loans

Interest on loans is recognised as revenue on an accrual basis over the term of the loans based on the amount of principal outstanding. For loans on which principal and/or interest payments have been defaulted for more than three months from the due dates, the Bank and its subsidiary cease accrual of interest income and reverse the interest previously accrued as revenue from its accounts. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance has been received from the debtors.

The Bank recognises interest income on restructured loans on the same accrual basis used for loans discussed above with reference to interest rates stipulated in the agreements (excluding interest charged and suspended for payment in the future), with the exception of restructured loans that are subject to monitoring for compliance with restructuring conditions, interest income on which is to be recognised on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of not less than three consecutive months or three consecutive installments, whichever is longer.

Interest or discounts, which are already included in the face value of notes receivable or loans, are recorded as deferred interest and taken up as revenue evenly throughout the term of the notes or loans.

Hire purchase and finance lease income

The subsidiary recognises income from hire-purchase and finance lease contracts based on the effective interest method, over the period of the contracts. For hire purchase and finance lease receivables on which installments have defaulted and are overdue for more than three months from the due dates, the subsidiary ceases accrual of revenue and reverses the revenue previously accrued but not collected. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance.

Interest and dividends on investments

Interest on investments is recognised as revenue on the effective interest method. Dividends from securities are recognised as revenue when the right to receive the payment is established.

Gains (losses) on investments

Gains (losses) on investments are recognised as revenue/expenses on the trade or settlement dates.

Gains (losses) on derivatives trading

Gains (losses) on derivatives trading are recognised as revenue/expenses on the trade or settlement dates.

Fees and service income

Fees are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered taking into account the stage of completion.

(c) Expense

Interest expenses

Interest expenses are recognised as expense on an accrual basis.

Commissions and direct expenses from the hire purchase and finance lease business

Commissions and initial direct expenses at the inception of a hire-purchase and finance lease contracts are deferred and amortised as expenses throughout the contract period, using the effective interest rate method, with the amortisation deducted from interest income.

Other expenses

Other expenses are recognised on an accrual basis.

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

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. Amounts paid for securities purchased subject to resale commitments are presented as assets under the caption of "Interbank and money market items" in the statements of financial position, and the underlying securities are treated as collateral to the receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items" in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

Differences between the purchase and sale considerations are recognised as interest income or expenses over the transaction periods.

(e) Derivatives

The Bank has entered into transactions involving derivatives in order to respond to clients' needs and to manage its own foreign exchange and interest rate risks. Derivative contracts are measured according to the purpose of entering into those transactions as follows:

Trading Book

As at the end of reporting period, foreign exchange contracts are measured at fair value. Gains or losses arising from revaluation are recognised as income or expense in profit or loss from operations.

The fair values of foreign exchange contracts are determined, using the forward exchange rates at the end of reporting period for the contract periods remaining on those dates.

Banking Book (Not held for trading)

As at the end of reporting period, the Bank recognises foreign exchange contracts, interest rate swap contracts, cross currency and interest rate swap contracts on an accrual basis as follows:

(a) The currency exchange components are translated at the exchange rates ruling as at the end of reporting period. Unrealised gains or losses on translation are recognised as income or expense in profit or loss from operations. Forward points are amortised on a straight-line basis over the contract periods and recognised as income or expense in profit or loss from operations.

(b) Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets or liabilities. Interest income or interest expense is recognised over the term of the contract periods as income or expense in profit or loss from operations.

These measurement methods are in compliance with the principles stipulated by the Bank of Thailand's Notification.

(f) Investments

Investments in an associate and a subsidiary

Investments in an associate and a subsidiary in the Bank's financial statements are accounted for using the cost method, net of accumulated impairment (if any). Investments in an associate in the consolidated financial statements are accounted for using the equity method. Under this method, the investment is initially recorded at the acquisition cost and is adjusted to reflect the attributable share of the profit or loss from the operation of associate proportionately to its investment holding percentage and is reduced by the amount of dividend received.

If the Bank receives shares as a result of debt restructuring of a borrower, and as a result the Bank holds more than 50 percent or 20 percent of the paid-up share capital of such company, the Bank will not treat the investee company as a subsidiary or an associate, respectively, but will treat it as a general investment since the Bank intends to hold such investment temporarily. Such investment are stated at cost less allowance for impairment losses (if any).

Investments in other debt and equity securities

Debt securities that the Bank and its subsidiary has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

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

Equity securities which are not marketable are stated at cost less any impairment losses (if any).

Fair values of securities

For government securities and state enterprise securities, fair values are calculated by using the Bank of Thailand formula, based on the yield curve of The Thai Bond Market Association or other financial institutions.

For private sector debt securities which can be freely traded on an open market or for which quoted market prices are readily available, the last trading price quoted by The Thai Bond Market Association is used as a fair value. In the absence of such price, fair value is determined applying the yield curve of The Thai Bond Market Association or other financial institutions, adjusted for an appropriate risk premium, in accordance with the criteria established by the Bank of Thailand. For private sector debt securities, which cannot be freely traded on an open market or for which a quoted market price is not readily available, the Bank uses the fair value that is determined by financial institutions who issued or sold those securities. The fair value of investment in receivables that are not freely traded in an open market, is calculated using the investment yield as at the investment date, and thereafter adjusted by a change in credit risk of the debtor being invested.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the year of the Stock Exchange of Thailand.

Fair value of investment units is determined using the net asset value announced as of the end of the reporting period.

Disposal of investments

Purchases and sales of investments in equity securities are recognised on the trade dates, while purchases and sales of investments in debt securities are recognised on the settlement dates.

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

If the Bank and its subsidiary disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Losses on impairment of investments are recognised as expenses in profit or loss from operation.

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 dates. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss from operation or recorded as revaluation surplus (deficit) on investments in equity, depending on the type of investment that is reclassified.

The Bank considers available-for-sale investments and general investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

(g) Loans to customers

Loans to customers are presented at the principal balances, excluding accrued interest receivables, except for overdrafts which are presented at the principal balances plus accrued interest receivables. Deferred revenue and unearned discounts on loans to customers are deducted from the loans to customers balances.

Hire purchase receivables and finance lease receivables

Hire purchase receivables and finance lease receivables are stated at outstanding balances according to the hire-purchase and finance lease contracts net of outstanding balances of unearned income, which are presented net of deferred commission expenses and initial direct costs.

(h) Allowance for doubtful accounts

The Bank provides allowance for doubtful accounts in accordance with the BOT guidelines, using the minimum rates stipulated by the BOT. The Bank sets provision for "pass" loans (including restructured receivables) and "special-mention" loans at minimum rates of 1% and 2%, respectively, of the loan balances (excluding accrued interest receivables) after deducting collateral value, calculated in accordance with the BOT's guidelines. For non-performing loans, the Bank sets provision at a rate of 100% of the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, discounted using the discount rate and duration expected to be able to dispose the collateral as stipulated in the BOT's notifications.

The subsidiary provides an allowance for doubtful accounts with reference to number of months past due and provisioning rates as stipulated in the BOT's notifications. Allowance for doubtful accounts is set for "pass" and "special-mention" loans at minimum rates of 1% and 2%, respectively, of the loan balances after deducting collateral value, calculated in accordance with the BOT's guidelines, and at 100% of the balances of non-performing loans after deducting the present value of expected future cash flows from collateral disposal, calculated in accordance with the BOT's guidelines.

In addition, the Bank has a loan loss provisioning policy whereby it provides additional allowance for certain exposures of the Bank and its subsidiary that are classified as "Pass" and "Special Mention", at rates higher than the minimum rates specified by BOT. Such rates are determined taking into considerations the probability of the loans becoming non-performing loans (PD) and the loss rates if those loans are not recovered in full (LGD), adjusted by an additional amount of allowance and considered on a case by case basis from the analysis of the situation of debtor, repayment record of debt, collection experience from the debtor, value of collateral and economic environment.

The Bank writes off bad debts in accordance with the BOT's guidelines and as approved by the Executive Committee where by it will reverse the related allowance for doubtful accounts against the decrease in bad debts and doubtful accounts in profit or loss from operation. At the same time, the Bank writes off the balances of bad debts and charges them against bad debts and doubtful accounts as expenses in profit or loss from operation. All bad debts recovered are recognised as revenue in profit or loss from operation.

Allowance for doubtful accounts made in the year is recognised as bad debts and doubtful account expense in profit or loss from operation.

(i) Troubled debt restructuring

The Bank records troubled debt restructuring transactions with reference to criteria stipulated by the Bank of Thailand.

In cases where the troubled debt restructuring involves debt/asset swaps and/or debt/equity swaps, the Bank records assets and/or equity received in settlement of debts at their fair value less estimated selling expenses (if any) provided that it does not exceed the book value of outstanding principal and accrued interest receivables. Losses arising from the excess of the carrying value over the fair value of those assets and equity transferred are recognised as expense in profit or loss from operation, taking into account existing allowance for doubtful accounts.

In cases where the troubled debt restructuring involves modification of the repayment conditions, the Bank records losses arising from revaluation of the fair value of the debts after restructuring determined by the present value of expected cash flows to be received in accordance with new restructuring agreements, discounted by the Bank's minimum interest rates on loans to large customers. The lower of the then-determined present value and the carrying value is accounted for as allowance for revaluation on debt restructuring and recognised as an expense in profit or loss from operation in the period in which the debt is restructured. Such allowance is amortised and recognised as revenue in profit or loss from operation over the remaining period of the restructuring periods or is reviewed by revaluing the net present value of expected cash flows to be received over the remaining period.

Losses arising from debt restructuring through waivers of principal and/or recorded accrued interest receivables are recognised as expenses in profit or loss from operation.

(j) Properties foreclosed

Properties foreclosed are stated at the lower of cost at the acquisition date and net realisable value. Net realisable value is determined with reference to the appraisal value less estimated selling expenses.

Gains or losses on disposals of properties foreclosed are recorded as revenue or expenses in profit or loss from operation when significant risk and rewards have been transferred to the buyer. Impairment loss is recognised as expenses in profit or loss from operation.

The management uses the BOT's regulation and judgment to estimate impairment losses, taking into consideration the latest appraisal values, types and characteristics of assets, the period of time for which to be recouped from disposals and changes in the economic conditions.

(k) Premises and equipment

Recognition and measurement

Owned assets

Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Leased assets

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

Subsequent costs

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

Depreciation

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

Depreciation is charged as expenses to profit or loss from operation, using a straight-line basis over the estimated useful lives of each component of an item of assets (except for the depreciation of motor vehicles of a subsidiary, which is calculated by reference to their cost, after deducting residual values, on the sum-of-the-years digits method). The estimated useful lives are as follows:

Buildings	34	years
Furniture, fixtures and office equipment	1-3, 5 and 10	years
Motor vehicles	5-7	years

No depreciation is provided on freehold land.

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

Disposal of premises and equipment

The Bank and its subsidiary derecognized an item of premises and equipment upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised in profit or loss from operation when the Bank and its subsidiary derecognised that assets.

(l) Intangible assets

Intangible assets that are acquired by the Bank and its subsidiary and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

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

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

Computer softwares	5-10	years
Deferred license fee	10	years

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

(m) Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and impairment loss. Amortisation is recognised as expense in profit or loss on a straight-line basis over the lease period of 30 years.

(n) Sales of commercial papers

Commercial papers sold at a discount without recourse are recorded by crediting the "Notes receivable" account.

Commercial papers sold at a discount without an aval or an acceptance with recourse, are recorded as liabilities under the caption of "Liabilities from sale of commercial papers". Commercial papers with an aval or acceptance from other commercial banks or other financial institutions, sold at a discount with recourse, are recorded by crediting the "Notes receivable" account, and disclosed such commitment as a part of "Contingent liabilities".

(o) Impairment

The carrying amounts of the Bank and its subsidiary assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

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

Calculation of recoverable amount

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

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

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimate 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.

Reversals of impairment

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

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

(p) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost.

(q) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are salaries, wages, bonuses and contributions to the social fund which are measured on an undiscounted basis and expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank and its subsidiary have a present legal or constructive obligation to pay this amount as a result of past service provided by employee, and the obligation can be estimated reliably.

Post-employment benefits

The Bank and its subsidiary operates a number of post-employment benefits including both defined contribution plans and defined benefit plans.

Defined contribution plans

The Bank and its subsidiary pay fixed contributions into a separate entity (a provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

The Bank and its subsidiary treat the severance payments they must make to employees upon retirement under labor law as post-employment retirement benefit plan.

The Bank and its subsidiary's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Bank and its subsidiary's obligations and that are denominated is the same currency in which the benefits are expected to be paid.

The calculation is performed by a qualified actuary using the projected unit credit method. The determination is made involving various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

The Bank and its subsidiary recognise all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

(r) Provisions

Provisions are recognized when the Bank and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Profit or loss sharing from management of non-performing assets

In calculation of profit or loss sharing from management of non-performing assets transferred to Thai Asset Management Corporation ("TAMC"), the Bank estimates the amounts expected to be recouped from debtors or the underlying collaterals or the guarantors for which management exercises judgment in determination of assumptions with respect to recovery rates on the outstanding debts under the debt restructuring agreements or collateral value. The management considers that the assumptions

used are appropriate based on the availability of information to the Bank and current circumstances. The different assumptions used and the change in circumstances in the future may affect the estimated amount of loss sharing already recorded.

Litigation

The Bank and its subsidiary have contingent liabilities as a result of litigation being made against them for claims of compensation. The management has used judgement to assess of the results of the litigation and recorded provisions as at the end of reporting period. However, actual results could differ from the estimates.

(s) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Bank and its subsidiary at exchange rates at the dates of the transactions.

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

(t) Operating leases

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

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

(u) Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

(v) Derecognition of financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and the Bank does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

(w) Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to shareholders of the Bank by the weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the year.

Since November 2012, the conversion preference of the preference shares expired. Therefore, the preference shares' rights are equivalent to the ordinary shares.

(x) Operating segments

Segment results that are reported to the Bank's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Financial risk management

Financial risk management policies

The Board of Directors has established a risk management framework covering the Bank and its subsidiary to ensure risks are effectively managed on an ongoing basis. The Board of Directors has set up a risk management committee governing the Bank and its subsidiary which reports regularly to the Board of Directors on their activities.

Credit risk

Credit risk is the risk that the party to a financial agreement fails to honour an obligation and consequently cause the Bank and its subsidiary to incur a financial loss. The Bank and its subsidiary have disclosed significant concentrations of credit risk in Note 12.3 to the financial statements. The maximum amount of credit risk exposure is the carrying amount of the financial assets less provision for losses as stated in the statements of financial position. The risk from off-financial position items is presented in Note 32 to the financial statements.

In addition, the Bank manages credit risk through careful consideration of credit approval process, analysis of risk factors and the ability to service debts of borrowers and performing credit review to examine process, which examines and reviews the quality of the Bank's loan portfolio so as to prevent and provide a remedy for problem loans in the future.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the value of financial assets and liabilities, net interest earnings, operations and cash flows of the Bank and its subsidiary.

The Bank manages interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

As at 31 December 2014 and 2013, significant financial assets and liabilities classified by types of interest rate are as follows:

	Consolidated			
	31 December 2014			
	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	364	364
Interbank and money market items, net	163	10,452	1,412	12,027
Investments, net	1,275	33,882	317	35,474
Loans to customers[1]	78,069	66,298	2,508	146,875
Total financial assets	**79,507**	**110,632**	**4,601**	**194,740**
Financial liabilities				
Deposits	7,794	82,080	155	90,029
Interbank and money market items	3,166	37,093	165	40,424
Liabilities payable on demand	-	-	6	6
Debt issued and borrowings	-	37,728	-	37,728
Total financial liabilities	**10,960**	**156,901**	**326**	**168,187**
Avals to bill and guarantee on loan	-	-	(434)	(434)
Letters of credit	-	-	(219)	(219)
Other contingencies	-	-	(1,947)	(1,947)
Derivatives held for risk management	7,500	(7,561)	(102)	(163)

[1] Net of deferred revenue

	Consolidated			
	31 December 2013			
	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	404	404
Interbank and money market items, net	201	5,986	1,267	7,454
Investments, net	3,010	27,568	254	30,832
Loans to customers[1]	63,785	71,412	2,746	137,943
Total financial assets	**66,996**	**104,966**	**4,671**	**176,633**
Financial liabilities				
Deposits	6,406	77,068	261	83,735
Interbank and money market items	3,511	41,018	257	44,786
Liabilities payable on demand	-	-	15	15
Debt issued and borrowings	-	28,417	-	28,417
Total financial liabilities	**9,917**	**146,503**	**533**	**156,953**
Avals to bill and guarantee on loan	-	-	(226)	(226)
Letters of credit	-	-	(228)	(228)
Other contingencies	-	-	(5,458)	(5,458)
Derivatives held for risk management	14,500	(14,556)	(638)	(694)

[1] Net of deferred revenue

	The Bank			
	31 December 2014			
	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	363	363
Interbank and money market items, net	2	10,452	1,364	11,818
Investments, net	1,275	33,882	317	35,474
Loans to customers[1]	80,201	23,653	1,188	105,042
Total financial assets	**81,478**	**67,987**	**3,232**	**152,697**
Financial liabilities				
Deposits	7,794	82,080	155	90,029
Interbank and money market items	3,166	37,093	165	40,424
Liabilities payable on demand	-	-	6	6
Debt issued and borrowings	-	993	-	993
Total financial liabilities	**10,960**	**120,166**	**326**	**131,452**
Avals to bill and guarantee on loan	-	-	(15,934)	(15,934)
Letters of credit	-	-	(219)	(219)
Other contingencies	-	-	(1,947)	(1,947)
Derivatives held for risk management	7,500	(7,561)	(102)	(163)

[1] Net of deferred revenue

	The Bank			
	31 December 2013			
	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	403	403
Interbank and money market items, net	3	5,986	1,156	7,145
Investments, net	3,010	27,568	254	30,832
Loans to customers[1]	63,785	40,034	1,354	105,173
Total financial assets	**66,798**	**73,588**	**3,167**	**143,553**
Financial liabilities				
Deposits	6,406	77,068	261	83,735
Interbank and money market items	3,511	38,818	257	42,586
Liabilities payable on demand	-	-	15	15
Debt issued and borrowings	-	3,251	-	3,251
Total financial liabilities	**9,917**	**119,137**	**533**	**129,587**
Avals to bill and guarantee on loan	-	-	(5,826)	(5,826)
Letters of credit	-	-	(228)	(228)
Other contingencies	-	-	(5,458)	(5,458)
Derivatives held for risk management	14,500	(14,556)	(638)	(694)

[1] Net of deferred revenue

The following table shows the contractual repricing or maturity dates, whichever are earlier, for significant financial assets and liabilities exposed to interest rate risk:

	Consolidated							
	31 December 2014							
	Reprice/maturity within				Reprice/ maturity over 5 years	Non interest bearing	Non performing loans	Total
	At call	1-3 months	3-12 months	1-5 years				
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	364	-	364
Interbank and money market items, net	163	10,229	223	-	-	1,412	-	12,027
Investment, net	-	3,872	12,001	16,292	2,992	317	-	35,474
Loans to customers [1]	67	94,012	16,486	31,272	2,530	-	2,508	146,875
Total financial assets	**230**	**108,113**	**28,710**	**47,564**	**5,522**	**2,093**	**2,508**	**194,740**
Financial liabilities								
Deposits	13,219	61,040	14,638	977	-	155	-	90,029
Interbank and money market items	3,166	16,751	19,354	988	-	165	-	40,424
Liabilities payable on demand	-	-	-	-	-	6	-	6
Debt issued and borrowings	-	9,375	6,299	22,054	-	-	-	37,728
Total financial liabilities	**16,385**	**87,166**	**40,291**	**24,019**	**-**	**326**	**-**	**168,187**
Avals to bill and guarantee on loan	-	-	-	-	-	(434)	-	(434)
Letters of credit	-	-	-	-	-	(219)	-	(219)
Other contingencies	-	-	-	-	-	(1,947)	-	(1,947)
Derivatives held for risk management	-	4,500	(1,399)	(3,162)	-	(102)	-	(163)

[1] Net of deferred revenue

	Consolidated							
	31 December 2013							
	Reprice/maturity within				Reprice/ maturity over 5 years	Non interest bearing	Non performing loans	Total
	At call	1-3 months	3-12 months	1-5 years				
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	404	-	404
Interbank and money market items, net	201	3,392	2,594	-	-	1,267	-	7,454
Investment, net	-	12,292	6,842	9,972	1,472	254	-	30,832
Loans to customers [1]	71	76,733	17,701	38,368	2,324	-	2,746	137,943
Total financial assets	**272**	**92,417**	**27,137**	**48,340**	**3,796**	**1,925**	**2,746**	**176,633**
Financial liabilities								
Deposits	16,060	56,224	10,344	846	-	261	-	83,735
Interbank and money market items	3,511	39,908	2	1,108	-	257	-	44,786
Liabilities payable on demand	-	-	-	-	-	15	-	15
Debt issued and borrowings	-	11,014	5,632	11,771	-	-	-	28,417
Total financial liabilities	**19,571**	**107,146**	**15,978**	**13,725**	**-**	**533**	**-**	**156,953**
Avals to bill and guarantee on loan	-	-	-	-	-	(226)	-	(226)
Letters of credit	-	-	-	-	-	(228)	-	(228)
Other contingencies	-	-	-	-	-	(5,458)	-	(5,458)
Derivatives held for risk management	-	6,000	1,500	(7,556)	-	(638)	-	(694)

[1] Net of deferred revenue

The Bank

	31 December 2014							
	Reprice/maturity within				Reprice/ maturity over 5 years	Non interest bearing	Non performing loans	Total
	At call	1-3 months	3-12 months	1-5 years				
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	363	-	363
Interbank and money market items, net	2	10,229	223	-	-	1,364	-	11,818
Investments, net	-	3,872	12,001	16,292	2,992	317	-	35,474
Loans to customers [1]	2,140	90,230	7,813	3,667	4	-	1,188	105,042
Total financial assets	**2,142**	**104,331**	**20,037**	**19,959**	**2,996**	**2,044**	**1,188**	**152,697**
Financial liabilities								
Deposits	13,219	61,040	14,638	977	-	155	-	90,029
Interbank and money market items	3,166	16,751	19,354	988	-	165	-	40,424
Liabilities payable on demand	-	-	-	-	-	6	-	6
Debt issued and borrowings	-	983	10	-	-	-	-	993
Total financial liabilities	**16,385**	**78,774**	**34,002**	**1,965**	**-**	**326**	**-**	**131,452**
Avals to bill and guarantee on loan	-	-	-	-	-	(15,934)	-	(15,934)
Letters of credit	-	-	-	-	-	(219)	-	(219)
Other contingencies	-	-	-	-	-	(1,947)	-	(1,947)
Derivatives held for risk management	-	4,500	(1,399)	(3,162)	-	(102)	-	(163)

[1] Net of deferred revenue

The Bank

	31 December 2013							
	Reprice/maturity within				Reprice/ maturity over 5 years	Non interest bearing	Non performing loans	Total
	At call	1-3 months	3-12 months	1-5 years				
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	403	-	403
Interbank and money market items, net	3	3,392	2,594	-	-	1,156	-	7,145
Investments, net	-	12,293	6,842	9,972	1,471	254	-	30,832
Loans to customers [1]	9,468	76,453	11,305	6,576	17	-	1,354	105,173
Total financial assets	**9,471**	**92,138**	**20,741**	**16,548**	**1,488**	**1,813**	**1,354**	**143,553**
Financial liabilities								
Deposits	16,060	56,224	10,344	846	-	261	-	83,735
Interbank and money market items	3,511	37,708	2	1,108	-	257	-	42,586
Liabilities payable on demand	-	-	-	-	-	15	-	15
Debt issued and borrowings	-	3,241	-	10	-	-	-	3,251
Total financial liabilities	**19,571**	**97,173**	**10,346**	**1,964**	**-**	**533**	**-**	**129,587**
Avals to bill and guarantee on loan	-	-	-	-	-	(5,826)	-	(5,826)
Letters of credit	-	-	-	-	-	(228)	-	(228)
Other contingencies	-	-	-	-	-	(5,458)	-	(5,458)
Derivatives held for risk management	-	6,000	1,500	(7,556)	-	(638)	-	(694)

[1] Net of deferred revenue

The average balances of the significant financial assets and liabilities of the Bank generating revenues and incurring expenses, calculated based on the average balances outstanding during the years, and the average interest rates for the years ended 31 December 2014 and 2013 can be summarized are as follows:

	Consolidated					
	2014			2013		
	Average Balances	Interest	Average interest rate	Average Balances	Interest	Average interest rate
	(in million Baht)		*(%)*	*(in million Baht)*		*(%)*
Interest-bearing financial assets						
Interbank and money market items (Assets)	14,895	455	3.05	3,611	86	2.38
Investments	31,451	1,012	3.22	18,344	721	3.93
Loans to customers [(2)]	144,880	7,331	5.06	127,441	7,131	5.60
Interest-bearing financial liabilities						
Deposits	91,939	2,347[(1)]	2.55	74,010	2,129[(1)]	2.88
Interbank and money market items (Liabilities)	41,515	659	1.59	39,171	597	1.52
Debt issued and borrowings	35,682	1,207	3.38	18,321	676	3.69

[(1)] Excluding remittance and Bank Protection Act.

[(2)] Net of deferred revenue

	The Bank					
	2014			2013		
	Average Balances	Interest	Average interest rate	Average Balances	Interest	Average interest rate
	(in million Baht)		*(%)*	*(in million Baht)*		*(%)*
Interest-bearing financial assets						
Interbank and money market items (Assets)	14,699	455	3.09	3,455	86	2.49
Investments	31,451	1,012	3.22	18,344	721	3.93
Loans to customers [(2)]	103,949	4,260	4.10	103,562	4,726	4.56
Interest-bearing financial liabilities						
Deposits	91,940	2,347[(1)]	2.55	74,603	2,129[(1)]	2.85
Interbank and money market items (Liabilities)	40,099	598	1.49	36,294	479	1.32
Debt issued and borrowings	1,474	38	2.58	2,573	92	3.57

[(1)] Excluding remittance and Bank Protection Act.

[(2)] Net of deferred revenue

Liquidity risk

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Bank has established a liquidity management policy, to ensure that the Bank has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has the liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits. The liquidity management policy is approved by the Group Risk Management Committee, the Executive Committee and the Board of Directors, respectively.

To manage the Bank's liquidity, the Treasury Division projects funding demand and identifies appropriate sources of funds consistent with the Bank's business and strategic plans. For the purpose of liquidity risk management, the Bank has set risk limits, required liquidity ratios, and liquidity control procedures, and the liquidity gap and liquidity management's performance are reported to the Asset and Liability Committee (ALCO) on a monthly basis. Moreover, the Risk Management Division closely monitors risk to ensure it remains within the limits set, and reports to the Group Risk Management Committee on a regular basis.

Moreover, the Bank has prepared the Early Warning System Indicator to monitor daily and monthly risk level and also set the trigger point in order to be prepared in case of any increasing of any risk factors and be used for liquidity risk management. The Portfolio Risk Management Department will inform the related party daily and submit to ALCO Meeting monthly. The Bank has also formulated the liquidity contingency plans to handle any potential liquidity problems. These plans designate working procedures and explicitly assign roles and responsibilities to the relevant parties.

The Asset and Liability Committee has the following roles and responsibilities:

1. Review and verify the validity of the assumptions used by the Treasury Division
2. Formulate strategies relating to the regular and daily liquidity management
3. Ensure that liquidity management is efficient and appropriate policies and procedures for liquidity risk are established
4. Set interest rate policy
5. Ensure that the Bank has adequate information systems to measure, monitor, control and report liquidity risk
6. Approve the limits for mismatches in sources and uses of fund
7. Diversify sources of funds
8. Verify the liquidity contingency plan

Group liquidity management is decentralized, with the subsidiary, ICBC (Thai) Leasing Co., Ltd. independently managing its own cash inflows and outflows. ICBC (Thai) Leasing Co., Ltd., sources funds mainly from the Bank, which will provide liquidity support, with the amount of funds based on Limited of Authority via the Board of Directors. Nevertheless, the Bank performs regular controlling and monitoring of the liquidity risk of its subsidiary and the subsidiary's liquidity gap is reported to the Asset and Liability Committee on a monthly basis.

The major uses of funds by the Bank are lending to corporate customers and investment in investment grade securities, but the Bank also designates limits to diversify the use of funds, such as limits on individual industries and lending limits for each individual. The Bank's main sources of funds are public deposits and borrowings. The Bank has set guidelines to reduce deposit concentrations, such as limits of the amount deposited per customer and limits of the amount deposited per corporate customer and per state enterprise.

The Bank has employed a conservative liquidity management policy, whereby it holds appropriate amounts of liquid assets, which can be easily converted into cash if liquidity problems arise. The Bank also maintains liquidity ratios in accordance with its expected liquidity requirement levels, for which there are three defined levels, depending on the economic, political and money market conditions. Such ratios are closely monitored on a daily basis.

The Bank generates reports and sets limits in liquidity management as follows:

1. Daily reports on the liquidity ratios used in determining the required amount of liquid assets, including liquid assets to total deposits ratio, liquid assets to top 20 large depositors ratio.
2. Daily and monthly reports of Early Warning Indicator together with trigger points in order to monitor the liquidity risk such as three days consecutive withdrawal, Liquidity Coverage Ratio (LCR), High Quality of Liquid Asset (HQLA) and available of committed facility amount, Loan to Deposit, Credit Rating of ICBC (Thai) and ICBC group.
3. Daily reports on amounts and types of liquid assets and their returns.
4. Liquidity gap report, indicating expected cash inflows and outflows in different tenors, and cumulative net liquidity excess or shortfall, which reflects the period to maturity both on the basis of the contract and after behavioral adjustment. Liquidity gap reports are prepared on a monthly basis for normal circumstances and on a quarterly basis for crisis situations.
5. Monthly reports on liquidity ratios, to be used to provide indications of the Bank's liquidity and early warnings, including loan to deposit ratio, loan to asset ratio, investment to asset ratio, liquid asset to total asset ratio, liquid asset to short-term to 1-month deposit ratio, borrowing to total asset ratio, deposit to total asset ratio, proportion of large depositors to total deposits, maximum deposit withdrawal per day and rollover rate.
6. Annual liquidity risk self assessment report.
7. Monthly reports on any transactions or facilities exceeding approved limits.
8. Monthly reports on the ratio of net liquidity deficit to deposits, the ratio of deposits from corporate customers and public enterprises and individual deposits.

The Bank also conducts stress tests on a quarterly basis, and regularly reviews the assumptions used to ensure they reflect current economic conditions, business strategies, and other relevant current and future factors. Stress test scenarios include a bank-specific crisis, a general market crisis and a combination of both scenarios that it is thought would have a severely adverse impact, and the Bank has prepared action plans to respond to the occurrence of such events. In addition, the Bank has prepared reports on its Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), in accordance with the BOT's guideline.

As at 31 December 2014 and 2013, significant financial assets and liabilities are classified according to their contractual maturity as follows:

	Consolidated							
	31 December 2014							
		Maturity within				No maturity	Non performing assets	Total
	At call	1-3 months	3-12 months	1-5 years	over 5 years			
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	364	-	364
Interbank and money market, net	1,571	10,233	223	-	-	-	-	12,027
Investments, net	-	3,607	11,587	16,971	2,992	317	-	35,474
Loans to customers [1]	67	38,311	33,204	61,295	11,490	-	2,508	146,875
Total financial assets	**1,638**	**52,151**	**45,014**	**78,266**	**14,482**	**681**	**2,508**	**194,740**
Financial liabilities								
Deposits	13,374	61,040	14,638	977	-	-	-	90,029
Interbank and money market	3,331	16,751	19,354	988	-	-	-	40,424
Liabilities payable on demand	6	-	-	-	-	-	-	6
Debt issued and borrowings	-	9,375	6,299	22,054	-	-	-	37,728
Total financial liabilities	**16,711**	**87,166**	**40,291**	**24,019**	**-**	**-**	**-**	**168,187**
Avals to bill and guarantees on loans	-	(212)	(120)	(7)	(95)	-	-	(434)
Letters of credit	-	(211)	(8)	-	-	-	-	(219)
Other contingencies	-	(74)	(432)	(531)	(246)	(664)	-	(1,947)
Derivatives held for risk management	-	(99)	(52)	(12)	-	-	-	(163)

[1] Net of deferred revenue

	Consolidated							
	31 December 2013							
		Maturity within				No maturity	Non performing assets	Total
	At call	1-3 months	3-12 months	1-5 years	over 5 years			
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	404	-	404
Interbank and money market, net	1,463	3,381	2,596	-	-	14	-	7,454
Investments, net	-	11,601	6,253	11,252	1,472	254	-	30,832
Loans to customers [1]	71	22,707	32,770	70,285	9,364	-	2,746	137,943
Total financial assets	**1,534**	**37,689**	**41,619**	**81,537**	**10,836**	**672**	**2,746**	**176,633**
Financial liabilities								
Deposits	16,321	56,224	10,344	846	-	-	-	83,735
Interbank and money market	3,768	39,908	2	1,108	-	-	-	44,786
Liabilities payable on demand	15	-	-	-	-	-	-	15
Debt issued and borrowings	-	11,014	5,632	11,771	-	-	-	28,417
Total financial liabilities	**20,104**	**107,146**	**15,978**	**13,725**	**-**	**-**	**-**	**156,953**
Avals to bill and guarantees on loans	-	(169)	(57)	-	-	-	-	(226)
Letters of credit	(36)	(187)	(5)	-	-	-	-	(228)
Other contingencies	(19)	(94)	(4,226)	(676)	-	(443)	-	(5,458)
Derivatives held for risk management	-	(571)	(67)	(56)	-	-	-	(694)

[1] Net of deferred revenue

	The Bank							
	31 December 2014							
		Maturity within				No maturity	Non performing assets	Total
	At call	1-3 months	3-12 months	1-5 years	over 5 years			
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	363	-	363
Interbank and money market, net	1,362	10,233	223	-	-	-	-	11,818
Investments, net	-	3,607	11,587	16,971	2,992	317	-	35,474
Loans to customers[1]	2,140	34,529	24,531	33,689	8,965	-	1,188	105,042
Total financial assets	**3,502**	**48,369**	**36,341**	**50,660**	**11,957**	**680**	**1,188**	**152,697**
Financial liabilities								
Deposits	13,374	61,040	14,638	977	-	-	-	90,029
Interbank and money market	3,331	16,751	19,354	988	-	-	-	40,424
Liabilities payable on demand	6	-	-	-	-	-	-	6
Debt issued and borrowings	-	983	10	-	-	-	-	993
Total financial liabilities	**16,711**	**78,774**	**34,002**	**1,965**	**-**	**-**	**-**	**131,452**
Avals to bill and guarantees on loans	-	(212)	(2,720)	(12,907)	(95)	-	-	(15,934)
Letters of credit	-	(211)	(8)	-	-	-	-	(219)
Other contingencies	-	(74)	(432)	(531)	(246)	(664)	-	(1,947)
Derivatives held for risk management	-	(99)	(52)	(12)	-	-	-	(163)

[1] Net of deferred revenue

	The Bank							
	31 December 2013							
		Maturity within				No maturity	Non performing assets	Total
	At call	1-3 months	3-12 months	1-5 years	over 5 years			
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	403	-	403
Interbank and money market, net	1,154	3,381	2,596	-	-	14	-	7,145
Investments, net	-	11,601	6,253	11,252	1,472	254	-	30,832
Loans to customers[1]	9,468	22,427	26,373	38,494	7,057	-	1,354	105,173
Total financial assets	**10,622**	**37,409**	**35,222**	**49,746**	**8,529**	**671**	**1,354**	**143,553**
Financial liabilities								
Deposits	16,321	56,224	10,344	846	-	-	-	83,735
Interbank and money market	3,768	37,708	2	1,108	-	-	-	42,586
Liabilities payable on demand	15	-	-	-	-	-	-	15
Debt issued and borrowings	-	3,241	-	10	-	-	-	3,251
Total financial liabilities	**20,104**	**97,173**	**10,346**	**1,964**	**-**	**-**	**-**	**129,587**
Avals to bill and guarantees on loans	-	(169)	(57)	(5,600)	-	-	-	(5,826)
Letters of credit	(36)	(187)	(5)	-	-	-	-	(228)
Other contingencies	(19)	(94)	(4,226)	(676)	-	(443)	-	(5,458)
Derivatives held for risk management	-	(571)	(67)	(56)	-	-	-	(694)

[1] Net of deferred revenue

Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to hedge this foreign exchange exposure through management of its net foreign exchange position and operating in accordance with a risk management policy.

The Bank and its subsidiary's significant foreign currency position as at 31 December 2014 and 2013 can be summarized as follows:

	Consolidated and the Bank					
	31 December 2014					
	US dollar	Renminbi	Yen	Euro	Others	Total
	(in million Baht)					
Financial assets						
Cash	-	47	-	-	-	47
Interbank and money market, net	1,512	3,707	-	7	5	5,231
Investments, net	12,727	265	-	-	-	12,992
Loans to customers[1]	46,163	1	-	29	-	46,193
Total financial assets	**60,402**	**4,020**	**-**	**36**	**5**	**64,463**
Financial liabilities						
Deposits	877	113	10	-	1	1,001
Interbank and money market	28,671	10	-	-	-	28,681
Total financial liabilities	**29,548**	**123**	**10**	**-**	**1**	**29,682**
Avals to bill and guarantee on loan	-	(212)	-	-	(102)	(314)
Letters of credit	(159)	(30)	-	-	-	(189)
Other contingencies	(532)	-	-	-	-	(532)
Derivatives held for risk management	(30,570)	(3,885)	10	(23)	4	(34,464)
Average exchange rate as at 31 December 2014 (Baht per 1 foreign currency unit)	32.9630	5.2998	0.27384	40.0530		

[1] Net of deferred revenue

	Consolidated and the Bank					
	31 December 2013					
	US dollar	Renminbi	Yen	Euro	Others	Total
	(in million Baht)					
Financial assets						
Cash	-	80	-	-	-	80
Interbank and money market, net	1,344	2,607	1	1	6	3,959
Investments, net	9,890	2,918	-	-	-	12,808
Loans to customers[1]	37,688	123	-	47	-	37,858
Total financial assets	**48,922**	**5,728**	**1**	**48**	**6**	**54,705**
Financial liabilities						
Deposits	423	72	12	1	-	508
Interbank and money market	28,688	1	454	-	-	29,143
Total financial liabilities	**29,111**	**73**	**466**	**1**	**-**	**29,651**
Avals to bill and guarantee on loan	(2)	(216)	-	-	-	(218)
Letters of credit	(140)	(81)	(2)	(5)	-	(228)
Other contingencies	(817)	-	-	-	-	(817)
Derivatives held for risk management	(19,430)	(5,629)	466	(43)	-	(24,636)
Average exchange rate as at 31 December 2013 (Baht per 1 foreign currency unit)	32.8136	5.4087	0.313042	45.0217		

[1] Net of deferred revenue

Derivatives

The Bank engages in derivatives activities as required in the normal course of business of the Bank to meet its clients' needs and to manage the risks of the Bank arising from fluctuations in foreign exchange rates and interest rates.

The Bank has a policy to mitigate risk associated with derivatives by stipulating policies and limits that require risk reporting and control procedures for the various types of risk, as a control over derivative activities. The Bank manages the credit risk associated with derivatives on the basis of the credit limits granted to customers in general. The same credit approval process that is used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels.

The Bank has entered into interest rate swap contracts in order to manage risk associated with loans and investments, as follows:

	Consolidated and The Bank			
	31 December 2014		31 December 2013	
	Notional amount	Maturity	Notional amount	Maturity
	(in million Baht)			
Interest rate swap contracts				
Receive floating interest rates and pay fixed interest rates	7,500	2015-2016	14,750	2014-2016
Receive fixed interest rate and pay floating interest rate	-	-	250	2014

The Bank has entered into cross currency interest rate swap contracts in order to manage the risk associated with investments in foreign debt securities, as follows:

	Consolidated and The Bank			
	31 December 2014		31 December 2013	
	Notional amount	Maturity	Notional amount	Maturity
	(in million Baht)			
Cross currency interest rate swap contracts				
Receive interest at a fixed rate on Baht notional amounts and to pay interest at a fixed rate on USD notional amounts	1,187	2015-2016	1,181	2015-2016

As at 31 December 2014 and 2013, financial derivatives are classified by their maturities as follows:

	Consolidated and The Bank					
	31 December 2014			31 December 2013		
	Not over 1 year	Over 1 year	Total	Not over 1 year	Over 1 year	Total
	(in million Baht)					
Forward exchange contracts						
Bought	10,894	-	10,894	12,473	-	12,473
Sold	35,516	-	35,516	25,288	-	25,288
Interest rate swap contracts	4,350	3,150	7,500	7,500	7,500	15,000
Cross currency and interest rate swap contracts						
Sold	626	561	1,187	-	1,181	1,181

5 Fair value of financial instruments

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction by using quoted market prices or estimates using other valuation techniques.

A summary of book value and fair value of significant financial assets and liabilities are as follows:

	Consolidated			
	31 December 2014		31 December 2013	
	Book value	Fair value	Book value	Fair value
	(in million Baht)			
Financial assets				
Cash	364	364	404	404
Interbank and money market items, net	12,027	12,027	7,454	7,454
Derivative assets	340	140	402	63
Investments, net	35,474	35,474	30,832	30,832
Loans to customers, net	143,624	143,202	134,733	134,181
Total financial assets	**191,829**	**191,207**	**173,825**	**172,934**
Financial liabilities				
Deposits	90,029	90,029	83,735	83,737
Interbank and money market items	40,424	40,424	44,786	44,786
Liabilities payable on demand	6	6	15	15
Derivative liabilities	531	403	1,131	895
Debt issued and borrowings	37,728	38,195	28,417	28,491
Total financial liabilities	**168,718**	**169,057**	**158,084**	**157,924**

	The Bank			
	31 December 2014		31 December 2013	
	Book value	Fair value	Book value	Fair value
	(in million Baht)			
Financial assets				
Cash	363	363	403	403
Interbank and money market items, net	11,818	11,818	7,145	7,145
Derivative assets	340	140	402	63
Investments, net	35,474	35,474	30,832	30,832
Loans to customers, net	102,786	102,809	102,949	102,971
Total financial assets	**150,781**	**150,604**	**141,731**	**141,414**
Financial liabilities				
Deposits	90,029	90,029	83,735	83,737
Interbank and money market items	40,424	40,424	42,586	42,586
Liabilities payable on demand	6	6	15	15
Derivative liabilities	531	403	1,131	895
Debt issued and borrowings	993	993	3,251	3,251
Total financial liabilities	**131,983**	**131,855**	**130,718**	**130,484**

Methods and assumptions in estimating fair values of financial instruments

The following methods and assumptions are used by the Bank in estimating fair market values of financial instruments as disclosed herein:

Cash and interbank and money market items (Assets)

The fair value of cash, short-term interbank and money market items and floating rate instruments is their carrying amounts presented in the statements of financial position. The estimated fair value of fixed interest bearing items is based on discounted cash flows using the prevailing money market rates on similar instruments.

Available-for-sale securities and held-to-maturity debt instruments

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

General investments

The fair value of general investments is based on the carrying amount presented in the statements of financial position.

Loans to customers

For variable floating-rate loans to customers that reprice frequently and have no significant change in credit risk, fair value is based on carrying value. Fair value of fixed rate loans to customers that reprice within 1 year of the reporting date approximates the carrying value at the reporting date. Fair value for other fixed interest loans to customers is estimated using discounted cash flow analysis and using interest rates currently being offered for loans to customers with similar terms to borrowers of similar credit quality.

Deposits

The fair value disclosed for deposits which are payable on demand by the depositor is equal to the carrying value of such deposits. The carrying amounts of variable-rate, fixed-term money market accounts, certificates of deposit and fixed rate deposits repricing within 1 year approximate their market value at the reporting date. Fair value for other fixed interest deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregate expected monthly maturities on time deposits.

Interbank and money market items (liabilities) and Debt issued and borrowings

The fair value of interbank and money market items and debt issued and borrowings and/or items which bear variable rates of interest approximates their carrying amount 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 interest rates currently being offered on similar instruments.

Liabilities payable on demand

The fair value of liabilities payable on demand approximates carrying amount.

Derivatives

The fair values of foreign exchange contracts, interest rate contracts and other contracts are determined by estimating the amount that would be paid or received to terminate the contract or replace them at their current market rates, and are disclosed in Note 8.

6 Maintenance of capital fund

The Bank and its subsidiary, which are financial institutions, are subject to various capital and regulatory requirements of the BoT. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and its subsidiary must satisfy specific capital guidelines that involve, among others, quantitative measures of the Bank's assets, liabilities and certain off-financial reporting items as calculated in accordance with regulatory accounting practices. The Bank's and its subsidiary' capital amounts and classifications are also subject to qualitative judgments by the BoT as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by the BoT.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. According to the Bank of Thailand's regulations, capital fund as at 8 November 2012 and 17 December 2012 and thereafter must be calculated according to Basel III. The Bank and financial group comply with the regulatory capital according to Basel III since 1 January 2013.

As at 31 December 2014 and 2013, the Bank maintains its capital fund in accordance with Basel III and the Bank's total capital funds and capital ratio in accordance with Basel III can be categorised as follows:

	The Bank	
	31 December 2014	31 December 2013
	(in thousand Baht)	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,132,094	14,186,840
Legal reserve	300,000	200,000
Retained earning after appropriations	1,225,682	89,329
Other comprehensive income	170,746	95,302
Less Capital deduction items on CET1	(243,398)	(66,173)
Total Tier 1 capital	**21,585,124**	**14,505,298**
Tier 2 capital		
Allowance for classified assets of "pass" category and specific allowance	1,135,439	632,764
Capital deduction items on Tier 2 capital	(122,721)	(257,160)
Total Tier 2 capital	**1,012,718**	**375,604**
Total capital funds	**22,597,842**	**14,880,902**

	The Bank		
	31 December 2014	31 December 2013	BOT Requirement
	(%)		
Capital ratio			
Tier 1 capital to total risk assets	19.18	13.32	6.00
Tier 1 common equity to total risk assets	19.18	13.32	4.50
Tier 2 capital to total risk assets	0.90	0.35	-
Total capital / Total risk assets	20.08	13.67	8.50

As Disclosures of capital maintenance information under the Notification of the Bank of Thailand, the Public Disclosures of Capital Maintenance for Commercial Banks in accordance with the BoT's directive number SOR NOR SOR 4/2556, dated 2 May 2013, the Bank has made the Disclosures of Capital Maintenance and Information security risks for the Bank and financial group as at 31 December 2013 in the Bank's website, www.icbcthai.com, on 29 April 2014. The Bank will disclose the Capital Maintenance and Information security risks for the Bank and financial group at 31 December 2014 within April 2015.

Capital management

The primary objectives of the Bank's capital management are to support business growth and to maintain a capital adequacy ratio and the credit rating.

7 Interbank and money market items, net (Assets)

	Consolidated					
	31 December 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
	(in thousand Baht)					
Domestic items						
Bank of Thailand	948,845	-	948,845	846,620	-	846,620
Commercial Banks	234,704	2,800,000	3,034,704	330,236	-	330,236
Specialised financial institutions	3,268	2,580,000	2,583,268	5,361	1,450,000	1,455,361
Other financial institutions	-	230,000	230,000	13,779	854,400	868,179
Total	**1,186,817**	**5,610,000**	**6,796,817**	**1,195,996**	**2,304,400**	**3,500,396**
Add accrued interest receivables	2	713	715	111	1,358	1,469
Less allowance for doubtful accounts	-	(1,800)	(1,800)	-	(6,415)	(6,415)
Total domestic items, net	**1,186,819**	**5,608,913**	**6,795,732**	**1,196,107**	**2,299,343**	**3,495,450**
Foreign items						
US Dollar	350,058	1,180,577	1,530,635	247,870	1,107,000	1,354,870
AUD	399	-	399	848	-	848
Renminbi	21,752	3,738,428	3,760,180	25,186	2,660,643	2,685,829
Euro	7,007	-	7,007	657	-	657
HKD	1,905	-	1,905	2,493	-	2,493
Other currencies	2,936	-	2,936	3,682	-	3,682
Total	**384,057**	**4,919,005**	**5,303,062**	**280,736**	**3,767,643**	**4,048,379**
Add accrued interest receivables	-	3,551	3,551	-	3,566	3,566
Less deferred revenue	-	(26,061)	(26,061)	-	(56,402)	(56,402)
Less allowance for doubtful accounts	-	(49,190)	(49,190)	-	(37,449)	(37,449)
Total foreign items, net	**384,057**	**4,847,305**	**5,231,362**	**280,736**	**3,677,358**	**3,958,094**
Total domestic and foreign items, net	**1,570,876**	**10,456,218**	**12,027,094**	**1,476,843**	**5,976,701**	**7,453,544**

	The Bank					
	31 December 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
	(in thousand Baht)					
Domestic items						
Bank of Thailand	948,845	-	948,845	846,620	-	846,620
Commercial Banks	29,071	2,800,000	2,829,071	26,559	-	26,559
Specialised financial institutions	-	2,580,000	2,580,000	-	1,450,000	1,450,000
Other financial institutions	-	230,000	230,000	13,780	854,400	868,180
Total	**977,916**	**5,610,000**	**6,587,916**	**886,959**	**2,304,400**	**3,191,359**
Add accrued interest receivables	-	713	713	106	1,358	1,464
Less allowance for doubtful accounts	-	(1,800)	(1,800)	-	(6,415)	(6,415)
Total domestic items, net	**977,916**	**5,608,913**	**6,586,829**	**887,065**	**2,299,343**	**3,186,408**
Foreign items						
US Dollar	350,058	1,180,577	1,530,635	247,869	1,107,000	1,354,869
AUD	399	-	399	848	-	848
Renminbi	21,752	3,738,428	3,760,180	25,185	2,660,643	2,685,828
Euro	7,007	-	7,007	657	-	657
HKD	1,905	-	1,905	2,494	-	2,494
Other currencies	2,936	-	2,936	3,683	-	3,683
Total	**384,057**	**4,919,005**	**5,303,062**	**280,736**	**3,767,643**	**4,048,379**
Add accrued interest receivables	-	3,551	3,551	-	3,566	3,566
Less deferred revenue	-	(26,061)	(26,061)	-	(56,402)	(56,402)
Less allowance for doubtful accounts	-	(49,190)	(49,190)	-	(37,449)	(37,449)
Total foreign items, net	**384,057**	**4,847,305**	**5,231,362**	**280,736**	**3,677,358**	**3,958,094**
Total domestic and foreign items, net	**1,361,973**	**10,456,218**	**11,818,191**	**1,167,801**	**5,976,701**	**7,144,502**

8 Derivatives

Trading book

The fair value and the notional amount classified by type of risk

Type of risk	Consolidated and The Bank					
	31 December 2014			31 December 2013		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	amount[1]	Assets	Liabilities	amount[1]
	(in thousand Baht)					
Foreign exchange rates	107,545	99,387	7,474,307	169,350	153,168	7,692,041
Total	**107,545**	**99,387**	**7,474,307**	**169,350**	**153,168**	**7,692,041**

[1] Disclosed only in case that the Bank has the commitment on the payment side.

Proportion of derivative trading transaction classified by types of counterparty, determined on the basis of the notional amount

Counterparties	Consolidated and The Bank	
	31 December 2014	31 December 2013
	(%)	
Financial institutions	92.37	89.94
Corporations	7.63	10.06
Total	**100.00**	**100.00**

Derivatives not entered for trading purposes

The Bank has commitments under forward foreign exchange contracts, interest rate swap contracts and cross currency and interest rates swap contracts, which are measured based on an accrual basis. The gains or losses on exchange as a result of translation to the reporting period-end rates under the accrual basis are recorded as a part of “Derivative assets” or “Derivative liabilities” in the statements of financial position and interest receivables or payables that are determined as they accrue based on the contracts as at the end of reporting period are recorded as a part of “Accrued income” or recorded as “Accrued interest payables”, as the case may be, in the statements of financial position.

Type of risk	Consolidated and The Bank					
	31 December 2014			31 December 2013		
	Carrying value[2]		Notional	Carrying value[2]		Notional
	Assets	Liabilities	amount[1]	Assets	Liabilities	amount[1]
	(in thousand Baht)					
Foreign exchange rates	227,714	365,802	38,873,386	227,152	916,461	30,088,547
Interest rate	- [3]	- [3]	7,500,000	- [3]	- [3]	15,000,000
Cross currency interest rate swap	4,470[3]	65,483[3]	1,186,668	5,964[3]	61,598[3]	1,181,290
Total	**232,184**	**431,285**	**47,560,054**	**233,116**	**978,059**	**46,269,837**

[1] Disclosed only in case that the Bank has the commitment on the payment side.

[2] Carrying value is the value determined based on an accrual basis as described in accounting policy regarding to derivatives for banking book.

[3] Not included interest receivables and payables, which are recorded as a part of "Accrued income" or recorded as "Accrued interest payables" in the statements of financial position, as the case maybe.

9 Investments, net

9.1 Classified by type of investments

	Consolidated and The Bank	
	31 December 2014	31 December 2013
	Fair value (in thousand Baht)	
Available-for-sale securities		
Government and state enterprise securities	22,165,131	17,769,346
Foreign debt securities	12,992,050	12,719,010
Domestic equity securities	225,686	161,720
Investment in receivables	-	89,407
Total	**35,382,867**	**30,739,483**
	Cost	
General investments		
Domestic non-marketable equity securities	100,322	100,622
Less allowance for impairment	(8,930)	(7,975)
Net	**91,392**	**92,647**
Total investments, net	**35,474,259**	**30,832,130**

As at 31 December 2014 and 2013, Baht 3,230 million and Baht 3,815 million, respectively of the banking bond portfolio which are classified as available-for-sale securities, are pledged as security on a contract for repurchase agreements.

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

	Consolidated and The Bank			
	31 December 2014			
	Periods to maturity			
	Less than 1 year	1-5 years	Over 5 years	Total
	(in thousand Baht)			
Available-for-sale securities				
Government and state enterprise securities	12,844,587	7,721,943	1,627,357	22,193,887
Foreign debt securities	2,317,133	9,031,017	1,463,449	12,811,599
Total	**15,161,720**	**16,752,960**	**3,090,806**	**35,005,486**
Add (less) allowance for revaluation	32,428	217,984	(98,717)	151,695
Total available-for-sale securities	**15,194,148**	**16,970,944**	**2,992,089**	**35,157,181**
Total debt securities	**15,194,148**	**16,970,944**	**2,992,089**	**35,157,181**

	Consolidated and The Bank			
	31 December 2013			
	Periods to maturity			
	Less than 1 year	1-5 years	Over 5 years	Total
	(in thousand Baht)			
Available-for-sale securities				
Government and state enterprise securities	12,322,478	3,951,651	1,628,421	17,902,550
Foreign debt securities	5,405,870	7,050,750	-	12,456,620
Investment in receivables	89,407	-	-	89,407
Total	**17,817,755**	**11,002,401**	**1,628,421**	**30,448,577**
Add (less) allowance for revaluation	36,081	250,004	(156,899)	129,186
Total available-for-sale securities	**17,853,836**	**11,252,405**	**1,471,522**	**30,577,763**
Total debt securities	**17,853,836**	**11,252,405**	**1,471,522**	**30,577,763**

9.3 Revaluation surplus on available-for-sale investments

	Consolidated and The Bank	
	31 December 2014	31 December 2013
	(in thousand Baht)	
Revaluation surplus on available-for-sale investments		
Debt securities	151,694	129,186
Equity securities	183,095	119,128
Total	**334,789**	**248,314**
Less deferred tax	(66,958)	(49,663)
Total, net of deferred tax	**267,831**	**198,651**

9.4 Promissory notes from Thai Asset Management Corporation

During 2001 to 2003, the Bank transferred non-performing loans to the Thai Asset Management Corporation ("TAMC") whereby TAMC issued non-transferable promissory notes for the value of the assets transferred. On the face of the notes indicated the amounts accounting to the transfer prices, the issuance dates (being the same as the transfer dates), and the maturity dates being 10 years after the issuance dates. The promissory notes are availed by the Financial Institutions Development Fund ("FIDF") and may be redeemed by TAMC prior to maturity.

As a result of transferring non-performing loans to TAMC, the Bank received promissory notes from TAMC of Baht 2,599 million, maturing from 31 October 2011 to 30 September 2013 in settlement for transfer prices of non-performing loans transferred, and the Bank classified such promissory notes as held-to-maturity debt securities. As of 31 December 2013, TAMC has made fully payment and redeemed promissory notes.

The Bank is jointly responsible, together with TAMC, for future profit or loss sharing from TAMC's management of the non-performing loans.

- If there are profits, the first portion not exceeding 20 percent of the transfer price shall be equally shared between the Bank and TAMC. The second portion shall be fully given to the Bank; provided that, when added to the first portion, the sum shall not exceed the difference between the book value and the transfer price. Any remaining profits after the second portion shall be for TAMC.

- If there are losses, the first portion not exceeding 20 percent of the transfer price shall be borne solely by the Bank. The second portion remaining after the first portion that does not exceed 20 percent of transfer price shall be equally shared and borne between the Bank and TAMC. Any remaining losses after the second portion shall be borne by TAMC.

The Bank was still jointly liable for share of the profit or loss at the end of fifth and tenth years counting from 1 July 2001.

In 2013, the Bank was informed of its share of losses after completion of the remaining asset management process from TAMC, which was lower than the amount originally provided for. Accordingly, the Bank has reversed a provision for loss sharing amounting to Baht 177 million from Baht 222 million which has been presented as reversal of expense within other operating expenses. Further, the Bank also made a payment of Baht 23 million which has been reversed from the provision made.

Accordingly, as at 31 December 2014, the Bank has provision of Baht 22 million (31 December 2013: Baht 22 million), which is presented as a part of "Other provision". The share of losses is in the process of negotiation with TAMC and is not the final amount to be settled.

9.5 Investments in companies with holding of 10% and upwards

Investments in securities of which the Bank and its subsidiary hold 10% or more of the paid-up capital of the investee company (but not record these securities as investments in subsidiaries and associates), which is recorded as a part of general investments and classified as long-term investments, were as follows:

			Consolidated and The Bank		
			31 December 2014		
Company's name	Type of business	Type of securities held	Ownership interest (%)	Paid-up capital (in thousand Baht)	Cost
Bangkok BTMU Company Limited[1]	Lending and investment holding businesses	Ordinary shares	10	200,000	20,390
Total					**20,390**

[1] The relationship ended as at 30 April 2014

				Consolidated and The Bank		
				31 December 2013		
Company's name	Type of business	Type of securities held	Nature of relationship	Ownership interest (%)	Paid-up capital (in thousand Baht)	Cost
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's director	10	200,000	20,390
Total						**20,390**

9.6 Investments in companies with problems in their financial positions and operating results

	Consolidated and The Bank					
	31 December 2014			31 December 2013		
	Cost	Fair value	Allowance for impairment	Cost	Fair value	Allowance for impairment
	(in thousand Baht)					
Companies with problems in their financial positions and operating results	9,817	887	(8,930)	9,817	1,842	(7,975)

10 Investments in a subsidiary, net

Investments in a subsidiary as at 31 December 2014 and 2013, and dividend income from those investments for the years ended 31 December 2014 and 2013, were as follows:

		The Bank							
Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013
		(%)				(in million Baht)			
ICBC (Thai) Leasing Company Limited[1]	Finance lease and hire purchase	99.99	99.99	4,250	4,250	4,250	4,250	-	-

[1] The subsidiary is incorporated in Thailand.

11 Investment in an associate, net

Investment in associate as at 31 December 2014 and 2013, and dividend income from this investment for the years ended 31 December 2014 and 2013 were as follows:

			Consolidated					
			31 December 2014					
Name of associate	Type of business	Country of incorporation	Ownership interest	Paid-up capital	Cost	Equity	Fair value of listed securities	Dividend income
			(%)		(in million Baht)			
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	23.56	880	305	517	412	3
Total					**305**	**517**	**412**	**3**

			Consolidated					
			31 December 2013					
Name of associate	Type of business	Country of incorporation	Ownership interest	Paid-up capital	Cost	Equity	Fair value of listed securities	Dividend income
			(%)		(in million Baht)			
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	23.56	748	305	463	497	17
Total					**305**	**463**	**497**	**17**

The following summarised financial information on interests in equity-accounted investees which have been proportionately consolidated in the consolidated financial statements represents the Group's share:

	31 December 2014			Year ended 31 December 2014		
Name of associate	Ownership interest	Total assets	Total liabilities	Total revenue	Total expenses	Net profit
	(%)			*(in million Baht)*		
Finansia Syrus Securities Public Company Limited	23.56	4,138	1,942	1,841	1,540	230

	31 December 2013			Year ended 31 December 2013		
Name of associate	Ownership interest	Total assets	Total liabilities	Total revenue	Total expenses	Net profit
	(%)			*(in million Baht)*		
Finansia Syrus Securities Public Company Limited	23.56	4,035	2,069	2,435	1,907	404

12 Loans to customers and accrued interest receivables, net

12.1 Classified by types of loans

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Overdrafts	884,696	769,928	884,696	769,928
Loans	85,398,791	71,742,030	85,227,430	71,671,220
Notes receivable	15,699,728	12,854,516	18,931,728	32,731,516
Hire-purchase receivables	44,831,028	56,501,643	-	-
Finance leases receivables	6,585,296	4,246,432	-	-
Total loans to customers	153,399,539	146,114,549	105,043,854	105,172,664
Less deferred revenue	(6,524,675)	(8,171,356)	(1,497)	-
Total loans to customers, net of deferred revenue	146,874,864	137,943,193	105,042,357	105,172,664
Add accrued interest receivables	232,138	206,896	233,004	218,880
Total loans to customers, net of deferred revenue and accrued interest receivables	147,107,002	138,150,089	105,275,361	105,391,544
Less allowance for doubtful accounts				
- allowance established per BoT regulations	(1,547,568)	(1,527,493)	(811,212)	(954,025)
- allowance established in excess of BoT regulations	(1,915,020)	(1,870,268)	(1,657,863)	(1,469,442)
Less revaluation allowance for debt restructuring	(20,605)	(19,461)	(20,605)	(19,461)
Loans to customers and accrued interest receivables, net	**143,623,809**	**134,732,867**	**102,785,681**	**102,948,616**

12.2 Classified by currency and residential status of customers

	Consolidated					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in thousand Baht)					
Baht	100,681,857	-	100,681,857	100,085,163	-	100,085,163
US Dollar	3,087,894	43,075,550	46,163,444	7,892,287	29,795,617	37,687,904
Renminbi	421	83	504	12,926	110,243	123,169
Euro	28,739	-	28,739	46,842	-	46,842
SG Dollar	320	-	320	115	-	115
Total [1]	**103,799,231**	**43,075,633**	**146,874,864**	**108,037,333**	**29,905,860**	**137,943,193**

[1] Total Loans to customers net of deferred revenues.

	Consolidated					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in thousand Baht)					
Baht	58,849,350	-	58,849,350	67,314,634	-	67,314,634
US Dollar	3,087,894	43,075,550	46,163,444	7,892,287	29,795,617	37,687,904
Renminbi	421	83	504	12,926	110,243	123,169
Euro	28,739	-	28,739	46,842	-	46,842
SG Dollar	320	-	320	115	-	115
Total [1]	**61,966,724**	**43,075,633**	**105,042,357**	**75,266,804**	**29,905,860**	**105,172,664**

[1] Total Loans to customers net of deferred revenues.

12.3 Classified by business types and loan classification

	Consolidated					
	31 December 2014					
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Total
	(in thousand Baht)					
Agriculture and mining	481,070	64,305	-	-	-	545,375
Manufacturing and commerce	63,920,458	159,224	17,420	-	613,962	64,711,064
Property development and construction	8,923,079	62,964	3,737	-	460,523	9,450,303
Infrastructure and services	21,471,448	295,954	10,224	-	62,363	21,839,989
Housing loans	38,762	5,799	-	184	2,059	46,804
Others [1]	45,444,653	3,499,022	876,102	442,494	19,058	50,281,329
Total [2]	**140,279,470**	**4,087,268**	**907,483**	**442,678**	**1,157,965**	**146,874,864**

[1] Others predominantly consist of hire purchase and finance lease business of the Leasing subsidiary.

[2] Total Loans to customers net of deferred revenues.

	Consolidated					
	31 December 2013					
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Total
	(in thousand Baht)					
Agriculture and mining	269,214	60,467	-	-	11,947	341,628
Manufacturing and commerce	52,288,822	431,856	-	1,567	782,461	53,504,706
Property development and construction	7,348,447	65,481	5,077	-	467,942	7,886,947
Infrastructure and services	19,465,584	291,928	-	-	64,079	19,821,591
Housing loans	30,292	6,198	-	2,505	1,489	40,484
Others [1]	50,599,641	4,339,009	984,275	407,919	16,993	56,347,837
Total [2]	**130,002,000**	**5,194,939**	**989,352**	**411,991**	**1,344,911**	**137,943,193**

[1] Others predominantly consist of hire purchase and finance lease business of the Leasing subsidiary.

[2] Total Loans to customers net of deferred revenues.

	The Bank					
	31 December 2014					
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Total
	(in thousand Baht)					
Agriculture and mining	481,070	64,305	-	-	-	545,375
Manufacturing and commerce	66,982,173	159,224	17,420	-	613,962	67,772,779
Property development and construction	8,923,079	62,964	3,737	-	460,523	9,450,303
Infrastructure and services	21,471,448	295,954	10,224	-	62,363	21,839,989
Housing loans	38,762	5,799	-	184	2,059	46,804
Others	5,253,498	116,337	278	-	16,994	5,387,107
Total [1]	**103,150,030**	**704,583**	**31,659**	**184**	**1,155,901**	**105,042,357**

[1] Total Loans to customers net of deferred revenues.

	The Bank					
	31 December 2013					
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Total
	(in thousand Baht)					
Agriculture and mining	269,214	60,467	-	-	11,947	341,628
Manufacturing and commerce	72,095,183	431,856	-	1,567	782,461	73,311,067
Property development and construction	7,348,447	65,481	5,077	-	467,942	7,886,947
Infrastructure and services	19,465,584	291,928	-	-	64,079	19,821,591
Housing loans	30,292	6,198	-	2,505	1,489	40,484
Others	3,399,311	354,643	-	-	16,993	3,770,947
Total [1]	**102,608,031**	**1,210,573**	**5,077**	**4,072**	**1,344,911**	**105,172,664**

[1] Total Loans to customers net of deferred revenues.

12.4 Loans classified by type of classification

	Consolidated			
	31 December 2014			
	Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts[1]	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
	(in thousand Baht)			
Minimum allowance as per BoT's Regulations				
Pass	140,506,126	51,320,532	1	513,205
Special-mention	4,092,576	1,121,484	2	22,429
Sub-standard	907,572	444,880	100	444,880
Doubtful	442,678	240,134	100	240,134
Doubtful of loss	1,158,050	326,920	100	326,920
				1,547,568
Excess allowance[2]				1,915,020
Total	**147,107,002**	**53,453,950**		**3,462,588**

[1] Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

[2] This includes the provision of Baht 768 million recorded at the parent company level to account for expected losses arising in the hire purchase and finance lease receivable portfolio.

	Consolidated			
	31 December 2013			
	Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts[1]	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
	(in thousand Baht)			
Minimum allowance as per BoT's Regulations				
Pass	130,200,893	45,522,740	1	455,227
Special-mention	5,202,912	1,351,981	2	27,040
Sub-standard	989,382	484,206	100	484,206
Doubtful	411,991	212,109	100	212,109
Doubtful of loss	1,344,911	348,911	100	348,911
				1,527,493
Excess allowance				1,870,268
Total	**138,150,089**	**47,919,947**		**3,397,761**

[1] Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

	The Bank			
	31 December 2014			
	Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts[1]	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
	(in thousand Baht)			
Minimum allowance as per BoT's Regulations				
Pass	103,377,552	48,097,012	1	480,970
Special-mention	709,891	135,613	2	2,712
Sub-standard	31,748	2,674	100	2,674
Doubtful	184	-	100	-
Doubtful of loss	1,155,986	324,856	100	324,856
				811,212
Excess allowance				1,657,863
Total	**105,275,361**	**48,560,155**		**2,469,075**

[1] Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

	The Bank			
	31 December 2013			
	Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts[1]	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
	(in thousand Baht)			
Minimum allowance as per BoT's Regulations				
Pass	102,818,907	59,529,006	1	595,290
Special-mention	1,218,547	412,874	2	8,257
Sub-standard	5,107	-	100	-
Doubtful	4,072	1,567	100	1,567
Doubtful of loss	1,344,911	348,911	100	348,911
				954,025
Excess allowance				1,469,442
Total	**105,391,544**	**60,292,358**		**2,423,467**

[1] Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

12.5 Non-Performing Loans

As at 31 December 2014 and 2013, the Bank used the guidelines specified in the BoT's notification dated 3 August 2008 in determining Non-Performing Loans which consist of loans classified as sub-standard, doubtful, doubtful of loss and loss under the BoT's guideline. The amounts are as follows:

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Non-Performing Loans (net of allowance for doubtful accounts)	1,454,415	1,679,372	819,754	981,927
% of Non-Performing Loans to total loans (net) [1]	0.93	1.18	0.71	0.89
Non-Performing Loans (gross)	2,508,126	2,746,254	1,187,744	1,354,060
% of Non-Performing Loans to total loans [1]	1.59	1.91	1.03	1.22

[1] The denominator including interbank and money market items.

12.6 Non-accrual loans

Non-accrual loans, gross, (including loans to financial institutions) as at 31 December 2014 and 2013 are as follows:

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Loans where recognition of income has been suspended (principal only)	2,504,389	2,741,178	1,184,006	1,348,984
% of loans where recognition of income has been suspended[1]	1.59	1.90	1.02	1.21

[1] The denominator including interbank and money market items.

The above loans for customers exclude overdue loans, which had been already restructured and qualified for classification as "Pass" or "Special-mention".

12.7 Gain on disposal of non-performing loans

During the year 2014, the Bank reached an agreement with an asset management company to dispose of two of its non-performing loans. The aggregate carrying amount of the loans was Baht 94.5 million. The Bank received Baht 330 million, resulting in a gain of Baht 235.5 million for the year ended 31 December 2014. Previously, the Bank had written off Baht 315.1 million for the above mentioned loans.

12.8 Loans to a Subsidiary

			Interest rate as at		Amounts Principal Outstanding	
Company's name	Types of loans	Maturity	31 December 2014	31 December 2013	31 December 2014	31 December 2013
			(% per annum)		*(in million baht)*	
ICBC (Thai) Leasing Company Limited	Revolving loan	At call	3.85	4.00	2,132	9,447
	Revolving loan (31 December 2013 : January 2014-July 2015)	June 2015-July 2015	5.00	4.45-5.22	1,100	10,430
Total					**3,232**	**19,877**
Allowance for doubtful accounts					32	1,008

As at 31 December 2013, the Bank had recorded impairment provisions amounting to Baht 809 million in the parent company financial statements to account for expected losses in the hire purchase and finance lease receivable portfolio of the leasing company. The provision was recorded against the loan from the parent company to the subsidiary. In the year ended 31 December 2014, such amount has been reallocated to loans to customers in parent company financial statements under excess allowance over minimum Bank of Thailand requirements (Note 12.4).

12.9 Loans to companies having problems with financial position and operating results

	Consolidated and the Bank							
	31 December 2014				31 December 2013			
	No. of companies	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts	No. of companies	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts
	(in million Baht)							
Listed companies identified for delisting/under rehabilitation	-	-	-	-	1	4	4	4

13 Troubled debt restructuring

During the years ended 31 December 2014 and 2013, details of restructured debts as at the date of restructuring, classified by the restructuring method were as follows:

	Consolidated				
	31 December 2013				
		Outstanding balances			
	Number of debtors	before restructuring	after restructuring	Average period of the remaining term of debt restructuring	Loss on debt restructuring[1]
	(in million Baht)				
Changes of repayment conditions	**12**	**452**	**430**	4 Years	**13**
Loans and accrued interest receivables as at 31 December 2014[2]	**137,117**		**147,107**		

	The Bank				
	31 December 2014				
		Outstanding balances		Average period of the remaining term of debt restructuring	Loss on debt restructuring[1]
	Number of debtors	before restructuring	after restructuring		
		(in million Baht)			
Changes of repayment conditions	**12**	**452**	**430**	4 Years	**13**
Loans and accrued interest receivables as at 31 December 2014[2]	**1,321**		**105,275**		

	Consolidated				
	31 December 2013				
		Outstanding balances		Average period of the remaining term of debt restructuring	Loss on debt restructuring[1]
	Number of debtors	before restructuring	after restructuring		
		(in million Baht)			
Changes of repayment conditions	**17**	**489**	**489**	7 years	**7**
Loans and accrued interest receivables as at 31 December 2013[2]	**145,705**		**138,150**		

	The Bank				
	31 December 2013				
		Outstanding balances		Average period of the remaining term of debt restructuring	Loss on debt restructuring[1]
	Number of debtors	before restructuring	after restructuring		
		(in million Baht)			
Changes of repayment conditions	**17**	**489**	**489**	7 years	**7**
Loans and accrued interest receivables as at **31 December 2013**[2]	**1,066**		**105,391**		

[1] Losses on debt restructuring are the amount before deducting allowance for doubtful already provided in the accounts on the restructuring date.

[2] Net of deferred revenue

Additional information relating to restructuring debtors for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated and The Bank	
	2014	2013
	(in million Baht)	
Interest income recognised in profit or loss	78	134
Cash collection from debtors		
Principle	378	436
Interest	62	117

As at 31 December 2014 and 2013, the Bank and its subsidiary have outstanding balances relating to restructured loans for the consolidated and the Bank's financial statement amounting to Baht 979 million and 1,305 million, respectively.

During the years ended 31 December 2014 and 2013, the Bank reversed allowance for revaluation on debt restructuring amounting to Baht 8.4 and 1.0 million respectively and amortised allowance for revaluation on debt restructuring as interest income for the years ended 31 December 2014 and 2013 totaling Baht 3.5 million and 4.0 million, respectively.

As at 31 December 2014 and 2013, the Bank has no commitment to additionally lend to its debtors after debt restructuring.

14 Hire purchase and finance lease receivables

As at 31 December 2014 and 2013, the subsidiary had net hire purchase and financial lease receivables, which the majority is hire purchase or finance lease contracts for motor vehicles, airplanes, machinery and equipment for businesses. The average contract periods are 1 to 12 years *(31 December 2013: 1 to 7 years)* and the interest rates are fixed as specified in the contracts.

	Consolidated				
	31 December 2014				
	Less than 1 year	1-5 years	Over 5 years	Non performing loan	Total
	(in million Baht)				
Total of gross investments in the lease	15,993	30,995	2,845	1,583	51,416
Less deferred revenue[1]	(2,525)	(3,414)	(321)	(263)	(6,523)
Present value of the lease payments	13,468	27,581	2,524	1,320	44,893
Allowance for doubtful accounts					1,759
Hire purchase and finance lease receivables, net					**43,134**

[1] Net of commission and initial direct expense incurred at the inception of contracts.

	Consolidated				
	31 December 2013				
	Less than 1 year	1-5 years	Over 5 years	Non performing loan	Total
	(in million Baht)				
Total of gross investments in the lease	17,386	39,094	2,573	1,695	60,748
Less deferred revenue[1]	(3,068)	(4,534)	(266)	(303)	(8,171)
Present value of the lease payments	**14,318**	**34,560**	**2,307**	**1,392**	52,577
Allowance for doubtful accounts					1,982
Hire purchase and finance lease receivables, net					**50,595**

[1] Net of commission and initial direct expense incurred at the inception of contracts.

Allowance for doubtful accounts represents the minimum allowance required under BoT guidelines and an additional allowance of Baht 768 million as at 31 December 2014 *(31 December 2013: Baht 809 million)* recorded at the parent company level to account for expected losses arising in the hire purchase and finance lease receivable portfolio.

14.1 Classified by aging

As at 31 December 2014 and 2013, hire purchase and financial lease receivables are classified by the due date of the contracts as follows:

	Consolidated	
	31 December 2014	31 December 2013
	(in million Baht)	
Not yet due	36,261	47,200
Overdue:		
Not over 90 days	7,312	4,969
91-180 days	876	408
181-365 days	442	-
More than 365 days	2	-
	44,893	52,577
Allowance for doubtful accounts	1,759	1,982

15 Allowance for doubtful accounts

	Consolidated						
	31 December 2014						
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess of BoT regulations	Total
	(in thousand Baht)						
Beginning balance	455,227	27,040	484,206	212,109	348,911	1,870,268	3,397,761
Bad debt and doubtful accounts	57,978	(4,611)	(39,326)	28,025	762,008	44,752	848,826
Bad debt written off	-	-	-	-	(783,999)	-	(783,999)
Ending balance	**513,205**	**22,429**	**444,880**	**240,134**	**326,920**	**1,915,020**	**3,462,588**

	Consolidated						
	31 December 2013						
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess of BoT regulations	Total
	(in thousand Baht)						
Beginning balance	342,341	22,848	408,584	130,229	58,751	1,120,329	2,083,082
Bad debt and doubtful accounts	112,886	4,192	75,622	81,880	839,937	749,939	1,864,456
Bad debt written off	-	-	-	-	(549,777)	-	(549,777)
Ending balance	**455,227**	**27,040**	**484,206**	**212,109**	**348,911**	**1,870,268**	**3,397,761**

	The Bank						
	31 December 2014						
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess of BoT regulations	Total
	(in thousand Baht)						
Beginning balance	595,290	8,257	-	1,567	348,911	1,469,442	2,423,467
Bad debt and doubtful accounts	(114,320)	(5,545)	2,674	(1,567)	(16,826)	188,421	52,837
Bad debt written off	-	-	-	-	(7,229)	-	(7,229)
Ending balance	**480,970**	**2,712**	**2,674**	**-**	**324,856**	**1,657,863**	**2,469,075**

	The Bank						
	31 December 2013						
	Pass	Special-mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess of BoT regulations	Total
	(in thousand Baht)						
Beginning balance	614,129	9,510	239,460	21,707	58,132	745,872	1,688,810
Bad debt and doubtful accounts	(18,839)	(1,253)	(239,460)	(20,140)	365,976	723,570	809,854
Bad debt written off	-	-	-	-	(75,197)	-	(75,197)
Ending balance	**595,290**	**8,257**	**-**	**1,567**	**348,911**	**1,469,442**	**2,423,467**

16 Revaluation of allowance for debt restructuring

	Consolidated and The Bank	
	31 December 2014	31 December 2013
	(in million Baht)	
Beginning balance	19,461	23,997
Increase (decrease) during the year	4,683	(673)
Written off during the year	(3,539)	(3,863)
Ending balance	**20,605**	**19,461**

17 Properties foreclosed, net

The majority of properties foreclosed are from auction bidding and settlement of debts by the restructured debtors.

In cases where the debtors restructure their debts by means of a debt/asset swap, the Bank may grant buyback rights or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements.

The details of properties foreclosed are as follows:

	Consolidated				
	31 December 2014				
Type of properties foreclosed	Beginning balance	Additions	Disposals	Ending balance	Portion subject to disposal restrictions, buyback rights or first refusal rights
	(in thousand Baht)				
Assets transferred in settlement of debts					
Immovable properties	967,807	-	(51,202)	916,605[1]	29,146
Movable assets	218,655	1,878,995	(1,805,719)	291,931	-
Total	**1,186,462**	**1,878,995**	**(1,856,921)**	**1,208,536**	**29,146**
Assets from auction bidding					
Immovable properties	104,602	-	(11,620)	92,982	-
Total	**104,602**	**-**	**(11,620)**	**92,982**	**-**
Total properties foreclosed	**1,291,064**	**1,878,995**	**(1,868,541)**	**1,301,518**	**29,146**
Less allowance for impairment	(303,181)	(782,466)	736,434	(349,213)	(16,619)
Total properties foreclosed, net	**987,883**	**1,096,529**	**(1,132,107)**	**952,305**	**12,527**

[1] As of 31 December 2014, the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 639 million and Baht 278 million, respectively.

Type of properties foreclosed	Consolidated				
	31 December 2013				
	Beginning balance	Additions	Disposals	Ending balance	Portion subject to disposal restrictions, buyback rights or first refusal rights
	(in thousand Baht)				
Assets transferred in settlement of debts					
Immovable properties	1,163,754	-	(195,947)	967,807(1)	29,146
Movable assets	138,743	1,440,736	(1,360,824)	218,655	-
Total	**1,302,497**	**1,440,736**	**(1,556,771)**	**1,186,462**	**29,146**
Assets from auction bidding					
Immovable properties	108,242	12,300	(15,940)	104,602	-
Total	**108,242**	**12,300**	**(15,940)**	**104,602**	**-**
Total properties foreclosed	**1,410,739**	**1,453,036**	**(1,572,711)**	**1,291,064**	**29,146**
Less allowance for impairment	(354,480)	(375,087)	426,386	(303,181)	(16,619)
Total properties foreclosed, net	**1,056,259**	**1,077,949**	**(1,146,325)**	**987,883**	**12,527**

(1) As of 31 December 2013, the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 639 million and Baht 329 million, respectively.

Type of properties foreclosed	The Bank				
	31 December 2014				
	Beginning balance	Additions	Disposals	Ending balance	Portion subject to disposal restrictions, buyback rights or first refusal rights
	(in thousand Baht)				
Assets transferred in settlement of debts					
Immovable properties	967,807	-	(51,202)	916,605(1)	29,146
Total	**967,807**	**-**	**(51,202)**	**916,605**	**29,146**
Assets from auction bidding					
Immovable properties	104,602	-	(11,620)	92,982	-
Total	**104,602**	**-**	**(11,620)**	**92,982**	**-**
Total properties foreclosed	**1,072,409**	**-**	**(62,822)**	**1,009,587**	**29,146**
Less allowance for impairment	(202,425)	(432)	5,676	(197,181)	(16,619)
Total properties foreclosed, net	**869,984**	**(432)**	**(57,146)**	**812,406**	**12,527**

(1) As of 31 December 2013, the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 639 million and Baht 329 million, respectively.

Type of properties foreclosed	The Bank				
	31 December 2013				
	Beginning balance	Additions	Disposals	Ending balance	Portion subject to disposal restrictions, buyback rights or first refusal rights
	(in thousand Baht)				
Assets transferred in settlement of debts					
Immovable properties	1,163,754	-	(195,947)	967,807[1]	29,146
Total	**1,163,754**	**-**	**(195,947)**	**967,807**	**29,146**
Assets from auction bidding					
Immovable properties	108,242	12,300	(15,940)	104,602	-
Total	**108,242**	**12,300**	**(15,940)**	**104,602**	**-**
Total properties foreclosed	**1,271,996**	**12,300**	**(211,887)**	**1,072,409**	**29,146**
Less allowance for impairment	(318,745)	93,989	22,331	(202,425)	(16,619)
Total properties foreclosed, net	**953,251**	**106,289**	**(189,556)**	**869,984**	**12,527**

[1] As of 31 December 2013, the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 639 million and Baht 329 million, respectively.

18 Premises and equipment, net

	Consolidated				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
			(in thousand Baht)		
Cost					
At 1 January 2013	8,500	6,892	407,453	118,235	541,080
Additions	-	449	62,664	6,215	69,328
Transfers	-	3,782	(3,750)	-	32
Disposals/write-off	-	-	(8,669)	(7,542)	(16,211)
At 31 December 2013 and 1 January 2014	**8,500**	**11,123**	**457,698**	**116,908**	**594,229**
Additions	-	-	26,453	6,879	33,332
Transfers	-	(4,231)	4,231	-	-
Disposals/write-off	-	-	(12,866)	(1,379)	(14,245)
At 31 December 2014	**8,500**	**6,892**	**475,516**	**122,408**	**613,316**
Accumulated depreciation					
At 1 January 2013	-	(686)	(284,369)	(92,184)	(377,239)
Depreciation charge for the year	-	(305)	(40,246)	(12,083)	(52,634)
Disposals/write-off	-	-	8,029	7,541	15,570
At 31 December 2013 and 1 January 2014	**-**	**(991)**	**(316,586)**	**(96,726)**	**(414,303)**
Depreciation charge for the year	-	(129)	(46,624)	(8,810)	(55,563)
Transfers	-	28	(28)	-	-
Disposals/write-off	-	-	12,821	1,040	13,861
At 31 December 2014	**-**	**(1,092)**	**(350,417)**	**(104,496)**	**(456,005)**
Net book value					
At 1 January 2013	**8,500**	**6,206**	**123,084**	**26,051**	**163,841**
At 31 December 2013 and 1 January 2014	**8,500**	**10,132**	**141,112**	**20,182**	**179,926**
At 31 December 2014	**8,500**	**5,800**	**125,099**	**17,912**	**157,311**

As at 31 December 2014, the Bank and its subsidiary have motor vehicles acquired under financial leases with net book values amounting to Baht 10 million *(31 December 2013: Baht 12.7 million)*

The gross amount of the Bank and its subsidiary' fully depreciated equipment that was still in use as at 31 December 2014 amounted to Baht 277.7 million *(31 December 2013: Baht 256.6 million).*

	The Bank				
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
			(in thousand Baht)		
Cost					
At 1 January 2013	8,500	6,892	338,301	98,470	452,163
Additions	-	449	23,024	-	23,473
Transfers	-	3,782	(3,782)	-	-
Disposals/write-off	-	-	-	(7,480)	(7,480)
At 31 December 2013 and 1 January 2014	**8,500**	**11,123**	**357,543**	**90,990**	**468,156**
Additions	-	-	23,426	4,359	27,785
Transfers	-	(4,231)	4,231	-	-
Disposal/write-off	-	-	(12,266)	-	(12,266)
At 31 December 2014	**8,500**	**6,892**	**372,934**	**95,349**	**483,675**
Accumulated depreciation					
At 1 January 2013	-	(686)	(247,305)	(82,773)	(330,764)
Depreciation charge for the year	-	(305)	(22,865)	(8,373)	(31,543)
Disposals/write-off	-	-	-	7,480	7,480
At 31 December 2013 and 1 January 2014	**-**	**(991)**	**(270,170)**	**(83,666)**	**(354,827)**
Depreciation charge for the year	-	(129)	(24,810)	(5,351)	(30,290)
Transfers	-	28	(28)	-	-
Disposal/write-off	-	-	12,243	-	12,243
At 31 December 2014	**-**	**(1,092)**	**(282,765)**	**(89,017)**	**(372,874)**
Net book value					
At 1 January 2013	**8,500**	**6,206**	**90,996**	**15,697**	**121,399**
At 31 December 2013 and 1 January 2014	**8,500**	**10,132**	**87,373**	**7,324**	**113,329**
At 31 December 2014	**8,500**	**5,800**	**90,169**	**6,332**	**110,801**

As at 31 December 2014, the Bank has no motor vehicles acquired under financial leases *(31 December 2013: Baht 2.7 million).*

The gross amount of the Bank's fully depreciated equipment that was still in use as at 31 December 2014 amounted to Baht 248.7 million *(31 December 2013: Baht 229.6 million).*

19 Intangible assets, net

	Consolidated			
	Computer softwares	Computer softwares under development	Deferred license fee	Total
	(in thousand Baht)			
Cost				
At 1 January 2013	365,888	541	16,050	382,479
Additions	4,674	899	10,700	16,273
Transfers	325	(357)	-	(32)
Disposals/write-off	(17)	-	-	(17)
At 31 December 2013 and 1 January 2014	**370,870**	**1,083**	**26,750**	**398,703**
Additions	3,032	-	-	3,032
Transfers	1,083	(1,083)	-	-
Disposals/write-off	(1,615)	-	-	(1,615)
At 31 December 2014	**373,370**	**-**	**26,750**	**400,120**
Amortisation				
At 1 January 2013	(305,431)	-	(153)	(305,584)
Amortisation for the year	(18,019)	-	(2,674)	(20,693)
At 31 December 2013 and 1 January 2014	**(323,450)**	**-**	**(2,827)**	**(326,277)**
Amortisation for the year	(16,761)	-	(2,440)	(19,201)
Disposals/write-off	1,615	-	-	1,615
At 31 December 2014	**(338,596)**	**-**	**(5,267)**	**(343,863)**
Net book value				
At 1 January 2013	**60,457**	**541**	**15,897**	**76,895**
At 31 December 2013 and 1 January 2014	**47,420**	**1,083**	**23,923**	**72,426**
At 31 December 2014	**34,774**	**-**	**21,483**	**56,257**

	The Bank			
	Computer softwares	Computer softwares under development	Deferred license fee	Total
	(in thousand Baht)			
Cost				
At 1 January 2013	337,931	-	16,050	353,981
Additions	3,856	-	10,700	14,556
At 31 December 2013 and 1 January 2014	**341,787**	**-**	**26,750**	**368,537**
Additions	648	-	-	648
Disposals/write-off	(1,615)	-	-	(1,615)
At 31 December 2014	**340,820**	**-**	**26,750**	**367,570**
Amortisation				
At 1 January 2013	(289,055)	-	(153)	(289,208)
Amortisation for the year	(14,190)	-	(2,674)	(16,864)
At 31 December 2013 and 1 January 2014	**(303,245)**	**-**	**(2,827)**	**(306,072)**
Amortisation for the year	(12,563)	-	(2,440)	(15,003)
Disposals/write-off	1,615	-	-	1,615
At 31 December 2014	**(314,193)**	**-**	**(5,267)**	**(319,460)**
Net book value				
At 1 January 2013	**48,876**	**-**	**15,897**	**64,773**
At 31 December 2013 and 1 January 2014	**38,542**	**-**	**23,923**	**62,465**
At 31 December 2014	**26,627**	**-**	**21,483**	**48,110**

20 Deferred tax

Deferred tax assets and liabilities were as follows:

	Consolidated	
	31 December 2014	31 December 2013
	(in thousand Baht)	
Deferred tax assets	933,304	614,731
Deferred tax liabilities	(286,008)	(255,071)
Net	**647,296**	**359,660**

	The Bank	
	31 December 2014	31 December 2013
	(in thousand Baht)	
Deferred tax assets	306,676	140,299
Deferred tax liabilities	(72,900)	(74,126)
Net	**233,776**	**66,173**

Movements in total deferred tax assets and liabilities during the years ended 31 December 2014 and 2013 were as follows:

	Consolidated			
	At 1 January 2014	Profit or loss *(Note 43)*	Other comprehensive income	**At 31 December 2014**
		(in thousand Baht)		
Deferred tax assets				
Investments	24,464	-	(18,521)	5,943
Loans to customers and accrued interest receivables	241,338	5,001	-	246,339
Allowance for doubtful accounts	-	207,000	-	207,000
Properties foreclosed	60,636	9,206	-	69,842
Other assets	226,575	129,642	-	356,217
Provisions	53,160	(16,498)	-	36,662
Other liabilities	8,558	2,743	-	11,301
Total	**614,731**	**337,094**	**(18,521)**	**933,304**
Deferred tax liabilities				
Investments	(74,126)	-	1,226	(72,900)
Investments in an associate	(15,832)	(5,424)	-	(21,256)
Loans to customers and accrued interest receivables	(157,563)	(25,999)	-	(183,562)
Deferred direct costs of debentures	(7,550)	(740)	-	(8,290)
Total	**(255,071)**	**(32,163)**	**1,226**	**(286,008)**
Net	**359,660**	**304,931**	**(17,295)**	**647,296**

	Consolidated			
	At 1 January 2013	(Charged)/Credited to: Profit or loss (Note 43)	Other comprehensive income	At 31 December 2013
		(in thousand Baht)		
Deferred tax assets				
Investments	-	-	24,464	24,464
Loans to customers and accrued interest receivables	119,132	122,206	-	241,338
Properties foreclosed	70,897	(10,261)	-	60,636
Other assets	141,955	84,620	-	226,575
Provisions	88,999	(35,839)	-	53,160
Other liabilities	7,666	892	-	8,558
Total	**428,649**	**161,618**	**24,464**	**614,731**
Deferred tax liabilities				
Investments	(71,979)	-	(2,147)	(74,126)
Investments in an associate	(8,327)	(7,505)	-	(15,832)
Loans to customers and accrued interest receivables	(126,026)	(31,537)	-	(157,563)
Deferred direct costs of debentures	(6,201)	(1,349)	-	(7,550)
Total	**(212,533)**	**(40,391)**	**(2,147)**	**(255,071)**
Net	**216,116**	**121,227**	**22,317**	**359,660**

	The Bank			
	At 1 January 2014	(Charged)/Credited to: Profit or loss (Note 43)	Other comprehensive income	At 31 December 2014
		(in thousand Baht)		
Deferred tax assets				
Investments	24,464	-	(18,521)	5,943
Loans to customers and accrued interest receivables	26,640	(3,066)	-	23,574
Allowance for doubtful accounts	-	207,000	-	207,000
Properties foreclosed	40,485	(1,049)	-	39,436
Other assets	850	187	-	1,037
Provisions	47,119	(18,163)	-	28,956
Other liabilities	741	(11)	-	730
Total	**140,299**	**184,898**	**(18,521)**	**306,676**
Deferred tax liabilities				
Investments	(74,126)	-	1,226	(72,900)
Total	**(74,126)**	**-**	**1,226**	**(72,900)**
Net	**66,173**	**184,898**	**(17,295)**	**233,776**

	The Bank			
	At 1 January 2013	(Charged)/Credited to: Profit or loss (Note 43)	Other comprehensive income	At 31 December 2013
	(in thousand Baht)			
Deferred tax assets				
Investments	-	-	24,464	24,464
Loans to customers and accrued interest receivables	28,290	(1,650)	-	26,640
Properties foreclosed	63,749	(23,264)	-	40,485
Other assets	1,246	(396)	-	850
Provisions	84,402	(37,283)	-	47,119
Other liabilities	384	357	-	741
Total	**178,071**	**(62,236)**	**24,464**	**140,299**
Deferred tax liabilities				
Investments	(71,979)	-	(2,147)	(74,126)
Total	**(71,979)**	**-**	**(2,147)**	**(74,126)**
Net	**106,092**	**(62,236)**	**22,317**	**66,173**

21 Other assets, net

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Prepaid expenses	12,476	13,037	9,722	9,536
Deposit	14,133	14,389	6,453	6,605
Advance	645	616	635	592
Others	2,337	2,721	1,639	1,738
Total	**29,591**	**30,763**	**18,449**	**18,471**

22 Classified assets

	Consolidated				
	31 December 2014				
	Loans to customers and accrued interest receivables[2]	Investments	Properties foreclosed	Other assets	Total
	(in thousand Baht)				
Pass	151,013[1]	-	-	-	151,013
Special-mention	4,093	-	-	-	4,093
Sub-standard	908	-	-	-	908
Doubtful	442	-	-	-	442
Doubtful of loss	1,158	9	349	543	2,059
Total	**157,614**	**9**	**349**	**543**	**158,515**

[1] The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.

[2] Net of deferred revenue

	Consolidated				
	31 December 2013				
	Loans to customers and accrued interest receivables[2]	Investments	Properties foreclosed	Other assets	Total
	(in thousand Baht)				
Pass	136,213[1]	-	-	-	136,213
Special-mention	5,203	-	-	-	5,203
Sub-standard	989	-	-	-	989
Doubtful	412	-	-	-	412
Doubtful of loss	1,345	8	303	359	2,015
Total	**144,162**	**8**	**303**	**359**	**144,832**

[1] The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.
[2] Net of deferred revenue

	The Bank				
	31 December 2014				
	Loans to customers and accrued interest receivables[2]	Investments	Properties foreclosed	Other assets	Total
	(in thousand Baht)				
Pass	113,885[1]	-	-	-	113,885
Special-mention	710	-	-	-	710
Sub-standard	32	-	-	-	32
Doubtful	-	-	-	-	-
Doubtful of loss	1,156	9	197	5	1,367
Total	**115,783**	**9**	**197**	**5**	**115,994**

[1] The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.
[2] Net of deferred revenue

	The Bank				
	31 December 2013				
	Loans to customers and accrued interest receivables[2]	Investments	Properties foreclosed	Other assets	Total
	(in thousand Baht)				
Pass	108,831[1]	-	-	-	108,831
Special-mention	1,219	-	-	-	1,219
Sub-standard	5	-	-	-	5
Doubtful	4	-	-	-	4
Doubtful of loss	1,345	8	202	4	1,559
Total	**111,404**	**8**	**202**	**4**	**111,618**

[1] The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.
[2] Net of deferred revenue

23 Deposits

23.1 Classified by product

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Demand	8,006,736	11,641,694	8,006,778	11,641,829
Savings	5,359,631	4,652,953	5,359,650	4,652,992
Fixed				
- Less than 6 months	45,778,514	49,386,784	45,778,514	49,386,784
- 6 months and less than 1 year	17,577,319	9,716,969	17,577,319	9,716,969
- Over 1 year	13,306,325	8,336,409	13,306,325	8,336,409
Total	**90,028,525**	**83,734,809**	**90,028,586**	**83,734,983**

23.2 Classified by currency and residence of customer

	Consolidated					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in thousand Baht)					
Baht	87,765,072	1,262,281	89,027,353	82,376,787	850,289	83,227,076
US Dollar	426,529	450,215	876,744	419,541	3,897	423,438
Other currencies	43,571	80,857	124,428	49,008	35,287	84,295
Total	**88,235,172**	**1,793,353**	**90,028,525**	**82,845,336**	**889,473**	**83,734,809**

	The Bank					
	31 December 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in thousand Baht)					
Baht	87,765,133	1,262,281	89,027,414	82,376,961	850,289	83,227,250
US Dollar	426,529	450,215	876,744	419,541	3,897	423,438
Other currencies	43,571	80,857	124,428	49,008	35,287	84,295
Total	**88,235,233**	**1,793,353**	**90,028,586**	**82,845,510**	**889,473**	**83,734,983**

24 Interbank and money market items (Liabilities)

	Consolidated					
	31 December 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
	(in thousand Baht)					
Domestic items:						
Bank of Thailand	-	987,874	987,874	-	1,107,996	1,107,996
Commercial banks	9,700	-	9,700	540	5,600,000	5,600,540
Specialised financial institutions	530	3,000,000	3,000,530	-	3,200,000	3,200,000
Other financial institutions	3,187,443	4,433,773	7,621,216	3,545,552	2,422,188	5,967,740
Total domestic items	**3,197,673**	**8,421,647**	**11,619,320**	**3,546,092**	**12,330,184**	**15,876,276**
Foreign items:						
US Dollar	-	28,671,692	28,671,692	-	28,687,857	28,687,857
Thai Baht	132,884	-	132,884	221,634	-	221,634
Total foreign items	**132,884**	**28,671,692**	**28,804,576**	**221,634**	**28,687,857**	**28,909,491**
Total domestic and foreign items	**3,330,557**	**37,093,339**	**40,423,896**	**3,767,726**	**41,018,041**	**44,785,767**

	The Bank					
	31 December 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
	(in thousand Baht)					
Domestic items:						
Bank of Thailand	-	987,874	987,874	-	1,107,996	1,107,996
Commercial banks	9,700	-	9,700	540	3,400,000	3,400,540
Specialised financial institutions	530	3,000,000	3,000,530	-	3,200,000	3,200,000
Other financial institutions	3,187,443	4,433,773	7,621,216	3,545,552	2,422,188	5,967,740
Total domestic items	**3,197,673**	**8,421,647**	**11,619,320**	**3,546,092**	**10,130,184**	**13,676,276**
Foreign items:						
US Dollar	-	28,671,692	28,671,692	-	28,687,857	28,687,857
Thai Baht	132,884	-	132,884	221,634	-	221,634
Total foreign items	**132,884**	**28,671,692**	**28,804,576**	**221,634**	**28,687,857**	**28,909,491**
Total domestic and foreign items	**3,330,557**	**37,093,339**	**40,423,896**	**3,767,726**	**38,818,041**	**42,585,767**

25 Debt issued and borrowings

As at 31 December 2014 and 2013, debt issued and borrowings which were dominated entirely in Thai Baht consist of the following:

	Consolidated					
	31 December 2014			31 December 2013		
	Maturity dates	Interest rate (%)	Amount (in thousand Baht)	Maturity dates	Interest rate (%)	Amount (in thousand Baht)
Bills of Exchange	2015	2.52-3.75	992,890	2014-2015	2.53-3.75	2,650,838
Secured debentures[1]	2015-2019	3.24-3.98	15,484,962	2014-2015	3.79-3.98	5,597,732
Unsecured debentures	2015-2018	2.40-4.50	21,250,665	2014-2017	2.80-4.50	20,168,807
Total			**37,728,517**			**28,417,377**

[1] Secured debentures were issued by the subsidiary and secured against guarantee from the Bank.

	The Bank					
	31 December 2014			31 December 2013		
	Maturity dates	Interest rate (%)	Amount (in thousand Baht)	Maturity dates	Interest rate (%)	Amount (in thousand Baht)
Bills of Exchange	2015	2.52-3.75	992,890	2014-2015	2.53-3.75	2,650,838
Unsecured debentures			-	2014	3.78	599,982
Total			**992,890**			**3,250,820**

26 Employee benefit obligations

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in million Baht)			
Statement of financial position obligations for:				
Post-employment benefits	**160**	**133**	**121**	**103**

	Consolidated		The Bank	
Year ended 31 December	2014	2013	2014	2013
	(in million Baht)			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	**32**	**22**	**23**	**15**

The Bank and its subsidiary operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Obligation under the statement of financial position can be summarized as follow:

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in million Baht)			
Present value of unfunded obligations	160	133	121	103
Statement of financial position obligations	**160**	**133**	**121**	**103**

Movement in the present value of the defined benefit obligations:

	Consolidated		The Bank	
	2014	2013	2014	2013
	(in million Baht)			
Defined benefit obligations at the beginning of the year	133	116	103	93
Benefits paid by the plan	(5)	(5)	(5)	(5)
Current service costs and interest	34	29	23	21
Actuarial gains	(2)	(7)	-	(6)
Defined benefit obligations at the end of the year	**160**	**133**	**121**	**103**

Expense recognised in the statement of comprehensive income

	Consolidated		The Bank	
Years ended 31 December	2014	2013	2014	2013
	(in million Baht)			
Employee expense				
Current service costs	29	25	19	18
Interest on obligation	5	4	4	3
Actuarial gains	(2)	(7)	-	(6)
Total	**32**	**22**	**23**	**15**

The principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated and The Bank	
	31 December 2014	31 December 2013
	(%)	
Discount rate	3.11-3.60	3.60
Future salary increases	6	6
Staff turnover rate	0-19	0-19

Assumptions regarding future mortality are based on published statistics and mortality tables

	Consolidated				
	2014	2013	2012	2011	2010
			(in million Baht)		
Present value of long-term Employee benefit obligation	160	133	116	113	92

	The Bank				
	2014	2013	2012	2011	2010
			(in million Baht)		
Present value of long-term Employee benefit obligation	121	103	93	94	80

27 Other provisions

	Consolidated and The Bank		
	Share losses from management of non-performing loans *(Note 9.4)*	Loss from lawsuit	Total
		(in thousand Baht)	
At 1 January 2013	222,000	106,700	328,700
Provisions made	-	3,750	3,750
Provisions reversed	(176,591)	-	(176,591)
Payment made	(23,409)	-	(23,409)
At 31 December 2013 and 1 January 2014	**22,000**	**110,450**	**132,450**
Provisions made	-	900	900
Payment made	-	(109,650)	(109,650)
At 31 December 2014	**22,000**	**1,700**	**23,700**

In May 2014, the Bank was ordered by Supreme Court to pay Baht 109.65 million to a provident fund against the claim lodged by the fund since 1999. The Bank had already recorded the provision of Baht 108.75 million as at 31 December 2013.

28 Other liabilities

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Other payables	362,865	620,464	142,658	161,997
Cash received in advance	127,464	85,512	868	9,914
Accrued expenses	440,995	385,322	393,276	351,575
Withholding tax payable	18,219	14,174	15,816	11,633
Special business tax payable	20,186	19,281	20,186	19,281
Payables under finance lease contracts	11,744	12,565	-	958
Corporate income tax payable	353,254	221,429	347,329	161,686
Others	271,515	134,685	243,810	100,000
Total	**1,606,242**	**1,493,432**	**1,163,943**	**817,044**

29 Share capital

		2014		2013	
	Par value per share	Number	Baht	Number	Baht
	(in Baht)	*(thousand shares/thousand Baht)*			
Authorised					
At 1 January					
- ordinary shares	8.92	1,590,002	14,182,817	1,590,002	14,182,817
- preference shares	8.92	451	4,023	451	4,023
Increase of new shares	8.92	670,087	5,977,181	-	-
At 31 December					
- ordinary shares	**8.92**	**2,260,089**	**20,159,998**	**1,590,002**	**14,182,817**
- preference shares	**8.92**	**451**	**4,023**	**451**	**4,023**
Issued and paid-up					
At 1 January					
- ordinary shares	8.92	1,590,002	14,182,817	1,590,002	14,182,817
- preference shares	8.92	451	4,023	451	4,023
Increase of new shares	8.92	666,508	5,945,254	-	-
At 31 December					
- ordinary shares	**8.92**	**2,256,510**	**20,128,071**	**1,590,002**	**14,182,817**
- preference shares	**8.92**	**451**	**4,023**	**451**	**4,023**

Preference shares of the Bank are divided into Class A and Class B shares, both of which are non-cumulative dividend-paying shares. Holders of Class B preference shares are entitled to preferential receipt of dividends and return of capital over holders of Class A preference shares and ordinary shares. If the Bank reduces its capital as a result of operating losses on assets held prior to the injection of capital funds by the Ministry of Finance, the Bank is to reduce the capital of the ordinary shares and the Class A preference shares first, to the extent that this does not exceed the accumulated loss as at the date that the Ministry of Finance injected funds plus any subsequent losses on the assets held prior to that date. If the Bank reduces capital as a result of operating losses on assets acquired after the Ministry of Finance injected funds, the Bank is to reduce the capital of the ordinary shares first and then the Class A preference shares and Class B preference shares proportionately. All preference shares had a period of 10 years, which expired in November 2009. Hence, rights of preference shareholders has been the same as those of the ordinary shareholders since then.

Holders of both classes of preference shares are entitled to convert the shares they hold into ordinary shares, with the conversion ratio of 1:1. All Class A preference shares were already converted into ordinary shares before the year 2010 and the Class B preference shareholders are still entitled to convert the remaining Class B preference shares into ordinary shares.

The holders of ordinary shares and preferred shares are entitled to receive dividends as declared, and are entitled to one vote per share at the shareholders' meeting of the Bank.

Issue of new ordinary shares

On 4 August 2014, the Extraordinary General Meeting of the Shareholders No.1/2014 approved the increase of the Bank's registered capital in the amount of Baht 5,977,181,490.12 from the current registered capital of Baht 14,186,840,269.40 to Baht 20,164,021,759.52 by issuing 670,087,611 new authorised ordinary shares at the par value of Baht 8.92 per share. Accordingly, on 4 September 2014, the Bank has registered the paid-up capital increase of Baht 20,132,093,886.16 with the Ministry of Commerce.

30 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Pursuant to Section 116 of the Public Companies Act B.E. 2535, the Bank is required to allocate not less than 5% of its annual net profit, less any accumulated deficit brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

On 20 March 2015, the Board of Directors Meeting No. 1/2015 resolved to approve the appropriation of Baht 100 million to a legal reserve from profit for the year 2014. Total legal reserve of the Bank is Baht 300 million.

Other components of equity

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

31 Other components of equity

	Consolidated and The Bank	
	Year ended 31 December 2014	Year ended 31 December 2013
	(in thousand Baht)	
Balance at the beginning of the year	198,651	287,916
Net change in fair value recognized in equity, net of tax	69,180	(89,265)
Balance at the ending of the year	**267,831**	**198,651**

32 Contingent liabilities and Commitments

32.1 Commitments

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Avals to bills and Guarantees of loans	434	226	15,934	5,826
Letter of credit	219	228	219	228
Other contingencies				
- Undrawn committed line	786	2,428	786	2,428
- Other guarantees	1,159	3,004	1,159	3,004
- Others	2	26	2	26
Total	**2,600**	**5,912**	**18,100**	**11,512**

32.2 Contingent liabilities from litigations

As at 31 December 2014 and 2013, the Bank and ACL Securities Company Limited (a former subsidiary of the Bank that the Bank has already divested) had contingent liabilities as a result of a litigation claim brought by a former executive of ACL Securities Company Limited, who sued the Bank and ACL Securities Company Limited in a civil law case, claiming compensation of approximately Baht 117 million for a tort and breach of contract. The Court of the First Instance dismissed the case on 18 August 2011. Later, on 17 October 2011, the plaintiff appealed the case and the Bank and such company lodged statements of objection on 24 January 2012. On 18 July 2013 the Court of the First Instance read the judgment of the Appeal Court that renders the judgment to confirm the judgment of the Court of the First Instance. On 11 October 2013, the plaintiff lodged an appeal with the Supreme Court and both Bank and ACL Securities Company Limited filed statements of objection on 28 November 2013. The case is currently being considered by the Supreme Court.

In addition, on 5 October 2012 the former executive of ACL Securities Company Limited sued the Bank and ACL Securities Company Limited in a labour case, seeking damages of approximately Baht 52 million for unfair dismissal. This case arose in the ordinary course of the business of ACL Securities Company Limited. Subsequently, on 18 February 2013, the Central Labour Court dismissed the case. On 26 March 2013 the plaintiff lodged the appeal but the Central Labour Court dismissed the appeal since it was made due to the question of fact that is prohibited by the law. The plaintiff therefore lodged the appeal with the Central Labour Court. On 10 April 2013 the Central Labour Court ordered to revert this case to the Supreme Court for consideration. The case is currently being considered by the Supreme Court. The opinion of the Bank's management is that it is highly unlikely that the Bank will have to pay the claimed amount. As at 31 December 2014 and 2013, the Bank therefore did not create a provision for the claim.

33 Related parties

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

The Bank had significant business transactions with its major shareholder of the Bank, companies that are related with the major shareholder of the Bank, the Bank's subsidiary and related companies, including transactions with directors or management employees from executive vice president level or equivalent position upward, persons related to the related persons, entities in which the related persons have management authority, or entities in which the Bank or Directors or such management employees from executive vice president level or equivalent position upward or persons related to the related persons hold in the aggregate more than 10 percent of the issued share capital.

Relationship with key management and related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Industrial and Commercial Bank of China Limited	China	The ultimate parent company of the Bank and a subsidiary
ICBC (Thai) Leasing Company Limited	Thailand	A subsidiary of the Bank
Finansia Syrus Securities Public Company Limited	Thailand	An associated of the Bank
Industrial and Commercial Bank of China (Asia) Limited	Hong Kong	The Company that are related with the ultimate parent company
Industrial and Commercial Bank of China (Macau) Limited	Macau	The Company that are related with the ultimate parent company
Bangkok BTMU Company Limited	Thailand	The Company that are related through the Bank's directors until 30 April 2014
M-Home SPV 3 Company Limited	Thailand	The Company that are related through the Bank's management
Siam Piwat Company Limited	Thailand	The Company that are related through the Bank's directors until 30 April 2014
Siam Piwat Holding Company Limited	Thailand	The Company that are related through the Bank's directors until 30 April 2014
Key management personnel	Thai/Chinese	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiary.

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

Transactions	Pricing policies
Interest income	With reference to the terms and prices as offered to other customers
Interest expense	Market rates and/or charged in compliance with the criteria specified by the Bank of Thailand
Dividend income	As announced by the investee company
Fee income	With reference to the terms and prices as offered to other customers

Significant transaction for the years ended 31 December 2014 and 2013 with related parties were as follows:

For the years ended 31 December	Consolidated		The Bank	
	2014	2013	2014	2013
	(in million Baht)			
Parent				
Fee income	-	1	-	1
Interest expenses	328	123	328	123
Fee Expense	11	9	11	9
Associate				
Interest expenses	4	3	4	3
Dividend income	-	-	3	17
Rental income	1	1	1	1
Subsidiary				
Interest income	-	-	336	1,153
Fee income	-	-	32	28
Related companies				
Interest income	-	1	-	1
Interest expenses	1	42	1	42
Dividend income	-	2	-	2
Key management and directors				
Interest expense	1	2	1	2
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	181	174	124	115
Post-employment benefits	22	8	18	5

Directors and management's remuneration

The Bank's directors and executives from the bank of executive vice president upwards do not receive benefits, either in monetary or non-monetary terms, other than the normal benefits such as monthly directors' remuneration, meeting allowances, salaries and bonuses, as the case may be. Directors who are executives of the Bank do not receive director's remuneration, in accordance with the Bank's policy, and the representative directors who are executives of Industrial and Commercial Bank of China Limited do not receive director's remuneration, in accordance with Industrial and Commercial Bank of China Limited's policies, except for those benefits granted in accordance with employment agreements such as housing allowances, medical expenses, life and accident insurance and home trip expenses, in accordance with the established criteria. Nevertheless, directors with permanent residence abroad can reimburse expenses of travelling and accommodation incurred in connection with the operation of the Bank's business, at the amount actually incurred.

Balances with related parties were as follows:

For the years 31 December	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in million Baht)			
Interbank and money market items (assets)				
Industrial and Commercial Bank of China Limited	81	53	81	53
Industrial and Commercial Bank of China Limited - New York	101	7	101	7
Industrial and Commercial Bank of China (Asia) Limited	2	14	2	14
Industrial and Commercial Bank of China (Macau) Limited	-	23	-	23
Industrial and Commercial Bank of China Limited - Other	3	2	3	2
Investments				
ICBC (Thai) Leasing Company Limited	-	-	4,250	4,250
Finansia Syrus Securities Public Company Limited	517	463	305	305
Bangkok BTMU Company Limited[1]	20	20	20	20
Loans to customers				
ICBC (Thai) Leasing Company Limited	-	-	3,232	19,877
Accrued interest receivables				
ICBC (Thai) Leasing Company Limited	-	-	1	12
Allowance for doubtful accounts				
ICBC (Thai) Leasing Company Limited	-	-	32	1,008
Other assets				
Industrial and Commercial Bank of China Limited	1	-	1	-
Industrial and Commercial Bank of China Limited - Guang Dong	9	-	9	-
Finansia Syrus Securities Public Company Limited	1	1	1	1

[1] The relationship ended as at 30 April 2014

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in million Baht)			
Interbank and money market items (liabilities)				
Industrial and Commercial Bank of China Limited	18,088	16,628	18,088	16,628
Industrial and Commercial Bank of China Limited - New York	6,992	4,482	6,992	4,482
Industrial and Commercial Bank of China (Asia) Limited	-	3,127	-	3,127
Industrial and Commercial Bank of China - Other	801	-	801	-
Finansia Syrus Securities Public Company Limited	306	183	306	183
Deposits and debts issued and borrowings				
M-Home SPV 3 Company Limited	24	9	24	9
Siam Piwat Company Limited[1]	-	24	-	24
Related persons	86	49	86	49
Other Liabilities				
ICBC (Thai) Leasing Company Limited	-	-	18	20
Off-financial reporting items				
Letter of guarantee				
Industrial and Commercial Bank of China Limited	8	14	8	14
Guarantee on loans				
ICBC (Thai) Leasing Company Limited	-	-	15,500	5,600
Forward exchange contracts-bought				
Industrial and Commercial Bank of China Limited	-	33	-	33
Industrial and Commercial Bank of China Limited - Singapore	2,535	1,044	2,535	1,044
Industrial and Commercial Bank of China (Asia) Limited	-	73	-	73
Finansia Syrus Securities Public Company Limited	326	9	326	9

[1] The relationship ended as at 30 April 2014

34 Long-term lease agreements

The Bank and its subsidiary have entered into several lease agreements in respect of the equipment. The terms of the agreements are generally between 0.5 year to 15 years. Long-term leases agreements classified by the remaining rental expenses to be paid for long-term leases agreements are as follows:

	Consolidated		The Bank	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in million Baht)			
Within one year	107	122	77	84
After one year but within five years	84	131	69	92
After five years	21	31	21	31
Total	**212**	**284**	**167**	**207**

35 Segment information

Information about reportable segments was as follows:

The Bank and its subsidiary's business operations involve 2 principal segments: (1) banking business and (2) hire purchase/ finance leases business that form the basis of how information is presented to the chief operating decision maker. Respective business segments serve both corporate and retail customers, however retail represents an insignificant portion of the total at the bank level. These operations are carried on in Thailand. The Bank has determined that the Chief Operating Decision Maker is the Executive Committee.

Below is financial information by segment of the Bank and its subsidiary:

	Consolidated				
Financial performance *Years ended 31 December 2014*	Banking business	Hire purchase/ finance leases business	Total	Elimination entries	Total
	(in million Baht)				
Net interest income	2,278	1,809	4,087	31	4,118
Fee and service income and other income, net	148	231	379	(31)	348
Share of profit from associates	58	-	58	-	58
Other operating income	381	207	588	(3)	585
Other operating expenses	(1,142)	(1,615)	(2,757)	-	(2,757)
Profit before bad debt, doubtful accounts and impairment losses	1,723	632	2,355	(3)	2,352
Bad debt, doubtful accounts and impairment losses	(70)	(796)	(866)	-	(866)
Profit from operation before income tax expense	1,653	(164)	1,489	(3)	1,486
Income tax expenses	(330)	33	(297)	-	(297)
Profit for the year	**1,323**	**(131)**	**1,192**	**(3)**	**1,189**
Financial position as at 31 December 2014					
Investment in associates	517	-	517	-	517
Total assets	157,169	45,006	202,175	(7,288)	194,887
Total liabilities	134,093	40,656	174,749	(3,251)	171,498

Financial performance *Year ended 31 December 2013*	Consolidated				
	Banking business	Hire purchase/ finance leases business	Total	Elimination entries	Total
	(in million Baht)				
Net interest income	2,443	1,676	4,119	28	4,147
Fee and service income and other income, net	148	354	502	(28)	474
Share of profit from associates	92	-	92	-	92
Other operating income	379	160	539	(17)	522
Other operating expenses	(832)	(1,277)	(2,109)	-	(2,109)
Profit before bad debt, doubtful accounts and impairment losses	2,230	913	3,143	(17)	3,126
Bad debt, doubtful accounts and impairment losses	(811)	(1,055)	(1,866)	-	(1,866)
Profit from operation before income tax expense	1,419	(142)	1,277	(17)	1,260
Income tax expenses	(277)	31	(246)	-	(246)
Profit for the year	**1,142**	**(111)**	**1,031**	**(17)**	**1,014**
Financial position as at 31 December 2013					
Investment in associates	463	-	463	-	463
Total assets	148,103	52,613	200,716	(24,002)	176,714
Total liabilities	132,308	48,132	180,440	(19,910)	160,530

36 Interest income

Year ended 31 December	Consolidated		The Bank	
	2014	2013	2014	2013
	(in thousand Baht)			
Interbank and money market item	454,997	86,158	454,873	85,896
Investments in debt securities	1,012,483	721,130	1,012,483	721,130
Loans to customers	3,932,632	3,578,567	4,259,445	4,725,018
Hire-purchase and finance leases	3,398,285	3,552,878	842	891
Others	680	348	680	348
Total	**8,799,077**	**7,939,081**	**5,728,323**	**5,533,283**

37 Interest expenses

Year ended 31 December	Consolidated		The Bank	
	2014	2013	2014	2013
	(in thousand Baht)			
Deposits	2,347,296	2,128,755	2,347,296	2,128,760
Interbank and money market items	659,109	597,462	597,772	479,010
Contributions to Deposit Protection Agency and Bank of Thailand	467,599	390,231	467,599	390,231
Debt issued - debentures	1,151,777	617,026	1,740	44,080
Borrowings	36,327	47,016	36,327	47,016
Borrowing fee expense	18,910	11,606	19	728
Others	8	29	8	29
Total	**4,681,026**	**3,792,125**	**3,450,761**	**3,089,854**

38 Net fees and service income

Year ended 31 December	Consolidated		The Bank	
	2014	2013	2014	2013
	(in thousand Baht)			
Fees and service income				
Acceptances, avals and guarantees	17,111	21,791	48,984	49,812
Letter of credit fee income	15,246	9,118	15,246	9,294
Hire purchase/finance lease fee income	231,332	353,965	-	-
Others	42,744	25,451	42,744	25,451
Total fees and service income	**306,433**	**410,325**	**106,974**	**84,557**
Fees and service expense	(16,806)	(13,505)	(16,806)	(13,505)
Net fees and service income	**289,627**	**396,820**	**90,168**	**71,052**

39 Net trading income

Year ended 31 December	Consolidated		The Bank	
	2014	2013	2014	2013
	(in thousand Baht)			
Gain (loss) on trading and foreign exchange transactions				
Foreign currencies and foreign currency related derivatives	58,570	73,494	58,581	73,612
Total	**58,570**	**73,494**	**58,581**	**73,612**

40 Net (loss) gain on investments

Year ended 31 December	Consolidated and The Bank	
	2014	2013
	(in thousand Baht)	
(Losses) gains on sales - General investment	690	(114)
Losses on impairment - General investment	(955)	(137)
Reversal of allowance for impairment - General investment	-	4,080
Net (loss) gain on investments	**(265)**	**3,829**

41 Directors' remuneration

Directors' remuneration represents the benefits (exclusive of salaries and related benefits payable to directors who are executives of the Bank and its subsidiary) paid to the Bank and subsidiary's directors in accordance with Section 90 of the Public Limited Companies Act.

42 Bad debt, doubtful accounts and impairment losses

Year ended 31 December	Consolidated		The Bank	
	2014	2013	2014	2013
	(in thousand Baht)			
Bad debts and doubtful accounts				
Interbank and money market items	7,127	(6,423)	7,127	(6,423)
Loans to customers	848,826	1,864,841	52,837	810,237
Loss on debt restructuring	9,822	7,059	9,822	7,059
Total	**865,775**	**1,865,477**	**69,786**	**810,873**

43 Income tax expense

Income tax recognised in profit or loss

Year ended 31 December	*Note*	Consolidated		The Bank	
		2014	2013	2014	2013
		(in thousand Baht)			
Current tax expense					
Current period		601,007	370,652	509,330	206,789
Adjustment for prior years		235	(3,423)	-	270
		601,242	**367,229**	**509,330**	**207,059**
Deferred tax expense					
Movements in temporary differences	*20*	(304,931)	(121,227)	(184,898)	62,236
		(304,931)	**(121,227)**	**(184,898)**	**62,236**
Total income tax expense		**296,311**	**246,002**	**324,432**	**269,295**

Income tax recognised in other comprehensive income

Year ended 31 December	Consolidated and the Bank					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Other comprehensive income						
available-for-sale securities	86,475	(17,295)	69,180	(111,582)	22,317	(89,265)
Total	**86,475**	**(17,295)**	**69,180**	**(111,582)**	**22,317**	**(89,265)**

Reconciliation of effective tax rate

Year ended 31 December	Consolidated			
	2014		2013	
	Rate (%)	*(in thousand Baht)*	Rate (%)	*(in thousand Baht)*
Profit before income tax expense		1,485,786		1,259,956
Income tax using the Thai corporation tax rate	20	297,157	20	251,991
Income not subject to tax		(1,081)		(3,079)
Under (over) provided in prior years		235		(3,423)
Others		-		513
Total	**20**[1]	**296,311**	**20**[1]	**246,002**

[1] Effective tax rate

Year ended 31 December	The Bank			
	2014		2013	
	Rate (%)	*(in thousand Baht)*	Rate (%)	*(in thousand Baht)*
Profit before income tax expense		1,595,912		1,327,577
Income tax using the Thai corporation tax rate	20	319,182	20	265,515
Expense not deductible for tax purpose		5,250		3,510
Under provided in prior years		-		270
Total	**20**[1]	**324,432**	**20**[1]	**269,295**

[1] Effective tax rate

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Bank and its subsidiary have applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

44 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to shareholders of the Bank and the weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the years as follows:

	Consolidated		**The Bank**	
Year ended 31 December	2014	2013	2014	2013
Profit attributable to shareholders of the Bank *(in million Baht)*	1,189	1,014	1,271	1,058
Weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding *(million shares)*	1,808	1,590	1,808	1,590
Earnings per share (basic) *(in Baht)*	**0.66**	**0.64**	**0.70**	**0.67**

45 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Bank and its subsidiary's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Bank and its subsidiary do not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015

The Bank and its subsidiary has made a preliminary assessment of the potential initial impact on the Bank and its subsidiary's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

TFRS 13 - Fair Value Measurement

TFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value guidance that is currently dispersed throughout TFRS. Subject to limited exceptions, TFRS 13 is applied when fair measurements or disclosures are required or permitted by other TFRSs. This change in policy is not expected to have a material impact on the Bank and its subsidiary.

TAS 19 (revised 2014) - Employee Benefits

TAS 19 (revised 2014) requires actuarial gains and losses to be recognised immediately in other comprehensive income, and no longer permits the recognition of actuarial gains and losses in profit or loss currently used by the Bank and its subsidiary. The Bank and its subsidiary will, accordingly change its accounting policy (see note 3(q)) in this regard with retrospective effect. This change in policy is not expected to have a material impact on the Bank and its subsidiary.

Auditors

Names of Auditors and Their Office

- Ms. Pantip Gulsantithamrong Certified Public Accountant No. 4208
- Ms. Somboon Supasiripinyo Certified Public Accountant No. 3731
- Ms. Wilai Buranakittisopon Certified Public Accountant No. 3920

The above auditors have no relationship with or interests in the Bank/subsidiaries/ executives/major shareholders or related parties thereof.

Engaged Office

KPMG Phoomchai Audit Limited (KPMG)

The Auditors of the Subsidiary

The auditors of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) are the auditors of KPMG, the same audit firm as the auditors of the Bank.

Remuneration of Auditors

The audit fee of the Bank and its subsidiary for the year ended 31 December 2014 was Baht 3,775,808 broken down into the audit fee of the Bank of Baht 2,620,808 and that of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) of Baht 1,155,000.

Management Structure

1. Board of Directors

The Board of Directors comprises of 11 members including qualified directors, directors who are ICBC representatives and 5 independent directors as follows:

Dr. Ye Hu	Chairman
Dr. Zhigang Li	Director
Dr. Kosol Petchsuwan	Independent Director
Dr. Prasit Damrongchai	Independent Director
Dr. You Ye	Director
Mr. Guohui Song	Director
Dr. Li Lan	Director
Mr. Jianfeng Zheng	Director*
Mr. Plengsakdi Prakaspesat	Independent Director
Ms. Ladda Siriwattanakosol	Independent Director
Pol.Lt. Gen. Werapong Chuenpagdee	Independent Director**

* Appointed as a Director on 30 January 2015

** Appointed as a Director on 25 October 2014

*** Mr. Chanchai Leetavorn resigned from the Board of Directors on 30 April 2014 and Mr. Jiqian Cui resigned from the Board of Directors on 24 October 2014.

According to the Bank's Articles of Association, the Board of Directors' meeting shall be held at least once every three months. At least one half of the total number of Directors must be present to form a quorum.

The Board of Directors has the duties and responsibilities to set the overall direction, strategic objectives and policies of the Bank and to supervise and oversee the efficient management of the Bank. It also has a responsibility to ensure that the Bank has appropriate risk management systems in place and sufficient capital funds to cover current and future risks. In addition, it has the responsibility to monitor the Bank's business operations to ensure that the Bank has effective internal control and audit systems in place and that the Bank's operations are in compliance with the laws, the Bank's policies, resolutions of the shareholders' meetings, and principles of good corporate governance so that the stakeholders and customers will have confidence in the Bank. In addition, it is responsible for assigning one or several Directors or other persons to perform actions on its behalf.

2. Independent Directors

The Board of Directors has determined the qualifications of the Bank's Independent Directors to be in compliance with the qualifications of Independent Directors specified by the Bank of Thailand (BOT) under the Principles of Corporate Governance for Financial Institutions and by the Capital Market Supervisory Board. The qualifications stipulates that an Independent Director must be a Director who does not have any business relationship with or participate in the management of or have any interest in the Bank which may affect his or her independent decision.

3. Committees under the Board of Directors' Direct Supervision

The Board of Directors has appointed three committees to oversee and ensure an efficient management system which is in compliance with the Bank's policies. Each committee's responsibilities have been clearly specified. The four committees which are under the direct supervision of the Board of Directors are the Executive Committee; Audit Committee; Nomination, Compensation and Corporate Governance Committee; and Group Risk Management Committee. Details are as follows:

3.1 The Executive Committee

comprises of 7 Directors and Senior Executives as follows:

Dr. Ye Hu	Chairman
Dr. Zhigang Li	Member
Dr. You Ye	Member
Mr. Guohui Song	Member
Mr. Apichart Kasemkulsiri	Member
Ms. Suree Wipatakanok	Member
Mr. Chaiwat Tanchewawong	Member

The Executive Committee has the responsibility to perform duties as delegated by the Board of Directors including the formulation of criteria and procedures for consideration and approval of credit facilities, debt restructuring, securities

investments, acquisition or disposal of immovable properties resulting from debt restructuring or mortgage of properties of the Bank and any other normal businesses of the Bank. It also has the responsibilities to appoint sub-committees as well as amend, revise and alter the authorities and responsibilities of sub-committees. In addition, the Executive Committee is responsible for considering all matters which are to be proposed to the Board of Directors. It must also monitor the Bank's operations and report findings to the Board of Directors on a regular basis.

3.2 The Audit Committee

comprises of 3 Independent Directors as follows:

Dr. Kosol Petchsuwan	Chairman
Mr. Plengsakdi Prakaspesat	Member
Ms. Ladda Siriwattanakosol	Member

The Audit Committee has responsibilities to review and ensure that the Bank and the companies in its financial business group have accurate and adequate financial reports as well as suitable and efficient internal control and internal audit systems. It must ensure that the operations of the Bank and the companies in its financial business group are in compliance with the relevant laws and regulations in relation to the business of the Bank and its financial business group. It also has the responsibilities to consider, select and nominate an independent person to be the Bank's statutory auditor and to propose such person's remuneration; and meet the independent auditor at least once a year without the presence of the management. Moreover, the Audit Committee has a duty to review transactions which may lead to conflicts of interest to ensure that they are conducted in compliance with relevant laws and regulations which are proceeded in a reasonable manner for the utmost benefits to the Bank.

3.3 The Nomination, Compensation and Corporate Governance Committee

comprises 3 Non-executive Members with the Chairman being an Independent Director as follows:

Dr. Prasit Damrongchai	Chairman
Dr. Li Lan	Member
Mr. Jianfeng Zheng	Member

The Nomination, Compensation and Corporate Governance Committee has the duties and responsibilities as follows:

(1) Nomination

The Nomination, Compensation and Corporate Governance Committee has the responsibilities to establish policies, criteria and procedures for the selection of Directors, Members of Committees and Senior Executives for the Board of Directors' approval. It also has the responsibility to recommend to the Board of Directors the appropriateness of the size and composition of the Board of Directors, as well as any other adjustment required in order to adapt to changes in the business environment. The Committee shall consist of members with knowledge, skill and experience in various fields which are beneficial to the business of the Bank.

Moreover, the Committee is responsible for the nomination of Directors, Members of Committees and Senior Executives by selecting qualified candidates according to the Bank's criteria to be appointed as Directors, Members of Committees and Senior Executives. The candidates shall not possess prohibited characteristics specified in the Financial Institutions Businesses Act B.E. 2551, the BOT's criteria and other relevant laws. For the position of Independent Director, a candidate shall possess all qualifications as set by the Bank's criteria, which are in line with the criteria of the supervisory authorities. The most suitable candidates will be recommended to the Board of Directors for appointment or for proposing to the shareholders' meeting for approval, as the case may be.

(2) Compensation

The Nomination, Compensation and Corporate Governance Committee has the responsibility to establish policies regarding compensation and benefits granted to the Directors,

Members of Committees and Senior Executives for the Board of Directors' approval. The policies shall be based on clear and transparent criteria.

The Committee shall ensure that compensation is reasonable, comparable to the rates of other comparable financial institutions, compatible with the Bank's performance and commensurate with the Directors' Members of Committees' or senior executives' duties, responsibilities and experience. Directors assigned with additional duties and responsibilities as members of Committees should receive additional compensations that commensurate such additional assignments.

In addition, the Committee has the responsibility to formulate guidelines on the assessment of the performances of the Board of Directors and senior executives to be used to determine their annual compensations.

(3) Corporate Governance

The Nomination, Compensation and Corporate Governance Committee has the responsibilities to develop and review the Bank's Corporate Governance Policy and procedures to ensure that they are in line with the Principles of Good Corporate Governance. The Committee also has a responsibility to advise the Board of Directors, the management and staff regarding corporate governance best practices and business ethics, while maintaining efficient management.

3.4 The Group Risk Management Committee

comprises of 12 Members as follows:

Dr. Zhigang Li	Chairman
Dr. You Ye	Member
Mr. Guohui Song	Member
Mr. Apichart Kasemkulsiri	Member
Ms. Suree Wipatakanok	Member
Mr. Chaiwat Tanchewawong	Member
Ms. Kanchana Vongratanakulthon	Member
Mr. Som Pisarnsopon	Member
Ms. Sasiwadee Somboonthum	Member
Mr. Wisit Ausawalaithong	Member
Mr. Wasun Muangmee	Member
Mr. Yongmin Tang	Member

The Group Risk Management Committee has the responsibility to formulate appropriate risk management policies for the Bank and the companies in its financial business group. It also has the responsibility to formulate risk management strategies which are in accordance with the Bank's Risk Management Policies. The Committee must also monitor and manage risk to an appropriate level as well as review the appropriateness of policies, assess the risk management practice of the Bank and the companies in its financial business group, and report findings to the Board of Directors of the Bank.

In addition to the 4 abovementioned committees, the Bank has also set up 14 other main sub-committees to manage the daily operations of the Bank, members of which are appointed from Executives from different Divisions. They include (1) the Management Committee, (2) the Credit Committee, (3) the Asset and Liability Committee, (4) the Technology Committee, (5) the Collateral Appraisal Committee, (6) the Collateral Appraisal Sub-Committee, (7) the Asset Management Committee, (8) the Asset for Sale Sub-Committee, (9) the Movable Asset Sub-Committee, (10) the Complaint Consideration Sub-Committee, (11) the Financial Approval Committee, (12) the IT Procurement Committee, (13) the Selection of Insurance Partnering Company Committee and (14) the Fraud Risk Committee.

Remuneration for Directors and Executives for 2014

1. Remuneration of Directors

Remuneration of Directors		
No.	Name	Amount
1	Dr. Ye Hu	3,806,552
2	Mr. Chanchai Leetavorn	115,000
3	Dr. Kosol Petchsuwan	345,000
4	Mr. Plengsakdi Prakaspesat	360,000
5	Dr. Prasit Damrongchai	360,000
6	Ms. Ladda Siriwattanakosol	360,000
7	Pol. Lt. Gen Werapong Chuenpagdee	67,419
	Total	**5,413,971**

Remuneration of the Chairman of the Executive Committee		
1	Dr. Ye Hu	10,801,565
	Total	**10,801,565**

Remuneration of Members of the Audit Committee		
1	Dr. Kosol Petchsuwan	600,000
2	Mr. Plengsakdi Prakaspesat	360,000
3	Ms. Ladda Siriwattanakosol	360,000
	Total	**1,320,000**

Remuneration of Members of the Nomination, Compensation and Corporate Governance Committee		
1	Dr. Prasit Damrongchai	600,000
	Total	**600,000**

Remuneration of the Honorary Consultant to Chairman of the Board		
1	Mr. Chanchai Leetavorn	200,000
	Total	**200,000**
	Grand Total	**18,335,536**

2. Remuneration of Executives for 2014

Executives	2014	
	No. of Person	Total Amount (Baht)
Total	15	**105,594,673.68**

Directors' and Senior Executives' holding of positions in other companies as of 31 December 2014

Name	ICBC (Thai)	Position			
		The Bank's Financial Business Group		Other Companies	
Dr. Kosol Petchsuwan	Independent Director			Independent Director	True Corporation PCL.
Mr. Prasit Damrongchai	Independent Director			Independent Director/ Chairman of the Audit Committee/Vice Chairman	Dhipaya Insurance PLC.
Mr. Plengsakdi Prakaspesat	Independent Director			Independent Director/ Chairman of the Audit Committee	Bangkok Insurance PLC.
				Director	Aspac Co.,Ltd.
				Executive Director	Metro Resources PLC.
				Executive Director	Srikrungwattana Property Co., Ltd.
				Senior Advisor	Thai Central Chemical PLC.
Ms. Ladda Siriwattankosol	Independent Director			Director	Pace Development Corporation PLC.
Pol.Lt.Gen. Werapong Chuenpagdee	Independent Director			Independent Director/ Audit Committee	Country Group Development PLC.
				Director	Country Group Securities PLC.
				Director/Audit Committee	Thai Hua Rubber PLC.
				Independent Director/ Chairman of the Audit Committee	Sinsianyerpao Co., Ltd.
				Director	Fusin Mining Industry (Thailand) Co., Ltd.
				Director	Boonyachinda Foundation for Thai Royal Police and Family
				Advisor	Thai Industrial Association
				Director	Country Group Holding PLC.
Mr. Apichart Kasemkulsiri	Senior Executive Vice President, Treasury & Branding Group	Executive Director	ICBC (Thai) Leasing Co., Ltd.	Executive Director	T.Krung Thai Industry PLC.
				Director	T Thai Snack Foods Co.,Ltd.
				Director	Sri Sam Ank Supplier Co., Ltd.

Name	ICBC (Thai)	Position			
		The Bank's Financial Business Group		Other Companies	
Ms. Kanchana Vongratanakulthon	Executive Vice President, Recovery and Credit Card Management Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.	Executive Director	M-Home SPV 3 Co., Ltd.
				Executive Director	Chonburi Motor Express Co., Ltd.
Mr. Som Pisarnsopon Ausawalaithong	Executive Vice President, Finance & Strategy Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.		
Mr. Yongmin Tang	Executive Vice President, Chinese Business Center Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.		

Corporate Governance

The practice of good corporate governance ensures accountability, transparency as well as fairness to all shareholders and stakeholders of an organization or business, hence the active promotion by the Board of Directors on the culture of good corporate governance in conducting business of the Bank. The Board of Directors believes that good corporate governance is crucial in creating sustainable business development and building trusts to its customers and stakeholders as well as the society at large. Therefore, it has prescribed a written Corporate Governance Policy which is consistent with the BOT's Principles of Corporate Governance for financial institutions. In setting up the organization structure, operational guidelines and responsibilities for good corporate governance, the Bank places emphasis on accountability, equitable treatment and transparency to ensure that the Bank's business operations are in accordance with the relevant laws and regulations.

The Board of Directors oversees that the Bank operates under the scope of good corporate governance which means conducting business with integrity and ethics. It ensures that all executives and employees understand the ethical standard of the Bank and comply with such standard so that the Bank could continue to operate as an institution with a high standard of corporate governance.

The Board of Directors recognizes the importance of sound management and control systems and has delegated the management to establish adequate and appropriate internal control systems to help mitigate risks as well as to lessen damages which may arise. This involves establishing policies which cover risk management, formulating policies relevant to corporate governance, prescribing a written operational rule and procedure manual, as well as supporting continuous educational development of all employees to enhance their capabilities.

The Bank's Board of Directors has determined control activities to be an important part of operational processes for every working section of the Bank, therefore, has assigned several committees to oversee the control system. These committees are the Audit Committee and the Group Risk Management Committee. More directly, the Nomination, Compensation and Corporate Governance Committee, under the direct supervision of the Board of Directors, which in addition to selecting qualified persons for positions in the Bank and determining their compensations, is responsible for ensuring that a proper corporate governance system is in place and in compliance with the Corporate Governance Policy.

The Audit Committee has the responsibilities to review and assess, through the Internal Audit Department, the efficiency and sufficiency of the internal control systems and make certain that operations are continuously performed in compliance with the policies and regulations of the Bank's supervisory authorities. The Internal Audit Department is an independent department which reports directly to the Audit Committee. Moreover, the Group Risk Management Committee has the duties to monitor and oversee the operations of the Bank to ensure that they are in compliance with the risk management policies of the Bank.

In addition, each Director is required to assess and review the performance of the Board of Directors as a whole during the past year on a yearly basis. The assessment comprises of 4 categories as follows:

1) Board Policy
2) Board Composition
3) Board Practice
4) Board Meeting

The Board of Directors' Assessment of 2014 resulted in an overall average of 95.50%.

Capital Structure

Registered Capital

As at 31 December 2014 the Bank had a registered capital of 20,164,021,759.52 Baht divided into 2,260,089,475 ordinary shares at par value of 8.92 Baht and 451,081 Class B preferred shares at par value of 8.92 Baht with paid-up capital of 20,132,093,886.16 Baht divided into 2,256,510,117 ordinary shares at par value of 8.92 Baht and 451,081 Class B preferred shares at par value of 8.92 Baht.

Preferred Shares

The Bank's preferred shares were previously divided into Class A and Class B preferred shares. Currently, all Class A preferred shares have been converted into ordinary shares. Class B preferred shares have rights and benefits equal to ordinary shares with the exception that the holders of Class B preferred shares are entitled to convert their shares into ordinary shares at a ratio of 1:1. The holders of Class B preferred shares are able to exercise the conversion of Class B preferred shares into ordinary shares four times a year. The exercise dates for the conversion of Class B [preferred shares into ordinary shares are 22 February, 22 May, 22 August and 22 November. The holder of Class B preferred shares must lodge the application for the conversion together with the share certificates to the Bank (Head Office Branch) as the Share Registrar during business hours on the specified dates. Consequently, the Bank has become its own Share Registrar since 1 September 2013.

General Information

(1) Industrial and Commercial Bank of China (Thai) Public Company Limited

Type of business	Commercial bank
Address of Head Office	11th-13th Floors, Emporium Tower, 622 Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110 Thailand
Registration No.	0107536000251
Website	www.icbcthai.com
Telephone	+66 2663 9999
Facsimile	+66 2663 9888
Call Center	+66 2629 5588
Registered capital	14,186,840,269.40 Baht (as of 31 December 2014)
Paid-up capital	14,186,840,269.40 Baht (as of 31 December 2014)
Par value	8.92 Baht

(2) Entities in which the Bank has a stake of 10% or more of their paid-up capital

- **ICBC Leasing (Thai) Company Limited**

Address	1122 KPI Tower 15th Floor, New Petchburi Road, Makasan, Ratchathewi, Bangkok 10400 Thailand
Type of business	Leasing Business
Telephone	+66 2876 7200
Facsimile	+66 2876 7210-12
Registered capital	8,000,000,000.00 Baht (as of 31 December 2014)
Paid-up capital	4,250,000,000.00 Baht (as of 31 December 2014)
Par value	10 Baht
Percentage of shareholding	99.99%

- **Finansia Syrus Securities Public Company Limited**

Address	999/9 The Offices at Central World 18th Floor, Rama I Road, Pathumwan, Bangkok 10500 Thailand
Type of business	Securities Business
Telephone	+66 2658 9000
Facsimile	+66 2658 9110
Registered capital	747,693,118.40 Baht (as of 31 December 2014)
Paid-up capital	745,545,731.20 Baht (as of 31 December 2014)
Par value	1.60 Baht
Percentage of shareholding	23.56%

- **Bangkok BTMU Company Limited**

Address	54 Harindhorn Tower 4th Floor, Unit A, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand
Type of business	Investment and Lending Business
Telephone	+66 2266 3075
Facsimile	+66 2266 3076
Registered capital	200,000,000 Baht (as of 31 December 2014)
Paid-up capital	200,000,000 Baht (as of 31 December 2014)
Par value	100 Baht
Percentage of shareholding	10%

(3) Reference Information

- **Registrar**

Industrial and Commercial Bank of China (Thai) Public Company Limited
13th Floor, Emporium Tower, 622 Sukhumvit Road,
Khlong Ton, Khlong Toei, Bangkok 10110 Thailand
Tel +66 2663 9999
Fax +66 2663 9768

- **Auditors**

KPMG Phoomchai Audit Limited
48th Floor, Empire Tower, 195 South Sathorn Road,
Bangkok 10120 Thailand
Tel +66 2677 2000
Fax +66 2677 2222

622 Emporium Tower 11th-13th Fl.,
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