

CIMB THAI BANK PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

30 JUNE 2019

Independent Auditor's Report

To the shareholders of CIMB Thai Bank Public Company Limited

My opinion

In my opinion, the interim consolidated financial statements of CIMB Thai Bank Public Company Limited (the Bank) and its subsidiaries (the Group) and the interim separate financial statements of the Bank present fairly, in all material respects, the interim consolidated and separate financial position of the Group and of the Bank as at 30 June 2019, and its interim consolidated and separate financial performance and its interim consolidated and separate cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The interim consolidated and the separate financial statements comprise:

- ☐ the interim consolidated and separate statements of financial position as at 30 June 2019;
- ☐ the interim consolidated and separate statements of comprehensive income for the six-month period then ended;
- ☐ the interim consolidated and separate statements of changes in equity for the six-month period then ended;
- ☐ the interim consolidated and separate statements of cash flows for the six-month period then ended; and
- ☐ the interim notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the interim consolidated and separate financial statements section of my report. I am independent of the Group and the Bank in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the interim consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the interim consolidated and separate financial statements of the current period. I determine one key audit matter: Allowance for doubtful accounts on loans to customers. The matter was addressed in the context of my audit of the interim consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter

How my audit addressed the key audit matter

Allowance for doubtful accounts on loans to customers

Refer to Notes to the interim consolidated and separate financial statements number 2.9 for the accounting policy of the allowance for doubtful accounts and number 10 for disclosures relating to loans to customers.

Loans to customers are a significant item constituting 59.02% of total assets. As at 30 June 2019 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 83.91%, and hire-purchase receivables generated from the operations of the Group's subsidiaries 16.09%. The management estimate the allowance for doubtful accounts on certain loans and portfolio of loans to customers by applied both quantitative approach and qualitative factors thus I focused on this area because management made complex and subjective judgement over the estimation of the allowance for doubtful accounts.

Management set up allowances on loans to customer of the Group by consider individual customers outstanding balance, principally based on the Bank of Thailand's guidelines as well as management's assessment of the repayment capacity of individual customers. Management assessed the financial status of individual customers and may hold additional allowance wherever required. This included considering, in addition to objective criteria, other qualitative factors that include but aren't limited to payment history, financial position and the performance of the customer, key financial ratios, industry trends etc.

For non-performing loans, management considered expected future cash flows from debt collection which required appropriate assumptions in accordance about economic conditions and from disposing of collateral which has been appraised by the professional valuers.

Considering the economic conditions and credit risk in overall loans to customers, management used judgements and hold overlays as general allowance for further losses, if any.

Based on the significance, level of subjectivity and estimation uncertainty, allowance for doubtful accounts on loans to customers is a key audit matter.

I evaluated the design, and implementation of control and tested operating effectiveness of key controls over input data and calculation of allowances as follows:

- I tested management's controls over data accuracy, assessed the application of appropriate methodologies and appropriateness of systems, processes and internal controls in relation to generating the reliable results.
- I tested the key controls (both automated and manual). I involved my information technology specialists to test access controls to the system and controls over the computation of allowance for doubtful accounts, including the completeness and accuracy of customers' accounts used in the computation. I also tested controls over data input into the system, collateral valuation, transfer of data and reconciliations between the loans source systems to the general ledger.
- I tested management's controls over review and approval of setting up an allowance for doubtful accounts by reading minutes of key committee meetings such as the audit committee, risk committee, management committees and Board of Directors of the Group.

I didn't find any exception from my testing, with the result that I relied on controls of the Group in my audit. In addition, I also performed the following further procedures.

I independently performed a credit analysis where I selected loans based on risk exposures. I tested the classification of those loans and examined the allowance in accordance with the Bank of Thailand requirements. On certain loans, management set up an additional allowance, I understood the management's process and assessed the appropriateness of borrower's capacity to pay using internal and external evidence, and assessed the appropriateness of those allowances.

I critically assessed for any extra allowance which hadn't been identified by management. I found no material exceptions.

For non-performing loans, I tested cash flow projections from repayment and appraisal value of collateral, in order to assess the appropriateness of allowance for doubtful accounts:

- I challenged the basic of cash flow projections prepared by management and assessed the appropriateness of projections by examining them against the relevant supporting evidence and had a detailed discussion with management on the future cash flows expected from customer. I also used professional judgement and external evidence, if any, to assess those projections.

Key audit matter	How my audit addressed the key audit matter
	<p data-bbox="871 461 1485 707">□ For collateral valuations performed by the professional valuers, I checked their qualifications. Then, I sampled those valuations to check that the management used the latest valuations in the computation of allowance for doubtful accounts. I assessed the appropriateness of the valuation methodologies by considering that the valuers used the methodology allowed by the regulators. I also checked the accuracy of the collateral value deducted from loan outstanding.</p> <p data-bbox="871 730 1485 943">I tested the management's review and approval process for general provision. I assessed the appropriateness of general provision by using my industry experience and knowledge, in the light of current economic conditions. I also performed an assessment for the appropriateness of general provisions by comparing the proportion of the allowance to the loan of the Bank with other banks in Thailand.</p> <p data-bbox="871 965 1485 1021">Based on the work I performed I didn't find any material differences.</p>

Responsibilities of the directors for the interim consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the interim consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of interim consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated and separate financial statements, the directors are responsible for assessing the Group and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the interim consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the interim consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- ☐ Identify and assess the risks of material misstatement of the interim consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit 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 Group and the Bank's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ☐ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the interim consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the interim consolidated and separate financial statements, including the disclosures, and whether the interim consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the interim consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the interim consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Review report

I have reviewed the interim consolidated and separate statements of comprehensive income for the three-month period ended 30 June 2019 of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, respectively. Management is responsible for the preparation and presentation of the consolidated and separate statements of comprehensive income in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on the consolidated and separate statements of comprehensive income based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of the consolidated and separate statements of comprehensive income consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim consolidated and separate statement of comprehensive income.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and separate statements of comprehensive income for the three-month period ended 30 June 2019 are not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Boonlert Kamolchanokkul

Certified Public Accountant (Thailand) No. 5339

Bangkok

28 August 2019

CIMB Thai Bank Public Company Limited
Statements of Financial Position
As at 30 June 2019

		Consolidated		Separate	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
Assets					
Cash		1,625,541,180	1,749,088,327	1,622,532,282	1,745,984,495
Interbank and money market items, net	6	6,685,012,540	6,790,160,122	6,547,034,211	6,684,224,569
Derivative assets	7	44,215,116,231	23,395,513,202	44,215,116,231	23,395,513,202
Investments, net	8	80,565,753,031	92,172,323,107	80,563,753,031	92,172,323,107
Investments in subsidiaries, net	9	-	-	2,208,315,115	2,208,315,115
Loans and accrued interest receivables	10				
Loans		245,196,716,334	234,554,591,139	227,436,873,296	218,848,912,358
Accrued interest receivables		589,558,881	492,689,784	667,472,112	502,263,091
Total loans and accrued interest receivables					
interest receivables		245,786,275,215	235,047,280,923	228,104,345,408	219,351,175,449
Less Deferred revenue		(9,487,848,903)	(8,254,467,999)	(173,607)	(486,300)
Less Allowance for doubtful debts	11	(11,302,247,381)	(10,539,026,105)	(10,191,950,386)	(9,702,022,606)
Less Revaluation allowance for debt restructuring	12	(51,109,773)	(52,332,096)	(51,109,773)	(52,332,096)
Loans and accrued interest receivables, net					
		224,945,069,158	216,201,454,723	217,861,111,642	209,596,334,447
Customers' liability under acceptance					
		98,435,386	77,698,965	98,435,386	77,698,965
Properties for sale, net	13	1,008,983,662	1,016,509,206	856,961,620	831,149,160
Premises and equipment, net	14	3,515,022,490	3,536,093,184	3,448,553,658	3,471,101,060
Intangible assets, net	15	506,284,117	488,639,652	498,976,726	480,958,226
Deferred tax assets	16	1,183,356,964	1,392,797,611	741,821,650	938,209,202
Other assets, net	17	16,809,743,997	9,028,246,822	16,509,488,530	8,775,677,084
Total assets					
		381,158,318,756	355,848,524,921	375,172,100,082	350,377,488,632

Director _____ Director _____

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 June 2019

	Notes	Consolidated		Separate	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Liabilities					
Deposits	18	187,236,629,028	185,100,505,109	187,341,933,884	185,215,037,339
Interbank and money market items	19	39,083,165,261	44,533,942,327	39,083,165,261	44,533,942,327
Liability payable on demand		457,122,761	378,991,448	457,122,761	378,991,448
Financial liabilities designated at fair value					
through profit or loss	20	34,766,863,531	35,512,717,532	34,766,863,531	35,512,717,532
Derivative liabilities	7	45,584,596,104	24,318,002,735	45,584,596,104	24,318,002,735
Debt issued and borrowings	21	18,983,589,384	18,968,347,710	16,983,589,384	16,968,347,710
Bank's liability under acceptance		98,435,386	77,698,965	98,435,386	77,698,965
Provisions	22	2,045,447,211	1,987,605,895	1,921,801,697	1,892,940,783
Other liabilities	23	15,280,530,353	8,048,887,299	14,276,606,688	7,099,432,111
Total liabilities		343,536,379,019	318,926,699,020	340,514,114,696	315,997,110,950
Equity					
Share capital	24				
Registered					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874	17,411,130,874	17,411,130,874	17,411,130,874
Issued and paid-up share capital					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874	17,411,130,874	17,411,130,874	17,411,130,874
Premium on share capital		10,145,965,854	10,145,965,854	10,145,965,854	10,145,965,854
Other reserves	25	1,663,535,905	1,400,797,437	1,685,225,995	1,422,487,528
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	26	403,600,000	403,600,000	403,600,000	403,600,000
Unappropriated		8,040,460,855	7,603,085,487	5,012,062,663	4,997,193,426
Total equity		37,621,939,737	36,921,825,901	34,657,985,386	34,380,377,682
Total liabilities and equity		381,158,318,756	355,848,524,921	375,172,100,082	350,377,488,632

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2019

	Notes	Consolidated		Separate	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Interest income	30	4,134,710,368	3,744,273,925	3,301,120,907	3,016,459,563
Interest expenses	31	(1,407,978,936)	(1,104,444,066)	(1,396,109,049)	(1,093,077,846)
Net interest income		2,726,731,432	2,639,829,859	1,905,011,858	1,923,381,717
Fees and service income		567,739,167	586,169,309	340,490,109	410,911,035
Fees and service expenses		(87,579,490)	(73,237,363)	(83,941,014)	(71,617,173)
Net fee and service income	32	480,159,677	512,931,946	256,549,095	339,293,862
Gains (losses) on trading and foreign exchange transactions, net	33	767,330,172	(64,243,274)	767,330,172	(64,243,274)
(Losses) gains on financial liabilities designated at fair value through profit or loss, net	34	(806,020,416)	218,513,234	(806,020,416)	218,513,234
Gains on investments, net	35	106,803,893	2,775,934	106,803,893	2,775,934
Gains on sale of non-performing loans		2,915,188	-	-	-
Other operating income	36	101,130,575	103,310,953	37,478,560	33,875,844
Total operating income		3,379,050,521	3,413,118,652	2,267,153,162	2,453,597,317
Other operating expenses					
Employee expenses		1,372,925,064	1,068,514,750	1,187,456,553	917,286,628
Directors' remuneration		2,853,400	3,491,700	2,773,400	3,407,700
Premises and equipment expenses		295,162,479	277,626,975	255,950,860	244,707,985
Taxes and duties		106,365,463	99,990,455	98,020,515	94,143,780
Others		659,060,456	491,051,149	347,300,381	262,732,803
Total other operating expenses		2,436,366,862	1,940,675,029	1,891,501,709	1,522,278,896
Bad and doubtful debts and impairment losses	37	685,144,099	1,223,855,560	319,400,500	873,428,838
Profit before income tax expenses		257,539,560	248,588,063	56,250,953	57,889,583
Income tax expenses	38	(152,613,450)	(57,357,390)	(116,142,109)	(19,233,097)
Net profit (losses) for the period		104,926,110	191,230,673	(59,891,156)	38,656,486

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2019

	Note	Consolidated		Separate	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Other comprehensive income (expenses)					
Items that will be reclassified					
subsequently to profit or loss					
Gains (losses) on remeasuring					
available-for-sale investments		205,143,696	(278,826,995)	205,143,696	(278,826,995)
(Losses) gains arising from translating					
the financial statement of a foreign operation		(6,850,656)	7,296,465	(6,850,656)	7,296,465
(Losses) gains on cash flow hedges		(10,079,209)	64,684,655	(10,079,209)	64,684,655
Income tax relating to items that will be					
reclassified subsequently to profit or loss		(29,731,232)	12,325,307	(29,731,232)	12,325,307
Total items that will be reclassified					
subsequently to profit or loss		158,482,599	(194,520,568)	158,482,599	(194,520,568)
Total other comprehensive income (expenses)		158,482,599	(194,520,568)	158,482,599	(194,520,568)
Total comprehensive income (expenses)					
for the period		263,408,709	(3,289,895)	98,591,443	(155,864,082)
Net profit (losses) attributable to:					
Equity holders of the Bank		104,926,110	191,230,673	(59,891,156)	38,656,486
Non-controlling interests		-	-	-	-
		104,926,110	191,230,673	(59,891,156)	38,656,486
Total comprehensive income (expenses)					
attributable to:					
Equity holders of the Bank		263,408,709	(3,289,895)	98,591,443	(155,864,082)
Non-controlling interests		-	-	-	-
		263,408,709	(3,289,895)	98,591,443	(155,864,082)
Earnings (loss) per share for profit attributable					
to the equity holders of the Bank	40				
Basic earnings (loss) per share (Baht per share)		0.00	0.01	(0.00)	0.00
Weighted average number of ordinary shares (shares)		34,822,261,748	30,280,227,607	34,822,261,748	30,280,227,607

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Comprehensive Income
For the six-month period ended 30 June 2019

		Consolidated		Separate	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Interest income	30	8,216,104,745	7,362,303,690	6,586,729,684	5,920,457,023
Interest expenses	31	(2,781,987,089)	(2,126,893,408)	(2,758,188,349)	(2,103,860,537)
Net interest income		5,434,117,656	5,235,410,282	3,828,541,335	3,816,596,486
Fees and service income		1,118,631,266	1,129,475,059	674,983,023	769,654,576
Fees and service expenses		(171,731,762)	(141,877,496)	(163,660,672)	(135,641,977)
Net fee and service income	32	946,899,504	987,597,563	511,322,351	634,012,599
Gains (losses) on tradings and foreign exchange transactions, net	33	1,605,275,062	(7,729,417)	1,605,275,062	(7,729,417)
(Losses) gains on financial instrument designated at fair value through profit or loss, net	34	(1,646,268,738)	354,818,614	(1,646,268,738)	354,818,614
Gains on investments	35	149,148,878	20,994,587	149,148,878	20,994,587
Gains on sale of non-performing loans	10	172,362,039	-	-	-
Other operating income	36	214,260,433	204,234,436	66,584,960	65,034,364
Total operating income		6,875,794,834	6,795,326,065	4,514,603,848	4,883,727,233
Other operating expenses					
Employee expenses		2,579,411,324	2,149,216,678	2,226,186,404	1,843,931,883
Directors' remuneration		5,994,000	6,736,900	5,830,000	6,568,900
Premises and equipment expenses		602,235,161	542,884,585	524,178,845	477,692,782
Taxes and duties		216,237,381	200,237,392	198,956,130	188,233,792
Others		1,123,470,806	974,926,919	498,572,119	503,005,496
Total other operating expenses		4,527,348,672	3,874,002,474	3,453,723,498	3,019,432,853
Bad and doubtful debts and impairment losses	37	1,655,784,904	2,398,982,029	888,087,454	1,739,610,416
Profit before income tax expenses		692,661,258	522,341,562	172,792,896	124,683,964
Income tax expenses	38	(262,726,519)	(162,226,546)	(165,364,288)	(82,554,512)
Net profit for the period		429,934,739	360,115,016	7,428,608	42,129,452

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Comprehensive Income (Cont'd)
For the six-month period ended 30 June 2019

	Note	Consolidated		Separate	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Other comprehensive income (expenses)					
Items that will be reclassified					
subsequently to profit or loss					
Gains (losses) on remeasuring					
available-for-sale investments		315,423,174	(274,239,205)	315,423,173	(274,239,205)
(Losses) gains arising from translating					
the financial statement of a foreign operation		(10,601,761)	1,625,495	(10,601,761)	1,625,495
(Losses) gains on cash flow hedges		(3,619,052)	56,603,215	(3,619,052)	56,603,215
Income tax relating to items that will be					
reclassified subsequently to profit or loss		(31,023,264)	11,407,749	(31,023,264)	11,407,749
Total items that will be reclassified					
subsequently to profit or loss		270,179,097	(204,602,746)	270,179,096	(204,602,746)
Total other comprehensive income (expenses)		270,179,097	(204,602,746)	270,179,096	(204,602,746)
Total comprehensive income (expenses)					
for the period		700,113,836	155,512,270	277,607,704	(162,473,294)
Net profit attributable to:					
Equity holders of the Bank		429,934,739	360,115,016	7,428,608	42,129,452
Non-controlling interests		-	-	-	-
		429,934,739	360,115,016	7,428,608	42,129,452
Total comprehensive income (expenses)					
attributable to:					
Equity holders of the Bank		700,113,836	155,512,270	277,607,704	(162,473,294)
Non-controlling interests		-	-	-	-
		700,113,836	155,512,270	277,607,704	(162,473,294)
Earnings per share for profit attributable					
to the equity holders of the Bank	40				
Basic earnings per share (Baht per share)		0.01	0.01	0.00	0.00
Weighted average number of ordinary shares (shares)		34,822,261,748	30,280,227,607	34,822,261,748	30,280,227,607

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited

Statements of Changes in Equity

For the six-month period ended 30 June 2019

		Consolidated													
		Attributable to owners of the Bank													
		Other reserves													
Issued and paid-up share capital	Baht	Revaluation surplus		Gains (losses) arising from translating the financial statement of a foreign operation		Income tax relating to components of other comprehensive expense		Accretion of equity interests in subsidiary		Legal reserve		Retained earnings		Total	
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2019	17,411,130,874	10,145,965,854	1,972,128,971	(159,568,993)	(298,396)	82,057,659	(390,166,208)	1,400,797,437	(42,753,751)	403,600,000	7,603,085,487	36,921,825,901			
Total comprehensive income															
(expenses) for the period	-	-	-	315,423,174	(10,601,761)	(3,619,052)	(31,023,264)	270,179,097	-	-	429,934,739	700,113,836			
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-			
Transfer to retained earnings	-	-	(9,300,786)	-	-	-	1,860,157	(7,440,629)	-	-	7,440,629	-			
Balance as at 30 June 2019	17,411,130,874	10,145,965,854	1,962,828,185	155,854,181	(10,900,157)	78,438,607	(419,329,315)	1,663,535,905	(42,753,751)	403,600,000	8,040,460,855	37,621,939,737			
Balance as at 1 January 2018	15,140,113,804	8,465,413,222	2,029,075,146	114,679,945	4,398,911	(54,445,887)	(382,612,349)	1,534,848,299	(42,753,751)	398,680,000	7,555,547,127	33,051,848,701			
Total comprehensive income															
(expenses) for the period	-	-	-	(274,239,205)	1,625,495	56,603,215	11,407,749	(204,602,746)	-	-	360,115,016	155,512,270			
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	2,720,000	(2,720,000)	-			
Transfer to retained earnings	-	-	(33,310,570)	-	-	-	6,662,114	(26,648,456)	-	-	26,648,456	-			
Balance as at 30 June 2018	15,140,113,804	8,465,413,222	1,995,764,576	(159,559,260)	6,024,406	2,157,328	(364,542,486)	1,303,597,097	(42,753,751)	401,400,000	7,939,590,599	33,207,360,971			

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Changes in Equity (Cont'd)
For the six-month period ended 30 June 2019

	Separate									
	Other reserves									
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Remeasurements of post-employment benefit obligations	Revaluation surplus (deficit) on change in value of investments	Gains (losses) arising from translating the financial statement of a foreign operation	Gains (losses) on cash flow hedges	Income tax relating to components of other comprehensive expense	Total other reserves	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2019	17,411,130,874	10,145,965,854	1,972,128,971	(76,242,983)	(159,568,993)	(298,396)	82,057,659	(395,588,730)	1,422,487,528	34,380,377,682
Total comprehensive (expenses) income for the period	-	-	-	-	315,423,173	(10,601,761)	(3,619,052)	(31,023,264)	270,179,096	277,607,704
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	(9,300,786)	-	-	-	-	1,860,157	(7,440,629)	-
Balance as at 30 June 2019	17,411,130,874	10,145,965,854	1,962,828,185	(76,242,983)	155,854,180	(10,900,157)	78,438,607	(424,751,837)	1,685,225,995	34,657,985,386
Balance as at 1 January 2018	15,140,113,804	8,465,413,222	2,029,075,146	(146,256,694)	114,679,945	4,398,911	(54,445,887)	(388,610,504)	1,558,840,917	31,323,886,770
Total comprehensive (expenses) income for the period	-	-	-	-	(274,239,205)	1,625,495	56,603,215	11,407,749	(204,602,746)	(162,473,294)
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	(33,310,570)	-	-	-	-	6,662,114	(26,648,456)	-
Balance as at 30 June 2018	15,140,113,804	8,465,413,222	1,995,764,576	(146,256,694)	(159,559,260)	6,024,406	2,157,328	(370,540,641)	1,327,589,715	31,161,413,476

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Cash Flow
For the six-month period ended 30 June 2019

	Notes	Consolidated		Separate	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expenses		692,661,258	522,341,562	172,792,896	124,683,964
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation		209,771,361	169,342,546	199,182,093	158,521,457
Bad debts and doubtful accounts	37	1,655,784,904	2,398,982,029	888,087,454	1,739,610,416
Share-based payment		18,975,545	16,230,544	18,975,545	16,230,544
Provision for liabilities		228,123,023	69,102,035	199,142,621	63,121,050
(Reversal of) provision for off-balance sheet items		(108,483,972)	20,914,384	(108,483,972)	20,914,384
Losses on impairment of properties for sale		452,390,973	307,473,932	-	1,487,569
Unrealised (gains) losses on exchange and derivatives		(1,606,076,571)	1,100,826,307	(1,606,076,571)	1,100,826,307
Gains on properties for sale		(62,291,422)	(28,171,537)	(8,400,438)	(5,748,972)
Unrealised (gain) losses on revaluation of investments		(631,881,983)	139,825,781	(631,881,983)	139,825,781
(Gains) losses on sale of investments		(1,060,554,187)	194,820,147	(1,060,554,187)	194,898,947
Gains on disposal of equipment		(6,291,952)	(11,575,246)	(4,530,716)	(6,669,575)
Losses from write-off premises and equipment		6,972,641	427,242	6,972,641	423,742
Losses from write off intangible assets		-	8,845,503	-	8,845,503
Losses (gains) from financial liabilities designated at fair value through profit or loss	34	1,646,268,738	(354,818,614)	1,646,268,738	(354,818,614)
Interest income	30	(8,216,104,745)	(7,362,303,690)	(6,586,729,684)	(5,920,457,023)
Dividend income	36	(6,466,714)	(6,781,368)	(6,466,714)	(6,781,369)
Interest expenses	31	2,781,987,089	2,126,893,408	2,758,188,349	2,103,860,537
Losses from operations before changes in operating assets and liabilities		(4,005,216,014)	(687,625,035)	(4,123,513,928)	(621,225,352)
(Increase) decrease in operating assets					
Interbank and money market items		102,345,870	12,232,322,226	134,388,646	12,217,260,064
Investments held for trading		(3,363,019,165)	(17,874,104,054)	(3,363,019,165)	(17,874,182,854)
Loans		(10,010,457,801)	(4,947,685,741)	(7,600,241,652)	(2,422,620,509)
Properties for sale		750,677,682	674,840,780	20,498,134	30,853,738
Other assets		(7,927,256,065)	(4,561,271,414)	(7,883,718,932)	(4,509,185,088)

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Cash Flow (Cont'd)
For the six-month period ended 30 June 2019

	Consolidated		Separate	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Increase (decrease) in operating liabilities				
Deposits	2,136,123,919	(1,639,666,350)	2,126,896,544	(1,815,937,267)
Interbank and money market items	(5,450,777,066)	16,143,528,838	(5,450,777,066)	16,143,528,838
Liability payable on demand	78,131,313	255,154,529	78,131,313	255,154,529
Short-term borrowings	(59,929,671)	21,556,308	(59,929,671)	21,556,308
Provisions	(60,520,890)	(30,908,355)	(60,520,890)	(30,908,355)
Other liabilities	7,410,096,352	1,960,794,988	7,300,477,949	1,864,577,161
Cash flows (used in) provided by operating activities	(20,399,801,536)	1,546,936,720	(18,881,328,718)	3,258,871,213
Cash received from interest income	6,969,210,736	6,723,765,881	5,271,503,923	5,283,954,406
Cash paid for interest expenses	(3,356,602,049)	(2,384,632,802)	(3,356,932,743)	(2,385,730,254)
Cash paid for tax	(80,643,586)	(232,188,350)	62,892,365	(34,443,215)
Net cash flows (used in) provided by operating activities	(16,867,836,435)	5,653,881,449	(16,903,865,173)	6,122,652,150
Cash flows from investing activities				
Cash paid for purchases of available-for-sale securities	(9,831,873,872)	(13,595,862,140)	(9,831,873,872)	(13,595,862,140)
Proceeds from disposals of available-for-sale securities	25,985,070,816	2,945,798,021	25,985,070,816	2,945,798,021
Proceeds from maturity and principle payment of available-for-sale securities	1,247,300,000	20,000,000	1,247,300,000	20,000,000
Cash paid for purchases of held to maturities securities	(4,186,989,233)	(6,709,593,236)	(4,184,989,233)	(6,709,593,236)
Proceeds from maturity and principle payment of held to maturities securities	3,726,000,000	193,000,000	3,726,000,000	193,000,000
Proceeds from repayment of investment in receivable	298,000	501,015	298,000	501,015
Cash paid for purchases of investment in subsidiary	-	-	-	(500,000,000)
Cash paid for purchases of general investments	-	(726,500)	-	(726,500)
Proceeds from decrease in capital of general investments	-	14,990,000	-	14,990,000
Cash paid for purchases of premises and equipment	(65,067,842)	(65,993,636)	(54,332,831)	(55,269,855)
Proceeds from disposals of equipment	5,791,638	12,871,924	4,034,177	7,966,148
Cash paid for purchases of intangible assets	(184,395,128)	(75,927,843)	(183,441,974)	(75,333,817)
Dividend received	6,466,714	6,781,369	6,466,714	6,781,369
Interest received	1,248,831,975	662,779,219	1,248,825,491	662,779,219
Net cash flows provided by (used in) investing activities	17,951,433,068	(16,591,381,807)	17,963,357,288	(17,084,969,776)

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

CIMB Thai Bank Public Company Limited
Statements of Cash Flow (Cont'd)
For the six-month period ended 30 June 2019

	Consolidated		Separate	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cash flows from financing activities				
Cash paid for interest expenses	(24,199,452)	(24,199,452)	-	-
Proceeds from issuing subordinate debentures	-	3,150,852,900	-	3,150,852,900
Proceeds from issuance of structured debenture	773,048,295	5,244,595,732	773,048,295	5,244,595,732
Cash paid for redemption of structured debenture	(3,005,000,000)	(10,000,000)	(3,005,000,000)	(10,000,000)
Cash paid for redemption of structured bill of exchange	(56,500,000)	(56,500,000)	(56,500,000)	(56,500,000)
Proceeds from issuance of structured bill of exchange	1,115,885,274	2,442,245,730	1,115,885,274	2,442,245,730
Net cash flows (used in) provided by financing activities	(1,196,765,883)	10,746,994,910	(1,172,566,431)	10,771,194,362
(Gains) losses from foreign currency translation differences	(10,377,897)	1,620,032	(10,377,897)	1,620,032
Net decrease in cash and cash equivalents	(123,547,147)	(188,885,416)	(123,452,213)	(189,503,232)
Cash and cash equivalents at beginning of the period	1,749,088,327	1,591,188,651	1,745,984,495	1,588,987,409
Cash and cash equivalents at the end of the period	<u>1,625,541,180</u>	<u>1,402,303,235</u>	<u>1,622,532,282</u>	<u>1,399,484,177</u>

Supplemental disclosure of cash flows information

Non-cash transaction:

Payable from purchase premises and equipment	35,952	947,125	35,952	947,125
Payable from purchase intangible assets	-	7,295,028	-	7,295,028
Properties for sale received from premises and equipment	35,180,755	22,455,456	35,180,755	22,455,456
Interest amortisation from premium or discount	34,795,982	97,756,613	34,795,982	97,756,613

The accompanying notes to the interim financial statements from page 17 to 115 are an integral part of the interim financial statements.

Notes	Contents	Page
1	General information	18
2	Accounting policies	18
3	Financial risk management	32
4	Critical accounting estimates, assumptions and judgements	34
5	Capital risk management	35
6	Interbank and money market items, net (assets)	36
7	Derivatives	37
8	Investments, net	39
9	Investments in subsidiaries, net	44
10	Loans and accrued interest receivables, net	44
11	Allowance for doubtful debts	51
12	Revaluation allowance for debt restructuring	52
13	Properties for sale, net	53
14	Premises and equipment, net	55
15	Intangible assets, net	59
16	Deferred income taxes	60
17	Other assets, net	62
18	Deposits	62
19	Interbank and money market items (liabilities)	63
20	Financial liabilities designated at fair value through profit or loss	63
21	Debt issued and borrowings	64
22	Provisions	66
23	Other liabilities	68
24	Share capital	69
25	Other reserves	69
26	Statutory reserve	70
27	Capital funds	71
28	Share-based payments	72
29	Important positions and performance classified by type of domestic or foreign transactions	73
30	Interest income	76
31	Interest expenses	76
32	Net fees and services income	77
33	Gains (losses) on tradings and foreign exchange transactions, net	78
34	(Losses) gains on financial instrument designated at fair value through profit or loss, net	78
35	Gains on investments, net	78
36	Other operating income	79
37	Bad and doubtful debts and impairment losses	79
38	Corporate income tax	80
39	Provident fund	82
40	Earnings per share	83
41	Encumbrance of assets	83
42	Commitments and contingent liabilities	84
43	Related party transactions	87
44	Financial information by segment	92
45	Financial instruments	96
46	Fair value	110
47	Subsequent Events	115

1 General information

CIMB Thai Bank Public Company Limited (“the Bank”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The Bank has operated as a commercial bank in Thailand since 8 March 1949. The address of the Company’s registered office is as follows:

44 Langsuan Road, Lumpini, Patumwan, Bangkok.

The Bank is listed on the Stock Exchange of Thailand. For reporting purposes, the Bank and its subsidiaries are referred to as the Group. Its parent company is CIMB Bank Berhad, which is a public company incorporated in Malaysia. CIMB Group Holdings Berhad is the parent company of the CIMB Group.

All subsidiaries were incorporated as limited companies under Thai laws, and all operate in Thailand, engaging mainly in hire purchase, leasing businesses and debt collection.

The Bank has received a banking license for CIMB Thai - Vientiane Branch (“Vientiane branch”) from the Bank of the Lao PDR (“BOL”) on 4 June 2014. Vientiane Branch operates banking business on 25 July 2014.

The interim consolidated and separate financial statements were authorised by the Board of Directors on 28 August 2019.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation of consolidated and separate financial statements

The interim consolidated and separate financial statements (“the interim financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in equity and cash flow) have been prepared in the format as required by the Notification of the Bank of Thailand (BoT) no. SorNorSor 21/2558, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated 4 December 2015.

The interim financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of interim financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The Bank has prepared the interim separate financial statements for the benefit of the public, which presents its investment in subsidiaries under the cost method.

An English version of the interim financial statements has been prepared from the statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Financial reporting standards are effective for annual periods beginning on or after 1 January 2019.

TFRS 2 (revised 2018)	Share-based Payment
TFRS 15	Revenue from contracts with customers
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2 clarifies;

- The measurement basis for cash-settled share-based payments
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the award is treated as if it is wholly equity-settled.
- The accounting for modifications from cash-settled awards to equity-settled awards.

TFRS 15 Revenue from contracts with customers replace TAS18 (revised 2017) Revenue.

The new standard is based on the principle that revenue is recognised when control of goods or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group has a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Group apply this standard for annual reporting periods beginning on 1 January 2019.

TFRIC 22 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Management has assessed and considered that the above revised standards do not have significant impact on the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Financial reporting standards are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted these revised standards.

2.2.2.1 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Financial reporting standards are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted these revised standards. (Cont'd)

2.2.2.1 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2.2.2.2 TFRS 16 Leases

TFRS 16 will result in almost all leases where the Group is a lessee being recognised on the balance sheet as the distinction between operating and finance lease is removed. An asset (the right to use the leased item) and financial liability to pay rentals are recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impacts from these standards.

2 Accounting policies (Cont'd)

2.3 Revenue recognition

(a) Interest and discount on loans

Interest income is recognised on an accrual basis. The Group discontinues recognition of overdue accrued interest income more than three months since the due date unless there is uncertainty of collectability, and a collection basis is applied. The Group also reverses interest income recorded on such loans in order to comply with the Bank of Thailand's notification. The Group continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

The Group recognises interest income on restructured loans on the same accrual basis as used for loans discussed above, with the exception of loans that are subject to monitoring for compliance with restructuring conditions, on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of not less than three consecutive months or three consecutive installments, whichever is longer.

(b) Interest and dividends on investments

Interest income from investments is recognised on a time-proportion basis using the effective interest method. Dividend income from investments is recognised when the right-to-receive payment is established.

Interest income from investments in receivables is recognised using the effective interest method for receivables from which loan repayment was received during the year. The effective interest rate was determined on assumptions as to the amount and the timing of future collections on such loans. Such assumptions concern events that have not yet taken place and accordingly may vary if unforeseen circumstances arise.

(c) Gains (losses) on sale of investments

Gains (losses) on sale of investments are recognised as income/expenses on the settlement date.

(d) Gains (losses) on sale of properties for sale

Gains (losses) on sale of properties for sale are recognised as income or expenses when the significant risks and rewards of ownership of properties for sale have been transferred to the buyer.

(e) Income from hire-purchase contracts

The subsidiaries calculate hire-purchase income using the effective interest rate method over the period of contracts.

The subsidiaries recognise hire-purchase income on the same basis used for interest income on loans.

(f) Other income

Other income is recognised as income on an accrual basis.

2.4 Expense recognition

(a) Interest expenses

Interests on borrowings and deposits are recognised as expenses on an accrual basis.

(b) Commission fee under hire-purchase agreements

The commission fee under hire-purchase agreements is recognised over the installment period, using the effective interest rate method.

(c) Other expense

Other expense is recognised as expense on an accrual basis.

2 Accounting policies (Cont'd)

2.5 Investments

The Group classifies investments, other than investments in subsidiaries, associates and joint ventures, into 4 categories: 1. Trading investments; 2. Held-to-maturity investments; 3. Available-for-sale investments; and 4. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not more than 3 months. Trading investments are traded in active markets and included in short-term investment.
- (2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity, and are classified as held-to-maturity and included in long-term investment, except for maturities within 12 months from the statements of financial position date which are classified as short-term investment.
- (3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the statements of financial position date, in which case they are included in short-term investment.
- (4) General investments are investments in non-marketable equity securities.

Purchases and sales of investments are recognised on the settlement date. Cost of investment includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value.

Trading investments are presented in the statements of financial position at fair value less allowance for impairment, if any. Unrealised gains and losses of trading investments are recognised in the gains (losses) on investment.

Available-for-sale investments are presented in the statements of financial position at fair value less allowance for impairment, if any. Unrealised gain and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments are included in the statements of comprehensive income as gains (losses) on investment. Fair values are calculated on the following basis:

- For marketable debt securities, fair values are calculated by referencing the last bid prices on the last business day of the period. The rates are announced by the Thai Bond Market Association (Thai BMA). Fair values of other debt securities are calculated by referencing the risk-free yield curve, adjusted by the appropriate risk premium.
- For marketable equity securities, fair values are calculated by referencing the last bid prices quoted on the Stock Exchange of Thailand on the last business day of the period.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment.

The Group tests for impairment when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of comprehensive income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (Cont'd)

2.6 Investments in receivables

Investments in receivables purchased from financial institutions are valued at acquisition cost net of any allowance for impairment, if any. Loss on impairment of investments is included in statements of comprehensive income.

Investments in receivables which enter into troubled debt restructuring are transferred to loans and presented at fair value net of any allowance for doubtful debts. The fair value is based on the outstanding balance of investments in receivables purchased as at transferred date or as at the date of restructuring.

The Group determines allowance for impairment of investments in receivables based on the present value of expected future cash flows from collateral disposal or debt collection in accordance with the Bank of Thailand's provisioning guidelines.

2.7 Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.8 Cash

Cash includes cash on hand according to the BOT's Notification.

2 Accounting policies (Cont'd)

2.9 Loans/hire-purchase receivables and allowance for doubtful accounts

(a) For loans of commercial banking business

Loans are generally stated at the principal amounts outstanding. The allowance for doubtful accounts is provided for risks of losses incurred on loans. The allowance is increased by provisions charged to expense or recoveries and decreased by write-offs. The allowance is based on the management's review and assessment of the status of individual debtors as well as the Bank of Thailand's guidelines. In addition, the Bank takes into consideration the relationship of risks involved, value of collateral and the status of individual debtors including the relationship of allowance for doubtful debts against the loan balance through economic situations which may have an impact on customers' ability to pay.

(b) For hire-purchase receivables

Hire-purchase receivables are stated at net realisable value from the contractual amounts net of unearned hire-purchase income.

Allowance for doubtful accounts is set in accordance with the Bank of Thailand's guidelines.

The Group sets allowance on hire-purchase receivables classified as substandard, doubtful and doubtful of loss, at the rate of 100% of the difference between outstanding loan value and present value of expected cash flow from receivables or present value of expected cash flow from disposal of the collateralised assets. The discount rate and expected collateral disposal duration is referenced from the BOT's guideline. For receivables classified as normal and special mention, the Bank sets allowance for doubtful account at the rate of 1% and 2% of outstanding loan value net of collateralised assets.

2.10 Troubled debt restructuring and associated losses

The Group records troubled debt restructuring transactions and related losses according to the notifications of the Bank of Thailand.

The Bank records assets received in settlement of debts at the lower of the fair values of the assets, less any estimated selling expenses (if any), or the amount of investments in receivables (including accrued interest income).

In the case the debt restructuring involves modification of terms of receivables, the fair value of investments in receivables after restructuring is based on the net present value of the expected future cash flows, discounted by the Minimum Loan Rate ("MLR") or Customer Loan Rate ("CLR") prevailing at the restructuring date.

Losses arising from restructuring, loss allowance for doubtful accounts, are recorded as revaluation allowance for debt restructuring and recognised as expense in the statements of comprehensive income when incurred.

Legal fees and other direct costs incurred to effect the debt restructuring are expensed when incurred.

The Group adjusts the revaluation allowance for debt restructuring at the end of every year by re-calculating the net present value of expected cash flows, discounted by the MLR or CLR being quoted to the debtor at the end of the year.

Losses arising from debt restructuring through waiver of part of the principal or recorded accrued interest receivable after deduction the provided allowance (if any) will be charged against the statements of comprehensive income when the debt restructuring agreement is executed.

2 Accounting policies (Cont'd)

2.11 Properties for sale

Properties for sale consisting of immovable and movable assets are stated at the lower of cost or net realisable value less estimated selling expenses of the acquisition assets. Where the carrying value of for-sale assets incurred impairment, the Group will recognise the provision for impairment of properties for sale in total.

The Group will recognise gain (loss) on sales of properties for sale as income or expenses in the whole amount in accordance with the notifications of the Bank of Thailand.

2.12 Premises, equipment and depreciation

Land and buildings comprise mainly offices and are shown at fair value based on every 5 years valuations by external independent valuers, less subsequent depreciation for buildings. All other equipment is stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and building are credited to statement of comprehensive income and shown as gain on asset revaluation in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each period, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to their residual values over their estimated useful lives, as follows:

Buildings	40 years
Equipment	5 years and 10 years

At the end of each reporting period, the assets' residual values and useful lives are reviewed, and adjusted if appropriate.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.14).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statements of comprehensive income.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

2 Accounting policies (Cont'd)

2.13 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years and 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(b) Other intangible assets

Expenditures on acquired licences are capitalised and amortised using the straight-line basis over their useful lives, generally over 5 years. Intangible assets are not revalued.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leasehold rights

The Bank amortises the cost of leasehold rights on buildings, which are presented as other assets, for the period of 2 - 30 years as an operating expense on a straight-line method over the life of the agreement.

2 Accounting policies (Cont'd)

2.16 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee substantially has all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations and net of finance charges are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.17 Foreign currency translation

(a) Functional and presentation currency

Items included in the interim financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.18 Financial derivatives

The Group regards its obligations under financial derivatives contracts as off-statements of financial position items. The accounting treatments for financial derivatives transactions depend on the purpose of the transactions as follows:

(a) Trading transactions

The Group records its obligations under financial derivatives contracts originated for trading purposes at fair value. Gains or losses arising from changes in value are included in the statements of comprehensive income.

2 Accounting policies (Cont'd)

2.18 Financial derivatives (Cont'd)

(b) Hedging transactions

The Group measures derivatives classified as hedging transactions according to the natures of items being hedged. The Bank designates certain derivatives as either:

(1) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statements of comprehensive income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(2) Cash flow hedge

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statements of comprehensive income. Amount accumulated in equity are recycled to the statements of comprehensive income in the periods in which the hedged item will affect the statements of comprehensive income.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset.

(3) Net investment in foreign operations hedge

Hedges of net investment in foreign operations are accounted for similarly to cash flow hedges.

At the inception of the hedge, the Group documents the relationship between hedging instruments and hedged items, as well as their risk management objective. The Group also assesses the hedge effectiveness in offsetting changes in fair values or cash flows of hedged items on an ongoing basis both at the hedge inception and every financial reporting date.

Disclosures about derivative financial instruments to which the Group is a party with related parties are provided in Note 43 to the interim financial statements.

2.19 Embedded derivatives

The Group records embedded derivatives in compliance with the Bank of Thailand's Notification as follows:

- (a) If the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristic and risk of host contract, the Group will separately account the embedded derivative from the host contract and measure the embedded derivative at fair value including a gain/loss in the statements of comprehensive income. The host contract will be accounted for under the related accounting standards. In case of the Group is unable to measure the embedded derivative separately, the Group will designate the entire hybrid contract as at fair value (based on arranger's price) included in the statements of comprehensive income.
- (b) If the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Group will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

2 Accounting policies (Cont'd)

2.20 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value and derecognised when extinguished.

Measurement is initially at fair value, Day 1 Profit from fair value will be amortised as income using straight-line method until maturity or at early termination. Changes in the fair value of financial assets and financial liabilities, designated at fair value through profit or loss, are recognised in the statements of comprehensive income as gain or loss on financial assets and financial liabilities designated at fair value through profit loss.

2.21 Borrowings

Borrowings are recognised at the fair value, net of transaction costs incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.22 Employee benefits and pension fund

Defined contribution plan

The Group operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund managed by external fund manager. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the statements of comprehensive income in the period to which they relate.

Defined benefit plan

The Group has a policy to pay post-employment benefits to employees under the labour law applicable in Thailand.

The Group set provisions for employee benefits which comprises post-employment benefits under the labour law applicable in Thailand and pension fund.

The liability in respect of employee's benefits is measured, using the projected unit credit method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yield on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and others. Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. Actuarial gains and losses are charged or credited to equity in other comprehensive income in the year in which they arise and presented as a separate item in statements of changes in equity.

2 Accounting policies (Cont'd)

2.23 Provisions

The Group recognises provisions when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is highly likely.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Share capital

Ordinary shares with discretionary dividends are classified in equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.25 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Bank's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.26 Share-based payment

In March 2011, the Group established an Equity Ownership Plan (EOP). At the grant date, the Group records prepayment for the whole amount with fair value refers to market price on the same day of the ordinary shares of CIMB Group Holdings Berhad, which is the parent company of CIMB Group, and registers in the stock market in Malaysia multiplies with the number of shares granted to the employees. The Bank paid the amount to the related company in Malaysia which will purchase, own the shares until the transfer date on behalf of the Bank and other companies in the Group.

At the end of each reporting period, the Group sets up payment reserve as the proportion of time of the vesting period. The reserve presents as other liabilities.

The Bank reverses prepayment againsts share-based payment reserve with the preset amount when the related company in Malaysia transfers those ordinary shares to the employees at the end of vesting period.

2.27 Dividend distribution

Dividend distribution to the Bank's shareholders is recognised as a liability in the Bank's financial statements in the period in which the dividends are approved by the Bank's shareholders.

2.28 Segment reporting

Operating segments are presented in respect of the Group's business segments and reported to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Management Committee as its chief operating decision-maker.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out under policies approved by the Board of Directors. The Group's Treasury identifies, evaluates and hedges financial risks in close co-operation with its operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk

Market risk is the risk that the Group may suffer loss as a result of changes in the value of positions taken, both on and off statements of financial position, due to movements in interest rates, foreign exchange rates, equity prices and commodity prices.

The Group has a Market Risk Management Unit, which is responsible for assessment of market risk, and uses tools and systems that are widely accepted as efficient to help measure, monitor and manage market risk. This supports the Bank in ensuring that market risk is monitored and managed effectively, preventing the occurrence of unacceptable levels of market risk, and enabling the Group to take action to adjust market risk to appropriate levels in a timely manner.

3.1.1.1 Foreign exchange risk

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

The Group's Treasury and Trading Division is responsible for managing foreign currency positions within risk limits set by the Risk Management Committee.

3.1.1.2 Interest rate risk

Interest rate risk is the risk that changes in market interest rates which may lead to changes in the value of financial instruments, and fluctuations in revenue and the values of financial assets and liabilities.

Interest rate risk arises from interest rate structure, the characteristics and structure of the Bank's assets, liabilities and capital. The Bank has set risk limits for interest rate risk under the banking accounts, with consent from the Assets and Liabilities Committee (ALCO), in order to manage risk at an appropriate level, while interest rate risk limits for the trading accounts are approved by the Risk Management Committee.

3.1.1.3 Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenues and the value of financial assets.

3.1.2 Credit risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counter parties failed to discharge their contractual obligations.

The Group's credit risk management processes are implemented under a credit risk management policy, and have been structured in order to maintain checks and balances and clear segregation of responsibilities between the marketing, credit approval, inspection and risk management functions. The Group manages credit risk at the customer standalone risk level and the portfolio level, developing different and appropriate credit risk rating tools to measure the risk at each level. For corporate customers and small-medium enterprise customers, risk grading tools and an SME rating, respectively, have been developed to grade customer credit risk levels. For individual retail customers, with multi-purpose credit, whether uncollateralised (personal cash) or collateralised (mortgage power), including home loans, the Group has developed a credit scoring system for use in risk evaluation.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Credit risk (Cont'd)

In respect of the credit review and approval process, the Group has appointed a Credit Committee to consider the granting of credit facilities at different levels, based on the credit limit, focusing on borrowers' ability to make repayment, the type of credit, the financial status of the borrower, the economic situation and the status of the borrowers' industry. Furthermore, the Group has established an independent Credit Review Unit to ensure that the credit approval process is transparent and effective.

The maximum credit risk exposure is the carrying value of the financial assets after deducting allowance for doubtful debts and revaluation allowance for debt restructuring as stated in the statements of financial position, and the risk of off-statements of financial position commitments, e.g., loan guarantees and other guarantees, and derivative contracts.

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to pay its debts and obligations when due because of an inability to convert assets into cash, or because of its failure to procure enough funds.

The Treasury group of the Bank is responsible for liquidity management, including procurement of both short and long-term sources of funds, and debt security investment management. The overall liquidity risk management is under the responsibility of the Asset and Liability Management Committee, who monitor and control risk, using tools to manage liquidity risk, such as minimum liquidity asset requirements, liquidity gap, liquidity ratio and liquidity risk limits.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Allowance for doubtful accounts for loans

The Group considers an allowance for doubtful accounts to reflect impairment of loans relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

(b) Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments, the management has made judgment by using a variety of acceptable valuation techniques. The input parameter to the models used is taken from observable markets, and includes consideration of maturity, interest rate, correlation and volatility, etc.

4 Critical accounting estimates, assumptions and judgements (Cont'd)

(c) Impairment of investments

Investments are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In determining the impairment losses, management believed that estimations are reasonable.

(d) Allowance for impairment of property for sale

The Group assesses allowance for impairment of property for sale when net realisable value falls below the carrying value. The management uses judgment to estimate impairment losses, taking into consideration the latest appraised value of assets, the type and nature of the assets. However, the use of different estimates and assumptions could affect the amounts of the allowance for impairment. Therefore, allowance for impairment may be adjusted in the future.

(e) Building, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group' building, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different than previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(f) Provision for post retirement benefits and pension fund

The Group has a commitment on provision of post-retirement benefits and pension funds for employees. The present value of employee benefit liabilities recognised in the statement of financial position is determined on the present value of estimated future cash outflows for staff. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future and discount rate. Any changes in these assumptions will impact the net year cost recorded for employee benefits.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 27 to the interim financial statements.

6 Interbank and money market items, net (assets)

	Consolidated					
	30 June 2019			31 December 2018		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,069	-	2,069	2,869	-	2,869
Commercial banks	576	615	1,191	375	1,000	1,375
Specialised Financial Institutions	8	-	8	8	-	8
Other financial institutions	-	2,116	2,116	-	1,426	1,426
Total domestic items	2,653	2,731	5,384	3,252	2,426	5,678
<u>Add</u> Accrued interest receivables	-	5	5	-	7	7
<u>Less</u> Allowance for doubtful debts	-	(1)	(1)	-	-	-
Domestic items, net	2,653	2,735	5,388	3,252	2,433	5,685
Foreign:						
US dollar	558	-	558	357	-	357
Yen	30	-	30	6	-	6
Euro	19	-	19	1	-	1
Other currencies	690	-	690	691	50	741
Foreign items	1,297	-	1,297	1,055	50	1,105
Domestic and foreign items, net	3,950	2,735	6,685	4,307	2,483	6,790
Separate						
	30 June 2019			31 December 2018		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,069	-	2,069	2,869	-	2,869
Commercial banks	446	615	1,061	277	1,000	1,277
Specialised Financial Institutions	-	-	-	-	-	-
Other financial institutions	-	2,116	2,116	-	1,426	1,426
Total domestic items	2,515	2,731	5,246	3,146	2,426	5,572
<u>Add</u> Accrued interest receivables	-	5	5	-	7	7
<u>Less</u> Allowance for doubtful debts	-	(1)	(1)	-	-	-
Domestic items, net	2,515	2,735	5,250	3,146	2,433	5,579
Foreign:						
US dollar	558	-	558	357	-	357
Yen	30	-	30	6	-	6
Euro	19	-	19	1	-	1
Other currencies	690	-	690	691	50	741
Foreign items	1,297	-	1,297	1,055	50	1,105
Domestic and foreign items, net	3,812	2,735	6,547	4,201	2,483	6,684

7 Derivatives

7.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and Separate					
	30 June 2019			31 December 2018		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Exchange rate	27,473	28,158	1,441,818	14,783	15,756	1,671,140
Interest rate	16,298	13,191	2,578,583	8,291	6,242	2,229,489
Others	206	1,840	37,642	182	529	33,405
Total	43,977	43,189	4,058,043	23,256	22,527	3,934,034

Proportion of derivative transactions classified by type of counterparty and considering notional amount

	Consolidated and Separate	
	30 June 2019	31 December 2018
	Proportion	Proportion
Financial institutions	92	94
Companies under common control	5	3
External parties	3	3
Total	100	100

7.2 Derivative for hedging

7.2.1 Fair value hedge

	Consolidated and Separate					
	30 June 2019			31 December 2018		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Interest rate	-	1	150	-	-	-
Total	-	1	150	-	-	-

Fair value hedges are used to hedge the exposure to changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Bank enters into interest rate swaps to hedge against interest rate risk of bond. The Bank recognises gains (losses) from changes in fair value of derivatives, derivative from hedging and hedged items in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the three-month and six-month periods ended 30 June 2019 and 2018 can be summarised as follows:

	Consolidated and Separate			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Losses on hedging instruments, net	(1)	(1)	(1)	(2)
Gains on the hedged items, net	1	1	1	2

7 Derivatives (Cont'd)

7.2 Derivative for hedging (Cont'd)

7.2.2 Cash flow hedge

	Consolidated and Separate					
	30 June 2019			31 December 2018		
	Fair value		Notional amount	Fair value		Notional amount
	Asset Million Baht	Liability Million Baht	Million Baht	Asset Million Baht	Liability Million Baht	Million Baht
Exchange rate	224	2,395	28,209	140	1,767	28,752
Interest rate	14	-	2,450	-	24	2,450
Total	238	2,395	30,659	140	1,791	31,202

Cash flow hedges are used to protect against exposure to variability in future cash flows attributable to movements in foreign exchange rates and interest rates of financial assets and financial liabilities. The Bank hedges cash flows from loan, credit linked bills of exchange and subordinated debentures against foreign exchange rates risk and interest rates risk using Cross Currency and Interest Rate Swap contract, and Interest Rate Swap contract with CIMB Bank Berhad and other parties (Notes 21 (b), (c), (d) and (f) to the interim financial statements).

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 30 June 2019 and 31 December 2018 can be summarised as follows:

	Consolidated and Separate			
	30 June 2019			
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash inflow	49	125	5,749	613
Cash outflow	(3,267)	(297)	(8,371)	(3,781)
Net cashflow	(3,218)	(172)	(2,622)	(3,168)

	Consolidated and Separate			
	31 December 2018			
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash inflow	42	129	4,806	970
Cash outflow	(310)	(3,538)	(9,135)	(4,161)
Net cashflow	(268)	(3,409)	(4,329)	(3,191)

8 Investments, net

8.1 Classified by type of investment

	Consolidated	
	30 June 2019	31 December 2018
	Fair value Million Baht	Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	16,979	14,543
Private sector debt securities	2,128	3,221
Total securities held for trading	19,107	17,764
Securities designated at fair value through profit or loss		
Government and state enterprises securities	8,927	5,399
Total securities designated at fair value through profit or loss	8,927	5,399
Available-for-sale securities		
Government and state enterprises securities	24,900	42,871
Private sector debt securities	6,981	5,943
Domestic marketable equity securities	63	60
Total available-for-sales securities	31,944	48,874
	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	20,406	19,933
Private sector debt securities	113	133
Investments in receivables (Note 8.6)	59	59
Total	20,578	20,125
<u>Less</u> Allowance for impairment (Note 8.6)	(20)	(20)
Total held-to-maturity debt securities	20,558	20,105
	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	255	255
Overseas non-marketable equity securities	1	1
Total	256	256
<u>Less</u> Allowance for impairment	(226)	(226)
Total general investments	30	30
Investments, net	80,566	92,172

8 Investments, net (Cont'd)

8.1 Classified by type of investment (Cont'd)

	Separate	
	30 June 2019 Fair value Million Baht	31 December 2018 Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	16,979	14,543
Private sector debt securities	2,128	3,221
Total securities held for trading	19,107	17,764
Securities designated at fair value through profit or loss		
Government and state enterprises securities	8,927	5,399
Total securities designated at fair value through profit or loss	8,927	5,399
Available-for-sale securities		
Government and state enterprises securities	24,900	42,871
Private sector debt securities	6,981	5,943
Domestic marketable equity securities	63	60
Total available-for-sales securities	31,944	48,874
Held-to-maturity debt securities		
Government and state enterprises securities	20,404	19,933
Private sector debt securities	113	133
Investments in receivables (Note 8.6)	59	59
Total	20,576	20,125
<u>Less</u> Allowance for impairment (Note 8.6)	(20)	(20)
Total held-to-maturity debt securities	20,556	20,105
General investments		
Domestic non-marketable equity securities	255	255
Overseas non-marketable equity securities	1	1
Total	256	256
<u>Less</u> Allowance for impairment	(226)	(226)
Total general investments	30	30
Investments, net	80,564	92,172

The Bank classifies investments which have specific intention to manage the risk in trading derivatives portfolio as investment designated at fair value through profit or loss (Fair Value Option) to help the Bank reduces the accounting mismatch on measurement or recognition between investments and trading derivatives transactions.

As at 30 June 2019 and 31 December 2018, the Bank had investments pledged as collateral, as mentioned in Note 41.1 to the interim financial statements.

8 Investments, net (Cont'd)

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

	Consolidated							
	30 June 2019				31 December 2018			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Securities designated at fair value through profit or loss								
Government and state enterprises securities	-	-	8,188	8,188	-	-	5,312	5,312
Add Allowance for revaluation	-	-	739	739	-	-	87	87
Securities designated at fair value through profit or loss, net	-	-	8,927	8,927	-	-	5,399	5,399
Available-for-sale securities								
Government and state enterprises securities	4,952	19,173	641	24,766	11,156	24,191	7,635	42,982
Private sector debt securities	547	6,127	281	6,955	512	5,172	303	5,987
Total	5,499	25,300	922	31,721	11,668	29,363	7,938	48,969
(Less) Add Allowance for revaluation	1	140	19	160	(4)	(39)	(111)	(154)
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sale securities, net	5,499	25,440	941	31,880	11,663	29,324	7,827	48,814
Held-to-maturity securities								
Government and state enterprises securities	1,136	10,033	9,237	20,406	4,699	8,571	6,663	19,933
Private sector debt securities	18	95	-	113	38	95	-	133
Held-to-maturity securities	1,154	10,128	9,237	20,519	4,737	8,666	6,663	20,066
Total debt securities	6,653	35,568	19,105	61,326	16,400	37,990	19,889	74,279

8 Investments, net (Cont'd)

8.2 Classified by the remaining period to maturity of the debt securities (Cont'd)

	Separate							
	30 June 2019				31 December 2018			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Securities designated at fair value through profit or loss								
Government and state enterprises securities	-	-	8,188	8,188	-	-	5,312	5,312
<u>Add</u> Allowance for revaluation	-	-	739	739	-	-	87	87
Securities designated at fair value through profit or loss, net	-	-	8,927	8,927	-	-	5,399	5,399
Available-for-sale securities								
Government and state enterprises securities	4,952	19,173	641	24,766	11,156	24,191	7,635	42,982
Private sector debt securities	547	6,127	281	6,955	512	5,172	303	5,987
Total	5,499	25,300	922	31,721	11,668	29,363	7,938	48,969
<u>(Less) Add</u> Allowance for revaluation	1	140	19	160	(4)	(39)	(111)	(154)
<u>Less</u> Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sale securities, net	5,499	25,440	941	31,880	11,663	29,324	7,827	48,814
Held-to-maturity securities								
Government and state enterprises securities	1,136	10,033	9,235	20,404	4,699	8,571	6,663	19,933
Private sector debt securities	18	95	-	113	38	95	-	133
Held-to-maturity securities	1,154	10,128	9,235	20,517	4,737	8,666	6,663	20,066
Total debt securities	6,653	35,568	19,103	61,324	16,400	37,990	19,889	74,279

8.3 Investments representing shareholdings in which the Group holds more than 10%

The following are equity securities in which the Group holds more than 10% of the paid-up share capital of the investee companies, but those companies were not classified as subsidiaries and associated companies. The investments classified by industry are as follows:

	Consolidated and Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
<u>Less</u> Allowance for impairment	(20)	(20)
Investments representing shareholdings in which the Group hold more than 10%, net	2	2

8 Investments, net (Cont'd)

8.4 Investments in investment units in which the Group hold more than 10%

Investments in investment units in which the Group holds more than 10% of the paid-up fund which are not treated as subsidiaries and associated companies. The investments classified by type of fund are as follows:

	Consolidated and Separate			
	30 June 2019		31 December 2018	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	66	43	66	42
<u>Less</u> Allowance for revaluation	(23)		(24)	
General investments, net	43		42	

8.5 Investments in companies having problems relating to financial position and operating results

As at 30 June 2019 and 31 December 2018, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and Separate							
	30 June 2019				31 December 2018			
	Number of companies	Cost Million Baht	Allowance for revaluation/ impairment Million Baht	Book value Million Baht	Number of companies	Cost Million Baht	Allowance for revaluation/ impairment Million Baht	Book value Million Baht
Business continuity and/or weak financial status and operating performance	49	42	(42)	-	49	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	67	43	(43)	-	67	43	(43)	-

8.6 Investments in receivables

	Consolidated and Separate	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Investments in receivables	59	59
<u>Less</u> Allowance for impairment	(20)	(20)
Investments in receivables, net	39	39

As at 30 June 2019 and 31 December 2018, the outstanding balances of loan receivables can be summarised as follows:

	Consolidated and Separate							
	30 June 2019				31 December 2018			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %
Total accumulated investments in receivables	5,857	22,948	6,996	19.0	5,857	22,948	6,996	19.0
Outstanding investments in receivables as at the statements of financial position date	37	965	59	1.32	37	965	59	1.34

9 Investments in subsidiaries, net

Company name	Nature of business	Type of securities	Percentage of holding		Separate Cost method	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018
			%	%	Million Baht	Million Baht
Subsidiaries - included in consolidated financial statements						
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
CIMB Thai Auto Co., Ltd.	Leasing/hire-Purchase of automobile	Common stock	100	100	1,703	1,703
World Lease Co., Ltd.	Hire-purchase and motorcycles motorcycle trading	Common stock	100	100	467	467
Investments in subsidiaries, net					2,208	2,208

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertaking included in the Group.

10 Loans and accrued interest receivables, net

10.1 Classified by loan type

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Bank overdrafts	5,641	5,699	5,670	5,809
Loans	166,507	159,647	171,469	165,702
Bills	25,818	27,669	50,163	47,310
Hire-purchase receivables	47,083	41,498	-	-
Others	147	42	135	28
Total loans	245,196	234,555	227,437	218,849
<u>Less</u> Deferred revenue	(9,488)	(8,255)	-	(1)
Total loans net of deferred revenue	235,708	226,300	227,437	218,848
<u>Add</u> Accrued interest receivables	590	492	667	502
Total loans net of deferred revenue and accrued interest receivables	236,298	226,792	228,104	219,350
<u>Less</u> Allowance for doubtful debts (Note 11)				
Minimum allowance for doubtful accounts required based on BoT's guidelines - Individual approach	(6,061)	(5,534)	(5,932)	(5,407)
General provision for further losses	(5,241)	(5,005)	(4,260)	(4,295)
<u>Less</u> Revaluation allowance for debt restructuring (Note 12)	(51)	(52)	(51)	(52)
Loans and accrued interest receivables, net	224,945	216,201	217,861	209,596

10 Loans and accrued interest receivables, net (Cont'd)

10.2 Classified by currency and residency of debtors

	Consolidated					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	219,242	608	219,850	210,620	627	211,247
US dollar	14,052	584	14,636	12,618	989	13,607
Other currencies	92	1,130	1,222	240	1,206	1,446
Total loans net of deferred revenue	<u>233,386</u>	<u>2,322</u>	<u>235,708</u>	<u>223,478</u>	<u>2,822</u>	<u>226,300</u>

	Separate					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	210,971	608	211,579	203,168	627	203,795
US dollar	14,052	584	14,636	12,618	989	13,607
Other currencies	92	1,130	1,222	240	1,206	1,446
Total loans net of deferred revenue	<u>225,115</u>	<u>2,322</u>	<u>227,437</u>	<u>216,026</u>	<u>2,822</u>	<u>218,848</u>

10.3 Classified by types of business and loan classification

	Consolidated					
	30 June 2019					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	9,093	26	-	1	-	9,120
Manufacturing and commerce	33,437	3,493	613	630	4,089	42,262
Real estate and construction	12,799	921	170	65	164	14,119
Public utilities and services	23,879	2,523	703	44	578	27,727
Personal cash	10,022	306	156	-	79	10,563
Housing loans	72,984	1,320	486	752	1,444	76,986
Hire-purchase receivable and financial lease receivable	32,962	4,232	395	2	5	37,596
Others	16,861	186	78	63	147	17,335
Total loans net of deferred revenue	<u>212,037</u>	<u>13,007</u>	<u>2,601</u>	<u>1,557</u>	<u>6,506</u>	<u>235,708</u>

	Consolidated					
	31 December 2018					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	6,954	-	1	-	1	6,956
Manufacturing and commerce	36,517	3,750	592	1,414	2,884	45,157
Real estate and construction	12,431	883	158	27	337	13,836
Public utilities and services	26,539	1,867	737	64	572	29,779
Personal cash	11,282	377	163	-	139	11,961
Housing loans	68,257	1,452	607	717	883	71,916
Hire-purchase receivable and financial lease receivable	28,836	4,036	367	3	2	33,244
Others	13,011	206	63	80	91	13,451
Total loans net of deferred revenue	<u>203,827</u>	<u>12,571</u>	<u>2,688</u>	<u>2,305</u>	<u>4,909</u>	<u>226,300</u>

10 Loans and accrued interest receivables, net (Cont'd)

10.3 Classified by types of business and loan classification (Cont'd)

	Separate					
	30 June 2019					
	Pass	Special	Sub-	Doubtful	Doubtful	Total
	Million Baht	mention	standard	Million Baht	of loss	Million Baht
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Agricultural and mining	9,093	26	-	1	-	9,120
Manufacturing and commerce	33,437	3,493	613	630	4,089	42,262
Real estate and construction	12,799	921	170	65	164	14,119
Public utilities and services	23,879	2,523	703	44	578	27,727
Personal cash	10,022	306	156	-	79	10,563
Housing loans	72,984	1,320	486	752	1,444	76,986
Others	46,186	186	78	63	147	46,660
Total loans net of deferred revenue	208,400	8,775	2,206	1,555	6,501	227,437

	Separate					
	31 December 2018					
	Pass	Special	Sub-	Doubtful	Doubtful	Total
	Million Baht	mention	standard	Million Baht	of loss	Million Baht
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Agricultural and mining	6,954	-	1	-	1	6,956
Manufacturing and commerce	36,517	3,750	592	1,414	2,884	45,157
Real estate and construction	12,431	883	158	27	337	13,836
Public utilities and services	26,539	1,867	736	64	572	29,778
Personal cash	11,282	377	163	-	139	11,961
Housing loans	68,257	1,452	607	717	883	71,916
Others	38,804	206	63	80	91	39,244
Total loans net of deferred revenue	200,784	8,535	2,320	2,302	4,907	218,848

10.4 Classification of loans

The Group classified loans by type and/or based on the overdue date as summarised below:

(a) Loans of the Group

Consolidated								
30 June 2019				31 December 2018				
Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum Percentage %	Allowance provided in the accounts Million Baht	
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	212,555	80,235	1	798	204,271	77,281	1	769
- Special mention	13,071	2,604	2	51	12,614	2,896	2	57
- Sub-standard	2,609	1,213	100	1,210	2,693	1,102	100	1,098
- Doubtful	1,558	571	100	571	2,305	1,109	100	1,108
- Doubtful-of-loss	6,505	3,173	100	3,431	4,909	2,249	100	2,502
Surplus allowance								
- General provision			5,241					5,005
Total	236,298	87,796	11,302	226,792	84,637		10,539	

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BoT's notification no. Sor Nor Sor 5/2559, the debt balance used for set allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

10 Loans and accrued interest receivables, net (Cont'd)

10.4 Classification of loans (Cont'd)

The Group classified loans by type and/or based on the overdue date as summarised below: (Cont'd)

(a) Loans of the Group (Cont'd)

	Separate						
	30 June 2019				31 December 2018		
	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines							
- Pass	208,995	103,281	1	1,032	201,236	97,628	1
- Special mention	8,839	1,739	2	33	8,578	2,012	2
- Sub-standard	2,214	870	100	870	2,327	788	100
- Doubtful	1,555	570	100	570	2,302	1,106	100
- Doubtful-of-loss	6,501	3,168	100	3,427	4,907	2,247	100
Surplus allowance							
- General provision				4,260			4,295
Total	228,104	109,628		10,192	219,350	103,781	9,702

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BoT's notification no. Sor Nor Sor 5/2559, the debt balance used for set allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 30 June 2019, the Group and the Bank had defaulted loans amounting to Baht 10,221 million and Baht 9,819 million, respectively (31 December 2018: Baht 9,175 million and Baht 8,803 million, respectively), were ceased recognition of interest income.

(b) Hire-purchase receivables and financial lease receivables of the subsidiaries

As at 30 June 2019 and 31 December 2018, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Current or overdue less than 1 installment	32,962	28,836	60	52
Overdue 1 installment but less than 3 installments	4,232	4,036	17	17
Overdue 3 installments but less than 6 installments	395	367	340	311
Overdue 6 installments but less than 12 installments	2	3	2	3
Overdue 12 installments and more	5	2	4	2
Total	37,596	33,244	423	385
General provision	-	-	981	710
Total	37,596	33,244	1,404	1,095

10 Loans and accrued interest receivables, net (Cont'd)

10.5 Non-performing loans

As at 30 June 2019 and 31 December 2018, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand.

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Non-performing loans (principal only)				
- Banking business	10,262	9,529	10,262	9,529
- Other businesses	402	372	-	-

As at 30 June 2019 and 31 December 2018, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT's, defining non-performing loans to be debts classified as sub-standard, doubtful and doubtful-of-loss, and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with BoT criteria have already been fulfilled.

During the period, the Group conducted a sealed-bid auction for sale without recourse of non-performing hire-purchase loans for vehicles with specific companies. These non-performing loans have been written off according to Group's policy. The Group realised gains on sale of non-performing loans totalling Baht 172 million.

10.6 Hire-purchase and finance lease receivables

As at 30 June 2019, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 36,192 million (31 December 2018: Baht 32,149 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	Consolidated				
	30 June 2019				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	14,307	30,274	1,971	531	47,083
<u>Less</u> Unearned finance income	(3,971)	(5,288)	(99)	(129)	(9,487)
Present value of minimum lease payments receivable	10,336	24,986	1,872	402	37,596
<u>Less</u> Allowance for doubtful accounts					(1,404)
Net receivables under hire-purchase agreements and financial leases					36,192

	Consolidated				
	31 December 2018				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	12,961	26,510	1,536	491	41,498
<u>Less</u> Unearned finance income	(3,518)	(4,541)	(76)	(119)	(8,254)
Present value of minimum lease payments receivable	9,443	21,969	1,460	372	33,244
<u>Less</u> Allowance for doubtful accounts					(1,095)
Net receivables under hire-purchase agreements and financial leases					32,149

10 Loans and accrued interest receivables, net (Cont'd)

10.7 Troubled debt restructuring

As at 30 June 2019 and 31 December 2018, the Group has outstanding receivables which have been restructured as follows:

	Consolidated and Separate	
	30 June 2019	
	Number of loans	Outstanding balance before restructuring Million Baht
Outstanding receivables restructured before 2019	3,554	2,911
Outstanding receivables restructured during the six-month period ended 30 June 2019	74	92
	Consolidated and Separate	
	31 December 2018	
	Number of loans	Outstanding balance before restructuring Million Baht
Outstanding receivables restructured before 2018	4,148	3,404
Outstanding receivables restructured during the year ended 31 December 2018	220	69

Details of customers whose debts have been restructured during the six-month period ended 30 June 2019 and 2018 compared with the total loan customers, both in the interim consolidated and the separate financial statements, are as follows:

	For the six-month period ended 30 June 2019			
	Consolidated		Separate	
	Number of loans	Outstanding balance before restructuring Million Baht	Number of loans	Outstanding balance before restructuring Million Baht
Restructured debts	79	302	79	302
Total loan customers	425,547	235,709	150,224	227,437
	For the six-month period ended 30 June 2018			
	Consolidated		Separate	
	Number of loans	Outstanding balance before restructuring Million Baht	Number of loans	Outstanding balance before restructuring Million Baht
Restructured debts	121	190	121	190
Total loan customers	395,570	214,252	167,341	207,235

10 Loans and accrued interest receivables, net (Cont'd)

10.7 Troubled debt restructuring (Cont'd)

Details of the restructured debts during the six-month period ended 30 June 2019 and 2018, classified into the restructuring methods are as follows:

Consolidated and Separate				
For the six-month period ended 30 June 2019				
Restructuring method	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Modifications of terms of payments	79	302	-	302
Total	79	302	-	302

Consolidated and Separate				
For the six-month period ended 30 June 2018				
Restructuring method	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Modifications of terms of payments	121	190	-	190
Total	121	190	-	190

The debts restructured referred to above can be classified by the terms of repayment under the restructuring agreements as follows:

Consolidated and Separate						
Period of debts restructuring contracts	For the six-month period ended 30 June 2019			For the six-month period ended 30 June 2018		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	44	212	212	49	6	6
5 - 10 years	30	78	78	70	178	178
10 - 15 years	1	1	1	-	1	1
More than 15 years	4	11	11	2	5	5
Total	79	302	302	121	190	190

Supplemental information relating to the restructured debts for the six-month period ended 30 June 2019 and 2018 are as follows:

Consolidated and Separate		
For the six-month period ended		
	30 June 2019 Million Baht	30 June 2018 Million Baht
Interest income	114	186

10 Loans and accrued interest receivables, net (Cont'd)

10.7 Troubled debt restructuring (Cont'd)

As at 30 June 2019 and 31 December 2018, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	Consolidated and Separate	
	30 June 2019	31 December 2018
Number of debtors	3,628	4,368
Debt balances after restructuring (Million Baht)	2,161	2,679

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 30 June 2019, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 51 million (31 December 2018: Baht 52 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

11 Allowance for doubtful debts

Consolidated							
30 June 2019							
	Pass Million Baht	Special mention Million Baht	Sub-standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2019	769	57	1,098	1,108	2,502	5,005	10,539
<u>Add</u> Addition (deduction) during the period	29	(6)	605	(535)	1,683	(120)	1,656
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	4	4
Bad debt recoveries	-	-	-	-	-	358	358
<u>Less</u> Bad debts written off	-	-	(493)	(2)	(754)	(3)	(1,252)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(3)	(3)
Balance as at 30 June 2019	798	51	1,210	571	3,431	5,241	11,302

Consolidated							
31 December 2018							
	Pass Million Baht	Special mention Million Baht	Sub-standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2018	695	66	1,666	1,321	2,417	3,704	9,869
<u>Add</u> Addition (deduction) during the year	125	-	(6)	69	4,089	678	4,955
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	72	72
Bad debt recoveries	-	-	-	-	-	580	580
<u>Less</u> Bad debts written off	-	-	(557)	(80)	(1,755)	(11)	(2,403)
Reduction from sale of NPL	(51)	(9)	(5)	(202)	(2,249)	-	(2,516)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(18)	(18)
Balance as at 31 December 2018	769	57	1,098	1,108	2,502	5,005	10,539

11 Allowance for doubtful debts (Cont'd)

Separate 30 June 2019							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2019	975	39	787	1,106	2,500	4,295	9,702
<u>Add</u> Addition (deduction) during the period	57	(6)	83	(536)	1,681	(391)	888
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	4	4
Bad debt recoveries	-	-	-	-	-	358	358
<u>Less</u> Bad debts written off	-	-	-	-	(754)	(3)	(757)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(3)	(3)
Balance as at 30 June 2019	1,032	33	870	570	3,427	4,260	10,192

Separate 31 December 2018							
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2018	868	40	1,389	1,267	2,378	3,314	9,256
<u>Add</u> Addition (deduction) during the year	158	8	(594)	41	3,750	358	3,721
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	72	72
Bad debt recoveries	-	-	-	-	-	580	580
<u>Less</u> Bad debts written off	-	-	(3)	-	(1,379)	(11)	(1,393)
Reduction from sale of NPL	(51)	(9)	(5)	(202)	(2,249)	-	(2,516)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(18)	(18)
Balance as at 31 December 2018	975	39	787	1,106	2,500	4,295	9,702

12 Revaluation allowance for debt restructuring

Consolidated and Separate		
	30 June 2019 Million Baht	31 December 2018 Million Baht
Balance - beginning of the period/year	52	106
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	3	18
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(4)	(72)
Balance - end of the period/year	51	52

The write-off transactions and/or the adjustments of revaluation allowance for debt restructuring are transferred to allowance for doubtful debts.

13 Properties for sale, net

Properties for sale represent properties from debtors as a result of debt restructuring, properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, or unused assets transferred as a result of a merger and awaiting disposal.

Consolidated				
	As at 1 January 2019 Million Baht	Additions Million Baht	Disposals Million Baht	As at 30 June 2019 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	771	3	(12)	762
Movable	315	1,095	(1,151)	259
Total	1,086	1,098	(1,163)	1,021
Others	129	35	-	164
Total properties for sale	1,215	1,133	(1,163)	1,185
<u>Less</u> Allowance for impairment	(198)	(456)	478	(176)
Properties for sale, net	1,017	677	(685)	1,009

Consolidated				
	As at 1 January 2018 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2018 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	803	7	(39)	771
Movable	229	1,971	(1,885)	315
Total	1,032	1,978	(1,924)	1,086
Others	155	22	(48)	129
Total properties for sale	1,187	2,000	(1,972)	1,215
<u>Less</u> Allowance for impairment	(153)	(731)	686	(198)
Properties for sale, net	1,034	1,269	(1,286)	1,017

Separate				
	As at 1 January 2019 Million Baht	Additions Million Baht	Disposals Million Baht	As at 30 June 2019 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	771	3	(12)	762
Total	771	3	(12)	762
Others	129	35	-	164
Total properties for sale	900	38	(12)	926
<u>Less</u> Allowance for impairment	(69)	-	-	(69)
Properties for sale, net	831	38	(12)	857

13 Properties for sale, net (Cont'd)

	Separate			
	As at 1 January 2018 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2018 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	803	7	(39)	771
Total	803	7	(39)	771
Others	155	22	(48)	129
Total properties for sale	958	29	(87)	900
<u>Less</u> Allowance for impairment	(70)	(1)	2	(69)
Properties for sale, net	888	28	(85)	831

The Bank provides allowance for impairment of properties for sale by reference to appraisal value. The Bank appraises or reviews the fair value of properties for sale annually in accordance with the Notification of the Bank of Thailand. However, the actual selling price may differ from the appraisal value. In addition, the Bank is subjected to restrictions on the allowable periods it may hold such properties, as stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowable periods, the Bank has to set aside additional provision in accordance with the Bank of Thailand guidelines. The Bank's management believes that the carrying value of such properties is suitable to the current situation and the current disposal plan of its properties for sale.

14 Premises and equipment, net

	Consolidated												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2019		Transfer in/(out)	Transfer to properties for sale	Disposals/ written off	As at 30 June 2019	As at 1 January 2019		Transfer to properties for sale	Disposals/ written off	As at 30 June 2019	Allowance for impairment	Net book value
	Million Baht	Additions Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Additions Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land													
Cost	444	-	-	(20)	-	424	-	-	-	-	-	-	424
Revaluation surplus (revaluation in 2016)	1,660	-	-	(15)	-	1,645	-	-	-	-	-	-	1,645
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,857	2	9	(13)	-	1,855	(1,197)	(29)	10	-	(1,216)	-	639
Revaluation surplus (revaluation in 2016)	1,130	-	-	-	-	1,130	(918)	(9)	-	-	(927)	-	203
Devaluation of asset (revaluation in 2016)	(22)	-	-	3	-	(19)	12	-	(1)	-	11	-	(8)
Equipment	2,605	54	109	-	(60)	2,708	(2,020)	(108)	-	52	(2,076)	(5)	627
Assets under installation and/or construction	8	9	(14)	-	-	3	-	-	-	-	-	-	3
Exchange differences	-	-	(2)	-	-	(2)	-	-	2	-	2	-	-
Total	7,664	65	102	(45)	(60)	7,726	(4,123)	(146)	11	52	(4,206)	(5)	3,515

14 Premises and equipment, net (Cont'd)

	Consolidated												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2018		Transfer in/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	As at 1 January 2018		Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	Allowance for impairment	Net book value
	Million Baht	Additions Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Additions Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land													
Cost	446	-	-	(2)	-	444	-	-	-	-	-	-	444
Revaluation surplus (revaluation in 2016)	1,677	-	-	(17)	-	1,660	-	-	-	-	-	-	1,660
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,843	11	19	(16)	-	1,857	(1,153)	(58)	14	-	(1,197)	-	660
Revaluation surplus (revaluation in 2016)	1,134	-	-	(4)	-	1,130	(901)	(19)	2	-	(918)	-	212
Devaluation of asset (revaluation in 2016)	(22)	-	-	-	-	(22)	11	1	-	-	12	-	(10)
Equipment	2,588	128	93	-	(204)	2,605	(2,009)	(212)	-	201	(2,020)	(5)	580
Assets under installation and/or construction	3	47	(42)	-	-	8	-	-	-	-	-	-	8
Total	7,651	186	70	(39)	(204)	7,664	(4,052)	(288)	16	201	(4,123)	(5)	3,536

14 Premises and equipment, net (Cont'd)

	Cost/appraisal value						Accumulated depreciation						
						Separate						Allowance for impairment	Net book value
	As at 1 January 2019	Additions	Transfer in/(out)	Transfer to properties for sale	Disposals/ written off	As at 30 June 2019	As at 1 January 2019	Additions	Transfer to properties for sale	Disposals/ written off	As at 30 June 2019		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land													
Cost	444	-	-	(20)	-	424	-	-	-	-	-	-	424
Revaluation surplus (revaluation in 2016)	1,660	-	-	(15)	-	1,645	-	-	-	-	-	-	1,645
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,857	2	9	(13)	-	1,855	(1,197)	(29)	10	-	(1,216)	-	639
Revaluation surplus (revaluation in 2016)	1,130	-	-	-	-	1,130	(918)	(9)	-	-	(927)	-	203
Devaluation of asset (revaluation in 2016)	(22)	-	-	3	-	(19)	12	-	(1)	-	11	-	(8)
Equipment	2,388	44	109	-	(54)	2,487	(1,868)	(99)	-	46	(1,921)	(5)	561
Assets under installation and/or construction	8	9	(14)	-	-	3	-	-	-	-	-	-	3
Exchange differences	-	-	(2)	-	-	(2)	-	-	2	-	2	-	-
Total	7,447	55	102	(45)	(54)	7,505	(3,971)	(137)	11	46	(4,051)	(5)	3,449

14 Premises and equipment, net (Cont'd)

	Separate												Allowance for impairment Million Baht	Net book value Million Baht
	Cost/appraisal value						Accumulated depreciation							
	As at 1 January 2018	Additions	Transfer in/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	As at 1 January 2018	Additions	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018			
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht			
Land														
Cost	446	-	-	(2)	-	444	-	-	-	-	-	-	-	444
Revaluation surplus (revaluation in 2016)	1,677	-	-	(17)	-	1,660	-	-	-	-	-	-	-	1,660
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	-	(18)
Buildings														
Cost	1,843	11	19	(16)	-	1,857	(1,153)	(58)	14	-	(1,197)	-	-	660
Revaluation surplus (revaluation in 2016)	1,134	-	-	(4)	-	1,130	(901)	(19)	2	-	(918)	-	-	212
Devaluation of asset (revaluation in 2016)	(22)	-	-	-	-	(22)	11	1	-	-	12	-	-	(10)
Equipment	2,357	100	93	-	(162)	2,388	(1,837)	(191)	-	160	(1,868)	(5)	-	515
Assets under installation and/or construction	3	47	(42)	-	-	8	-	-	-	-	-	-	-	8
Total	7,420	158	70	(39)	(162)	7,447	(3,880)	(267)	16	160	(3,971)	(5)	-	3,471

15 Intangible assets, net

		Consolidated					
	Amortising period	As at 1 January 2019 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 30 June 2019 Million Baht
Expenditures in connection with development and improvement of computer systems	-	160	142	(240)	-	-	62
- under development	5 - 10 years	329	42	136	-	(63)	444
Computer software							
Net intangible assets		489	184	(104)	-	(63)	506
		Consolidated					
	Amortising period	As at 1 January 2018 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2018 Million Baht
Expenditures in connection with development and improvement of computer systems	-	155	257	(245)	(7)	-	160
- under development	5 - 10 years	215	26	177	(2)	(87)	329
Computer software							
Net intangible assets		370	283	(68)	(9)	(87)	489
		Separate					
	Amortising period	As at 1 January 2019 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 30 June 2019 Million Baht
Expenditures in connection with development and improvement of computer systems	-	159	143	(240)	-	-	62
- under development	5 - 10 years	322	40	136	-	(61)	437
Computer software							
Net intangible assets		481	183	(104)	-	(61)	499
		Separate					
	Amortising period	As at 1 January 2018 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2018 Million Baht
Expenditures in connection with development and improvement of computer systems	-	155	256	(245)	(7)	-	159
- under development	5 - 10 years	210	22	176	(2)	(84)	322
Computer software							
Net intangible assets		365	278	(69)	(9)	(84)	481

16 Deferred income taxes

The movement of deferred income tax account is as follows:

	Consolidated		Separate	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	Million Baht	Million Baht	Million Baht	Million Baht
Beginning of the period/year	1,393	1,373	938	1,023
(Credited) charged to profit or loss	(179)	39	(165)	(67)
Tax credited relation to components of the comprehensive income	(31)	(19)	(31)	(18)
End of the period/year	<u>1,183</u>	<u>1,393</u>	<u>742</u>	<u>938</u>

The movement in deferred tax assets and liabilities during the period/year is as follows:

	Consolidated							
	Provision Million Baht	Tax losses Million Baht	Interest in suspense account Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for doubtful accounts Million Baht	Deferred income front-end fee and entry fee insurance Million Baht	Deferred income premium Million Baht	Others Million Baht
Deferred tax assets								
At 1 January 2019	376	135	148	40	887	45	70	187
(Credited) charged to profit or loss	(16)	-	(1)	(4)	72	(7)	(6)	(77)
At 30 June 2019	<u>360</u>	<u>135</u>	<u>147</u>	<u>36</u>	<u>959</u>	<u>38</u>	<u>64</u>	<u>110</u>
At 1 January 2018	390	135	146	31	824	48	70	174
Charged (credited) to profit or loss	1	-	2	9	63	(3)	-	24
Tax credited relation to components of the comprehensive income	(15)	-	-	-	-	-	-	(11)
At 31 December 2018	<u>376</u>	<u>135</u>	<u>148</u>	<u>40</u>	<u>887</u>	<u>45</u>	<u>70</u>	<u>187</u>

	Consolidated			
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Others Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2019	79	395	21	495
Charged (credited) to profit or loss	128	(2)	14	140
Tax charged (credited) relation to components of the comprehensive income	32	-	(1)	31
At 30 June 2019	<u>239</u>	<u>393</u>	<u>34</u>	<u>666</u>
At 1 January 2018	34	406	5	445
Charged (credited) to profit or loss	68	(11)	-	57
Tax (credited) charged relation to components of the comprehensive income	(23)	-	16	(7)
At 31 December 2018	<u>79</u>	<u>395</u>	<u>21</u>	<u>495</u>

16 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the period/year is as follows: (Cont'd)

	Separate							
	Provision Million Baht	Tax losses Million Baht	Interest in suspense account Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for doubtful accounts Million Baht	Deferred income front-end fee and entry fee insurance Million Baht	Deferred income premium Million Baht	Others Million Baht
Deferred tax assets								
At 1 January 2019	357	135	137	15	656	45	70	18
Credited to profit or loss	(21)	-	-	-	-	(8)	(6)	(4)
At 30 June 2019	<u>336</u>	<u>135</u>	<u>137</u>	<u>15</u>	<u>656</u>	<u>37</u>	<u>64</u>	<u>14</u>
At 1 January 2018	371	135	138	15	656	48	70	35
Credited to profit or loss	-	-	(1)	-	-	(3)	-	(6)
Tax credited relation to components of the comprehensive income	(14)	-	-	-	-	-	-	(11)
At 31 December 2018	<u>357</u>	<u>135</u>	<u>137</u>	<u>15</u>	<u>656</u>	<u>45</u>	<u>70</u>	<u>18</u>

	Separate			
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Others Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2019	79	395	21	495
Charged (credited) to profit or loss	128	(2)	-	126
Tax charged (credited) relation to components of the comprehensive income	32	-	(1)	31
At 30 June 2019	<u>239</u>	<u>393</u>	<u>20</u>	<u>652</u>
At 1 January 2018	34	406	5	445
Charged (credited) to profit or loss	68	(11)	-	57
Tax (credited) charged relation to components of the comprehensive income	(23)	-	16	(7)
At 31 December 2018	<u>79</u>	<u>395</u>	<u>21</u>	<u>495</u>

As at 30 June 2019 and 31 December 2018, the Group had temporary tax difference that the Group did not recognise as deferred tax assets in the statements of financial position as follows:

	Consolidated and Separate	
	30 June 2019 Million baht	31 December 2018 Million Baht
Provision	218	81
Loss carry forward	1,010	722
Allowance for doubtful accounts	325	244
Fair value loss from investment	3	160
Others	190	86
Total	<u>1,746</u>	<u>1,293</u>

17 Other assets, net

	Consolidated		Separate	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	Million baht	Million Baht	Million baht	Million Baht
Accrued interest and dividend receivables	320	382	320	382
Credit support assets on derivatives	14,097	6,053	14,097	6,053
Advances	27	29	26	29
Others assets awaiting account transfer	294	281	123	107
Commission receivables	68	47	68	47
Withholding tax receivable	172	229	164	227
Marginal deposits	98	89	81	78
Prepaid expenses	1,104	903	1,100	897
Accounts receivable - bill of exchange	424	906	424	906
Other accounts receivables	36	1	-	-
Others	199	137	135	79
Total	16,839	9,057	16,538	8,805
<u>Less</u> Allowance for impairment	(29)	(29)	(29)	(29)
Other assets, net	16,810	9,028	16,509	8,776

18 Deposits

18.1 Classified by type of deposits

	Consolidated		Separate	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	Million baht	Million Baht	Million baht	Million Baht
At call	2,852	2,168	2,852	2,168
Savings	57,198	52,810	57,287	52,908
Fixed	125,788	127,269	125,804	127,286
Negotiable certificate of deposit	1,399	2,854	1,399	2,853
Total deposits	187,237	185,101	187,342	185,215

18.2 Classified by currency and residency of depositors

	Consolidated					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	181,720	1,668	183,388	180,934	1,599	182,533
US dollar	2,557	288	2,845	1,906	230	2,136
Other currencies	944	60	1,004	369	63	432
Total	185,221	2,016	187,237	183,209	1,892	185,101

	Separate					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	181,825	1,668	183,493	181,048	1,599	182,647
US dollar	2,557	288	2,845	1,906	230	2,136
Other currencies	944	60	1,004	369	63	432
Total	185,326	2,016	187,342	183,323	1,892	185,215

19 Interbank and money market items (liabilities)

	Consolidated and Separate					
	30 June 2019			31 December 2018		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Commercial banks	254	23,175	23,429	177	27,600	27,777
Specialised						
Financial Institutions	5	5,141	5,146	8	6,546	6,554
Finance, finance and securities, securities, and credit foncier companies	6,962	500	7,462	4,988	1,950	6,938
Other financial institutions	1,043	279	1,322	824	304	1,128
Total domestic items	8,264	29,095	37,359	5,997	36,400	42,397
Foreign:						
US dollar	37	313	350	267	659	926
Other currencies	806	568	1,374	848	363	1,211
Total foreign items	843	881	1,724	1,115	1,022	2,137
Total domestic and foreign items	9,107	29,976	39,083	7,112	37,422	44,534

20 Financial liabilities designated at fair value through profit or loss

	Consolidated and Separate	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Debentures	11,932	14,703
Bills of Exchange	22,835	20,810
Total	34,767	35,513

Proportion of transactions classified by type of counterparty and considering notional amount

	Consolidated and Separate	
	30 June 2019	31 December 2018
	Proportion	Proportion
Financial institutions	61	54
External parties	39	46
Total	100	100

As at 30 June 2019 and 31 December 2018, financial liabilities designated at fair value through profit or loss consisted of:

- The Bank issued structured debentures with reference interest rate of THBFX 6 month (callable range accrual note), which will mature in 5 - 7 years (31 December 2018: 5 - 7 years). The Bank will pay interest every six months according to the condition of agreement.
- The Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 7 - 23 years (31 December 2018: 7 - 23 years). They bear interest rate at between 2.68% - 5.18% per annum (31 December 2018: 2.68% - 5.18% per annum) with a payment of interest at maturity date. The Bank entered into interest rate swaps with other parties for hedging interest rate risk.

21 Debt issued and borrowings

	Consolidated					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Debentures						
Debentures maturing in 2020, coupon rate of 2.44% per annum	2,000	-	2,000	2,000	-	2,000
Subordinated debentures						
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	2,972	2,972	-	3,122	3,122
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,235	4,235	-	4,449	4,449
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	2,897	2,897	-	3,044	3,044
Structured debentures						
Structured debentures	1,718	11	1,729	1,016	-	1,016
	3,718	10,115	13,833	3,016	10,615	13,631
Structured bills of exchange						
Structured bills of exchange	1,800	3,351	5,151	1,800	3,537	5,337
	1,800	3,351	5,151	1,800	3,537	5,337
Total	5,518	13,466	18,984	4,816	14,152	18,968
	Separate					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Subordinated debentures						
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	2,972	2,972	-	3,122	3,122
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,235	4,235	-	4,449	4,449
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	2,897	2,897	-	3,044	3,044
Structured debentures						
Structured debentures	1,718	11	1,729	1,016	-	1,016
	1,718	10,115	11,833	1,016	10,615	11,631
Structured bills of exchange						
Structured bills of exchange	1,800	3,351	5,151	1,800	3,537	5,337
	1,800	3,351	5,151	1,800	3,537	5,337
Total	3,518	13,466	16,984	2,816	14,152	16,968

21 Debt issued and borrowings (Cont'd)

- (a) On 8 May 2017, CIMB Thai Auto Co., Ltd (formerly: Center Auto Lease Co.,Ltd) which is the Bank's subsidiary, issued debentures. The subscription unit is at 2,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 2,000 million carrying constant interest rate of 2.44% per annum with a payment of interest every six months. The debenture has a tenor of 3 years and is due on 8 May 2020.
- (b) On 7 July 2014, the Bank issued MYR 400 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 4,000,000 units of MYR 100 each, interest rate of 5.60% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2024. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor. (02) 453/2557.

- (c) On 11 July 2016, the Bank issued MYR 570 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 5,700,000 units of MYR 100 each, interest rate of 5.35% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2026. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor. (02) 414/2559.

- (d) On 29 March 2018, the Bank issued MYR 390 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 3,900,000 units of MYR 100 each, interest rate of 5.20% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2028. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor. 221/ 2561.

- (e) As at 30 June 2019, the Bank has structured debentures of Baht 1,729 million (31 December 2018: Baht 1,016 million) as follows:
 - The Bank issued structured debentures (Maxi X-Change Single Barrier Bullish) of Baht 21 million (31 December 2018: Baht 60 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying.
 - The Bank issued structured debenture (Fund Link Note) of Baht 1,708 million (31 December 2018: Baht 956 million), the return is based on movement of the price of mutual fund.
- (f) As at 30 June 2019, the Bank had credit linked bill of exchange (CLN) of Baht 5,151 million (31 December 2018: Baht 5,337 million) as follows:
 - The Bank issued CLN of Baht 1,800 million (31 December 2018: Baht 1,800 million) which a tenor of 10 years. The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject to no credit event determination occurring with respect to the reference entity. The credit linked bills of exchange bear interest rate at 3.75% - 4.01% per annum (31 December 2018: 3.75% - 4.01% per annum) with a payment of interest every six months.
 - The Bank issued CLN of USD 109 million or equivalence Baht 3,351 million (31 December 2018: USD 109 million or equivalence Baht 3,537 million) which a tenor of 8 - 15 years (31 December 2018: 8 - 15 years). The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject to no credit event determination occurring with respect to the reference entity. The credit linked note bills of exchange bear interest rate at 6M LIBOR + 1.6597% to 6M LIBOR + 2.3925% per annum (31 December 2018 : 6M LIBOR + 1.6597% to 6M LIBOR + 2.3925% per annum) with a payment of interest every six-months.

22 Provisions

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Provision for contingent loss from legal cases	50	58	50	58
Reserve for off-statements of financial position items	376	476	376	476
Provision for employee benefits	1,594	1,427	1,471	1,332
Provision for assets restoration	25	27	25	27
Total provisions	2,045	1,988	1,922	1,893

Provision for employee benefits

As at 30 June 2019, the pension benefits were only provided to 301 employees (31 December 2018: 317 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Present value of post-employment benefit obligations	1,594	1,427	1,471	1,332
Provision for employee benefits	1,594	1,427	1,471	1,332

Movements of provision for pension funds are as follows:

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Beginning balance	1,427	1,413	1,332	1,322
Current service costs	70	121	64	114
Past service costs	138	-	117	-
Interest costs	20	37	18	35
Remeasurements:				
Gain from changes of;				
Experience gains	-	(70)	-	(70)
Less Pension benefits paid for the period/year	(61)	(74)	(60)	(69)
Ending balance	1,594	1,427	1,471	1,332

Expenses for employee benefits were recognised in the statements of comprehensive income as follows:

	Consolidated		Separate	
	For the three-month period ended 30 June 2019 Million Baht	For the three-month period ended 30 June 2018 Million Baht	For the three-month period ended 30 June 2019 Million Baht	For the three-month period ended 30 June 2018 Million Baht
Current service costs	35	30	32	28
Past service costs	138	-	117	-
Interest costs	10	9	9	8
Total	183	39	158	36

22 Provisions (Cont'd)

Expenses for employee benefits were recognised in the statements of comprehensive income as follows: (Cont'd)

	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Current service costs	70	61	64	56
Past service costs	138	-	117	-
Interest costs	20	18	18	17
Total	228	79	199	73

Significant assumptions used in the actuarial calculation are summarised as follows:

	Consolidated and Separate
	30 June 2019 and 31 December 2018
Discount rate	2.75%
Salary increase rate	5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2017
Disability rate	10.00% of pre-retirement mortality rate
Pre-retirement withdrawal rate	Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees: 75% of Thai Withdrawal Table
Retirement age	60 years old

Sensitivity analysis for each significant assumptions:

	Change in assumption		Consolidated			
			Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Weighted average discount rate	0.5%	0.5%	Decrease by 1.03%	Decrease by 3.24%	Increase by 7.77%	Increase by 4.87%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 13.37%	Increase by 10.02%	Decrease by 5.75%	Decrease by 7.64%

	Change in assumption		Separate			
			Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Weighted average discount rate	0.5%	0.5%	Decrease by 0.61%	Decrease by 3.10%	Increase by 7.95%	Increase by 4.81%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 13.43%	Increase by 9.85%	Decrease by 5.25%	Decrease by 7.42%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit obligations recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

As at 30 June 2019, the weighted average duration of the defined benefit obligation is 8 years (31 December 2018: 8 years).

22 Provisions (Cont'd)

Expected maturity analysis of undiscounted benefits:

	Consolidated			
	30 June 2019			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	145	355	1,519	2,019
	Consolidated			
	31 December 2018			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	137	336	1,350	1,823
	Separate			
	30 June 2019			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	132	342	1,381	1,855
	Separate			
	31 December 2018			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	125	324	1,242	1,691

23 Other liabilities

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Credit support liabilities on derivatives	11,135	3,910	11,135	3,910
Amount due to Department of Alternative Energy Development and Efficiency	23	29	23	29
Other liabilities awaiting accounts transfer	910	423	836	423
Accrued interest	625	753	618	746
Deferred commission	207	237	225	244
Accrued expense	1,961	2,048	1,272	1,489
Corporate income tax payable	84	141	-	-
Others	336	508	168	258
Total	15,281	8,049	14,277	7,099

24 Share capital

	Consolidated and Separate			
	30 June 2019		31 December 2018	
	Number Million shares	Amount Million Baht	Number Million shares	Amount Million Baht
Registered				
Beginning of the period/year				
- Ordinary shares	34,822	17,411	30,280	15,140
Issue of shares	-	-	4,542	2,271
End of the period/year	34,822	17,411	34,822	17,411
Issued and paid up				
Beginning of the period/year				
- Ordinary shares	34,822	17,411	30,280	15,140
Issue of shares	-	-	4,542	2,271
End of the period/year	34,822	17,411	34,822	17,411

On 4 September 2018, the Extraordinary General Meeting of Shareholders passed a resolution approving the increase of the Bank's registered capital in an amount of Baht 2,271,017,070.50 from the current registered capital of Baht 15,140,113,803.50 to Baht 17,411,130,874 by means of the issuance of 4,542,034,141 new ordinary shares at the par value of Baht 0.50 per share to the existing shareholders proportionate to their shareholding at a ratio of 3 right shares for every 20 existing CIMB Thai shares, at the offering price of Baht 0.87 per share.

On 19 October 2018, the Bank has registered its increase of paid-up share capital with the Department of Business Development, the Ministry of Commerce. Therefore, the paid-up share capital are Baht 17,411,130,874 which is 34,822,261,748 ordinary shares with a par value of Baht 0.50.

25 Other reserves

	Consolidated	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Revaluation surplus on assets	1,963	1,972
Revaluation surplus (deficit) on change in value of investments, net	156	(160)
Remeasurements of post - employment benefit obligations	(103)	(103)
Foreign currency translation	(11)	-
Surplus from measuring fair value of hedging instrument for cash flow hedge	78	82
Income tax relating to components of other comprehensive expense	(419)	(390)
Total	1,664	1,401
	Separate	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Revaluation surplus on assets	1,963	1,972
Revaluation surplus (deficit) on change in value of investments, net	156	(160)
Remeasurements of post - employment benefit obligations	(76)	(76)
Foreign currency translation	(11)	-
Surplus from measuring fair value of hedging instrument for cash flow hedge	78	82
Income tax relating to components of other comprehensive expense	(425)	(396)
Total	1,685	1,422

25 Other reserves (Cont'd)

(a) Revaluation surplus on assets

This represents surplus on assets arising from revaluation of land and premises. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets and transferred directly to retained earnings.

	Consolidated and Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht
Balance - beginning of the period/year	1,972	2,029
<u>Less</u> Amortisation	(9)	(57)
Balance - end of the period/year	<u>1,963</u>	<u>1,972</u>

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

(b) Revaluation surplus (deficit) on change in value of investments, net

	Consolidated and Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht
Revaluation surplus on investments:		
Debt securities	179	88
Equity securities	20	18
Total	<u>199</u>	<u>106</u>
Revaluation deficit on investments:		
Debt securities	(20)	(242)
Equity securities	(23)	(24)
Total	<u>(43)</u>	<u>(266)</u>
Revaluation surplus (deficit) on change in value of investments, net	<u>156</u>	<u>(160)</u>

26 Statutory reserve

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside a statutory reserve of at least 5% of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This reserve cannot be used to pay dividend.

As at 30 June 2019, the Bank had total statutory reserve of Baht 403.60 million (31 December 2018: Baht 403.60 million).

27 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551. The capital funds comprise:

Capital fund (Full consolidate supervision)	30 June 2019 Million Baht	Total capital to risk assets %	31 December 2018 Million Baht	Total capital to risk assets %
<u>Tier I</u>				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	404		404	
Unappropriated surplus	7,604		7,619	
Other reserves	1,612		1,361	
Deduction on Tier I capital fund	(1,837)		(2,065)	
Total Tier I capital fund	35,340	13.66	34,876	14.09
<u>Tier II</u>				
Long-term subordinated debentures	12,244		12,244	
Reserve for loan classified as pass	795		766	
Total Tier II capital fund	13,039	5.04	13,010	5.25
Total capital funds	48,379	18.70	47,886	19.34
	30 June 2019 Million Baht	Total capital to risk assets %	31 December 2018 Million Baht	Total capital to risk assets %
Capital funds (Separate)				
<u>Tier I</u>				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	404		404	
Unappropriated surplus	4,997		5,825	
Other reserves	1,654		1,404	
Deduction on Tier I capital fund	(1,364)		(2,393)	
Total Tier I capital fund	33,248	12.94	32,797	13.32
<u>Tier II</u>				
Long-term subordinated debentures	12,244		12,244	
Reserve for loan classified as pass	1,031		975	
Total Tier II capital fund	13,275	5.16	13,219	5.37
Total capital funds	46,523	18.10	46,016	18.69

As at 30 June 2019, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 46,523 million (31 December 2018: Baht 46,016 million).

The Bank has maintained capital fund and liquidity coverage ratio under BoT notification of international capital requirement standards under the Basel III regulatory framework and will disclose capital maintenance information as at 30 June 2019 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision and Liquidity coverage ratio disclosure standards on its website at www.cimbthai.com within four months after the statements of financial position date.

28 Share-based payments

Equity Ownership Plan (EOP)

The EOP was introduced in March 2011 where the Bank will grant ordinary shares of CIMB Group Holdings Berhad to eligible employees.

The eligibility of participation in the EOP shall be at the discretion of the Group Compensation Review Committee of CIMB Group Holdings Berhad, and the granted shares will be released in stages at predetermined dates subject to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed of at market price. For shares granted pre - 2014, proceeds received will be donated to the CIMB Foundation in Malaysia on behalf of the employee, while for shares granted from 2014 onwards, proceeds from disposal will be returned to the Bank. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the employee or designated beneficiary.

The weighted average fair value of shares granted in this financial period, which were purchased over a specified period before awarding to the eligible employees of the Bank, was MYR 5.19 per share (31 December 2018: MYR 7.07 per share).

Movement in the number of ordinary shares under the EOP are as follows:

	Number of ordinary shares under the EOP as at	
	30 June 2019 units '000	31 December 2018 units '000
Beginning of financial period/year	1,241	1,418
Awarded during financial period/year	1,095	762
Released during financial period/year	(456)	(939)
End of financial period/year	<u>1,880</u>	<u>1,241</u>

For the six-month period ended 30 June 2019, the Bank set up share-based payment reserves and expenses amounting to Baht 19 million (for the six-month period ended 30 June 2018: Baht 16.2 million).

29 Important positions and performance classified by type of domestic or foreign transactions

29.1 Position classified by type of transaction

	Consolidated					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	380,749	409	381,158	355,446	403	355,849
Interbank and money market items, net (assets)	6,434	251	6,685	6,451	339	6,790
Derivative assets	44,215	-	44,215	23,396	-	23,396
Investments, net	80,460	106	80,566	92,172	-	92,172
Loans to customers and accrued interest receivables, net	224,892	53	224,945	216,137	64	216,201
Deposits	187,204	33	187,237	185,092	9	185,101
Interbank and money market items (liabilities)	39,083	-	39,083	44,534	-	44,534
Financial liabilities designated at fair value through profit or loss	34,767	-	34,767	35,513	-	35,513
Derivative liabilities	45,585	-	45,585	24,318	-	24,318
Debt issued and borrowings	18,984	-	18,984	18,968	-	18,968

	Separate					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	374,763	409	375,172	349,974	403	350,377
Interbank and money market items, net (assets)	6,296	251	6,547	6,345	339	6,684
Derivative assets	44,215	-	44,215	23,396	-	23,396
Investments, net	80,458	106	80,564	92,172	-	92,172
Investments in subsidiaries, net	2,208	-	2,208	2,208	-	2,208
Loans to customers and accrued interest receivables, net	217,808	53	217,861	209,532	64	209,596
Deposits	187,309	33	187,342	185,206	9	185,215
Interbank and money market items (liabilities)	39,083	-	39,083	44,534	-	44,534
Financial liabilities designated at fair value through profit or loss	34,767	-	34,767	35,513	-	35,513
Derivative liabilities	45,585	-	45,585	24,318	-	24,318
Debt issued and borrowings	16,984	-	16,984	16,968	-	16,968

29 Important positions and performance classified by type of domestic or foreign transactions (Cont'd)

29.2 Performance classified by type of transaction

	Consolidated					
	For the three-month period ended 30 June 2019			For the three-month period ended 30 June 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	4,133	2	4,135	3,742	2	3,744
Interest expenses	(1,408)	-	(1,408)	(1,104)	-	(1,104)
Net interest income (expenses)	2,725	2	2,727	2,638	2	2,640
Net fee and services income	480	-	480	513	-	513
Other operating income	172	-	172	261	-	261
Other operating expenses	(2,430)	(6)	(2,436)	(1,937)	(4)	(1,941)
Bad and doubtful debts and impairment losses	(685)	-	(685)	(1,224)	-	(1,224)
Profit (losses) before income tax expenses	262	(4)	258	251	(2)	249

	Separate					
	For the three-month period ended 30 June 2019			For the three-month period ended 30 June 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	3,299	2	3,301	3,014	2	3,016
Interest expenses	(1,396)	-	(1,396)	(1,093)	-	(1,093)
Net interest income (expenses)	1,903	2	1,905	1,921	2	1,923
Net fee and services income	257	-	257	339	-	339
Other operating income	105	-	105	191	-	191
Other operating expenses	(1,886)	(6)	(1,892)	(1,518)	(4)	(1,522)
Bad and doubtful debts and impairment losses	(319)	-	(319)	(873)	-	(873)
Profit (losses) before income tax expenses	60	(4)	56	60	(2)	58

29 Important positions and performance classified by type of domestic or foreign transactions (Cont'd)

29.2 Performance classified by type of transaction (Cont'd)

	Consolidated					
	For the six-month period ended 30 June 2019			For the six-month period ended 30 June 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	8,212	4	8,216	7,358	4	7,362
Interest expenses	(2,782)	-	(2,782)	(2,127)	-	(2,127)
Net interest income	5,430	4	5,434	5,231	4	5,235
Net fee and services income	947	-	947	988	-	988
Other operating income	495	-	495	572	-	572
Other operating expenses	(4,517)	(10)	(4,527)	(3,866)	(8)	(3,874)
Bad and doubtful debts and impairment losses	(1,656)	-	(1,656)	(2,399)	-	(2,399)
Profit (losses) before income tax expenses	699	(6)	693	526	(4)	522
Separate						
	For the six-month period ended 30 June 2019			For the six-month period ended 30 June 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	6,583	4	6,587	5,916	4	5,920
Interest expenses	(2,758)	-	(2,758)	(2,103)	-	(2,103)
Net interest income	3,825	4	3,829	3,813	4	3,817
Net fee and services income	511	-	511	634	-	634
Other operating income	175	-	175	433	-	433
Other operating expenses	(3,444)	(10)	(3,454)	(3,011)	(8)	(3,019)
Bad and doubtful debts and impairment losses	(888)	-	(888)	(1,740)	-	(1,740)
Profit (losses) before income tax expenses	179	(6)	173	129	(4)	125

30 Interest income

	Consolidated		Separate	
	For three-month period ended 30 June		For three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	21	30	21	30
Investments and trading transactions	217	130	217	130
Investments in debt securities	353	246	353	246
Loans	2,430	2,415	2,669	2,589
Hire purchase and financial lease income	1,073	902	-	-
Others	41	21	41	21
Interest income	4,135	3,744	3,301	3,016

	Consolidated		Separate	
	For six-month period ended 30 June		For six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	46	74	46	74
Investments and trading transactions	422	207	422	207
Investments in debt securities	730	446	730	446
Loans	4,843	4,800	5,305	5,148
Hire purchase and financial lease income	2,091	1,790	-	-
Others	84	45	84	45
Interest income	8,216	7,362	6,587	5,920

31 Interest expenses

	Consolidated		Separate	
	For three-month period ended 30 June		For three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	683	567	683	568
Interbank and money market items	229	68	229	68
Contribution fee to the Deposit Protection Agency	5	4	5	4
Contribution fee to FIDF	256	242	256	242
Debt securities issued				
- Subordinated debentures	155	150	155	150
- Others	34	39	34	39
Borrowings	12	12	-	-
Others	34	22	34	22
Interest expenses	1,408	1,104	1,396	1,093

	Consolidated		Separate	
	For six-month period ended 30 June		For six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Deposits	1,352	1,105	1,352	1,106
Interbank and money market items	432	105	432	105
Contribution fee to the Deposit Protection Agency	9	9	9	9
Contribution fee to FIDF	518	480	518	480
Debt securities issued				
- Subordinated debentures	305	265	305	265
- Others	64	86	64	86
Borrowings	24	24	-	-
Others	78	53	78	53
Interest expenses	2,782	2,127	2,758	2,104

32 Net fees and services income

	Consolidated		Separate	
	For three-month period ended 30 June		For three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service income				
Acceptances, aval and guarantees	23	20	29	26
ATM, Debit card and Credit card fees	9	11	9	11
Brokerage income	191	230	191	230
Management fee	17	42	17	42
Underwriting fees	47	33	47	33
Collection fee	49	47	-	-
Goods and services payment fees	183	142	-	-
Others	49	61	47	69
Fees and service income	568	586	340	411
Fees and service expenses				
Collection fees	(50)	(37)	(50)	(39)
ATM fees	(6)	(8)	(6)	(8)
Brokerage fees	(24)	(22)	(24)	(22)
Others	(8)	(6)	(3)	(3)
Fees and service expenses	(88)	(73)	(83)	(72)
Net fees and service income	480	513	257	339

	Consolidated		Separate	
	For six-month period ended 30 June		For six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Fees and service income				
Acceptances, aval and guarantees	45	40	55	51
ATM, Debit card and Credit card fees	18	23	18	23
Brokerage income	365	435	365	435
Management fee	45	64	45	64
Underwriting fees	108	49	108	49
Collection fee	100	99	-	-
Goods and services payment fees	356	281	-	-
Others	82	138	84	148
Fees and service income	1,119	1,129	675	770
Fees and service expenses				
Collection fees	(98)	(71)	(98)	(73)
ATM fees	(12)	(14)	(12)	(14)
Brokerage fees	(44)	(40)	(44)	(40)
Others	(18)	(16)	(10)	(9)
Fees and service expenses	(172)	(141)	(164)	(136)
Net fees and service income	947	988	511	634

33 Gains (losses) on tradings and foreign exchange transactions, net

	Consolidated and Separate			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Gains (losses) on tradings and foreign exchange transactions				
Foreign currencies and foreign exchange rate derivatives	(147)	314	(383)	525
Interest rate derivatives	695	(356)	1,715	(523)
Debt securities	217	(54)	269	(48)
Equity securities	9	1	17	7
Others	(8)	15	(13)	10
Total	766	(80)	1,605	(29)
Gains on hedging transactions	1	16	-	21
Gains (losses) on tradings and foreign exchange transactions, net	767	(64)	1,605	(8)

34 (Losses) gains on financial instrument designated at fair value through profit or loss, net

(Losses) gains on financial instruments designated at fair value through profit or loss consist of the following items:

	Consolidated and Separate			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Net change in fair value				
Bills of exchange	(480)	180	(980)	420
Debentures	(160)	137	(349)	115
Interest expenses	(166)	(98)	(317)	(180)
Total	(806)	219	(1,646)	355

35 Gains on investments, net

	Consolidated and Separate			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Gains on sales				
Available-for-sale	107	3	149	18
General investments	-	-	-	3
Gains on investments, net	107	3	149	21

36 Other operating income

	Consolidated		Separate	
	For three-month period ended 30 June		For three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Gains on sale of premises and equipment	1	3	-	-
Gains on sale of properties for sale	-	-	7	6
Income from reversal of bad debts	65	62	-	-
Dividend income	5	5	5	5
Claim income	-	9	-	-
Entry fee insurance income	12	12	12	12
Other income	18	12	13	11
Other operating income	101	103	37	34

	Consolidated		Separate	
	For six-month period ended 30 June		For six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Gains on sale of premises and equipment	6	12	5	7
Gains on sale of properties for sale	-	-	9	6
Income from reversal of bad debts	143	121	-	-
Dividend income	6	7	6	7
Claim income	-	17	-	-
Entry fee insurance income	24	24	24	24
Other income	35	23	23	21
Other operating income	214	204	67	65

37 Bad and doubtful debts and impairment losses

	Consolidated		Separate	
	For three-month period ended 30 June		For three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market items	-	(23)	-	(23)
Loans	685	1,247	319	896
Total	685	1,224	319	873

	Consolidated		Separate	
	For six-month period ended 30 June		For six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Held to maturity debt instruments	-	(25)	-	(25)
Loans	1,656	2,424	888	1,765
Total	1,656	2,399	888	1,740

38 Corporate income tax

	Consolidated		Separate	
	For the three-month period ended 30 June		For the three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax:				
Current tax on profits for the period	68	80	-	-
Total current tax	68	80	-	-
Deferred tax:				
(Increase) decrease in deferred tax assets	(58)	(20)	(20)	22
Increase (decrease) in deferred tax liabilities	143	(3)	136	(3)
Total deferred tax	85	(23)	116	19
Total tax charge	153	57	116	19

	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax:				
Current tax on profits for the period	84	158	-	-
Total current tax	84	158	-	-
Deferred tax:				
Decrease in deferred tax assets (Note 16)	39	15	39	94
Increase (decrease) in deferred tax liabilities (Note 16)	140	(11)	126	(11)
Total deferred tax	179	4	165	83
Total tax charge	263	162	165	83

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Bank as follows:

	Consolidated		Separate	
	For the three-month period ended 30 June		For the three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	258	249	56	58
Tax calculated at a tax rate of 20%	52	50	11	12
Tax effect of:				
Income not subject to tax	3	(10)	3	(9)
Expenses not deductible for tax purpose	3	1	3	-
Other adjustment	2	-	2	-
Unrecognised deferred tax assets	97	16	97	16
Allowance for doubtful debt from subsidiaries	(4)	-	-	-
Total tax charge	153	57	116	19

38 Corporate income tax (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Bank as follows: (Cont'd)

	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	693	522	173	125
Tax calculated at a tax rate of 20%	139	104	35	25
Tax effect of:				
Income not subject to tax	(4)	(19)	(4)	(19)
Expenses not deductible for tax purpose	3	2	2	1
Other adjustment	2	-	2	-
Unrecognised deferred tax assets	130	76	130	76
Allowance for doubtful debt from subsidiaries	(7)	(1)	-	-
Total tax charge	263	162	165	83

The weighted average applicable tax rate in the interim consolidated and separate financial statements as at 30 June 2019 was 38 and 96, respectively (30 June 2018: 31% and 66%, respectively).

The tax (charged) credited relating to component of other comprehensive income is as follows:

	Consolidated					
	For the three-month period ended 30 June 2019			For the three-month period ended 30 June 2018		
	Before tax	Tax (charge)	After tax	Before tax	Tax (charge)	After tax
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Fair value gains:						
Cash flow hedges	(10)	2	(8)	57	(11)	46
Available-for-sale financial asset	159	(32)	127	(118)	24	(94)
Other comprehensive income	149	(30)	119	(61)	13	(48)
Current tax		68			80	
Deferred tax		85			(23)	
		153			57	

	Separate					
	For the three-month period ended 30 June 2019			For the three-month period ended 30 June 2018		
	Before tax	Tax (charge)	After tax	Before tax	Tax (charge)	After tax
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Fair value gains:						
Cash flow hedges	(10)	2	(8)	57	(11)	46
Available-for-sale financial asset	159	(32)	127	(118)	24	(94)
Other comprehensive income	149	(30)	119	(61)	13	(48)
Current tax		-			-	
Deferred tax		116			19	
		116			19	

38 Corporate income tax (Cont'd)

The tax (charge) credit relating to component of other comprehensive income is as follows: (Cont'd)

	Consolidated					
	For the six-month period ended 30 June 2019			For the six-month period ended 30 June 2018		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains:						
Cash flow hedges	(4)	1	(3)	57	(11)	46
Available-for-sale financial asset	159	(32)	127	(114)	23	(91)
Other comprehensive income	155	(31)	124	(57)	12	(45)
Current tax		84			158	
Deferred tax		179			4	
		263			162	
	Separate					
	For the six-month period ended 30 June 2019			For the six-month period ended 30 June 2018		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains:						
Cash flow hedges	(4)	1	(3)	57	(11)	46
Available-for-sale financial asset	159	(32)	127	(114)	23	(91)
Other comprehensive income	155	(31)	124	(57)	12	(45)
Current tax		-			-	
Deferred tax		165			83	
		165			83	

In addition, deferred income tax for the three-month and six-month period ended 30 June 2019 is Baht 1 million and Baht 2 million, respectively (for the three-month and six-month period ended 30 June 2018: Baht 6 million and Baht 7 million, respectively) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings and revaluation surplus on land.

39 Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund - managed by Principal Asset Management Company Limited - at rate of 3% - 15% of their basic salaries, and the Bank and its subsidiaries contribute at rate of 5%, and disburse to staff when their employment is terminated under the terms and conditions of the fund. For the six-month period ended 30 June 2019, Baht 70 million was contributed to the fund by the Bank and its subsidiaries (for the six-month period ended 30 June 2018: Baht 62 million), of which the Bank contributed Baht 61 million (for the six-month period ended 30 June 2018: Baht 54 million).

40 Earnings per share

Earnings per share as presented in the consolidated and bank statements of comprehensive income are calculated by dividing net income for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the year (Note 24).

There are no potential dilutive ordinary shares in issue for six-month period ended 30 June 2019 and 2018.

41 Encumbrance of assets

41.1 Assets used as collateral

The Group placed investments in government and state enterprise bonds as collateral against the following:

	Consolidated	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Securities sold under repurchase	27,034	33,104
Utilities usage	7	7
Others	2	-
Total	27,043	33,111

	Separate	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Securities sold under repurchase	27,034	33,104
Utilities usage	7	7
Total	27,041	33,111

41.2 Assets subject to obligation

As at 31 December 2018, the Bank has obligated properties for sale, which have sales restriction conditions within 3 years from the debt restructuring agreement dates. The properties for sale had net book value of Baht 319 million.

As at 30 June 2019 and 31 December 2018, the investments subject to such obligations are as follows:

Maturity period of obligation	Consolidated and Separate			
	30 June 2019		31 December 2018	
	Numbers	Cost Million Baht	Numbers	Cost Million Baht
From 1 April 2019 onwards	-	-	2	319
Assets subject to obligation	-	-	2	319

42 Commitments and contingent liabilities

42.1 Commitments

As at 30 June 2019 and 31 December 2018, significant commitments of the Bank consist of:

	Consolidated					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	87	-	87	271	-	271
Guarantees of loans	-	-	-	9	-	9
Total avals to bills and guarantees of loans	87	-	87	280	-	280
Liability under unmatured import bills:						
Liability under unmatured import bills	-	186	186	-	239	239
Letters of credit:						
Letters of credit	77	822	899	41	1,144	1,185
Other commitments:						
Forward and spot contracts						
- Bought	-	570,345	570,345	-	702,639	702,639
- Sold	-	446,142	446,142	-	562,050	562,050
Cross currency and interest rate swap contract						
- Bought	-	208,979	208,979	-	179,589	179,589
- Sold	-	243,721	243,721	-	254,306	254,306
Interest rate swap contracts						
- Fixed rate receiver	1,033,261	165,115	1,198,376	877,379	129,383	1,006,762
- Floating rate receiver	1,062,291	347,362	1,409,653	900,499	349,697	1,250,196
Foreign exchange option						
- Call option sales contracts	-	2	2	-	10	10
- Put option sales contracts	-	183	183	-	305	305
- Call option purchase contracts	-	332	332	-	977	977
- Put option purchase contracts	-	323	323	-	16	16
Commodity						
- Bought	-	38	38	-	20	20
- Sold	-	38	38	-	20	20
Credit derivatives						
- Bought	1,800	3,351	5,151	1,800	3,537	5,337
- Sold	1,800	3,351	5,151	1,800	3,537	5,337
Swaption						
- Sold	4,000	-	4,000	8,000	-	8,000
Fund Option						
- Bought	-	3,292	3,292	-	2,106	2,106
- Sold	-	3,292	3,292	-	2,106	2,106
Bond forward						
- Sold	20,680	-	20,680	18,480	-	18,480
Investments						
- Bought	6,875	-	6,875	509	-	509
- Sold	8,130	-	8,130	1,058	-	1,058
Undrawn bank overdrafts	14,390	-	14,390	14,004	-	14,004
Undrawn credit line	19,359	139	19,498	18,387	2,752	21,139
Other guarantees	11,699	973	12,672	10,061	1,142	11,203
Other commitments	2,184,285	1,996,978	4,181,263	1,851,977	2,194,192	4,046,169
Total commitments	2,184,449	1,997,986	4,182,435	1,852,298	2,195,575	4,047,873

42 Commitments and contingent liabilities (Cont'd)

42.1 Commitments (Cont'd)

As at 30 June 2019 and 31 December 2018, significant commitments of the Bank consist of: (Cont'd)

	Separate					
	30 June 2019			31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	87	-	87	271	-	271
Guarantees of loans	2,150	-	2,150	2,159	-	2,159
Total avals to bills and guarantees of loans	2,237	-	2,237	2,430	-	2,430
Liability under unmatured import bills:						
Liability under unmatured import bills	-	186	186	-	239	239
Letters of credit:						
Letters of credit	77	822	899	41	1,144	1,185
Other commitments:						
Forward and spot contracts						
- Bought	-	570,345	570,345	-	702,639	702,639
- Sold	-	446,142	446,142	-	562,050	562,050
Cross currency and interest rate swap contract						
- Bought	-	208,979	208,979	-	179,589	179,589
- Sold	-	243,721	243,721	-	254,306	254,306
Interest rate swap contracts						
- Fixed rate receiver	1,033,261	165,115	1,198,376	877,379	129,383	1,006,762
- Floating rate receiver	1,062,291	347,362	1,409,653	900,499	349,697	1,250,196
Foreign exchange option						
- Call option sales contracts	-	2	2	-	10	10
- Put option sales contracts	-	183	183	-	305	305
- Call option purchase contracts	-	332	332	-	977	977
- Put option purchase contracts	-	323	323	-	16	16
Commodity						
- Bought	-	38	38	-	20	20
- Sold	-	38	38	-	20	20
Credit derivatives						
- Bought	1,800	3,351	5,151	1,800	3,537	5,337
- Sold	1,800	3,351	5,151	1,800	3,537	5,337
Swaption						
- Sold	4,000	-	4,000	8,000	-	8,000
Fund Option						
- Bought	-	3,292	3,292	-	2,106	2,106
- Sold	-	3,292	3,292	-	2,106	2,106
Bond forward						
- Sold	20,680	-	20,680	18,480	-	18,480
Investments						
- Bought	6,875	-	6,875	509	-	509
- Sold	8,130	-	8,130	1,058	-	1,058
Undrawn bank overdrafts	14,390	-	14,390	14,004	-	14,004
Undrawn credit line	19,359	139	19,498	18,387	2,752	21,139
Other guarantees	11,699	973	12,672	10,061	1,142	11,203
Other commitments	2,184,285	1,996,978	4,181,263	1,851,977	2,194,192	4,046,169
Total commitments	2,186,599	1,997,986	4,184,585	1,854,448	2,195,575	4,050,023

42 Commitments and contingent liabilities (Cont'd)

42.2 Contingent liabilities

As at 30 June 2019 and 31 December 2018, the Group had the following contingent liabilities in connection with court cases in which the Group have been sued as defendants in court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Group once they are finalised:

	Consolidated and Separate	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Sum claimed in cases where the Group is sole defendant	305	191
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	515	515
- Sum of claims that cannot be specifically attributed to the Group	302	306
Total	1,122	1,012

As at 30 June 2019, included in the above-mentioned amounts there is no case in which the court was judged in favor of the plaintiffs where the Bank is the direct defendant and where the Bank is a co-defendant with others with sums claimed totaling Baht 18 million and Baht 476 million, respectively. However, the Bank is in the process of appealing the decisions (31 December 2018: 0 Baht and Baht 482 million). The Bank recognised provisions for contingent loss from legal cases of approximately Baht 50 million (31 December 2018: Baht 58 million). The Management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

In addition, the Bank recognised reserves of Baht 376 million (31 December 2018: Baht 476 million) for off-statement of financial position items related to guarantees for which the Group have been sued as defendants.

42.3 Commitments under long-term leases

As at 30 June 2019 and 31 December 2018, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

	Consolidated		Separate	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Lease periods	Million Baht	Million Baht	Million Baht	Million Baht
Not over than 3 years	295	261	183	197
3 - 5 years	6	25	4	4
5 - 10 years	2	3	2	3
Total	303	289	189	204

42.4 Other commitments

As at 30 June 2019 and 31 December 2018, the Bank has other commitments in the form of various agreements relating to computer system and software development. The Bank is obligated to pay by currencies as follows:

	Consolidated and Separate	
	30 June 2019	31 December 2018
Currency	Million Baht	Million Baht
Baht	176	146
MYR	21	128
USD	158	153
AUD	1	-
Total	356	427

43 Related party transactions

Enterprises and individuals that directly or indirectly through one more intermediaries, control, or are controlled by, or are under common control with the Bank and subsidiaries, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank and subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank and subsidiaries that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and subsidiaries and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the period, the Group had significant business transactions with its related parties. These transactions have been conducted based on agreed upon contracts. Below is a summary of those transactions.

	Consolidated		Separate	
	For the three-month period ended 30 June		For the three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	188	174
Fee income	-	-	8	11
Expenses:				
Fee expenses	-	-	-	2
Ultimate parent company				
Revenue:				
Interest income	6	3	6	3
Expenses:				
Interest expenses	72	85	72	85
Premises and equipment expenses	3	-	3	-
Fee expenses	16	15	16	15
Related companies				
Revenue:				
Fee income	88	125	88	125
Expenses:				
Interest expenses	5	3	5	3
Premises and equipment expenses	(3)	(3)	(3)	(3)
Fee expenses	(3)	3	(3)	3

43 Related party transactions (Cont'd)

During the period, the Group had significant business transactions with its related parties. These transactions have been conducted based on agreed upon contracts. Below is a summary of those transactions. (Cont'd)

	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	411	348
Fee income	-	-	16	18
Expenses:				
Interest expenses	-	-	-	1
Fee expenses	-	-	-	2
Ultimate parent company				
Revenue:				
Interest income	12	5	12	5
Expenses:				
Interest expenses	152	138	152	138
Premises and equipment expenses	10	2	10	2
Fee expenses	42	30	42	30
Related companies				
Revenue:				
Fee income	179	293	179	293
Other income	-	1	-	1
Expenses :				
Interest expenses	6	5	6	5
Premises and equipment expenses	(6)	(6)	(6)	(6)
Fee expenses	3	5	3	5

43 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 30 June 2019 and 31 December 2018 are as follows:

Consolidated								
30 June 2019								
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Other liabilities Million Baht
<u>Parent company</u>								
CIMB Bank Berhad	-	-	422	-	1,038	-	322	5,826
	-	-	422	-	1,038	-	322	5,826
<u>Companies under common control</u>								
CIMB Bank Plc, Cambodia	-	-	-	29	-	-	16	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	728	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	29	473	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	1	296	-	13
	-	-	-	29	31	1,501	117	13
<u>Related persons</u>	11	11	-	-	-	186	-	-
	11	11	-	-	-	186	-	-
Consolidated								
31 December 2018								
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Other liabilities Million Baht
<u>Parent company</u>								
CIMB Bank Berhad	-	-	370	-	1,298	-	217	6,185
	-	-	370	-	1,298	-	217	6,185
<u>Companies under common control</u>								
CIMB Bank Plc, Cambodia	-	-	-	52	-	-	16	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	559	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	-	429	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	3	621	-	11
	-	-	-	52	4	1,613	117	11
<u>Related persons</u>	13	14	-	-	-	136	-	-
	13	14	-	-	-	136	-	-

43 Related party transactions (Cont'd)

The outstanding balances of significant related party transactions as at 30 June 2019 and 31 December 2018 are as follows: (Cont'd)

Separate								
30 June 2019								
Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies								
CIMB Thai Auto Co., Ltd	24,579	26,024	-	2,150	1	34	-	18
World Lease Co., Ltd.	3,140	3,389	-	-	-	9	-	-
CT Coll Co., Ltd.	-	-	-	-	-	62	-	-
	27,719	29,413	-	2,150	1	105	-	18
Parent company								
CIMB Bank Berhad	-	-	422	-	1,038	-	322	5,826
	-	-	422	-	1,038	-	322	5,826
Companies under common control								
CIMB Bank Plc, Cambodia	-	-	-	29	-	-	16	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	728	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	29	473	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	1	296	-	13
	-	-	-	29	31	1,501	117	-
	-	-	-	-	-	-	-	13
Related persons								
	6	6	-	-	-	182	-	-
	6	6	-	-	-	182	-	-
Separate								
31 December 2018								
Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies								
CIMB Thai Auto Co., Ltd	20,535	22,893	-	2,150	1	40	-	8
World Lease Co., Ltd.	3,142	2,923	-	-	1	12	-	-
CT Coll Co., Ltd.	-	-	-	-	-	62	-	-
	23,677	25,816	-	2,150	2	114	-	8
Parent company								
CIMB Bank Berhad	-	-	370	-	1,298	-	217	6,185
	-	-	370	-	1,298	-	217	6,185
Companies under common control								
CIMB Bank Plc, Cambodia	-	-	-	52	-	-	16	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	559	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	-	429	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	3	621	-	11
	-	-	-	52	4	1,613	117	-
	-	-	-	-	-	-	-	11
Related persons								
	8	8	-	-	-	133	-	-
	8	8	-	-	-	133	-	-

The Bank pays interest on deposits made by related parties at the normal rates granted to general depositors.

43 Related-party transactions (Cont'd)

As at 30 June 2019 and 31 December 2018, the Bank has commitments in financial derivatives with related parties as follows:

	30 June 2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate receiver	75,715	83	75,798
- Floating rate receiver	84,740	670	85,410
Forward and spot contracts			
- Bought	-	9,412	9,412
- Sold	-	49	49
Cross currency and interest rate swap contracts			
- Bought	-	14,839	14,839
- Sold	-	448	448
Commodity			
- Bought	-	18	18
- Sold	-	20	20
Foreign exchange option			
- Put option sales contracts	-	54	54
Swaption			
- Sold	3,000	-	3,000
Credit derivatives			
- Sold	1,800	3,351	5,151
<u>Companies under common control</u>			
Forward and spot contracts			
- Bought	-	1	1
- Sold	-	18	18
Computer system and software development agreement	-	1	1
	31 December 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate receiver	46,911	87	46,998
- Floating rate receiver	52,210	935	53,145
Forward and spot contracts			
- Bought	-	8,111	8,111
- Sold	-	55	55
Cross currency and interest rate swap contracts			
- Bought	-	11,301	11,301
- Sold	-	306	306
Commodity			
- Bought	-	20	20
Foreign exchange option			
- Put option sales contracts	-	111	111
Swaption			
- Sold	7,000	-	7,000
Credit derivatives			
- Sold	1,800	3,537	5,337
<u>Companies under common control</u>			
Forward and spot contracts			
- Bought	-	7	7
- Sold	-	3	3
Computer system and software development agreement	-	1	1

43 Related-party transactions (Cont'd)

Director and management remuneration

The Bank has not extended extraordinary monetary and/or non-monetary benefits to Bank directors and executives at the level of executive vice president and higher, as well as to financial controllers. The benefits were beyond those normally granted, such as director's fees, director's bonuses (if any), income tax, executives' salary and bonus (if any) and share based payment.

	Consolidated		Separate	
	For the three-month period ended 30 June		For the three-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	123	104	115	100
Long-term employee benefits	7	5	6	5
Share-based payments	10	9	10	9
Director and management remuneration	140	118	131	114

	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	357	314	335	299
Long-term employee benefits	12	11	12	11
Share-based payments	19	16	19	16
Director and management remuneration	388	341	366	326

The details of share based payment are as follows:

	Consolidated and Separate	
	30 June 2019	30 June 2018
	thousand units	thousand units
Shares of CIMB Group Holdings Berhad	1,095	761

44 Financial information by segment

Business segment reporting is consisted of:

Consumer banking

Consumer banking provides financial services to individuals and commercial customers. The products include consumer sales & distribution, retail financial services, commercial banking and personal financing.

Wholesale banking

Wholesale banking comprises of investment banking, corporate banking, and treasury and market.

- Investment banking service provides financial advisory, trade securities transactions, and asset management businesses.
- Corporate banking and treasury and market are responsible for corporate lending and deposit taking, transaction banking, treasury and market activities.

Others

Other services comprise of all middle and back office processes, cost centers and nonprofit generating divisions of companies whose results are not material to the Group.

44 Financial information by segment (Cont'd)

Financial information presented in the interim consolidated financial statements as at 30 June 2019 and 31 December 2018 and for the three-month and six-month period ended 30 June 2019 and 2018 are as follows:

Consolidated					
For the three-month period ended 30 June 2019					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	1,918	652	157	-	2,727
Net fees and service income (expense)	327	(33)	190	(4)	480
Other operating income	123	50	3	(4)	172
Other operating expenses	(1,820)	(510)	(108)	2	(2,436)
Bad and doubtful debts and impairment losses	(462)	(233)	(10)	20	(685)
Income tax expenses	(44)	(5)	(104)	-	(153)
Net profit (losses) for the period	42	(79)	128	14	105
Consolidated					
For the three-month period ended 30 June 2018					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	2,017	611	12	-	2,640
Net fees and service income (expense)	443	104	(27)	(7)	513
Other operating income	144	(19)	135	-	260
Other operating expenses	(1,529)	(396)	(18)	2	(1,941)
Bad and doubtful debts and impairment losses	(1,175)	(32)	(18)	1	(1,224)
Income tax expenses	36	(60)	(33)	-	(57)
Net (losses) profit for the period	(64)	208	51	(4)	191
Consolidated					
For the six-month period ended 30 June 2019					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	3,851	1,270	313	-	5,434
Net fees and service income (expense)	717	50	190	(10)	947
Other operating income	449	5	45	(4)	495
Other operating expenses	(3,557)	(900)	(74)	4	(4,527)
Bad and doubtful debts and impairment losses	(1,295)	(235)	(161)	35	(1,656)
Income tax expenses	(63)	(72)	(128)	-	(263)
Net profit for the period	102	118	185	25	430

44 Financial information by segment (Cont'd)

Financial information presented in the interim consolidated financial statements as at 30 June 2019 and 31 December 2018 and for the three-month and six-month period ended 30 June 2019 and 2018 are as follows: (Cont'd)

	Consolidated				
	For the six-month period ended 30 June 2018				
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	4,052	1,116	67	-	5,235
Net fees and service income (expense)	859	181	(39)	(13)	988
Other operating income	290	81	202	(1)	572
Other operating expenses	(3,039)	(751)	(87)	3	(3,874)
Bad and doubtful debts and impairment losses	(2,204)	(38)	(159)	2	(2,399)
Income tax expenses	17	(183)	4	-	(162)
Net (losses) profit for the period	(25)	406	(12)	(9)	360

44 Financial information by segment (Cont'd)

	Bank business		Hire-purchase business		Other businesses		Eliminations		Consolidated	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Total assets	375,172	350,377	37,376	33,297	63	64	(31,453)	(27,889)	381,158	355,849
Interbank and money market Items, net (assets)	6,547	6,684	181	158	62	62	(105)	(114)	6,685	6,790
Investments, net	80,564	92,172	2	-	-	-	-	-	80,566	92,172
Loans and accrued interest receivables, net	217,861	209,596	36,204	32,162	-	-	(29,120)	(25,557)	224,945	216,201
Deposits	187,342	185,215	-	-	-	-	(105)	(114)	187,237	185,101
Interbank and money market Items (liabilities)	39,083	44,534	29,335	25,806	-	-	(29,335)	(25,806)	39,083	44,534
Financial liabilities designated at fair value through profit or loss	34,767	35,513	-	-	-	-	-	-	34,767	35,513
Debt issued and borrowings	16,984	16,968	2,000	2,000	-	-	-	-	18,984	18,968

45 Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No.107 (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise cash, net interbank and money market items, derivative assets, net investments, loans net of deferred revenue, other assets, deposits, liabilities payable on-demand, financial liabilities designated at fair value through profit or loss, derivative liabilities, debt issued and borrowings, and other liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

45.1 Credit risk

As at 30 June 2019 and 31 December 2018, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows:

	Consolidated		Separate	
	30 June 2019 Million Baht	31 December 2018 Million Baht	30 June 2019 Million Baht	31 December 2018 Million Baht
Agricultural and mining	9,120	6,956	9,120	6,956
Manufacturing and commerce	42,262	45,157	42,262	45,157
Real estate and construction	14,119	13,836	14,119	13,836
Public utilities and services	27,727	29,779	27,727	29,778
Personal cash	10,563	11,961	10,563	11,961
Housing loans	76,986	71,916	76,986	71,916
Hire-purchase receivable and financial lease receivable	37,596	33,244	-	-
Others	17,335	13,451	46,660	39,244
Total loans net of deferred revenue	235,708	226,300	227,437	218,848

As at 30 June 2019 and 31 December 2018, the Bank had the following off-balance statement of financial position. These are calculated according to the period to maturity starting from the contract dates given in the interim financial statements:

	Consolidated					
	Counting from 30 June 2019			Counting from 31 December 2018		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	87	-	87	271	-	271
Guarantees of loans	-	-	-	9	-	9
Liabilities under unmatured import bills	186	-	186	239	-	239
Letters of credit	899	-	899	1,185	-	1,185
Other guarantees	9,925	2,747	12,672	8,281	2,922	11,203

	Separate					
	Counting from 30 June 2019			Counting from 31 December 2018		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	87	-	87	271	-	271
Guarantees of loans	2,150	-	2,150	9	2,150	2,159
Liabilities under unmatured import bills	186	-	186	239	-	239
Letters of credit	899	-	899	1,185	-	1,185
Other guarantees	9,925	2,747	12,672	8,281	2,922	11,203

45 Financial instruments (Cont'd)

45.2 Market risk

(a) Interest rate risk

As at 30 June 2019 and 31 December 2018, financial assets and liabilities classified by type of interest rate were as follows:

Descriptions	Consolidated 30 June 2019			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
<u>Financial assets</u>				
Cash	-	-	1,626	1,626
Interbank and money market items	462	2,731	3,488	6,681
Derivative assets	29,663	1,786	12,766	44,215
Investments	59	80,434	319	80,812
Loans net of deferred revenue	151,970	83,738	-	235,708
Other assets	14,097	347	77	14,521
Total financial assets	196,251	169,036	18,276	383,563
<u>Financial liabilities</u>				
Deposits	51,985	132,400	2,852	187,237
Interbank and money market items	6,165	31,663	1,255	39,083
Liabilities payable on demand	-	-	457	457
Financial liabilities designated at fair value through profit or loss	34,654	-	113	34,767
Derivative liabilities	23,323	3,504	18,758	45,585
Debt issued and borrowings	6,859	12,125	-	18,984
Other liabilities	11,135	-	-	11,135
Total financial liabilities	134,121	179,692	23,435	337,248
Descriptions	Consolidated 31 December 2018			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
<u>Financial assets</u>				
Cash	-	-	1,749	1,749
Interbank and money market items	482	2,426	3,875	6,783
Derivative assets	13,670	1,014	8,712	23,396
Investments	59	92,043	316	92,418
Loans net of deferred revenue	143,464	82,836	-	226,300
Other assets	6,053	490	416	6,959
Total financial assets	163,728	178,809	15,068	357,605
<u>Financial liabilities</u>				
Deposits	50,584	132,349	2,168	185,101
Interbank and money market items	4,358	39,089	1,087	44,534
Liabilities payable on demand	-	-	379	379
Financial liabilities designated at fair value through profit or loss	35,413	-	100	35,513
Derivative liabilities	11,552	2,017	10,749	24,318
Debt issued and borrowings	6,293	12,675	-	18,968
Other liabilities	3,910	-	-	3,910
Total financial liabilities	112,110	186,130	14,483	312,723

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

As at 30 June 2019 and 31 December 2018, financial assets and liabilities classified by type of interest rate were as follows: (Cont'd)

Descriptions	Separate			
	30 June 2019			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,623	1,623
Interbank and money market items	349	2,731	3,463	6,543
Derivative assets	29,663	1,786	12,766	44,215
Investments	59	80,432	319	80,810
Loans net of deferred revenue	151,987	75,450	-	227,437
Other assets	14,097	347	77	14,521
Total financial assets	196,155	160,746	18,248	375,149
Financial liabilities				
Deposits	52,074	132,416	2,852	187,342
Interbank and money market items	6,165	31,663	1,255	39,083
Liabilities payable on demand	-	-	457	457
Financial liabilities designated at fair value through profit or loss	34,654	-	113	34,767
Derivative liabilities	23,323	3,504	18,758	45,585
Debt issued and borrowings	6,859	10,125	-	16,984
Other liabilities	11,135	-	-	11,135
Total financial liabilities	134,210	177,708	23,435	335,353

Descriptions	Separate			
	31 December 2018			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,746	1,746
Interbank and money market items	397	2,425	3,855	6,677
Derivative assets	13,670	1,014	8,712	23,396
Investments	59	92,043	316	92,418
Loans net of deferred revenue	143,560	75,288	-	218,848
Other assets	6,053	490	416	6,959
Total financial assets	163,739	171,260	15,045	350,044
Financial liabilities				
Deposits	50,682	132,365	2,168	185,215
Interbank and money market items	4,358	39,089	1,087	44,534
Liabilities payable on demand	-	-	379	379
Financial liabilities designated at fair value through profit or loss	35,413	-	100	35,513
Derivative liabilities	11,552	2,017	10,749	24,318
Debt issued and borrowings	6,293	10,675	-	16,968
Other liabilities	3,910	-	-	3,910
Total financial liabilities	112,208	184,146	14,483	310,837

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

As at 30 June 2019 and 31 December 2018, financial assets and liabilities classified by type of interest rate were as follows: (Cont'd)

Transactions	Consolidated						
	30 June 2019						
	Repricing or maturity date						
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets							
Cash	-	-	-	-	-	1,626	1,626
Interbank and money market items	372	2,821	-	-	-	3,488	6,681
Derivative assets	-	21,113	10,296	32	8	12,766	44,215
Investments	59	4,831	1,973	37,670	35,960	319	80,812
Loans net of deferred revenue	4,851	37,644	55,045	82,368	55,800	-	235,708
Other assets	14,097	71	174	102	-	77	14,521
Total financial assets	19,379	66,480	67,488	120,172	91,768	18,276	383,563
Financial liabilities							
Deposits	51,985	61,992	51,726	18,682	-	2,852	187,237
Interbank and money market items	7,852	28,145	1,325	475	31	1,255	39,083
Liabilities payable on demand	-	-	-	-	-	457	457
Financial liabilities designated at fair value through profit or loss	-	16,737	17,917	-	-	113	34,767
Derivative liabilities	-	14,668	11,815	45	299	18,758	45,585
Debt issued and borrowings	-	6,571	5,281	-	7,132	-	18,984
Other liabilities	11,135	-	-	-	-	-	11,135
Total financial liabilities	70,972	128,113	88,064	19,202	7,462	23,435	337,248
Transactions	Consolidated						
	31 December 2018						
	Repricing or maturity date						
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets							
Cash	-	-	-	-	-	1,749	1,749
Interbank and money market items	482	1,526	900	-	-	3,875	6,783
Derivative assets	-	8,728	5,708	45	203	8,712	23,396
Investments	59	3,660	12,844	41,184	34,355	316	92,418
Loans net of deferred revenue	3,829	38,090	51,462	76,781	56,138	-	226,300
Other assets	6,053	72	214	204	-	416	6,959
Total financial assets	10,423	52,076	71,128	118,214	90,696	15,068	357,605
Financial liabilities							
Deposits	50,584	66,280	55,881	10,188	-	2,168	185,101
Interbank and money market items	4,359	37,145	1,769	159	15	1,087	44,534
Liabilities payable on demand	-	-	-	-	-	379	379
Financial liabilities designated at fair value through profit or loss	-	16,896	18,517	-	-	100	35,513
Derivative liabilities	-	7,909	5,648	12	-	10,749	24,318
Debt issued and borrowings	-	3,362	2,990	2,000	10,616	-	18,968
Other liabilities	3,910	-	-	-	-	-	3,910
Total financial liabilities	58,853	131,592	84,805	12,359	10,631	14,483	312,723

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

As at 30 June 2019 and 31 December 2018, financial assets and liabilities classified by type of interest rate were as follows: (Cont'd)

Transactions	Separate						Total Million Baht
	30 June 2019						
	Repricing or maturity date					Non- interest bearing Million Baht	
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			
Financial assets							
Cash	-	-	-	-	-	1,623	1,623
Interbank and money market items	349	2,731	-	-	-	3,463	6,543
Derivative assets	-	21,113	10,296	32	8	12,766	44,215
Investments	59	4,831	1,973	37,670	35,958	319	80,810
Loans net of deferred revenue	4,851	37,392	54,064	77,213	53,917	-	227,437
Other assets	14,097	71	174	102	-	77	14,521
Total financial assets	19,356	66,138	66,507	115,017	89,883	18,248	375,149
Financial liabilities							
Deposits	52,074	61,998	51,737	18,681	-	2,852	187,342
Interbank and money market items	7,852	28,145	1,325	475	31	1,255	39,083
Liabilities payable on demand	-	-	-	-	-	457	457
Financial liabilities designated at fair value through profit or loss	-	16,737	17,917	-	-	113	34,767
Derivative liabilities	-	14,668	11,815	45	299	18,758	45,585
Debt issued and borrowings	-	6,571	3,281	-	7,132	-	16,984
Other liabilities	11,135	-	-	-	-	-	11,135
Total financial liabilities	71,061	128,119	86,075	19,201	7,462	23,435	335,353

Transactions	Separate						Total Million Baht
	31 December 2018						
	Repricing or maturity date					Non- interest bearing Million Baht	
At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			
Financial assets							
Cash	-	-	-	-	-	1,746	1,746
Interbank and money market items	397	1,525	900	-	-	3,855	6,677
Derivative assets	-	8,728	5,708	45	203	8,712	23,396
Investments	59	3,660	12,844	41,184	34,355	316	92,418
Loans net of deferred revenue	3,829	39,200	48,547	72,597	54,675	-	218,848
Other assets	6,053	72	214	204	-	416	6,959
Total financial assets	10,338	53,185	68,213	114,030	89,233	15,045	350,044
Financial liabilities							
Deposits	50,682	66,285	55,892	10,188	-	2,168	185,215
Interbank and money market items	4,359	37,145	1,769	159	15	1,087	44,534
Liabilities payable on demand	-	-	-	-	-	379	379
Financial liabilities designated at fair value through profit or loss	-	16,896	18,517	-	-	100	35,513
Derivative liabilities	-	7,909	5,648	12	-	10,749	24,318
Debt issued and borrowings	-	3,362	2,990	-	10,616	-	16,968
Other liabilities	3,910	-	-	-	-	-	3,910
Total financial liabilities	58,951	131,597	84,816	10,359	10,631	14,483	310,837

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition is discontinued (presented before deducting allowance for doubtful account losses).

The average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the six-month period ended 30 June 2019 and for the year ended 31 December 2018, can be summarised as follows:

	Consolidated					
	For the six-month period ended 30 June 2019			For the year ended 31 December 2018		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	3,445	46	2.65	5,203	128	2.46
Investments, net	97,808	1,152	2.36	71,904	1,664	2.31
Loans	230,551	6,934	6.02	214,140	13,403	6.26
Total performing financial assets	331,804	8,132		291,247	15,195	
<u>Performing financial liabilities</u>						
Deposits	182,164	1,352	1.48	173,707	2,341	1.35
Interbank and money market items	53,908	432	1.60	26,205	351	1.34
Financial liabilities designated at fair value through profit or loss	35,071	317	1.81	29,611	445	1.50
Debt issued and borrowings	19,033	393	4.13	22,210	761	3.43
Total performing financial liabilities	290,176	2,494		251,733	3,898	
Separate						
	For the six-month period ended 30 June 2019			For the year ended 31 December 2018		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	3,332	46	2.73	5,139	127	2.47
Investments, net	97,807	1,159	2.37	71,904	1,664	2.31
Loans	222,572	5,305	4.77	207,368	10,436	5.03
Total performing financial assets	323,711	6,510		284,411	12,227	
<u>Performing financial liabilities</u>						
Deposits	182,275	1,352	1.48	173,912	2,343	1.35
Interbank and money market items	53,908	432	1.60	26,205	351	1.34
Financial liabilities designated at fair value through profit or loss	35,071	317	1.81	29,611	445	1.50
Debt issued and borrowings	17,033	368	4.33	20,211	712	3.52
Total performing financial liabilities	288,287	2,469		249,939	3,851	

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(b) Foreign exchange risk

Transactions	Consolidated						Total Million Baht
	30 June 2019						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	1,575	18	4	6	2	21	1,626
Interbank and money market items	4,774	1,173	30	19	414	276	6,686
Derivative assets	678,818	(627,454)	571	(4,280)	(720)	(2,720)	44,215
Investments	80,705	-	-	1	-	106	80,812
Loans net of deferred revenue	220,398	14,676	17	73	-	1,134	236,298
Other assets	10,290	4,642	-	-	-	1	14,933
Total financial assets	996,560	(606,945)	622	(4,181)	(304)	(1,182)	384,570
Financial liabilities							
Deposits	183,388	2,845	22	407	338	237	187,237
Interbank and money market items	38,650	350	-	4	79	-	39,083
Liabilities payable on demand	455	2	-	-	-	-	457
Financial liabilities designated at fair value through profit or loss	34,767	-	-	-	-	-	34,767
Derivative liabilities	682,856	(620,084)	594	(4,302)	(11,687)	(1,792)	45,585
Debt issued and borrowings	5,518	3,362	-	-	10,104	-	18,984
Other liabilities	6,184	5,429	-	-	225	-	11,838
Total financial liabilities	951,818	(608,096)	616	(3,891)	(941)	(1,555)	337,951
Transactions	Consolidated						Total Million Baht
	31 December 2018						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	1,627	45	5	41	2	29	1,749
Interbank and money market items	5,698	556	6	1	367	162	6,790
Derivative assets	436,833	(392,704)	2,326	(19,731)	(993)	(2,335)	23,396
Investments	92,418	-	-	-	-	-	92,418
Loans net of deferred revenue	211,701	13,642	91	136	-	1,222	226,792
Other assets	3,753	3,680	-	-	-	-	7,433
Total financial assets	752,030	(374,781)	2,428	(19,553)	(624)	(922)	358,578
Financial liabilities							
Deposits	182,533	2,137	32	51	239	109	185,101
Interbank and money market items	43,481	925	-	4	123	1	44,534
Liabilities payable on demand	377	2	-	-	-	-	379
Financial liabilities designated at fair value through profit or loss	35,513	-	-	-	-	-	35,513
Derivative liabilities	440,909	(385,597)	2,389	(19,742)	(12,337)	(1,304)	24,318
Debt issued and borrowings	4,816	3,537	-	-	10,615	-	18,968
Other liabilities	2,520	1,905	-	-	239	-	4,664
Total financial liabilities	710,149	(377,091)	2,421	(19,687)	(1,121)	(1,194)	313,477

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(b) Foreign exchange risk (Cont'd)

Transactions	Separate						Total Million Baht
	30 June 2019						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	1,572	18	4	6	2	21	1,623
Interbank and money market items	4,636	1,173	30	19	414	276	6,548
Derivative assets	678,818	(627,454)	571	(4,280)	(720)	(2,720)	44,215
Investments	80,703	-	-	1	-	106	80,810
Loans net of deferred revenue	212,203	14,676	18	73	-	1,134	228,104
Other assets	10,290	4,642	-	-	-	1	14,933
Total financial assets	988,222	(606,945)	623	(4,181)	(304)	(1,182)	376,233
Financial liabilities							
Deposits	183,493	2,845	22	407	338	237	187,342
Interbank and money market items	38,650	350	-	4	79	-	39,083
Liabilities payable on demand	455	2	-	-	-	-	457
Financial liabilities designated at fair value through profit or loss	34,767	-	-	-	-	-	34,767
Derivative liabilities	682,856	(620,084)	594	(4,302)	(11,687)	(1,792)	45,585
Debt issued and borrowings	3,518	3,362	-	-	10,104	-	16,984
Other liabilities	6,099	5,429	-	-	225	-	11,753
Total financial liabilities	949,838	(608,096)	616	(3,891)	(941)	(1,555)	335,971
Transactions	Separate						Total Million Baht
	31 December 2018						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	1,623	46	5	41	2	29	1,746
Interbank and money market items	5,592	556	6	1	367	162	6,684
Derivative assets	436,833	(392,704)	2,326	(19,731)	(993)	(2,335)	23,396
Investments	92,418	-	-	-	-	-	92,418
Loans net of deferred revenue	204,259	13,642	91	136	-	1,222	219,350
Other assets	3,753	3,680	-	-	-	-	7,433
Total financial assets	744,478	(374,780)	2,428	(19,553)	(624)	(922)	351,027
Financial liabilities							
Deposits	182,647	2,137	32	51	239	109	185,215
Interbank and money market items	43,481	925	-	4	123	1	44,534
Liabilities payable on demand	377	2	-	-	-	-	379
Financial liabilities designated at fair value through profit or loss	35,513	-	-	-	-	-	35,513
Derivative liabilities	440,909	(385,597)	2,389	(19,742)	(12,337)	(1,304)	24,318
Debt issued and borrowings	2,816	3,537	-	-	10,615	-	16,968
Other liabilities	2,512	1,905	-	-	239	-	4,656
Total financial liabilities	708,255	(377,091)	2,421	(19,687)	(1,121)	(1,194)	311,583

45 Financial instruments (Cont'd)

45.2 Market risk (Cont'd)

(b) Foreign exchange risk (Cont'd)

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the interim financial statements as at 30 June 2019 and 31 December 2018, the Bank has the following net foreign currency positions categorised by major foreign currencies:

	(Unit: Equivalent to million USD)					
	Consolidated and Separate					
	30 June 2019			31 December 2018		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	259.69	(10.20)	(306.76)	264.41	3.47	(298.74)
Forward						
- Forward contract	(237.83)	10.00	327.41	(253.80)	(3.65)	314.08
Total	21.86	(0.20)	20.65	10.61	(0.18)	15.34

* EURO and other currencies are stated in USD equivalents.

45.3 Liquidity risk

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 30 June 2019 and 31 December 2018 were as follows:

Descriptions	Consolidated				
	30 June 2019				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,626	-	-	-	1,626
Interbank and money market items	3,949	2,737	-	-	6,686
Derivative assets	-	18,254	25,961	-	44,215
Investments	-	6,804	73,630	378	80,812
Loans net of deferred revenue	16,865 ⁽¹⁾	40,782	178,651	-	236,298
Other assets	14,114	640	179	-	14,933
Total financial assets	36,554	69,217	278,421	378	384,570
Financial liabilities					
Deposits	60,050	108,505	18,682	-	187,237
Interbank and money market items	9,106	29,816	161	-	39,083
Liabilities payable on demand	457	-	-	-	457
Financial liabilities designated at fair value through profit or loss	-	58	34,709	-	34,767
Derivative liabilities	-	22,597	22,988	-	45,585
Debt issued and borrowings	-	4,992	13,992	-	18,984
Other liabilities	11,149	689	-	-	11,838
Total financial liabilities	80,762	166,657	90,532	-	337,951

⁽¹⁾ As at 30 June 2019, portions of loans classified as maturity-at-call in the interim consolidated financial statements, of Baht 10,664 million, respectively are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45 Financial instruments (Cont'd)

45.3 Liquidity risk (Cont'd)

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 30 June 2019 and 31 December 2018 were as follows: (Cont'd)

Descriptions	Consolidated				
	31 December 2018				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,749	-	-	-	1,749
Interbank and money market items	4,307	2,433	50	-	6,790
Derivative assets	-	10,720	12,676	-	23,396
Investments	-	16,504	75,539	375	92,418
Loans net of deferred revenue	16,180 ⁽¹⁾	40,124	170,488	-	226,792
Other assets	6,065	1,087	281	-	7,433
Total financial assets	28,301	70,868	259,034	375	358,578
Financial liabilities					
Deposits	54,978	119,935	10,188	-	185,101
Interbank and money market items	7,112	37,248	174	-	44,534
Liabilities payable on demand	379	-	-	-	379
Financial liabilities designated at fair value through profit or loss	-	57	35,456	-	35,513
Derivative liabilities	-	13,241	11,077	-	24,318
Debt issued and borrowings	-	60	18,908	-	18,968
Other liabilities	3,917	747	-	-	4,664
Total financial liabilities	66,386	171,288	75,803	-	313,477

⁽¹⁾ As at 31 December 2018, portions of loans classified as maturity-at-call in the consolidated financial statements, of Baht 9,902 million, respectively are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45 Financial instruments (Cont'd)

45.3 Liquidity risk (Cont'd)

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 30 June 2019 and 31 December 2018 were as follows: (Cont'd)

Descriptions	Separate 30 June 2019				Total Million Baht
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	
Financial assets					
Cash	1,623	-	-	-	1,623
Interbank and money market items	3,812	2,736	-	-	6,548
Derivative assets	-	18,254	25,961	-	44,215
Investments	-	6,804	73,628	378	80,810
Loans net of deferred revenue	16,893 ⁽¹⁾	39,599	171,612	-	228,104
Other assets	14,114	640	179	-	14,933
Total financial assets	36,442	68,033	271,380	378	376,233
Financial liabilities					
Deposits	60,139	108,522	18,681	-	187,342
Interbank and money market items	9,106	29,816	161	-	39,083
Liabilities payable on demand	457	-	-	-	457
Financial liabilities designated at fair value through profit or loss	-	58	34,709	-	34,767
Derivative liabilities	-	22,597	22,988	-	45,585
Debt issued and borrowings	-	2,992	13,992	-	16,984
Other liabilities	11,149	604	-	-	11,753
Total financial liabilities	80,851	164,589	90,531	-	335,971

⁽¹⁾ As at 30 June 2019, portions of loans classified as maturity-at-call in the interim separate financial statements, of Baht 10,262 million, respectively are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45 Financial instruments (Cont'd)

45.3 Liquidity risk (Cont'd)

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 30 June 2019 and 31 December 2018 were as follows: (Cont'd)

Descriptions	Separate 31 December 2018				Total Million Baht
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	
Financial assets					
Cash	1,746	-	-	-	1,746
Interbank and money market items	4,201	2,433	50	-	6,684
Derivative assets	-	10,720	12,676	-	23,396
Investments	-	16,504	75,539	375	92,418
Loans net of deferred revenue	16,291 ⁽¹⁾	38,218	164,841	-	219,350
Other assets	6,065	1,087	281	-	7,433
Total financial assets	28,303	68,962	253,387	375	351,027
Financial liabilities					
Deposits	55,076	119,951	10,188	-	185,215
Interbank and money market items	7,112	37,248	174	-	44,534
Liabilities payable on demand	379	-	-	-	379
Financial liabilities designated at fair value through profit or loss	-	57	35,456	-	35,513
Derivative liabilities	-	13,241	11,077	-	24,318
Debt issued and borrowings	-	60	16,908	-	16,968
Other liabilities	3,916	740	-	-	4,656
Total financial liabilities	66,483	171,297	73,803	-	311,583

⁽¹⁾ As at 31 December 2018, portions of loans classified as maturity-at-call in the separate financial statements, of Baht 9,530 million, respectively are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45 Financial instruments (Cont'd)

45.4 Fair value

The Bank has estimated the fair value of financial instruments as follows:

Descriptions	Consolidated			
	30 June 2019		31 December 2018	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
<u>Financial assets</u>				
Cash	1,626	1,626	1,749	1,749
Interbank and money market items, net	6,685	6,685	6,790	6,790
Derivatives assets	44,215	44,215	23,396	23,396
Investments, net	80,566	81,017	92,172	92,255
Loans to customers and accrued interest receivables, net	224,945	222,790	216,201	214,247
Other assets	14,521	14,514	6,959	6,949
Total financial assets	372,558	370,847	347,267	345,386
<u>Financial liabilities</u>				
Deposits	187,237	187,406	185,100	185,190
Interbank and money market items	39,083	39,083	44,534	44,534
Liability payable on demand	457	457	379	379
Financial liabilities designated at fair value through profit or loss	34,767	34,767	35,513	35,513
Derivatives liabilities	45,585	45,585	24,318	24,318
Debt issued and borrowings	18,984	19,105	18,968	19,047
Other liabilities	11,135	11,135	3,910	3,910
Total financial liabilities	337,248	337,538	312,722	312,891
Descriptions	Separate			
	30 June 2019		31 December 2018	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
<u>Financial assets</u>				
Cash	1,623	1,623	1,746	1,746
Interbank and money market items, net	6,547	6,547	6,684	6,684
Derivatives assets	44,215	44,215	23,396	23,396
Investments, net	80,564	81,015	92,172	92,255
Loans to customers and accrued interest receivables, net	217,861	215,972	209,596	207,869
Other assets	14,521	14,514	6,959	6,949
Total financial assets	365,331	363,886	340,553	338,899
<u>Financial liabilities</u>				
Deposits	187,342	187,511	185,215	185,305
Interbank and money market items	39,083	39,083	44,534	44,534
Liability payable on demand	457	457	379	379
Financial liabilities designated at fair value through profit or loss	34,767	34,767	35,513	35,513
Derivatives liabilities	45,585	45,585	24,318	24,318
Debt issued and borrowings	16,984	17,105	16,968	17,047
Other liabilities	11,135	11,135	3,910	3,910
Total financial liabilities	335,353	335,643	310,837	311,006

45 Financial instruments (Cont'd)

45.5 Financial derivatives

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

As at 30 June 2019 and 31 December 2018, financial derivatives as classified by their maturities were as follows:

	Consolidated and Separate					
	30 June 2019			31 December 2018		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	566,533	3,812	570,345	700,469	2,170	702,639
- Sold	433,665	12,477	446,142	552,165	9,885	562,050
Cross-currency and interest rate swap contracts						
- Bought	32,484	176,495	208,979	28,410	151,179	179,589
- Sold	95,095	148,626	243,721	131,324	122,982	254,306
Interest rate swap contracts						
- Fixed-rate receiver	572,062	626,314	1,198,376	451,163	555,599	1,006,762
- Floating-rate receiver	672,264	737,389	1,409,653	642,021	608,175	1,250,196
Foreign exchange options						
- Call-option sales contract	2	-	2	10	-	10
- Put-option sales contract	183	-	183	305	-	305
- Call-option purchase contract	332	-	332	977	-	977
- Put-option purchase contract	323	-	323	16	-	16
Commodity						
- Bought	38	-	38	20	-	20
- Sold	38	-	38	20	-	20
Credit derivatives						
- Bought	-	5,151	5,151	-	5,337	5,337
- Sold	-	5,151	5,151	-	5,337	5,337
Swaption						
- Sold	-	4,000	4,000	-	8,000	8,000
Fund option						
- Bought	1,153	2,139	3,292	713	1,393	2,106
- Sold	1,153	2,139	3,292	713	1,393	2,106
Bond forward						
- Sold	7,850	12,830	20,680	4,700	13,780	18,480

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

46 Fair value

46.1 Fair value estimation

The fair value of the financial instruments are defined into the following three different levels by valuation method as follows:

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets held by the Group are the last bid prices from the Stock Exchange of Thailand, the closing price from the Stock Exchange in overseas and settlement prices from Futures Exchange. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

46 Fair value (Cont'd)

46.1 Fair value estimation (Cont'd)

The following table presents the assets and liabilities that are measured at fair value at 30 June 2019 and 31 December 2018.

Consolidated and Separate				
30 June 2019				
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	19,107	-	19,107
Securities designated at fair value through profit or loss	-	8,927	-	8,927
Available-for-sale securities	63	31,881	-	31,944
Derivative assets	-	44,215	-	44,215
Total assets	63	104,130	-	104,193
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	34,767	-	34,767
Derivatives liabilities	-	45,585	-	45,585
Total liabilities	-	80,352	-	80,352
Consolidated and Separate				
31 December 2018				
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	17,764	-	17,764
Securities designated at fair value through profit or loss	-	5,399	-	5,399
Available-for-sale securities	60	48,814	-	48,874
Derivative assets	-	23,396	-	23,396
Total assets	60	95,373	-	95,433
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	35,513	-	35,513
Derivatives liabilities	-	24,318	-	24,318
Total liabilities	-	59,831	-	59,831

46 Fair value (Cont'd)

46.1 Fair value estimation (Cont'd)

The following table presents the financial assets and liabilities that are not measured at fair value at 30 June 2019 and 31 December 2018:

Consolidated				
30 June 2019				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	1,626	-	-	1,626
Interbank and money market items, net	4,565	2,120	-	6,685
Held-to-maturity debt securities	-	21,009	-	21,009
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	222,790	-	222,790
Other assets	-	14,514	-	14,514
Total assets	6,191	260,433	30	266,654
Liabilities				
Deposits	-	187,406	-	187,406
Interbank and money market items	-	39,083	-	39,083
Liability payable on demand	-	457	-	457
Debt issued and borrowings	-	19,105	-	19,105
Other liabilities	-	11,135	-	11,135
Total liabilities	-	257,186	-	257,186
Consolidated				
31 December 2018				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	1,749	-	-	1,749
Interbank and money market items, net	4,308	2,482	-	6,790
Held-to-maturity debt securities	-	20,188	-	20,188
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	214,247	-	214,247
Other assets	-	6,949	-	6,949
Total assets	6,057	243,866	30	249,953
Liabilities				
Deposits	-	185,190	-	185,190
Interbank and money market items	-	44,534	-	44,534
Liability payable on demand	-	379	-	379
Debt issued and borrowings	-	19,047	-	19,047
Other liabilities	-	3,910	-	3,910
Total liabilities	-	253,060	-	253,060

46 Fair value (Cont'd)

46.1 Fair value estimation (Cont'd)

The following table presents the financial assets and liabilities that are not measured at fair value at 30 June 2019 and 31 December 2018: (Cont'd)

Separate				
30 June 2019				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	1,623	-	-	1,623
Interbank and money market items, net	4,427	2,120	-	6,547
Held-to-maturity debt securities	-	21,007	-	21,007
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	215,972	-	215,972
Other assets	-	14,514	-	14,514
Total assets	6,050	253,613	30	259,693
Liabilities				
Deposits	-	187,511	-	187,511
Interbank and money market items	-	39,083	-	39,083
Liability payable on demand	-	457	-	457
Debt issued and borrowings	-	17,105	-	17,105
Other liabilities	-	11,135	-	11,135
Total liabilities	-	255,291	-	255,291
Separate				
31 December 2018				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	1,746	-	-	1,746
Interbank and money market items, net	4,202	2,482	-	6,684
Held-to-maturity debt securities	-	20,188	-	20,188
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	207,869	-	207,869
Other assets	-	6,949	-	6,949
Total assets	5,948	237,488	30	243,466
Liabilities				
Deposits	-	185,305	-	185,305
Interbank and money market items	-	44,534	-	44,534
Liability payable on demand	-	379	-	379
Debt issued and borrowings	-	17,047	-	17,047
Other liabilities	-	3,910	-	3,910
Total liabilities	-	251,175	-	251,175

46 Fair value (Cont'd)

46.1 Fair value estimation (Cont'd)

Methods and assumptions used by the Group for fair value estimation of financial instruments as disclosure are as below:

Cash and Interbank and money market items, net (assets)

The carrying amounts of cash and interbank and market items (assets) presented in the statement of financial position approximate fair values.

Investments, net

The determination of fair value for investments, net, is as disclosed in Note 2.5 to the interim financial statements except the estimated fair value for held to maturity debt securities and general investment are based on quoted and observable market price. Where there is no ready market in certain securities, the Group are initially recognised at expected future cash flows discounted by the market interest rate that is adjusted by risk free rate of each Company.

Loans to customers, net

For floating rate loans, the fair value is equal to the carrying amount.

For fixed rate loans which are classified as normal or special mentioned, the fair value is equal to the present value of future cash flows discounted by the prevailing market rates of loans with similar features.

For non-performing fixed rate loans, the fair value is equal to the carrying amount.

Other assets

Other assets - Accounts receivable - bill of exchange, the fair value is equal to the present value of future cash flows discounted by the effective interest of loans with similar features. Credit support on derivatives, the fair value presented in the statement of financial position approximate fair values.

Deposits

For deposits with maturities of less than one year, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of one year or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Interbank and money market items, net (liabilities)

The carrying amounts of interbank and money market items (liabilities) presented in the statement of financial position approximate fair values.

Liability payable on demand

The carrying amounts of liability payable on demand presented in the statement of financial position approximate fair values.

Debt issued and borrowings

The fair value of debt issued and borrowings are estimated based on market price or amortised cost.

Other liabilities

Other liabilities - Credit support on derivatives, the fair value presented in the statement of financial position approximate fair values.

46 Fair value (Cont'd)

46.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

46.3 Fair value measurements using significant unobservable inputs (Level 3)

	Consolidated and Separate	
	General Investments	
	30 June 2019	31 December 2018
	Million Baht	Million Baht
Opening balance	30	48
Provision	-	(1)
Purchase	-	1
Disposal of general investments	-	(6)
Decrease in capital of general investments	-	(12)
Closing balance	30	30

Investment classified under Level 3 is general investment which is presented at expected future cash flows discounted by the market interest rate that is adjusted by risk free rate of each Company.

47 Subsequent Events

On 8 July 2019, the Bank exercised its option to early redeem all subordinated debentures amounting to MYR 400 million, maturing in 2024, which the Bank was able to early redeem (under the specified conditions). This early redemption was approved by BoT notification For Kor Kor 292/2562 The approval of redemption of subordinated debentures.

On the same day, the Bank issued MYR 550 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 5,500,000 units of MYR 100 each, interest rate of 4.15% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2029. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor 527/2562.