





## Company profile

The United Overseas Bank (Thai) Public Company Limited ("UOBT") was created from the merger of the Bank of Asia and UOB Radanasin Bank in November 2005. UOBT is a full-licensed commercial bank with a network of 152 branches and 359 ATMs. The Bank provides a wide range of financial products and services to cater to the needs of corporate, SME and individual customers. To complement its commercial banking business, UOBT has four subsidiaries providing services including asset management, hire-purchase, leasing, futures broking and debt collection.

UOBT is rated among the top banks in Thailand by Moody's Investors Service and Fitch Ratings:

Moody's:	International rating	Financial strength	D
		Short-term	Prime-2
		Long-term	Baa1
Fitch:	International rating	Individual	C
		Short-term	F2
		Long-term	A-
	National rating	Short-term	F1+(tha)
		Long-term	AA+(tha)

UOBT is 99.6% owned by Singapore-based United Overseas Bank Limited ("UOB"). In addition to Thailand, UOB has an extensive network of more than 350 offices in 17 other countries and territories. UOB is rated among the world's top banks by Moody's Investors Service, receiving B for financial strength, and Aa1 and Prime-1 for long-term and short-term bank deposits respectively.

## Financial highlights

	Audited	
	2008	2007
<b>Balance sheet (THB million)</b>		
Assets	<b>216,912</b>	212,144
Loans	<b>159,312</b>	148,341
Allowance for doubtful accounts and revaluation allowance for debt restructuring	<b>5,989</b>	5,373
Deposits	<b>161,764</b>	156,633
Liabilities	<b>188,875</b>	187,766
Shareholders' equity	<b>28,037</b>	24,378
Capital funds	<b>27,132</b>	23,358
<b>Earnings performance (THB million)</b>		
Net income from interest and dividends	<b>7,598</b>	6,666
Non-interest income	<b>2,833</b>	2,457
Provisions for doubtful debts	<b>1,329</b>	2,343
Net (loss) profit before tax	<b>2,096</b>	(54)
Net (loss) profit after tax	<b>1,374</b>	(89)
<b>Ratios (%)</b>		
Net interest income to average assets	<b>3.54</b>	3.32
Return on average assets	<b>0.64</b>	(0.04)
Return on average equity	<b>5.24</b>	(0.37)
Earnings (loss) per share - Basic (THB)	<b>0.56</b>	(0.04)
Book value per share (THB)	<b>11.28</b>	2.97
Dividend per share (THB)	-	-
Capital adequacy ratio	<b>18.50</b>	17.68

## Board of directors

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Chinnawat Bulsuk	Independent Director
Suebtrakul Soonthornthum	Independent Director
Arun Chirachavala	Independent Director
Lee Chin Yong	Director
Hwee Wai Cheng	Director
Wong Kim Choong	Director
Chua Teng Hui	Director
Lee Tse Tiong	Director

## Senior management team

Wong Kim Choong	President & CEO
Chua Teng Hui	Deputy President & Deputy CEO
Goh Choo Han Dennis	Senior Executive Vice President, Institutional Banking Group
Lee Tse Tiong	Senior Executive Vice President, Corporate Services Group
Thanachai Thanachaiary	Senior Executive Vice President, Personal Financial Services Group
Yeo Kian Ing	Senior Executive Vice President, Central Operations, Delivery Channels & Collections Group
Ho Swit Moy Margaret	Executive Vice President, Credit Approval Group
Patchanee Sutheevitanunt	Executive Vice President, Global Markets Group
Sanchai Apisaksirikul	Executive Vice President, Finance Sector
Somkid Jiranuntarat	Executive Vice President, Information Technology Sector
Khoo Wah Sun	Executive Vice President, Commercial Banking Sector
Lim Keng Teck	Executive Vice President, Human Resources Sector
Piyaporn Ratanaprasartporn	Executive Vice President, Corporate Banking Sector
Sewsin Singprasong	Executive Vice President, Sales Management Sector
Ngamjitt Sirijindalert	Executive Vice President, PFS Middle Office Sector
Pimolrat Tangkosakul	Executive Vice President, Corporate Affairs, General Services & Property Management Sector
Yuttachai Teyarachakul	Executive Vice President, Product Management Sector
Pornchai Wiwatpattarakul	Executive Vice President, Compliance, Secretariat & Legal Sector
Roongthip Angkasirisan	Senior Vice President, Risk Management Sector
Vajee Pramualrat	Senior Vice President, Special Asset Management Sector
Sasitorn Rattanakul	Senior Vice President, Business Banking Sector
Lek Ruangnaovarat	Senior Vice President, Internal Audit Sector
Montira Utarapichat	Senior Vice President, Treasury Sector

## Chairman's statement

### 2008 Review

Despite the formation of a new government following the general election in December 2007, political upheavals continued to take center-stage in Thailand throughout 2008. In addition, inflationary pressures from high oil prices resulted in higher costs and dampened demand. Although the oil-price driven inflationary pressures abated during the second half of 2008, global economic weakness had by then filtered through to Thailand. The combination of these events affected the Thai economy adversely.

2008 was a disastrous year for the global financial industry. Numerous global players, considered "giants" in the industry, faced unprecedented difficulties and required state bailouts. The credit crunch arising from the global financial crisis quickly led to the softening of the world's key economies. Global consumption and demand for goods and services slowed down significantly in the last quarter of the year and many countries slid into recession.

As with most banks in Thailand, UOBT was affected by the slowdown in the local economic activities, especially in the second half of 2008. The Bank is managing its asset portfolio prudently with risk management a key focus during these challenging times.

### Corporate Developments

In April 2008, the Bank completed the capital restructuring exercise which it embarked upon in the November 2007. This initiative involved the reduction of 72.5% of all issued ordinary shares and culminated with the elimination of historical retained losses accumulated prior to UOB Group's purchase of UOBT. In addition, the Bank raised an additional THB 2.2 billion in capital for future business expansion. Following the completion of this exercise, the Bank's capital adequacy ratio was a strong 18.9%. This strong capital position will stand the Bank in good stead during the current challenging economic climate, as well as provide the Bank with a solid base for future growth.

### 2008 Performance

Despite the economic uncertainties, the Bank achieved a net profit after tax of THB 1,374 million in 2008. This was a turnaround from the net loss of THB 89 million in 2007. The improved performance was due largely to higher net interest income from higher



loans and improved margins, as well as normalised loan provisions. Loan provisions set aside in 2007 were high due to a number of once-off requirements such as the Bank's sale of its historical NPL portfolio, and synchronisation of systems and policies between the Bank and its parent in adopting the Basel II risk framework.

Total loans grew by 7.4% to THB 159 billion at end 2008. Total deposits increased by 3.3% to THB 162 billion. The Bank's loan to deposit ratio of 98.5% is in line with the industry.

### **2009 Outlook And Prospects**

The economic outlook for 2009 remains highly challenging. It is anticipated that there will be a global recession over the next 12 months. We expect the Thai GDP to contract by 1% to 2% or at best, remain flat in 2009.

Given the weak economic climate, we expect lower personal consumption and loan demand as individuals and companies adopt a more cautious approach until the economic climate turns brighter.

UOBT will continue to work closely with all our customers during these challenging times. At the same time, we have put in place robust mechanisms to measure, track and monitor all key risks within the Bank. Prudent financial management and effective cost management will be top priorities in 2009.

### **Acknowledgement**

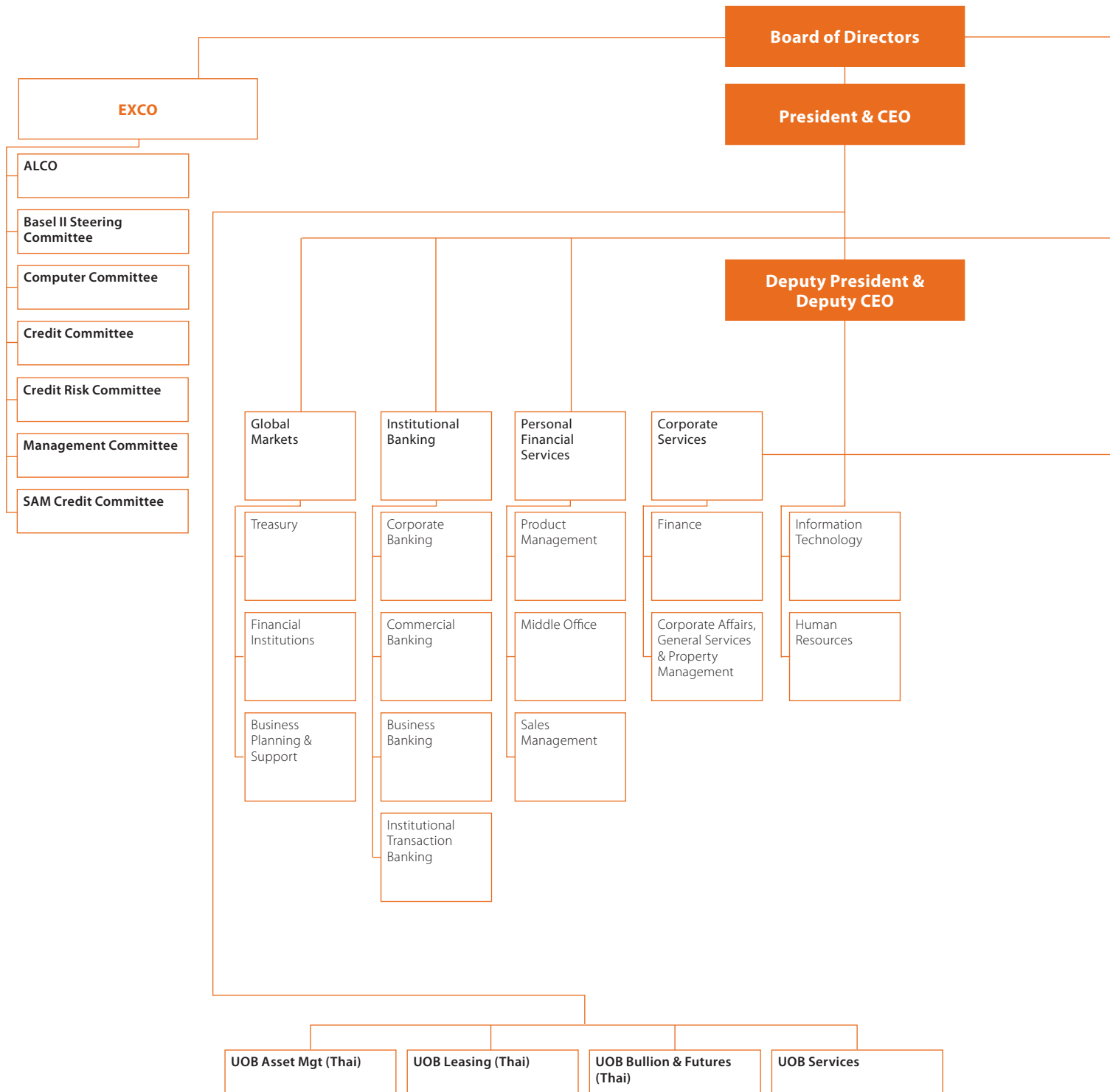
I want to thank the Board of Directors for their wise counsel, the management and staff for their hard-work and dedication, and our customers for their continued support. I would also like to record the Board's appreciation for Dr Pongsak Hoontrakul who retired in April 2008. Dr Pongsak had been with the UOB Group since May 2002.

### **Wee Cho Yaw**

March 2009

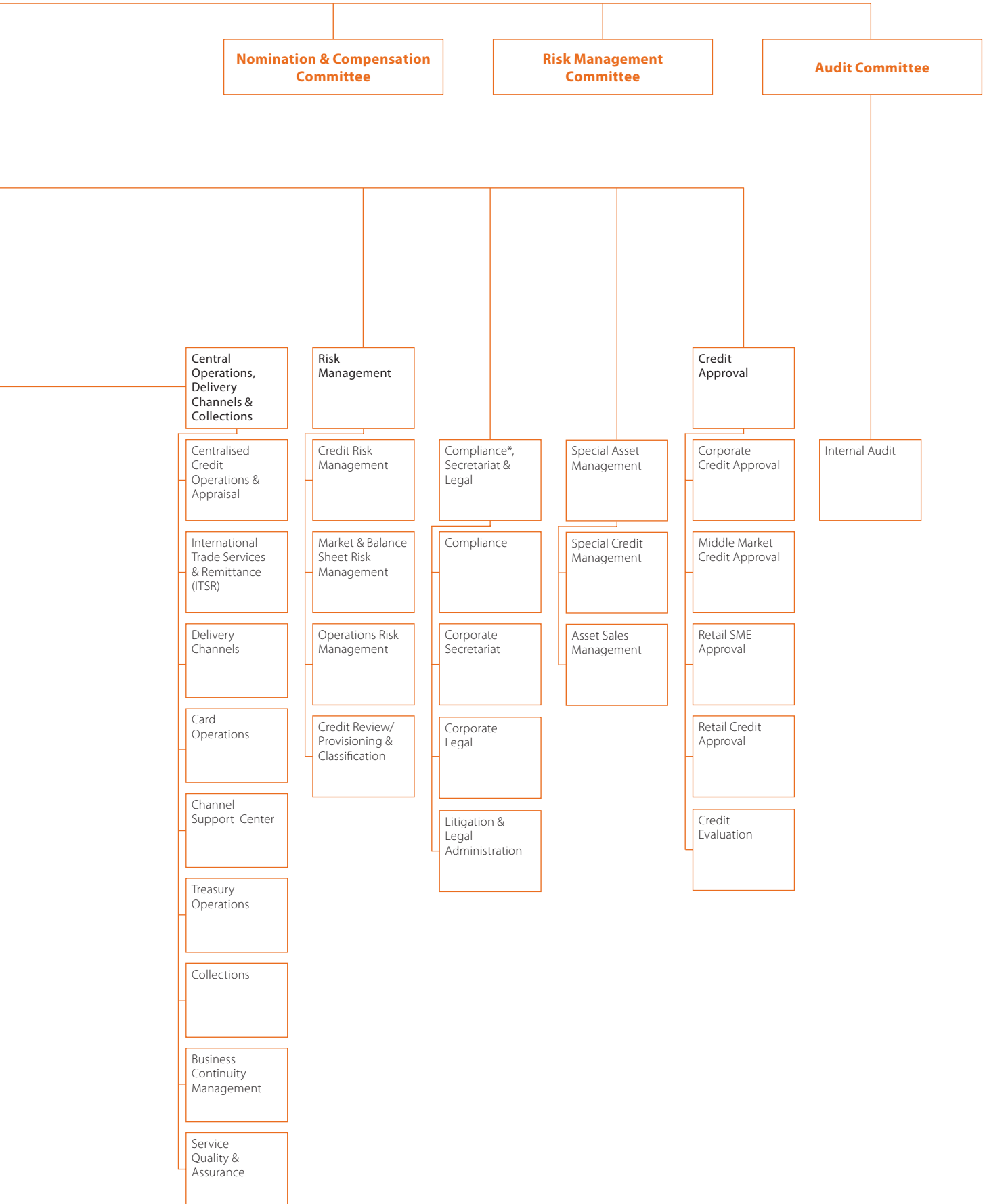
Prudent financial management and effective cost management will be top priorities in 2009.

# Organisational structure



\* Compliance function reports to the Board of Directors and to UOB Group Compliance





## Management discussion and analysis 2008

### Statutory financial results

The Bank reported a net profit after tax of THB 1,374 million for the year 2008, compared to a net loss of THB 89 million last year. This was mainly due to higher net interest income and non-interest income and lower loans provision, partly offset by higher non-interest expense and income tax.

### Summarised statutory financial results For the year ended 31 December 2008

Profit and loss statements	THB million		
	2008 audited	2007 audited	% change
Net income from interest and dividends	7,598	6,666	14.0
Non-interest income	2,833	2,457	15.3
Total income	10,431	9,123	14.3
Operating expenses	7,006	6,834	2.5
Operating profit	3,425	2,289	49.6
Provisions for doubtful debts	1,329	2,343	(43.3)
Net profit (loss) before tax	2,096	(54)	n.m.
Income tax	726	38	n.m.
Minority interest	4	3	33.3
Net profit (loss) after tax	1,374	(89)	n.m.

Key balance sheet items	THB million		
	31 Dec. 2008 audited	31 Dec. 2007 audited	% change
Total assets	216,912	212,144	2.3
Total loans	159,312	148,341	7.4
NPLs	8,314	7,798	6.6
Total deposits	161,764	156,633	3.3

### Net interest income

Net interest income for the year 2008 was THB 7,598 million, an increase of THB 932 million or 14.0% compared to last year mainly due to higher loans margin resulting from positive impact from NPLs sold in second quarter of 2007. Interest income dropped 1.5% to THB 11,567 million, whereas interest expenses dropped 21.8% to THB 3,969 million. This was due to lower interest rates in lending and deposit compared to the previous year.

### Non-interest income

Non-interest income was THB 2,833 million, an increase of 15.3% compared to last year. This was mainly due to higher gains on exchange, higher fees and service income and higher gains on investment.

### Operating expenses

The Bank's non-interest expense for the year 2008 was THB 7,006 million, an increase of 2.5% from last year. Staff expenses increased by 8.2% following higher salary base compared to last year. Fees and service expenses and premises and equipment expenses were also higher, partly offset by lower loss on properties foreclosed compared to previous year.

**Loan provision**

The Bank set aside a total of THB 1,329 million in loan loss provisions for the year 2008, which is THB 1,014 million or 43.3% lower than provision set for 2007. This was due to once-off provisions set aside in 2007 for Bank’s sale of its historical non-performing loan (“NPL”) portfolio, synchronisation of systems and policies between the Bank and its parent in adopting the Basel II risk framework, and downgrading of several accounts to NPL status.

**Capital expenditure**

Capital expenditure for 2008 totalled THB 426 million, compared to THB 780 million in 2007. The capital expenditure of 2007 was mainly for computer equipment and application software for compliance to the new Basel II capital framework.

**Dividend payment**

In 2008, the Bank completed its exercise to restructure its capital. As at end-Dec 2008, the Bank had retained earnings of THB 1,822 million. The Bank declared no dividends will be paid from the 2008 profits as it intends to preserve its capital in view of the current economic downturn.

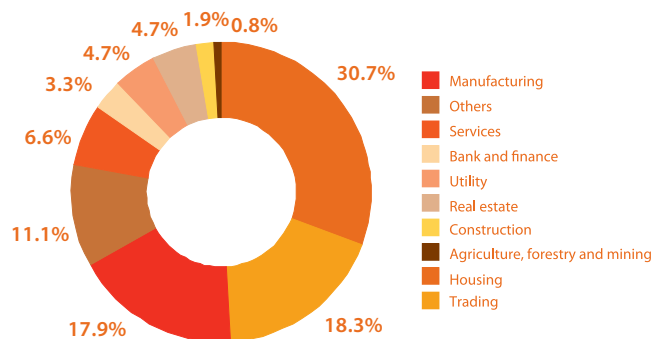
**Assets**

The total assets of the Bank and its subsidiaries as at 31 December 2008 were THB 216,912 million, an increase of 2.3% from 31 December 2007. The rise was largely from an increase in outstanding loans by THB 10,971 million or 7.4% to THB 159,312 million due primarily to growth in term loans and housing loans.

**Loans portfolio**

	% of total loans	
	2008	2007
Housing	30.7	31.6
Trading	18.3	20.8
Manufacturing	17.9	16.4
Others	11.1	9.4
Services	6.6	6.3
Bank and Finance	3.3	4.1
Utility	4.7	4.0
Real Estate	4.7	3.8
Construction	1.9	2.8
Agriculture Forestry and Mining	0.8	0.8
<b>Total loans</b>	<b>100.0</b>	<b>100.0</b>

**Loans by industry 2008**



The Bank’s manufacturing loan portfolio grew from 16.4% of total loan as at end-2007 to 17.9% as at end-2008. Proportion of loans to real estate also increased from 3.8% to 4.7%. However, loans to the trading industry declined from 20.8% to 18.3%.

**Loans to top 10 customer groups**

	% of total loans	
	2008	2007
Loans to top 10 customer groups	10.8	10.9
Others	89.2	89.1
<b>Total loans</b>	<b>100.0</b>	<b>100.0</b>

As at end-2008, loans to the 10 largest customer groups accounted for 10.8% of total loans, 0.1% points lower than the 10.9% recorded as at end-2007.

**Classification of loans\***

	2008		2007	
	THB million	%	THB million	%
Pass	167,493	92.2	140,549	93.9
Special mention	5,812	3.2	1,404	0.9
Total Performing loans	173,305	95.4	141,953	94.8
Substandard	2,097	1.2	1,325	0.9
Doubtful	508	0.3	949	0.6
Doubtful of loss	5,709	3.1	5,524	3.7
Total NPLs	8,314	4.6	7,798	5.2
Grand total	181,619	100.0	149,751	100.0

\* including interbank and money market loans

**Asset quality ratios**

	%	
	2008	2007
NPLs / Total loans*	4.6	5.2
Provision doubtful accounts / NPLs	72.0	68.9
Provision for doubtful accounts / Total loans	3.8	3.6

\* including interbank and money market loans

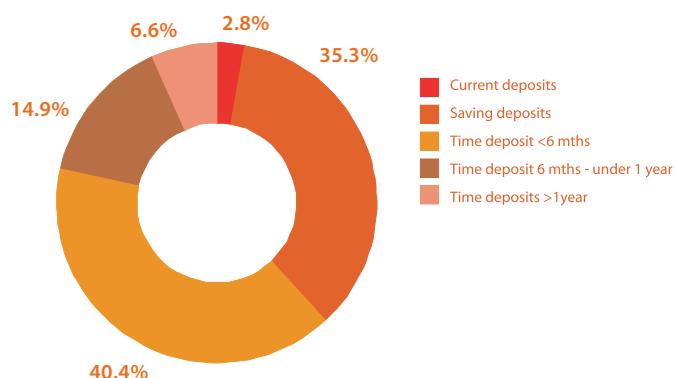
**Non-performing loan management**

NPLs as at end-2008 amounted to THB 8.3 billion or 4.6% of total loans compared to THB 7.8 billion or 5.2% as at end-2007. Whilst NPL ratio improved to 4.6% from 5.2%, absolute amount of NPLs increased by THB 0.5 billion to THB 8.3 billion as the deteriorating economic conditions in the second half of 2008 affected some customers.

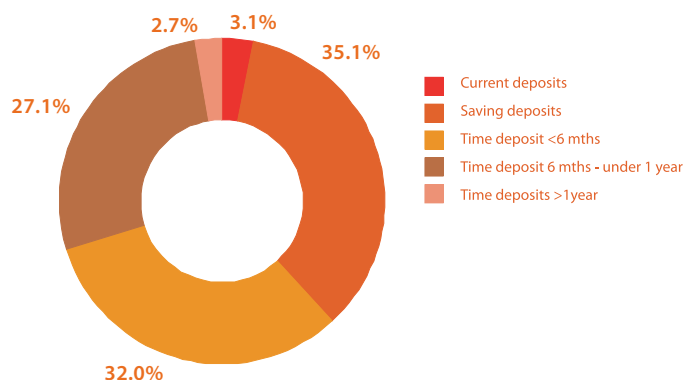
**Deposit structure**

	% to total deposits	
	2008	2007
Current deposits	2.8	3.1
Saving deposits	35.3	35.1
Time deposits	61.9	61.8
- under 6 months	40.4	32.0
- 6 months - under 1 year	14.9	27.1
- over 1 year	6.6	2.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Deposit structure 2008



### Deposit structure 2007



As at 31 December 2008, the Bank had total deposits of THB 161,764 million, a rise of 3.3% from end-2007. Total saving deposits accounted for 35.3% of total deposits, whereas fixed deposits were 61.9%. The remaining of 2.8% was in current deposits. Loans to deposits ratio was 98.5% as at end-2008 compared to 94.7% as at end-2007.

## Capital Funds

### Capital adequacy ratios

	2008		2007	
	THB million	%	THB million	%
Total capital	27,132	18.51	23,358	17.68
Tier 1 capital	24,906	16.99	21,833	16.53
Tier 2 capital and others	2,226	1.52	1,525	1.15

As per Bank of Thailand's regulation, the Bank had adopted the standardised method of Basel II capital framework since end-2008. Total capital adequacy ratio remained strong at 18.51% as at end-2008, an improvement over the 17.68% as at end-2007. Tier 1 capital rose to 16.99%. Tier 2 capital was 1.52% as at end-2008. Total capital adequacy and Tier 1 ratios are above the minimum requirement of the Bank of Thailand's of 8.50% and 4.25%, respectively.

## Report of Independent Auditor

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

I have audited the accompanying consolidated balance sheets of United Overseas Bank (Thai) Public Company Limited and its subsidiaries as at 31 December 2008 and 2007, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of United Overseas Bank (Thai) Public Company Limited for the same periods. These financial statements are the responsibility of the Bank's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2008 and 2007, the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.



Ratana Jala  
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited  
Bangkok, 6 March 2009

## Balance sheets

As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Assets</b>					
Cash	7	<b>3,794,986,785</b>	2,954,057,735	<b>3,794,846,063</b>	2,954,015,730
Interbank and money market items	8				
Domestic items					
Interest bearing		<b>23,264,703,131</b>	2,297,818,660	<b>23,184,896,900</b>	2,285,214,398
Non-interest bearing		<b>1,628,419,635</b>	1,330,904,777	<b>1,628,308,977</b>	1,328,584,233
Foreign items					
Interest bearing		-	14,134,195,858	-	14,134,195,858
Non-interest bearing		<b>706,280,425</b>	2,048,218,441	<b>706,280,425</b>	2,048,218,441
Total interbank and money market items - net		<b>25,599,403,191</b>	19,811,137,736	<b>25,519,486,302</b>	19,796,212,930
Securities purchased under resale agreements	9	-	1,200,000,000	-	1,200,000,000
Investments	10				
Current investments - net		<b>6,388,954,277</b>	17,026,515,488	<b>6,331,075,726</b>	17,025,328,937
Long-term investments - net		<b>5,158,960,089</b>	8,882,630,120	<b>5,155,329,260</b>	8,875,737,296
Investments in subsidiaries and associated companies - net	10.6	<b>192,949,933</b>	197,592,395	<b>860,123,140</b>	781,373,158
Total investments - net		<b>11,740,864,299</b>	26,106,738,003	<b>12,346,528,126</b>	26,682,439,391
Loans and accrued interest receivables	11				
Loans		<b>159,311,781,429</b>	148,341,242,517	<b>158,317,295,144</b>	147,458,491,118
Accrued interest receivables		<b>509,853,777</b>	461,385,345	<b>517,462,904</b>	469,516,775
Total loans and accrued interest receivables		<b>159,821,635,206</b>	148,802,627,862	<b>158,834,758,048</b>	147,928,007,893
Less: Allowance for doubtful accounts	12	<b>(5,988,717,818)</b>	(5,372,766,712)	<b>(5,766,780,034)</b>	(5,182,914,208)
Less: Revaluation allowance for debt restructuring	13	<b>(220,661)</b>	(695,808)	<b>(220,661)</b>	(695,808)
Loans and accrued interest receivables - net		<b>153,832,696,727</b>	143,429,165,342	<b>153,067,757,353</b>	142,744,397,877
Properties foreclosed - net	14	<b>8,304,127,628</b>	10,827,358,852	<b>8,304,127,627</b>	10,827,358,851
Customers' liabilities under acceptances		<b>74,918,587</b>	161,763,991	<b>74,918,587</b>	161,763,991
Premises and equipment - net	15	<b>3,888,592,529</b>	4,031,990,808	<b>3,861,579,458</b>	3,968,328,137
Unrealised gain on derivatives		<b>7,671,803,375</b>	1,608,548,742	<b>7,671,803,375</b>	1,608,548,742
Intangible assets - net	16	<b>985,879,091</b>	947,013,082	<b>983,053,050</b>	941,262,986
Other assets - net	17	<b>1,019,175,101</b>	1,065,745,784	<b>910,841,021</b>	960,699,969
<b>Total assets</b>		<b>216,912,447,313</b>	212,143,520,075	<b>216,534,940,962</b>	211,845,028,604

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

## Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Liabilities and shareholders' equity</b>					
Deposits	19				
Deposits in Baht		<b>160,512,391,956</b>	155,485,386,701	<b>160,651,469,617</b>	155,590,323,364
Deposits in foreign currencies		<b>1,251,650,191</b>	1,147,444,549	<b>1,251,650,191</b>	1,147,444,549
Total deposits		<b>161,764,042,147</b>	156,632,831,250	<b>161,903,119,808</b>	156,737,767,913
Interbank and money market items	20				
Domestic items					
Interest bearing		<b>7,044,567,230</b>	8,682,290,424	<b>7,237,873,062</b>	8,951,156,407
Non-interest bearing		<b>127,562,565</b>	437,484,682	<b>127,567,310</b>	437,489,682
Foreign items					
Interest bearing		<b>354,412,680</b>	3,129,972	<b>354,412,680</b>	3,129,972
Non-interest bearing		<b>568,180,978</b>	507,474,110	<b>568,180,978</b>	507,474,110
Total interbank and money market items		<b>8,094,723,453</b>	9,630,379,188	<b>8,288,034,030</b>	9,899,250,171
Liabilities payable on demand		<b>1,892,634,287</b>	2,546,598,312	<b>1,892,634,287</b>	2,546,598,312
Borrowings	21				
Short-term borrowings		<b>5,429,074,736</b>	12,033,269,851	<b>5,477,074,736</b>	12,033,269,851
Long-term borrowings		<b>1,112,821,421</b>	1,547,387,871	<b>1,112,821,421</b>	1,547,387,871
Total borrowings		<b>6,541,896,157</b>	13,580,657,722	<b>6,589,896,157</b>	13,580,657,722
Bank's liabilities under acceptances		<b>74,918,587</b>	161,763,991	<b>74,918,587</b>	161,763,991
Interest payable		<b>908,798,100</b>	1,299,517,145	<b>910,925,393</b>	1,301,572,898
Accrued expenses		<b>906,930,811</b>	787,126,552	<b>841,138,494</b>	710,180,979
Unrealised loss on derivatives		<b>6,527,889,327</b>	1,002,705,190	<b>6,527,889,327</b>	1,002,705,190
Provisions - other liabilities	22	<b>1,006,962,728</b>	1,020,319,970	<b>1,004,562,728</b>	1,020,319,970
Other liabilities	23	<b>1,156,526,066</b>	1,103,659,697	<b>1,050,871,335</b>	1,000,260,844
<b>Total liabilities</b>		<b>188,875,321,663</b>	187,765,559,017	<b>189,083,990,146</b>	187,961,077,990

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



## Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Shareholders' equity</b>					
Share capital	24				
Registered share capital					
2,485,661,305 ordinary shares at par value of Baht 10 each (31 December 2007 :					
8,217,062,166 ordinary shares at par value of Baht 10 each)		<b>24,856,613,050</b>	82,170,621,660	<b>24,856,613,050</b>	82,170,621,660
Issued and fully paid-up share capital					
2,485,661,305 ordinary shares at par value of Baht 10 each (31 December 2007 :					
8,217,062,166 ordinary shares at par value of Baht 10 each)		<b>24,856,613,050</b>	82,170,621,660	<b>24,856,613,050</b>	82,170,621,660
Discount on share capital		-	(25,661,349,235)	-	(25,661,349,235)
Revaluation surplus on fixed assets		<b>1,053,594,075</b>	1,060,402,698	<b>1,053,594,075</b>	1,060,402,698
Revaluation surplus on investments	10.3	<b>275,519,080</b>	251,975,386	<b>290,346,497</b>	242,305,359
Retained earnings (Deficits)					
Appropriated					
Statutory reserve	25	<b>65,000,000</b>	367,591,201	<b>65,000,000</b>	367,591,201
Other reserve	26	-	72,000,000	-	72,000,000
Unappropriated (deficits)		<b>1,756,718,378</b>	(33,910,602,074)	<b>1,185,397,194</b>	(34,367,621,069)
Equity attributable to the Bank's shareholders		<b>28,007,444,583</b>	24,350,639,636	<b>27,450,950,816</b>	23,883,950,614
Minority interests		<b>29,681,067</b>	27,321,422	-	-
<b>Total shareholders' equity</b>		<b>28,037,125,650</b>	24,377,961,058	<b>27,450,950,816</b>	23,883,950,614
<b>Total liabilities and shareholders' equity</b>		<b>216,912,447,313</b>	212,143,520,075	<b>216,534,940,962</b>	211,845,028,604

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

## Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<b>Off-balance sheet items</b>	30.1			
<b>- Contingencies and commitments</b>				
Avals to bills and guarantees of loans	<b>1,696,926,721</b>	962,428,681	<b>1,696,926,721</b>	962,428,681
Liabilities under unmatured import bills	<b>1,114,260,877</b>	1,368,606,270	<b>1,114,260,877</b>	1,368,606,270
Letters of credit	<b>1,509,405,807</b>	3,732,541,640	<b>1,509,405,807</b>	3,732,541,640
Other contingencies and commitments	<b>286,028,624,527</b>	192,779,867,660	<b>286,028,624,527</b>	192,779,867,660



(Wong Kim Choong)  
President & Chief Executive Officer




(Lee Tse Tiong)  
Director & Senior Executive Vice President

## Income statements

For the years ended 31 December 2008 and 2007

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<b>Interest and dividend income</b>				
Loans	10,003,334,470	9,266,905,246	10,076,482,649	9,341,968,553
Interbank and money market items	571,077,089	1,530,210,910	568,406,849	1,529,394,346
Hire-purchase and financial lease	176,256,488	192,095,593	-	-
Investments	816,200,529	751,500,209	814,250,607	758,513,729
<b>Total interest and dividend income</b>	<b>11,566,868,576</b>	<b>11,740,711,958</b>	<b>11,459,140,105</b>	<b>11,629,876,628</b>
<b>Interest expenses</b>				
Deposits	3,579,880,625	4,747,464,404	3,582,061,612	4,750,329,899
Interbank and money market items	244,223,647	196,925,974	248,472,997	198,739,403
Short-term borrowings	108,286,454	83,525,928	108,872,314	83,906,065
Long-term borrowings	36,220,447	46,308,097	36,220,447	46,308,097
<b>Total interest expenses</b>	<b>3,968,611,173</b>	<b>5,074,224,403</b>	<b>3,975,627,370</b>	<b>5,079,283,464</b>
Net interest and dividend income	7,598,257,403	6,666,487,555	7,483,512,735	6,550,593,164
Bad debts and doubtful accounts	(1,329,078,162)	(2,343,359,857)	(1,292,881,790)	(2,282,374,827)
<b>Net interest and dividend income after bad debts and doubtful accounts</b>	<b>6,269,179,241</b>	<b>4,323,127,698</b>	<b>6,190,630,945</b>	<b>4,268,218,337</b>
<b>Non-interest income</b>				
Gains on investments	28 146,216,691	134,963,895	146,216,691	132,713,895
Share of profit (loss) from investment accounted for under equity method	16,673,188	(12,590,624)	-	-
Fees and service income				
Acceptances, avals and guarantees	11,123,897	10,289,200	11,123,897	10,289,200
Others	1,873,601,217	1,845,215,572	1,601,754,384	1,556,253,002
Gains on exchange	580,619,401	189,897,684	580,488,149	189,897,700
Rental income	118,042,235	165,436,562	89,553,273	99,429,932
Other income	86,769,526	123,573,141	33,936,874	49,090,428
<b>Total non-interest income</b>	<b>2,833,046,155</b>	<b>2,456,785,430</b>	<b>2,463,073,268</b>	<b>2,037,674,157</b>

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

## Income statements (continued)

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Non-interest expenses</b>					
Personnel expenses		2,899,813,315	2,679,885,831	2,741,815,419	2,533,993,156
Premises and equipment expenses		1,215,177,583	1,204,031,354	1,174,790,006	1,120,402,101
Taxes and duties		411,341,295	434,123,002	410,212,512	432,858,220
Fees and service expenses		863,201,435	715,083,089	832,741,129	652,236,395
Directors' remuneration	34	8,715,000	8,625,000	8,550,000	8,460,000
Payments to the Deposit Protection Agency		641,141,651	651,490,072	641,141,651	651,490,073
Losses on properties foreclosed	29	103,116,113	252,478,510	105,766,919	252,545,398
Other expenses		863,152,778	888,329,479	804,419,603	835,068,387
<b>Total non-interest expenses</b>		<b>7,005,659,170</b>	<b>6,834,046,337</b>	<b>6,719,437,239</b>	<b>6,487,053,730</b>
<b>Income (loss) before income tax</b>		<b>2,096,566,226</b>	<b>(54,133,209)</b>	<b>1,934,266,974</b>	<b>(181,161,236)</b>
Income tax	35	726,887,418	37,842,695	675,000,000	-
<b>Net income (loss) for the years</b>		<b>1,369,678,808</b>	<b>(91,975,904)</b>	<b>1,259,266,974</b>	<b>(181,161,236)</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		1,373,569,163	(88,648,109)	1,259,266,974	(181,161,236)
Minority interests of the subsidiaries		(3,890,355)	(3,327,795)		
		<b>1,369,678,808</b>	<b>(91,975,904)</b>		
<b>Basic (losses) earnings per share</b>					
Net income (loss) attributable to equity holders of the parent	36	0.56	(0.04)	0.52	(0.08)
Weighted average number of ordinary shares (shares)		2,438,738,737	2,259,692,096	2,438,738,737	2,259,692,096

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

## Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

	Consolidated financial statements							(Unit: Baht)
	Issued and paid-up share capital	Discount on share capital	Revaluation surplus on fixed assets	Revaluation surplus on investments	Retained earnings (Deficits) Appropriated	Unappropriated	Minority interests	
<b>Beginning balance as of 1 January 2007</b>	82,170,621,660	(25,661,349,235)	1,056,108,003	96,007,816	439,591,201	(33,845,763,070)	24,399,217	24,279,615,592
Revaluation surplus on fixed assets	-	-	28,103,800	-	-	-	-	28,103,800
Amortisation of revaluation surplus on fixed assets	-	-	(23,809,105)	-	-	23,809,105	-	-
Increase in revaluation surplus on investments	-	-	-	155,967,570	-	-	-	155,967,570
Net income and expenses recognised directly in equity	-	-	4,294,695	155,967,570	-	23,809,105	-	184,071,370
Net loss for the year	-	-	-	-	-	(88,648,109)	(3,327,795)	(91,975,904)
Total income and expenses for the year	-	-	4,294,695	155,967,570	-	(64,839,004)	(3,327,795)	92,095,466
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	6,250,000	6,250,000
<b>Ending balance as of 31 December 2007</b>	82,170,621,660	(25,661,349,235)	1,060,402,698	251,975,386	439,591,201	(33,910,602,074)	27,321,422	24,377,961,058
<b>Beginning balance as of 1 January 2008</b>	82,170,621,660	(25,661,349,235)	1,060,402,698	251,975,386	439,591,201	(33,910,602,074)	27,321,422	24,377,961,058
Amortisation of revaluation surplus on fixed assets	-	-	(6,808,623)	-	-	6,808,623	-	-
Increase in revaluation surplus on investments	-	-	-	23,543,694	-	-	-	23,543,694
Net income and expenses recognised directly in equity	-	-	(6,808,623)	23,543,694	-	6,808,623	-	23,543,694
Net income (loss) for the year	-	-	-	-	-	1,373,569,163	(3,890,355)	1,369,678,808
Total income and expenses for the year	-	-	(6,808,623)	23,543,694	-	1,380,377,786	(3,890,355)	1,393,222,502
Decreased in share capital (Note 24)	(59,573,700,700)	25,661,349,235	-	-	-	33,912,351,465	-	-
Increased in share capital (Note 24)	2,259,692,090	-	-	-	-	-	-	2,259,692,090
Transfer of reserve to eliminate the retained losses (Note 24)	-	-	-	-	(439,591,201)	439,591,201	-	-
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	65,000,000	(65,000,000)	-	-
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	6,250,000	6,250,000
<b>Ending balance as of 31 December 2008</b>	24,856,613,050	-	1,053,594,075	275,519,080	65,000,000	1,756,718,378	29,681,067	28,037,125,650

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

## Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

	Separate financial statements							(Unit: Baht)
	Issued and paid-up share capital	Discount on share capital	Revaluation surplus on fixed assets	Revaluation surplus on investments	Revaluation surplus	Retained earnings (Deficits)	Total	
			Revaluation surplus on fixed assets	Revaluation surplus on investments	Retained earnings (Deficits)	Unappropriated	Appropriated	
<b>Beginning balance as of 1 January 2007</b>	82,170,621,660	(25,661,349,235)	1,056,108,003	90,424,490	439,591,201	(34,210,268,938)	23,885,127,181	
Revaluation surplus on fixed assets	-	-	28,103,800	-	-	-	-	28,103,800
Amortisation of revaluation surplus on fixed assets	-	-	(23,809,105)	-	-	23,809,105	-	-
Increase in revaluation surplus on investments	-	-	-	151,880,869	-	-	-	151,880,869
Net income and expenses recognised directly in equity	-	-	4,294,695	151,880,869	-	23,809,105	-	179,984,669
Net loss for the year	-	-	-	-	-	(181,161,236)	-	(181,161,236)
Total income and expenses for the year	-	-	4,294,695	151,880,869	-	(157,352,131)	-	(1,176,567)
<b>Ending balance as of 31 December 2007</b>	82,170,621,660	(25,661,349,235)	1,060,402,698	242,305,359	439,591,201	(34,367,621,069)	23,883,950,614	
<b>Beginning balance as of 1 January 2008</b>	82,170,621,660	(25,661,349,235)	1,060,402,698	242,305,359	439,591,201	(34,367,621,069)	23,883,950,614	
Amortisation of revaluation surplus on fixed assets	-	-	(6,808,623)	-	-	6,808,623	-	-
Increase in revaluation surplus on investments	-	-	-	48,041,138	-	-	-	48,041,138
Net income and expenses recognised directly in equity	-	-	(6,808,623)	48,041,138	-	6,808,623	-	48,041,138
Net income for the year	-	-	-	-	-	1,259,266,974	-	1,259,266,974
Total income and expenses for the year	-	-	(6,808,623)	48,041,138	-	1,266,075,597	-	1,307,308,112
Decreased in share capital (Note 24)	(59,573,700,700)	25,661,349,235	-	-	-	33,912,351,465	-	-
Increased in share capital (Note 24)	2,259,692,090	-	-	-	-	-	-	2,259,692,090
Transfer of reserve to eliminate the retained losses (Note 24)	-	-	-	-	(439,591,201)	439,591,201	-	-
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	65,000,000	(65,000,000)	-	-
<b>Ending balance as of 31 December 2008</b>	24,856,613,050	-	1,053,594,075	290,346,497	65,000,000	1,185,397,194	27,450,950,816	

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

## Cash flows statements

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<b>Cash flows from operating activities</b>				
Net income (loss) for the years before corporate income tax	<b>2,096,566,226</b>	(54,133,209)	<b>1,934,266,974</b>	(181,161,236)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Share of (profit) loss from investment accounted for under equity method	<b>(16,673,188)</b>	12,590,624	-	-
Depreciation	<b>386,019,684</b>	431,152,113	<b>357,063,571</b>	365,570,022
Amortisation and losses on assets written off	<b>121,017,820</b>	117,242,595	<b>117,716,316</b>	116,758,232
Amortisation of goodwills	-	1,654,767	-	-
Unrealised (gains) losses on revaluation of investments	<b>(14,686,268)</b>	7,726,160	<b>(14,686,268)</b>	7,726,160
Losses on impairment of investments	<b>89,724,274</b>	1,367,101	<b>89,724,274</b>	16,367,101
Bad debt and doubtful accounts - loans and accrued interest receivables	<b>1,783,446,613</b>	2,769,873,586	<b>1,743,421,594</b>	2,707,873,585
Losses on impairment of other assets	-	14,520,296	-	14,520,296
Interest income recognised by amortisation of revaluation allowance from debt restructuring	<b>(475,147)</b>	(811,304)	<b>(475,147)</b>	(811,304)
Losses on impairment of properties foreclosed	<b>366,000,000</b>	300,000,000	<b>366,000,000</b>	300,000,000
Gain on disposal of investments	<b>(182,046,392)</b>	(26,563,410)	<b>(182,046,392)</b>	(39,313,410)
(Gains) loss on disposal of premises and equipment	<b>(38,739,666)</b>	(75,259,823)	<b>5,294,098</b>	(9,217,584)
Gains on exchange	<b>(894,530,560)</b>	(489,947,202)	<b>(894,530,560)</b>	(489,947,202)
Decrease in accrued other income	<b>10,280,429</b>	67,567,226	<b>10,852,833</b>	67,300,487
Increase in provisions	<b>(13,357,242)</b>	98,351,688	<b>(15,757,242)</b>	98,351,688
Increase in accrued other expenses	<b>119,804,259</b>	69,816,409	<b>130,957,515</b>	49,329,378
	<b>3,812,350,842</b>	3,245,147,617	<b>3,647,801,566</b>	3,023,346,213
Net interest and dividend income	<b>(7,598,257,403)</b>	(6,666,487,555)	<b>(7,483,512,735)</b>	(6,550,593,164)
Cash received from interest and dividend income	<b>11,501,469,441</b>	11,529,664,940	<b>11,394,840,452</b>	11,417,830,837
Cash paid for interest expenses	<b>(4,279,921,355)</b>	(4,435,658,720)	<b>(4,286,866,011)</b>	(4,438,898,029)
Cash paid for corporate income tax	<b>(427,935,143)</b>	(68,077,048)	<b>(378,238,116)</b>	(41,480,916)
<b>Net income from operating activities before changes in operating assets and liabilities</b>	<b>3,007,706,382</b>	3,604,589,234	<b>2,894,025,156</b>	3,410,204,941

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

## Cash flows statements (continued)

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
(Increase) decrease in operating assets				
Interbank and money market items	<b>(6,787,728,153)</b>	(12,095,650,735)	<b>(6,723,885,652)</b>	(12,132,730,572)
Securities purchased under resale agreements	<b>1,200,000,000</b>	390,000,000	<b>1,200,000,000</b>	390,000,000
Investment in securities for trading	<b>11,395,609,193</b>	(12,100,392,067)	<b>11,395,609,192</b>	(12,100,392,067)
Loans	<b>(11,987,564,791)</b>	(180,296,729)	<b>(11,860,966,480)</b>	(130,129,555)
Properties foreclosed	<b>2,275,501,228</b>	1,430,345,747	<b>2,268,577,542</b>	1,408,432,554
Other assets	<b>635,371,523</b>	442,563,050	<b>636,111,601</b>	483,992,077
Increase (decrease) in operating liabilities				
Deposits	<b>5,101,171,875</b>	7,292,709,333	<b>5,135,312,874</b>	7,339,904,604
Interbank and money market items	<b>(1,608,098,253)</b>	3,077,246,429	<b>(1,683,658,659)</b>	3,386,907,674
Liabilities payable on demand	<b>(653,341,132)</b>	730,633,718	<b>(653,341,132)</b>	730,633,718
Short-term borrowings	<b>(6,637,911,823)</b>	9,790,315,198	<b>(6,589,911,823)</b>	9,740,315,198
Other liabilities	<b>(713,035,436)</b>	(823,856,911)	<b>(711,770,111)</b>	(850,430,358)
<b>Net cash flows provided by (used in) operating activities</b>	<b>(4,772,319,387)</b>	1,558,206,267	<b>(4,693,897,492)</b>	1,676,708,214
<b>Cash flows from investing activities</b>				
Proceeds from sales of investments	<b>38,754,306,221</b>	27,102,234,529	<b>38,754,306,221</b>	27,096,380,038
Cash paid for investments	<b>(34,571,230,036)</b>	(30,413,259,246)	<b>(34,593,368,218)</b>	(30,432,009,245)
Dividend received from investment in an associated company	-	7,132,270	-	-
Proceeds from sales of premises and equipment	<b>60,063,634</b>	125,387,460	<b>5,046,225</b>	9,449,397
Purchases of premises and equipment	<b>(264,737,419)</b>	(519,964,606)	<b>(260,655,216)</b>	(486,565,470)
Purchases of intangible assets	<b>(160,309,156)</b>	(262,641,776)	<b>(159,506,380)</b>	(260,501,148)
<b>Net cash provided by (used in) investing activities</b>	<b>3,818,093,244</b>	(3,961,111,369)	<b>3,745,822,632</b>	(4,073,246,428)
<b>Cash flows from financing activities</b>				
Cash received from minority interest for call-up share capital of subsidiary company	<b>6,250,000</b>	6,250,000	-	-
Increase (decrease) in long-term borrowings	<b>(470,786,897)</b>	1,485,909,775	<b>(470,786,897)</b>	1,485,909,775
Proceeds from increase in ordinary share capital	<b>2,259,692,090</b>	-	<b>2,259,692,090</b>	-
<b>Net cash (used in) provided by financing activities</b>	<b>1,795,155,193</b>	1,492,159,775	<b>1,788,905,193</b>	1,485,909,775
Net increase (decrease) in cash	<b>840,929,050</b>	(910,745,327)	<b>840,830,333</b>	(910,628,439)
Cash as at 1 January	<b>2,954,057,735</b>	3,864,803,062	<b>2,954,015,730</b>	3,864,644,169
Cash as at 31 December	<b>3,794,986,785</b>	2,954,057,735	<b>3,794,846,063</b>	2,954,015,730
<b>Supplemental disclosures of cash flows information</b>				
Non-cash item				
Properties foreclosed received in settlement of debts from borrowers	<b>118,270,004</b>	460,289,124	<b>111,346,318</b>	438,375,932

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



# Notes to consolidated financial statements

For the years ended 31 December 2008 and 2007

## 1. General information

### 1.1 Corporate information

United Overseas Bank (Thai) Public Company Limited ("the Bank") was incorporated as a public company under Thai Laws. Its registered head office is located at 191 South Sathon Road, Sathon, Bangkok. The Bank's main business is commercial banking. As at 31 December 2008, the Bank conducts its business through a network of 151 branches, covering all parts of Thailand, and 1 overseas branch (2007: 152 domestic branches and 1 overseas branch). Its major shareholder is United Overseas Bank Limited, a company registered in Singapore.

### 1.2 Economic crisis

The financial crisis experienced by the United States of America over the past year has had a far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The crisis has substantially affected the business and financial plans of Thailand enterprises and asset value. Despite efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of facts currently known to the Company, and on estimates and assumptions currently considered appropriate.

## 2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Bank of Thailand ("The BOT") dated 3 August 2008, titled "Preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services" relating to the format of the financial statements of commercial banks.

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

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

## 3. Basis of consolidation

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

Business type	Country of registration	Percentage of income included in consolidated income for the years ended						
		Percentage of share holdings		Percentage of total assets included in consolidated assets		31 December		
		As at 31 December 2008	2007	As at 31 December 2008	2007	2008	2007	
<b>Subsidiaries</b>								
UOB Leasing (Thai) Co., Ltd.	Leasing	Thailand	99.99	99.99	1.26	1.27	2.04	2.61
UOB Asset Management (Thai) Co., Ltd.	Fund Management	Thailand	99.99	99.99	0.08	0.03	2.46	3.00
UOB Bullion & Futures (Thai) Co., Ltd.	Derivatives Brokerage	Thailand	75.00	75.00	0.01	0.02	0.03	0.01
UOB Services Co., Ltd.	Debt Collection Business	Thailand	99.99	-	-	-	-	-
<b>Subsidiary not included in consolidated financial statements</b>								
UOB Radanasin Public Co., Ltd.	Liquidation	Thailand	99.99	99.99	-	-	-	-

- b) Subsidiaries are entities in which the Bank has control over the financial and operating policies of those entities. Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases. The effects to the consolidated financial statements of all significant transactions between the Bank and its subsidiaries are eliminated in the consolidated financial statements, including investment in subsidiaries and share capital of subsidiaries.
- c) The consolidated financial statements for the years ended 31 December 2008 and 2007 excluded the financial statements of a subsidiary company, UOB Radanasin Public Company Limited, which was registered for dissolution with the Ministry of Commerce and was under liquidation process.
- d) The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using consistent significant accounting policies.
- e) The accompanying financial statements include the accounts of all branches after elimination of significant inter-branch transactions and balances.
- f) If the Bank receives shares as a result of debt restructuring of a borrower, which causes the Bank to hold more than 20 or 50 percent of the shares of such company, the Bank will not treat that investee company as an associated or a subsidiary company, but will treat it as general investments since the Bank intends to hold such shares only temporarily.
- g) The consolidated financial statements do not include the financial statements of unit trusts in which the Bank holds more than 50 percent of their issued units since the Bank has no control over their financial and operating policies.
- h) The separate financial statements, which present investments in subsidiaries and associates presented under the cost method, have been prepared solely for the benefit of the public.
- i) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

#### 4. Adoption of new accounting standards

##### 4.1 Accounting Standards which are effective for the current year

The Federation of Accounting Professions has issued Notifications No. 9/2550, 38/2550 and 62/2550 mandating the use of the new accounting Standards as follows.

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these standards and believes that TAS 31, TAS 33 and TAS 49 are not relevant to the business of the Bank, while, TAS 25, TAS 29, TAS 35, TAS 39, TAS 41, TAS 43 and TAS 51 are not have any significant impact on the financial statements for the current year.

#### 4.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notifications No. 86/2551 mandating the use of the following new accounting Standards.

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

### 5. Significant accounting policies

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

#### 5.1 Revenue recognition

##### (a) Interest and discount on loans

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

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

##### (b) Revenue recognition of subsidiaries

Hire purchase and financial lease income recognition

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

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

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

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

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

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

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

## 5.2 Expenses recognition

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

## 5.3 Cash

Cash is that amount included in the balance sheet under the caption of cash, and consist of cash on hand and cheques in transit.

## 5.4 Investments

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

Investments classified as trading securities are stated at fair value. Unrealised gains or losses arising on the revaluation of trading securities are reflected in the income statement.

Investments classified as available-for-sale securities are stated at fair value. Unrealised gains or losses arising on the revaluation of available-for-sale securities are shown as a separate component of shareholders' equity. Loss on impairment is charged to the income statement.

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

General investments, other than investments in subsidiaries and associated companies, are stated at cost net of allowance for impairment. Loss on impairment is charged to the income statement.

Purchases and sales of investments are recognised on settlement date.

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

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

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

Fair values of securities are calculated on the following bases:

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

## 5.5 Investments in subsidiary and associated companies

### Separate financial statements

Investments in subsidiary and associated companies are stated at cost net of allowance for impairment (if any). Loss on impairment is charged to the income statement.

### Consolidated financial statements

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

## 5.6 Loans

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

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

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

## 5.7 Allowance for doubtful accounts

The Bank set provision at 1% and 2% of the loan balance (excluding accrued interest receivable) net of collateral value for normal (including restructured receivables) loans and special mention loans, respectively, as required by the BOT's guidelines.

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

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

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

## 5.8 Troubled debt restructuring

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

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

## 5.9 Properties foreclosed

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

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

## 5.10 Premises and equipment and depreciation

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

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

Premises	-	50 years
Equipment	-	5 or 10 years

No depreciation is determined for land and assets under installation.

Depreciation is included in determining income.

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

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

- When the Bank's carrying amount of asset is increased as a result of a revaluation, the increase is credited directly to equity under the heading of "Revaluation surplus on fixed assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When the Bank's carrying amount of asset is decreased as a result of a revaluation, the decrease is recognised as an expense in the income statements. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on fixed assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on fixed assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statement.

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

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

## 5.11 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortization and an accumulated impairment losses.

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

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

	<u>Useful lives</u>
Leasehold rights	Over the lease period
Application softwares	5 or 10 years
Others	5 years

Amortisation is included in determining income.

#### 5.12 Provisions – other liabilities

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

#### 5.13 Related party transactions

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

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

#### 5.14 Employee benefits

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

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

The Bank's subsidiaries and their employees also established their provident funds under the Provident Fund Act B.E. 2530. The Bank's subsidiaries and their employees contribute to the funds at the same rate of between 3 to 10 percent of basic salary depending upon the number of years of services of each employee. The funds will be paid to employees upon termination in accordance with the rules of the funds.

The funds set up by the Bank and its subsidiaries are managed independently by UOB Asset Management (Thai) Co., Ltd. except for the fund set up by UOB Asset Management (Thai) Co., Ltd., which is managed by Bualuang Securities Public Company Limited. Therefore, these funds do not appear in the consolidated or separate balance sheets of the Bank and the relevant subsidiaries.

The Bank also has long-term employment benefit scheme for employees who have employment period of not less than 15 years only for the Bank of Asia's employees who joined the Bank before 16 May 2005, the benefit being based on the latest month's salary and the years of service. Employees will receive half of this long-term employment benefit when they resign or will receive it in full when they retire. The provision for this scheme is recorded as expenses in the income statements.

#### 5.15 Contributions to the Deposit Protection Agency

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

### 5.16 Income tax

Income tax are recorded by the Bank and its subsidiaries as expenses for the year based on the taxable profits determined in accordance with tax legislation.

### 5.17 Translation of foreign currency

Transactions in foreign currencies are translated into Baht at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies and off-balance sheet items, which related to forward exchange contracts and currency swap contracts, outstanding on the balance sheet date, have been translated into Baht at the exchange rate ruling on the balance sheet date announced by the Bank of Thailand.

All foreign exchange gains or losses are recognised in the income statement.

### 5.18 Financial derivatives

Financial derivative contracts are recorded as off-balance sheet items and the changes in fair value are recorded in the income statements.

Outstanding financial derivative contracts are valued at fair value. At the balance sheet date, the unrealised gains or losses on outstanding financial derivative contracts, are presented on a gross basis in the balance sheet.

### 5.19 Offsetting

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

## 6. Significant accounting judgments and estimates

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

#### Allowance for loan losses

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

#### Fair value of financial instruments

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

#### Impairment of equity investments

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



### **Recognition and derecognition of assets and liabilities**

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

### **Retirement benefits**

Retirement benefit costs are estimated based on assumptions. Inherent within these calculations are assumptions as to number of employees, salary and number of working years of each employee.

### **Goodwill and intangible assets**

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

### **Litigation**

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

### **Leases**

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

### **Premises and equipment/Depreciation**

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

The Bank and its subsidiaries measure land and buildings at revalued amounts. Fair value from revaluation is determined by independent valuer using market approach for land and the income approach for buildings. Such valuation is based on certain assumptions and estimates.

### **Allowance for impairment of property foreclosed**

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

### **Profit and loss sharing from transfer non-performing loan**

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

## 7. Cash

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2008	2007
Cash	3,604	2,705
Cheques in transit	191	249
Total	<b>3,795</b>	2,954

## 8. Interbank and money market items (assets)

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December					
	2008			2007		
	On demand	Term	Total	On demand	Term	Total
<b>Domestic items</b>						
The Bank of Thailand and Financial Institutions Development Fund	1,576	21,500	23,076	1,296	100	1,396
Commercial banks	68	171	239	48	903	951
Other banks	-	-	-	-	-	-
Finance companies, securities companies and credit foncier companies	-	650	650	100	400	500
Other financial institutions	-	1,045	1,045	-	789	789
Total domestic items	<b>1,644</b>	<b>23,366</b>	<b>25,010</b>	1,444	2,192	3,636
Add : Accrued interest receivables	-	7	7	-	7	7
Less : Allowance for doubtful accounts	-	(124)	(124)	-	(14)	(14)
Domestic items - net	<b>1,644</b>	<b>23,249</b>	<b>24,893</b>	1,444	2,185	3,629
<b>Foreign items</b>						
US Dollar	113	-	113	1,501	14,134	15,635
Yen	185	-	185	115	-	115
EURO	190	-	190	191	-	191
Other currencies	218	-	218	241	-	241
Total foreign items	<b>706</b>	-	<b>706</b>	2,048	14,134	16,182
Domestic and foreign items – net	<b>2,350</b>	<b>23,249</b>	<b>25,599</b>	3,492	16,319	19,811

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2008			2007		
On demand	Term	Total	On demand	Term	Total	
<b>Domestic items</b>						
The Bank of Thailand and Financial Institutions Development Fund	1,576	21,500	23,076	1,296	100	1,396
Commercial banks	53	106	159	33	903	936
Other banks	-	-	-	-	-	-
Financial companies, securities companies and credit foncier companies	-	650	650	100	400	500
Other financial institutions	-	1,045	1,045	-	789	789
Total domestic items	1,629	23,301	24,930	1,429	2,192	3,621
Add : Accrued interest receivables	-	7	7	-	7	7
Less : Allowance for doubtful accounts	-	(124)	(124)	-	(14)	(14)
Domestic items - net	1,629	23,184	24,813	1,429	2,185	3,614
<b>Foreign items</b>						
US Dollar	113	-	113	1,501	14,134	15,635
Yen	185	-	185	115	-	115
EURO	190	-	190	191	-	191
Other currencies	218	-	218	241	-	241
Total foreign items	706	-	706	2,048	14,134	16,182
Domestic and foreign items - net	2,335	23,184	25,519	3,477	16,319	19,796

## 9. Securities purchased under resale agreements

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2008	2007
Government and Bank of Thailand bonds	-	1,200
Total	-	1,200

## 10. Investments

### 10.1 Classified by types of investment

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December			
	2008		2007	
	Cost/ amortised cost	Fair value*	Cost/ amortised cost	Fair value*
<b>Current investments</b>				
<b>Securities for trading</b>				
Government and state enterprises securities	3,624	3,635	14,774	14,770
Add (less) : Allowance for revaluation	11	-	(4)	-
Total	3,635	3,635	14,770	14,770
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,751	2,754	2,229	2,255
Private sector debt securities	-	-	1	1
Total	2,751	2,754	2,230	2,256
Add : Allowance for revaluation	3	-	26	-
Total	2,754	2,754	2,256	2,256
Total current investments - net	6,389		17,026	

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December			
	2008		2007	
	Cost/ amortised cost	Fair value *	Cost/ amortised cost	Fair value *
<b>Long-term investments</b>				
<b>Available-for-sale securities</b>				
Government and state enterprises securities	1,610	1,706	4,722	4,686
Private sector debt securities	1,330**	1,312**	258	211
Marketable domestic equity securities	327	253	327	358
Marketable foreign equity security	-	143	-	-
Unit trusts	671	471	1,870	1,815
Total	<u>3,938</u>	<u>3,885</u>	7,177	7,070
Add : Allowance for revaluation	282	-	213	-
Less : Allowance for impairment of securities	(335)	-	(320)	-
Total	<u>3,885</u>	<u>3,885</u>	7,070	7,070
<b>Held-to-maturity debt instruments</b>				
Thai Asset Management Corporation promissory notes	3,261		3,725	
Less : Allowance for impairment of securities	(2,167)		(2,104)	
Total	<u>1,094</u>		<u>1,621</u>	
<b>General investment</b>				
Non-marketable domestic equity securities	98		98	
Non-marketable foreign equity securities	15		15	
Unit trusts	144		144	
Total	<u>257</u>		<u>257</u>	
Less : Allowance for impairment of securities	(77)		(65)	
Total	<u>180</u>		<u>192</u>	
Total long-term investments - net	<u>5,159</u>		<u>8,883</u>	

\* Refer to Note 38.6 C for fair value Held-to-maturity debt investments and general investment.

\*\* Including structured notes with a total cost of Baht 1,072 million and a fair value of Baht 1,101 million that were previously classified as loans, in accordance with the new BOT regulations.

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December			
	2008		2007	
Cost/ amortised cost	Fair value*	Cost/ amortised cost	Fair value*	
<b>Current investments</b>				
<b>Securities for trading</b>				
Government and state enterprises securities	3,624	3,635	14,774	14,770
Add (less) : Allowance for revaluation	11	-	(4)	-
Total	3,635	3,635	14,770	14,770
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,693	2,696	2,229	2,255
Private sector debt securities	-	-	-	-
Total	2,693	2,696	2,229	2,255
Add : Allowance for revaluation	3	-	26	-
Total	2,696	2,696	2,255	2,255
Total current investments - net	6,331		17,025	
<b>Long-term investments</b>				
<b>Available-for-sale securities</b>				
Government and state enterprises securities	1,610	1,706	4,722	4,686
Private sector debt securities	1,330**	1,312**	258	211
Marketable domestic equity securities	327	253	327	357
Marketable foreign equity security	-	143	-	-
Unit trusts	662	468	1,861	1,810
Total	3,929	3,882	7,168	7,064
Add : Allowance for revaluation	288	-	216	-
Less : Allowance for impairment of securities	(335)	-	(320)	-
Total	3,882	3,882	7,064	7,064

	(Unit: Million Baht)			
	Separate financial statements			
	As at 31 December			
	2008		2007	
	Cost/ amortised cost	Fair value *	Cost/ amortised cost	Fair value *
<b>Held-to-maturity debt instruments</b>				
Thai Asset Management Corporation promissory notes	3,261		3,725	
Less : Allowance for impairment of securities	(2,167)		(2,104)	
Total	<u>1,094</u>		<u>1,621</u>	
<b>General investment</b>				
Non-marketable domestic equity securities	97		97	
Non-marketable foreign equity securities	15		15	
Unit trusts	144		144	
Total	<u>256</u>		<u>256</u>	
Less : Allowance for impairment of securities	(77)		(65)	
Total	<u>179</u>		<u>191</u>	
Total long - term investments - net	<u>5,155</u>		<u>8,876</u>	

\* Refer to Note 38.6 C for fair value of Held-to-maturity debt investments and general investment

\*\* Including structured notes with a total cost of Baht 1,072 million and a fair value of Baht 1,101 million that were previously classified as loans, in accordance with the new BOT regulations.

As at 31 December 2008, the Bank has commitments to purchase debt securities of Baht 5,453 million (2007: Baht 7,571 million) and commitments to sell debt securities of Baht 5,711 million (2007: Baht 4,039 million).

The Bank has commitments in relation to an investment agreement to purchase investment units denominated in US Dollar currency. As at 31 December 2008, the Bank was committed to pay Baht 17 million, (2007: Baht 16 million) converted using the exchange rate ruling on the balance sheet date, for this investment.

## 10.2 Classified by the remaining period to maturity of the debt securities

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

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2008			
	remaining within			
	1 year	1-5 years	Over 5 years	Total
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,751	1,415	195	4,361
Private sector debt securities	48	1,282	-	1,330
Unit trusts	-	145	-	145
Total	2,799	2,842	195	5,836
Add : Allowance for revaluation	3	159	22	184
Less : Allowance for impairment of securities	(48)	(3)	-	(51)
Total	2,754	2,998	217	5,969
<b>Held-to-maturity debt instruments</b>				
Thai Asset Management Corporation				
promissory notes	-	3,261	-	3,261
Less : Allowance for impairment of securities	-	(2,167)	-	(2,167)
Total	-	1,094	-	1,094

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2007			
	remaining within			
	1 year	1-5 years	Over 5 years	Total
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,229	1,256	3,466	6,951
Private sector debt securities	49	210	-	259
Unit trusts	45	1,398	-	1,443
Total	2,323	2,864	3,466	8,653
Add (less) : Allowance for revaluation	32	171	(37)	166
Less : Allowance for impairment of securities	(48)	(3)	-	(51)
Total	2,307	3,032	3,429	8,768
<b>Held-to-maturity debt instruments</b>				
Thai Asset Management Corporation				
promissory notes	-	3,725	-	3,725
Less : Allowance for impairment of securities	-	(2,104)	-	(2,104)
Total	-	1,621	-	1,621



	(Unit: Million Baht)			
	Separate financial statements			
	As at 31 December 2008			
	remaining within			
	1 year	1–5 years	Over 5 years	Total
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,693	1,415	195	4,303
Private sector debt securities	48	1,282	-	1,330
Unit trusts	-	145	-	145
Total	2,741	2,842	195	5,778
Add : Allowance for revaluation	3	159	22	184
Less : Allowance for impairment of securities	(48)	(3)	-	(51)
Total	2,696	2,998	217	5,911
<b>Held-to-maturity debt instruments</b>				
Thai Asset Management Corporation promissory notes	-	3,261	-	3,261
Less : Allowance for impairment of securities	-	(2,167)	-	(2,167)
Total	-	1,094	-	1,094

	(Unit: Million Baht)			
	Separate financial statements			
	As at 31 December 2007			
	remaining within			
	1 year	1–5 years	Over 5 years	Total
<b>Available-for-sale securities</b>				
Government and state enterprises securities	2,229	1,256	3,466	6,951
Private sector debt securities	48	210	-	258
Unit trusts	45	1,398	-	1,443
Total	2,322	2,864	3,466	8,652
Add (less) : Allowance for revaluation	32	171	(37)	166
Less : Allowance for impairment of securities	(48)	(3)	-	(51)
Total	2,306	3,032	3,429	8,767
<b>Held-to-maturity debt instruments</b>				
Thai Asset Management Corporation promissory notes	-	3,725	-	3,725
Less : Allowance for impairment of securities	-	(2,104)	-	(2,104)
Total	-	1,621	-	1,621

As at 31 December 2008, investments in unit trusts as recorded in the consolidated financial statements and the separate financial statements included totals of Baht 145 million (2007: Baht 1,343 million) which were purchased from mutual funds managed by a subsidiary company. This is to improve the liquidity of these funds managed by the subsidiary in accordance with guidelines approved by the BOT. The subsidiary has plans to liquidate these mutual funds.

## 10.3 Revaluation surplus on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Revaluation surplus on investments				
Debt securities	184	236	183	236
Equity securities	208	107	207	93
Total	392	343	390	329
Revaluation deficit on investments				
Debt securities	-	(70)	-	(70)
Equity securities	(116)	(21)	(100)	(17)
Total	(116)	(91)	(100)	(87)
Total	276	252	290	242

## 10.4 Investments in equity securities in which the Bank and its subsidiaries holds over 10 percent of the paid-up capital, are as follows:

Company's name	Business	Type of securities	Consolidated and separate financial statements							
			Paid-up share capital		% of investment		Carrying value*		Dividend	
			As at 31 December		As at 31 December		As at 31 December		For the years ended	
			2008	2007	2008	2007	2008	2007	2008	2007
			(Million Baht)	(Million Baht)	%	%	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
<b>Related companies</b>										
Wing Fat Co., Ltd.	Leather manufacturer	Common stock	70	70	14.29	14.29	-	-	-	-

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

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2008	2007	2008	2007
Investment in equity fund	115	200	112	195
Investment in fixed income fund	148	692	148	692
Investment in flexible fund	208	923	208	923
Total	471	1,815	468	1,810

## 10.6 Investments in subsidiaries and associated companies

Company's name	Nature of business	Type of securities	Investment value														
			Paid-up share capital				Percentage of holding		Separate financial statement (cost method)		Consolidated financial statement (equity method)		Dividend received during the year				
			As at 31 December 2008		2007		As at 31 December 2008		2007		As at 31 December 2008		2007		31 December 2008		2007
Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
<b>Subsidiaries</b>																	
UOB Leasing (Thai) Co., Ltd.	Leasing	Common stock	320	320	99.99	99.99	320	320	-	-	-	-	-	-	-	-	-
UOB Asset Management (Thai) Co., Ltd.	Fund management	Common stock	100	100	99.99	99.99	135	135	-	-	-	-	-	-	-	-	-
UOB Radanasin Plc.	Liquidation	Common stock	5,417	5,417	99.99	99.99	111	111	111*	111*	-	-	-	-	-	-	-
UOB Bullion & Futures (Thai) Co., Ltd.	Derivatives brokerage	Common stock	150	125	75.00	75.00	113	94	-	-	-	-	-	-	-	-	-
UOB Services Co., Ltd.	Debt Collection Business	Common stock	60	-	99.99	-	60	-	-	-	-	-	-	-	-	-	-
<b>Associated company</b>																	
AXA Insurance Public Co., Ltd.	Non-life insurance	Common stock	353	353	22.06	22.06	121	121	82	87	-	-	-	-	-	-	7
Investments in subsidiaries and associated companies - net			<b>860</b>	<b>781</b>	<b>193</b>	<b>198</b>	<b>193</b>	<b>198</b>	<b>193</b>	<b>198</b>	<b>193</b>	<b>198</b>	<b>193</b>	<b>198</b>	<b>193</b>	<b>198</b>	<b>193</b>

\* The consolidated financial statements as at 31 December 2008 and 2007 excluded the financial statements of UOB Radanasin Plc., which was deregistered and under liquidation. This investment is stated at cost.

Summarised financial information of an associated company, AXA Insurance Public Co., Ltd.

	(Unit: Million Baht)	
	As at 31 December	
	2008	2007
Paid-up capital	353	353
Fair values of investments (Net Asset Value)	129	126
Total assets	1,888	1,826
Total liabilities	1,302	1,252
Total revenues for the year	1,372	1,361
Net income (loss) for the year	55	(6)
Dividend received during the year	-	7

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

	As at 31 December	
	2008	2007
	Shareholders' equity in the separate financial statements	27,451
Reconciliation items		
Accumulated share of profit from investments under equity method	641	528
Accumulated dividend received from subsidiary and associated companies	(69)	(69)
Minority interest	30	27
Accumulated impairment of goodwill	(1)	(2)
Share premium (discount) of subsidiaries/ associated company in consolidated financial statements	(15)	10
Total reconciliation items	586	494
Shareholders' equity in consolidated financial statements	28,037	24,378

## 11. Loans and accrued interest receivable

### 11.1 Classified by loan type

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Overdrafts	14,811	15,172	14,811	15,172
Loans	95,455	86,940	95,374	86,853
Trade bills	46,007	43,274	47,862	45,170
Hire-purchase receivables	272	254	-	-
Financial lease receivables	2,173	2,084	-	-
Others	594	617	270	263
Total	159,312	148,341	158,317	147,458
Add : Accrued interest receivables	510	462	518	470
Less : Allowance for doubtful accounts	(5,989)	(5,373)	(5,767)	(5,183)
Less : Revaluation allowance for debt restructuring	-	(1)	-	(1)
Total	153,833	143,429	153,068	142,744

## 11.2 Classified by the remaining periods of contracts

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Not over 1 year*	89,201	83,837	88,859	82,897
Over 1 year	70,111	64,504	69,458	64,561
Total	159,312	148,341	158,317	147,458
Add : Accrued interest receivables	510	462	518	470
Total loans and accrued interest receivables	159,822	148,803	158,835	147,928

\* Including contracts without maturity date and expired contracts

## 11.3 Classified by currencies and residential status of debtors

	Consolidated financial statements					
	As at 31 December					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	153,673	280	153,953	144,226	11	144,237
US Dollar	4,922	244	5,166	3,618	278	3,896
Other currencies	193	-	193	208	-	208
Total	158,788	524	159,312	148,052	289	148,341
Add : Accrued interest receivables	506	4	510	462	-	462
Total loans and accrued interest receivables	159,294	528	159,822	148,514	289	148,803

	Separate financial statements					
	As at 31 December					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	152,678	280	152,958	143,343	11	143,354
US Dollar	4,922	244	5,166	3,618	278	3,896
Other currencies	193	-	193	208	-	208
Total	157,793	524	158,317	147,169	289	147,458
Add : Accrued interest receivables	514	4	518	470	-	470
Total loans and accrued interest receivables	158,307	528	158,835	147,639	289	147,928

## 11.4 Classified by types of business and classified loans

(Unit: Million Baht)

	Separate financial statements					Total
	As at 31 December 2008					
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	
Agriculture and mining	721	11	66	1	461	1,260
Manufacturing and commerce	49,232	3,590	698	92	3,731	57,343
Real estate and construction	9,491	642	37	10	413	10,593
Public utilities and services	17,286	285	86	10	140	17,807
Housing loans	46,529	636	337	194	850	48,546
Others	21,532	648	273	201	114	22,768
Total	144,791	5,812	1,497	508	5,709	158,317
Add : Accrued interest receivables	482	36	-	-	-	518
Total loans and accrued interest receivables	145,273	5,848	1,497	508	5,709	158,835

(Unit: Million Baht)

	Separate financial statements					Total
	As at 31 December 2007					
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	
Agriculture and mining	804	11	22	10	466	1,313
Manufacturing and commerce	50,020	252	522	295	3,680	54,769
Real estate and construction	9,235	48	120	34	312	9,749
Public utilities and services	14,656	69	60	24	239	15,048
Housing loans	44,572	549	394	387	665	46,567
Others	18,969	475	207	199	162	20,012
Total	138,256	1,404	1,325	949	5,524	147,458
Add : Accrued interest receivables	452	13	-	-	5	470
Total loans and accrued interest receivables	138,708	1,417	1,325	949	5,529	147,928

As at 31 December 2008 and 2007, the status of the loans of a subsidiary classified by past due performance are as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2008	2007
1-30 days	2,599	2,491
31-90 days	61	79
91-180 days	5	65
181-365 days	28	12
Over 365 days	157	132
Total	2,850	2,779

## 11.5 Classified by loan classification in accordance with the Notification of the Bank of Thailand

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2008					
	Loans and accrued interest receivables	Other claims	Total	Outstanding balance (after deduction of collateral value)**	The average rate of provision (%)	Provision amount
Pass*	145,273	4	145,277	51,908	1.0	519
Special mention*	5,848	-	5,848	2,557	2.0	51
Substandard	1,497	2	1,499	548	100.0	548
Doubtful	508	-	508	212	100.0	212
Doubtful of loss	5,709	1	5,710	3,490	100.0	3,490
Provision in addition to the minimum requirement of the BOT	-	-	-	-		950
<b>Total</b>	<b>158,835</b>	<b>7</b>	<b>158,842</b>	<b>58,715</b>		<b>5,770</b>

Notes:

\* Debt balance/book value of normal and special mention loans used in the calculation of provision excludes accrued interest receivable

\*\* Outstanding balance after deduction of collateral value represented loans balance less (1) present value of discounted future cash flow to be received from customer, or (2) present value of discounted cash flow of collateral value, or (3) recoverable loan balance based on collective approach.

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2007					
	Loans and accrued interest receivables	Other claims	Total	Outstanding balance (after deduction of collateral value)**	The average rate of provision (%)	Provision amount
Pass*	138,708	5	138,713	46,835	1.0	468
Special mention*	1,417	1	1,418	442	2.0	9
Substandard	1,325	-	1,325	442	100.0	442
Doubtful	949	-	949	415	100.0	415
Doubtful of loss	5,529	2	5,531	3,551	100.0	3,551
Provision in addition to the minimum requirement of the BOT	-	-	-	-		300
<b>Total</b>	<b>147,928</b>	<b>8</b>	<b>147,936</b>	<b>51,685</b>		<b>5,185</b>

Notes:

\* Debt balance/book value of normal and special mention loans used in the calculation of provision excludes accrued interest receivable

\*\* Outstanding balance after deduction of collateral value represented loans balance less (1) present value of discounted future cash flow to be received from customer, or (2) present value of discounted cash flow of collateral value, or (3) recoverable loan balance based on collective approach.

As at 31 December 2008, loan provisions include provision for other claims, amounting to Baht 3 million (2007: Baht 2 million).

As at 31 December 2008, a subsidiary company has recorded allowance for doubtful accounts amounting to Baht 222 million (2007: Baht 190 million).

As at 31 December 2008, the amounts of deferred interest attributable to bills purchased at a discount, hire-purchase contracts and financial lease receivables, which have been set off against amounts recorded as receivables in the consolidated balance sheets, are Baht 252 million (2007: Baht 239 million) and Baht 21 million (2007: Baht 13 million) in the separate financial statements.

As at 31 December 2008 the Bank has classified unsecured consumer loan in accordance with the Notification of the Bank of Thailand for non-performing loans (excluding receivables classified as pass and special mention) using a collective approach, as follows:

Overdue (Days)	Unsecured consumer loans	The range of provision (%)	(Unit: Million Baht)	
			Provision amount	
0-119	257	22.41 - 59.79	128	
120-180	189	35.81 - 84.66	129	
Total	446		257	

#### 11.6 Hire purchase/finance lease receivables

Net receivables of a subsidiary under hire purchase agreements and financial leases as at 31 December 2008 amount to Baht 2,445 million (2007: Baht 2,338 million) and mostly comprise hire purchase agreements / financial leases for vehicles and machines. The term of the agreements are generally between 3 and 5 years and under most interest is charged at a fixed rate.

	As at 31 December 2008					(Unit: Million Baht)
	Amounts due under lease agreement					Total
	Less than 1 year	1-5 years	Over 5 years	Non performing loans		
Gross investment in the lease	1,254	1,347	-	75	2,676	
Unearned finance income*	(108)	(117)	-	(6)	(231)	
Present value of minimum lease payments receivable	1,146	1,230	-	69	2,445	
Allowance for doubtful accounts					98	

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

	As at 31 December 2007					(Unit: Million Baht)
	Amounts due under lease agreement					Total
	Less than 1 year	1-5 years	Over 5 years	Non performing loans		
Gross investment in the lease	1,123	1,357	-	85	2,565	
Unearned finance income*	(100)	(120)	-	(7)	(227)	
Present value of minimum lease payments receivable	1,023	1,237	-	78	2,338	
Allowance for doubtful accounts					65	

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



### 11.7 Non-accrual loans

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

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2008	2007
Non-accrual loans (principal only)	8,314	7,798
Percentage of total loans*	4.58	5.21

\* Including interbank and money market loans

The outstanding as at 31 December 2008 included loans to financial institutions amounting to Baht 600 million which are presented in interbank and money market items (2007: None).

As at 31 December 2008, a subsidiary had the non-accrual loans (loan where revenues are not recognized in accordance with the subsidiaries' accounting policy) as detailed in note 5.1 amounting to Baht 190 million (2007: Baht 209 million) which represented 6.65% of its total loans (2007: 7.52%).

### 11.8 Troubled debt restructuring

During the years ended 31 December 2008 and 2007, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below.

	(Unit: Million Baht)	
	Separate financial statements	
	For the years ended 31 December	
	2008	2007
Debt balances before restructuring	1,213	3,292
Total number of customers	8,240	4,478

Detail of the restructured debtors for the years ended 31 December 2008 and 2007 referred to above can be classified by method of troubled debt restructuring as follows:

	(Unit: Million Baht)				
	Separate financial statements				
	For the year ended 31 December 2008				
Type of restructuring	Number of customers subject to restructuring	Debt balances before restructuring	Type of assets/equity acquired	Fair value of assets/equity acquired	Debt balances as at the end of year
Asset swap for settlement	2	9	Cash	9	-
Modification of terms	8,238	1,204	-	-	1,100
Total	8,240	1,213		9	1,100

(Unit: Million Baht)

Separate financial statements					
For the year ended 31 December 2007					
Type of restructuring	Number of customers subject to restructuring	Debt balances before restructuring	Type of assets/equity acquired	Fair value of assets/equity acquired	Debt balances as at the end of year
Asset swap for settlement	11	1,230	Cash	1,230	-
Modification of terms	4,467	2,062	-	-	1,644
Total	4,478	3,292		1,230	1,644

The Bank recorded losses on restructuring in relation to certain particular customers as utilisation of allowance for doubtful accounts rather than charging to in the income statements for the periods since the Bank had already fully provided allowance for those loans.

The debts restructured by means of modification of the term of repayment referred to above during the years ended 31 December 2008 and 2007 can be classified by the term of repayment under the restructuring agreement as follows:

Separate financial statements			
For the year ended 31 December 2008			
Term of repayment according to the restructuring agreements:	Number of debtors	Debt balances (Million Baht)	
		Before restructuring	After restructuring
Not more than 5 years	8,159	1,100	1,100
5-10 years	26	25	25
10-15 years	18	21	21
More than 15 years	35	58	58
Total	8,238	1,204	1,204

Separate financial statements			
For the year ended 31 December 2007			
Term of repayment according to the restructuring agreements:	Number of debtors	Debt balances (Million Baht)	
		Before restructuring	After restructuring
Not more than 5 years	3,976	1,115	1,115
5-10 years	109	151	151
10-15 years	159	293	293
More than 15 years	223	503	503
Total	4,467	2,062	2,062

As at 31 December 2008 and 2007, the troubled debtors for which the Bank completed the restructuring can be summarised as follows:

Separate financial statements		
	Debt balances	
	Number of debtors	after restructuring
Balance of restructured debtors as at 31 December 2008	11,102	3,981
Balance of restructured debtors as at 31 December 2007	7,259	3,214

As at 31 December 2008, the Bank has committed additional funds to restructured debtors amounting to Baht 202 million (2007: Baht 164 million).

## 11.9 Transfer of Assets to the Thai Asset Management Corporation (TAMC)

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

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

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

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

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

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

On 28 November 2006, the Bank received a TAMC loss sharing report for the end of the first 5-year period, which the Bank was required to inform TAMC if any disputes arose from such report. The Bank has responded to the TAMC on the loss sharing report to TAMC on 15 January 2007, which included the confirmation of original transfer value as mentioned in the two preceding paragraphs.

On 15 October 2007, the bank filed a law suit against TAMC regarding to the above matter. As at 31 December 2008, the law suit case is still under the court's process.

The gross book value (before deduction of allowance for doubtful accounts) of non-performing loans transferred to TAMC was Baht 10,582 million, with the total transfer price based on the lower of collateral value or net book value of loans and accrued interest receivable totaling of Baht 6,399 million, of which included the value of collaterals as detailed above. Against this, the Bank has provided a provision for contingent loss from the gain/loss sharing from managing the impaired assets totaling of Baht 2,167 million.

As at 31 December 2008, the outstanding of TAMC's promissory note (before the price adjustment as informed according to TAMC's letter as mentioned above) was Baht 3,261 million (2007: Baht 3,725 million). During the year ended 31 December 2008, the Bank received a payment from TAMC for a principal and interest amounting to Baht 464 million and Baht 6 million, respectively (2007: principal of Baht 391 million and interest of Baht 13 million, respectively).

### 11.10 Sale of Non-performing Loans

In April 2007, the Bank sold non-performing loans, with total outstanding principal balance of Baht 10,657 million, to a local asset management company. The full impact of this NPL sale including contingent liabilities has been fully taken into the income statement for the year ended 31 December 2007.

## 12. Allowance for doubtful accounts

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2008						
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Additional provision	Total
Beginning balance	468	9	442	415	3,549	300	5,183
Doubtful accounts (reversal)	161	42	104	(203)	989	650	1,743
Reversal due to debt restructuring	-	-	-	-	-	-	-
Reversal due to sale of NPL	-	-	-	-	-	-	-
Loans to interbank and money market	(110)	-	-	-	-	-	(110)
Bad debts written off	-	-	-	-	(1,049)	-	(1,049)
Transfer from allowance for debt restructuring	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Ending balance	519	51	546	212	3,489	950	5,767

(Unit: Million Baht)

	Separate financial statements						
	For the year ended 31 December 2007						
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Additional provision	Total
Beginning balance	503	30	233	261	10,225	453	11,705
Doubtful accounts (reversal)	(26)	(21)	209	154	2,545	(153)	2,708
Reversal due to debt restructuring	-	-	-	-	(479)	-	(479)
Reversal due to sale of NPL	-	-	-	-	(7,601)	-	(7,601)
Loans to interbank and money market	(9)	-	-	-	-	-	(9)
Bad debts written off	-	-	-	-	(1,079)	-	(1,079)
Transfer from allowance for debt restructuring	-	-	-	-	2	-	2
Others	-	-	-	-	(64)	-	(64)
Ending balance	468	9	442	415	3,549	300	5,183

As at 31 December 2008 and 2007, the allowance for doubtful accounts of a subsidiary is as follows:

	(Unit: Million Baht)	
	For the years ended 31 December	
	2008	2007
Beginning balance	190	137
Doubtful accounts	40	62
Bad debt written off	(8)	(9)
Ending balance	222	190

### 13. Revaluation allowance for debt restructuring

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2008	2007
Beginning balance	1	30
Reversal due to sale of NPL	-	(26)
Transfer to allowance for doubtful accounts	-	(2)
Amortisation	(1)	(1)
Ending balance	-	1

### 14. Properties foreclosed

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

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

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

As at 31 December 2008 and 2007, the details of properties foreclosed are as follows:

Type of properties foreclosed	Consolidated financial statements					(Unit: Million Baht)
	For the year ended 31 December 2008					
	Beginning balance	Addition	Disposal	Ending balance	Obligations with regard to buy back options or first refusal rights	
Immovable	11,916	111	(2,268)	9,759	5	
Movable	-	7	(7)	-	-	
Total	11,916	118	(2,275)	9,759	5	
Others	98	1	(1)	98	-	
Total properties foreclosed	12,014	119	(2,276)	9,857	5	
Less : Allowance for impairment	(1,187)	(366)	-	(1,553)	-	
Properties foreclosed - net	10,827	(247)	(2,276)	8,304	5	

(Unit: Million Baht)

**Consolidated financial statements**  
**For the year ended 31 December 2007**

<b>Type of properties foreclosed</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Disposal</b>	<b>Ending balance</b>	<b>Obligations with regard to buy back options or first refusal rights</b>
Immovable	12,887	365	(1,336)	11,916	783
Movable	1	22	(23)	-	-
Total	12,888	387	(1,359)	11,916	783
Others	97	73	(72)	98	-
Total properties foreclosed	12,985	460	(1,431)	12,014	783
Less : Allowance for impairment	(888)	(300)	1	(1,187)	(29)
Properties foreclosed - net	12,097	160	(1,430)	10,827	754

(Unit: Million Baht)

**Separate financial statements**  
**For the year ended 31 December 2008**

<b>Type of properties foreclosed</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Disposal</b>	<b>Ending balance</b>	<b>Obligations with regard to buy back options or first refusal rights</b>
Immovable	11,916	111	(2,268)	9,759	5
Movable	-	-	-	-	-
Total	11,916	111	(2,268)	9,759	5
Others	98	1	(1)	98	-
Total properties foreclosed	12,014	112	(2,269)	9,857	5
Less : Allowance for impairment	(1,187)	(366)	-	(1,553)	-
Properties foreclosed - net	10,827	(254)	(2,269)	8,304	5

(Unit: Million Baht)

**Separate financial statements**  
**For the year ended 31 December 2007**

<b>Type of properties foreclosed</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Disposal</b>	<b>Ending balance</b>	<b>Obligations with regard to buy back options or first refusal rights</b>
Immovable	12,887	365	(1,336)	11,916	783
Movable	-	-	-	-	-
Total	12,887	365	(1,336)	11,916	783
Others	97	73	(72)	98	-
Total properties foreclosed	12,984	438	(1,408)	12,014	783
Less : Allowance for impairment	(887)	(300)	-	(1,187)	(29)
Properties foreclosed - net	12,097	138	(1,408)	10,827	754

## 15. Premises and equipment

(Unit: Million Baht)

	Consolidated financial statements				Total
	Land	Premises	Equipment	Assets under installation	
<b>Cost</b>					
31 December 2007	1,382	1,427	3,966	21	6,796
Acquisition	11	4	244	6	265
Transfer in (out)	-	-	16	(16)	-
Disposal and written-off	-	-	(343)	(5)	(348)
31 December 2008	1,393	1,431	3,883	6	6,713
<b>Increase from revaluation</b>					
31 December 2007	891	216	-	-	1,107
Increased	-	-	-	-	-
31 December 2008	891	216	-	-	1,107
<b>Accumulated depreciation</b>					
31 December 2007	-	(807)	(2,567)	-	(3,374)
Depreciation charged for the year	-	(24)	(365)	-	(389)
Disposal and written-off	-	-	326	-	326
31 December 2008	-	(831)	(2,606)	-	(3,437)
<b>Impairment loss</b>					
31 December 2007	(355)	(140)	(2)	-	(497)
Increased	-	3	-	-	3
31 December 2008	(355)	(137)	(2)	-	(494)
<b>Net book value</b>					
31 December 2007	1,918	696	1,397	21	4,032
31 December 2008	1,929	679	1,275	6	3,889
Depreciation charge included in the income statements for the years ended 31 December:					
2007					430
2008					389

(Unit : Million Baht)

	Separate financial statements				Total
	Land	Premises	Equipment	Assets under installation	
<b>Cost</b>					
31 December 2007	1,382	1,427	3,525	21	6,355
Acquisition	11	4	240	6	261
Transfer in (out)	-	-	16	(16)	-
Disposal and written-off	-	-	(216)	(5)	(221)
31 December 2008	1,393	1,431	3,565	6	6,395
<b>Increase from revaluation</b>					
31 December 2007	891	216	-	-	1,107
Increased	-	-	-	-	-
31 December 2008	891	216	-	-	1,107
<b>Accumulated depreciation</b>					
31 December 2007	-	(807)	(2,192)	-	(2,999)
Depreciation charged for the year	-	(24)	(336)	-	(360)
Disposal and written-off	-	-	211	-	211
31 December 2008	-	(831)	(2,317)	-	(3,148)
<b>Impairment loss</b>					
31 December 2007	(355)	(140)	-	-	(495)
Increased	-	3	-	-	3
31 December 2008	(355)	(137)	-	-	(492)
<b>Net book value</b>					
31 December 2007	1,918	696	1,333	21	3,968
31 December 2008	1,929	679	1,248	6	3,862
Depreciation charge included in the income statements for the years ended 31 December:					
2007					365
2008					360

The Bank's land and buildings were appraised during in the year 2007 by independent appraisers. The reappraisal approaches are as follow:

Land	Fair market approach
Premises	Depreciated replacement cost

Difference arising from revaluation is recorded in the Bank's financial statement in accordance with the accounting policy as detailed in note 5.10 to financial statements.

As at 31 December 2008, certain premises and equipment items of the Bank and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 1,397 million (2007: Baht 1,293 million). The Bank only: Baht 1,372 million (2007: Baht 1,268 million)



## 16. Intangible assets

As at 31 December 2008 and 2007, the intangible assets are as follows:

	Consolidated financial statements				(Unit : Million Baht)
	Leasehold rights	Application software	Assets under installation	Others	Total
<b>Cost</b>					
31 December 2007	388	1,238	83	5	1,714
Acquisition	-	103	57	-	160
Transfer in (out)	-	69	(69)	-	-
Disposal	(4)	(3)	-	(1)	(8)
31 December 2008	384	1,407	71	4	1,866
<b>Accumulated amortisation</b>					
31 December 2007	(212)	(553)	-	(2)	(767)
Amortisation for the year	(17)	(101)	-	-	(118)
Disposal and written-off	4	1	-	-	5
31 December 2008	(225)	(653)	-	(2)	(880)
<b>Net book value</b>					
31 December 2007	176	685	83	3	947
31 December 2008	159	754	71	2	986
Remaining useful lives (years)	1-23	1-10	-	-	
Amortisation for the years ended 31 December:					
2007					95
2008					118

(Unit: Million Baht)

	Separate financial statements				Total
	Leasehold rights	Application software	Assets under installation	Others	
<b>Cost</b>					
31 December 2007	388	1,212	83	2	1,685
Acquisition	-	102	57	-	159
Transfer in (out)	-	69	(69)	-	-
Disposal	(4)	-	-	-	(4)
31 December 2008	384	1,383	71	2	1,840
<b>Accumulated amortisation</b>					
31 December 2007	(212)	(532)	-	-	(744)
Amortisation for the year	(17)	(100)	-	-	(117)
Disposal and written-off	4	-	-	-	4
31 December 2008	(225)	(632)	-	-	(857)
<b>Net book value</b>					
31 December 2007	176	680	83	2	941
31 December 2008	159	751	71	2	983
Remaining useful lives (years)	1-23	1-10	-	-	
Amortisation for the years ended 31 December:					
2007					93
2008					117

As at 31 December 2008, certain intangible assets of the Bank and its subsidiaries have been fully amortised but are still in use. The original cost, before deducting accumulated amortisation, of those assets amounted to Baht 215 million (2007: Baht 205 million). The Bank only: Baht 184 million (2007: Baht 176 million).

## 17. Other assets

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Accrued income	316	515	291	454
Suspense debtors	195	164	195	164
Prepaid and deferred expenses	235	210	201	189
Deposits	103	101	90	89
Others	170	76	134	65
Total	1,019	1,066	911	961

## 18. Classified assets

(Unit: Million Baht)

Classifications	Separate financial statements				
	As at 31 December 2008				
	Investments	Loans <sup>(1)</sup>	Properties foreclosed	Other assets <sup>(2)</sup>	Total
Pass	-	167,493	-	4	167,497
Special mention	-	5,812	-	-	5,812
Substandard	-	2,097	-	2	2,099
Doubtful	-	508	-	-	508
Doubtful of loss	2,716	5,709	707	87	9,219
Total	2,716	181,619	707	93	185,135

(1) Including interbank and money market loans.

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

(Unit: Million Baht)

Classifications	Separate financial statements				
	As at 31 December 2007				
	Investments	Loans <sup>(1)</sup>	Properties foreclosed	Other assets <sup>(2)</sup>	Total
Pass	-	140,549	-	5	140,554
Special mention	-	1,404	-	-	1,404
Substandard	-	1,325	-	-	1,325
Doubtful	-	949	-	1	950
Doubtful of loss	2,624	5,524	789	87	9,024
Total	2,624	149,751	789	93	153,257

(1) Including interbank and money market loans.

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

## 19. Deposits

### 19.1 Classified by types of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Current accounts	4,524	4,784	4,529	4,792
Savings accounts	57,028	54,914	57,112	54,924
Fixed deposits				
- Less than 6 months	65,397	50,155	65,397	50,242
- 6 months - 1 year	24,065	42,397	24,065	42,397
- Over 1 year	10,750	4,383	10,800	4,383
Total	161,764	156,633	161,903	156,738

## 19.2 Classified by the remaining period of contracts

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December			
	2008	2007	2008	2007
Not over 1 year	153,550	154,146	153,639	154,251
Over 1 year	8,214	2,487	8,264	2,487
Total	<b>161,764</b>	156,633	<b>161,903</b>	156,738

## 19.3 Classified by currencies and residential status of depositors

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	157,827	2,685	160,512	152,965	2,520	155,485
US Dollar	699	161	860	648	143	791
Others	149	243	392	137	220	357
Total	<b>158,675</b>	<b>3,089</b>	<b>161,764</b>	153,750	2,883	156,633

	(Unit: Million Baht)					
	Separate financial statements					
	As at 31 December					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	157,966	2,685	160,651	153,070	2,520	155,590
US Dollar	699	161	860	648	143	791
Others	149	243	392	137	220	357
Total	<b>158,814</b>	<b>3,089</b>	<b>161,903</b>	153,855	2,883	156,738

**20. Interbank and money market items (liabilities)**

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2008			2007		
On demand	Term	Total	On demand	Term	Total	
<b>Domestic items</b>						
The Bank of Thailand and Financial Institutions Development Fund	-	716	716	-	1,278	1,278
Commercial banks	79	4,403	4,482	552	-	552
Other banks	11	-	11	1	4,000	4,001
Finance companies, securities companies and credit foncier companies	491	434	925	705	16	721
Other financial institutions	757	281	1,038	1,199	1,369	2,568
Total domestic items	1,338	5,834	7,172	2,457	6,663	9,120
<b>Foreign items</b>						
US Dollar	47	349	396	34	-	34
Other currencies	527	-	527	476	-	476
Total foreign items	574	349	923	510	-	510
Total domestic and foreign items	1,912	6,183	8,095	2,967	6,663	9,630

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2008			2007		
On demand	Term	Total	On demand	Term	Total	
<b>Domestic items</b>						
The Bank of Thailand and Financial Institutions Development Fund	-	716	716	-	1,278	1,278
Commercial banks	79	4,403	4,482	552	-	552
Other banks	11	-	11	1	4,000	4,001
Finance companies, securities companies and credit foncier companies	491	434	925	705	16	721
Other financial institutions	780	451	1,231	1,298	1,539	2,837
Total domestic items	1,361	6,004	7,365	2,556	6,833	9,389
<b>Foreign items</b>						
US Dollar	47	349	396	34	-	34
Other currencies	527	-	527	476	-	476
Total foreign items	574	349	923	510	-	510
Total domestic and foreign items	1,935	6,353	8,288	3,066	6,833	9,899

## 21. Borrowings

As at 31 December 2008 and 2007, borrowings comprising only domestic borrowings in Baht currency are classified by type of securities, maturity and interest rate as follows:

(Unit: Million Baht)			
Consolidated financial statements			
As at 31 December 2008			
Types	Maturity	Interest rate per annum	Amount
<b>Short-term borrowings</b>			
Bills of exchange	2 January 2009 - 24 December 2009	2.00 - 4.98%	5,428
Term loan agreement	31 March 2009	-	1
Total short-term borrowings			5,429
<b>Long-term borrowings</b>			
Bills of exchange	1 March 2010 - 28 February 2011	2.61 - 5.12%	1,074
Term loan agreement	20 January 2013 - 3 June 2015	-	39
Total long-term borrowings			1,113
Total borrowings			6,542
(Unit: Million Baht)			
Separate financial statements			
As at 31 December 2008			
Types	Maturity	Interest rate per annum	Amount
<b>Short-term borrowings</b>			
Bills of exchange	2 January 2009 - 24 December 2009	2.00 - 4.98%	5,476
Term loan agreement	31 March 2009	-	1
Total short-term borrowings			5,477
<b>Long-term borrowings</b>			
Bills of exchange	1 March 2010 - 28 February 2011	2.61 - 5.12%	1,074
Term loan agreement	20 January 2013 - 3 June 2015	-	39
Total long-term borrowings			1,113
Total borrowings			6,590
(Unit: Million Baht)			
Consolidated and separate financial statements			
As at 31 December 2007			
Types	Maturity	Interest rate per annum	Amount
<b>Short-term borrowings</b>			
Bills of exchange	1 January 2008 - 26 December 2008	2.00 - 5.39%	12,033
Total short-term borrowings			12,033
<b>Long-term borrowings</b>			
Bills of exchange	24 December 2009 - 5 October 2010	2.61 - 5.12%	1,508
Term loan agreement	31 March 2009 - 4 September 2014	-	40
Total long-term borrowings			1,548
Total borrowings			13,581

**22. Provisions - other liabilities**

These comprise the following:

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Retirement benefits	643	634	641	634
Other provisions	364	386	364	386
	<b>1,007</b>	1,020	<b>1,005</b>	1,020

**23. Other liabilities**

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Accounts payable - others	174	160	125	141
Suspense creditors	389	433	384	429
Deposits-others	114	318	111	314
Bills collection - branches	39	43	39	43
Rental income received in advance	21	15	-	-
Income tax payable	335	5	320	-
Others	85	130	72	73
Total	<b>1,157</b>	1,104	<b>1,051</b>	1,000

**24. Share capital**

At the Extraordinary General Meeting No. 1/2007 held on 30 November 2007, the Bank's shareholders have approved the following actions for the Bank's share capital restructuring.

- (1) To decrease of the registered and paid-up share capital of the Bank from Baht 82,171 million to Baht 22,597 million by way of reducing the number of the Bank's shares by 72.50% of all the Bank's shares sold or by 5,957,370,070 shares, at the par value of THB 10 per share, pro-rata to the number of shares held by each shareholder. The shares remaining as a result of the decrease of shares will be 2,259,692,096 shares, at the par value of THB 10 per share. The reduced registered and paid-up capital as a result of the reduction of the number of shares will eliminate the discount on shares and reduce the Bank's retained loss.
- (2) To increase of the registered share capital of the Bank from Baht 22,597 million to Baht 24,857 million by way of issuing 225,969,209 new ordinary shares at a par value of THB 10 per share.
- (3) To allot allocation of 225,969,209 new ordinary shares at a par value of THB 10 per share and offer them to the existing shareholders by pro-rata to the number of shares held by each shareholder at the ratio of 1 new share to every 10 existing shares, at the price of THB 10 per share.
- (4) To allot the remaining non-subscription shares to United Overseas Bank Limited Singapore at the price of THB 10 per share.

- (5) Approve the transfer of reserve funds to eliminate the retained losses.

The shareholders approve the transfer of reserve funds to eliminate the retained losses as follows:

	<b>(Unit: Million Baht)</b>
1. Other reserve	72
2. Statutory reserve	367
3. Premium reserve	4,449
	<u>4,888</u>

The Bank has already registered to decrease its registered and paid-up capital and also registered to increase its registered share capital with the Ministry of Commerce in accordance with the above approvals on 15 February 2008 and 18 February 2008, respectively.

The Bank has already registered to increase paid-up share capital from Baht 22,597 million to Baht 24,857 million with the Ministry of Commerce on 17 March 2008.

Registered and paid-up share capital of the Bank as at 31 December 2008 and 2007 are as follows:

	<b>(Unit: Million Baht)</b>	
	<b>Separate financial statements</b>	
	<b>As at 31 December</b>	
	<b>2008</b>	<b>2007</b>
Beginning balance	<b>82,171</b>	82,171
Decreased in share capital	<b>(59,574)</b>	-
Increased in share capital	<b>2,260</b>	-
Ending balance	<b><u>24,857</u></b>	<u>82,171</u>

## 25. Statutory reserve

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

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

## 26. Other reserve

The Bank can allocate part of its net income to become other reserves which are classified or considered to be general reserve with no specific purpose.



## 27. Capital funds

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

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2008	2007
<b>Tier I</b>		
Issued and fully paid up share capital	24,857	82,171
Discount on share capital	-	(25,662)
Statutory reserve	65	368
Other reserve	-	72
Retained earnings - unappropriated	(16)	(25,051)
Less : Net loss	-	(906)
Less : Merger adjustment	-	(9,159)
Total Tier I	<u>24,906</u>	<u>21,833</u>
<b>Tier II</b>		
Unrealised increment on land appraisal (70%)	624	624
Unrealised increment on buildings appraisal (50%)	81	85
Reserve for loans classified as pass	1,473	782
Surplus from revaluation of equity securities - available-for-sale	48	34
Total Tier II	<u>2,226</u>	<u>1,525</u>
Total capital fund	<u>27,132</u>	<u>23,358</u>

	Separate financial statements			
	As at 31 December		As at 31 December	
	2008		2007	
<b>Capital ratios</b>	<b>The Bank</b>	<b>Requirement</b>	<b>The Bank</b>	<b>Requirement</b>
Tier I capital to risk assets	16.99%	4.25%	16.53%	4.25%
Total capital to risk assets	18.51%	8.50%	17.68%	8.50%

Computation of capital funds as at 31 December 2008 was performed in accordance with the capital management regulations of the Bank of Thailand announced on 27 November 2008.

## 28. Gains on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2008	2007	2008	2007
Gain on disposal of investments	221	144	221	157
Loss on impairment of investment	(90)	(1)	(90)	(16)
Reversal (loss) on revaluation of investments	15	(8)	15	(8)
Gains on investments	<u>146</u>	<u>135</u>	<u>146</u>	<u>133</u>

**29. Losses on properties foreclosed**

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2008	2007	2008	2007
Gain on disposal of properties foreclosed	(263)	(48)	(260)	(47)
Loss on impairment of properties foreclosed	366	300	366	300
Losses on properties foreclosed	<b>103</b>	252	<b>106</b>	253

**30. Commitments and contingencies liabilities****30.1 Commitments**

	(Unit: Million Baht)					
	Consolidated and separate financial statements					
	As at 31 December					
	2008			2007		
	Baht currency	Foreign currencies	Total	Baht currency	Foreign currencies	Total
Aval to bills	437	-	437	470	-	470
Guarantees of loans	65	1,194	1,259	65	427	492
Other guarantees	12,066	732	12,798	12,233	525	12,758
Letters of credit	136	1,373	1,509	183	3,549	3,732
Foreign exchange contracts*						
Bought	-	77,307	77,307	-	42,636	42,636
Sold	-	61,102	61,102	-	59,156	59,156
Interest rate swap contracts*	100,408	70	100,478	47,797	68	47,865
Cross currency interest rate swap contracts*						
Bought	-	5,451	5,451	-	3,140	3,140
Sold	-	4,683	4,683	-	3,917	3,917
Foreign exchange options*						
Bought	-	164	164	-	132	132
Sold	-	164	164	-	132	132
Equity - linked options*						
Bought	1,793	-	1,793	1,662	-	1,662
Sold	1,743	-	1,743	1,608	-	1,608
Undrawn overdraft amount	20,347	-	20,347	19,774	-	19,774
Liability under unmatured import bills	63	1,051	1,114	39	1,330	1,369
<b>Total</b>	<b>137,058</b>	<b>153,291</b>	<b>290,349</b>	<b>83,831</b>	<b>115,012</b>	<b>198,843</b>

\* Refer to Note 38.5 for fair values of financial instruments.

### 30.2 Operating lease commitments

As at 31 December 2008 and 2007, the Bank and its subsidiaries had land/building lease agreements for branch offices and vehicles lease agreements, for which the lease terms range from 3-30 years and are renewable. The Bank and its subsidiaries also have committed to pay future rental payments which can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2008	2007	2008	2007
Land and building rental commitments	167	210	165	200
Car rental commitments	112	76	114	100
Total	279	286	279	300

### 30.3 Other commitments

The Bank has contractual commitments in respect of the purchase and servicing of information technology systems as well as other services. The outstanding balances of these major contractual commitments as at 31 December 2008, were approximately Baht 223 million (2007: Baht 159 million).

As at 31 December 2008, the Bank also has commitments in relation to various "to-sell and to-purchase" agreements for its foreclosed properties, the net book value of which was Baht 781 million (2007: Baht 1,776 million). The estimated gains under those agreements is Baht 227 million (2007: Baht 526 million), and the Bank recognises the sales transactions and the gains arising therefrom on the transfer dates.

In addition, the Bank has commitments in respect of the loss sharing under the Non-performing Loan Transfer Agreement made with TAMC, as discussed in Note 11.9.

## 31. Assets pledged as collateral

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Net book value	
	As at 31 December	
	2008	2007
<b>Government bonds</b>		
Pledged as collateral for securities sold under repurchase agreement	379	3,750
Pledged as collateral for Government departments	2,792	1,976

## 32. Litigation

In the course of operating its banking business the Bank has had various labor suits and civil suits brought against it, including cases of tort. Under these lawsuits, claims against the Bank as at 31 December 2008 totaled Baht 1,092 million (2007: Baht 1,612 million). The Bank's management believes that the liability (if any) resulting from the lawsuits will not have a material impact to the Bank's financial position or results of operations.

### 33. Related party transactions

During the year, the Bank had business transactions with its subsidiary, associated and related companies (related by way of shareholding and/or common shareholders and/or common directors) and related parties (its directors, presidents, executives, vice presidents, persons with management authority in the bank, or parties related thereto, including persons holding equivalent positions or parties with related interests in which the Bank, its directors, its authorised management or related persons hold more than 10 percent of paid up capital). These transactions, have been concluded on commercial terms and agreed based upon the ordinary course of business between the Bank and those parties. Interest rates on loans to employees are calculated based on the Bank's employee welfare policy.

As at 31 December 2008, the Bank also has staff welfare loans to executives from level of Senior Vice President who are Sector Head upwards of Baht 9 million (2007: Baht 20 million) and also has normal loans to its executive officers from Senior Vice President who are Sector Head upwards and their close family members with the outstanding balance as at 31 December 2008 of Baht 13 million (2007: Baht 27 million) and the average balance for the year then ended of Baht 21 million (2007: Baht 25 million).

In addition as at 31 December 2008, the Bank also has deposits of those staff and their close family members of Baht 126 million (2007: Baht 101 million).

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

(Unit: Million Baht)

	Consolidated financial statements							
	For the years ended 31 December							
	2008				2007			
Associated company	Related companies	Group of major shareholder (UOB)	Total	Associated company	Related companies	Group of major shareholder (UOB)	Total	
Interest income	-	1	83	84	-	1	393	394
Gain on exchange	-	19	1,929	1,948	-	-	125	125
Commission and service income	19	2	4	25	21	1	-	22
Interest expenses	-	15	23	38	-	15	4	19
Other expenses	-	-	51	51	-	-	39	39
Insurance expenses	7	-	-	7	-	-	-	-
Commission and service expenses	-	-	296	296	-	-	181	181
Premises and equipment expenses	-	-	1	1	-	-	-	-

(Unit: Million Baht)

Separate financial statements										
For the years ended 31 December										
2008						2007				
	Subsidiaries	Associated company	Related companies	Group of major shareholder (UOB)	Total	Subsidiaries	Associated company	Related companies	Group of major shareholder (UOB)	Total
Interest income	103	-	1	83	187	108	-	1	393	502
Gain on exchange	1	-	19	1,929	1,949	-	-	-	125	125
Commission and service income	84	19	2	-	105	140	21	1	-	162
Interest expenses	8	-	15	23	46	11	-	15	4	30
Other expenses	-	-	-	51	51	-	-	-	39	39
Insurance expenses	-	2	-	-	2	-	-	-	-	-
Commission and service expenses	-	-	-	296	296	-	-	-	181	181
Premises and equipment expenses	19	-	-	1	20	22	-	-	-	22

In addition, for the year ended 31 December 2008, the Bank also has paid Bath 38 million on software development to United Overseas Bank Limited.

The outstanding balances of significant related party transactions as at 31 December 2008 and 2007, are as follows:

(Unit: Million Baht)

**Consolidated financial statements**

	As at 31 December 2008							As at 31 December 2007								
	Average loans outstanding	Interbank and money loans	Outstanding market items	Unrealised gain on derivatives	Commitment sheet	Deposits	Interbank and money market items (liabilities)	Unrealised loss on derivatives	Other liabilities	Other assets	Commitment sheet	Deposits	Interbank and money market items (liabilities)	Unrealised loss on derivatives	Other liabilities	2008 Pricing policy of loans
<b>Subsidiary company</b>																
UOB Radanasin Plc	-	-	-	-	-	110	-	-	-	-	-	111	-	-	-	N/A
<b>Associated company</b>																
AXA Insurance Plc.	-	-	2	-	-	17	-	-	-	3	-	17	-	-	1	N/A
<b>Related companies</b>																
Wing Fat Co., Ltd.	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	NPL
Lovley Plc.	26	3	-	-	65	1	-	-	-	-	19	44	-	-	-	5.00 – 5.10% p.a.
The Muangthai Life Assurance Co., Ltd.	-	-	-	-	168	-	220	1	-	-	-	-	210	20	-	N/A
Thai Samut Asset Co., Ltd. (Formerly known as "Ocean Assurance Co., Ltd")	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
Underwaterworld Pattaya Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	120	-	-	-	N/A
PPHR (Thailand) Limited	-	-	-	-	-	156	-	-	-	-	-	144	-	-	-	N/A
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	2	-	-	-	-	-	2	-	-	-	N/A
United B MEC (Thai) Co., Ltd.	-	-	-	-	2	4	-	-	-	-	-	59	-	-	-	N/A
<b>Major shareholders</b>																
United Overseas Bank Limited	-	-	90	1,995	1	17,932	-	623	15	49	-	8,146	23	-	810	50
United Overseas Bank Group of Companies	-	-	-	-	-	2	-	77	-	-	-	-	-	-	160	18

Money market reference rate  
Money market reference rate

(Unit: Million Baht)

## Separate financial statements

	As at 31 December 2008							As at 31 December 2007									
	Average loans outstanding	Outstanding loans	Interbank and money market items (assets)	Unrealised gain on derivatives	Other assets	Commitment /off-balance sheet	Deposits	Interbank and money market items (liabilities)	Unrealised loss on derivatives	Other liabilities	Commitment /off-balance sheet	Deposits	Interbank and money market items (liabilities)	Unrealised loss on derivatives	Other liabilities	2008 Pricing policy of loans	
<b>Subsidiary companies</b>																	
UOB Leasing (Thai) Co., Ltd.	1,865	1,855	-	5	8	317	28	-	4	-	9	22	15	-	-	2.89 – 6.25% p.a.	
UOB Asset Management (Thai) Co., Ltd	-	-	-	-	5	-	193	-	-	-	15	-	269	-	1	N/A	
UOB Bullion & Futures (Thai) Co., Ltd.	-	-	-	-	-	-	52	-	1	-	-	-	90	-	1	N/A	
UOB Services Co., Ltd.	-	-	-	-	-	-	59	-	-	-	-	-	-	-	-	N/A	
UOB Radanasin Plc.	-	-	-	-	-	-	110	-	-	-	-	-	111	-	-	N/A	
<b>Associated company</b>																	
AXA Insurance Plc.	-	-	-	-	-	-	17	-	-	-	-	-	17	-	-	N/A	
<b>Related companies</b>																	
Wing Fat Co., Ltd.	-	-	-	-	-	1	-	-	-	-	-	1	-	-	-	NPL	
Loxley Plc.	26	3	-	-	-	65	1	-	-	-	-	129	-	-	-	5.00 – 5.10% p.a.	
The Muangthai Life Assurance Co., Ltd.	-	-	-	-	-	168	-	220	1	-	-	168	-	210	20	N/A	
Thai Samut Asset Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	
(Formerly known as *Ocean Assurance Co., Ltd*)	-	-	-	-	-	-	-	-	-	-	-	-	120	-	-	N/A	
Underwaterworld Pattaya Co., Ltd.	-	-	-	-	-	-	156	-	-	-	-	-	144	-	-	N/A	
PPHR (Thailand) Limited	-	-	-	-	-	-	2	-	-	-	-	-	2	-	-	N/A	
Haw Par Tiger Balm (Thailand) Limited	-	-	-	-	-	-	35	-	-	-	-	-	59	-	-	N/A	
United B MEC (Thai) Co., Ltd.	-	-	-	-	-	2	4	-	-	-	-	1	9	-	-	N/A	
<b>Major shareholders</b>																	
United Overseas Bank Limited	-	-	90	1,995	1	17,932	-	623	15	49	-	810	-	352	16	50	Money market reference rate
United Overseas Bank Group of Companies	-	-	-	-	-	2	-	77	-	-	-	17	-	160	-	-	Money market reference rate

### 34. Benefits of directors and Management

As at 31 December 2008 and 2007, the Bank and its subsidiaries had not paid other benefits except for normal staff benefits to their directors and management.

### 35. Corporate income tax

After adjusting profits for accounting purposes for non-tax deductible expenses and tax-exempt revenues in the tax computation, there is no income tax payable by the Bank for the year ended 31 December 2007 since the tax loss brought forward from previous year exceeds the net profit for the year.

### 36. Basic Earnings (loss) per share

Earning (loss) per share as presented in the income statements is basic earning (loss) per share, which is calculated by dividing net income (loss) for the periods by the weighted average number of ordinary shares in issue during the year.

The Bank had the basic earnings (loss) per share as follows:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2008	2007	2008	2007
Net income (loss) (Million Baht)	1,374	(89)	1,259	(181)
Weighted average number of ordinary shares (shares)	2,438,738,737	2,259,692,096	2,438,738,737	2,259,692,096
Basic earnings (loss) per share (Baht)	0.56	(0.04)	0.52	(0.08)

The weighted average number of ordinary shares for the years ended 31 December 2007 has been reduced from 8,217,062,166 shares to 2,259,692,096 shares according to the change in the structure of share capital as mentioned in Note 24 for comparative purpose.



### 37. Distribution of Balance Sheet items by geographic locations and results of operations classified by type of businesses

Key balance sheet items as at 31 December 2008 and 2007, classified by type of business are as follows:

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December 2008					
	Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated total
Total assets	216,535	2,761	541	219,837	(2,925)	216,912
Interbank and money market items - net						
/assets)	25,519	42	421	25,982	(383)	25,599
Investments - net	12,347	3	58	12,408	(667)	11,741
Loans and accrued interest receivable - net	153,068	2,628	-	155,696	(1,863)	153,833
Deposits	161,903	-	-	161,903	(139)	161,764
Interbank and money market items						
/liabilities)	8,288	1,855	-	10,143	(2,048)	8,095
Borrowings	6,590	-	-	6,590	(48)	6,542
Total contingencies - off-balance sheet	290,349	-	-	290,349	-	290,349

\* Eliminated transaction are transactions between Bank and its subsidiaries and are eliminated according to accounting standard.

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December 2007					
	Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated total
Total assets	211,845	2,714	463	215,022	(2,879)	212,143
Interbank and money market items - net						
/assets)	19,796	28	363	20,187	(376)	19,811
Investments - net	26,682	7	1	26,690	(583)	26,107
Loans and accrued interest receivable - net	142,744	2,590	-	145,334	(1,905)	143,429
Deposits	156,738	-	-	156,738	(105)	156,633
Interbank and money market items						
/liabilities)	9,899	1,896	-	11,795	(2,165)	9,630
Borrowings	13,581	-	-	13,581	-	13,581
Total contingencies - off-balance sheet	198,843	-	-	198,843	-	198,843

\* Eliminated transaction are transactions between Bank and its subsidiaries and are eliminated according to accounting standard.

Distribution of Balance Sheet items by geographic locations of the Bank as at 31 December 2008 and 2007 are as follows:

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Total assets	216,532	3	216,535	211,842	3	211,845
Interbank and money market items - net (assets)	25,519	-	25,519	19,796	-	19,796
Investments - net	12,347	-	12,347	26,682	-	26,682
Loans and accrued interest receivable - net	153,068	-	153,068	142,744	-	142,744
Deposits	161,903	-	161,903	156,738	-	156,738
Interbank and money market items (liabilities)	8,288	-	8,288	9,899	-	9,899
Borrowings	6,590	-	6,590	13,581	-	13,581
Total contingencies - off-balance sheet	290,349	-	290,349	198,843	-	198,843

Results of the Bank's operations for the years ended 31 December 2008 and 2007 classified by type of business are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2008					
	Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated total
Interest and dividend income	11,459	206	12	11,677	(110)	11,567
Interest expenses	(3,976)	(103)	-	(4,079)	110	(3,969)
Net interest and dividend income	7,483	103	12	7,598	-	7,598
Non-interest income	2,463	105	354	2,922	(89)	2,833
Non-interest expenses	(8,012)	(119)	(308)	(8,439)	105	(8,334)
Income before income tax	1,934	89	58	2,081	16	2,097

\* Eliminated transaction are transactions between Bank and its subsidiaries and are eliminated according to accounting standard.

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2007					
	Bank	Leasing	Others	Total	Eliminated transaction*	Consolidated total
Interest and dividend income	11,630	225	11	11,866	(125)	11,741
Interest expenses	(5,079)	(114)	-	(5,193)	119	(5,074)
Net interest and dividend income	6,551	111	11	6,673	(6)	6,667
Non-interest income	2,038	169	426	2,633	(177)	2,456
Non-interest expenses	(8,770)	(189)	(380)	(9,339)	162	(9,177)
Income (loss) before income tax	(181)	91	57	(33)	(21)	(54)

\* Eliminated transaction are transactions between Bank and its subsidiaries and are eliminated according to accounting standard.

Results of the Bank's operations for the years ended 31 December 2008 and 2007 distributed by geographic locations are as follows:

(Unit: Million Baht)

	Separate financial statements					
	For the year ended 31 December					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Interest and dividend income	11,459	-	11,459	11,630	-	11,630
Interest expenses	(3,976)	-	(3,976)	(5,079)	-	(5,079)
Net interest and dividend income	7,483	-	7,483	6,551	-	6,551
Non-interest income	2,463	-	2,463	2,038	-	2,038
Non-interest expenses	(8,009)	(3)	(8,012)	(8,767)	(3)	(8,770)
Income (loss) before income tax	1,937	(3)	1,934	(178)	(3)	(181)

### 38. Disclosure of financial instruments

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

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

#### 38.1 Accounting policies

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

#### 38.2 Credit risk

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

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

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

The following table shows the credit equivalent of unmatured off-balance sheet financial instruments in accordance with the BOT's ruling.

	(Unit: Million Baht)	
	<b>Consolidated and separate financial statements</b>	
	<b>As at 31 December</b>	
	<b>2008</b>	<b>2007</b>
Foreign exchange contracts	<b>2,568</b>	1,130
Interest rate swap contracts	<b>937</b>	190
Cross currency interest rate swap contracts	<b>779</b>	464
Options	<b>61</b>	133
Avals to bills	<b>321</b>	470
Guarantees of loans	<b>1,223</b>	492
Performance guarantees	<b>4,024</b>	5,951
Bid guarantees	<b>195</b>	395
Liability under unmatured import bills	<b>142</b>	274
Import letters of credit	<b>250</b>	746
Others	<b>31</b>	-
Total	<b>10,531</b>	10,245

### 38.3 Interest rate risk

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

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

(Unit: Million Baht)							
Consolidated financial statements							
As at 31 December 2008							
	Floating rate/ Within 3 months	3-12 months	1-5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
<b>Financial assets</b>							
Cash	-	-	-	-	3,795	3,795	-
Interbank and money market items - net	23,181	83	-	-	2,335	25,599	2.61
Investments - net	4,784	2,763	2,748	403	1,043	11,741	1.76
Loans*	133,577	7,447	10,102	-	8,186	159,312	7.67
<b>Financial liabilities</b>							
Deposits	125,296	23,730	8,214	-	4,524	161,764	2.35
Interbank and money market items	6,897	285	217	-	696	8,095	1.78
Liabilities payable on demand	-	-	-	-	1,893	1,893	-
Short-term borrowings	3,565	1,864	-	-	-	5,429	3.44
Long-term borrowings	-	-	1,083	30	-	1,113	3.11
<b>Off-balance sheet financial instruments</b>							
Interest rate swap contracts							
- floating rate payer	31,590	20,817	-	-	-	52,407	3.54
- fixed rate payer	7,925	5,660	34,286	200	-	48,071	4.31
- floating rate payee	30,075	17,996	-	-	-	48,071	3.46
- fixed rate payee	6,430	13,530	32,447	-	-	52,407	4.31
Cross currency interest rate swap contracts							
- floating rate payer	1,019	5,840	-	-	-	6,859	3.08
- fixed rate payer	-	79	3,195	-	-	3,274	6.24
- floating rate payee	873	5,162	-	-	-	6,035	2.87
- fixed rate payee	-	1,084	3,195	-	-	4,279	5.88

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

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2007							
	Floating rate/ Within 3 months	3-12 months	1-5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
<b>Financial assets</b>							
Cash	-	-	-	-	2,954	2,954	-
Interbank and money market items - net	15,537	-	895	-	3,379	19,811	3.65
Securities purchased under resale agreements	1,200	-	-	-	-	1,200	3.49
Investments - net	796	16,745	3,622	3,996	948	26,107	3.20
Loans*	125,989	11,648	2,689	3	8,012	148,341	6.51
<b>Financial liabilities</b>							
Deposits	123,283	26,079	2,487	-	4,784	156,633	2.20
Interbank and money market items	8,070	410	205	-	945	9,630	5.41
Liabilities payable on demand	-	-	-	-	2,547	2,547	-
Short-term borrowings	11,538	495	-	-	-	12,033	3.06
Long-term borrowings	-	-	1,510	38	-	1,548	4.05
<b>Off-balance sheet financial instruments</b>							
Interest rate swap contracts							
- floating rate payer	14,230	9,371	-	-	-	23,601	4.13
- fixed rate payer	1,900	4,900	16,504	960	-	24,264	4.43
- floating rate payee	12,775	11,489	-	-	-	24,264	4.07
- fixed rate payee	900	6,000	15,741	960	-	23,601	4.68
Cross currency interest rate swap contracts							
- floating rate payer	169	3,748	-	-	-	3,917	5.95
- fixed rate payer	-	-	977	2,369	-	3,346	6.24
- floating rate payee	-	3,073	-	-	-	3,073	6.18
- fixed rate payee	-	-	1,979	2,369	-	4,348	5.89

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

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2008							
	Floating rate/ Within 3 months	3-12 months	1-5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
<b>Financial assets</b>							
Cash	-	-	-	-	3,795	3,795	-
Interbank and money market items - net	23,102	83	-	-	2,334	25,519	2.59
Investments - net	4,726	2,763	2,748	403	1,707	12,347	1.76
Loans*	133,269	7,602	9,450	-	7,996	158,317	7.59
<b>Financial liabilities</b>							
Deposits	125,380	23,730	8,264	-	4,529	161,903	2.35
Interbank and money market items	7,090	285	217	-	696	8,288	0.60
Liabilities payable on demand	-	-	-	-	1,893	1,893	-
Short-term borrowings	3,613	1,864	-	-	-	5,477	3.44
Long-term borrowings	-	-	1,083	30	-	1,113	3.11
<b>Off-balance sheet financial instruments</b>							
Interest rate swap contracts							
- floating rate payer	31,590	20,817	-	-	-	52,407	3.54
- fixed rate payer	7,925	5,660	34,286	200	-	48,071	4.31
- floating rate payee	30,075	17,996	-	-	-	48,071	3.46
- fixed rate payee	6,430	13,530	32,447	-	-	52,407	4.31
Cross currency interest rate swap contracts							
- floating rate payer	1,019	5,840	-	-	-	6,859	3.08
- fixed rate payer	-	79	3,195	-	-	3,274	6.24
- floating rate payee	873	5,162	-	-	-	6,035	2.87
- fixed rate payee	-	1,084	3,195	-	-	4,279	5.88

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

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2007							
	Floating rate/ Within 3 months	3-12 months	1-5 years	More than 5 years	Non- interest bearing	Total	Average rate of return per annum (%)
<b>Financial assets</b>							
Cash	-	-	-	-	2,954	2,954	-
Interbank and money market items - net	15,524	-	895	-	3,377	19,796	3.61
Securities purchased under resale agreement	1,200	-	-	-	-	1,200	3.49
Investments - net	795	16,745	3,622	3,996	1,524	26,682	3.20
Loans*	125,616	11,289	2,746	3	7,804	147,458	6.41
<b>Financial liabilities</b>							
Deposits	123,303	26,156	2,487	-	4,792	156,738	2.20
Interbank and money market items	8,319	430	205	-	945	9,899	5.26
Liabilities payable on demand	-	-	-	-	2,547	2,547	-
Short-term borrowings	11,538	495	-	-	-	12,033	3.06
Long-term borrowings	-	-	1,510	38	-	1,548	4.05
<b>Off-balance sheet financial instruments</b>							
Interest rate swap contracts							
- floating rate payer	14,230	9,371	-	-	-	23,601	4.13
- fixed rate payer	1,900	4,900	16,504	960	-	24,264	4.43
- floating rate payee	12,775	11,489	-	-	-	24,264	4.07
- fixed rate payee	900	6,000	15,741	960	-	23,601	4.68
Cross currency interest rate swap contracts							
- floating rate payer	169	3,748	-	-	-	3,917	5.95
- fixed rate payer	-	-	977	2,369	-	3,346	6.24
- floating rate payee	-	3,073	-	-	-	3,073	6.18
- fixed rate payee	-	-	1,979	2,369	-	4,348	5.89

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



### 38.4 Liquidity risk

Liquidity risk is the risk that the Bank and its subsidiaries may not be able to meet their obligations as they fall due as a result of inability to release their assets or to cover funding requirements at an appropriate price, resulting in losses to the Bank and its subsidiaries. The Bank's Assets and Liabilities Committee sets policies and supervises the management of liquidity risk.

The maturity analysis of financial assets, financial liabilities and off-balance sheet items computed from the remaining maturity to repayment date is as follows:

	(Unit: Million Baht)						
	Consolidated financial statements						
	As at 31 December 2008						
	Call	Within 3 months	3-12 months	1-5 years	More than 5 years	No specific maturity	Total
<b>Financial assets</b>							
Cash	3,795	-	-	-	-	-	3,795
Interbank and money market items - net	2,350	23,166	83	-	-	-	25,599
Securities purchased under resale agreements	-	-	-	-	-	-	-
Investments - net	1,060	3,724	205	5,306	403	1,043	11,741
Loans*	18,291	39,687	24,400	30,722	39,389	6,823	159,312
<b>Financial liabilities</b>							
Deposits	61,552	68,268	23,730	8,214	-	-	161,764
Interbank and money market items	1,912	5,681	285	217	-	-	8,095
Liabilities payable on demand	1,893	-	-	-	-	-	1,893
Short-term borrowings	25	3,540	1,864	-	-	-	5,429
Long-term borrowings	-	-	-	1,083	30	-	1,113
<b>Off-balance sheet financial instruments</b>							
Avals to bills	-	302	135	-	-	-	437
Guarantee of loans	20	36	31	167	1,005	-	1,259
Other guarantees	6,596	1,824	3,933	436	9	-	12,798
Letters of credit	105	1,196	208	-	-	-	1,509
Foreign exchange contracts	-	47,792	80,215	10,402	-	-	138,409
Interest rate swap contracts	-	13,355	20,190	66,733	200	-	100,478
Cross currency interest rate swap contracts	-	-	1,643	8,491	-	-	10,134
Foreign exchange options	-	202	126	-	-	-	328
Equity linked options	-	-	1,253	2,283	-	-	3,536
Undrawn overdraft amount	20,347	-	-	-	-	-	20,347
Liabilities under unmatured import bills	-	829	285	-	-	-	1,114

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

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2007							
	Call	Within 3 months	3-12 months	1-5 years	More than 5 years	No specific maturity	Total
<b>Financial assets</b>							
Cash	2,954	-	-	-	-	-	2,954
Interbank and money market items - net	3,492	15,424	-	895	-	-	19,811
Securities purchased under resale agreements	-	1,200	-	-	-	-	1,200
Investments - net	-	796	15,124	5,243	3,996	948	26,107
Loans*	23,707	34,192	18,977	25,988	38,516	6,961	148,341
<b>Financial liabilities</b>							
Deposits	59,698	68,369	26,079	2,487	-	-	156,633
Interbank and money market items	2,967	6,048	410	205	-	-	9,630
Liabilities payable on demand	2,547	-	-	-	-	-	2,547
Short-term borrowings	-	11,538	495	-	-	-	12,033
Long-term borrowings	-	-	-	1,510	38	-	1,548
<b>Off-balance sheet financial instruments</b>							
Avals to bills	-	402	68	-	-	-	470
Guarantee of loans	23	11	184	87	187	-	492
Other guarantees	6,466	1,798	4,050	435	9	-	12,758
Letters of credit	159	3,409	164	-	-	-	3,732
Foreign exchange contracts	-	42,787	54,798	4,207	-	-	101,792
Interest rate swap contracts	-	2,800	10,900	32,245	1,920	-	47,865
Cross currency interest rate swap contracts	-	-	-	2,600	4,457	-	7,057
Foreign exchange options	-	81	183	-	-	-	264
Equity - linked options	-	43	211	3,016	-	-	3,270
Undrawn overdraft amount	19,774	-	-	-	-	-	19,774
Liabilities under unmatured import bills	-	964	405	-	-	-	1,369

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

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2008						
	Call	Within 3 months	3-12 months	1-5 years	More than 5 years	No specific maturity	
<b>Financial assets</b>							
Cash	3,795	-	-	-	-	-	3,795
Interbank and money market items - net	2,335	23,101	83	-	-	-	25,519
Securities purchased under resale agreements	-	-	-	-	-	-	-
Investments - net	1,060	3,666	205	5,306	403	1,707	12,347
Loans*	18,104	39,377	24,555	30,069	39,389	6,823	158,317
<b>Financial liabilities</b>							
Deposits	61,641	68,268	23,730	8,264	-	-	161,903
Interbank and money market items	1,935	5,851	285	217	-	-	8,288
Liabilities payable on demand	1,893	-	-	-	-	-	1,893
Short-term borrowings	25	3,588	1,864	-	-	-	5,477
Long-term borrowings	-	-	-	1,083	30	-	1,113
<b>Off-balance sheet financial instruments</b>							
Avals to bills	-	302	135	-	-	-	437
Guarantee of loans	20	36	31	167	1,005	-	1,259
Other guarantees	6,596	1,824	3,933	436	9	-	12,798
Letters of credit	105	1,196	208	-	-	-	1,509
Foreign exchange contracts	-	47,792	80,215	10,402	-	-	138,409
Interest rate swap contracts	-	13,355	20,190	66,733	200	-	100,478
Cross currency interest rate swap contracts	-	-	1,643	8,491	-	-	10,134
Foreign exchange options	-	202	126	-	-	-	328
Equity - linked options	-	-	1,253	2,283	-	-	3,536
Undrawn overdraft amount	20,347	-	-	-	-	-	20,347
Liabilities under unmatured import bills	-	829	285	-	-	-	1,114

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

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2007						
	Call	Within 3 months	3-12 months	1-5 years	More than 5 years	No specific maturity	
<b>Financial assets</b>							
Cash	2,954	-	-	-	-	-	2,954
Interbank and money market items - net	3,477	15,424	-	895	-	-	19,796
Securities purchased under resale agreements	-	1,200	-	-	-	-	1,200
Investments - net	-	795	15,124	5,243	3,996	1,524	26,682
Loans*	23,895	33,632	18,618	26,045	38,516	6,752	147,458
<b>Financial liabilities</b>							
Deposits	59,716	68,379	26,156	2,487	-	-	156,738
Interbank and money market items	3,066	6,198	430	205	-	-	9,899
Liabilities payable on demand	2,547	-	-	-	-	-	2,547
Short-term borrowings	-	11,538	495	-	-	-	12,033
Long-term borrowings	-	-	-	1,510	38	-	1,548
<b>Off-balance sheet financial instruments</b>							
Avals to bills	-	402	68	-	-	-	470
Guarantee of loans	23	11	184	87	187	-	492
Other guarantees	6,466	1,798	4,050	435	9	-	12,758
Letters of credit	159	3,409	164	-	-	-	3,732
Foreign exchange contracts	-	42,787	54,798	4,207	-	-	101,792
Interest rate swap contracts	-	2,800	10,900	32,245	1,920	-	47,865
Cross currency interest rate swap contracts	-	-	-	2,600	4,457	-	7,057
Foreign exchange options	-	81	183	-	-	-	264
Equity - linked options	-	43	211	3,016	-	-	3,270
Undrawn overdraft amount	19,774	-	-	-	-	-	19,774
Liabilities under unmatured import bills	-	964	405	-	-	-	1,369

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

### 38.5 Estimated Fair Value of Financial Instruments

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

As at 31 December 2008 and 2007, there are no material differences between the Bank and its subsidiaries' book value of financial instruments and their fair value, except that the fair value of off-balance sheet financial instruments as follows:

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December			
	2008		2007	
	Notional value	Fair value*	Notional value	Fair value*
Foreign exchange contracts	138,409	815	101,792	338
Interest rate swap contracts	100,478	100	47,865	78
Cross currency interest rate swap contracts	10,134	225	7,057	185
Foreign exchange options	328	-	264	-
Equity - linked options	3,536	4	3,270	4

\* Fair value represents gain (loss) from mark to market as at the balance sheets date

### 38.6 Methods and assumptions in estimating fair value of financial instruments

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

#### a) Cash and interbank and money market items

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

#### b) Securities purchased under resale agreements

The carrying amount of securities purchased under resale agreements is deemed to be the fair value.

#### c) Investments

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

#### d) Loans

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

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

**e) Accrued interest receivable**

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

**f) Deposit liabilities**

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

**g) Interbank and money market items (liabilities)**

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

**h) Securities sold under repurchase agreements**

The carrying value of securities sold under repurchase agreements approximates fair value.

**l) Borrowings**

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

**J) Fair value of off-balance sheet financial instruments****Commitments to aval, guarantee, and letters of credit**

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

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

**Other off-balance sheet financial instruments**

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

### 39. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2007 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications, which were mostly made to comply with the regulators, requirements are as follow:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As reclassification	As previously reported	As reclassification	As previously reported
<b>Assets</b>				
Allowance for doubtful accounts	(5,373)	(5,375)	(5,183)	(5,185)
Unrealised gain on derivatives	1,608	1,244	1,608	1,244
Other assets - net	1,066	1,227	961	1,122
<b>Total assets</b>	212,143	211,938	211,845	211,640
<b>Liabilities</b>				
Deposits in Baht	155,485	157,121	155,590	157,226
Short-term borrowings	12,033	11,904	12,033	11,904
Long-term borrowings	1,547	40	1,547	40
Accrued expenses	787	1,568	710	1,491
Unrealised loss on derivatives	1,003	797	1,003	797
Contingent liabilities	1,020	-	1,020	-
Other liabilities	1,104	1,343	1,000	1,239
<b>Total liabilities</b>	187,765	187,560	187,961	187,756
<b>Total liabilities and shareholders' equity</b>	212,143	211,938	211,845	211,640
<b>Interest expenses</b>				
Deposits	4,747	4,804	4,750	4,807
Short-term borrowings	84	73	84	73
Long-term borrowings	46	-	46	-
<b>Non-interest expenses</b>				
Premises and equipment expenses	1,204	1,178	1,120	1,095
Other expenses	888	914	835	860

### 40. Approval of Financial Statements

These financial statements were authorised for issue by the Bank's Board of Directors on 6 March 2009

## Other information

### 1. Subsidiaries and affiliated companies of UOBT

#### 1. UOB Asset Management (Thai) Company Limited

Business	: Provides asset management for funds, including mutual funds (equity and fixed income) and provident funds
Location	: 11 <sup>th</sup> Fl. 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Tel	: 0-2676-7100
Fax	: 0-2676-7880-7
Paid-up capital	: THB 100,000,000 (10,000,000 ordinary shares)
UOBT's holding	: 99.99%

#### 2. UOB Leasing (Thai) Company Limited

Business	: Provides leasing, and factoring services
Location	: 10-11 <sup>th</sup> Fl. 690 Sukhumvit Road, Klongtoey, Bangkok 10110
Tel	: 0-2260-8300-14
Fax	: 0-2260-8319-20
Paid-up capital	: THB 320,000,000 (32,000,000 ordinary shares)
UOBT's holding	: 99.99%

#### 3. UOB Services Company Limited

Business	: Collection services
Location	: 17-18 <sup>th</sup> Fl. 690 Sukhumvit Road, Klongtoey, Bangkok 10110
Tel	: 0-2680-5555
Fax	: 0-2665-6462, 0-2258-6900
Paid-up capital	: THB 60,000,000 (10,000,000 ordinary shares)
UOBT's holding	: 99.99%

#### 4. UOB Radanasin Public Company Limited

Business	: The Company registered the closure on November 20 <sup>th</sup> , 2006
Location	: 690 Sukhumvit Road, Klongtoey, Bangkok 10110
Tel	: 0-2620-2000
Fax	: 0-2259-6088
Paid-up capital	: THB 12,846,648,210 (1,284,664,821 ordinary shares)
UOBT's holding	: 99.99%

#### 5. UOB Bullion & Futures (Thai) Company Limited

Business	: Trading in futures contracts
Location	: 191 South Sathon Road, Bangkok 10120
Tel	: 0-2213-2611
Fax	: 0-2213-2614
Paid-up capital	: THB 150,000,000 (1,500,000 ordinary shares)
UOBT's holding	: 75.00%

#### 6. AXA Insurance Public Company Limited

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



## 2. Details of directors

Name	Period	Experience
1. Wee Cho Yaw	Jul 04 - Present May 07 - Present 1974 - Apr 07	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors (Authorised Signatory), UOBT</li> <li>Chairman, United Overseas Bank Ltd., Singapore</li> <li>Chairman and CEO, United Overseas Bank Ltd., Singapore</li> </ul>
2. Wee Ee Cheong	Jul 04 - Present May 07 - Present 2000 - Apr 07	<ul style="list-style-type: none"> <li>Deputy Chairman of the Board of Directors (Authorised Signatory), UOBT</li> <li>Deputy Chairman and CEO, United Overseas Bank Ltd., Singapore</li> <li>Deputy Chairman and President, United Overseas Bank Ltd., Singapore</li> </ul>
3. Chinnawat Bulsuk	Aug 08 - Present Aug 06 - Aug 08 Aug 04 - Present 2003 - Present	<ul style="list-style-type: none"> <li>Chairman of Nomination and Compensation Committee and Member of the Statutory Audit Committee, UOBT</li> <li>Chairman of the Statutory Audit Committee, UOBT</li> <li>Independent Director, UOBT</li> <li>Director &amp; CEO, Thai Samut Asset Co., Ltd.</li> </ul>
4. Suebrakul Soonthornthum	Aug 08 - Present Aug 04 - Aug 08 1992 - Present	<ul style="list-style-type: none"> <li>Independent Director and Chairman of the Statutory Audit Committee, UOBT</li> <li>Independent Director and Chairman of Nomination and Compensation Committee and Member of the Statutory Audit Committee, UOBT</li> <li>Senior Executive Vice President, Loxley Public Company Limited</li> </ul>
5. Arun Chirachavala	Apr 08 - Present Aug 07- Present 2004 - 2006	<ul style="list-style-type: none"> <li>Independent Director and Member of the Statutory Audit Committee, UOBT</li> <li>Executive Chairman, Krungdhep Sophon Pcl. and subsidiary</li> <li>President, Siam City Bank Pcl.</li> </ul>
6. Lee Chin Yong	Aug 04 - Present 2003 - Present	<ul style="list-style-type: none"> <li>Director (Authorised Signatory), UOBT</li> <li>Senior Executive Vice President, United Overseas Bank Ltd., Singapore</li> </ul>
7. Hwee Wai Cheng	Feb 06 - Present 2001 - Present	<ul style="list-style-type: none"> <li>Director, UOBT</li> <li>Executive Vice President, United Overseas Bank Ltd., Singapore</li> </ul>
8. Wong Kim Choong	Aug 04 - Present 2003 - 2004	<ul style="list-style-type: none"> <li>Director and President &amp; CEO (Authorised Signatory), UOBT</li> <li>Deputy CEO, United Overseas Bank (Malaysia) Berhad</li> </ul>
9. Chua Teng Hui	Jul 04 - Present 1999 - Jul 04	<ul style="list-style-type: none"> <li>Director and Deputy President &amp; Deputy CEO (Authorised Signatory), UOBT</li> <li>CEO, United Overseas Bank, Philippines</li> </ul>
10. Lee Tse Tiong	Sep 05 - Present Oct 04 - Present	<ul style="list-style-type: none"> <li>Director (Authorised Signatory), UOBT</li> <li>Senior Executive Vice President – Corporate Services, UOBT</li> </ul>

## Other information

### 3. Directors' remuneration

THB

	Board of Directors	Audit Committee	Nomination & Compensation Committee
1. Wee Cho Yaw	1,440,000	-	-
2. Wee Ee Cheong	1,080,000	-	90,000
3. Chinnawat Bulsuk	720,000	570,000	150,000
4. Suebtrakul Soonthornthum	720,000	510,000	210,000
5. Pongsak Hoontrakul ( <i>Resigned 11 Apr 08</i> )	240,000	120,000	-
6. Arun Chirachavala ( <i>Appointed 11 Apr 08</i> )	540,000	270,000	-
7. Lee Chin Yong	360,000	-	90,000
8. Hwee Wai Cheng	360,000	-	-
9. Wong Kim Choong	360,000	-	-
10. Chua Teng Hui	360,000	-	-
11. Lee Tse Tiong	360,000	-	-
	<b>6,540,000</b>	<b>1,470,000</b>	<b>540,000</b>

### 4. Senior Management's remuneration

In 2008, the Bank Senior Management's remuneration was THB 273,151,898. (2007: 236,297,124)

### 5. Directorships as of year end 2008 of Directors and Senior Management

#### Directors

##### 1. Wee Cho Yaw

Company	Position
<b>UOB Business Group</b>	
1. United Overseas Bank Ltd.	Chairman
2. United Overseas Insurance Ltd.	Chairman
3. UOB Life Assurance Ltd.	Chairman
4. United Overseas Bank (Malaysia) Bhd	Chairman
5. UOB Australia Ltd.	Chairman
6. Far Eastern Bank Ltd.	Chairman
7. PT Bank UOB Indonesia	President Commissioner
8. PT Bank UOB Buana Tbk	President Commissioner
9. Overseas Union Bank Limited (pending dissolution-merged into UOB)	Chairman
10. United International Securities Ltd.	Chairman
11. United Overseas Bank (China) Ltd.	Supervisor
<b>Wee Family Business Group</b>	
1. C.Y. Wee & Company Pte Ltd.	Chairman
2. Ju Da Pte Ltd.	Chairman
3. Kheng Leong Company (Pte) Ltd.	Chairman
4. Wee Investments (Pte) Ltd.	Chairman
5. UOL Group Ltd.	Chairman
6. Hotel Plaza Ltd.	Chairman
7. Haw Par Corporation Ltd.	Chairman
8. United Industrial Corporation Ltd.	Chairman
9. Singapore Land Ltd.	Chairman
10. Marina Centre Holdings Pte Ltd.	Chairman
11. Aquamarina Hotel Pte Ltd.	Chairman
12. Hotel Marina City Pte Ltd.	Co-Chairman
13. Marina Bay Hotel Pte Ltd.	Chairman

Company	Position
<b>Non-Profit/Community Service Business Group</b>	
1. Chinese Development Assistance Council	Chairman (Board of Trustees)
2. Kim Mui Hoey Kuan	Member
3. Singapore Chinese Chamber of Commerce & Industry	Honorary President
4. Singapore Clan Foundation	Chairman
5. Singapore Federation of Chinese Clan Associations	Chairman
6. Singapore Hokkien Huay Kuan	President
7. The Hokkien Foundation	Chairman
8. Balestier Realty Pte Ltd.	Chairman
9. Yunnan Realty Pte Ltd.	Chairman

## 2. Wee Ee Cheong

Company	Position
<b>UOB Business Group</b>	
1. Asian Venture Capital Investment Corporation (Taiwan)	Director
2. Chung Khiaw Bank (Malaysia) Bhd	Director
3. Far Eastern Bank Ltd.	Director
4. Hermes UOB Capital Management Ltd.	Director
5. International Venture Capital Investment Corporation (Taiwan)	Director
6. IVCIC-Walden Management Co., Ltd. (Taiwan)	Director
7. OUB Centre Ltd.	Chairman
8. Overseas Union Bank Ltd. (pending dissolution-merged into UOB)	Director
9. PT Bank UOB Buana Tbk.	Commissioner
10. Seed Ventures III Pte Ltd.	Director
11. United Overseas Bank Ltd.	Director
12. United Overseas Bank (China) Ltd.	Chairman
13. United Overseas Bank (Malaysia) Bhd	Director
14. United Overseas Insurance Ltd.	Director
15. UOBGC General Partners Ltd.	Director
16. UOB Australia Ltd.	Director
17. UOB Developments Pte Ltd.	Director
18. UOB Finance (HK) Ltd. (in members' voluntary liquidation)	Chairman
19. UOB Global Capital LLC	Director & Chairman
20. UOB Global Capital Pte Ltd.	Chairman
21. UOB Hermes Asia Management Pte Ltd.	Chairman
22. UOB Life Assurance Ltd.	Director
23. UOB Travel Planners Pte Ltd.	Director
24. UOB Trust Ltd.	Director
25. United International Securities Ltd.	Director
26. Walden AB Ayala Ventures Co Inc (incorporated in Philippines)	Director
<b>Wee Family Business Group</b>	
1. C.Y. Wee & Company Pte Ltd.	Director
2. E C Wee Pte Ltd.	Director
3. Kheng Investment Ltd. (incorporated in Cayman Islands)	Director
4. Kheng Leong Co (HK) Ltd. (incorporated in Hong Kong)	Director
5. Kheng Leong Company (Pte) Ltd.	Director
6. K.I.P. Industrial Holdings Limited (incorporated in Hong Kong)	Director
7. Phoebus Singapore Holdings Pte Ltd.	Director
8. Portfolio Nominees Limited (incorporated in the British Virgin Islands)	Director
9. Wee Investments Pte Ltd.	Director
10. Wee Venture (Overseas) Limited (incorporated in the British Virgin Islands)	Director
11. Pilkon Development Company Limited (incorporated in the British Virgin Islands)	Director

## Other information

Company	Position
12. Plaza Hotel Company Limited (incorporated in Vietnam)	Director
13. Success Venture Investments (Australia) Ltd.	Director
14. Success Venture Pty Ltd.	Director
15. Success City Pty Limited	Director
<b>Non-Profit/Community Service/Relationship Business Group</b>	
1. ASEAN Finance Corporation Ltd.	Director
2. INSEAD East Asia Council & International Council	Advisory Board Member
3. Singapore-China Foundation	Member, Board of Governors
4. Singapore Chinese Chamber of Commerce & Industry	Council Member
5. The Association of Banks in Singapore	Council Member
6. The Institute of Banking & Finance	Director
7. Visa Inc. Asia Pacific Advisory Council	Member

### 3. Chinnawat Bulsuk

Company	Position
<b>Chinnawat Bulsuk's Business Group</b>	
1. Thai Samut Asset Co., Ltd.	Director & CEO
2. TBL Asset Co., Ltd.	Director
3. Saranond Co., Ltd.	Director
<b>Other Business Group</b>	
Chong Choe Co., Ltd.	Director

### 4. Suebtrakul Soonthornthum

Company	Position
<b>Loxley Business Group</b>	
1. Loxley Public Co., Ltd.	Director & SEVP
2. Loxley Global Co., Ltd.	Director
3. Loxley GTECH Technology Co., Ltd.	Director
4. Loxley Trading Co., Ltd.	Director
5. Loxley Property Development Co., Ltd.	Director
6. Guardfire (Thailand) Co., Ltd.	Chairman
7. Foseco (Thailand) Co., Ltd.	Chairman
8. General Aviation Co., Ltd.	Chairman
9. Besta International Co., Ltd.	Chairman
10. Blue Scope Steel (Thailand) Co., Ltd.	Director
11. Blue Scope Services (Thailand) Co., Ltd.	Director
12. Blue Scope Lysaght (Thailand) Co., Ltd.	Director
13. AsPac Oil (Thailand) Co., Ltd.	Director
14. Ekpavee Co., Ltd.	Director
15. Data Mining Co., Ltd.	Director
16. Jago Co., Ltd.	Director
17. Asia Securities Management Co., Ltd.	Director
18. Sin Surepa Co., Ltd.	Director
19. Progress Information Co., Ltd.	Chairman
20. Oriental Post Co., Ltd.	Director
21. Postique Co., Ltd.	Director
<b>Other Business Groups</b>	
1. Muang Thai Life Insurance Co., Ltd.	Independent Director
2. Muang Thai Real Estate Public Co., Ltd.	Chairman
3. Vanachai Group Public Co., Ltd.	Independent Director

**5. Arun Chirachavala**

Company	Position
<b>Krungdhep Sophon Group</b>	
1. Krungdhep Sophon Public Company Limited	Executive Chairman
2. Krungdhep Document Company Limited	Chairman
<b>Other Business Group</b>	
Palang Sophon Company Limited	Director

**6. Lee Chin Yong**

Company	Position
<b>UOB Group of Companies</b>	
1. United Overseas Finance (Malaysia) Bhd	Director
2. United Overseas Bank (Malaysia) Bhd	Director
3. Uni.Asia Capital Sdn Bhd	Director
4. Uni.Asia Life Assurance Bhd	Director and Deputy Chairman
5. PT Bank UOB Indonesia	Commissioner
6. UOB Property Investment Pte Ltd.	Director
7. PT Bank UOB Buana Tbk	Vice President Commissioner
8. UOB International Investment Pte Ltd.	Director
9. UOB-Kay Hian Holdings Ltd.	Director
10. UOB Life Assurance Ltd.	Director
11. United Overseas Bank (China) Ltd.	Director
<b>UOL Group of Companies</b>	
1. President Hotel Sdn Bhd	Director
2. HPL Properties (Malaysia) Sdn Bhd	Director
3. Grand Elite Sdn Bhd	Director
4. Grand Elite (Penang) Sdn Bhd	Director
5. UOL Serviced Residences Sdn Bhd	Director

**7. Hwee Wai Cheng**

Company	Position
<b>UOB Group of Companies</b>	
1. UOB Venture Technology Investments Ltd.	Director
2. UOB JAIC Venture Bio Investments Ltd.	Director
3. UOB.com Pte. Ltd.	Director
4. Unicom Databank Pte Ltd.	Director
<b>Others</b>	
1. Network For Electronic Transfers (S) Pte Ltd.	Director
2. Singapore Management University School of Information System Board of Advisors	Board Member

**8. Wong Kim Choong**

Company	Position
<b>UOB Group of Companies</b>	
UOB Cayman I Limited	Director

## Other information

### 9. Chua Teng Hui

Company	Position
<b>UOB Group of Companies</b>	
1. UOB Leasing (Thai) Company Limited	Chairman
2. UOB Services Company Limited	Chairman
3. UOB Cayman I Limited	Director

### 10. Lee Tse Tiong

Company	Position
<b>UOB Group of Companies</b>	
UOB Bullion & Futures (Thai) Company Limited	Director

### Senior Management

Name	Company	Position
1. Goh Choo Han Dennis	-	-
2. Thanachai Thanachaiary	AXA Insurance Public Company Limited	Director
3. Yeo Kian Ing	-	-
4. Ho Swit Moy Margaret	-	-
5. Patchanee Sutheevitanunt	UOB Bullion & Futures (Thai) Company Limited	Director
6. Sanchai Apisaksirikul	1. UOB Asset Management (Thai) Company Limited 2. UOB Leasing (Thai) Company Limited 3. UOB Services Company Limited	Director Director Director
7. Somkid Jiranuntarat	-	-
8. Khoo Wah Sun	-	-
9. Lim Keng Teck	UOB Services Company Limited	Director
10. Piyaporn Ratanaprasartporn	-	-
11. Sewsin Singprasong	-	-
12. Ngamjitt Sirijindalert	-	-
13. Pimolrat Tangkosakul	MalakYTE Holding Limited	Director
14. Yuttachai Teyarachakul	-	-
15. Pornchai Wiwatpattarakul	-	-
16. Roongthip Angkasirisan	-	-
17. Vajee Pramualrat	-	-
18. Sasitorn Rattanakul	-	-
19. Lek Ruangnaovarat	-	-
20. Montira Utarapichat	-	-

### 6. Shares of UOBT, subsidiaries and affiliated companies

Directors of UOBT do not own any shares in UOBT or any of its subsidiaries and associated companies.

### 7. Auditor's remuneration

In 2008, the Bank and its subsidiaries paid for audit fee and special audit fee regarding to Bank of Thailand's requirement to Ernst & Young Office Limited amounting to THB 8,800,000 and THB 400,000 respectively, totalling THB 9,200,000.

### 8. Related party transactions

Details of all related party transactions are disclosed in Note 33 in the Financial Statements.

## Risk management & key risk factors

The management of risks is fundamental to the financial soundness and strength of the Bank. Risk management forms an essential element of the Bank's overall strategy. The risk management philosophy of the Bank is that all risks must be identified, measured, monitored and managed within a robust risk management framework, and that returns must commensurate with the risks taken.

The risk management corporate governance structure takes the form of overall responsibility by the Board of Directors in providing guidance regarding strategies and risk appetite for an integrated view of the Bank's risk exposures. The Risk Management Committee, a sub-committee with delegated authority from the Board, establishes policies and strategies covering all aspects of risk affecting the Bank, reviews the adequacy of risk policies and highlights new risks and exceptional risk events to the Audit Committee and the Board from time to time. Other internal committees established to directly oversee day-to-day risk-related matters include the Credit Committee, Credit Risk Committee and Assets and Liabilities Committee ("ALCO").

The Bank has setup an integrated Risk Management Sector, which is independent of the business units and the support units, to perform the primary roles of implementing risk policies and procedures, monitoring to ensure compliance by the business and support units with these policies and procedures. Regular reporting on risk exposures compliance with risk policies and procedures are made to the management and various risk-related committees.

In 2008, key risk management policies and practices of the Bank were further aligned with those of United Overseas Bank ("UOB") Group. In line with the UOB Group's plan to adopt the more advanced approaches for compliance with the Basel II capital framework, the Bank embarked on a significant project to enhance and improve its risk management framework and related systems which would further strengthen overall risk management process of the Bank.

The key types of risk closely monitored by the Bank include:

### **(1) Credit Risk**

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

Through the Risk Management Committee and Credit Risk Committee, the Bank establishes well-defined risk parameters for accepting credit risk, credit policies and procedures to ensure that the credit portfolio is well-diversified and of an acceptable quality.

The Bank also has in place a rigorous process to regularly review, monitor and report credit exposures including risk concentrations, industry sector exposures, level of non-performing loans as well as adequacy of provisions.

The key operating units directly involved in managing credit risk include:

#### **• Credit Risk Management Division**

This unit is primarily responsible for preparing and proposing credit risk policies and guidelines for consideration and approval by the Board and/or its sub-committees. Other responsibilities include monitoring and reviewing credit risk exposures, performing analysis on credit portfolio performance for fine-tuning policies and risk acceptance criteria as well as preparing various credit risk related reports to management.

## Risk management & key risk factors

### • Credit Approval Division

This unit's main responsibility is to provide independent analysis of the credit proposals submitted by the business units. Through the issuance of a separate credit advice to the approving authority, credit evaluators under this unit address the degree of risks and concerns in each risk aspect, including cash flow and financial performance of the borrower, to evaluate whether the assessed risks lie within the acceptable range of the Bank. The credit advice may also cover suggestion for the restructuring or adjustment of the credit facilities, collateral and other facility terms and conditions to best represent the risk profiles of the borrower.

### • Credit Review/Provisioning and Classification Division

This unit is responsible for performing credit review to ensure that all credits accepted are in compliance with established policies, control procedures as well as to ensure all proper legal documentations in place.

### • Special Credit Management Division

This unit focuses on restructuring and recovery of the larger non-performing commercial loans with the aim of minimising damages and losses to the Bank. Non-performing loans are transferred to this unit for intensive follow-up and negotiation with the borrower from the early stages of loan default. Depending on the level of co-operation from the borrower, legal action may be taken against the borrower for loan repayment as well as for collateral enforcement. All restructured loans continue to be closely monitored by this unit until they have demonstrated good payment record.

### • Collections Division

This division monitors and follows up on all delinquent consumer loans as well as the small retail enterprise loans. Through the automated collection system, details of delinquent accounts are auto-routed to the collectors for immediate actions the moment borrowers go into default. Debt restructuring and legal actions may also be employed in order to maximise recovery to the Bank.

### • Litigation Department

The Litigation Department, a unit within the Litigation and Legal Administration Division, undertakes and oversees all legal actions and related activities of the Bank. Besides undertaking legal actions against defaulted borrowers on behalf of the Bank, this unit is also in charge of putting up a legal defence against all legal suits filed against the Bank.

## (2) Liquidity Risk

Liquidity risk is defined as the potential loss arising from the Bank's inability to meet its contractual obligations when due. Liquidity risk arises in the general funding of the Bank's activities and in the management of its assets. The Bank maintains sufficient liquidity to fund its day-to-day operations, meet customer deposit withdrawals, meet customers' demand for new loans and repay borrowings as they mature.

The management of liquidity risk is carried out throughout the year by a combination of cash flow management, maintenance of high quality liquid assets and other short-term investments that can be readily converted to cash, diversification of the Bank's funding sources and proactive management of the core deposit base. A Liquidity Contingency Funding Plan is drawn up to ensure that alternative funding sources are in place to minimise liquidity risk under any given liquidity crisis scenario.



The ALCO formulates key strategies and policies on liquidity risk management, sets up control limits and reviews the Bank's asset liability structure on a regular basis. The Asset Liability Management Division under the Treasury Management Group undertakes the day-to-day management of the Bank's liquidity cash flows while the Market and Balance Sheet Risk Management Division independently monitors and reports liquidity risk exposures to the ALCO on a regular basis.

### **(3) Balance Sheet Risk**

Balance sheet risk is defined as the potential change in earnings arising from the effect of movements in interest rates and foreign exchange rates on the structural banking book of the Bank that is not of a trading nature.

The ALCO establishes policies and strategies to manage and control the balance sheet interest rate risk exposure which may include adjusting lending and deposit rates and structuring the proportion of assets and liabilities. Exposure to currency risk is managed actively by setting limits for both overnight and intra-day positions.

The Market and Balance Sheet Risk Management Division monitors and reviews balance sheet interest rate risk exposures by analysing the mismatches in interest rate re-pricing of the Bank's assets and liabilities and the potential earnings impact as a result of interest rate changes through the use of analytical tools such as maturity/re-pricing schedules. Reports on asset and liability yield and balance sheet risk exposures are submitted to the ALCO on a regular basis.

### **(4) Market Risk**

Market risk is defined as the potential loss in market value of a given portfolio arising from changes in market prices, namely foreign exchange rates, interest rates, equity prices and option volatility rates. The Bank is exposed to market risk in its trading and investment portfolios as the value of its trading and investment positions is sensitive to changes in market prices and rates.

Market risk is managed by using a framework of market risk management policies and risk control procedures, as well as risk and loss limits. Risk and loss limits are proposed by the respective trading desks under Treasury Management Group, reviewed by the Market and Liquidity Risk Management Division and approved by the ALCO and the Board of Directors annually. The monitoring of market risk trading limits and the reporting of any limit excess and ratification are carried out independently by the Middle Office Division on a daily basis.

Market risk is measured using the value-at-risk methodologies on all major trading portfolios of the Bank. In addition, stress testing is also performed on the trading portfolios which serve to provide early warning of potential worst-case losses so as to facilitate proactive management of these risks in the rapidly changing financial markets.

### **(5) Operational Risk**

Operational risk is defined as the potential loss arising from the breakdown in the Bank's internal control or corporate governance that results in error, fraud, failure/delay to perform, or compromise of the Bank's interests by its employees. Other aspects of operational risk include major failure of information technology systems or events such as fire, flood or other disasters. Potential loss may be in the form of financial loss or other damages, for example, loss of public confidence that will impact the Bank's credibility and ability to transact, maintain liquidity and obtain new business.

## Risk management & key risk factors

The Bank manages operational risk through an internal framework of policies, control procedures and measures. This framework encompasses the identification of significant operational risk exposures and management controls, on-going conduct of operational risk self-assessment by business and support units as well as vigilant monitoring and reporting.

Included in the overall framework of operational risk is the disciplined product programme process aimed at ensuring that the risks associated with each new product/service are identified, analysed and managed before the product/service is approved for launch. In addition, in line with the increasing need to outsource internal support operations to achieve cost efficiency, an outsourcing policy has also been established to regulate the outsourcing of services to third parties.

To ensure continuity of business with timely recovery of critical functions in the event of a disaster or business disruption, a business continuity plan has been established for all critical business functions under the Bank's Business Continuity Management framework and policy. The business continuity plan is subject to regular testing and exercise to ensure that it is relevant, effective and operationally viable.

The Bank continues to emphasise on staff training and improvement to systems, processes and procedures as part of overall operational risk management.

## Report of the Audit Committee

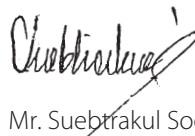
The Audit Committee of United Overseas Bank (Thai) Pcl. comprises three independent directors: Mr. Suebtrakul Soonthornthum, AC Chairman, Mr. Chinnawat Bulsuk, and Mr. Arun Chirachavala as Committee members. All Committee members are non-executive directors and non-employees of the Bank.

In the year 2008, the Committee held six meetings to review the Bank's internal controls and discussed financial and operational audit issues with the internal auditors and the Bank's external auditors. Relevant management members were invited to attend the meetings to provide additional information and clarification of the internal control systems.

### Major matters discussed at the meeting were as follows:

- Reviewed the major items of the financial reports and reviewed the reliability of those reports including held the meeting (non-executive session) with external auditor (E&Y)
- Proposed the revised Audit Committee Charter for the Board of Directors' approval
- Approved the revised Internal Audit Charter and IA Codes of Ethics and proposed to the Board of Directors (BOD) for approval
- Approved and monitored the Internal Audit Year Plan and resources
- Acknowledged major audit findings regarding the compliance with internal and external regulations
- Acknowledged the quarterly audit reports, major findings, and status update
- Acknowledged the Basel II - Internal Ratings Based Approach (IRBA) implementation issues and progresses
- Reviewed the adequacy and effectiveness of the Bank's internal control systems by discussion with senior management
- Reviewed the reasonableness of the connected and related parties' transactions
- Reviewed and proposed the Bank's external auditor fees to the Board of Directors

The Committee has continually reviewed and assessed the Bank's key risks, controls and monitoring system through the Bank's Internal Audit Sector and by discussion with external auditor and senior management. From the evaluation of the Bank's internal control systems, it concluded that the Bank's internal controls in the area of financial reporting and risk management are adequate and reliable and that the Bank continues to improve the overall control framework. In addition, the Internal Audit System is ISO9001:2000 certified.



Mr. Suebtrakul Soonthornthum  
Chairman of the Audit Committee  
March 6, 2009

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

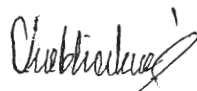
The Board of Directors has reviewed the opinion and the Assessment Form on the Adequacy of Internal Control system prepared by the Audit Committee during the Board of Directors' Meeting no. 565 held on March 6, 2009. Participants in the meeting included the Audit Committee members comprising the three independent directors who are not employees of the Bank.

The Audit Committee's opinion on the internal control system of the Bank and its subsidiaries was summarized from the evaluation of the Bank's internal control system in five sections as follows:

- Organization Control and Environment Measure
- Risk Management Measure
- Management Control Activities
- Information and Communication Measure
- Monitoring

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

The external auditor of the Bank, Ms. Ratana Jala, certified public account of Ernst & Young Office Limited, which examined the Financial Statements as at December 31, 2008. Ernst & Young has given the opinion in the Audit Report that the financial statements as at December 31, 2008 present fairly, in all material respects, the financial position of the Bank, the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



Mr. Suebrakul Soonthornthum  
Chairman of the Audit Committee  
March 6, 2009

## Corporate governance

United Overseas Bank (Thai) Public Company Limited, one of the subsidiaries of United Overseas Bank Limited ("UOB"), is committed to maintaining the highest standard of corporate governance. The Bank believes that good corporate governance is fundamental to sustaining business growth, as well as to safeguard the rights and interests of all stakeholders, including shareholders, employees, business partners, customers, regulatory agencies and auditors. The Bank established a code of conduct as a set of principles for all employees, including directors and management members, to govern their roles and responsibilities. This code spells out the best practices that all employees should follow to uphold the principles of integrity and trust that our stakeholders have placed on the bank. This code of conduct covers, among others, investment on securities, receiving and giving of gifts/entertainment, and preventing money laundering.

The Board of Directors has formed various committees for management purpose and closely monitors their performance for sound operations. These committees must adhere to the good governance practices of Bank of Thailand and government entities to ensure that the interests of all stakeholders are equally protected.

### **Control Systems and Internal Audit**

Since the Board of Directors and the management of the Bank recognise the importance of having efficient internal control systems, risk management, compliance and internal audit, they thus instruct all work units to comply with the good governance guidelines with regard to internal controls and ethics. Control activities form an integral part of operational processes. The Bank has established control structures for all relevant units and separated the duties of persons who perform operations and those in charge of control and monitoring to provide appropriate checks and balances. The Bank has set up various committees to manage detailed day-to-day operational matters, and has a qualified Internal Audit team to audit all established controls procedures.

The Internal Audit Sector is an independent unit that reports directly to the Audit Committee. The Sector is responsible for auditing and providing assurance in relation to operational control (including related parties transaction) and internal control guidelines. The Internal Audit Sector is certified under international standards (ISO9001:2000) and complies with the UOB Group's audit standards.

### **Directors' Reporting**

The Board of Directors is responsible for the consolidated financial statements of the Bank and its subsidiaries and for the financial information presented in this annual report. These financial statements were prepared in accordance with generally accepted accounting standards of Thailand and Accounting Act B.E. 2543, as well as relied on governing policies, careful judgement and best estimates. Important information is adequately disclosed in the notes to financial statements and has been reviewed and unconditionally commented by independent certified public accountants. The Bank's financial statements reflect the true and transparent financial status and performance for the information of shareholders.

The Board of Directors has provided and maintained an effective internal control system to ensure that accounting records are accurate, complete and adequate to protect the Bank's assets and uncover weaknesses in order to prevent operational risk or materially irregular operations.

## Corporate governance

The Board of Directors has established the Audit Committee, which consists of independent members and is responsible for the quality of the financial reports, internal control system, internal audit and disclosure of related transactions or transactions that may cause conflict of interest, to ensure correctness and transparency.

## Management structure

### Board of Directors

The Board of Directors consists of ten qualified directors, three of whom are independent directors. The Board meets at least once every three months and no fewer than half of the total number constitutes a quorum for meetings.

The Board of Directors' duties are to set the Bank's policies and operational directions as well as to oversee management to ensure its efficient and effective compliance with the Bank's policies, relevant laws, objectives, articles of association, and the shareholders' resolutions. The Board of Directors is also empowered to elect a certain number of the board members to form the Executive Committee to conduct any business or businesses under any such condition that the Board may think fit and may assign one director or other person to take action on its behalf.

The Board of Directors consists of:

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Chinnawat Bulsuk	Independent Director
Suebrakul Soonthornthum	Independent Director
Arun Chirachavala	Independent Director
Lee Chin Yong	Director
Hwee Wai Cheng	Director
Wong Kim Choong	Director
Chua Teng Hui	Director
Lee Tse Tiong	Director

### Executive Committee

The Executive Committee ("EXCO") is empowered by the Board of Directors to manage the day-to-day operations of the Bank. The EXCO is also given the authority to a) set credit discretionary limits; b) approve or ratify approvals for credit applications and debt restructuring cases; c) delegate to the Assets and Liabilities Committee ("ALCO") the responsibility to manage and review the Bank's assets and liabilities; d) review and approve the risk policies of the Bank; and e) approve and control the design and development of the use of risk measurement system, including the processes and procedures applied in the risk appraisal. The EXCO also empowers the Bank's President to set up any necessary functional committees, makes changes to the members of these committees and determines the scope of duties and responsibilities of these committees. In addition, the EXCO is responsible for monitoring the progress of the Bank's business operations.

The EXCO consists of:

Wong Kim Choong	Chairman
Wee Ee Cheong	Vice Chairman
Lee Chin Yong	Member
Lee Tse Tiong	Member

### Audit Committee

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

The Audit Committee consists of:

Suebtrakul Soonthornthum	Chairman
Chinnawat Bulsuk	Member
Arun Chirachavala	Member

### **Nomination and Compensation Committee**

The Nomination and Compensation Committee is appointed by the Board of Directors. This committee is responsible for setting up the policies and criteria for considering the remunerations of the Bank's board members and senior management, as well as making recommendation on appropriate persons for designated senior positions, and the compensation package of these senior appointments.

The Nomination and Compensation Committee consists of:

Chinnawat Bulsuk	Chairman
Wee Ee Cheong	Member
Lee Chin Yong	Member

### **Risk Management Committee**

The Risk Management Committee is responsible for establishing policies and strategies covering all risks that may affect the reputation and stability of the Bank and subsidiaries. In this regard, the committee will estimate, follow up, and monitor the risks of the Bank to manage them at an appropriate level. The committee reviews the adequacy of these risk policies, risk management guidelines, and all important aspects of the rating systems and processes including the use of rating systems and estimates of Internal Ratings-Based Approach parameters, which is in line with the Bank's direction towards a more advanced approach for compliance with the Basel II capital framework, and stress tests and reports regularly to the Board of Directors. This committee also works closely with the Audit Committee in addressing risk areas to enhance the efficiency of the risk management.

The Risk Management Committee consists of:

Chief Executive Officer	Chairman
Deputy Chief Executive Officer	Vice Chairman
Head of Institutional Banking Group	Member
Head of Personal Financial Services Group	Member
Head of Corporate Services Group	Member
Head of Credit Approval Group	Member
Head of Global Markets Group	Member
Head of Risk Management Group	Member
<i>(Head of Risk Management Sector as alternate)</i>	
Head of Central Operations, Delivery Channels & Collections Group	Member
Head of Internal Audit Sector	Member
Head of Compliance, Secretariat & Legal Sector	Member

In addition to these committees, the Board of Directors also has sub-committees to manage the day-to-day operational matters. These committees consist of appropriate management staff from various functions. These committees include the Management Committee, Assets and Liabilities Committee, Credit Committee, Valuation Committee, Basel II Steering Committee, Computer Committee, Credit Risk Committee, Special Asset Management Credit Committee and Subsidiaries Management Committee.



In 2008, the Board of Directors held five meetings, and the Audit Committee held six meetings. The attendance of each director is as follows:

<u>Board of Directors' meeting</u>	<u>Meetings attended</u>
Wee Cho Yaw	4/5
Wee Ee Cheong	3/5
Chinnawat Bulsuk	5/5
Suebrakul Soonthornthum	5/5
Pongsak Hoontrakul ( <i>Resigned 11 April 2008</i> )	1/1
Arun Chirachavala ( <i>Appointed 11 April 2008</i> )	4/4
Lee Chin Yong	4/5
Hwee Wai Cheng	5/5
Wong Kim Choong	5/5
Chua Teng Hui	5/5
Lee Tse Tiong	5/5
<u>Audit Committee's meeting</u>	<u>Meetings attended</u>
Chinnawat Bulsuk	6/6
Suebrakul Soonthornthum	6/6
Pongsak Hoontrakul ( <i>Resigned 11 April 2008</i> )	2/2
Arun Chirachavala ( <i>Appointed 11 April 2008</i> )	4/4

## Branch network

### Head office

#### Sathon Head Office

191 South Sathon Road, Sathon,  
Bangkok 10120  
Tel : 0-2343-3000 ext. 2682, 2684, 2686  
Fax : 0-2287-2972

### Bangkok metropolitan offices

#### All Seasons Place

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

#### Amarin Plaza

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

#### Anusavaree Chaisamorphoom

911/1-3 Phaholyothin Road, Phayathai,  
Bangkok 10400  
Tel : 0-2271-0089, 0-2271-3447,  
0-2271-2662, 0-2619-5916  
Fax : 0-2271-0088

#### Asoke

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

#### Bang Bon

72/65-68 Mu 6, Eakchai-Bangbon Road,  
Bangbon, Bangkok 10150  
Tel : 0-2258-9552, 0-2898-0423-5,  
0-2415-6984  
Fax : 0-2898-0426

#### Bangbuathong

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

#### Bangkae

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

#### Bang Kapi

(Mon.-Fri. 8.30am-5.00pm)  
Mall Avenue Building,  
3530 Ladphrao Road, Bangkapi,  
Bangkok 10240  
Tel : 0-2378-0973-4, 0-2375-0201,  
0-2375-0203  
Fax : 0-2378-0975

#### Bangmod

1/2 Mu 9, Rama II Road, Jomthong ,  
Bangkok 10150  
Tel : 0-2867-0203-5  
Fax : 0-2867-0914

#### Bangna K.M.2

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

#### Bangplee

(Mon.-Fri. 8.30am-5.00pm)  
BIG C Center Bangplee,  
89 Mu 9 Taeparak KM 13 Road,  
Bangplee, Samutprakarn 10540  
Tel : 0-2752-4505, 0-2752-4507-9  
Fax : 0-2752-4504

#### Bangrak

Jems Tower Building,  
1249/19, 1249/50, 1249/59  
Charoen Krung Road, Bangrak,  
Bangkok 10500  
Tel : 0-2237-5050-1, 0-2237-8577-8,  
0-2234-5265, 0-2266-9896-7  
Fax : 0-2266-9667

#### BTS On Nut (Sub Branch)

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

#### Buntudthong

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

#### Central Pinklao

(everyday 10.00am-8.00pm)  
Central Pinklao Department Store,  
7/1 Baromratchonnane Road,  
Bangkok-Noi, Bangkok 10700  
Tel : 0-2884-8030-2  
Fax : 0-2884-8033

#### Chaengwatana

Na Nakorn Building,  
99/349 Mu 2 Chaengwatana Road,  
Donmuang, Bangkok 10210  
Tel : 0-2576-1057-60, 0-2576-1490,  
0-2576-1544-5  
Fax : 0-2576-1533

#### City Complex

(Mon.-Fri. 8.30am-5.00pm)  
City Complex Building,  
831 Petchburi Road, Rajathevee,  
Bangkok 10400  
Tel : 0-2255-0746, 0-2255-0749,  
0-2653-8522, 0-2252-1211  
Fax : 0-2255-0748

#### Dao Khanong

1057/9-10 Taksin Road, Thonburi,  
Bangkok 10600  
Tel : 0-2460-0157, 0-2460-0159,  
0-2460-0243  
Fax : 0-2460-0245

#### Hua Mark

1929/3-5 Ramkamhaeng Road, Bangkapi,  
Bangkok 10240  
Tel : 0-2318-8561-4, 0-2718-4624,  
0-2319-3062  
Fax : 0-2318-0139

#### Imperial (Ladphrao 81)

Basement Floor, Imperial World  
Department Store, 2539 Ladphrao Road,  
Wangthonglang, Bangkok 10310  
Tel : 0-2934-8686-9, 0-2934-8691  
Fax : 0-2934-8690

#### Klong Toey

Rama IV Department Store,  
1472, 1474 Rama IV Road, Klongtoey,  
Bangkok 10110  
Tel : 0-2249-0886-7  
Fax : 0-2249-4075

#### Ladphrao

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

#### Major Phra Pra Daeng

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

**Minburi**

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

**Muang Thong Thani**

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

**Navanakorn**

(Mon.-Fri. 8.30am-5.00pm)  
12/47-48 Mu 19, Phaholyothin Road,  
Klong Nueng, Klong Luang,  
Pathumthani 12120  
Tel : 0-2529-3154-6, 0-2529-3332  
Fax : 0-2529-5200

**Ngam Wong Wan**

207/15 Mu 6, Ngam Wong Wan Road,  
Luksi, Bangkok 10210  
Tel : 0-2591-7902, 0-2591-0770,  
0-2591-0772  
Fax : 0-2591-0771

**Nong Khaem**

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

**Nonthaburi**

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

**On Nut**

1468, 1470 Mu 6, On Nut Road,  
Suanluang, Bangkok 10250  
Tel : 0-2332-3134-7  
Fax : 0-2331-8519

**On Nut 17**

847-849 Sukhumvit 77 Road (On Nut Soi 17),  
Suanluang, Bangkok 10250  
Tel : 0-2742-5071-5  
Fax : 0-2742-5070

**Pattanakarn**

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

**Phaholyothin K.M.26**

1/737 Mu 17, Soi Amporn,  
Phaholyothin KM 26, Lam Luk Ka,  
Pathumthani 12150  
Tel : 0-2532-3645-50, 0-2532-3644  
Fax : 0-2532-3641

**Phaholyothin Soi 19**

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

**Phahurad**

(Mon.-Fri. 8.30am-5.00pm)  
The Old Siam Plaza,  
2/30-33, 4/11-14 Burapa Road,  
Phra Nakhon, Bangkok 10200  
Tel : 0-2222-0176-9, 0-2222-4113-4,  
0-2223-1854-5, 0-2223-6233  
Fax : 0-2223-0708

**Phetchakasem 35**

(everyday 10.00am-8.00pm)  
Future Park-Robinson Bangkae,  
110 Mu 9 Phetchakasem 35 Road,  
Phasi Charoen, Bangkok 10160  
Tel : 0-2454-8690-5  
Fax : 0-2454-8696

**Phra Pinklao**

30 Charansidvongs Road,  
Bangplad, Bangkok 10700  
Tel : 0-2434-7110-3  
Fax : 0-2434-7114

**Pracha-U-Thit Soi 16**

459/15-17 Pracha-U-Thit Road (Soi 16),  
Rat Burana, Bangkok 10140  
Tel : 0-2428-0037, 0-2428-3653-5  
Fax : 0-2427-1778

**Rajchaprarop**

120/3-6 Rajchaprarop Road,  
Rajthevee, Bangkok 10400  
Tel : 0-2656-3071-2, 0-2656-3068  
Fax : 0-2251-0404

**Rajchawong**

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

**Ramintra K.M.9**

(everyday 10.00am-8.00pm)  
5/5-6 Mu 7 Fashion Island Department Store,  
Ramintra Road, Kunayao, Bangkok 10230  
Tel : 0-2947-5307-9, 0-2947-5311  
Fax : 0-2947-5310

**Rangsit**

(everyday 10.00am-8.00pm)  
Future Park Rangsit Building,  
94 Mu 2 Tanyaburi, Pathumthani 12110  
Tel : 0-2958-0562-7  
Fax : 0-2958-0568

**Ratchada-Huay Khwang**

167/8 Ratchadaphisek Road, Din Daeng,  
Bangkok 10320  
Tel : 0-2276-9408-11, 0-2276-9414  
Fax : 0-2276-9413

**Ratchada-Sathupradit**

127/1 Nonsee Road, Yannawa,  
Bangkok 10120  
Tel : 0-2681-1111-5  
Fax : 0-2681-1110

**Ratchada-Thaphra**

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

**Samrong**

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

**Sam Yaek**

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

**Saphan Khao**

325/168 Lukluang Road, Dusit,  
Bangkok 10300  
Tel : 0-2282-3665, 0-2282-3796,  
0-2282-4374, 0-2282-3694-5  
Fax : 0-2282-1914

## Branch network

### Saphanmai

108/502-503 Mu 7, Paholyothin Road,  
Anusavaree, Bangkok, Bangkok 10220  
Tel : 0-2522-6646-8  
Fax : 0-2522-6649

### Sathon 2

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

### Senanikom

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

### Seri Center

(everyday 10.00am-8.00pm)  
Seri Center Building,  
12/90 Mu 6 Srinakarin Road,  
Prawet, Bangkok 10260  
Tel : 0-2746-0816-8  
Fax : 0-2746-0819

### Siam Paragon

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

### Siam Square

(Mon.-Fri. 8.30am-5.00pm)  
410-410/1 Siam Square Soi 6, Rama 1 Road,  
Pathumwan, Bangkok 10500  
Tel : 0-2251-3343, 0-2251-2145,  
0-2251-2278, 0-2254-6800  
Fax : 0-2251-2280

### Silom 2

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

### Silom Complex

(Mon.-Fri. 8.30am-5.00pm)  
Silom Complex Building,  
191 Silom Road, Bangrak,  
Bangkok 10500  
Tel : 0-2231-3139-40, 0-2231-3100-1  
Fax : 0-2231-3137

### Si Phraya

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

### Si Yeak Sriwara

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

### Soi Chokechai 4

141/3-4 Soi Chokechai 4 (Ladphrao 53),  
Wangthonglang,  
Bangkok 10310  
Tel : 0-2539-6111-3  
Fax : 0-2539-3500

### Soi Sukhumvit 101/1

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

### Soi Yoo Dee

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

### Songwad

1252-4 Songwad Road,  
Samphanthawongse,  
Bangkok 10100  
Tel : 0-2225-6254-7, 0-2226-3606-7  
Fax : 0-2225-6256

### Srinakarin

395/5 Srinakarin Road, Muang,  
Samut Prakarn 10270  
Tel : 0-2385-7312-5  
Fax : 0-2385-731665

### Sri Yan

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

### St. Louis 3

9/10 Trok Chan Saphan 3, Chan Road,  
Sathon, Bangkok 10120  
Tel : 0-2212-7024, 0-2211-1407  
Fax : 0-2211-0815

### Sukhumvit 4

142 Sukhumvit Road,  
Klongtoey, Bangkok 10110  
Tel : 0-2653-2178-9, 0-2253-5137,  
0-2653-2218  
Fax : 0-2653-2181

### Sukhumvit 25

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

### Sukhumvit 26

690 Sukhumvit Road, Klongtoey,  
Bangkok 10110  
Tel : 0-2620-3888-90  
Fax : 0-2260-5312

### Sukhumvit 83

2<sup>nd</sup> Floor Market Plus Building,  
2149 Soi Sukhumvit 83, Pra Khanong,  
Bangkok 10260  
Tel : 0-2742-5812-5, 0-2742-5818  
Fax : 0-2742-5816

### Sukhumvit 101 (Piyarom Park)

3079/25 Soi Piyabuttra, Sukhumvit Road,  
Phra Khanong, Bangkok 10260  
Tel : 0-2730-5100-3, 0-2730-5105  
Fax : 0-2730-5106

### Suksawat

86/17-19 Suksawat Road,  
Rat Burana, Bangkok 10140  
Tel : 0-2468-4797, 0-2477-2411-2,  
0-2477-2408  
Fax : 0-2468-6028

### Surawong

289 Surawongse Road, Bangrak,  
Bangkok 10500  
Tel : 0-2233-9730-5, 0-2234-9543,  
0-2233-8686, 0-2233-6537  
Fax : 0-2235-5208

### Taksin

43,45,47 Taksin Road, Thonburi,  
Bangkok 10600  
Tel : 0-2438-6429, 0-2438-0063,  
0-2439-1864, 0-2437-2387  
Fax : 0-2438-6426

### Talard Si Mummuang

355/33-35 Mu 8, Phaholyothin Road,  
Lam Luk Ka, Pathumthani 12130  
Tel : 0-2536-7850, 0-2536-7852,  
0-2536-7854-6  
Fax : 0-2536-7853

**Thai Wah Tower**

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

**Thanon Asoke-Dindaeng**

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

**Thanon Khaolarm**

2214, 2216 Khaolarm Road,  
Samphanthawongse, Bangkok 10100  
Tel : 0-2238-2540-2  
Fax : 0-2238-2543

**Thanon Krungthonburi**

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

**Thanon Phaholyothin 8**

G Floor, Shinawatra Tower 1 Building,  
414 Phaholyothin Road, Phayathai,  
Bangkok 10400  
Tel : 0-2616-9760-2, 0-2357-1690  
Fax : 0-2357-1490

**Thanon Phayatai**

1<sup>st</sup> Floor Golden Town Building,  
71 room 1/4-1/6 Phayathai Road,  
Ratchathewi, Bangkok 10400  
Tel : 0-2653-4530-2  
Fax : 0-2653-4658

**Thanon Phraram 6**

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

**Thanon Phraram 9**

G Floor Worrasombat Building,  
100/1 Rama 9 Road, Huay Khwang,  
Bangkok 10310  
Tel : 0-2645-0683-5  
Fax : 0-2645-0440

**Thanon Pracha-U-Thit**

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

**Thanon Ramkhamhaeng 2**

229 Ramkhamhaeng 2 Road,  
Bangkapi, Bangkok 10260  
Tel : 0-2397-6042, 0-2397-6045-6  
Fax : 0-2397-6044

**Thanon Ramkhamhaeng 81/1**

2945/1 Ramkhamhaeng Road,  
Bangkapi, Bangkok 10240  
Tel : 0-2374-1374-7  
Fax : 0-2732-2010

**Thanon Sri Wara**

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

**Thanon Sukhaphiban 3**

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

**Thanon Tiwanond**

121/2 Mu 4, Tiwanon Road,  
Muang, Nonthaburi 11000  
Tel : 0-2968-8586-9, 0-2968-8584,  
0-2527-4706  
Fax : 0-2968-8583

**Thanon Vorachak**

94-96 Vorachak Road,  
Pom Prap Sattru Phai,  
Bangkok 10100  
Tel : 0-2221-5223, 0-2225-9086,  
0-2225-9088  
Fax : 0-2225-9087

**Thanon Witthayu**

(everyday 10.00am-8.00pm)  
G Floor CRC Tower Building,  
87/2 room 121, Witthayu Road,  
Pathumwan, Bangkok 10330  
Tel : 0-2255-5392-4  
Fax : 0-2255-5395

**Thanon Yaowaraj**

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

**Thonglor**

283/15-17, 283/65, Soi Thonglor 13,  
Sukhumvit 55 Road, Wattana,  
Bangkok 10250  
Tel : 0-2712-7150-5  
Fax : 0-2712-7156

**Tops Bangna**

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

**Tops Rama 2**

(everyday 10.00am-8.00pm)  
Central Plaza Rama 2 Department Store,  
128 Mu 6 Rama 2 Road, Bangkhunthien,  
Bangkok 10150  
Tel : 0-2872-4710-4  
Fax : 0-2872-4715

**Tops Ratchadaphisek**

(everyday 10.00am-8.00pm)  
Robinson Ratchadaphisek Department  
Store, 139 Ratchadaphisek Road,  
Din Daeng, Bangkok 10310  
Tel : 0-2246-5058-9, 0-2246-5101  
Fax : 0-2246-5578

**Union Mall Ladprao**

(everyday 10.00am-8.00pm)  
2<sup>nd</sup> Floor Union Mall Center,  
54 Ladprao Road, Jomphol, Chatuchak,  
Bangkok 10900  
Tel : 0-2939-2613-5  
Fax : 0-2937-1730

**Wiphawadi-Rangsit 9**

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

**UPCOUNTRY BRANCH OFFICE****Central area****Lop Buri**

21/11-12 Mu 1, Phaholyothin Road,  
Muang, Lopburi 15000  
Tel : 0-3641-4248-9  
Fax : 0-3641-4251

## Branch network

### Nakhon Pathom

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

### Phra Nakhon Si Ayutthaya

255 Mu 5, Rojana Road,  
Phra Nakhon Si Ayutthaya,  
Phra Nakhon Si Ayutthaya 13000  
Tel : 0-3524-6116, 0-3524-6030,  
0-3522-9049  
Fax : 0-3524-1546

### Phrapathomjedee

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

### Sam Chuk

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

### Samut Sakhon

927/403 Sethakit 1 Road, Muang,  
Samut Sakhon 74000  
Tel : 0-3442-7139, 0-3481-0516,  
0-3481-0275  
Fax : 0-3481-0513

### Samut Songkhram

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

### Saraburi

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

### Western area

#### Damnoen Saduak

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

### Kanchanaburi

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

### Phetchaburi

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

### Ratchaburi

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

### Eastern area

#### Baan Bung

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

#### Baan Chang

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

#### Bang Lamung

90/27 Mu 5, Pattaya-Naglue Road,  
Bang Lamung, Chonburi 20150  
Tel : 0-3842-8418, 0-3842-9333,  
0-3842-7748-9, 0-3842-0273  
Fax : 0-3842-3332

#### Bang Pakong

139 Mu 9, Bang Pakong,  
Chachoengsao 24130  
Tel : 0-3853-1297-8, 0-3853-2882  
Fax : 0-3853-2086

#### Chachoengsao

94/3 Chumphon Road, Muang,  
Chachoengsao 24000  
Tel : 0-3851-1621-2, 0-3881-8149,  
0-3851-4627-8  
Fax : 0-3851-1623

### Chanthaburi

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

### Chon Buri

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

### Chon Buri 2

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

### Eastern Seaboard

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

### Pattaya

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

### Rayong

144/39-41 Sukhumvit Road,  
Muang, Rayong 21000  
Tel : 0-3861-4730-3, 0-3861-4735-6  
Fax : 0-3861-4734

### Robinson Sriracha

(everyday 10.00am-8.00pm)  
G Floor Room No.1F-B-13,  
Robinson Sriracha Department Store,  
90/1 Sukhumvit Road, Sriracha,  
Chonburi 20110  
Tel : 0-3832-8458-60  
Fax : 0-3832-8461

### Sriracha

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

**Northern area****Chiang Mai**

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

**Chiang Mai - Huaikaew**

137 Huay Kaew Road, Muang,  
Chiangmai 50200  
Tel : 0-5321-1091-4  
Fax : 0-5321-1095126

**Chiang Rai**

643/5 Mu 3, Uttrakit Road, Muang,  
Chiangrai 57000  
Tel : 0-5371-6786, 0-5371-1414,  
0-5371-6557, 0-5371-6777  
Fax : 0-5371-5429

**Lampang**

255 Boonwat Road, Muang,  
Lampang 52000  
Tel : 0-5421-8383, 0-5422-7383,  
0-5421-8454, 0-5421-8373  
Fax : 0-5422-7637

**Nakhon Sawan**

532-534 Kosi Road, Muang,  
Nakhon Sawan 60000  
Tel : 0-5621-4109, 0-5621-4690,  
0-5621-4709, 0-5631-4234-5  
Fax : 0-5621-3224

**Pa Sang**

232 Mu 1, Lamphun-Pa Sang Road,  
Pa Sang, Lamphun 51120  
Tel : 0-5352-0282, 0-5352-0337  
Fax : 0-5352-0283

**Phitsanulok**

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

**Thanon Highway-Chiang Mai**

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

**Tops Airport**

(everyday 10.00am-8.00pm)  
Tops Market Place Airport Chiangmai,  
Robinson Department Store Chiangmai,  
2 Mahidol Road, Muang,  
Chiangmai 50100  
Tel : 0-5390-4567-9  
Fax : 0-5390-4570

**North east area****Khon Kaen**

34, 34/1-2 Namuang Road, Muang,  
Khonkaen 40000  
Tel : 0-4323-7620-1, 0-4333-4577,  
0-4323-7609  
Fax : 0-4323-7435

**Nakhon Ratchasima**

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

**Nakhon Ratchasima 2**

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

**Roiet**

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

**Sakon Nakhon**

1748/4 Sukkasaem Road, Muang,  
Sakon Nakhon 47000  
Tel : 0-4271-6350, 0-4271-6303,  
Fax : 0-4271-6728

**Surin**

79, 81, 83 Chitbunrung Road, Muang,  
Surin 32000  
Tel : 0-4453-8384, 0-4451-1848  
Fax : 0-4451-1081

**Ubon Ratchathani**

177 Ubparat Road, Muang,  
Ubon Ratchathani 34000  
Tel : 0-4524-3830-1, 0-4524-4270-1  
Fax : 0-4524-3832

**Udon Thani**

359 Phosri Road, Muang, Udonthani 41000  
Tel : 0-4234-3425, 0-4224-9590  
0-4222-1333, 0-4222-3613,  
Fax : 0-4224-4062

**Khonkaen - Thanon Mittraparb**

81/1 Mitraparb Road, Muang,  
Khonkaen 40000  
Tel : 0-4324-1613, 0-4324-1686  
0-4324-1268, 0-4324-2547  
Fax : 0-4323-8435

**Southern area****Central Festival Phuket**

(everyday 11.00am-8.00pm)  
Central Festival Phuket Department Store,  
74-75 Mu 5 Tumbol Vichit, Muang,  
Phuket 83000  
Tel : 0-7621-0492, 0-7621-0526,  
0-7621-0534, 0-7621-0575  
Fax : 0-7621-0596

**Hat Pa Tong**

159, 161, 163 Rat-U-Thit 200 years Road,  
Krathu, Phuket 83150  
Tel : 0-7634-0489, 0-7634-0142-3  
Fax : 0-7634-1169

**Hat Yai**

164 Nipat-utit 1 Road, Hat Yai,  
Songkhla 90110  
Tel : 0-7424-3032, 0-7424-5033,  
0-7424-3810  
Fax : 0-7423-5606

**Nakhon Sri Thammarat**

1719-1721 Rajdamnern Road,  
Muang, Nakhon Sri Thammarat 80000  
Tel : 0-7535-6112, 0-7535-6860-1  
Fax : 0-7531-1691

**Pak Phanang**

415/1 Chainam Road, Pak Phanang,  
Nakhon Sri Thammarat 80140  
Tel : 0-7551-7324, 0-7551-7064,  
0-7533-3886  
Fax : 0-7551-7248

**Phuket**

206 Phuket Road, Muang, Phuket 83000  
Tel : 0-7621-1566, 0-7621-1577,  
0-7621-4901-2, 0-7621-0970-1  
Fax : 0-7621-4903

## Branch network

### Surat Thani

208/2-3 Chonkasem Road, Muang,  
Suratthani 84000  
Tel : 0-7728-6292-7  
Fax : 0-7728-6298

### Tops Hat Yai Thanon Sanehanusorn

(everyday 10.00am-8.00pm)  
Central Hat Yai Department Store,  
1 Sanehanusorn Road,  
Hat Yai, Songkhla 90110  
Tel : 0-7422-5441-3  
Fax : 0-7422-5444

### Trang

Tammarin Thana Hotel,  
69/8 Huay Yod Road, Muang, Trang 92000  
Tel : 0-7521-7782-4  
Fax : 0-7521-7785

### Yala

8-12 Pipitpakdi Road, Muang, Yala 95000  
Tel : 0-7321-2218, 0-7321-2414  
Fax : 0-7321-3764

### International branch

#### Cayman Islands

Scotiabank Building, Cardinal Avenue,  
George Town, Cayman Islands  
Contact address : 191 South Sathon  
Road, Sathon,  
Bangkok 10120,  
Thailand  
Telex : 84351 BKASIA TH  
S.W.I.F.T. : BCASTHBK  
Tel : 0-2343-3371,  
0-2343-3362  
Fax : 0-2285-1414

### Distribution channels

Branches : 152  
ATM : 359  
Foreign exchange : 31  
kiosks  
UOB Call Center : 0-2285-1555  
Website : [www.uob.co.th](http://www.uob.co.th)



## Company information

Name : United Overseas Bank (Thai) Public Company Limited  
 Public company registration number : 0107535000176  
 Nature of business : Commercial Bank  
 Registration address : 191 South Sathon Road, Sathon, Bangkok 10120  
 Tel : 0-2343-3000  
 Fax : 0-2287-2973-4  
 Telex : 84351 BKASIA TH  
 S.W.I.F.T. : BKASTHBK  
 Website : www.uob.co.th

### Auditor

Narong Puntawong Certified Public Accountant (Thailand)  
 No. 3315 and/or  
 Rungnapa Lertsuwankul Certified Public Accountant (Thailand)  
 No. 3516 and/or  
 Ratana Jala Certified Public Accountant (Thailand)  
 No. 3734

Ernst & Young Office Limited  
 33<sup>rd</sup> Fl. Lake Rajada Office Complex  
 193/136-137 Rajadapisek Road,  
 Klongtoey, Bangkok 10110  
 G.P.O. Box 1047 Bangkok 10501  
 Tel : 0-2264-0777, 0-2266-9190  
 Fax : 0-2264-0789-90, 0-2661-9192

### Registrar

United Overseas Bank (Thai) Public Company Limited  
 191 South Sathon Road, Sathon, Bangkok 10120  
 Tel : 0-2343-4951-2  
 Fax : 0-2286-5841

## Company information

### Credit Ratings

#### Summary

	Long-term	Short-term	Outlook
Moody's Investors Service	Baa1	Prime-2	Negative
Fitch Ratings	A-	F2	Negative
- National Ratings	AA+(tha)	F1+(tha)	Stable
Standard & Poor's	BBB+	A2	Negative

#### Moody's Investors Service

Bank deposits		Long-term	Baa1
		Short-term	Prime-2
Financial strength (BFSR)			D
Outlook			Negative

#### Fitch Ratings

Foreign currency		Long-term	A-
		Short-term	F2
Individual			C
Support			1
Outlook			Negative
<b>National Ratings</b>			
Senior debt		Long-term	AA+(tha)
		Short-term	F1+(tha)
Outlook			Stable

#### Standard & Poor's

Counterparty		Long-term	BBB+
		Short-term	A2
Outlook			Negative



