

**Standard Chartered Bank (Thai)
Public Company Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้
กรุงเทพฯ 10120

Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

Independent Auditor's Report

To the Shareholders of Standard Chartered Bank (Thai) Public Company Limited

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

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

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

Auditor's Responsibility

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

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

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



Opinion

In my opinion, the consolidated and Bank only financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Chanchai S.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
26 February 2015

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Statements of financial position

Assets	Note	Consolidated		Bank only	
		31 December		31 December	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Cash		483,500	522,214	483,487	493,965
Interbank and money market items, net	7, 29	44,399,058	42,936,586	44,387,470	42,899,841
Claims on security		1,000,000	2,000,000	1,000,000	2,000,000
Derivative assets	8, 29	28,974,267	36,315,710	28,974,267	36,315,710
Investments, net	9, 27, 29	48,062,658	60,181,966	46,041,956	57,048,862
Investments in subsidiaries	10	-	-	698,281	698,281
Loans to customers and accrued interest receivable, net	11, 13, 29				
Loans to customers		102,307,905	104,080,185	103,777,475	107,029,590
Accrued interest receivable		373,108	523,232	394,525	576,046
Total loans to customers and accrued interest receivable		102,681,013	104,603,417	104,172,000	107,605,636
Less allowance for doubtful accounts	11.4, 14	(8,898,093)	(7,609,330)	(8,898,093)	(7,609,330)
Total loans to customers and accrued interest receivable, net		93,782,920	96,994,087	95,273,907	99,996,306
Properties for sale, net		16,284	26,183	-	26,183
Premises and equipment, net	15	679,987	777,278	679,901	777,154
Intangible assets, net		85,430	4	85,430	4
Deferred tax assets	16	614,856	570,219	365,250	343,176
Accounts receivable from sales of investments and debt securities in issue	17	3,324,598	4,461,913	3,324,598	4,461,913
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions		2,962,451	8,815,341	2,962,451	8,815,341
Other assets, net	18, 29	930,303	970,325	903,943	956,727
Total assets		225,316,312	254,571,826	225,180,941	254,833,463
Liabilities and equity					
Liabilities					
Deposits	19, 29	99,558,644	103,188,893	99,908,013	103,361,422
Interbank and money market items	20, 29	39,870,685	53,960,474	39,870,685	53,960,474
Liabilities payable on demand		1,904,188	1,719,617	1,904,188	1,719,617
Liabilities to deliver security		1,000,000	2,000,000	1,000,000	2,000,000
Derivative liabilities	8, 29	28,797,798	37,245,687	28,797,798	37,245,687
Debt issued and borrowings	21, 29	3,644,756	3,517,318	3,644,756	3,517,318
Provisions	22	603,186	545,273	591,774	535,125
Accounts payable from purchase of investments	23	3,075,636	3,484,956	3,075,636	3,484,956
Collateral from Credit Support Annex agreements and margin payables from private repo transactions		2,857,507	4,906,918	2,857,507	4,906,918
Accrued expenses	29	2,089,895	2,281,401	1,953,483	2,157,932
Other liabilities	24, 29	1,736,148	1,888,720	1,726,695	1,870,200
Total liabilities		185,138,443	214,739,257	185,330,535	214,759,649
Equity					
Share capital	25				
Authorised share capital		14,842,627	14,842,627	14,842,627	14,842,627
Issued and paid-up share capital		14,837,045	14,837,045	14,837,045	14,837,045
Premium on share capital	25	9,055,819	9,055,819	9,055,819	9,055,819
Reserve arising from business combination under common control		(496,906)	(496,906)	-	-
Other reserves	26	215,208	205,242	215,208	205,242
Retained earnings					
Appropriated					
Legal reserve	26	1,068,843	987,279	1,062,843	981,279
Unappropriated		15,497,849	15,244,086	14,679,491	14,994,429
Total shareholders' equity		40,177,858	39,832,565	39,850,406	40,073,814
Non-controlling interest		11	4	-	-
Total equity		40,177,869	39,832,569	39,850,406	40,073,814
Total liabilities and equity		225,316,312	254,571,826	225,180,941	254,833,463

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Statements of comprehensive income

		Consolidated		Bank only	
		For the year ended 31 December		For the year ended 31 December	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Interest income	29, 32	12,050,048	13,160,349	11,307,815	13,030,776
Interest expenses	29, 33	3,438,251	4,245,397	3,440,310	4,247,996
Net interest income		8,611,797	8,914,952	7,867,505	8,782,780
Fees and service income	29	1,809,204	1,895,179	1,810,154	1,895,179
Fees and service expenses	29	542,164	810,180	651,822	943,379
Net fees and service income	34	1,267,040	1,084,999	1,158,332	951,800
Gains on trading and foreign exchange transactions, net	29, 35	2,121,514	1,681,269	2,121,514	1,681,145
Gains on investments, net	36	294,122	345,127	243,086	86,678
Other operating income	29	170,712	48,802	71,406	126,018
Total operating income		12,465,185	12,075,149	11,461,843	11,628,421
Other operating expenses	29				
Employee expenses	37	3,040,146	2,921,904	2,969,761	2,806,875
Directors' remuneration		8,750	8,789	8,750	8,789
Premises and equipment expenses		554,418	567,089	542,170	554,897
Taxes and duties		375,865	404,829	340,630	379,492
Service agreements		595,544	429,736	595,086	429,278
Others		1,180,999	792,342	1,047,364	647,525
Total other operating expenses		5,755,722	5,124,689	5,503,761	4,826,856
Impairment loss of loans and debt securities	38	3,963,553	3,179,508	3,924,700	3,127,396
Profit from operations before income tax expense		2,745,910	3,770,952	2,033,382	3,674,169
Income tax expense	39	546,174	820,198	402,096	787,671
Profit for the year		2,199,736	2,950,754	1,631,286	2,886,498
Other comprehensive income					
Gain on remeasuring available-for-sale investments		37,950	48,095	37,950	48,095
Actuarial gains (losses) on defined benefit plans		(12,215)	14,805	(12,537)	13,974
Gains (losses) on cash flow hedges		(25,493)	(9,436)	(25,493)	(9,436)
Income tax relating to other comprehensive income	39	(48)	(10,693)	16	(10,526)
Total other comprehensive income for the year, net of income tax		194	42,771	(64)	42,107
Total comprehensive income for the year		2,199,930	2,993,525	1,631,222	2,928,605
Profit attributable to:					
Shareholders of the Bank		2,199,729	2,950,753	1,631,286	2,886,498
Non-controlling interest		7	1	-	-
Profit for the year		2,199,736	2,950,754	1,631,286	2,886,498
Total comprehensive income attributable to :					
Shareholders of the Bank		2,199,923	2,993,524	1,631,222	2,928,605
Non-controlling interest		7	1	-	-
Total comprehensive income for the year		2,199,930	2,993,525	1,631,222	2,928,605
Earnings per share					
Basic earnings per share (in Baht)	40	1.48	1.99	1.10	1.95

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Statements of changes in equity

Year ended 31 December 2013											
Balance as at 1 January 2013											
Transactions with owners, recorded directly in equity											
<i>Distribution to owners of the Bank</i>											
Dividends	41	-	-	-	125,364	48,951	174,315	842,954	13,583,104	3	37,996,334
<i>Total distribution to owners of the Bank</i>											
Comprehensive income for the year		-	-	-	-	-	-	-	(1,157,290)	-	(1,157,290)
Profit for the year		-	-	-	-	-	-	-	2,950,753	1	2,950,754
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Available-for-sale investments		-	-	-	-	-	-	-	-	-	-
Net change in fair value recognised in equity, net of tax		-	-	-	38,475	-	38,475	-	-	-	38,475
Cash flow hedges		-	-	-	-	-	-	-	-	-	-
Net change of effective portion of fair value of cash flow hedges, net of tax		-	-	-	-	(7,548)	(7,548)	-	-	-	(7,548)
Actuarial gains on defined benefit plan, net of tax		-	-	-	-	-	-	-	11,844	-	11,844
Total other comprehensive income		-	-	-	38,475	(7,548)	30,927	-	11,844	-	42,771
Total comprehensive income for the year		-	-	-	38,475	(7,548)	30,927	-	2,962,597	1	2,993,525
Transfer to legal reserve		-	-	-	-	-	-	144,325	(144,325)	-	-
Balance as at 31 December 2013		14,837,045	9,055,819	(496,906)	163,839	41,403	205,242	987,279	15,244,086	4	39,832,569
Year ended 31 December 2014											
Balance as at 1 January 2014											
Transactions with owners, recorded directly in equity											
<i>Distribution to owners of the Bank</i>											
Dividends	41	-	-	-	-	-	-	-	(1,854,630)	-	(1,854,630)
<i>Total distribution to owners of the Bank</i>											
Comprehensive income for the year		-	-	-	-	-	-	-	(1,854,630)	-	(1,854,630)
Profit for the year		-	-	-	-	-	-	-	2,199,729	7	2,199,736
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Available-for-sale investments		-	-	-	30,360	-	30,360	-	-	-	30,360
Net change in fair value recognised in equity, net of tax		-	-	-	-	-	-	-	-	-	-
Cash flow hedges		-	-	-	-	-	-	-	-	-	-
Net change of effective portion of fair value of cash flow hedges, net of tax		-	-	-	-	(20,394)	(20,394)	-	-	-	(20,394)
Actuarial gains on defined benefit plan, net of tax		-	-	-	-	-	-	-	(9,772)	-	(9,772)
Total other comprehensive income		-	-	-	30,360	(20,394)	9,966	-	(9,772)	-	194
Total comprehensive income for the year		-	-	-	30,360	(20,394)	9,966	-	2,189,957	7	2,199,930
Transfer to legal reserve		-	-	-	-	-	-	81,564	(81,564)	-	-
Balance as at 31 December 2014		14,837,045	9,055,819	(496,906)	194,199	21,009	215,208	1,068,843	15,497,849	11	40,177,869

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Bank only					Total equity
		Issued and paid-up share capital	Premium on share capital	Fair value change in available-for-sale investments	Other reserves	Retained earnings	
					Cash flow hedges	Total other reserves (in thousand Baht)	
Year ended 31 December 2013							
Balance as at 1 January 2013		14,837,045	9,055,819	125,364	48,951	174,315	38,302,499
Transactions with owners, recorded directly in equity							
<i>Distribution to owners of the Bank</i>							
Dividends	4/1	-	-	-	-	-	(1,157,290)
<i>Total distribution to owners of the Bank</i>		-	-	-	-	-	(1,157,290)
Comprehensive income for the year		-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Available-for-sale investments		-	-	-	-	-	-
Net change in fair value recognised in equity, net of tax		-	-	-	-	-	-
Cash flow hedges		-	-	38,475	-	38,475	-
Net change of effective portion of fair value of cash flow hedges, net of tax		-	-	-	(7,548)	(7,548)	(7,548)
Actuarial gains on defined benefit plans, net of tax		-	-	-	-	-	11,180
Total other comprehensive income		-	-	38,475	(7,548)	30,927	42,107
Total comprehensive income for the year		-	-	38,475	(7,548)	30,927	2,928,605
Transfer to legal reserve		-	-	-	-	144,325	-
Balance as at 31 December 2013		14,837,045	9,055,819	163,839	41,403	205,242	40,073,814
Year ended 31 December 2014							
Balance as at 1 January 2014		14,837,045	9,055,819	163,839	41,403	205,242	40,073,814
Transfer to legal reserve		-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
<i>Distribution to owners of the Bank</i>							
Dividends	4/1	-	-	-	-	-	(1,854,630)
<i>Total distribution to owners of the Bank</i>		-	-	-	-	-	(1,854,630)
Comprehensive income for the year		-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Available-for-sale investments		-	-	30,360	-	30,360	-
Net change in fair value recognised in equity, net of tax		-	-	-	-	-	-
Cash flow hedges		-	-	-	-	-	-
Net change of effective portion of fair value of cash flow hedges, net of tax		-	-	-	(20,394)	(20,394)	(20,394)
Actuarial gains on defined benefit plans, net of tax		-	-	-	-	-	(10,030)
Total other comprehensive income		-	-	30,360	(20,394)	9,966	(64)
Total comprehensive income for the year		-	-	30,360	(20,394)	9,966	1,631,222
Transfer to legal reserve		-	-	-	-	-	-
Balance as at 31 December 2014		14,837,045	9,055,819	194,199	21,009	215,208	39,850,406

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
	(in thousand Baht)			
Cash flows from operating activities				
Profit from operations before income tax expense	2,745,910	3,770,952	2,033,382	3,674,169
Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities				
Depreciation and amortisation	134,308	143,311	134,270	143,187
Impairment loss of loans and debt securities	4,431,897	3,704,786	4,431,897	3,704,786
Impairment loss of investments (reversal of)	38,774	46,049	(78)	(6,063)
Impairment on amount due from related party	-	19,669	-	-
Amortisation of premium (discount) of debt instruments	(375,853)	3,588,358	(375,853)	3,588,358
Amortisation of discount of debt issued and borrowings	54,897	131,419	54,897	131,419
Gains on disposal of investments	(242,489)	(80,879)	(242,489)	(80,879)
Gains on disposal of premises and equipment	(990)	(490)	(990)	(490)
Impairment loss of properties for sale (reversal)	301	(10,502)	301	(10,502)
Provisions made	53,021	42,782	51,175	41,398
Net interest income	(8,611,797)	(8,914,952)	(7,867,505)	(8,782,780)
Interest received	12,183,338	13,137,897	11,472,502	13,009,916
Interest paid	(3,510,054)	(4,198,454)	(3,512,302)	(4,201,163)
Income tax paid	(837,201)	(228,837)	(706,984)	(78,891)
Profit from operations before changes in operating assets and liabilities	6,064,062	11,151,109	5,472,223	11,132,465
Decrease (increase) in operating assets				
Interbank and money market items	(1,462,472)	15,914,470	(1,487,629)	15,898,530
Derivative assets and liabilities, net	(1,160,767)	501,018	(1,160,832)	500,851
Trading investments	(3,357,781)	818,325	(3,357,781)	818,325
Investments in receivables	1,073,550	1,072,323	-	-
Loans to customers	(1,329,054)	(2,124)	150,780	891,712
Properties for sale	9,598	24,344	25,882	24,344
Other assets	5,870,883	(6,111,956)	5,872,081	(6,107,277)
Increase (decrease) in operating liabilities				
Deposits	(3,630,249)	(11,039,043)	(3,453,409)	(11,214,500)
Interbank and money market items	(14,089,789)	(949,167)	(14,089,789)	(949,167)
Liabilities payable on demand	184,571	(823,855)	184,571	(823,855)
Short-term debt issued and borrowings	72,541	(3,392,223)	72,541	(3,392,223)
Provisions used	(4,880)	(4,645)	(4,557)	(4,645)
Other liabilities	(2,086,908)	1,524,182	(2,042,540)	1,879,952
Net cash provided by (used in) operating activities	(13,846,695)	8,682,758	(13,818,459)	8,654,512
Cash flows from investing activities				
Purchase of premises and equipment	(28,822)	(88,600)	(28,822)	(88,600)
Purchase of intangible assets	(85,426)	-	(85,426)	-
Proceeds from disposals of premises and equipment	1,421	749	1,421	749
Purchase of available-for-sale investments	(34,766,633)	(80,368,163)	(34,766,633)	(80,368,163)
Proceeds from available-for-sale investments	50,494,304	72,831,209	50,494,304	72,831,209
Proceeds from investments in receivables	47,500	95,000	47,500	95,000
Proceeds from disposal of general investments	267	16,716	267	16,716
Net cash provided by (used in) investing activities	15,662,611	(7,513,089)	15,662,611	(7,513,089)
Cash flows from financing activities				
Dividends paid	(1,854,630)	(1,157,290)	(1,854,630)	(1,157,290)
Net cash used in financing activities	(1,854,630)	(1,157,290)	(1,854,630)	(1,157,290)
Net increase (decrease) in cash	(38,714)	12,379	(10,478)	(15,867)
Cash at beginning of the year	522,214	509,835	493,965	509,832
Cash at end of the year	483,500	522,214	483,487	493,965

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Note Contents

1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Financial risk management
5	Fair value of financial instruments
6	Maintenance of capital fund
7	Interbank and money market items (assets)
8	Derivatives
9	Investments, net
10	Investments in subsidiaries
11	Loans to customers and accrued interest receivable, net
12	Disclosure of the statements of cash flows of the asset management company
13	Troubled debt restructuring
14	Allowance for doubtful accounts
15	Premises and equipment
16	Deferred tax
17	Accounts receivable from sales of investments and debt securities in issue
18	Other assets
19	Deposits
20	Interbank and money market items (liabilities)
21	Debt issued and borrowings
22	Provisions
23	Accounts payable from purchase of investments
24	Other liabilities
25	Share capital
26	Reserves
27	Assets pledged as collateral
28	Contingent liabilities
29	Related parties
30	Non-cancellable operating lease agreements
31	Segment information
32	Interest income
33	Interest expenses
34	Net fees and service income
35	Gains on trading and foreign exchange transactions, net
36	Gains on investments, net
37	Employee expenses
38	Impairment loss of loans and debt securities
39	Income tax expense
40	Basic earnings per share
41	Dividends
42	Thai Financial Reporting Standards (TFRS) not yet adopted

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

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

1 General information

Standard Chartered Bank (Thai) Public Company Limited (the “Bank”), is incorporated in Thailand and has its Head Office located at 90 North Sathorn Road, Silom, Bangrak, Bangkok.

The immediate and ultimate parent companies of the Bank are Standard Chartered Bank and Standard Chartered PLC, respectively, which are incorporated in the United Kingdom.

The Bank is a commercial bank, which provides a wide range of banking services to retail and corporate and institutional clients. Details of the Bank’s subsidiaries as at 31 December 2014 and 2013 are given in notes 10 and 29.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and presented as prescribed by the Bank of Thailand (BoT) Notification No. Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are a parent company of a group of companies offering financial services”.

The FAP has issued the following revised TFRS relevant to the Bank and its subsidiaries’ operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TIC 15	Operating Leases-Incentives
TIC 32	Intangible Assets-Web Site Costs

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

The initial application of these revised TFRS has resulted in changes in certain of the Bank and its subsidiaries' accounting policies. The adoption of these revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Bank and its subsidiaries.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Bank and its subsidiaries' operations are disclosed in note 42.

Significant inter-office transactions between the Bank's head office and all its branches have been eliminated.

(b) *Basis of measurement*

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

- Derivative instruments are measured at fair value
- Trading and available-for-sale financial assets are measured at fair value

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgments*

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

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

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

Note 5	Fair value of financial instruments
Note 8	Derivatives
Note 14	Allowance for doubtful accounts

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

3 Significant accounting policies

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

(a) *Basis of consolidation*

The consolidated financial statements relate to the Bank and its subsidiaries.

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method which is in accordance with the Guideline issued in 2009 by the FAP.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Bank are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Bank controlling shareholder's consolidated financial statements. The components of equity of the acquired entity is added to the same components within the Group equity except that any share capital of the acquired entity is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

Subsidiaries

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

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

Transactions eliminated on consolidation

Significant intra-group balances and transactions, and any unrealised income or expense arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(b) *Foreign currencies*

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

The Bank enters into forward foreign exchange contracts for both trading and hedging purposes. Trading and hedging contracts are stated at fair value. Outstanding forward foreign exchange contracts at the reporting date are stated at fair value by comparing contract rates to forward market rates with similar maturities. At each reporting date, changes in fair value on outstanding forward foreign exchange contracts calculated as described above, except for effective cash flow hedges (note to financial statement no. m), are recognised in profit or loss.

(c) *Cash*

Cash comprises cash on hand and cash on collection.

(d) *Investments*

Investments in subsidiaries

Investments in subsidiaries in the Bank only financial statements are accounted for using the cost method.

Investments in debt and equity securities

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

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

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

Equity securities which are not marketable are stated at cost less impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Investments in receivables

Investments in receivables are initially recognised at fair value of the consideration transferred in exchange and subsequent to initial recognition, stated at acquisition cost after deducting the allowance for impairment.

- Purchases or transfers of loans before 1 January 2013, were recognised as investments in receivables. When debt restructuring was required, the balance was recorded as a loan at fair value. The difference between the book value and the fair value was recognised as a gain or loss on transfer of financial assets in profit or loss.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

- Purchases or transfers of loans since 1 January 2013, are recognised as loans except for items that are intended to be sold in the future and are not intended to be held to collect the significant contractual cashflows. These above items are recognised as investments in receivables.

When the debts of the asset management subsidiary are restructured, it will record the account for the restructuring by recording a transfer of investments in receivables to loans to customers at the fair value on the transfer date, but not normally exceeding the carrying value.

The fair value of investments and loans to customers is based on the expected recoverable amount which is determined based on the net present value of expected future cash collections calculated using discount rates equivalent to the market interest rate, which is adjusted by a risk premium. In cases the discount rates cannot be reasonably estimated, the discount rates are equivalent to the rates that make the net present value of expected future cash flow equal to the carrying value of investment in receivables. The difference between the carrying value and fair value on transfer date is recognised in profit or loss, except in the case of gains.

Initial recognition

Purchases and sales of investments are initially recognised on trade date which is the date that the Bank and its subsidiaries commit to purchase or sell the investments.

Disposal of investments

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

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

(e) Loans to customers

Loans to customers are stated at the outstanding principal amount, except for bank overdrafts which include accrued interest receivable. Bills purchased at a discount are stated at the face value of the bill, net of deferred revenue.

(f) Allowance for doubtful accounts

The Bank and its subsidiaries' allowance for doubtful accounts is established to recognise impairment losses either on specific loan assets or within a portfolio of loans to customers.

Specific provisions are made where the repayment of identified loans to customer is in doubt and reflects expected losses. The amount of specific provision is the excess of the carrying value over the present value of estimated future cash flows, discounted at the loan's effective interest rate. A portfolio provision is established to cover the inherent risk of losses that, although not specifically identified, are known from experience to have been incurred and are present in any loan portfolio. The amount of the portfolio provision is computed primarily based on historical experience and adjusted for current trends, economic conditions and management consideration.

To the extent that the above policy does not meet the minimum provisioning guidelines established by the BoT, the Bank and its subsidiaries raise additional provisions to meet such requirements.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Estimating the amount and timing of future recoveries involves significant judgment, and considers the level of arrears as well as the assessment of matters such as future economic conditions and the value of collateral for which there may not be a readily accessible market. Actual losses identified could differ significantly from the impairment provisions reported as a result of uncertainties arising from the economic environment.

Any allowances for doubtful accounts established during the period are recorded as impairment loss of loans and debt securities. The Bank and its subsidiaries write off bad debts against the allowance for doubtful accounts for uncollectible amounts. Bad debts recovered are presented net of impairment loss of loans and debt securities in profit or loss.

(g) *Troubled debt restructuring*

Where the troubled debt restructuring of loans involves modification of the terms of the remaining loan balances, the fair value of the investment in loans after restructuring is calculated based on the expected future cash flows discounted by the market rate of interest as per the Bank and its subsidiaries' risk criteria applicable to such loans as at the restructuring date.

The Bank records transferred assets at the lower of the fair value of the assets or the book value of the loans to customers as at the restructuring date.

Losses on troubled debt restructuring are recognised in profit or loss. Gains are not recognised.

(h) *Premises and equipment*

Recognition and measurement

Owned assets

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

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

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

Gains and losses on disposal of an item of premises and equipment are determined by difference between the proceeds from disposal and the carrying amount of premises and equipment, and are recognised within other income in profit or loss.

Subsequent costs

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Leased assets

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

Depreciation

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

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

Buildings	20 - 50 years
Equipment	3 - 5 years
Leased assets	life of lease, not exceeding the period of the lease of the associated property

No depreciation is provided on assets under construction.

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

(i) Leasehold premises

Leasehold premises included in other assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis not exceeding the shorter of 50 years or the term of the lease agreement.

(j) Properties for sale

Properties for sale, which comprise land, buildings and vehicles, are measured at the lower of their carrying value and fair value less costs to sell. The fair value is based on independent appraisals.

Loss on impairment of properties for sale is recognised in profit or loss. Gains or losses on the disposal of properties for sale are reflected in profit or loss.

(k) Claims on security and liability to deliver security

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

(l) Impairment

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

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

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

Calculation of recoverable amount

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

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

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

Reversals of impairment

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

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

(m) Financial instruments

Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contracts are entered into (trade date) and are subsequently re-measured at their fair values. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss unless the derivative is a designated hedge instrument in a cash flow hedge relationship. All derivatives are carried as assets when the fair value is positive as "Derivative assets" and as liabilities when the fair value is negative as "Derivative liabilities" in the statements of financial position.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Hedging

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset, liability or an identified portion of such asset, any gain or loss on re-measuring the fair value of the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

Cash flow hedge

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income, presented as gains or loss on cash flow hedges in equity and transferred to profit or loss when the risk on the hedge item impacts profit or loss. Any ineffective portion is recognised immediately in profit or loss.

Discontinuing hedge accounting

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on hedging instrument recognised in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in profit or loss immediately.

(n) *Borrowing transactions with embedded derivatives*

In accordance with the BoT notification regarding the permission for commercial banks to undertake borrowing transactions with embedded derivatives dated 31 May 2011, the Bank records embedded derivatives separately from the host contracts when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in the fair value recognised in profit or loss.

(o) *Employee benefits*

The Bank and its subsidiaries operate post-employment benefit plans, including defined contribution plans and defined benefit plans.

Defined contribution plans

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank and its subsidiaries' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Bank and its subsidiaries' obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an actuary using the projected unit credit method.

The Bank and its subsidiaries recognises all actuarial gains and losses in other comprehensive income.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

Share-based compensation

The Standard Chartered Group operates a number of share-based payment schemes for its directors and employees, for which the fair value of the services received in exchange for the grant of the options is recognised as an expense.

Cash-settled awards are revalued at each reporting date and a liability recognised in the statements of financial position for all unpaid amounts, with any changes in fair value charged or credited to employee expense in profit or loss.

(p) Provisions

A provision is recognised if, as a result of a past event, the Bank and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for contingent liabilities is recognised when the transactions relate to credit facilities (e.g. letter of credit and guarantee) that are classified as substandard, doubtful and doubtful of loss. The provision has been determined by using the same rate as the allowance for doubtful accounts on each of those loans to customers and after management's estimate of the likelihood of these contingent liabilities being realised.

(q) Reserve arising from business combination under common control

The reserve arising from business combination under common control arises from the merger of businesses under the common control of the ultimate parent company of the Bank. The reserve represents the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination. The Bank recognises the difference arising from common control transactions under shareholders' equity until disposal of the investment.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

(r) *Income*

Interest income on loans to customers, discounts on loans to customers, and other income are recognised on an accrual basis, except for interest income on loans overdue for more than three months and interest on loans where the borrowers' ability to pay is uncertain. In accordance with the BoT's regulations, interest in arrears for more than three months from the due date, regardless of whether it is covered by collateral, is reversed from profit or loss. Subsequent interest receipts are recognised on a cash basis.

The asset management subsidiary recognises interest income on investments in receivables and loans on a cash basis.

Fees and commission income are recognised when the services are rendered.

(s) *Expenses*

Interest expenses and non-interest expenses are recognised on an accrual basis. The interest component of finance lease payments is recognised in profit or loss using the effective interest rate method.

(t) *Income tax*

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

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

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

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

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

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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

(u) *Earnings per share*

The Bank and its subsidiaries present basic earnings per share (EPS) which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank and its subsidiaries by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held (if any).

(v) *Segment information*

Segment results that are reported to the management of the Bank and its subsidiaries (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated transactions are not included in reporting segment operating results shown as other banking.

(w) *Offsetting*

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

4 Financial risk management

Financial instruments

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 asset and financial liability are disclosed in note 3.

4.1 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. The Bank has credit risk management policies and procedures which aim to mitigate the risk of financial losses from default by dealing with the creditworthiness of counterparties and/or where appropriate obtaining sufficient collateral or other security.

In respect of financial assets in the statements of financial position, the carrying value of the assets, less the allowance for doubtful accounts, reflect the Bank's maximum exposure to credit losses.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

The Bank's exposure to credit loss for contingent liabilities to extend credit, standby letters of credit, and financial guarantees, are represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for financial instruments in the statement of financial position. For derivative contracts, the Bank controls the credit risk of its financial instruments through credit approvals, limits, and monitoring procedures. All credit risks are assessed in line with the Credit Policy which has been approved by the Board of Directors. Credit risk also arises from the possibility that the counterparty to financial instruments in the contingent liabilities will not adhere to the terms of the contract with the Bank when settlement becomes due.

4.2 Market risk

The Bank recognises market risk as the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. The Bank's exposure to market risk arises principally from customer-driven transactions. The objective of the Bank's market risk policies and processes is to obtain the best balance of risk and return while meeting customers' requirements.

The primary categories of market risk for the Bank are 2 types:

- (a) Interest rate risk: arising from changes in yield curves, credit spreads and implied volatilities on interest rate options
- (b) Currency exchange rate risk: arising from changes in exchange rates and implied volatilities on foreign exchange options

The Bank has established standards, principles, policies, and techniques for managing market risk. The Board of Directors approve the Bank's market risk appetite taking account of market volatility, the range of products and asset classes, business volumes and transaction sizes. Market Risk function, which is independent from the business, measures and monitors exposures against the approved limits to ensure the Bank's market risk exposures are within acceptable levels.

The Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR (Value at Risk) methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 percent. This confidence level suggests that potential daily losses, in excess of the VaR measures, are likely to be experienced six times per year.

The Bank applies two VaR methodologies:

- Historical simulation: involves the revaluation of all existing positions to reflect the effect of historically observed changes in market risk factors on the valuation of the current portfolio. This approach is applied for general market risk factors and has been extended to cover also the majority of specific (credit spread) risk VaR.
- Monte Carlo simulation: this methodology is similar to historical simulation but with considerably more input risk factor observations. These are generated by random sampling techniques, but the results retain the essential variability and correlations of historically observed risk factor changes. This approach is now applied for some of the specific (credit spread) risk VaR in relation to idiosyncratic exposures in credit markets.

In both methods an historical observation period of one year is chosen and applied.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

VaR is calculated as our exposure as at the close of business. Intra-day risk levels may vary from those reported at the end of the day.

Sensitivity measures are used in addition to VaR as a risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields.

The Bank complements the VaR measurement by monthly stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

(a) Interest rate risk

The Bank and its subsidiaries receive both fixed and floating rate interest on its interest bearing assets which can be analysed as follows:

	Consolidated 2014			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	484	484
Interbank and money market items, net	19,717	23,603	1,079	44,399
Claims on security	-	-	1,000	1,000
Investments, net	8,543	39,506	14	48,063
Loans to customers and accrued interest receivable	46,457	48,644	7,580	102,681
Accounts receivable from sales of investments and debt securities in issue	-	-	3,325	3,325
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	2,962	-	-	2,962
Other assets	-	-	468	468
Total financial assets	77,679	111,753	13,950	203,382
Financial liabilities				
Deposits	65,606	28,687	5,266	99,559
Interbank and money market items	9,353	21,641	8,877	39,871
Liabilities payable on demand	-	-	1,904	1,904
Liabilities to deliver security	-	-	1,000	1,000
Debt issued and borrowings	-	3,645	-	3,645
Accounts payable from purchase of investments	-	-	3,076	3,076
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	2,858	-	-	2,858
Other liabilities	-	-	286	286
Total financial liabilities	77,817	53,973	20,409	152,199
Effect of derivatives held for risk management	14,498	(14,498)	-	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated 2013			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
<i>Financial assets</i>				
Cash	-	-	522	522
Interbank and money market items, net	7,633	34,099	1,205	42,937
Claims on security	-	-	2,000	2,000
Investments, net	13,451	46,717	14	60,182
Loans to customers and accrued interest receivable	46,922	51,707	5,974	104,603
Accounts receivable from sales of investments and debt securities in issue	-	-	4,462	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	8,815	-	-	8,815
Other assets	-	-	649	649
Total financial assets	76,821	132,523	14,826	224,170
<i>Financial liabilities</i>				
Deposits	64,444	34,816	3,929	103,189
Interbank and money market items	7,330	41,521	5,109	53,960
Liabilities payable on demand	-	-	1,720	1,720
Liabilities to deliver security	-	-	2,000	2,000
Debt issued and borrowings	-	3,517	-	3,517
Accounts payable from purchase of investments	-	-	3,485	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	4,907	-	-	4,907
Other liabilities	-	-	358	358
Total financial liabilities	76,681	79,854	16,601	173,136
Effect of derivatives held for risk management	41,514	(41,514)	-	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Bank only 2014			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	483	483
Interbank and money market items, net	19,717	23,603	1,067	44,387
Claims on security	-	-	1,000	1,000
Investments, net	6,522	39,506	14	46,042
Loans to customers and accrued interest receivable	46,031	50,539	7,602	104,172
Accounts receivable from sales of investments and debt securities in issue	-	-	3,325	3,325
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	2,962	-	-	2,962
Other assets	-	-	468	468
Total financial assets	75,232	113,648	13,959	202,839
Financial liabilities				
Deposits	65,895	28,747	5,266	99,908
Interbank and money market items	9,353	21,641	8,877	39,871
Liabilities payable on demand	-	-	1,904	1,904
Liabilities to deliver security	-	-	1,000	1,000
Debt issued and borrowings	-	3,645	-	3,645
Accounts payable from purchase of investments	-	-	3,076	3,076
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	2,858	-	-	2,858
Other liabilities	-	-	286	286
Total financial liabilities	78,106	54,033	20,409	152,548
Effect of derivatives held for risk management	14,498	(14,498)	-	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

		Bank only 2013		
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	494	494
Interbank and money market items, net	7,633	34,099	1,168	42,900
Claims on security	-	-	2,000	2,000
Investments, net	10,318	46,717	14	57,049
Total loans to customers and accrued interest receivable	45,984	55,594	6,027	107,605
Accounts receivable from sales of investments and debt securities in issue	-	-	4,462	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	8,815	-	-	8,815
Other assets	-	-	649	649
Total financial assets	72,750	136,410	14,814	223,974
Financial liabilities				
Deposits	64,540	34,892	3,929	103,361
Interbank and money market items	7,330	41,521	5,109	53,960
Liabilities payable on demand	-	-	1,720	1,720
Liabilities to deliver security	-	-	2,000	2,000
Debt issued and borrowings	-	3,517	-	3,517
Accounts payable from purchase of investments	-	-	3,485	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	4,907	-	-	4,907
Other liabilities	-	-	358	358
Total financial liabilities	76,777	79,930	16,601	173,308
Effect of derivatives held for risk management	41,514	(41,514)	-	-

As at 31 December 2014, for hedging purposes, the Bank entered into interest rate contracts with a notional value of Baht 6,850 million (2013: Baht 12,520 million).

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

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

	Consolidated					
	2014			2013		
	Average balance (in million Baht)	Interest	Average interest rate (% per annum)	Average balance (in million Baht)	Interest	Average interest rate (% per annum)
Financial assets						
Interbank and money market items	56,554	1,341	2.37	55,669	1,491	2.68
Investments	54,631	2,090	3.83	63,750	2,021	3.17
Loans to customers	95,528	8,619	9.02	98,605	9,648	9.78
Total	206,713	12,050	5.83	218,024	13,160	6.04
Financial liabilities						
Deposits	99,876	2,370	2.37	107,610	2,972	2.76
Interbank and money market items	50,017	990	1.98	56,591	1,111	1.96
Debt issued and borrowings	3,877	78	2.01	6,164	162	2.62
Total	153,770	3,438	2.24	170,365	4,245	2.49
Bank only						
	2014			2013		
	Average balance (in million Baht)	Interest	Average interest rate (% per annum)	Average balance (in million Baht)	Interest	Average interest rate (% per annum)
	Average balance (in million Baht)	Interest	Average interest rate (% per annum)	Average balance (in million Baht)	Interest	Average interest rate (% per annum)
Financial assets						
Interbank and money market items	56,554	1,341	2.37	55,669	1,491	2.68
Investments	52,153	1,472	2.82	60,264	1,847	3.07
Loans to customers	97,584	8,495	8.71	101,787	9,693	9.52
Total	206,291	11,308	5.48	217,720	13,031	5.99
Financial liabilities						
Deposits	100,197	2,372	2.37	107,811	2,975	2.76
Interbank and money market items	50,018	990	1.98	56,591	1,111	1.96
Debt issued and borrowings	3,877	78	2.01	6,164	162	2.62
Total	154,092	3,440	2.23	170,566	4,248	2.49

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Significant financial assets and financial liabilities classified by earlier of maturity or interest repricing as at 31 December 2014 and 2013 are as follows:

	Consolidated 2014					Total
	Immediate repricing	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years (in million Baht)	Non- interest bearing	Non accrual
Financial assets						
Cash	-	-	-	-	484	-
Interbank and money market items, net	12,067	29,333	1,590	330	1,079	-
Claims on security	-	-	-	-	1,000	-
Investments, net	2,021	9,665	5,950	362	14	-
Loans to customers and accrued interest receivable	46,457	40,496	5,314	2,833	373	7,207
Accounts receivable from sales of investments and debt securities in issue	-	-	-	-	3,325	-
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	-	2,962	-	-	-	-
Other assets	-	-	-	-	468	-
Total financial assets	60,545	82,456	12,854	32,884	6,743	7,207
Financial liabilities						
Deposits	65,606	25,786	2,901	-	5,266	-
Interbank and money market items	9,353	18,455	-	3,186	8,877	-
Liabilities payable on demand	-	-	-	-	1,904	-
Liabilities to deliver security	-	-	-	-	1,000	-
Debt issued and borrowings	-	3,645	-	-	-	-
Accounts payable from purchase of investments	-	-	-	-	3,076	-
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	-	2,858	-	-	-	-
Other liabilities	-	-	-	-	286	-
Total financial liabilities	74,959	50,744	2,901	3,186	20,409	-
Effect of derivatives held for risk management	-	25,119	(4,676)	(30,274)	-	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

	Consolidated 2013							
	Immediate repricing	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Non-accrual	Total
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	522	-	522
Interbank and money market items, net	15,305	26,099	-	-	328	1,205	-	42,937
Claims on security	-	-	-	-	-	2,000	-	2,000
Investments, net	3,133	15,738	5,988	33,570	1,739	14	-	60,182
Loans to customers and accrued interest receivable	46,923	34,907	5,991	10,809	-	542	5,431	104,603
Accounts receivable from sales of investments and debt securities in issue	-	-	-	-	-	4,462	-	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	-	8,815	-	-	-	-	-	8,815
Other assets	-	-	-	-	-	649	-	649
Total financial assets	65,361	85,559	11,979	44,379	2,067	9,394	5,431	224,170
Financial liabilities								
Deposits	64,444	24,428	8,908	1,480	-	3,929	-	103,189
Interbank and money market items	7,930	37,959	-	-	2,962	5,109	-	53,960
Liabilities payable on demand	-	-	-	-	-	1,720	-	1,720
Liabilities to deliver security	-	-	-	-	-	2,000	-	2,000
Debt issued and borrowings	-	3,517	-	-	-	-	-	3,517
Accounts payable from purchase of investments	-	-	-	-	-	3,485	-	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	-	4,907	-	-	-	-	-	4,907
Other liabilities	-	-	-	-	-	358	-	358
Total financial liabilities	72,374	70,811	8,908	1,480	2,962	16,601	-	173,136
Effect of derivatives held for risk management	-	65,146	(26,449)	(42,331)	3,635	-	-	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

	Bank only 2014						
	Immediate repricing	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- interest bearing	Non accrual
	<i>(in million Baht)</i>						Total
Financial assets							
Cash	-	-	-	-	-	483	483
Interbank and money market items, net	12,067	29,333	1,590	-	330	1,067	44,387
Claims on security	-	-	-	-	-	1,000	1,000
Investments, net	-	9,665	5,950	30,051	362	14	46,042
Loans to customers and accrued interest receivable	46,031	41,326	6,379	2,833	1	395	104,172
Accounts receivable from sales of investments and debt securities in issue	-	-	-	-	-	3,325	3,325
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	-	2,962	-	-	-	-	2,962
Other assets	-	-	-	-	-	468	468
Total financial assets	58,098	83,286	13,919	32,884	693	6,752	202,839
						7,207	
Financial liabilities							
Deposits	65,895	25,846	2,901	-	-	5,266	99,908
Interbank and money market items	9,353	18,455	-	-	3,186	8,877	39,871
Liabilities payable on demand	-	-	-	-	-	1,904	1,904
Liabilities to deliver security	-	-	-	-	-	1,000	1,000
Debt issued and borrowings	-	3,645	-	-	-	-	3,645
Accounts payable from purchase of investments	-	-	-	-	-	3,076	3,076
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	-	2,858	-	-	-	-	2,858
Other liabilities	-	-	-	-	-	286	286
Total financial liabilities	75,248	50,804	2,901	-	3,186	20,409	152,548
						-	
Effect of derivatives held for risk management	-	25,119	(4,676)	(30,274)	9,831	-	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

	Bank only 2013					
	Immediate repricing	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	-	-	-	-	-	494
Interbank and money market items, net	15,305	26,099	-	-	328	42,900
Claims on security	-	-	-	-	-	2,000
Investments, net	-	15,738	5,988	33,570	1,739	57,049
Loans to customers and accrued interest receivable	45,985	36,482	7,341	11,771	-	107,605
Accounts receivable from sales of investments and debt securities in issue	-	-	-	-	595	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	-	8,815	-	-	-	8,815
Other assets	-	-	-	-	649	649
Total financial assets	61,290	87,134	13,329	45,341	2,067	223,974
Financial liabilities						
Deposits	64,540	24,504	8,908	1,480	-	103,361
Interbank and money market items	7,930	37,959	-	-	2,962	53,960
Liabilities payable on demand	-	-	-	-	-	1,720
Liabilities to deliver security	-	-	-	-	-	2,000
Debt issued and borrowings	-	3,517	-	-	-	3,517
Accounts payable from purchase of investments	-	-	-	-	-	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	-	4,907	-	-	-	4,907
Other liabilities	-	-	-	-	358	358
Total financial liabilities	72,470	70,887	8,908	1,480	2,962	173,308
Effect of derivatives held for risk management	-	65,146	(26,449)	(42,331)	3,635	-

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

(b) Currency exchange rate risk

As at 31 December 2014 and 2013, net open position assets (liabilities) denominated in various currencies, were as follows:

	Consolidated and Bank only	
	2014	2013
	<i>(in million USD)</i>	
Net foreign currency exposure		
US Dollar	32	50
Euro (*)	1	(19)
Others (*)	12	1

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

4.3 Liquidity risk

Liquidity risk is the risk that the Bank either does not have sufficient financial resources available to meet all its obligations as they fall due, or can only secure these financial resources at an excessive cost.

It is the Bank's policy to maintain adequate liquidity at all times, and hence to be in a position to meet obligations as they fall due. The Bank manages liquidity risk both on a short-term and medium-term basis. In the short term, the Bank's focus is on ensuring that the cash flow demands can be met where required. In the medium term the focus is on ensuring that the statement of financial position remains structurally sound and aligned to the strategy.

The Asset & Liability Committee (ALCO) is the responsible governing body to ensure that the financial position of the Bank is managed effectively in compliance with the policies and practice of the Standard Chartered Group as well as any other applicable regulatory requirements.

Financial Markets is responsible for the day-to-day management of all the liquidity risk arising in the Bank, executing liquidity directives and operating within the liquidity policy and approved limits. Liquidity limits are regularly monitored by the Market Risk function that is independent from the business. Liquidity profiles are reviewed by ALCO on a regular basis.

The Bank's liquidity risk management framework requires limits to be set and monitored. All limits are reviewed at least annually, and more frequently if required, to ensure that they remain relevant given market conditions and business strategy. Compliance with limits is monitored independently on a regular basis by Market Risk and Finance.

In addition, under liquidity stress scenarios, the Bank has to ensure that cash inflows exceed outflows under all stress scenarios. Liquidity stress tests are carried out daily on the Bank-specific scenario, monthly on the Market-wide scenario and quarterly on Combined scenarios; as at 31 December 2014, the Bank passed liquidity stress tests on all scenarios. Limit excesses are escalated and approved under a delegated authority structure and reported to the ALCO.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

A substantial portion of the Bank's assets is funded by customer deposit made up of current and saving accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. The ALCO monitors trends in the statement of financial position and ensure that any issues that might impact the stability of these deposits are addressed effectively. The ALCO also reviews the statement of financial position plans to ensure that projected asset growth is matched by growth in the stable funding base.

The Bank also has access to wholesale funding markets including commercial paper issuance to ensure that it has flexibility around maturity transformation, market intelligence and can obtain optimal pricing when performing interest rate risk management activities.

As at 31 December 2014, the loan to deposits ratio of the Bank is 81% (2013: 89%).

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

The remaining period to maturity of significant financial assets and financial liabilities as at 31 December 2014 and 2013 based on contractual maturity is as follows:

	At call	Within 6 months	Over 6 months to 1 year	Consolidated 2014 Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
Financial assets							
Cash	484	-	-	-	-	-	484
Interbank and money market items, net	10,695	33,374	-	-	330	-	44,399
Claims on security	1,000	-	-	-	-	-	1,000
Derivatives assets	-	6,812	3,036	12,696	6,430	-	28,974
Investments, net	2,021	2,679	6,414	35,683	1,252	14	48,063
Loans to customers and accrued interest receivables	25,573	17,814	8,506	15,427	35,361	-	102,681
Accounts receivable from sales of investments and debt securities in issue	3,325	-	-	-	-	-	3,325
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	2,962	-	-	-	-	-	2,962
Other assets	-	-	-	468	-	-	468
Total financial assets	46,060	60,679	17,956	64,274	43,373	14	232,356
Financial liabilities							
Deposits	70,872	25,762	1,601	1,324	-	-	99,559
Interbank and money market items	20,485	14,100	-	-	5,286	-	39,871
Liabilities payable on demand	1,904	-	-	-	-	-	1,904
Liabilities to delivery security	1,000	-	-	-	-	-	1,000
Derivatives liabilities	41	8,229	2,688	13,166	4,674	-	28,798
Debt issued and borrowings	-	3,645	-	-	-	-	3,645
Accounts payable from purchase of investments	3,076	-	-	-	-	-	3,076
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	2,858	-	-	-	-	-	2,858
Other liabilities	286	-	-	-	-	-	286
Total financial liabilities	100,522	51,736	4,289	14,490	9,960	-	180,997
Net liquidity gap	(54,462)	8,943	13,667	49,784	33,413	14	51,359

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

	Consolidated 2013						
	At call	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
Financial assets							
Cash	522	-	-	-	-	-	522
Interbank and money market items, net	16,472	25,752	385	-	328	-	42,937
Claims on security	2,000	-	-	-	-	-	2,000
Derivatives assets	-	12,375	2,915	15,812	5,214	-	36,316
Investments, net	3,133	6,651	10,520	36,512	3,352	14	60,182
Loans to customers and accrued interest receivables	23,447	19,230	3,694	24,410	33,822	-	104,603
Accounts receivable from sales of investments and debt securities in issue	4,462	-	-	-	-	-	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	8,815	-	-	-	-	-	8,815
Other assets	-	-	-	649	-	-	649
Total financial assets	58,851	64,008	17,514	77,383	42,716	14	260,486
Financial liabilities							
Deposits	68,373	21,798	11,445	1,573	-	-	103,189
Interbank and money market items	18,136	30,762	-	-	5,062	-	53,960
Liabilities payable on demand	1,720	-	-	-	-	-	1,720
Liabilities to deliver security	2,000	-	-	-	-	-	2,000
Derivatives liabilities	67	12,324	3,451	17,617	3,787	-	37,246
Debt issued and borrowings	-	2,517	-	1,000	-	-	3,517
Accounts payable from purchase of investments	3,485	-	-	-	-	-	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	4,907	-	-	-	-	-	4,907
Other liabilities	358	-	-	-	-	-	358
Total financial liabilities	99,046	67,401	14,896	20,190	8,849	-	210,382
Net liquidity gap	(40,195)	(3,393)	2,618	57,193	33,867	14	50,104

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

	At call	Within 6 months	Over 6 months to 1 year	Bank only 2014 Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
Financial assets							
Cash	483	-	-	-	-	-	483
Interbank and money market items, net	10,683	33,374	-	-	330	-	44,387
Claims on security	1,000	-	-	-	-	-	1,000
Derivative assets	-	6,812	3,036	12,696	6,430	-	28,974
Investments, net	-	2,679	6,414	35,683	1,252	14	46,042
Loans to customers and accrued interest receivables	25,147	18,879	9,336	15,449	35,361	-	104,172
Accounts receivable from sales of investments and debt securities in issue	3,325	-	-	-	-	-	3,325
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	2,962	-	-	-	-	-	2,962
Other assets	-	-	-	468	-	-	468
Total financial assets	43,600	61,744	18,786	64,296	43,373	14	231,813
Financial liabilities							
Deposits	71,161	25,822	1,601	1,324	-	-	99,908
Interbank and money market items	20,484	14,100	-	-	5,287	-	39,871
Liabilities payable on demand	1,904	-	-	-	-	-	1,904
Liabilities to delivery security	1,000	-	-	-	-	-	1,000
Derivative liabilities	41	8,229	2,688	13,166	4,674	-	28,798
Debt issued and borrowings	-	3,645	-	-	-	-	3,645
Accounts payable from purchase of investments	3,076	-	-	-	-	-	3,076
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	2,858	-	-	-	-	-	2,858
Other liabilities	286	-	-	-	-	-	286
Total financial liabilities	100,810	51,796	4,289	14,490	9,961	-	181,346
Net liquidity gap	(57,210)	9,948	14,497	49,806	33,412	14	50,467

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

	At call	Within 6 months	Over 6 months to 1 year	Bank only 2013 Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Total
Financial assets							
Cash	494	-	-	-	-	-	494
Interbank and money market items, net	16,435	25,752	385	-	328	-	42,900
Claims on security	2,000	-	-	-	-	-	2,000
Derivative assets	-	12,375	2,915	15,812	5,214	-	36,316
Investments, net	-	6,651	10,520	36,512	3,352	14	57,049
Loans to customers and accrued interest receivables	23,447	19,230	3,694	27,413	33,822	-	107,606
Accounts receivable from sales of investments and debt securities in issue	4,462	-	-	-	-	-	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	8,815	-	-	-	-	-	8,815
Other assets	-	-	-	649	-	-	649
Total financial assets	55,653	64,008	17,514	80,386	42,716	14	260,291
Financial liabilities							
Deposits	68,469	21,798	11,521	1,573	-	-	103,361
Interbank and money market items	18,136	30,762	-	-	5,062	-	53,960
Liabilities payable on demand	1,720	-	-	-	-	-	1,720
Liabilities to deliver security	2,000	-	-	-	-	-	2,000
Derivative liabilities	67	12,324	3,451	17,617	3,787	-	37,246
Debt issued and borrowings	-	2,517	-	1,000	-	-	3,517
Accounts payable from purchase of investments	3,485	-	-	-	-	-	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	4,907	-	-	-	-	-	4,907
Other liabilities	358	-	-	-	-	-	358
Total financial liabilities	99,142	67,401	14,972	20,190	8,849	-	210,554
Net liquidity gap	(43,489)	(3,393)	2,542	60,196	33,867	14	49,737

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

Derivatives

The remaining periods to maturity of the notional amount of derivatives as at 31 December 2014 and 2013 are as follows:

	Consolidated and Bank only		
	Within 1 year	2014 Over 1 year (in million Baht)	Total
<i>Foreign currency related</i>			
Forward exchange contracts	640,468	21,998	662,466
Cross currency swap contracts	111,346	229,696	341,042
Currency option contracts	1,763	8,500	10,263
<i>Interest rate related</i>			
Interest rate swap contracts	298,231	752,218	1,050,449
Interest rate option contracts	1,039	17,498	18,537
<i>Others</i>			
Bond forward contracts	49	1,496	1,545
Commodities	17,754	180	17,934

	Consolidated and Bank only		
	Within 1 year	2013 Over 1 year (in million Baht)	Total
<i>Foreign currency related</i>			
Forward exchange contracts	682,132	12,145	694,277
Cross currency swap contracts	97,957	248,650	346,607
Currency option contracts	4,335	8,500	12,835
<i>Interest rate related</i>			
Interest rate swap contracts	482,203	906,916	1,389,119
Interest rate option contracts	1,550	13,803	15,353
<i>Others</i>			
Commodities	14,117	4,857	18,974

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

5 Fair value of financial instruments

Fair value is the estimated value that the Bank and its subsidiaries could receive from selling its financial assets or the estimated cost for redeeming its financial liabilities based on market values, or estimated values that can be derived from using general market principles of calculation.

The following is a summary of the carrying value and estimated fair values of financial assets and financial liabilities.

	Consolidated			
	2014		2013	
	Carrying value	Fair value (in million Baht)	Carrying value	Fair value
<i>Financial assets</i>				
Cash	484	484	522	522
Interbank and money market items, net	44,399	44,399	42,937	42,937
Claims on security	1,000	1,000	2,000	2,000
Derivative assets	28,974	28,974	36,316	36,316
Investments, net	48,063	48,063	60,182	60,182
Loans to customers and interest receivable	102,681	109,828	104,603	105,583
Accounts receivable from sales of investments and debt securities in issue	3,325	3,325	4,462	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	2,962	2,962	8,815	8,815
Other assets	468	468	649	649
Total financial assets	232,356	239,503	260,486	261,466
<i>Financial liabilities</i>				
Deposits	99,559	99,559	103,189	103,189
Interbank and money market items	39,871	40,444	53,960	54,009
Liabilities payable on demand	1,904	1,904	1,720	1,720
Liabilities to deliver security	1,000	1,000	2,000	2,000
Derivative liabilities	28,798	28,798	37,246	37,246
Debt issued and borrowings	3,645	3,646	3,517	3,528
Accounts payable from purchase of investments	3,076	3,076	3,485	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	2,858	2,858	4,907	4,907
Other liabilities	286	286	358	358
Total financial liabilities	180,997	181,571	210,382	210,442

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Bank only			
	2014		2013	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
<i>Financial assets</i>				
Cash	483	483	494	494
Interbank and money market items, net	44,387	44,387	42,900	42,900
Claims on security	1,000	1,000	2,000	2,000
Derivative assets	28,974	28,974	36,316	36,316
Investment, net	46,042	46,042	57,049	57,049
Loans to customers and interest receivable	104,172	111,319	107,606	108,587
Accounts receivable from sales of investments and debt securities in issue	3,325	3,325	4,462	4,462
Collateral from Credit Support Annex agreements and margin receivables from private repo transactions	2,962	2,962	8,815	8,815
Other assets	468	468	649	649
Total financial assets	231,813	238,960	260,291	261,272
<i>Financial liabilities</i>				
Deposits	99,908	99,908	103,361	103,361
Interbank and money market items	39,871	40,444	53,960	54,009
Liabilities payable on demand	1,904	1,904	1,720	1,720
Liabilities to deliver security	1,000	1,000	2,000	2,000
Derivative liabilities	28,798	28,798	37,246	37,246
Debt issued and borrowings	3,645	3,646	3,517	3,528
Accounts payable from purchase of investments	3,076	3,076	3,485	3,485
Collateral from Credit Support Annex agreements and margin payables from private repo transactions	2,858	2,858	4,907	4,907
Other liabilities	286	286	358	358
Total financial liabilities	181,346	181,920	210,554	210,614

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

Cash and interbank and money market items (assets)

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

Trading securities, available-for-sale securities and held-to-maturity debt instruments

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

General investments

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

Investments in receivables

The fair value of investments in receivables are the expected recoverable amount determined based on the net present value of expected future cash collections calculated using discount rates equivalent to the market interest rate, adjusted by a risk premium. In cases where the discount rates cannot be reasonably estimated, the discount rates are equivalent to the rates that make the net present value of expected future cash flow equals to the carrying value of investments in the receivables.

Loans to customers

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

Deposits

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

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

The fair value of interbank and money market items and debts issued and borrowings which bear variable rates of interest approximates their carrying value at the reporting date. The fair value of fixed rate instruments with remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.

Liabilities payable on demand

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

Derivatives

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

Claims on security/liabilities to deliver security, collateral from Credit Support Annex agreements and margin receivables/payable from private repo transactions, and other assets and other liabilities

The fair value of the above financial assets and liabilities approximate the carrying value at which they are stated on the statement of financial position.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

6 Maintenance of capital fund

The ratios of capital to assets (Capital Adequacy Ratio) as of 31 December 2014 and 2013 were calculated from the financial statements of the Bank. The Bank has chosen to adopt the Advanced Internal Ratings-Based Approach (AIRB) in compliance with the Basel III accord, which is consistent with BoT requirements.

	2014	2013
	<i>(in million Baht)</i>	
<i>Tier 1 capital</i>		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital, share premium	23,893	23,893
Legal reserve	981	837
Net profit after appropriation	13,140	12,241
Other reserves	60	41
Less Capital deduction items on CET1	(413)	(384)
Total Tier 1 Capital Base	37,661	36,628
<i>Tier 2 capital</i>		
Provision for normal classified assets	322	442
Surplus of provision	589	674
Total Tier 2 Capital Base	911	1,116
Total Capital Base	38,572	37,744
Total Risk-Weighted Assets	166,540	187,368

	The BoT's regulation minimum requirement	2014 (%)	2013
Capital Adequacy Ratio	8.50	23.16	20.14
Tier-1 Capital ratio	6.00	22.61	19.55
Tier-1 Common Equity ratio	4.50	22.61	19.55
Tier-2 Capital ratio	-	0.55	0.60

The Bank has applied the calculation for minimum credit risk capital under the Advanced Internal Ratings-Based Approach (AIRB) for certain products, as approved by the Bank of Thailand and in accordance with the BoT Notification.

In accordance with the Bank of Thailand Notification No. Sor Nor Sor 4/2556 dated 2 May 2013, Re: "Information Disclosure Regarding Capital Fund Maintenance for Commercial Banks", the Bank intends to disclose Capital Maintenance information as of 31 December 2014 within 4 months after the period end date, as indicated in the notification, through the Bank's website www.sc.com/th/.

Capital management

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

7 Interbank and money market items, net (assets)

			Consolidated			
	At call	2014 Term	Total	At call	2013 Term	Total
			(in million Baht)			
Domestic						
Bank of Thailand	5,301	15,100	20,401	14,314	7,100	21,414
Commercial banks	68	7,204	7,272	1,193	3,577	4,770
Other financial institutions	1,044	-	1,044	530	1,500	2,030
Total	6,413	22,304	28,717	16,037	12,177	28,214
Add accrued interest receivable	1	18	19	1	14	15
Less allowance for doubtful accounts	(11)	(7)	(18)	(15)	(5)	(20)
Total domestic, net	6,403	22,315	28,718	16,023	12,186	28,209
Foreign						
US Dollar	3,828	5,787	9,615	22	7,760	7,782
Japanese Yen	49	-	49	126	-	126
Euro	109	2,403	2,512	131	-	131
Chinese Yuan	44	3,180	3,224	26	6,490	6,516
Other currencies	262	-	262	145	-	145
Total	4,292	11,370	15,662	450	14,250	14,700
Add accrued interest receivable	-	42	42	-	37	37
Less allowance for doubtful accounts	-	(23)	(23)	-	(9)	(9)
Total foreign, net	4,292	11,389	15,681	450	14,278	14,728
Total domestic and foreign, net	10,695	33,704	44,399	16,473	26,464	42,937
			Bank only			
	At call	2014 Term	Total	At call	2013 Term	Total
			(in million Baht)			
Domestic						
Bank of Thailand	5,301	15,100	20,401	14,314	7,100	21,414
Commercial banks	56	7,204	7,260	1,156	3,577	4,733
Other financial institutions	1,044	-	1,044	530	1,500	2,030
Total	6,401	22,304	28,705	16,000	12,177	28,177
Add accrued interest receivable	1	18	19	1	14	15
Less allowance for doubtful accounts	(11)	(7)	(18)	(15)	(5)	(20)
Total domestic, net	6,391	22,315	28,706	15,986	12,186	28,172
Foreign						
US Dollar	3,828	5,787	9,615	22	7,760	7,782
Japanese Yen	49	-	49	126	-	126
Euro	109	2,403	2,512	131	-	131
Chinese Yuan	44	3,180	3,224	26	6,490	6,516
Other currencies	262	-	262	145	-	145
Total	4,292	11,370	15,662	450	14,250	14,700
Add accrued interest receivable	-	42	42	-	37	37
Less allowance for doubtful accounts	-	(23)	(23)	-	(9)	(9)
Total foreign, net	4,292	11,389	15,681	450	14,278	14,728
Total domestic and foreign, net	10,683	33,704	44,387	16,436	26,464	42,900

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

8 Derivatives

8.1 Derivatives held for trading

As at 31 December 2014 and 2013, the fair value and notional amount of derivatives classified by type of risks are as follows:

Consolidated and Bank only						
Type of risks	2014		2013			
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	amount	Assets	Liabilities	amount
	(in million Baht)					
Foreign currency related	14,306	16,274	1,010,131	23,194	25,404	1,049,724
Interest rate related	12,752	10,511	1,062,136	11,984	10,933	1,391,952
Others						
- Bond forward contracts	86	75	1,545	-	-	-
- Commodities	1,784	1,784	17,934	738	738	18,974
	<u>1,870</u>	<u>1,859</u>	<u>19,479</u>	<u>738</u>	<u>738</u>	<u>18,974</u>
Total	28,928	28,644	2,091,746	35,916	37,075	2,460,650

As at 31 December 2014 and 2013, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

Counterparties	Consolidated and Bank only	
	2014	2013
	<i>(%)</i>	
Financial institutions	71.3	62.6
Related parties	20.0	26.4
Other parties	8.7	11.0
Total	<u>100.0</u>	<u>100.0</u>

8.2 Derivatives held for hedging

8.2.1 Fair value hedges

Consolidated and Bank only						
Type of risks	2014		2013			Notional amount
	Fair value		Notional amount	Fair value		
	Assets	Liabilities		Assets	Liabilities	
	<i>(in million Baht)</i>					
Foreign currency related	19	18	2,319	303	31	2,663
Interest rate related	-	53	2,150	-	31	850
Total	19	71	4,469	303	62	3,513

The swaps exchange fixed rates for floating rates on funding to match floating rates received on assets, or exchange fixed rates on assets to match the floating rates paid on funding. For qualifying hedges, the fair value changes of the derivative are substantially matched by corresponding fair value changes of the hedged items, both of which are recognised in profit or loss.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

8.2.2 Cash flow hedges

Type of risks	Consolidated and Bank only					
	2014			2013		
	Fair value Assets	Liabilities	Notional amount (in million Baht)	Fair value Assets	Liabilities	Notional amount
Foreign currency related	-	41	1,321	-	67	1,332
Interest rate related	27	42	4,700	97	42	11,670
Total	27	83	6,021	97	109	13,002

The Bank uses interest rate swaps to manage the variability in future cash flows on assets and liabilities and cross-currency swaps to manage the variability in future exchange rates on its assets and liabilities and costs in foreign currencies. The interest rate swaps are contracts which involve the exchange of floating rates for fixed rates. The cross-currency swaps are contracts which involve the exchange of principal and interest in different currencies with counterparties for a specified period. Gains or losses arising on the effective portion of the hedges are deferred in other comprehensive income until the variability on the cash flow affects profit and loss, at which time the gains or losses are transferred to profit or loss.

As at 31 December 2014 and 2013, the time periods in which cash flows of hedged items are expected to impact in profit or loss are as follows:

Cash flows	Consolidated and Bank only			
	2014			
	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Total
	(in million Baht)			
Receivable cash flows	25	68	70	163
Payable cash flows	(19)	(40)	(53)	(112)
Net cash flows	6	28	17	51

Cash flows	Consolidated and Bank only			
	2013			
	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Total
	(in million Baht)			
Receivable cash flows	92	161	189	442
Payable cash flows	(18)	(50)	(112)	(180)
Net cash flows	74	111	77	262

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

9 Investments, net

9.1 As at 31 December 2014 and 2013, the Bank and its subsidiaries classifies investment types, as follow

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Trading investments				
			Fair value	
Government bonds	6,801	2,454	6,801	2,454
Private debt instruments	208	284	208	284
Total	7,009	2,738	7,009	2,738
Available-for-sale investments				
			Fair value	
Government bonds	37,298	52,153	37,298	52,153
Private debt instruments	1,721	2,100	1,721	2,100
Total	39,019	54,253	39,019	54,253
Investments in receivables				
			Cost	
Investments in receivables	2,021	3,177	-	44
Total	2,021	3,177	-	44
General investments				
			Cost	
Domestic non-marketable equity securities	26	26	26	26
Foreign non-marketable equity securities	1	1	1	1
Total	27	27	27	27
<i>Less allowance for impairment</i>	<i>(13)</i>	<i>(13)</i>	<i>(13)</i>	<i>(13)</i>
Net	14	14	14	14
Total investments, net	48,063	60,182	46,042	57,049

9.2 Fair value changes in available-for-sale investments consisted of:

	Consolidated and Bank only	
	2014	2013
	<i>(in million Baht)</i>	
<i>Fair value changes in available-for-sale investments</i>		
Debt securities	299	235
<i>Less fair value changes in fair value hedged investments</i>	<i>(56)</i>	<i>(30)</i>
<i>Less deferred tax</i>	<i>(49)</i>	<i>(41)</i>
Net	194	164

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

- 9.3 Investments in companies with problems in relation to their financial positions and results of operations are as follows:

Consolidated and Bank only					
2014					
	No. of companies	Cost	Fair value	Allowance for revaluation (in million Baht)	Allowance for impairment
Non-listed companies in SET	8	26	13	-	13
Total	8	26	13	-	13

Consolidated and Bank only					
2013					
	No. of companies	Cost	Fair value	Allowance for revaluation (in million Baht)	Allowance for impairment
Non-listed companies in SET	7	24	13	-	(11)
Total	7	24	13	-	(11)

10 Investment in subsidiaries

Bank only					
Companies	Type of business	Type of investment	Percentage of ownership interest	At Cost	
				2014	2013
<i>(in million Baht)</i>					
Standard Chartered (Thai) Asset Management Company Limited (SCTAMC)	Managing substandard assets purchased or transferred from financial institutions	Ordinary shares	99.9	639	639
Thai Exclusive Leasing Company Limited (TEL)	Debt collection business	Ordinary shares	99.9	59	59
Total				698	698

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

11 Loans to customers and accrued interest receivable, net

11.1 Classified by type of loans

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Overdrafts	1,378	1,495	1,378	1,495
Loans	85,794	91,938	87,263	94,887
Bills	14,895	10,406	14,895	10,406
Others	241	241	241	241
Total	102,308	104,080	103,777	107,029
<i>Add</i> accrued interest receivable	373	523	395	576
Total loans and accrued interest receivable	102,681	104,603	104,172	107,605
<i>Less</i> allowance for doubtful accounts				
- Minimum allowance as BoT's regulations				
- Individual approach	(4,694)	(3,926)	(4,713)	(3,965)
- Collective approach	(1,055)	(805)	(1,055)	(805)
- Excess allowance	(3,149)	(2,878)	(3,130)	(2,839)
Total	(8,898)	(7,609)	(8,898)	(7,609)
Total loans to customers and accrued interest receivable, net	93,783	96,994	95,274	99,996

11.2 Classified by currency and residence of debtors

	Consolidated					
	2014		2013			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	87,302	21	87,323	90,326	163	90,489
US Dollar	11,175	856	12,031	9,402	1,182	10,584
Other currencies	737	2,217	2,954	706	2,301	3,007
Total	99,214	3,094	102,308	100,434	3,646	104,080

	Bank only					
	2014		2013			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	88,771	21	88,792	93,275	163	93,438
US Dollar	11,175	856	12,031	9,402	1,182	10,584
Other currencies	737	2,217	2,954	706	2,301	3,007
Total	100,683	3,094	103,777	103,383	3,646	107,029

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

11.3 Classified by industry and loan classification

	Consolidated 2014					Total
	Pass	Special mention	Substandard (in million Baht)	Doubtful	Doubtful of loss	
Agriculture and mining	488	1	-	-	7	496
Manufacturing and commerce	35,954	2,278	50	-	4,693	42,975
Property development and construction	3,112	81	16	-	241	3,450
Infrastructure and services	4,792	58	16	-	582	5,448
Housing loans	21,934	450	154	89	511	23,138
Others	24,560	968	394	18	861	26,801
Total	90,840	3,836	630	107	6,895	102,308

	Consolidated 2013					Total
	Pass	Special mention	Substandard (in million Baht)	Doubtful	Doubtful of loss	
Agriculture and mining	929	1	-	-	7	937
Manufacturing and commerce	31,363	3,185	88	-	3,558	38,194
Property development and construction	4,430	72	202	4	469	5,177
Infrastructure and services	4,847	58	299	-	172	5,376
Housing loans	23,898	386	99	35	410	24,828
Others	27,653	909	276	4	726	29,568
Total	93,120	4,611	964	43	5,342	104,080

	Bank only 2014					Total
	Pass	Special mention	Substandard (in million Baht)	Doubtful	Doubtful of loss	
Agriculture and mining	488	1	-	-	7	496
Manufacturing and commerce	35,954	2,278	50	-	4,673	42,955
Property development and construction	3,112	81	16	-	156	3,365
Infrastructure and services	4,792	58	16	-	262	5,128
Housing loans	21,934	450	154	89	511	23,138
Others	26,454	968	394	18	861	28,695
Total	92,734	3,836	630	107	6,470	103,777

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Bank only 2013					Total
	Pass	Special mention	Substandard (in million Baht)	Doubtful	Doubtful of loss	
Agriculture and mining	929	1	-	-	7	937
Manufacturing and commerce	31,363	3,185	57	-	3,481	38,086
Property development and construction	4,430	72	7	4	125	4,638
Infrastructure and services	4,847	58	9	-	172	5,086
Housing loans	23,898	386	99	35	410	24,828
Others	31,539	909	276	4	726	33,454
Total	97,006	4,611	448	43	4,921	107,029

11.4 Classified by loan classification

Consolidated 2014			
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts* (in million Baht)	Rate used for setting the allowance for doubtful accounts (%)
Minimum allowance as per BoT's Regulations			Allowance for doubtful accounts (in million Baht)
Pass	91,188	59,213	1
Special mention	3,861	3,252	2
Substandard	630	479	100
Doubtful	107	20	100
Doubtful of loss	6,895	4,593	100
Total	102,681	67,557	
Excess allowance			
Total			8,898

Consolidated 2013			
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts* (in million Baht)	Rate used for setting the allowance for doubtful accounts (%)
Minimum allowance as per BoT's Regulations			Allowance for doubtful accounts (in million Baht)
Pass	93,600	60,565	1
Special mention	4,654	3,292	2
Substandard	965	359	100
Doubtful	43	7	100
Doubtful of loss	5,341	3,694	100
Total	104,603	67,917	
Excess allowance			
Total			7,609

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

Bank only				
2014				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts*	Rate used for setting the allowance for doubtful accounts (%)	Allowance for doubtful accounts (in million Baht)
Minimum allowance as per BoT's Regulations				
Pass	93,104	61,108	1	611
Special mention	3,861	3,252	2	65
Substandard	630	479	100	479
Doubtful	107	20	100	20
Doubtful of loss	6,470	4,593	100	4,593
Total	104,172	69,452		5,768
Excess allowance				3,130
Total				8,898

Bank only				
2013				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts*	Rate used for setting the allowance for doubtful accounts (%)	Allowance for doubtful accounts (in million Baht)
Minimum allowance as per BoT's Regulations				
Pass	97,539	64,452	1	644
Special mention	4,654	3,292	2	66
Substandard	448	359	100	359
Doubtful	43	7	100	7
Doubtful of loss	4,921	3,694	100	3,694
Total	107,605	71,804		4,770
Excess allowance				2,839
Total				7,609

* Net amount for allowance for doubtful accounts means the outstanding debt after deducting the present value of future cash flows expected to be received or the expected proceeds from the disposal of collateral.

As at 31 December 2014, the collective approach was applied to loans to customers and accrued interest receivables of Baht 55,783 million (2013: Baht 64,851 million), using provision rates between 0.03% and 6.85% (2013: 0.03% and 4.88%). The total allowance under this approach was Baht 1,055 million (2013: Baht 805 million).

11.5 Non-performing loans

According to the BoT's regulations, commercial banks are required to report additional information on non-performing loans ("NPL"), which include:

- NPL net and the ratio of NPL net to total loans after allowances for doubtful accounts; and
- NPL gross and the ratio of NPL gross to total loans before allowances for doubtful accounts.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

As at 31 December 2014 and 2013, NPL net (including financial institutions) based on the above directive can be summarised as follows:

	Consolidated		Bank only	
	2014	2013	2014	2013
Non-performing loans, net (<i>in million Baht</i>)	2,422	2,120	1,997	1,182
Total loans used for NPL net ratio calculation (<i>in million Baht</i>)	127,238	127,905	128,707	130,854
Ratio of total loans (%)	1.90	1.66	1.55	0.90

As at 31 December 2014 and 2013, NPL gross (including financial institutions) based on the above directive can be summarised as follows:

	Consolidated		Bank only	
	2014	2013	2014	2013
Non-performing loans, gross (<i>in million Baht</i>)	7,632	6,349	7,207	5,412
Total loans used for NPL gross ratio calculation (<i>in million Baht</i>)	132,448	132,134	133,917	135,084
Ratio of total loans (%)	5.76	4.81	5.38	4.01

Total loans used for NPL ratio calculation are loans to customers as presented in the statement of financial position and loans to financial institutions as included in interbank and money market items.

12 Disclosure of the statements of cash flows of the asset management company

In accordance with the BoT's notification, the Bank is required to disclose the statements of cash flows of the asset management company included in the consolidated financial statements. The statements of cash flows of Standard Chartered (Thai) Asset Management Company Limited are as follows:

Standard Chartered (Thai) Asset Management Company Limited Statements of cash flows (Audited)

	For the year ended 31 December	
	2014	2013
	<i>(in million Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit from operations before income tax expense	723	115
<i>Adjustments to reconcile profit from operations before income tax expense to net cash provided by (used in) operating activities</i>		
Impairment loss of investments	39	52
Impairment on amount due from related party (reversal of)	(8)	20
Provision for employee benefit obligations	1	1
Net interest income	(743)	(130)
Interest received	895	378
Interest paid	(184)	(250)
Income tax paid	(125)	(137)
Profit from operations before changes in operating assets and liabilities	598	49

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	For the year ended 31 December	
	2014	2013
	(in million Baht)	
<i>Decrease (increase) in operating assets</i>		
Intercompany and money market items	(173)	170
Investments in receivables	1,057	1,072
Loans to customers	512	136
Amount due from related parties	8	-
Deposits	(7)	(6)
Other assets	(4)	(1)
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	(1)	8
Advance from asset purchaser	(17)	(389)
Accrued expenses and other liabilities	(9)	19
Net cash provided by operating activities	1,964	1,058
<i>Cash flows from financing activities</i>		
Proceeds from borrowings of intercompany and money market items	-	200
Repayments of borrowings of intercompany and money market items	(1,992)	(1,230)
Net cash used in financing activities	(1,992)	(1,030)
Net increase (decrease) in cash	(28)	28
Cash at beginning of the year	28	-
Cash at end of the year	-	28

13 Troubled debt restructuring

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

Consolidated and Bank only				
2014				
Restructuring method	Terms of debt restructuring agreements	No. of customers	Amount of debt before restructuring	Amount of debt after restructuring
			(in million Baht)	
Modification of terms and conditions	Over 2 months to 28 years	867	605	591
Total		867	605	591

Consolidated and Bank only				
2013				
Restructuring method	Terms of debt restructuring agreements	No. of customers	Amount of debt before restructuring	Amount of debt after restructuring
			(in million Baht)	
Modification of terms and conditions	Over 1 month to 28 years	713	2,548	2,540
Total		713	2,548	2,540

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

The Bank measures the expected recoverable amounts of loans restructured by modification of terms and conditions by using the present value of future cash flows discounted by the market rate.

The Bank and its subsidiaries had outstanding balances of restructured debt as follows:

	Consolidated and Bank only	
	2014	2013
	<i>(in million Baht)</i>	
Troubled restructured debt	<u>3,081</u>	<u>2,991</u>

The loss incurred arising from restructuring, before allowance for doubtful accounts, for the years ended 31 December as follows:

	Consolidated and Bank only	
	2014	2013
	<i>(in million Baht)</i>	
The loss incurred arising from restructuring, before allowance for doubtful accounts	<u>14</u>	<u>8</u>

If the loss on debt restructuring is higher than the allowance for doubtful accounts, the excess amounts are recognised as loss from debt restructuring in profit or loss. The Bank and its subsidiaries had no loss on debt restructuring for the years ended 31 December 2014 and 2013.

The Bank and its subsidiaries recognised interest income from debt restructuring for the years ended 31 December as follows:

	Consolidated and Bank only	
	2014	2013
	<i>(in million Baht)</i>	
Interest income	<u>216</u>	<u>187</u>

14 Allowance for doubtful accounts

	Consolidated 2014						
	Pass	Special mention	Sub standard	Doubtful	Doubtful of loss	Excess allowance	Total
	<i>(in million Baht)</i>						
Beginning balance	605	66	359	7	3,694	2,878	7,609
Allowance for doubtful accounts	(13)	(1)	120	13	4,042	271	4,432
Bad debt written off	-	-	-	-	(3,132)	-	(3,132)
Others	-	-	-	-	(11)	-	(11)
Ending balance	<u>592</u>	<u>65</u>	<u>479</u>	<u>20</u>	<u>4,593</u>	<u>3,149</u>	<u>8,898</u>

	Consolidated 2013						
	Pass	Special mention	Sub standard	Doubtful	Doubtful of loss	Excess allowance	Total
	<i>(in million Baht)</i>						
Beginning balance	607	58	295	26	3,423	1,757	6,166
Allowance for doubtful accounts	(2)	8	64	(19)	2,532	1,121	3,704
Bad debt written off	-	-	-	-	(2,252)	-	(2,252)
Others	-	-	-	-	(9)	-	(9)
Ending balance	<u>605</u>	<u>66</u>	<u>359</u>	<u>7</u>	<u>3,694</u>	<u>2,878</u>	<u>7,609</u>

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Bank only						Total
	Pass	Special mention	Sub standard	Doubtful	Doubtful of loss	Excess allowance	
	2014						
	<i>(in million Baht)</i>						
Beginning balance	644	66	359	7	3,694	2,839	7,609
Allowance for doubtful accounts	(33)	(1)	120	13	4,042	291	4,432
Bad debt written off	-	-	-	-	(3,132)	-	(3,132)
Others	-	-	-	-	(11)	-	(11)
Ending balance	611	65	479	20	4,593	3,130	8,898

	Bank only						Total
	Pass	Special mention	Sub standard	Doubtful	Doubtful of loss	Excess allowance	
	2013						
	<i>(in million Baht)</i>						
Balance at beginning	656	58	295	26	3,423	1,708	6,166
Allowance for doubtful accounts	(12)	8	64	(19)	2,532	1,131	3,704
Bad debt written off	-	-	-	-	(2,252)	-	(2,252)
Others	-	-	-	-	(9)	-	(9)
Ending balance	644	66	359	7	3,694	2,839	7,609

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Allowance for doubtful accounts	4,432	3,704	4,432	3,704
Impairment of investment in receivables	39	53	-	-
Less bad debts recovered	(507)	(577)	(507)	(577)
Impairment loss of loans and debt securities	3,964	3,180	3,925	3,127

The Bank and its subsidiaries have estimated the impairment loss of loans based on countercyclical assumptions in addition to normal impairment loss of loans.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

15 Premises and equipment

As at 31 December 2014 and 2013, changes in premises and equipment are as follows:

	Consolidated 2014							Net book value as of 31 December 2014
	Net book value as of 1 January 2014	Beginning balance	Purchases and transfers in	Cost Disposals and transfers out	Ending balance	Beginning balance (in million Baht)	Accumulated depreciation Disposals and transfers out	
Land	27	36	-	-	36	-	-	27
Freehold premises	549	1,889	-	-	1,889	910	57	492
Equipment	201	1,307	29	(89)	1,247	1,106	69	161
Total	777	3,232	29	(89)	3,172	2,016	126	680
	Consolidated 2013							Net book value as of 31 December 2013
	Net book value as of 1 January 2013	Beginning balance	Purchases and transfers in	Cost Disposals and transfers out	Ending balance	Beginning balance (in million Baht)	Accumulated depreciation Disposals and transfers out	
Land	27	36	-	-	36	-	-	27
Freehold premises	618	1,889	-	-	1,889	841	69	549
Equipment	135	1,262	137	(92)	1,307	1,127	71	201
Others	48	48	54	(102)	-	-	-	-
Total	828	3,235	191	(194)	3,232	1,968	140	777

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that was still in use as at 31 December 2014 amounted Baht 1,322 million (2013: Baht 1,012 million).

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Bank only 2014							
Net book value as of 1 January 2014	Cost		Accumulated depreciation			Allowance for impairment	Net book value as of 31 December 2014
	Beginning balance	Purchases and transfers in	Disposals and transfers out	Beginning balance <i>(in million Baht)</i>	Depreciation transfers out		
Land	27	-	-	-	-	(9)	27
Freehold premises	549	-	-	910	57	(430)	492
Equipment	201	29	(89)	1,103	69	-	161
Total	777	29	(89)	2,013	126	(439)	680

2013							
Net book value as of 1 January 2013	Cost		Accumulated depreciation			Allowance for impairment	Net book value as of 31 December 2013
	Beginning balance	Purchases and transfers in	Disposals and transfers out	Beginning balance <i>(in million Baht)</i>	Depreciation transfers out		
Land	27	-	-	-	-	(9)	27
Freehold premises	618	-	-	841	69	(430)	549
Equipment	135	136	(92)	1,125	70	-	201
Others	48	54	(102)	-	-	-	-
Total	828	190	(194)	1,966	139	(439)	777

As at 31 December 2014, the Bank had net book value of equipment under finance leases of Baht 0.1 million (2013: Baht 4 million).

The gross amount of the Bank's fully depreciated premises and equipment that was still in use as at 31 December 2014 amounted Baht 1,320 million (2013: Baht 1,010 million).

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

16 Deferred tax

Deferred tax assets and liabilities were as follows:

	Consolidated	
	2014	2013
	<i>(in million Baht)</i>	
Deferred tax assets	620	585
Deferred tax liabilities	(5)	(15)
Net	615	570

	Bank only	
	2014	2013
	<i>(in million Baht)</i>	
Deferred tax assets	419	398
Deferred tax liabilities	(54)	(55)
Net	365	343

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

	At 1 January 2014	Consolidated (Charged) / Credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		<i>(note 39)</i>		
		<i>(in million Baht)</i>		
Deferred tax assets				
Investments	169	25	(8)	186
Loans and accrued interest receivable	89	26	-	115
Premises and equipment	92	(11)	-	81
Intangible assets	2	(1)	-	1
Other assets	69	(3)	-	66
Provisions	109	9	3	121
Other liabilities	55	(5)	-	50
Total	585	40	(5)	620
Deferred tax liabilities				
Properties for sale	(5)	5	-	-
Cash flow hedges	(10)	-	5	(5)
Total	(15)	5	5	(5)
Net	570	45	-	615

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	At 1 January 2013	Consolidated (Charged) / Credited to:		At 31 December 2013
		Profit or loss	Other comprehensive income (note 39) (in million Baht)	
Deferred tax assets				
Investments	147	32	(10)	169
Loans and accrued interest receivable	95	(6)	-	89
Premises and equipment	100	(8)	-	92
Intangible assets	2	-	-	2
Other assets	61	8	-	69
Provisions	103	9	(3)	109
Other liabilities	55	-	-	55
Total	563	35	(13)	585
Deferred tax liabilities				
Properties for sale	(7)	2	-	(5)
Cash flow hedges	(12)	-	2	(10)
Total	(19)	2	2	(15)
Net	544	37	(11)	570

	At 1 January 2014	Bank only (Charged) / Credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income (note 39) (in million Baht)	
Deferred tax assets				
Loans and accrued interest receivable	89	26	-	115
Premises and equipment	92	(11)	-	81
Intangible assets	2	(1)	-	1
Other assets	65	(1)	-	64
Provisions	107	9	3	119
Other liabilities	43	(4)	-	39
Total	398	18	3	419
Deferred tax liabilities				
Investments	(40)	(1)	(8)	(49)
Properties for sale	(5)	5	-	-
Cash flow hedges	(10)	-	5	(5)
Total	(55)	4	(3)	(54)
Net	343	22	-	365

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

		Bank only (Charged) / Credited to:		
	At 1 January 2013	Profit or loss	Other comprehensive income (note 39) (in million Baht)	At 31 December 2013
Deferred tax assets				
Loans and accrued interest receivable	95	(6)	-	89
Premises and equipment	100	(8)	-	92
Intangible assets	2	-	-	2
Other assets	61	4	-	65
Provisions	101	9	(3)	107
Other liabilities	55	(12)	-	43
Total	414	(13)	(3)	398
Deferred tax liabilities				
Investments	(11)	(19)	(10)	(40)
Properties for sale	(7)	2	-	(5)
Cash flow hedges	(12)	-	2	(10)
Total	(30)	(17)	(8)	(55)
Net	384	(30)	(11)	343

17 Accounts receivable from sales of investments and debt securities in issue

Accounts receivable from sales of investments and debt securities in issue arise as a result of the Bank accounting for these transactions at the trade date while the settlement date occurs in the following period. These accounts receivable occur in the normal course of the Bank's business.

18 Other assets

	Consolidated		Bank only	
	2014	2013	2014	2013
	(in million Baht)			
Accrued interest and income receivable	468	649	468	649
Prepayments	47	35	41	33
Leasehold premises, net	17	26	17	26
Others	398	260	378	249
Total	930	970	904	957

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

19 Deposits

19.1 Classified by type of deposits

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Current	7,897	8,339	7,897	8,339
Savings	62,975	60,034	63,264	60,130
Term				
- Less than 6 months	19,292	9,368	19,352	9,368
- 6 months to less than 1 year	7,245	5,504	7,245	5,580
- 1 year and over	2,150	19,944	2,150	19,944
Total	99,559	103,189	99,908	103,361

19.2 Classified by currency and residence of depositors

	Consolidated					
	2014		2013			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	87,257	2,949	90,206	94,273	2,645	96,918
US Dollar	6,010	721	6,731	5,419	565	5,984
Other currencies	2,564	58	2,622	218	69	287
Total	95,831	3,728	99,559	99,910	3,279	103,189

	Bank only					
	2014		2013			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	87,606	2,949	90,555	94,445	2,645	97,090
US Dollar	6,010	721	6,731	5,419	565	5,984
Other currencies	2,564	58	2,622	218	69	287
Total	96,180	3,728	99,908	100,082	3,279	103,361

20 Interbank and money market items (liabilities)

	Consolidated and Bank only					
	2014		2013			
	At call	Term	Total	At call	Term	Total
	<i>(in million Baht)</i>					
Domestic						
Commercial banks	-	14,100	14,100	-	25,840	25,840
Special financial institutions	3	-	3	506	-	506
Other financial institutions	11,118	5,286	16,404	8,723	5,062	13,785
Total domestic	11,121	19,386	30,507	9,229	30,902	40,131

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated and Bank only					
	2014			2013		
	At call	Term	Total	At call	Term	Total
	<i>(in million Baht)</i>					
Foreign						
US Dollar	2	-	2	3,283	4,922	8,205
Thai Baht	9,353	-	9,353	5,507	-	5,507
Japanese Yen	9	-	9	117	-	117
Other currencies	-	-	-	-	-	-
Total foreign	9,364	-	9,364	8,907	4,922	13,829
Total domestic and foreign	20,485	19,386	39,871	18,136	35,824	53,960

As at 31 December 2014, structured notes that are not designated at fair value in the consolidated and Bank only financial statements amounted to Baht 5,286 million (2013: Baht 5,062 million).

21 Debt issued and borrowings

As at 31 December 2014 and 2013, debt issued and borrowings balances are denominated in Thai Baht with terms as follows:

Consolidated and Bank only						
2014			2013			
	Maturity	Interest rate	Amount	Maturity	Interest rate	Amount
		(%)	<i>(in million Baht)</i>		(%)	<i>(in million Baht)</i>
Debentures	2015	1.40 - 1.58	2,645	2014	1.65 - 2.59	2,517
Structured notes	2015	0.00 - 5.48	1,000	2015	0.00 - 5.48	1,000
Total			3,645			3,517

As at 31 December 2014, structured notes that are not designated at fair value in the consolidated and Bank only financial statements amounted to Baht 1,000 million (2013: Baht 1,000 million).

22 Provisions

	Employee benefits	Consolidated Contingent liabilities <i>(in million Baht)</i>	Total
At 1 January 2013	322	197	519
Provisions made	31	-	31
Provisions used	(5)	-	(5)
At 31 December 2013 and 1 January 2014	348	197	545
Provisions made	60	183	243
Provisions used	(6)	(8)	(14)
Provision reversed	-	(171)	(171)
At 31 December 2014	402	201	603

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Employee benefits	Bank only Contingent liabilities (in million Baht)	Total
At 1 January 2013	313	197	510
Provisions made	30	-	30
Provisions used	(5)	-	(5)
At 31 December 2013 and 1 January 2014	338	197	535
Provisions made	59	183	242
Provisions used	(6)	(8)	(14)
Provision reversed	-	(171)	(171)
At 31 December 2014	391	201	592

23 Accounts payable from purchase of investments

Accounts payable from purchase of investments arise as a result of the Bank accounting for these transactions at the trade date while the settlement date occurs in the following period. These accounts payable occur in the normal course of the Bank's business.

24 Other liabilities

	Consolidated		Bank only	
	2014	2013	2014	2013
	(in million Baht)			
Withholding tax payable	190	134	189	133
VAT payable	13	10	13	9
Other payables	723	734	715	734
Accrued interest payable	286	358	286	358
Others	524	653	524	636
Total	1,736	1,889	1,727	1,870

25 Share capital

	Consolidated and Bank only				
	Par value per share (in Baht)	Number	2014 Amount (in million shares / million Baht)	2013 Number	Amount
Authorised					
At 1 January - ordinary shares	10	1,484	14,843	1,484	14,843
At 31 December - ordinary shares	10	1,484	14,843	1,484	14,843
Issued and paid-up					
At 1 January - ordinary shares	10	1,484	14,837	1,484	14,837
At 31 December - ordinary shares	10	1,484	14,837	1,484	14,837

Share premium

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

26 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Other reserves

Fair value change in available-for-sale investments

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

Cash flow hedges

The cash flow hedges account within equity comprise the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

Movement in reserves

Movements in reserves are shown in the statement of changes in equity.

27 Assets pledged as collateral

Assets pledged as collateral as of 31 December 2014 and 2013 consisted of:

	Note	Consolidated and Bank only	
		2014	2013
		<i>(in million Baht)</i>	
Government bonds			
- Pledged as collateral against repurchase transactions		13,110	22,028
- Pledged as collateral for derivatives	29	4,063	-
Total		17,173	22,028

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

28 Contingent liabilities

	Consolidated and Bank only	
	2014	2013
	<i>(in million Baht)</i>	
Guarantees of loans	712	1,990
Liability under unmatured import bills	242	1,090
Letters of credit	951	2,611
Other contingencies		
- Unused credit line of overdrafts	3,058	3,378
- Other letters of guarantee	31,373	36,252
	<u>34,431</u>	<u>39,630</u>
Total	<u>36,336</u>	<u>45,321</u>

Litigation

As at 31 December 2014, the Bank has received claims in respect of letters of guarantee and other items totaling Baht 511 million (excluding interest) (2013: Baht 1,005 million). Litigation is pending and the Bank has recorded provision for possible loss from these claims of Baht 65 million as at 31 December 2014 (2013: Baht 189 million).

29 Related parties

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

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

Name of entity/Personnel	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thailand and other countries	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Standard Chartered PLC	United Kingdom	Ultimate parent company of the Bank and its subsidiaries
Standard Chartered Bank	United Kingdom	Immediate parent company of the Bank
Standard Chartered (Thai) Asset Management Company Limited	Thailand	Subsidiary, 99.9% shareholding, 50% of directors are representative of the Bank
Thai Exclusive Leasing Company Limited	Thailand	Subsidiary, 99.9% shareholding, more than 50% of directors are representative of the Bank
Standard Chartered (Thailand) Company Limited	Thailand	Affiliated company of Standard Chartered Group
Resolution Alliance Limited	Thailand	Affiliated company of Standard Chartered Group

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of entity/Personnel	Country of incorporation/ nationality	Nature of relationship
Standard Chartered Securities (Hong Kong) Limited	Hong Kong	Affiliated company of Standard Chartered Group
Scope International Private Limited	India	Affiliated company of Standard Chartered Group
Scope International (Malaysia) Sendirian Berhad	Malaysia	Affiliated company of Standard Chartered Group
Scope International (China) Company Limited	China	Affiliated company of Standard Chartered Group
Standard Chartered (GCT) Limited	United Kingdom	Affiliated company of Standard Chartered Group
Standard Chartered Strategic Brand Management Limited	United Kingdom	Affiliated company of Standard Chartered Group

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

Transactions	Pricing policies
Interest rate	Based on market rate
Services	Contractually agreed price
Derivatives	Based on market price

Significant transactions for the years ended 31 December 2014 and 2013 with key management and other related parties were as follows :

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Interest income	389	151	542	399
Interest expenses	18	20	20	22
Net fee and service expenses	(19)	12	120	171
Gains (losses) on trading and foreign exchange transactions	(1,510)	725	(1,510)	725
Other operating income	11	4	69	103
Service agreements	595	430	595	429
Others	294	250	288	244

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

Significant balances and business transactions with executives and other related parties

Significant balances and business transactions with executive directors and authorised management, including their related parties and business entities in which the Bank, its directors or key management, including their related parties hold 10% or more of the paid up capital as of 31 December 2014 and 2013 were as follows:

	Consolidated and Bank only			
	2014		2013	
	Ending balance	Average	Ending balance	Average
	<i>(in million Baht)</i>			
<i>Loans to customers and accrued interest receivable</i>				
To executive directors and authorised management, including their related parties	<u>1,915</u>	<u>1,953</u>	<u>1,974</u>	<u>2,146</u>
<i>Deposits</i>				
From executive directors and authorised management, including their related parties	<u>178</u>	<u>238</u>	<u>244</u>	<u>260</u>
	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Interbank and money market items (assets)</i>				
Standard Chartered Bank	<u>14,835</u>	<u>14,045</u>	<u>14,835</u>	<u>14,045</u>
<i>Derivative assets (marked to market value)</i>				
Standard Chartered Bank	<u>7,595</u>	<u>8,162</u>	<u>7,595</u>	<u>8,162</u>
<i>Governments bonds - Pledged as collateral for derivatives</i>				
Standard Chartered Bank	<u>4,063</u>	<u>-</u>	<u>4,063</u>	<u>-</u>
<i>Loans to customers and accrued interest receivable</i>				
Resolution Alliance Limited	236	236	236	236
Standard Chartered (Thai) Asset Management Company Limited	-	-	1,916	3,940
Total	<u>236</u>	<u>236</u>	<u>2,152</u>	<u>4,176</u>
<i>Other assets</i>				
Standard Chartered Bank	80	3,423	80	3,423
Standard Chartered (Thailand) Company Limited	-	-	-	-
Thai Exclusive Leasing Company Limited	-	-	-	1
Standard Chartered (Thai) Asset Management Company Limited	-	-	1	2
Total	<u>80</u>	<u>3,423</u>	<u>81</u>	<u>3,426</u>

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Deposits</i>				
Resolution Alliance Limited	23	35	23	35
Standard Chartered Securities (Hong Kong) Limited	1	1	1	1
Standard Chartered (Thailand) Company Limited	8	10	8	10
Standard Chartered (Thai) Asset Management Company Limited	-	-	274	75
Thai Exclusive Leasing Company Limited	-	-	76	98
Total	32	46	382	219
<i>Interbank and money market items (liabilities)</i>				
Standard Chartered Bank	1,935	5,993	1,935	5,993
<i>Derivative liabilities (marked to market value)</i>				
Standard Chartered Bank	10,657	10,712	10,657	10,712
<i>Debt issued and borrowings</i>				
Standard Chartered (Thailand) Company Limited	344	346	344	346
<i>Accrued expenses</i>				
Standard Chartered Bank	635	557	635	555
Standard Chartered Strategic Brand Management Limited	157	175	157	175
Scope International Private Limited	15	2	15	2
Scope International (Malaysia) Sendirian Berhad	17	1	17	1
Scope International (China) Company Limited	2	1	2	1
Thai Exclusive Leasing Company Limited	-	-	11	12
Total	826	736	837	746
<i>Other liabilities</i>				
Standard Chartered Bank	2	19	2	19
<i>Other letters of guarantee</i>				
Standard Chartered Bank	11,263	8,792	11,263	8,792

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Derivatives - Foreign currency related</i>				
Standard Chartered Bank	<u>140,025</u>	<u>177,887</u>	<u>140,025</u>	<u>177,887</u>
<i>Derivatives - Interest rate related</i>				
Standard Chartered Bank	<u>266,660</u>	<u>465,507</u>	<u>266,660</u>	<u>465,507</u>
<i>Derivatives - Commodities</i>				
Standard Chartered Bank	<u>11,600</u>	<u>6,797</u>	<u>11,600</u>	<u>6,797</u>

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Key management personnel</i>				
Short-term employee benefits	506	535	498	493
Post-employment benefits	8	8	8	7
Share-based payments	<u>16</u>	<u>23</u>	<u>16</u>	<u>22</u>
Total key management personnel compensation	<u>530</u>	<u>566</u>	<u>522</u>	<u>522</u>

Directors' and executives' benefits

The Bank has not paid any benefits to its directors and executives other than those in the normal course of business such as salary, executives' bonuses and directors' remuneration approved at a Shareholders' Meeting. Directors nominated by Standard Chartered PLC have waived directors' fees.

Significant agreements with related parties

(a) License agreement

In 2008, the Bank entered into a non-exclusive license agreement with Standard Chartered Strategic Brand Management Limited, relating to the use by the Bank of the Standard Chartered name and logo and other marks in connection with its business in Thailand. The license fee is charged at a rate based on a percentage of Total Operating Income, in accordance with the terms in the agreement.

(b) Services agreement

In 2011, the Bank entered into a services agreement with Standard Chartered Bank-UK relating to the provision of certain advisory and other services to the Bank by Standard Chartered Bank-UK. The fees payable by the Bank to Standard Chartered Bank-UK under the advisory and services agreement are based on an allocation of actual costs plus a margin, in accordance with the terms in the agreement.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

(c) Shared support function

The Bank entered into a services agreement with Standard Chartered (Thailand) Company Limited, Thai Exclusive Leasing Company Limited and Standard Chartered (Thai) Asset Management Company Limited related to the provision of support functions. The Bank will provide support service functions in the areas of Human Resources, Finance and Accounting, Information Technology, Legal, Compliance, Secretariat, Consumer Banking Operations and other upon request services for Internal Audit and Corporate Affairs. The fees are charged monthly and are based on the actual costs incurred plus a margin, in accordance with the terms in the agreement.

(d) Outsourcing services

In 2002 until present, the Bank entered into service agreements with related parties for certain accounting and financial processing activities, information technology support, and other related activities. Fees payable are based on the terms of the agreements which include actual cost, actual cost plus margin, fixed cost per transaction and other agreed fees.

In 2008, the Bank entered into a collection service agreement with Thai Exclusive Leasing Company Limited. Thai Exclusive Leasing Company Limited provides debt collection services to the Bank. The fees are charged at contractually agreed prices in accordance with the collection service agreement.

30 Non-cancellable operating lease agreements

The Bank and its subsidiaries have entered into operating lease and service agreements of premises and property, office equipments and vehicles for the periods ranging from 1 year to 30 years. The period to maturity of long-term lease payments is as follows:

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Within one year	101	105	99	104
After one year but within five years	148	175	147	175
After five years	36	56	36	56
Total	285	336	282	335

31 Segment information

Client segments

In January 2014, Standard Chartered PLC ("Standard Chartered" or the "Group") announced a change to its organisation structure effective 1 April 2014. The three new client segment groups are Corporate and Institutional Clients, Commercial and Private Banking Clients, and Retail Clients. These changes represent components of a programme of management actions to support the execution of a refreshed and sharpened strategy, deliver the growth and return aspirations and adapt to the changes in the regulatory and market environment.

The Bank and its subsidiaries have restructured the business in Thailand accordingly to align with the Group's organisation structure. As a result, the erstwhile Consumer Banking and Wholesale Banking have been combined and currently re-organised into the following client segment groups:

Corporate and Institutional (C&I) clients comprise Global Corporates (major multinational corporations and large business groups which have sophisticated, cross-border needs requiring high levels of international service); Local Corporates (typically clients with operations in three geographies or less); and Financial Institutions (Banks, Investor clients, Insurance companies, Broker Dealers, Public Sector

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

names (including Bank of Thailand, Sovereign Wealth Funds and Development Organisations) and other types of financial institutions).

Retail clients comprise Priority & International clients, managing and servicing high value segment customers and delivering a distinct and differentiated customer experience to them; Personal & Preferred clients, providing banking products and services to a broader consumer market; and Business Clients, serving small business clients, sole proprietors and private companies, offering solutions such as working capital, business expansion, businesses protection and yield enhancement.

In addition, certain items which do not fall within the two client segments, including unallocated central costs and Corporate Real Estate service costs are reported in "Other Banking". Financial information is presented internally to the Bank's management using these three reporting segments.

While this restatement affects the reported results of the divisions that comprise the Bank and its subsidiaries' business, it has no impact on the Bank and its subsidiaries' overall statement of financial position, statement of comprehensive income or other primary statements.

Information regarding the results of each reportable segment is included in the following table. Performance is measured based on segment revenue and expenses as included in the internal management reports. Segment revenue and expenses are used to measure performance as management believes that such information is the most relevant in evaluating the result of certain segments relative to other entities that operate within this industry.

Geographical segments

As the Bank and its subsidiaries comprise only one geographical segment in Thailand, the Bank is considered to operate only in the domestic segment.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

By client segment

<i>Year ended 31 December</i>	Retail clients		Corporate & Institutional clients		Other Banking		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
					<i>(in million Baht)</i>					
Net interest income	5,261	5,765	3,313	3,109	38	41	-	-	8,612	8,915
Other income	591	296	3,282	2,883	47	80	(67)	(99)	3,853	3,160
Operating income	5,852	6,061	6,595	5,992	85	121	(67)	(99)	12,465	12,075
Operating expenses	(3,359)	(3,005)	(2,491)	(2,107)	51	(66)	44	53	(5,755)	(5,125)
Operating profit (loss) before impairment loss of loans and debt securities and taxation	2,493	3,056	4,104	3,885	136	55	(23)	(46)	6,710	6,950
Impairment loss of loans and debt securities	(3,082)	(2,735)	(882)	(444)	-	-	-	-	(3,964)	(3,179)
Profit (loss) from operations before income tax expenses	(589)	321	3,222	3,441	136	55	(23)	(46)	2,746	3,771
Segment assets as at 31 December	54,044	63,205	169,603	189,733	1,669	1,634	-	-	225,316	254,572

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

32 Interest income

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Interbank and money market items	1,341	1,491	1,341	1,491
Investments and trading transactions	156	194	156	194
Investments in debt securities	1,311	1,630	1,311	1,630
Investments in receivables	623	197	5	23
Loans to customers	8,619	9,648	8,495	9,693
Total	12,050	13,160	11,308	13,031

33 Interest expenses

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Deposits	1,789	2,343	1,791	2,346
Interbank and money market items	990	1,111	990	1,111
Contribution to Deposits Protection Agency and Financial Institutions Development Fund	581	629	581	629
Debt issued and borrowings	78	161	78	161
Others	-	1	-	1
Total	3,438	4,245	3,440	4,248

34 Net fees and service income

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	188	174	188	174
- Transaction fees	664	690	664	690
- Others	957	1,031	958	1,031
	1,809	1,895	1,810	1,895
Fees and service expenses				
- Commission fees	36	349	36	349
- Collection service	-	-	140	158
- Others	506	461	476	436
	542	810	652	943
Net	1,267	1,085	1,158	952

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

35 Gains on trading and foreign exchange transactions, net

	Consolidated and Bank only	
	2014	2013
	<i>(in million Baht)</i>	
Gains on trading and foreign exchange transactions		
- Foreign currencies and foreign currency related derivatives	1,222	529
- Interest rate related derivatives	583	1,079
- Debt securities	321	66
Total	2,126	1,674
Gains (losses) on hedging transactions	(4)	7
Total	2,122	1,681

36 Gains on investments, net

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Gains on sales				
- Available-for-sale investments	242	83	242	83
- General investments	1	4	1	4
- Investments in receivables	51	258	-	-
Total	294	345	243	87

37 Employee expenses

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Management				
Wages and salaries	308	299	303	294
Post - employment benefits - defined benefit plans	8	8	8	7
Share-based payment transactions	16	23	16	22
Others	198	236	195	199
	530	566	522	522
Other employees				
Wages and salaries	1,636	1,473	1,595	1,428
Post - employment benefits - defined benefit plans	40	38	38	37
Share-based payment transactions	(55)	42	(54)	40
Others	889	803	869	780
	2,510	2,356	2,448	2,285
Total	3,040	2,922	2,970	2,807

The Bank and its subsidiaries have established contributory provident fund for their employees. Membership of the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Bank and its subsidiaries at 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

38 Impairment loss of loans and debt securities

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Interbank and money market items	12	26	12	26
Investment in receivables	39	53	-	-
Loans to customers	3,913	3,101	3,913	3,101
Total	3,964	3,180	3,925	3,127

39 Income tax expense

Income tax recognised in profit or loss

	<i>Note</i>	Consolidated		Bank only	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Current tax expense					
Current year		610	760	439	670
Under (over) provided in prior years		(19)	97	(15)	88
		591	857	424	758
Deferred tax expense					
Movements in temporary differences		(22)	39	2	99
Over provided in prior years		(23)	(76)	(24)	(69)
	16	(45)	(37)	(22)	30
Total		546	820	402	788

Income tax recognised in other comprehensive income

	Consolidated					
	2014			2013		
	Before Tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of Tax
	<i>(in million Baht)</i>					
Cash flow hedges	(25)	5	(20)	(9)	2	(7)
Available-for-sale investments	38	(8)	30	48	(10)	38
Defined benefit plans	(13)	3	(10)	15	(3)	12
Total	-	-	-	54	(11)	43

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

	Bank only					
	Before Tax	2014 Tax (expense) benefit	Net of tax (in million Baht)	Before tax	2013 Tax (expense) benefit	Net of Tax
Cash flow hedges	(25)	5	(20)	(9)	2	(7)
Available-for-sale investments	38	(8)	30	48	(10)	38
Defined benefit plans	(13)	3	(10)	14	(3)	11
Total	-	-	-	53	(11)	42

Reconciliation of effective tax rate

	Consolidated			
	2014 Rate (%)	(in million Baht)	2013 Rate (%)	(in million Baht)
Profit before total income tax expense		2,746		3,771
Income tax using the Thai corporation tax rate	20	549	20	754
Effect of income tax from subsidiaries		5		9
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		34 (42)		36 21
Under (over) provided in prior years				
Total	20	546	22	820

	Bank only			
	2014 Rate (%)	(in million Baht)	2013 Rate (%)	(in million Baht)
Profit before total income tax expense		2,033		3,674
Income tax using the Thai corporation tax rate	20	407	20	735
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		34 (39)		34 19
Under (over) provided in prior years				
Total	20	402	21	788

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods, 2013 and 2014, which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% for the accounting period which begins on or after 1 January 2015 until 31 December 2015.

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

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries

Notes to the financial statements

40 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to equity holders of the Bank and the number of ordinary shares outstanding during the years as follows:

	Consolidated		Bank only	
	2014	2013	2014	2013
	<i>(in million Baht / million shares)</i>			
Profit for the years attributable to equity holders of the Bank (basic)	2,200	2,951	1,631	2,886
Number of ordinary shares outstanding	1,484	1,484	1,484	1,484
Basic earnings per share <i>(in Baht)</i>	1.48	1.99	1.10	1.95

41 Dividends

At the annual general meeting of the shareholders of the Bank held on 25 April 2014, the shareholders approved the appropriation of a dividend of Baht 1.25 per share, amounting to Baht 1,855 million. The dividends were paid to shareholders in May 2014.

At the annual general meeting of the shareholders of the Bank held on 18 April 2013, the shareholders approved the appropriation of a dividend of Baht 0.78 per share, amounting to Baht 1,157 million. The dividends were paid to shareholders in May 2013.

42 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015

Standard Chartered Bank (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements

TFRS	Topic	Year effective
TFRS 2 (revised 2014)	Share-based Payment	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015

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

