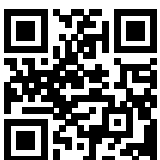




Your Global Partner
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General Information

Financial Highlights

	2018	2017	2016
Consolidated			
Financial position (Million Baht)			
Loans to customers net of deferred revenue	146,054	139,330	135,866
Allowance for doubtful accounts and revaluation on debt restructuring	8,085	7,401	5,956
Non-performing loans	1,832	1,940	2,006
Total assets	228,826	207,845	191,274
Deposits, interbank and money market items and borrowings	195,718	176,607	161,747
Liabilities	3,435	3,215	3,235
Shareholders' equity	29,673	28,023	26,292
Performance results (Million Baht)			
Net interest income	4,246	4,464	4,831
Net fee and service income	729	705	624
Other operating incomes	835	757	800
Other operating expenses*	(2,131)	(2,014)	(2,000)
Profit from operation before bad debts, doubtful accounts and impairment losses, including properties foreclosed	3,679	3,912	4,255
Bad debts, doubtful accounts and impairment losses, including properties foreclosed	(1,410)	(1,855)	(2,383)
Reversal other provisions for TAMC	-	-	13
Profit from operation before income taxes	2,269	2,057	1,885
Income taxes	(357)	(246)	(366)
Profit for the years	1,912	1,811	1,519
* Excluding items losses on properties foreclosed and reversal of estimate for loss sharing of TAMC			
Financial ratio (%)			
Return on average assets (ROA)	0.88	0.91	0.80
Return on average equity (ROE)	6.63	6.67	5.98
Capital adequacy ratio	16.90	14.74	16.55
Basic earnings per share (Baht)	0.85	0.80	0.67
Book value per share (Baht)	13.15	12.42	11.65

Message from the Chairman

Dear All Shareholders and Valued Customers,

Dr. Zhigang Li



In 2018, the Thai economy continued to expand from the year before, driven by investments in large projects as well as investments in the Eastern Economic Corridor (EEC) stimulating investments both from the government and private sectors. The export sector expanded strongly but impacts from economic slowdown of the country's trade partners started to show in the latter half of the year. While the tourism industry, even though affected by the issue of safety measures on tourists but due to prompt rectification by the government in restoring the tourists'

confidence, making it one of the most important factors in driving the Thai economy in 2018 which grew 4.1% higher than in 2017 of 3.9%.

For the banking industry in the past year, most commercial banks were affected by the reduction of electronic banking fees resulting in reduced fee income of commercial banks. However, the expansion of lending was quite good expanding 6% largely from corporate loans, driven by investments by large corporations

both local and foreign in infrastructure projects of the country as well as investments for the expansion of businesses in various sectors. While retail loans expanded well in every type of loan especially auto loans which were in line with the increase in car sales after the affect from tax benefits from the first-car project ended. Personal loans, credit card loans and housing loans all expanded in the same direction as the expansion of public consumption and the property market. In all, the banking industry performed satisfactorily in 2018, while the NPL ratio remained stable.

The year 2018 was another year that the Bank faced various challenges and economic uncertainties, however, it was able to defy them all and succeeded in expanding business many aspects. The total assets of the Bank and its subsidiary grew 10% due to increase of loans and investments. The total liabilities and the shareholders' equity increased 11% and 6% respectively. At the same time, the Bank focused on expansion of business based on prudent operations in accordance with the regulations of the supervisory authorities resulting in the Bank's Gross NPL and Net NPL ratios of 1.18% and 0.56% respectively.

In 2019, it is expected that the Thai economy will perform similarly to the 2018's rate but there will still be uncertainties from both the internal and external factors. The uncertain external factors are the international trade disputes and Brexit as well as the economic deceleration of Thailand's trade partners. While the uncertain internal factors are the outcome from the general elections in the first half of 2018 which the new government's clear policies on economy, finance and investment will have a positive effect on the overall economy of Thailand in the latter half of 2019. However, investments in the infrastructure projects according to the ECC, so far, have enhanced confidence of the private sector. Moreover, it is expected that investments from multi-national corporations will be directed to Southeast Asian countries. If Thailand's EEC moved forward uninterrupted with further investment promotions it would put Thailand at an advantage as a manufacturing base for certain important industries which would continue to be the driving force of the Thai economic growth in 2019.

This year is an auspicious year for the people of Thailand as it will be the year of the coronation of King Rama X of the Chakri Dynasty. This year also marks the 10th anniversary of ICBC (Thai) which has been providing financial services to support and strengthen the economy of Thailand while being an organization with good corporate governance as the mission of the Bank is to be a valued Thai bank bridging the economies, trades and investments between Thailand and China. The Bank is always ready to provide financial products and services from the ICBC group that are diverse, advanced and ever-developing. The Bank's specialty is cross-border business between Thailand and China because it has expertise and flexibility in offering products and services from the ICBC network so that customers are able to access myriads of products and services through this network. The ICBC group is the most established financial institution in China with one of the most extensive networks in the world while ICBC (Thai) has been retaining the highest credit rating of AAA(thai) for the 7th consecutive year from Fitch Rating, one of the leading rating agencies in the world thus this reflects the Bank's capability in offering quality financial products and services.

On behalf of the Board of Directors, the management and the staff of the Bank, I would like to take this opportunity to offer our gratitude to all shareholders, customers and stakeholders for your patronage and looking forward to your continued trust and support in 2019.



Dr. Zhigang Li

Chairman of the Board of Directors and
Chairman of the Executive Committee

The Board of Directors





01 Dr. Zhigang Li

Age 45 years

Position

Chairman of the Board of Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • Authorized Director • Chairman of the Executive Committee • Chairman of the Management Committee • Chairman of the Board of Directors, ICBC (Thai) Leasing Co., Ltd.

Education

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

Experience

2015-Present Chairman of the Board of Directors/Chairman of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2013-Present Chairman of the Management Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2013-2015 Chief Executive Officer/Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2015-Present Chairman of the Board of Directors, ICBC (Thai) Leasing Co., Ltd. • 2018-Present Chairman of Chinese-Thai Enterprise Association • 2013-2015 Director, Finansia Syrus Securities Public Company Limited • 2011-2013 Deputy General Manager of Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2008-2011 Deputy CEO of ICBC (Macau) • 2007-2008 Division Head, Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2004-2006 Division Head, Reform and IPO Office, Industrial and Commercial Bank of China Limited, H.O. • 2003-2004 Senior Manager of Risk Management Dept., Industrial and Commercial Bank of China Limited, H.O. • 2002-2003 Manager of Credit Risk Management Dept. and Market Risk Management Dept., ICBC Asia (Hong Kong) • 1999-2002 Manager of Risk Management Dept., Industrial and Commercial Bank of China Limited, H.O.

Shareholding (%)

None

02 Mr. Shiqiang Lin

Age 47 years

Position

Chief Executive Officer • Authorized Director • Member of the Executive Committee • Member of the Group Risk Supervision and Internal Control Committee

Education

Bachelor of Economics, Major in International Finance, Zhejiang University (Hangzhou University)

Experience

2019-Present Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Chief Executive Officer/Authorized Director/Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-2019 Chairman of the Group Risk Management and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2018 Chairman of the Group Risk

Management Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Director, ICBC (Thai) Leasing Co., Ltd. • 2018-Present Director, The Association of International Banks • 2014-2017 President, ICBC Zhejiang Jiaxing Branch • 2012-2014 General Manager, International Business Department, ICBC Zhejiang Provincial Branch • 2008-2012 Vice President of ICBC Zhejiang Jiaxing Branch • 2004-2008 President of ICBC Jiaxing Ping Hu Sub-Branch • 2002-2004 President of ICBC Jiaxing Tong Xia Sub-Branch

Shareholding (%)

None

03 Dr. Prasit Damrongchai

Age 78 years

Position

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

Education

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

Experience

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

Shareholding (%)

None

04 Ms. Ladda Siri Wattanakosol

Age 62 years

Position

Independent Director • Chairperson of the Audit Committee • Member of the Group Risk Supervision and Internal Control Committee

Education

MBA, Thammasart University

Experience

2019-Present Independent Director/Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Independent Director/Chairperson of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2017 Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Independent Director/Chairperson of the Audit Committee, Pace Development Corporation Plc. • 2004-2006 Chief of Credit Officer/Executive Vice President, Chief of Credit Corporate Strategy Group, TMB Bank Plc.

Shareholding (%)

None

05 Dr. Supot Tiarawut

Age 53 years

Position

Independent Director • Chairman of the Group Risk Supervision and Internal Control Committee

Education

PhD, Engineering (Electronic Engineering), The University of Tokyo

Experience

2019-Present Independent Director/Chairman of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Chief Transformation Officer, Chulalongkorn University • 2017-Present Board Member, Thai Media Policy Research Unit, Faculty of Communication Arts, Chulalongkorn University • 2017-Present Secretary General, Telecommunications Association of Thailand under Royal Patronage • 2016-Present Advisor to the President, Chulalongkorn University • 2016-Present Independent Director, Chairman of Risk Management Committee Harn Engineering Solutions Plc. • 2014-Present Independent Director/Member of the Audit Committee/Chairman of Risk Management Committee, ATP30 Plc. • 2014-2014 Executive Vice President, Corporate Strategy, Symphony Communications Plc. • 2012-2014 Assistant to the President (IT and Strategy), Chulalongkorn University • 2007-2011 Executive Director, Telecommunication Research and Industrial Development Institute (TRIDI), National Broadcasting and Telecommunications Commission (NBTC)

Shareholding (%)

None

06 Mr. Zhisheng Xu, CFA/FRM

Age 41 years

Position

Authorized Director • Member of the Executive Committee • Member of the Group Risk Supervision and Internal Control Committee

Education

Master in Accounting and Corporate Finance, Guanghua School of Business, Peking University

Experience

2019-Present Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Chief Risk Officer, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Supporting, Finance & Risk Management Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-2019 Member of the Group Risk Management and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2018 Member of the Group Risk Management Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2017 Senior Executive Vice President, Finance & Risk Management Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Director,

ICBC (Thai) Leasing Co., Ltd. • 2017-2018 Director, Finansia Syrus Securities Public Company Limited • 2015-2016 Head of Budget Division, Finance & Accounting Department, ICBC, H.O. • 2014-2015 Visiting Scholar, University of Michigan, USA • 2011-2014 Head of Accounting Division and Financial Instrument Measurement Management Division, Finance & Accounting Department, ICBC, H.O. • 2007-2011 Deputy Head of Accounting Division, Finance & Accounting Department, ICBC, H.O. • 2004-2006 Senior Manager, Accounting & Settlement Department, ICBC, H.O.

Shareholding (%)

None

07 Mr. Yang Liu

Age 40 years

Position

Authorized Director • Member of the Executive Committee

Education

Master of Economics, Peking University

Experience

2017-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Branch Banking & Information Technology Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2017 Senior Executive Vice President, Branch Banking Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Director, Finansia Syrus Securities Public Company Limited • 2015-2016 Head of Service & Support Division, E-Banking Dept., Industrial and Commercial Bank of China Limited • 2014-2016 Head of Overseas Business Division, E-Banking Dept., Industrial and Commercial Bank of China Limited • 2011-2014 Senior Manager (in charge) of Overseas Business Division, E-Banking Dept., Industrial and Commercial Bank of China Limited • 2009-2011 Senior Manager of Marketing Division, E-Banking Dept., Industrial and Commercial Bank of China Limited

Shareholding (%)

None

08 Mr. Jianfeng Zheng

Age 53 years

Position

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

Education

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

Experience

February 2015-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2014-Present Senior Expert and Accredited Non-executive Director of Corporate Strategy and Investor Relations Dept., Industrial and Commercial Bank of China Limited, H.O. • 2014-2018 Director, ICBC AXA • 2015-Present Director,

ICBC Turkey • 2015-Present Director, ICBC Mexico • 2016-Present Supervisor, ICBC Credit Suisse Asset Management • 2015-2016 Director, ICBC Standard Bank Plc. • September 2010-June 2014 Deputy Head of Supervisory Board Office, Industrial and Commercial Bank of China Limited, H.O. • December 2005-September 2010 Supervisory Commissioner (rank equals to deputy head) of Supervisory Board Office, Industrial and Commercial Bank of China Limited, H.O.

Shareholding (%)

None

09 Mr. Yong Hu

Age 45 years

Position

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

Education

Master of Quantitative Economics, Shanghai University of Finance Economics

Experience

September 2018-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2018-Present Director, Bank ICBC Moscow • January 2018-Present Expert and Accredited Non-executive Director of Corporate Strategy and Investor Relations Dept., Industrial and Commercial Bank of China Limited, H.O. • June 2015-January 2018 Head of Internal Audit of Department, Audit Responsible Person of ICBC-AXA LIFE, ICBC-AXA LIFE • June 2012-June 2015 Head of Board of Supervisors Office, Industrial and Commercial Bank of China Limited, H.O. • February 2006-June 2012 Deputy Head of Board of Supervisors Office, Industrial and Commercial Bank of China Limited, H.O.

Shareholding (%)

None

10 Pol.Gen. Werapong Chuenpagdee

Age 61 years

Position

Independent Director • Member of the Audit Committee

Education

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

Experience

2017-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2014-2017 Independent Director, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Chairman of the Audit Committee, Tribeca Enterprise Co., Ltd. • 2017-2018 Special Advisor, Royal Thai Police • 2017-2018

Chairman of the Board of Directors, Strega PCL. • 2017-Present Chairman of the Board of Directors, Arinsiri Land Co., Ltd. • 2017-Present Independent Director, Triton Holding Plc. • 2015-Present Director, Richland Property Development Co., Ltd. • 2016-2017 Assistant Commission-General, Royal Thai Police • 2015-2016 Commissioner of Provincial Police Region 9, Royal Thai Police • 2014-Present Independent Director/Member of Audit Committee/Chairman of the Corporate Governance Committee, Country Group Holding Plc. • 2014-2015 Commissioner of Provincial Police Region 7, Royal Thai Police • 2013-2014 Deputy Commissioner of Provincial Police Region 4, Royal Thai Police • 2011-Present Independent Director/Chairman of the Audit Committee, Thai Hua Rubber Plc. • 2011-Present Director, Fusin Mining Industry (Thailand) Co., Ltd. • 2011-Present Consultant, Thai Industries Association • 2010-2016 Director, Country Group Securities PCL. • 2010-Present Independent Director/Chairman of the Audit Committee, The Sing Sian Yee Pao Daily News Co., Ltd. • 2009-Present Independent Director/Member of the Audit Committee/Member of the Compensation Committee, Country Group Development Plc. • 2002-Present Director, Boonyachinda Foundation for Thai Royal Police and Family

Shareholding (%)

None

11 Dr. Verapong Chaiperm

Age 53 years

Position

Independent Director • Member of the Audit Committee

Education

PhD, Environmental Engineering, Asian Institute of Technology (AIT)

Experience

2019-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Chief Expert in Targeted Industries, Eastern Economic Corridor Office of Thailand • 2012-2018 Governor, Industrial Estate Authority of Thailand • 2011-2012 Deputy Governor (Corporate Strategy and Finance), Industrial Estate Authority of Thailand • 2008-2011 Deputy Governor (Industrial Port), Industrial Estate Authority of Thailand • 2008-2008 Acting Deputy Governor (Industrial Port), Industrial Estate Authority of Thailand

Shareholding (%)

None

Senior Executives





01 Mr. Shiqiang Lin

Age 47 years

Position

Chief Executive Officer • Member of the Executive Committee

Education

Bachelor of Economics, Major in International Finance, Zhejiang University (Hangzhou University)

Experience

2017-Present Chief Executive Officer/Authorized Director/Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Director, ICBC (Thai) Leasing Co., Ltd. • 2018-Present Director, The Association of International Banks • 2014-2017 President, ICBC Zhejiang Jiaxing Branch • 2012-2014 General Manager, International Business Department, ICBC Zhejiang Provincial Branch • 2008-2012 Vice President of ICBC Zhejiang Jiaxing Branch • 2004-2008 President of ICBC Jiaxing Ping Hu Sub-Branch • 2002-2004 President of ICBC Jiaxing Tong Xia Sub-Branch

Shareholding (%)

None

02 Mr. Zhisheng Xu, CFA/FRM

Age 41 years

Position

Chief Risk Officer • Senior Executive Vice President, Supporting, Finance & Risk Management Group • Member of the Executive Committee

Education

Master in Accounting and Corporate Finance, Guanghua School of Business, Peking University

Experience

2018-Present Chief Risk Officer, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Supporting, Finance & Risk Management Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2017 Senior Executive Vice President, Finance & Risk Management Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Director, ICBC (Thai) Leasing Co., Ltd. • 2017-2018 Director, Finansia Syrus Securities Public Company Limited • 2015-2016 Head of Budget Division, Finance & Accounting Department, ICBC, H.O. • 2014-2015 Visiting Scholar, University of Michigan, USA • 2011-2014 Head of Accounting Division and Financial Instrument Measurement Management Division, Finance & Accounting Department, ICBC, H.O. • 2007-2011 Deputy Head of Accounting Division, Finance & Accounting Department, ICBC, H.O. • 2004-2006 Senior Manager, Accounting & Settlement Department, ICBC, H.O.

Shareholding (%)

None

03 Mr. Yong Chen

Age 49 years

Position

Senior Executive Vice President, ICBC (Thai) • Director and President of ICBC (Thai) Leasing Company Limited

Education

Master Degree in Management at Hefei University of Technology • Bachelor Degree in Management at Zhongnan University of Economics and Law

Experience

2018-Present Senior Executive Vice President, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Director and President of ICBC (Thai) Leasing Company Limited • 2016-2018 President, ICBC Anqing Branch • 2011-2016 Deputy General Manager, Credit Management Department/Personal Banking Department, ICBC Anhui Provincial Branch • 2007-2011 Deputy President of ICBC Huainan Branch • 2002-2007 Division Head of Retail Banking, Real Estate Financing Department, ICBC Anhui Branch

Shareholding (%)

None

04 Mr. Yang Liu

Age 40 years

Position

Senior Executive Vice President, Branch Banking & Information Technology Group • Member of the Executive Committee

Education

Master of Economics, Peking University

Experience

2017-Present Authorized Director/Member of the Executive Committee/Senior Executive Vice President, Branch Banking & Information Technology Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2017 Senior Executive Vice President, Branch Banking Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2018-Present Director, Finansia Syrus Securities Public Company Limited • 2015-2016 Head of Service & Support Division, E-Banking Dept., Industrial and Commercial Bank of China Limited • 2014-2016 Head of Overseas Business Division, E-Banking Dept., Industrial and Commercial Bank of China Limited • 2011-2014 Senior Manager (in charge) of Overseas Business Division, E-Banking Dept., Industrial and Commercial Bank of China Limited • 2009-2011 Senior Manager of Marketing Division, E-Banking Dept., Industrial and Commercial Bank of China Limited

Shareholding (%)

None

05 Mr. Yongmin Tang

Age 45 years

Position

Senior Executive Vice President, Head of Chinese Business Center Division • Member of the Executive Committee

Education

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

Experience

September 2017-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2017-Present Senior Executive Vice President, Head of Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • February 2015-June 2017 Executive Vice President, Head of Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2015-February 2015 Executive Vice President, Deputy Head of Division, Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • February 2012-December 2014 Executive Vice President, Deputy Head of Division, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-2011 Deputy General Manager, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarters • 2005-2007 Division Head, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarters • August 2012-March 2015 Director, ICBC (Thai) Leasing Company Limited

Shareholding (%)

None

06 Ms. Suree Wipatakanok

Age 55 years

Position

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

Education

BA, Business Administration, Ramkhamhaeng University

Experience

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

Shareholding (%)

None

07 Mr. Chaiwat Tanchewawong

Age 60 years

Position

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

Education

MBA, Chulalongkorn University • BBA (Finance) Thammasart University

Experience

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

Shareholding (%)

None

08 Ms. Kanchana Vongratanakulthorn

Age 63 years

Position

Executive Vice President, Head of Recovery Management Division

Education

BBA, Sukhothai Thammathirat Open University

Experience

February 2019-Present Executive Vice President, Recovery Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • December 2013-February 2019 Executive Vice President, Recovery & Credit Card Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2012-December 2013 Executive Vice President, Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-February 2012 Executive Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2006 Senior Vice President, Asset Management Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2014-Present Director, ICBC (Thai) Leasing Company Limited • 2011-Present Director, Chonburi Motor Express Company Limited

Shareholding (%)

None

09 Ms. Orapin Sreesangkom

Age 55 years

Position

Executive Vice President, Head of Corporate Secretary & Legal Division

Education

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

Experience

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

Shareholding (%)

None

10 Mr. Som Pisarnsophon

Age 54 years

Position

Executive Vice President, Head of Finance & Strategy Division • Member of the Executive Committee

Education

MS, Industrial Administration, Carnegie-Mellon University, USA

Experience

2018-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-Present Executive Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2008 Senior Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Strategy and Planning Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-Present Director, ICBC (Thai) Leasing Company Limited • 2015-2017 Director, Finansia Syrus Securities Public Company Limited • 2008-2009 Director, ACL Securities Company Limited

Shareholding (%)

None

11 Ms. Sasiwadee Somboonthum

Age 59 years

Position

Executive Vice President, Head of Banking Operations Division

Education

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

Experience

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

Shareholding (%)

None

12 Mr. Wisit Ausawalaithong

Age 51 years

Position

Executive Vice President, Head of Information Technology Division

Education

MS, Computer Science, Asian Institute of Technology

Experience

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

Shareholding (%)

None

13 Mr. Wan Huat Joseph Chia

Age 59 years

Position

Executive Vice President, Deputy Head of Chinese Business Center Division

Education

EMBA, Sasin, Chulalongkorn University

Experience

2019-Present Executive Vice President, Deputy Head of Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-2019 Executive Vice President, Head of Chinese Business Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2013-2017 Senior Executive Vice President, Mermaid Maritime Public Company Limited • 2012-2017 Executive Director, Thoresen Thai Agencies • 2005-2012 Senior Executive Vice President, Advance Finance Public Company Limited

Shareholding (%)

None

14 Mr. Xiaowei Zhao

Age 37 years

Position

Senior Vice President, Head of Global Markets Division

Education

MBA, Beijing Normal University

Experience

December 2016-Present Senior Vice President, Head of Global Markets Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • November 2011-August 2016 Chief Manager of Treasury Dept., Industrial and Commercial Bank of China, Tokyo Branch • June 2006-November 2011 Senior Marketing Manager of Global Markets Dept., Industrial and Commercial Bank of China, H.O.

Shareholding (%)

None

15 Ms. Suwimol Itthiputh

Age 55 years

Position

Senior Vice President, Head of Institution Business Division

Education

MBA, International Business, University of New Haven, Connecticut, USA

Experience

March 2017-Present Senior Vice President, Head of Institution Business Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2016-March 2017 Senior Vice President, Acting Head of Institution Business Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • September 2007-January 2016 Senior Vice President, Head of Foreign Exchange and Financial Institution Dept., Industrial and Commercial Bank of China (Thai) Public Company Limited

Shareholding (%)

None

16 Mr. Seksan Chunsereechai

Age 52 years

Position

Senior Vice President, Head of Risk Management Division

Education

MBA, Chulalongkorn University

Experience

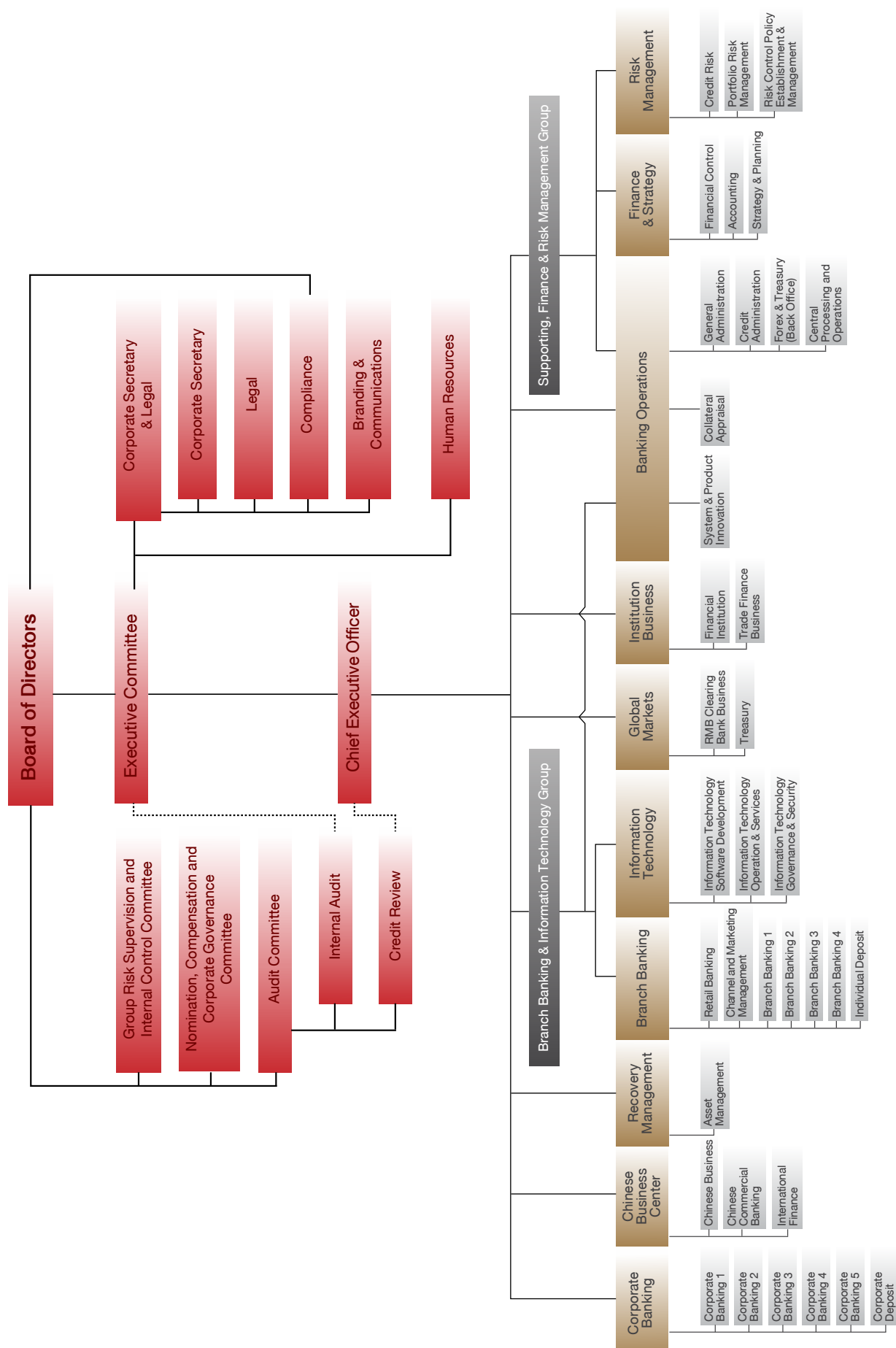
June 2018-Present Senior Vice President, Head of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2017-June 2018 Senior Vice President, Acting Head of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2015-January 2017 Senior Vice President, Head of Portfolio Risk Management Dept./Acting Head of Credit Risk Dept., Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2008-December 2014 First Vice President, Head of Portfolio Risk Management Dept., Industrial and Commercial Bank of China (Thai) Public Company Limited

Shareholding (%)

None

Executive Officers

No.	Name	Position	Division/Department
1	Mr. Yining Yang	Senior Vice President	Financial Institution Department
2	Mr. Sayarm Lohsawat	Senior Vice President	Corporate Banking 2 Department
3	Ms. Rachanoke Vichitlekarn	Senior Vice President	Corporate Banking 4 Department
4	Ms. Prapa Sakyanan	Senior Vice President	Corporate Deposit Department
5	Ms. Narumol Meksingvee	Senior Vice President	Individual Deposit Department
6	Ms. Wanpen Yongchayanuntakul	Senior Vice President	Branch Banking 1 Department
7	Mr. Methin Leosirichai	Senior Vice President	Branch Banking 2 Department
8	Ms. Narissara Chaowarit	Senior Vice President	Branch Banking 4 Department
9	Mr. Yang Yang	Senior Vice President	Chinese Business Department
10	Ms. Kulnida Cheausuwan	Senior Vice President	Treasury Department
11	Mr. Senut Chavana	Senior Vice President	Legal Department
12	Ms. Samerjai Charoensri	Senior Vice President	Compliance Department
13	Ms. Araya Watanakun	Senior Vice President	Central Processing & Operations Department
14	Ms. Naiyana Noibanchong	Senior Vice President	System & Product Innovation Department
15	Ms. Suntaree Thummaratchapimon	Senior Vice President	Accounting Department
16	Mr. Yi Guo	Senior Vice President	Credit Risk Department
17	Mr. Shaoqiang Wang	Senior Vice President	Human Resources Department
18	Ms. Busarin Khundilokkorn	First Vice President	Corporate Banking 1 Department
19	Mr. Ponganan Settacharnwit	First Vice President	Corporate Banking 5 Department
20	Mr. Supakit Olarachin	First Vice President	Branch Banking 3 Department
21	Mr. Thanathorn Ariyasakulsaree	First Vice President	Channel and Marketing Management Department
22	Mr. Baoquan He	First Vice President	Retail Banking Department
23	Mr. Bo Han	First Vice President	Retail Banking Department
24	Mr. Chairat Kongkreingrai	First Vice President	Asset Management Department
25	Ms. Yanna Cai	First Vice President	Trade Finance Business Department
26	Mr. Ayanut Dussadeesimarath	First Vice President	Collateral Appraisal Department
27	Ms. Urai Chatvattananon	First Vice President	Internal Audit Department
28	Ms. Dolrudee Deepracha	First Vice President	Credit Review Department
29	Mr. Usa Rodpon	First Vice President	Credit Administration Department
30	Mr. Kornthana Tonnamning	First Vice President	General Administration Department
31	Mr. Wijit Sriwijitchok	First Vice President	Foreign Exchange & Treasury (Back Office) Department
32	Mr. Weihua Xu	First Vice President	Corporate Secretary Department and General Administration Department
33	Ms. Chitraporn Saowapa	First Vice President	Strategy & Planning Department
34	Mr. Theerathorn Bhothirungsri	First Vice President	Risk Control Policy Establishment & Mgt. Department
35	Mr. Gonglong Hou	Vice President	Chinese Commercial Banking Department
36	Mr. Boya Yu	Vice President	International Finance Department
37	Ms. Wanngam Supannagul	Vice President	Branding & Communications Department
38	Mr. Yong Zhang	Vice President	Financial Control Department
39	Ms. Hua Ge	Vice President	Risk Control Policy Establishment & Mgt. Department



Description of Business



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

On 21 April 2010, the Industrial and Commercial Bank of China Limited (ICBC), the largest commercial bank in the world in terms of market capitalization, acquired 97.24% of the total issued shares of the Bank from a voluntary tender offer of all shares traded on the SET and changed the name of the Bank to "Industrial and Commercial Bank of China (Thai) Public Company Limited" becoming a part of the ICBC Group. On 19 March 2011, the Bank delisted from the SET. At present, the ICBC holds 97.86% of the total shares sold of the Bank.

As a fully licensed commercial bank, the Bank aims to be on the forefront of commercial banks in Thailand on international banking service. Being a part of the ICBC Group means customers of the Bank are able to fully utilize the services provided by the Group's network which is growing at a rapid pace in China as well as around the world. As of the end of June 2018, ICBC Group had 16,024 branches in China and 420 overseas branches in 45 countries. In addition, ICBC has 1,543 correspondent banks in 146 countries worldwide.

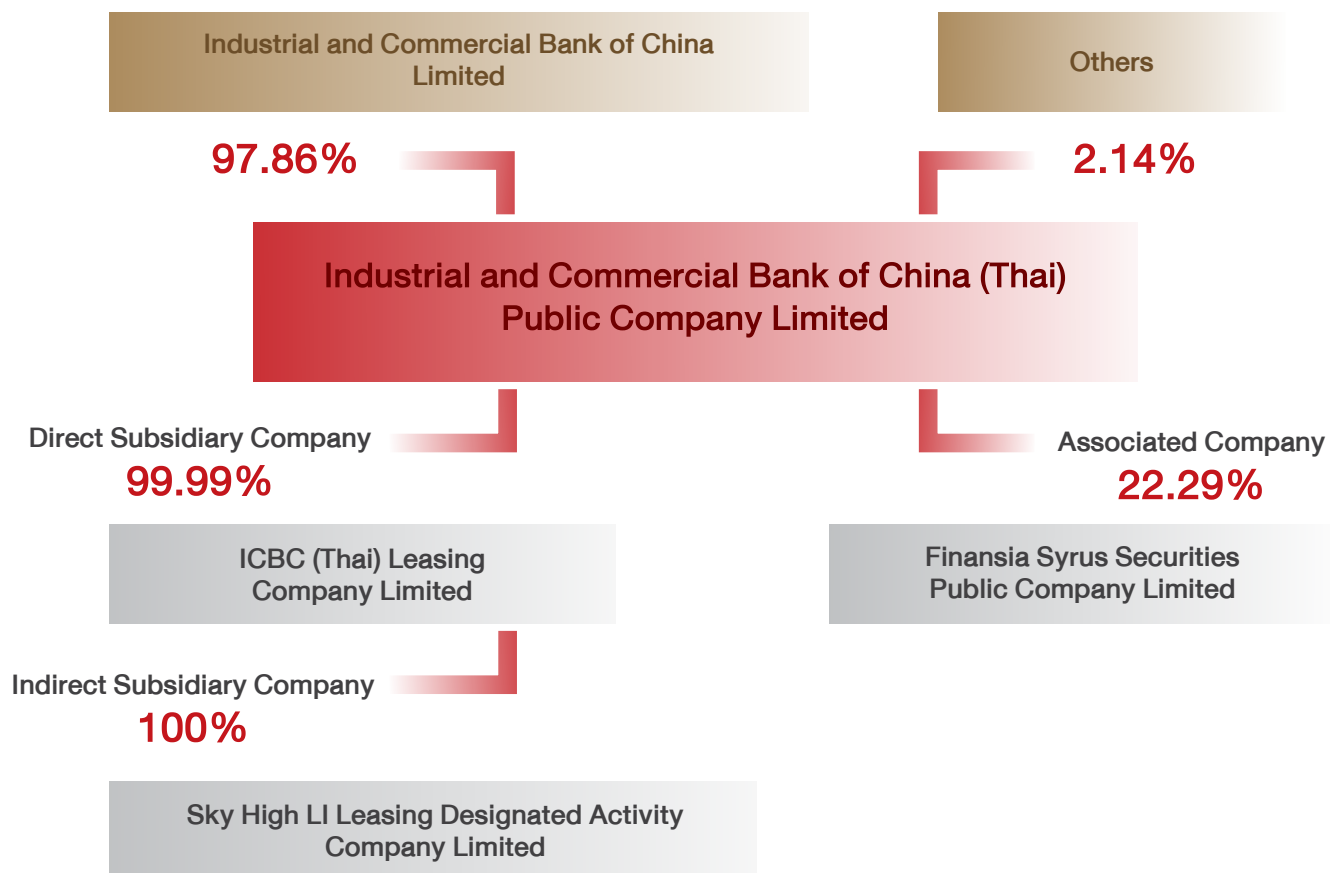
At present, the Bank has one subsidiary, ICBC (Thai) Leasing Company Limited, which the Bank owns 99.99%, the company offers leasing and hire purchase services. Moreover, the Bank has one associated company, Finansia Syrus Securities Public Company Limited, the company which the Bank owns a 22.29% stake, offers securities services.

With almost 10 years of operation in the Thai banking industry, the Bank continues to develop various new and innovative products and services in order to answer the needs of its customers. In particular, the Bank has expanded its products and services to both juristic person customers, to facilitate their business needs, and individual customers, to reflect their lifestyles such as credit cards, debit cards, internet banking, mobile banking POS machines and CNY 1 day remittance. At present, the Bank has a total of 22 branches across the country.

ICBC (Thai) has been appointed as the RMB Clearing Bank in Thailand since 2015 and continues to hold its credit rating by Fitch Ratings at the highest attainable rating of AAA(tha) for National Long-Term Rating for the seventh consecutive year affirming its solid financial position.

Shareholders' structure of ICBC (Thai) Group

(as of 31 December 2018)



Major Shareholders

(as of 31 December 2018)

No.	Name	Common Shares	Class A Preferred Shares	Class B Preferred Shares	Number of Shares Held	Percentage of Shareholding
1	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED	2,208,258,569	-	355,581	2,208,614,150	97.86
2	Ms. Siriwan Panichcheewa	15,407,521	-	-	15,407,521	0.68
3	Mr. Banthorn Lewprasert	8,883,242	-	-	8,883,242	0.39
4	Ms. Sirima Panichcheewa	6,137,254	-	-	6,137,254	0.27
5	Mr. Samrerng Manoonpol	2,998,982	-	-	2,998,982	0.13
6	Mr. Adisak Putikochakorn	2,567,700	-	-	2,567,700	0.11
7	Mr. Boonsithi Chokwatana	2,399,125	-	-	2,399,125	0.11
8	Mr. Lau Ting Fai	1,517,250	-	-	1,517,250	0.07
9	Ms. Manee Jiramongkol	1,053,125	-	-	1,053,125	0.05
10	Prasertkit Enterprise Co., Ltd.	923,857	-	-	923,857	0.04
	Others	6,363,492	-	95,500	6,458,992	0.29
		2,256,510,117	-	451,081	2,256,961,198	100

Note:

- Local shareholding = 2.03%
- Foreign shareholding = 97.97%

Dividend Policy

The Bank may pay dividends only when the Bank has profits, has no accumulated loss and has Tier 1 Capital of at least Baht 40,000 million. When considering whether or not to pay dividends, the Bank shall take into account the liquidity and economic condition as well as the business plan of the Bank. By virtue of the resolution of the shareholders' meeting, dividends shall be divided by the number of shares, equally for each share and may be made in full or in part in the form of stock dividends through the issuance of new shares to the shareholders in various types of shares already issued at that time.

Corporate Social Responsibility

ICBC (Thai) Aims at Social Development

Since the start of its operation in Thailand, the Bank realizes the importance of being an organization of quality, good corporate governance and a good member of community. The Bank is committed to take an active role in advancing society through various activities in order to be in line with the business operation of the Bank and take part in creating an amiable society.





In the past year, the Bank held various CSR activities by continuing to focus on youth development through the promotion of educational opportunity and sharing knowledge as well as promoting healthy living which would help the youths in developing their physical and mental capabilities readying them to be the force of the nation in the future. At the same time, the Bank also continued to focus on instilling a sense of voluntary work to its employees to partake in contributing to society. Moreover, by holding these CSR activities the Bank will be creating valuable relations between the Bank and the communities where its branches are situated.





In 2018, the Bank granted 40 scholarships worth Baht 25,000 each to underprivileged students with good academic records totaling Baht 1 million. The recipients were from 4 major universities namely Chulalongkorn University, Thammasat University, Kasetsart University and China-ASEAN International College, Dhurakij Pundit University. The Bank is confident that such scholarships would help ease their education financial burden and encourage them to concentrate on their studies. As for education in the rural areas, the Bank helped to renovate multi-purpose

grounds and donated education supplies to schools in the Southern region as well as renovating playgrounds for schools in the Southeastern region. Moreover, the Bank also held the annual “Open up the World with ICBC (Thai)” activity by taking underprivileged children from Rajvithi Home for Girls on a full-day tour to visit the Mini Murrah Farm in Chachoengsao Province to explore the world outside their usual environment.





Furthermore, the Bank expressed its concern for the well being of the people who were affected by the cold weather by distributing blankets to villagers in the Northern and Northeastern regions of Thailand.



Report of the Audit Committee

The Audit Committee comprises three qualified independent directors who fully met the qualifications under the rules and sound practices stipulated by the Bank's supervisory authorities. The three members, Ms. Ladda Siri wattanakosol, TDVC.Col. Plengsakdi Prakaspesat* and Pol.Gen. Werapong Chuenpagdee, had been appointed by the Board of Directors of the Bank to perform duties of Audit Committee of the Bank and all hold a two-year term of office.

In 2018, the Audit Committee performed its duties and responsibilities according to the scope and authority assigned by the Board of Directors as defined in the Audit Committee Charter. In the year 2018, the Audit Committee held six meetings with full attendance of Audit Committee members and reported the significance of its performed duties in each quarter to the Board of Directors with a summary as follows:

1. Financial Statements

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

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

2. Internal Control and Information Technology Control

The Audit Committee considered the results of the control assessment and the efficiency of the Bank and its subsidiary's management in relation to both operations and information technology through the reports of the Internal Audit Department and those of the external auditors. Appropriate discussion with relevant executives would be taken as the case may be for ensuring the implementation of sound and adequate internal control system. In year 2018, the Audit Committee discussed with the executive of the Information Technology Division in regard to Cyber Security and IT Risk Management for ensuring that management is ready to mitigate the cyber risk and aware of management on IT risk in order to continue our services to the valued customers. Further, the Audit Committee has been reported and discussed with the Director of the Bank's subsidiary who is responsible for the Internal Audit Function for ensuring that fraud protection and detection is covered in audit scopes as well as the effectiveness of internal control system. The overall result did not reveal any significant noticeable deficiencies.

*Remark: TDVC.Col. Plengsakdi Prakaspesat resigned on 1 December 2018. The Board of Directors' Meeting No. 4/2018 held on 14 December 2018 appointed Dr. Werapong Chaiperm as a member of the Audit Committee replacing TDVC.Col Plengsakdi Prakaspesat (effective 28 January 2019).

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

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

3. Regulatory Compliance

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

As for business operation undertakings in year 2018 based upon the supervision through the whole year audit functions, there was no significant incompliance with the regulations of the Bank's supervisory authorities, nor any issues regarding conflict of interest. The Audit Committee opined that the Bank maintained the appropriate compliance functions to ascertain compliance with requirements and laws relevant to the banking business.

4. Statutory Auditors

Reference is made to the policy of the Industrial and Commercial Bank of China Limited ("ICBC"), the Bank's parent company which requests all subsidiaries to maintain the identical statutory auditors in order to be in compliance with the same standards. From the year 2013 onwards, KPMG (Thailand) Co., Ltd. was recommended by ICBC to be the statutory auditors of the Bank and its subsidiary and the Audit Committee considered the performance, audit standards, experiences, independency and qualifications of the statutory auditors and recommended to propose KPMG Phoomchai Audit Ltd. to be the statutory auditors of the Bank and its subsidiary for the year of 2019 with their proposed remuneration to the Board of Directors for consideration and further submission to the 2019 shareholders' meeting for approval.

5. Supervision of Credit Review Function

To comply with the Bank of Thailand's recommendation regarding the independence of Credit Review Function, the Bank has established the Credit Review Department which is under supervision and control of the Audit Committee effective since 1 December 2018. As for duties, the Audit Committee shall review the credit review performance to be in accordance with the policy statement of the Bank of Thailand on Reviewing of Credits, Loan, Contingent Liabilities and Credit-Like Transactions through the Head of Credit Review Department.

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

Ladda Siri Wattanakosol

Ms. Ladda Siri Wattanakosol
Chairperson of the Audit Committee

Report of the Nomination, Compensation and Corporate Governance Committee

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

The NCC has, in the past year, conducted its duties as assigned by the Board of Directors in accordance with the amended NCC Charter. The roles of the NCC are to nominate persons who possess the appropriate abilities, experience and qualifications to be appointed as Directors and Members of Committees and Senior Executives, propose appropriate compensations for Directors and Senior Executives to the Board of Directors and oversee that the Bank is in compliance with the principles of good corporate governance. Moreover, as per the additional requirements of BOT on Corporate Governance and Consolidated Supervision, the NCC is responsible for ensuring that the policies, conditions and methods for the nomination of the Directors and Managing Director or equivalent position of the company(ies) in the Bank's financial business group are clearly stated, transparent and appropriate to the significant risks of the company(ies) in the Bank's financial business group.

In the year 2018, the NCC held 6 meetings, in total, to conduct the following matters:

- Considered the nomination of qualified persons who were not prohibited by law and the regulations of the Bank of Thailand for the positions of Directors and Senior Executives of the Bank, including Directors who were retiring by rotation and to be reappointed for another term, to the Board of Directors and/or the Shareholders' Meeting for appointment.
- Considered the nomination of a new Audit Committee Member and recommended them to the Board of Directors for approval.
- Considered the remuneration of Directors and recommended it to the Board of Directors for approval.
- Considered the bonus of the Chairman of the Executive Committee and recommended it to the Board of Directors for approval.
- Considered the salary increase and bonuses for the Senior Executives as assigned by the Board of Directors.
- Considered the appointment of a Senior Executive to be an additional member of the Executive Committee and recommended it to the Board of Directors for approval.
- Considered the hiring of the Head of the Branch Banking Division and recommended it to the Board of Directors for approval.
- Considered the remuneration of the President of ICBC (Thai) Leasing Company Limited.
- Considered the promotions of Senior Executives and recommended them to the Board of Directors for approval.
- Reviewed the positions held in other companies by the Directors and Senior Executives of the Bank to ensure that they are able to fully devote time to perform their duties to the Bank effectively and submitted the review to the Board of Directors for approval.
- Considered the revision to the Process for Accepting and Considering Complaints and recommended it to the Board of Directors for approval.
- Considered the amendment to the Bank's Corporate Governance Policy and recommended it to the Board of Directors for approval.

- Considered ICBC (Thai) Leasing Company Limited's Corporate Governance Policy.
- Considered and approved the NCC Reports for the 1st half year and full year 2018.
- Considered the recommendation to the Board of Directors to authorize the NCC to approve the Senior Executives' salary increase and bonus allocation.
- Considered the succession plan of the Bank.
- Considered the extension of staff retirement for senior executives and recommended it to the Board of Directors for approval.
- Considered the nomination and remuneration of the members of the Group Risk Supervision and Internal Control Committee.
- Considered the remuneration for the members of the Group Risk Supervision and Internal Control Committee.
- Considered the confirmation of the appointment of a new Independent Director.
- Considered the director's performance assessment forms.
- Considered the appointment of a new Independent Director for consultation with the BOT.
- Considered the confirmation letter for the appointment of a new Independent Director to the BOT.
- Acknowledged the new regulations of the Bank of Thailand regarding the appointment of directors of financial institutions.
- Acknowledged the proceedings relating to the implementation of the improvement of checks and balances of the Chairman of the Board of Directors/Chairman of the Executive Committee.
- Acknowledged the effects from the new BOT requirements related to the new Corporate Governance of Financial Institutions and Consolidated Supervision.
- Acknowledged the results of the Board of Directors Assessment 2017.

The principles of good corporate governance are crucial for ensuring accountability, transparency and proper functioning of financial institutions of a robust economy like Thailand, thus, the Bank, recognizes the importance of strict adherence to such principles.

In 2018, the Bank of Thailand announced a notification on new Corporate Governance for Financial Institutions which the Bank promptly amended its policies, procedures and practices not only for the Bank but also its subsidiary in order to be in line with such notification. In addition to complying with the principles of good corporate governance, the Bank also adheres to the measures of other guidelines and measures of the relevant supervisory authorities. Therefore, the Bank and its subsidiary strictly operate under the corporate governance guidelines, the anti-corruption measures of the Institute of Directors as well as the Consolidated Supervision and Handbook of Directors of Financial Institutions of the Bank of Thailand. Indeed, good corporate governance practices not only enhance the credibility and reputation of the Bank but also promote the sustainable development of the economy as a whole.



Dr. Prasit Damrongchai

Chairman of the Nomination, Compensation
and Corporate Governance Committee

Analysis of Operating Results and Financial Position

Operating Results

Based on consolidated performance for the year ended 31 December 2018, the Bank & subsidiary's net profit was at Baht 1,912 million, an increase of Baht 101 million or 6 percent compared to 2017.

Net Interest income included front end fee income was at Baht 4,246 million, a decrease of Baht 217 million or 5 percent compared to 2017. The decrease was mainly from the increase in interest expenses of Baht 457 million or 12 percent, which due in part to the issuing of subordinated debenture.

In 2018, non interest income was at Baht 1,564 million, an increase of Baht 101 million or 7 percent from 2017. The increase was mainly from gain on disposal loans amount of Baht 158 million and gain on investment amount of Baht 131 million while decreasing in bad debt recovery and gain on disposals of assets amount of Baht 61 and 52 million respectively.

In 2018, other operating expense was at Baht 2,191 million, Baht 81 million or 4 percent higher than in 2017. The increase was mainly from personal expense.

In 2018, the Bank and its subsidiary recorded expenses related to bad debt, doubtful accounts and impairment losses in the amount of Baht 1,350 million, representing a decrease of Baht 410 million or 23 percent from 2017. The amount is higher than the regulatory requirements. The Bank conservatively set it in light of the uncertainty in the Thai and world economy.

(Unit: Million Baht)

Profit & Loss Statements	2018	2017	% change
Net interest income	4,246	4,464	(5)%
Non-interest income	1,564	1,463	7%
Total net interest income and non-interest income	5,810	5,927	(2)%
Total other operating expenses	(2,191)	(2,110)	(4)%
Operating profit	3,619	3,817	(5)%
Bad debt, doubtful accounts and impairment losses	(1,350)	(1,760)	23%
Profit before tax	2,269	2,057	10%
Income tax expense	(357)	(246)	(45)%
Profit after tax	1,912	1,811	6%

Financial Position

Total assets of the Bank and its subsidiary at the end of December 2018 was at Baht 228,826 million, increased by Baht 20,981 million or 10 percent compared to the end of 2017 mainly resulting from the increase in all earning assets especially investment and loan portfolio.

Interbank and money market items was at Baht 11,713 million, increased by Baht 3,307 million or 39 percent.

Total net investment was at Baht 74,178 million, increased by Baht 11,454 million or 18 percent.

Total loan to customers net of deferred revenue was at Baht 146,054 million, increased by Baht 6,725 million or 5 percent.

Total liabilities was at Baht 199,153 million, increased by Baht 19,331 million or 11 percent mainly contributed by the increase in interbank and money market items in the amount of Baht 11,604 million or 23 percent and debt issued and borrowing amount of Baht 5,717 million or 22 percent.

Shareholders' equity was at Baht 29,673 million, increased by Baht 1,650 million or 6 percent compared to the end of 2017 following continual increase in net profit which was fully allocated to retained earnings.

(Unit: Million Baht)

Key balance sheets items	31 Dec 2018	31 Dec 2017	% change
Interbank and money market items, net	11,713	8,406	39%
Investment, net	74,178	62,724	18%
Loans to customers net of deferred revenue	146,054	139,330	5%
Total assets	228,826	207,845	10%
Total liabilities	199,153	179,822	11%
Total equity	29,673	28,023	6%

Asset Quality

At the end of December 2018, the consolidated NPL amount was at Baht 1,832 million, decreased by Baht 108 million from end of 2017 and gross NPL ratio of the Bank and its subsidiary was 1.18 percent lower than 1.34 percent at the end of 2017. And the Bank and its subsidiary could maintain coverage ratio at high level to prevent all risks which may happen in the future as well as to well prepare for the new regulation, IFRS9.

Consolidated	31 Dec 2018		31 Dec 2017	
	MB	%	MB	%
NPLs to total loans ratio (before deduct allowance for doubtful accounts)	1,832	1.18%	1,940	1.34%

Capital Adequacy Ratio

As at 31 December 2018, the capital fund of the Bank and its subsidiary before deducting capital add-on arising from Single Lending Limit was Baht 35,521 million. The BIS ratio stood at 16.90 percent of capital fund to total risk weighted assets, which was higher than the Bank of Thailand's minimum requirement of 10.375 percent.

(Unit: Million Baht)

Capital funds	31 Dec 2018	31 Dec 2017
Tier 1 capital	28,016	26,290
Tier 2 capital	7,505	2,306
Total capital funds	35,521	28,596

(Unit: Percentage)

Capital ratios	31 Dec 2018	31 Dec 2017
Tier 1 capital to total risk weighted assets	13.33%	13.56%
Tier 2 capital to total risk weighted assets	3.57%	1.18%
Total capital/Total risk weighted assets	16.90%	14.74%

Independent Auditor's Report

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

Opinion

I have audited the consolidated and the Bank only financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiaries (the “Group”); and of Industrial and Commercial Bank of China (Thai) Public Company Limited (the “Bank”), respectively, which comprise the consolidated and the Bank only statements of financial position as at 31 December 2018, the consolidated and the Bank only statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and the Bank only financial statements present fairly, in all material respects, the financial position of the Group and of the Bank, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

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 Consolidated and the Bank only Financial Statements* section of my report. I am independent of the Group and the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and the Bank only 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and the Bank only financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and Bank only financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and the Bank only financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the Bank only financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Bank only Financial Statements

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

In preparing the consolidated and the Bank only financial statements, management is responsible for assessing the Group's 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 management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and the Bank only Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and the Bank only 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 consolidated and the Bank only financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and the Bank only 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's and of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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's 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 consolidated and the Bank only 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 consolidated and the Bank only financial statements, including the disclosures, and whether the consolidated and the Bank only 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 entities or business activities within the Group to express an opinion on the 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 those charged with governance 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.



(Chanchai Sukulkoedsin)

Certified Public Accountant Registration No. 6827

KPMG Phoomchai Audit Ltd. Bangkok

22 March 2019

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Bank only	
		31 December		31 December	
Assets		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Cash		440,283	366,817	439,540	365,989
Interbank and money market items, net	8, 33	11,712,578	8,405,746	11,403,230	8,224,854
Derivative assets	9, 33	284,525	524,708	284,525	524,708
Investments, net	10	74,178,297	62,724,200	74,178,297	62,724,200
Investments in subsidiaries and an associate, net	11, 12, 33	568,548	579,347	4,554,874	4,554,874
Loans to customers and accrued interest receivables, net	13, 33				
Loans to customers		151,470,612	144,709,945	110,470,257	105,550,911
Accrued interest receivables		285,218	246,485	287,615	248,564
Total loans to customers and accrued interest receivables		151,755,830	144,956,430	110,757,872	105,799,475
Less deferred revenue		(5,416,120)	(5,380,267)	(33,355)	(151,464)
Less allowance for doubtful accounts	13.4, 16	(8,060,704)	(7,377,749)	(4,126,331)	(4,300,434)
Less revaluation allowance for debt restructuring	17	(24,526)	(23,505)	(4,165)	(11,185)
Total loans to customers and accrued interest receivables, net		138,254,480	132,174,909	106,594,021	101,336,392
Properties foreclosed, net	18	681,810	694,630	669,048	675,741
Premises and equipment, net	19	150,757	147,670	139,211	134,495
Intangible assets, net	20	36,261	38,958	26,702	31,667
Leasehold right, net		122,463	133,108	122,463	133,108
Deferred tax assets, net	21	1,077,364	929,105	492,528	444,524
Accrued income, net	33	635,970	551,055	605,842	532,860
Receivables on credit support for derivative contracts		616	611	616	611
Other receivables, net		639,790	526,821	160,879	171,629
Other assets, net	22, 33	42,500	47,204	30,646	36,443
Total assets		228,826,242	207,844,889	199,702,422	179,892,095

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

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

Statement of financial position

	Note	Consolidated		Bank only	
		31 December		31 December	
Liabilities and equity		2018	2017	2018	2017
		(in thousand Baht)			
Liabilities					
Deposits	24, 33	102,139,499	100,349,041	102,142,131	100,349,517
Interbank and money market items	25, 33	61,542,069	49,938,121	61,542,069	49,938,121
Liabilities payable on demand		119,157	75,864	119,157	75,864
Derivative liabilities	9, 33	312,553	360,912	312,553	360,912
Debt issued and borrowings	26	32,036,912	26,320,202	4,985,815	116,000
Employee benefit obligations	27	235,866	215,642	197,058	184,271
Other provisions		115	1,815	-	1,700
Accrued interest payables	33	982,464	693,814	900,913	599,480
Payable on credit support for derivative contracts		1,623	130,400	1,623	130,400
Other liabilities	28, 33	1,782,773	1,735,978	1,138,598	1,030,389
Total liabilities		199,153,031	179,821,789	171,339,917	152,786,654
Equity					
Share capital	29				
Authorised share capital					
451,081 non-cumulative preference shares of Baht 8.92 each		4,024	4,024	4,024	4,024
2,256,510,117 ordinary shares of Baht 8.92 each		20,128,070	20,128,070	20,128,070	20,128,070
Issued and paid-up share capital					
451,081 non-cumulative preference shares of Baht 8.92 each		4,024	4,024	4,024	4,024
2,256,510,117 ordinary shares of Baht 8.92 each		20,128,070	20,128,070	20,128,070	20,128,070
Difference arising from business combination under common control	4	(24,849)	(24,849)	-	-
Other components of equity	31	104,498	369,458	105,580	370,780
Retained earnings					
Appropriated					
Legal reserve	30	1,100,000	600,000	1,100,000	600,000
Unappropriated		8,361,468	6,946,397	7,024,831	6,002,567
Equity attributable to the Bank's shareholders		29,673,211	28,023,100	28,362,505	27,105,441
Non-controlling interests		-	-	-	-
Total equity		29,673,211	28,023,100	28,362,505	27,105,441
Total liabilities and equity		228,826,242	207,844,889	199,702,422	179,892,095



(Mr. Shiqiang Lin)
Chief Executive Officer



(Mr. Zhisheng Xu)
Director

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

Statement of profit or loss and other comprehensive income

		Consolidated		Bank only	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Interest income	33, 37	8,405,151	8,166,037	6,402,392	5,824,702
Interest expense	33, 38	4,159,154	3,702,522	3,476,659	2,789,184
Net interest income		4,245,997	4,463,515	2,925,733	3,035,518
Fees and service income	33, 39	849,048	827,343	538,275	540,426
Fees and service expense	33, 39	120,108	121,883	115,753	120,208
Net fees and service income		728,940	705,460	422,522	420,218
Net trading income	40	118,116	154,717	117,407	235,824
Net gains on investments	41	164,694	34,008	164,694	34,008
Share of profit (losses) of investments in an associate	12	(1,644)	37,216	-	-
Gains on disposals of equipment, properties foreclosed and other assets		24,916	76,438	18,751	70,154
Bad debts recovered		319,646	380,245	14,614	71,232
Dividends income	33	9,969	11,255	17,743	28,101
Gains (losses) on disposals of non-performing loans		118,225	(39,862)	118,225	(39,862)
Other operating income	33	81,261	103,104	5,051	9,113
Total operating income		5,810,120	5,926,096	3,804,740	3,864,306
Other operating expenses					
Employee expenses	33	1,372,651	1,274,864	1,022,669	950,147
Directors' remuneration	33, 42	18,256	18,254	18,256	18,254
Premises and equipment expenses		217,668	209,947	157,785	147,913
Taxes and duties		202,965	168,506	183,929	149,688
Amortisation expense on intangible assets		7,091	6,693	5,095	5,396
Losses on properties foreclosed and other assets		60,575	95,850	16,698	21,438
Others		311,382	335,701	150,627	150,757
Total other operating expenses		2,190,588	2,109,815	1,555,059	1,443,593
Bad debts, doubtful accounts and impairment losses	43	1,349,688	1,759,590	325,241	660,994
Profit from operations before income tax		2,269,844	2,056,691	1,924,440	1,759,719
Income tax	44	357,745	246,112	407,896	366,897
Profit for the year		1,912,099	1,810,579	1,516,544	1,392,822

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

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

Statement of profit or loss and other comprehensive income

		Consolidated		Bank only	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income investments					
in an associate		(1,320)	(218)	-	-
Defined benefit plan actuarial gain		5,200	701	7,150	-
Income tax relating to items that will not be reclassified					
subsequently to profit or loss	44	(908)	(118)	(1,430)	-
		<u>2,972</u>	<u>365</u>	<u>5,720</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss					
Share of other comprehensive income investments					
in an associate		(60)	(1,442)	-	-
Net change in fair value of available-for-sale investments		(331,500)	(16,099)	(331,500)	(16,099)
Exchange differences on translating					
foreign operations		294	(4,313)	-	-
Income tax relating to items that will be reclassified					
subsequently to profit or loss	44	66,306	3,363	66,300	3,220
		<u>(264,960)</u>	<u>(18,491)</u>	<u>(265,200)</u>	<u>(12,879)</u>
Other comprehensive income for the year, net of income tax		<u>(261,988)</u>	<u>(18,126)</u>	<u>(259,480)</u>	<u>(12,879)</u>
Total comprehensive income for the year		<u>1,650,111</u>	<u>1,792,453</u>	<u>1,257,064</u>	<u>1,379,943</u>
Profit attributable to					
Shareholders of the Bank		1,912,099	1,738,304	1,516,544	1,392,822
Former shareholder before business combination					
under common control	4	-	72,275	-	-
Non-controlling interests		-	-	-	-
Profit for the year		<u>1,912,099</u>	<u>1,810,579</u>	<u>1,516,544</u>	<u>1,392,822</u>
Total comprehensive income attributable to					
Shareholders of the Bank		1,650,111	1,724,468	1,257,064	1,379,943
Former shareholder before business combination					
under common control	4	-	67,985	-	-
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		<u>1,650,111</u>	<u>1,792,453</u>	<u>1,257,064</u>	<u>1,379,943</u>
Earnings per share (in Baht)					
Shareholders of the Bank		0.85	0.77	0.67	0.62
Former shareholder before business combination					
under common control		-	0.03	-	-
Non-controlling interests		-	-	-	-
Basic earnings per share	45	<u>0.85</u>	<u>0.80</u>	<u>0.67</u>	<u>0.62</u>



(Mr. Shiqiang Lin)
Chief Executive Officer



(Mr. Zhisheng Xu)
Director

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

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated

	Note	Issued and paid-up share capital		Other components of equity				Retained earnings			Former shareholder before business combination under common control	Non - controlling interest	Total equity	
		Preference shares	Ordinary shares	Difference arising from business combinations under common control	Fair value changes in available-for-sale investments	Exchange differences on translating foreign operations	Share of other comprehensive income of investment in an associate	Total other components (in thousand Baht)	Legal reserve	Unappropriated				Total equity attributable to the Bank's shareholders
Year ended 31 December 2017														
Balance at 1 January 2017 - as reported		4,024	20,128,070	-	383,659	-	-	-	383,659	500,000	5,307,728	-	-	26,323,481
Effect from business combination under common control	4	-	-	-	-	-	-	-	-	-	-	(31,449)	-	(31,449)
Balance at 1 January 2017 - before business acquisition		4,024	20,128,070	-	383,659	-	-	-	383,659	500,000	5,307,728	(31,449)	-	26,292,032
Changes in interests from business combination under common control		-	-	-	-	-	-	-	-	-	-	-	-	-
Difference arising from business combination under common control	4	-	-	(24,849)	-	-	-	-	-	-	-	(24,849)	-	-
Dividends to former shareholder before business acquisition under common control		-	-	-	-	-	-	-	-	-	-	(61,385)	-	(61,385)
Total changes in interest from business combination under common control		-	-	-24,849	-	-	-	-	-	-	-	-24,849	-	(61,385)
Comprehensive income for the year		-	-	-	-	-	-	-	-	-	-	(36,536)	-	(36,536)
Profit for the year		-	-	-	-	-	-	-	-	-	-	1,738,304	-	1,738,304
Other comprehensive income, net of income tax	32, 44	-	-	-	(12,879)	(23)	(1,299)	(14,201)	(14,201)	-	365	(13,836)	-	(18,126)
Total comprehensive income for the year		-	-	-	(12,879)	(23)	(1,299)	(14,201)	(14,201)	-	1,738,669	1,724,468	-	1,792,453
Transfer to legal reserve		-	-	-	-	-	-	-	-	100,000	(100,000)	-	-	-
Balance at 31 December 2017		4,024	20,128,070	(24,849)	370,780	(23)	(1,299)	369,458	600,000	6,946,397	28,023,100	-	-	28,023,100
Year ended 31 December 2018														
Balance at 1 January 2018		4,024	20,128,070	(24,849)	370,780	(23)	(1,299)	369,458	600,000	6,946,397	28,023,100	-	-	28,023,100
Comprehensive income for the year		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of income tax	32, 44	-	-	-	(265,200)	294	(54)	(264,960)	-	1,912,099	1,912,099	(4,290)	-	1,912,099
Total comprehensive income for the year		-	-	-	(265,200)	294	(54)	(264,960)	-	2,972	(261,988)	-	-	(261,988)
Transfer to legal reserve		-	-	-	-	-	-	-	-	1,915,071	1,650,111	-	-	1,650,111
Balance at 31 December 2018		4,024	20,128,070	(24,849)	105,580	271	(1,353)	104,498	1,100,000	8,361,468	29,673,211	-	-	29,673,211

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

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

Statement of changes in equity

Bank only							
	Issued and paid-up share capital		Other components of equity		Retained earnings		Total equity
	Preference shares	Ordinary shares	Fair value changes in available-for-sale investments	Legal reserve	Unappropriated		
(in thousand Baht)							
Year ended 31 December 2017							
Balance at 1 January 2017	4,024	20,128,070	383,659	500,000	4,709,745		25,725,498
Comprehensive income for the year							
Profit for the year	-	-	-	-	1,392,822		1,392,822
Other comprehensive income, net of income tax	-	-	(12,879)	-	-		(12,879)
Total comprehensive income for the year	-	-	(12,879)	-	1,392,822		1,379,943
Transfer to legal reserve	-	-	-	100,000	(100,000)		-
Balance at 31 December 2017	4,024	20,128,070	370,780	600,000	6,002,567		27,105,441
Year ended 31 December 2018							
Balance at 1 January 2018	4,024	20,128,070	370,780	600,000	6,002,567		27,105,441
Comprehensive income for the year							
Profit for the year	-	-	-	-	1,516,544		1,516,544
Other comprehensive income, net of income tax	-	-	(265,200)	-	5,720		(259,480)
Total comprehensive income for the year	-	-	(265,200)	-	1,522,264		1,257,064
Transfer to legal reserve	-	-	-	500,000	(500,000)		-
Balance at 31 December 2018	4,024	20,128,070	105,580	1,100,000	7,024,831		28,362,505

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

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

Statement of cash flows

	Consolidated		Bank only	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	2,269,844	2,056,691	1,924,440	1,759,719
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	57,408	57,660	51,444	49,435
Bad debts, doubtful accounts and impairment losses	1,349,688	1,759,590	325,241	660,994
Losses of write-off of fixed assets	4,972	8	4,972	-
Gains on disposals of properties foreclosed	(19,653)	(71,604)	(13,401)	(65,321)
Losses on properties foreclosed	55,604	95,850	11,726	21,438
Gains on investments	(164,694)	(34,008)	(164,694)	(34,008)
Losses (gains) on disposal of non-performing loans	(118,225)	39,862	(118,225)	39,862
Proceeds from disposal of non-performing loans	475,456	100,071	475,456	100,071
Gains on sales of equipment	(5,263)	(4,834)	(5,349)	(4,833)
Net trading income	(118,116)	(154,716)	(117,407)	(235,824)
Employee benefit obligations	25,424	36,016	19,937	28,404
Provisions for other liabilities	(1,700)	-	(1,700)	-
Share of losses (profit) of investments in an associate	1,644	(38,878)	-	-
Net interest income	(4,245,997)	(4,463,515)	(2,925,733)	(3,035,518)
Dividend income	(9,969)	(11,255)	(17,743)	(28,101)
Proceeds from interest	6,514,919	6,411,872	4,516,433	4,071,676
Interest paid	(3,044,115)	(2,663,279)	(3,041,599)	(2,659,445)
Proceeds from dividend	9,969	11,255	9,969	11,255
Income tax paid	(473,155)	(438,950)	(425,709)	(427,751)
<i>Profit from operations before changes in operating assets and liabilities</i>	2,564,041	2,687,836	508,058	252,053
<i>Decrease (increase) in operating assets</i>				
Interbank and money market items	(3,235,658)	(2,161,314)	(3,107,201)	(2,158,990)
Derivative assets	480,317	98,782	479,607	173,318
Loans to customers	(7,775,782)	(12,380,156)	(5,929,076)	-8,109,676
Properties foreclosed	(22,024)	57,053	9,475	112,317
Receivables on credit support for derivative contracts	(4)	14,295	(4)	14,295
Fee receivable	(11,932)	275	-	-
Other receivables	(112,969)	(185,281)	10,750	(630)
Other assets	1,869	(1,447)	2,961	(9,869)

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

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiaries**Statement of cash flows**

	Consolidated		Bank only	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Increase (decrease) in operating liabilities</i>				
Deposits	1,790,458	8,325,518	1,792,614	8,325,475
Interbank and money market items	11,603,948	14,498,995	11,603,948	14,498,995
Liabilities payable on demand	43,293	30,733	43,293	30,733
Derivative liabilities	(170,376)	79,804	(170,376)	90,942
Accrued expense	9,717	60,244	7,808	52,348
Payable on credit support for derivative contracts	(128,778)	130,400	(128,778)	130,400
Other liabilities	70,831	(130,539)	131,771	(247,580)
Net cash from operating activities	5,106,951	11,125,198	5,254,850	13,154,131
<i>Cash flows from investing activities</i>				
Interest received	1,661,864	1,470,459	1,661,864	1,470,459
Dividend received	7,775	16,845	7,775	16,845
Increase in long-term investments	(11,550,262)	(11,979,989)	(11,550,262)	(11,981,650)
Proceeds from asset disposal	6,123	4,834	5,732	4,833
Purchases of equipment	(43,098)	-50,669	(42,466)	(51,514)
Purchases of intangible assets	(4,394)	(9,684)	(130)	(5,482)
Net cash used in investing activities	(9,921,992)	(10,548,204)	(9,917,487)	(10,546,509)
<i>Cash flows from financing activities</i>				
Proceeds from debt issued and borrowings	41,536,667	36,580,403	5,000,000	363,000
Repayment of debt issued and borrowings	(35,819,957)	(35,964,270)	(130,185)	(2,981,196)
Interest paid from debt issued and borrowings	(826,389)	(1,192,194)	(133,627)	(58,372)
Finance lease payments	(2,108)	(4,031)	-	-
Dividends to former shareholder before business acquisition under common control	-	(61,385)	-	-
Net cash from (used in) financing activities	4,888,213	(641,477)	4,736,188	(2,676,568)
Exchange differences on translating of foreign operations	294	(4,313)	-	-
Net increase in cash	73,466	(68,796)	73,551	(68,946)
Cash at 1 January	366,817	435,613	365,989	434,935
Cash at 31 December	440,283	366,817	439,540	365,989

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

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 March 2019.

1 General information

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

The parent company during the financial period was Industrial and Commercial Bank of China Limited (97.86% shareholding), which is incorporated in the People’s Republic of China.

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

Details of the Bank’s subsidiaries as at 31 December 2018 and 2017 are given in notes 11 and 33.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TRFS); guidelines promulgated by the Federation of Accounting Professions; and presented as prescribed by the Bank of Thailand (BoT) Notification Number Sor Nor Sor 21/2558, directive dated 4 December 2015, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRSs has resulted in changes in certain of the Bank and its subsidiaries’ accounting policies. These changes have no material effect on the financial statements.

In addition, a number of new and revised TFRSs are not yet effective for current periods. The Bank and its subsidiaries have not early adopted these standards in preparing these financial statements. Those new and revised TFRSs that are relevant to the Bank and its subsidiaries’ operations become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020

* TFRSs - Financial instruments standards

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TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 18 (revised 2017) *Revenue*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

The Bank and its subsidiaries have made a preliminary assessment of the potential impact of adopting and initially applying TFRS 15 on the consolidated and bank only financial statements and expects that there will be no material impact on the consolidated and bank only financial statements in the period of initial application.

TFRSs - Financial instruments standards

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRSs Financial instruments standards on the consolidated and bank only financial statements.

(b) *Basis of measurement*

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

<i>Items</i>	<i>Measurement bases</i>
Derivatives	Fair value
Available-for-sale investments	Fair value
Investment in an associate is accounted for in the consolidated financial statements	Equity method

(c) *Functional and presentation currency*

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

(d) *Use of judgments and estimates*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amount of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 3 (v)	Income tax
Note 6	Fair value of financial assets and liabilities
Note 9	Derivatives
Note 16	Allowance for doubtful accounts
Note 32	Contingent liabilities and Commitments

Measurement of fair values

A number of the Bank and its subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This includes Portfolio Risk Management Department that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the management of Finance and Strategy Division and Risk Management Division.

The Portfolio Risk Management Department regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes, is used to measure fair values, then the Portfolio Risk Management Department assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRSs, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Bank and its subsidiaries' Executive Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 6 - Fair value of financial assets and liabilities

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3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements related to the Bank and its subsidiaries (together referred to as the “Group”) and its interests in an associate.

Business combinations under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholders’ equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Bank. The Bank controls an entity when it 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 Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Bank measures any non-controlling interests at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Bank’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the (Group) Bank loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The (Group) interests in an equity-accounted investee comprises interests in an associate.

An associate is the entity in which the (Group) has significant influence, but not control, over the financial and operating policies.

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Interests in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Bank's share of the profit or loss and other comprehensive income of an equity-accounted investee, until the date on which significant influence ceases.

Transactions eliminated on consolidation

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

(b) Income

Interest and discounts on loans

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

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

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

Income from factoring

Fee income from factoring are recognised when the customer has made a factoring agreement and recognised interest income from factoring by time proportion.

Hire purchase and finance lease income

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

Interest and dividends on investments

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

Gains (losses) on investments

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

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Gains (losses) on derivatives trading

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

Fees and service income

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

(c) Expenses

Interest expenses

Interest expenses are recognised as expense on an accrual basis.

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

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

Other expenses

Other expenses are recognised on an accrual basis.

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

The Bank enters into agreements to purchase securities or to sell securities that include agreements to sell or purchase the securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased, subject to resale commitments, are presented as assets under the caption of “Interbank and money market items” in the statements of financial position, and the underlying securities are treated as collateral to the receivables. Securities sold, subject to repurchase commitments, are presented as liabilities under the caption of “Interbank and money market items” in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

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

(e) Derivatives

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

Trading Book

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

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

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Banking Book

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

- (a) The currency exchange components are translated at the exchange rates ruling as at the end of the reporting period. Unrealised gains or losses on translation are recognised as income or expense in profit or loss. Forward points are amortised on a straight-line basis over the contract periods and recognised as income or expense in profit or loss.
- (b) Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets or liabilities. Interest income or interest expense is recognised over the term of the contract periods as income or expense in profit or loss.

(f) Cash

Cash comprises of cash on hand and cash on collection.

(g) Investments

Investments in an associate and subsidiaries

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

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

Investments in other debt and equity securities

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

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

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

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Recognition

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

Disposal of investments

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

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

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

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

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

(h) Loans to customers

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

Hire purchase receivables and finance lease receivables

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

Factoring receivables

Factoring receivables are stated at the outstanding debt balance net of unearned factoring income, which are net of allowance for doubtful accounts.

(i) Allowance for doubtful accounts

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

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The subsidiaries provide an allowance for doubtful accounts is computed by using collective approach basis based on historical loss for receivables that are classified as Pass, Special mention and Non-performing loans to customers which are classified as Sub-standard, Doubtful and Doubtful of loss. Such rates are determined taking into considerations the probability of the loans becoming Non-performing loans and the loss rates if those loans are not recovered in full.

At the end of each reporting period, the adequacy of allowance for doubtful accounts is reviewed taking into consideration of the Bank's past collection experience and the current status of debtors.

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

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

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

(j) *Troubled debt restructuring*

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

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

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

(k) *Properties foreclosed*

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

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

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

(I) Premises and equipment

Recognition and measurement

Owned assets

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

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

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Leased assets

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

Subsequent costs

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

Depreciation

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

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

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

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No depreciation is provided on freehold land.

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

Disposal

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

(m) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

Computer softwares	5 - 10	years
Deferred license fee	10	years

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

(n) Leasehold rights

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

(o) Sales of commercial papers

Commercial papers sold at a discount without recourse are recorded by crediting the “Notes receivables” account.

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

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(p) Impairment

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

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

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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

Reversals of impairment

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

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

(q) Interest-bearing liabilities

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

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(r) Employee benefits

Post-employment benefits

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

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Bank and its subsidiaries treat the severance payments to employees upon retirement under labour law as post-employment retirement benefit plan.

The Bank and its subsidiaries' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

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

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Bank and its subsidiaries determine the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank and its subsidiaries recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank and its subsidiaries have a present legal or constructive obligation to pay this amount as a result of past service provided by employee and the obligation can be estimated reliably.

(s) Provisions

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

Litigation

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

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(t) Foreign currencies

Foreign currency transactions

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

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

Foreign entity

The financial statements of foreign entity are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting dates. Foreign exchange differences arising on translation is recognised in other comprehensive income until dissolution of the foreign entity's business.

(u) Lease payments

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

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

(v) Income tax

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) *Derecognition of financial assets*

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

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

(x) *Earnings per share*

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

(y) *Segment reporting*

Segment results that are reported to the Bank's Executive Committee (the Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(z) *Offsetting*

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

4 *Business combinations under common control*

On 13 December 2017, the Bank obtained an approval from the Bank of Thailand to permit ICBC (Thai) Leasing Company Limited, the Bank's direct subsidiary, to own or acquire the share of Sky High LI Leasing Designated Activity Company Limited.

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On 21 December 2017, the Board of Directors meeting of the Bank approved the purchase of 1 share (equivalent to 100% shareholding) in Sky High LI Leasing Designated Activity Company Limited at a price of Euro 1 (equivalent to Baht 39) through ICBC (Thai) Leasing Company Limited from ICBCIL Aviation Company Limited, a company under a common control of the ultimate parent company.

On 28 December 2017, ICBC (Thai) Leasing Company Limited entered into a share purchase agreement at the purchase price of Euro 1 (equivalent to Baht 39). As a result, Sky High LI Leasing Designated Activity Company Limited became an indirect subsidiary of the Bank.

The consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of the share purchased are accounted for at book values as similar to pooling of interests method. The difference between the consideration paid and the carrying amount of net assets are presented as “difference arising from business combination under common control”.

5 Financial risk management

Financial risk management policies

The Executive Committee has established a risk management framework covering the Bank and its subsidiaries to ensure risks are effectively managed on an ongoing basis. The Executive Committee has set up a Risk Management Committee governing the Bank and its subsidiaries which reports regularly to the Executive Committee on their activities.

(a) Credit risk

Credit risk is the risk that a party to a financial agreement fails to honour an obligation and consequently causes the Bank and its subsidiaries to incur a financial loss. The Bank and its subsidiaries have disclosed significant concentrations of credit risk in Note 13.3 to the financial statements. The maximum amount of credit risk exposure is the carrying amount of the financial assets less provision for losses as stated in the statements of financial position. The risk from off-financial position items is presented in Note 32.1 to the financial statements.

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

(b) Interest rate risk

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

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

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As at 31 December 2018 and 2017, significant financial assets and liabilities classified by types of interest rates are as follows:

	Consolidated			Total
	2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	<i>(in million Baht)</i>			
Financial assets				
Cash	-	-	440	440
Interbank and money market items, net	62	9,317	2,334	11,713
Investments, net	876	73,098	204	74,178
Loans to customers ⁽¹⁾	73,327	70,895	1,832	146,054
Total financial assets	74,265	153,310	4,810	232,385
Financial liabilities				
Deposits	14,402	87,096	642	102,140
Interbank and money market items	32,688	28,364	490	61,542
Liabilities payable on demand	-	-	119	119
Debt issued and borrowings	-	32,037	-	32,037
Total financial liabilities	47,090	147,497	1,251	195,838

⁽¹⁾ Net of deferred revenue

	Consolidated			Total
	2017			
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	<i>(in million Baht)</i>			
Financial assets				
Cash	-	-	367	367
Interbank and money market items, net	36	6,585	1,785	8,406
Investments, net	229	62,131	364	62,724
Loans to customers ⁽¹⁾	71,678	65,712	1,940	139,330
Total financial assets	71,943	134,428	4,456	210,827
Financial liabilities				
Deposits	13,583	86,355	411	100,349
Interbank and money market items	1,863	47,820	255	49,938
Liabilities payable on demand	-	-	76	76
Debt issued and borrowings	-	26,320	-	26,320
Total financial liabilities	15,446	160,495	742	176,683

⁽¹⁾ Net of deferred revenue

	Bank only			Total
	2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	<i>(in million Baht)</i>			
Financial assets				
Cash	-	-	440	440
Interbank and money market items, net	2	9,317	2,084	11,403
Investments, net	876	73,098	204	74,178
Loans to customers ⁽¹⁾	72,908	36,660	869	110,437
Total financial assets	73,786	119,075	3,597	196,458

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	Bank only			
	2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
Financial liabilities				
Deposits	14,404	87,096	642	102,142
Interbank and money market items	32,688	28,364	490	61,542
Liabilities payable on demand	-	-	119	119
Debt issued and borrowings	-	4,986	-	4,986
Total financial liabilities	47,092	120,446	1,251	168,789

⁽¹⁾ Net of deferred revenue

	Bank only			
	2017			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	(in million Baht)			
Financial assets				
Cash	-	-	366	366
Interbank and money market items, net	-	6,585	1,640	8,225
Investments, net	229	62,131	364	62,724
Loans to customers ⁽¹⁾	69,852	34,085	1,462	105,399
Total financial assets	70,081	102,801	3,832	176,714

Financial liabilities				
Deposits	13,584	86,355	411	100,350
Interbank and money market items	1,863	47,820	255	49,938
Liabilities payable on demand	-	-	76	76
Debt issued and borrowings	-	116	-	116
Total financial liabilities	15,447	134,291	742	150,480

⁽¹⁾ Net of deferred revenue

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

	Consolidated							
	2018							
	At call	Within 3 months	Reprice/maturity	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total
			Over 3 months to 1 year					
<i>(in million Baht)</i>								
Financial assets								
Cash	-	-	-	-	-	440	-	440
Interbank and money market items, net	63	4,432	450	4,434	-	2,334	-	11,713
Investment, net	-	10,181	19,310	40,405	4,078	204	-	74,178
Loans to customers ⁽¹⁾	1,992	90,411	14,153	35,253	2,413	-	1,832	146,054
Total financial assets	2,055	105,024	33,913	80,092	6,491	2,978	1,832	232,385

⁽¹⁾ Net of deferred revenue

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Consolidated								
2018								
	At call	Within 3 months	Reprice/maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total
	(in million Baht)							
Financial liabilities								
Deposits	17,623	55,576	25,083	3,216	-	642	-	102,140
Interbank and money market items	189	24,220	4,100	32,481	62	490	-	61,542
Liabilities payable on demand	-	-	-	-	-	119	-	119
Debt issued and borrowings	-	4,488	8,348	12,215	6,986	-	-	32,037
Total financial liabilities	17,812	84,284	37,531	47,912	7,048	1,251	-	195,838

Consolidated								
2017								
	At call	Within 3 months	Reprice/maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	367	-	367
Interbank and money market items, net	36	5,559	379	647	-	1,785	-	8,406
Investment, net	-	3,849	11,514	44,467	2,530	364	-	62,724
Loans to customers ⁽¹⁾	44	86,015	17,321	31,613	2,397	-	1,940	139,330
Total financial assets	80	95,423	29,214	76,727	4,927	2,516	1,940	210,827
Financial liabilities								
Deposits	17,029	55,996	25,751	1,162	-	411	-	100,349
Interbank and money market items	281	40,437	8,064	683	218	255	-	49,938
Liabilities payable on demand	-	-	-	-	-	76	-	76
Debt issued and borrowings	-	6,264	3,694	14,364	1,998	-	-	26,320
Total financial liabilities	17,310	102,697	37,509	16,209	2,216	742	-	176,683

⁽¹⁾ Net of deferred revenue

Bank only								
2018								
			Reprice/maturity					
	At call	Within 3	Over 3	Over 1 year	Over 5	Non-interest	Non-performing	Total
		months	months	to 5 years	years	bearing	assets	
			to 1 year					
(in million Baht)								
Financial assets								
Cash	-	-	-	-	-	440	-	440
Interbank and money								
market items, net	2	4,432	450	4,434	-	2,085	-	11,403
Investments, net	-	10,181	19,310	40,405	4,078	204	-	74,178
Loans to customers ⁽¹⁾	3,217	87,060	7,452	11,717	122	-	869	110,437
Total financial assets	3,219	101,673	27,212	56,556	4,200	2,729	869	196,458

⁽¹⁾ Net of deferred revenue

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	Bank only							
	2018							
			Reprice/maturity Over 3					
	At call	Within 3 months	months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total
	(in million Baht)							
Financial liabilities								
Deposits	17,625	55,576	25,083	3,216	-	642	-	102,142
Interbank and money market items	189	24,220	4,100	32,481	62	490	-	61,542
Liabilities payable on demand	-	-	-	-	-	119	-	119
Debt issued and borrowings	-	-	-	-	4,986	-	-	4,986
Total financial liabilities	17,814	79,796	29,183	35,697	5,048	1,251	-	168,789

	Bank only							
	2017							
	At call	Within 3 months	Reprice/maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total
	(in million Baht)							
Financial assets								
Cash	-	-	-	-	-	366	-	366
Interbank and money market items, net	-	5,559	379	647	-	1,640	-	8,225
Investments, net	-	3,849	11,514	44,467	2,530	364	-	62,724
Loans to customers ⁽¹⁾	1,075	83,312	9,984	9,426	140	-	1,462	105,399
Total financial assets	1,075	92,720	21,877	54,540	2,670	2,370	1,462	176,714
Financial liabilities								
Deposits	17,030	55,996	25,751	1,162	-	411	-	100,350
Interbank and money market items	281	40,437	8,064	683	218	255	-	49,938
Liabilities payable on demand	-	-	-	-	-	76	-	76
Debt issued and borrowings	-	116	-	-	-	-	-	116
Total financial liabilities	17,311	96,549	33,815	1,845	218	742	-	150,480

(1) Net of deferred revenue

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The average balances of the significant financial assets and liabilities generating revenues and incurring expenses, calculated based on the average balances outstanding during the years, and the average interest rates for the years ended 31 December 2018 and 2017 can be summarised as follows:

	2018			Consolidated		
	Average Balances ⁽¹⁾ (in million Baht)	Interest	Average interest rate (%)	Average Balances ⁽¹⁾ (in million Baht)	Interest	Average interest rate (%)
Financial assets						
Interbank and money market items (Assets)	11,814	203	1.72	9,829	172	1.75
Investments	68,663	1,795	2.61	58,997	1,687	2.86
Loans to customers	147,762	6,407	4.34	136,811	6,138	4.49
Financial liabilities						
Deposits	104,209	1,436 ⁽²⁾	1.38	99,696	1,464 ⁽²⁾	1.47
Interbank and money market items (Liabilities)	53,728	1,394	2.59	39,921	776	1.94
Debt issued and borrowings	30,192	818	2.71	29,348	836	2.85

⁽¹⁾ Calculated by average of month end balance

⁽²⁾ Excluding contributions to Deposit Protection Agency and Bank of Thailand

	2018			Bank only		
	Average Balances ⁽¹⁾ (in million Baht)	Interest	Average interest rate (%)	Average Balances ⁽¹⁾ (in million Baht)	Interest	Average interest rate (%)
Financial assets						
Interbank and money market items (Assets)	11,540	203	1.76	9,693	172	1.77
Investments	68,663	1,795	2.61	58,997	1,687	2.86
Loans to customers	107,935	4,404	4.08	97,942	3,966	4.05
Financial liabilities						
Deposits	104,210	1,436 ⁽²⁾	1.38	99,696	1,464 ⁽²⁾	1.47
Interbank and money market items (Liabilities)	53,642	1,391	2.59	39,767	772	1.94
Debt issued and borrowings	3,854	138	3.57	2,389	51	2.13

⁽¹⁾ Calculated by average of month end balance

⁽²⁾ Excluding contributions to Deposit Protection Agency and Bank of Thailand

(c) Liquidity risk

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

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

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

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

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

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

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

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

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

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

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

According to BoT Notification Number Sor Nor Sor 2/2561, dated 25 January 2018, the Bank is required to disclose Liquidity Coverage Ratio (LCR) in the Bank's website. The Bank will disclose the LCR of the Bank as at 31 December 2018 in the Bank's website, www.icbcthai.com, under Financial Report section, within April 2019.

As at 31 December 2018 and 2017, significant financial assets and liabilities are classified according to their remaining maturity as follows:

	Consolidated 2018							Total
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Non-performing assets	
Financial assets								
Cash	-	-	-	-	-	440	-	440
Interbank and money market items, net	2,397	4,432	450	4,434	-	-	-	11,713
Investments, net	-	9,305	19,309	41,282	4,078	204	-	74,178
Loans to customers ⁽¹⁾	1,996	27,677	20,866	78,741	14,942	-	1,832	146,054
Total financial assets	4,393	41,414	40,625	124,457	19,020	644	1,832	232,385
Financial liabilities								
Deposits	18,265	55,576	25,083	3,216	-	-	-	102,140
Interbank and money market items	679	24,220	4,100	32,481	62	-	-	61,542
Liabilities payable on demand	119	-	-	-	-	-	-	119
Debt issued and borrowings	-	4,488	8,348	12,215	6,986	-	-	32,037
Total financial liabilities	19,063	84,284	37,531	47,912	7,048	-	-	195,838

⁽¹⁾ Net of deferred revenue

	Consolidated 2017							Total
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Non-performing assets	
Financial assets								
Cash	-	-	-	-	-	367	-	367
Interbank and money market items, net	1,821	5,559	379	647	-	-	-	8,406
Investments, net	-	3,620	11,514	44,696	2,530	364	-	62,724
Loans to customers ⁽¹⁾	105	26,307	30,633	65,340	15,005	-	1,940	139,330
Total financial assets	1,926	35,486	42,526	110,683	17,535	731	1,940	210,827

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Consolidated								
2017								
	Maturity							
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Non-performing assets	Total
	(in million Baht)							
Financial liabilities								
Deposits	17,440	55,996	25,751	1,162	-	-	-	100,349
Interbank and money market items	536	40,437	8,064	683	218	-	-	49,938
Liabilities payable on demand	76	-	-	-	-	-	-	76
Debt issued and borrowings	-	6,264	3,694	14,364	1,998	-	-	26,320
Total financial liabilities	18,052	102,697	37,509	16,209	2,216	-	-	176,683

⁽¹⁾ Net of deferred revenue

Bank only								
2018								
	At call	Within 3 months	Maturity Over 3 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Non-performing assets	Total
Financial assets								
Cash	-	-	-	-	-	440	-	440
Interbank and money market items, net	2,087	4,432	450	4,434	-	-	-	11,403
Investments, net	-	9,305	19,309	41,282	4,078	204	-	74,178
Loans to customers ⁽¹⁾	3,221	24,074	17,772	53,473	11,028	-	869	110,437
Total financial assets	5,308	37,811	37,531	99,189	15,106	644	869	196,458
Financial liabilities								
Deposits	18,267	55,576	25,083	3,216	-	-	-	102,142
Interbank and money market items	679	24,220	4,100	32,481	62	-	-	61,542
Liabilities payable on demand	119	-	-	-	-	-	-	119
Debt issued and borrowings	-	-	-	-	4,986	-	-	4,986
Total financial liabilities	19,065	79,796	29,183	35,697	5,048	-	-	168,789

⁽¹⁾ Net of deferred revenue

Bank only								
2017								
	At call	Within 3 months	Maturity Over 3 months to 1 year	Over 1 year to 5 years (in million Baht)	Over 5 years	No maturity	Non-performing assets	Total
Financial assets								
Cash	-	-	-	-	-	366	-	366
Interbank and money market items, net	1,640	5,559	379	647	-	-	-	8,225
Investments, net	-	3,620	11,514	44,696	2,530	364	-	62,724
Loans to customers ⁽¹⁾	1,136	23,454	22,969	43,611	12,767	-	1,462	105,399
Total financial assets	2,776	32,633	34,862	88,954	15,297	730	1,462	176,714

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	Bank only 2017							Total
	At call	Within 3 months	Maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Non-performing assets	
	<i>(in million Baht)</i>							
Financial liabilities								
Deposits	17,441	55,996	25,751	1,162	-	-	-	100,350
Interbank and money market items	536	40,437	8,064	683	218	-	-	49,938
Liabilities payable on demand	76	-	-	-	-	-	-	76
Debt issued and borrowings	-	116	-	-	-	-	-	116
Total financial liabilities	18,053	96,549	33,815	1,845	218	-	-	150,480

⁽¹⁾ Net of deferred revenue

(d) Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities. Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to hedge this foreign exchange exposure through management of its net foreign exchange position and operating in accordance with a risk management policy.

The Bank and its subsidiaries' significant foreign currency position as at 31 December 2018 and 31 December 2017 can be summarised as follows:

	Consolidated 2018					Total
	US dollar	Renminbi	Yen <i>(in million Baht)</i>	Euro	Others	
Financial assets						
Cash	-	11	-	-	-	11
Interbank and money market items, net	4,301	438	17	43	43	4,842
Investments, net	27,721	-	-	5,012	-	32,733
Loans to customers ⁽¹⁾	23,917	2,341	-	6,417	-	32,675
Total financial assets	55,939	2,790	17	11,472	43	70,261
Financial liabilities						
Deposits	1,791	1,529	11	37	2	3,370
Interbank and money market items	30,143	2,689	5,076	12,311	-	50,219
Total financial liabilities	31,934	4,218	5,087	12,348	2	53,589
Avals to bill and guarantee on loan	3	-	-	-	907	910
Letters of credit	74	18	-	-	-	92
Other contingencies	579	18	-	175	-	772
Derivatives held for risk management	(23,678)	1,590	5,076	902	-	(16,110)
Average exchange rate (Baht per 1 foreign currency unit)	32.4498	4.7237	0.2931	37.1252		

⁽¹⁾ Net of deferred revenue

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	US dollar	Renminbi	Consolidated 2017		Others	Total
			Yen	Euro		
			(in million Baht)			
Financial assets						
Cash	-	7	-	-	-	7
Interbank and money market items, net	1,221	330	10	25	50	1,636
Investments, net	23,694	700	-	4,293	-	28,687
Loans to customers ⁽¹⁾	28,279	1,057	2	5,063	-	34,401
Total financial assets	53,194	2,094	12	9,381	50	64,731
Financial liabilities						
Deposits	1,439	1,362	11	54	4	2,870
Interbank and money market items	33,040	1,263	-	1,093	-	35,396
Total financial liabilities	34,479	2,625	11	1,147	4	38,266
Avals to bill and guarantee on loan	(7)	-	-	-	(812)	(819)
Letters of credit	(292)	(5)	-	-	-	(297)
Other contingencies	(1,362)	(33)	-	(179)	-	(1,574)
Derivatives held for risk management	(18,701)	561	5	(8,240)	(6)	(26,381)
Average exchange rate (Baht per 1 foreign currency unit)	32.6809	5.0145	0.2898	39.0273		

⁽¹⁾ Net of deferred revenue

	US dollar	Renminbi	Bank only 2018		Others	Total
			Yen	Euro		
			(in million Baht)			
Financial assets						
Cash	-	11	-	-	-	11
Interbank and money market items, net	4,091	438	17	43	43	4,632
Investments, net	27,721	-	-	5,012	-	32,733
Loans to customers ⁽¹⁾	24,061	2,341	-	6,417	-	32,819
Total financial assets	55,873	2,790	17	11,472	43	70,195
Financial liabilities						
Deposits	1,791	1,529	11	37	2	3,370
Interbank and money market items	30,143	2,689	5,076	12,311	-	50,219
Total financial liabilities	31,934	4,218	5,087	12,348	2	53,589
Avals to bill and guarantee on loan	3	-	-	-	907	910
Letters of credit	74	18	-	-	-	92
Other contingencies	579	18	-	175	-	772
Derivatives held for risk management	(23,678)	1,590	5,076	902	-	(16,110)
Average exchange rate (Baht per 1 foreign currency unit)	32.4498	4.7237	0.2931	37.1252		

⁽¹⁾ Net of deferred revenue

	US dollar	Renminbi	Bank only 2017		Others	Total
			Yen	Euro		
			(in million Baht)			
Financial assets						
Cash	-	7	-	-	-	7
Interbank and money market items, net	1,132	330	10	25	50	1,547
Investments, net	23,694	700	-	4,293	-	28,687
Loans to customers ⁽¹⁾	28,319	1,057	2	5,063	-	34,441
Total financial assets	53,145	2,094	12	9,381	50	64,682
Financial liabilities						
Deposits	1,439	1,362	11	54	4	2,870
Interbank and money market items	33,040	1,263	-	1,093	-	35,396
Total financial liabilities	34,479	2,625	11	1,147	4	38,266

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	US dollar	Renminbi	Bank only 2017		Others	Total
			Yen	Euro		
			<i>(in million Baht)</i>			
Avals to bill and guarantee on loan	(7)	-	-	-	(812)	(819)
Letters of credit	(292)	(5)	-	-	-	(297)
Other contingencies	(1,362)	(33)	-	(179)	-	(1,574)
Derivatives held for risk management	(18,701)	561	5	(8,240)	(6)	(26,381)
Average exchange rate						
(Baht per 1 foreign currency unit)	32.6809	5.0145	0.2898	39.0273		
⁽¹⁾ Net of deferred revenue						

Derivatives

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

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

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

	Consolidated and Bank only 2018		Consolidated and Bank only 2017	
	Notional amount	Maturity	Notional amount	Maturity
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Interest rate swap contracts				
Receive floating interest rates and pay fixed interest rates	25,686	2019 - 2028	11,236	2018 - 2027

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

	Consolidated and Bank only 2018		Consolidated and Bank only 2017	
	Notional amount	Maturity	Notional amount	Maturity
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Cross currency interest rate swap contracts				
Receive interest at a floated rate on US Dollar notional amounts and to pay interest at a fixed rate on Euro notional amounts	4,052	2021	4,081	2021
Receive interest at a floated rate on Euro notional amounts and to pay interest at a fixed rate on US Dollar notional amounts	3,935	2021 - 2022	-	-

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	Consolidated and Bank only			
	2018		2017	
	Notional amount (in million Baht)	Maturity	Notional amount (in million Baht)	Maturity
Receive interest at a floated rate on Euro notional amounts and to pay interest at a floated rate on US Dollar notional amounts	5,012	2021 - 2022	-	-
Receive interest at a floated rate on US Dollar notional amounts and to pay interest at a fixed rate on Thai Baht notional amounts	2,185	2019	-	-
Receive interest at a fixed rate on Thai Baht notional amounts and to pay interest at a floated rate on US Dollar notional amounts	2,185	2019	-	-

As at 31 December 2018 and 2017, financial derivatives are classified by their remaining maturities as follows:

		Consolidated and Bank only				
	Not over 1 year	2018 Over 1 year	Total	Not over 1 year	2017 Over 1 year	Total
			in million Baht			
Forward exchange contracts						
Bought	16,349	-	16,349	8,794	-	8,794
Sold	19,272	-	19,272	28,186	-	28,186
Interest rate swap contracts						
	2,150	23,536	25,686	1,700	9,536	11,236
Cross currency and interest rate swap contracts						
Bought	2,185	12,999	15,184	-	4,081	4,081
Sold	2,185	-	2,185	-	-	-

6 Fair value of financial assets and liabilities

6.1 Financial assets and liabilities measured at fair value

Fair values of financial assets and liabilities shown in the consolidated and the Bank only statement of financial position as at 31 December 2018 and 2017 are as follows:

	Consolidated and Bank only			
	2018			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets (Trading book)				
- Foreign exchange rate	-	14	-	14
- Foreign exchange and interest rate	-	102	-	102
Available-for-sale securities	202	34,415	-	34,617

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Consolidated and Bank only			
2018			
Fair value			
Level 1	Level 2	Level 3	Total
(in million Baht)			

Financial liabilities

Derivatives liabilities (Trading book)

- Foreign exchange rate	-	12	-	12
- Foreign exchange and interest rate	-	102	-	102

Consolidated and Bank only

2017			
Fair value			
Level 1	Level 2	Level 3	Total
(in million Baht)			

Financial assets

Derivatives assets (Trading book)

- Foreign exchange rate	-	54	-	54
Available-for-sale securities	273	28,556	-	28,829

Financial liabilities

Derivatives liabilities (Trading book)

- Foreign exchange rate	-	52	-	52
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6.2 Financial assets and liabilities not measured at fair value

The following tables analyse financial assets and liabilities not measured at fair value at 31 December 2018 and 2017, by the level in the fair value hierarchy into which the fair value measurement is categorised.

		Consolidated			
		2018			
		Fair value			
Carrying value		Level 1	Level 2	Level 3	Total
(in million Baht)					
Financial assets					
Interbank and money market items, net	11,713	-	11,713	-	11,713
Derivatives assets (Banking book)	169	-	238	-	238
Investment, net ⁽¹⁾	39,562	-	39,408	6	39,414
Loans to customers ^{(2) (3)}	106,610	-	-	106,435	106,435
Receivables on credit support for derivative contracts	1	-	1	-	1
Financial liabilities					
Deposits	102,140	-	102,141	-	102,141
Interbank and money market items	61,542	-	61,535	-	61,535
Derivatives liabilities (Banking book)	198	-	280 ⁽⁴⁾	-	280
Payable on credit support for derivative contracts	2	-	2	-	2
Debt issued and borrowings	32,037	-	32,008	-	32,008
Other financial liabilities	13	-	173 ⁽⁵⁾	-	173

⁽¹⁾ Held-to-maturity and general investment

⁽²⁾ Net of deferred revenue

⁽³⁾ The amount excludes hire purchase and finance lease of subsidiaries

⁽⁴⁾ Interest receivables and payables are considered for determining fair value on derivative liabilities

⁽⁵⁾ The amount stated represents net loss on other financial liabilities

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		Consolidated			
		2017			
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
Financial assets					
Interbank and money market items, net	8,406	-	8,406	-	8,406
Derivatives assets (Banking book)	471	-	449	-	449
Investment, net ⁽¹⁾	33,895	-	33,914	254	34,168
Loans to customers ^{(2) (3)}	101,181	-	-	101,088	101,088
Receivables on credit support for derivative contracts	1	-	1	-	1
Financial liabilities					
Deposits	100,349	-	100,351	-	100,351
Interbank and money market items	49,938	-	49,934	-	49,934
Derivatives liabilities (Banking book)	309	-	299 ⁽⁴⁾	-	299
Payable on credit support for derivative contracts	130	-	130	-	130
Debt issued and borrowings	26,320	-	26,593	-	26,593
Other financial liabilities	8	-	60 ⁽⁵⁾	-	60

⁽¹⁾ Held-to-maturity and general investment

⁽²⁾ Net of deferred revenue

⁽³⁾ The amount excludes hire purchase and finance lease of subsidiaries

⁽⁴⁾ Interest receivables and payables are considered for determining fair value on derivative liabilities

⁽⁵⁾ The amount stated represents net loss on other financial liabilities

		Bank only			
		2018			
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
Financial assets					
Interbank and money market items, net	11,403	-	11,403	-	11,403
Derivatives assets (Banking book)	169	-	238	-	238
Investment, net ⁽¹⁾	39,562	-	39,408	6	39,414
Loans to customers ⁽²⁾	110,437	-	-	110,335	110,335
Receivables on credit support for derivative contracts	1	-	1	-	1
Financial liabilities					
Deposits	102,142	-	102,143	-	102,143
Interbank and money market items	61,542	-	61,535	-	61,535
Derivatives liabilities (Banking book)	198	-	280 ⁽³⁾	-	280
Payable on credit support for derivative contracts	2	-	2	-	2
Debt issued and borrowings	4,986	-	4,972	-	4,972
Other financial liabilities	13	-	173 ⁽⁴⁾	-	173

⁽¹⁾ Held-to-maturity and general investment

⁽²⁾ Net of deferred revenue

⁽³⁾ Interest receivables and payables are considered for determining fair value on derivative liabilities

⁽⁴⁾ The amount stated represents net loss on other financial liabilities

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	Carrying value	Bank only 2017 Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
Financial assets					
Interbank and money market items, net	8,225	-	8,225	-	8,225
Derivatives assets (Banking book)	471	-	449	-	449
Investment, net ⁽¹⁾	33,895	-	33,914	254	34,168
Loans to customers ⁽²⁾	105,399	-	-	105,386	105,386
Receivables on credit support for derivative contracts	1	-	1	-	1
Financial liabilities					
Deposits	100,350	-	100,351	-	100,351
Interbank and money market items	49,938	-	49,934	-	49,934
Derivatives liabilities (Banking book)	309	-	299 ⁽³⁾	-	299
Payable on credit support for derivative contracts	130	-	130	-	130
Debt issued and borrowings	116	-	116	-	116
Other financial liabilities	8	-	60 ⁽⁴⁾	-	60

⁽¹⁾ Held-to-maturity and general investment

⁽²⁾ Net of deferred revenue

⁽³⁾ Interest receivables and payables are considered for determining fair value on derivative liabilities

⁽⁴⁾ The amount stated represents net loss on other financial liabilities

Methods and assumptions in estimating fair values of financial assets and liabilities

The following methods and assumptions are used by the Bank and its subsidiaries in estimating fair values of financial assets and liabilities as disclosed herein:

Investments in debts securities and other equity

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

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

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

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

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Loans to customers

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

Deposits

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

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

The fair value of interbank and money market items and debt issued and borrowings and/or items which bear variable rates of interest approximates their carrying amount at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments. The fair value of debentures is based on quoted market prices announced by the Thai Bond Market Association.

Derivatives

Fair value of foreign exchange contracts are determined using the forward exchange rates at the end of the reporting period for the contract period remaining on those dates.

Derivatives others than foreign exchange contracts are determined based upon liquid (observable) market prices, reference to exchange traded prices or price derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk and other risks.

7 Maintenance of capital fund

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 8 May 2015, the Bank is required to calculate its Capital Fund in accordance with Basel III. The Bank and financial group comply with the regulatory capital according to Basel III. As at 31 December 2018 and 2017, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	2018	2017
	<i>(in thousand Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,132,094	20,132,094
Legal reserve	1,100,000	600,000
Retained earnings after appropriations	7,817,944	6,214,826
Other comprehensive income	104,498	328,366
Other owner changes items	(24,849)	(24,849)
Less Capital deduction items on CET1	(1,113,626)	(960,271)
Total Tier 1 capital	28,016,061	26,290,166

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	Consolidated supervision	
	2018	2017
	<i>(in thousand Baht)</i>	
Tier 2 capital		
Subordinated debentures	5,000,000	-
Allowance for classified assets of “pass” category	2,504,452	2,306,247
Total Tier 2 capital	7,504,452	2,306,247
Total capital funds	35,520,513	28,596,413
Total risk-weighted assets	210,237,943	193,987,009

	BoT's minimum requirement ⁽¹⁾	Consolidated		BoT's minimum requirement ⁽¹⁾	2017
		2018	(%)		
Capital ratio					
Total capital to total risk-weighted assets	10.375	16.90	9.75	14.74	
Tier 1 capital to total risk-weighted assets	7.875	13.33	7.25	13.56	
Tier 1 common equity to total risk-weighted assets	6.375	13.33	5.75	13.56	
Tier 2 capital to total risk-weighted assets	-	3.57	-	1.18	

⁽¹⁾ Includes capital conservation buffer as required by BoT commencing 1 January 2016

	Bank only	
	2018	2017
	<i>(in thousand Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,132,094	20,132,094
Legal reserve	1,100,000	600,000
Retained earnings after appropriations	6,675,852	5,574,890
Other comprehensive income	105,580	328,390
Less Capital deduction items on CET1	(519,230)	(469,858)
Total Tier 1 capital	27,494,296	26,165,516
Tier 2 capital		
Subordinated debentures	5,000,000	-
Allowance for classified assets of “pass” category	2,263,281	2,102,528
Total Tier 2 capital	7,263,281	2,102,528
Total capital funds	34,757,577	28,268,044
Total risk-weighted assets	187,792,818	174,449,312

	BoT's minimum requirement ⁽¹⁾	Bank only		BoT's minimum requirement ⁽¹⁾	2017
		2018	(%)		
Capital ratio					
Total capital to total risk-weighted assets	10.375	18.51	9.75	16.20	
Tier 1 capital to total risk-weighted assets	7.875	14.64	7.25	15.00	
Tier 1 common equity to total risk-weighted assets	6.375	14.64	5.75	15.00	
Tier 2 capital to total risk-weighted assets	-	3.87	-	1.20	

⁽¹⁾ Includes capital conservation buffer as required by BoT commencing 1 January 2016

As Disclosures of capital maintenance information under the Notification of the Bank of Thailand, the Public Disclosures of Capital Maintenance for Commercial Banks in accordance with the BoT's directive number Sor Nor Sor 4/2556, dated 2 May 2013, the Bank has made the Disclosures of Capital Maintenance and Information security risks for the Bank and financial group as at 31 December 2017 in the Bank's website, www.icbcthai.com, under Financial Report section on 27 April 2018. The Bank will disclose the Capital Maintenance and Information security risks for the Bank and financial group at 31 December 2018 within April 2019.

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According to Bank of Thailand Notification Number For Nor Sor (23) Wor 263/2556 dated 22 February 2013, the Bank is required to disclose regulatory capital after deducting capital add-on arising from Single Lending Limit, effective at the end of January 2015. As at 31 December 2018 and 2017, the Group has regulatory capital after deducting capital add-on arising from Single Lending Limit in the amount of Baht 33,442 million and Baht 26,423 million respectively or 15.91% and 13.62% respectively. (*Bank only: Baht 32,724 million and Baht 26,145 million or 17.43% and 14.99%*)

Capital management

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

8 Interbank and money market items, net (Assets)

	Consolidated					
	Demand	2018 Time	Total (in thousand Baht)	Demand	2017 Time	Total
Domestic items						
Bank of Thailand	1,091,525	-	1,091,525	1,066,651	670,000	1,736,651
Commercial banks	175,874	1,320,000	1,495,874	189,019	3,680,000	3,869,019
Specialised financial institutions	922	-	922	959	-	959
Other financial institutions	-	4,312,000	4,312,000	-	1,207,000	1,207,000
Total	1,268,321	5,632,000	6,900,321	1,256,629	5,557,000	6,813,629
Add accrued interest receivables	5	3,665	3,670	5	1,525	1,530
Less allowance for doubtful accounts	-	(20,000)	(20,000)	-	-	-
Total domestic items, net	1,268,326	5,615,665	6,883,991	1,256,634	5,558,525	6,815,159
Foreign items						
US Dollar	603,586	3,696,171	4,299,757	170,222	1,050,691	1,220,913
Renminbi	438,107	-	438,107	329,675	-	329,675
Euro	43,442	-	43,442	25,370	-	25,370
Hong Kong Dollar	8,021	-	8,021	8,909	-	8,909
Other currencies	34,324	-	34,324	29,676	-	29,676
Total	1,127,480	3,696,171	4,823,651	563,852	1,050,691	1,614,543
Add accrued interest receivables	-	41,898	41,898	-	3,325	3,325
Less deferred revenue	-	-	-	-	(780)	(780)
Less allowance for doubtful accounts	-	(36,962)	(36,962)	-	(26,501)	(26,501)
Total foreign items, net	1,127,480	3,701,107	4,828,587	563,852	1,026,735	1,590,587
Total domestic and foreign items, net	2,395,806	9,316,772	11,712,578	1,820,486	6,585,260	8,405,746

	Bank only					
	Demand	2018 Time	Total (in thousand Baht)	Demand	2017 Time	Total
Domestic items						
Bank of Thailand	1,091,525	-	1,091,525	1,066,651	670,000	1,736,651
Commercial banks	76,198	1,320,000	1,396,198	97,822	3,680,000	3,777,822
Other financial institutions	-	4,312,000	4,312,000	-	1,207,000	1,207,000
Total	1,167,723	5,632,000	6,799,723	1,164,473	5,557,000	6,721,473
Add accrued interest receivables	-	3,665	3,665	-	1,525	1,525
Less allowance for doubtful accounts	-	(20,000)	(20,000)	-	-	-
Total domestic items, net	1,167,723	5,615,665	6,783,388	1,164,473	5,558,525	6,722,998

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	Bank only					
	Demand	2018 Time	Total	Demand	2017 Time	Total
	<i>(in thousand Baht)</i>					
Foreign items						
US Dollar	394,841	3,696,171	4,091,012	81,491	1,050,691	1,132,182
Renminbi	438,107	-	438,107	329,675	-	329,675
Euro	43,442	-	43,442	25,370	-	25,370
Hong Kong Dollar	8,021	-	8,021	8,909	-	8,909
Other currencies	34,324	-	34,324	29,676	-	29,676
Total	918,735	3,696,171	4,614,906	475,121	1,050,691	1,525,812
Add accrued interest receivables	-	41,898	41,898	-	3,325	3,325
Less deferred revenue	-	-	-	-	(780)	(780)
Less allowance for doubtful accounts	-	(36,962)	(36,962)	-	(26,501)	(26,501)
Total foreign items, net	918,735	3,701,107	4,619,842	475,121	1,026,735	1,501,856
Total domestic and foreign items, net	2,086,458	9,316,772	11,403,230	1,639,594	6,585,260	8,224,854

9 Derivatives

9.1 Trading Book

The fair value and the notional amount classified by type of risk are as follows:

Type of risks	Consolidated and Bank only					
	2018			2017		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	amount ⁽¹⁾	Assets	Liabilities	amount ⁽¹⁾
	(in thousand Baht)					
Foreign exchange	13,763	12,494	3,837,662	54,074	51,561	5,413,702
Foreign exchange and interest rate	101,818	101,818	4,287,093	-	-	-
Total	115,581	114,312	8,124,755	54,074	51,561	5,413,702

⁽¹⁾ Disclosed only in case that the Bank has the commitment on the payment side.

Proportion of derivative trading transactions classified by types of counterparty are determined on the basis of the notional amount.

Counterparties	Consolidated and Bank only	
	2018	2017
	<i>(%)</i>	
Financial institutions	94.10	90.09
Corporations	5.90	9.91
Total	100.00	100.00

9.2 Banking Book

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

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Type of risks	Consolidated and Bank only					
	2018		Notional amount ⁽¹⁾	2017		Notional amount ⁽¹⁾
	Carrying value ⁽²⁾	Carrying value ⁽²⁾		Carrying value ⁽²⁾	Carrying value ⁽²⁾	
	Assets	Liabilities		Assets	Liabilities	
	<i>(in thousand Baht)</i>					
Foreign exchange	149,231	39,082	31,782,805	470,634	97,277	31,654,203
Interest rate	- ⁽³⁾	- ⁽³⁾	25,686,036	- ⁽³⁾	- ⁽³⁾	11,235,647
Foreign exchange and interest rate	19,713	159,159	13,138,691	-	212,074	4,293,003
Total	168,944	198,241	70,607,532	470,634	309,351	47,182,853

⁽¹⁾ Disclosed only in case that the Bank has the commitment on the payment side.

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

⁽³⁾ Not included interest receivables and payables, which are recorded as a part of "Accrued income" or recorded as "Accrued interest payables" in the statements of financial position, as the case may be.

10 Investments, net

10.1 Classified by type of investments

	Consolidated and Bank only	
	2018	2017
	<i>(in thousand Baht)</i>	
Available-for-sale securities - Fair value		
Government and state enterprise securities	29,445,001	24,094,485
Domestic private debt securities	1,992,345	2,006,753
Foreign private debt securities	2,977,223	2,455,068
Domestic equity securities	201,715	272,738
Total	34,616,284	28,829,044
Held-to-maturity securities - Amortised cost		
Domestic private debt securities	9,804,462	7,572,074
Foreign private debt securities	29,755,482	26,231,918
Total	39,559,944	33,803,992
General investments - Cost		
Domestic non-marketable equity securities	11,272	100,322
Less allowance for impairment	(9,203)	(9,158)
General investments, net	2,069	91,164
Total	74,178,297	62,724,200

As at 31 December 2018 Baht 1,436 million of held-to-maturity securities, are pledged as security on a contract for repurchase agreements (31 December 2017: None).

10.2 Classified by the remaining periods to maturity of debt securities

	Consolidated and Bank only			
	2018			Total
	Less than 1 year	Periods to maturity	Periods to maturity	
		1-5 years	Over 5 years	
	<i>(in thousand Baht)</i>			
Available-for-sale securities				
Government and state enterprise securities	19,495,917	9,528,398	470,141	29,494,456
Domestic private debt securities	-	430,000	1,500,000	1,930,000
Foreign private debt securities	957,403	2,123,041	-	3,080,444
Total	20,453,320	12,081,439	1,970,141	34,504,900
Add allowance for revaluation	(3,498)	(121,626)	34,793	(90,331)
Total available-for-sale securities	20,449,822	11,959,813	2,004,934	34,414,569

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	Consolidated and Bank only		
	2018		
	Less than 1 year	Periods to maturity 1-5 years Over 5 years (in thousand Baht)	Total
Held-to-maturity securities			
Domestic private debt securities	204,606	8,499,856	1,100,000
Foreign private debt securities	7,960,056	20,821,932	973,494
Total held-to-maturity securities	8,164,662	29,321,788	2,073,494
Total debt securities	28,614,484	41,281,601	4,078,428

	Consolidated and Bank only		
	2017		
	Less than 1 year	Periods to maturity 1-5 years Over 5 years (in thousand Baht)	Total
Available-for-sale securities			
Government and state enterprise securities	11,033,363	12,509,350	470,155
Domestic private debt securities	-	430,000	1,500,000
Foreign private debt securities	-	2,466,663	-
Total	11,033,363	15,406,013	1,970,155
Add allowance for revaluation	44,652	42,642	59,481
Total available-for-sale securities	11,078,015	15,448,655	2,029,636

Held-to-maturity securities			
Domestic private debt securities	813,940	6,258,134	500,000
Foreign private debt securities	3,242,953	22,988,965	-
Total held-to-maturity securities	4,056,893	29,247,099	500,000
Total debt securities	15,134,908	44,695,754	2,529,636

10.3 Revaluation surplus on available-for-sale investments

	Consolidated and Bank only	
	2018	2017
	(in thousand Baht)	
<i>Revaluation surplus on available-for-sale investments</i>		
Debt securities	(27,148)	264,937
Equity securities	159,123	198,538
Total	131,975	463,475
Less deferred tax	(26,395)	(92,695)
Net	105,580	370,780

10.4 Investment in companies with holding of 10% and upwards

As at 31 December 2018, the Bank and its Subsidiaries did not hold any investments in securities of 10% or more of the paid-up capital of any investee company.

As at 31 December 2017 investments in securities of which the Bank and its subsidiaries hold 10% or more of the paid-up capital of the investee company (but not record these securities as investments in subsidiaries and associates), which is recorded as a part of general investments and classified as long-term investments, were as follows:

Company's name	Type of business	Type of securities held	Consolidated and Bank only		
			2017		
			Ownership interest %	Paid-up capital (in thousand Baht)	Cost
Bangkok BTMU Company Limited	Lending and investment holding business	Ordinary shares	10	200,000	20,390

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

	Consolidated and Bank only					
	2018			2017		
	Cost	Fair value	Allowance for impairment	Cost	Fair value	Allowance for impairment
	<i>(in thousand Baht)</i>					
Companies with problems in their financial positions and operating results	<u>9,817</u>	<u>614</u>	<u>(9,203)</u>	<u>9,817</u>	<u>658</u>	<u>(9,159)</u>

11 Investments in subsidiaries, net

Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from those investments for the years ended 31 December 2018 and 2017, were as follows:

Name of subsidiaries	Type of business	Bank only							
		Ownership interest		Paid-up capital		Cost		Dividend income	
		2018	2017	2018	2017	2018	2017	2018	2017
<i>Direct subsidiary</i>		%		<i>(in million Baht)</i>					
ICBC (Thai) Leasing Company Limited ⁽¹⁾	Hire purchase, finance lease and factoring business	99.99	99.99	4,250	4,250	<u>4,250</u>	<u>4,250</u>	<u>-</u>	<u>-</u>
<i>Indirect subsidiary</i>									
Sky High LI Leasing Designated Activity Company Limited ⁽²⁾	Hire purchase business	99.99	99.99	-	-	-	-	-	-

⁽¹⁾ The direct subsidiary is incorporated in Thailand.

⁽²⁾ The indirect subsidiary is incorporated in Ireland.

On 28 December 2017, ICBC (Thai) Leasing Company Limited (“Direct subsidiary”) invested in 1 share (equivalent to 100%) in Sky High LI Leasing Designated Activity Company Limited at a price of Euro 1 (equivalent to Baht 39). As a result, the Bank gained indirect control over the Sky High LI Leasing Designated Activity Company Limited by recording the investment in subsidiaries and became the parent company.

12 Investments in an associate, net

Investments in an associate as at 31 December 2018 and 2017, and dividend income from those investments for the years ended 31 December 2018 and 2017, were as follows:

Name of associate	Type of business	Country of incorporation	Ownership interest (%)	Consolidated					Dividend income
				2018	Cost	Equity	Fair value of listed securities		
						<i>(in million Baht)</i>			
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	22.29	930	<u>305</u>	<u>569</u>	<u>238</u>		<u>8</u>

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Name of associate	Type of business	Country of incorporation	Ownership interest	Consolidated 2017		Equity	Fair value of listed securities	Dividend income
				Paid-up capital	Cost			
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	(%) 22.29	(in million Baht) 930				
					<u>305</u>	<u>579</u>	<u>368</u>	<u>17</u>

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

Name of associate	Ownership interest (%)	Total assets	Total liabilities	2018		
				Total revenue	Total expenses	Net loss
Finansia Syrus Securities Public Company Limited	22.29			(in million Baht)		
		<u>4,754</u>	<u>2,223</u>	<u>1,463</u>	<u>1,487</u>	<u>(24)</u>

Name of associate	Ownership interest (%)	Total assets	Total liabilities	2017		
				Total revenue	Total expenses	Net profit
Finansia Syrus Securities Public Company Limited	22.29			(in million Baht)		
		<u>5,953</u>	<u>3,357</u>	<u>1,655</u>	<u>1,447</u>	<u>177</u>

13 Loans to customers and accrued interest receivables, net

13.1 Classified by types of loans

	Consolidated		Bank only	
	2018	2017	2018	2017
	(in thousand Baht)			
Overdrafts	669,343	724,128	669,343	724,128
Loans	80,129,348	72,385,474	84,050,638	76,659,550
Notes receivable	23,315,770	24,045,226	24,540,770	25,076,226
Factoring receivables	2,667,421	4,300,968	1,209,506	3,091,007
Hire purchase receivables	37,202,874	36,054,051	-	-
Finance lease receivables	7,485,856	7,200,098	-	-
Total loans to customers	<u>151,470,612</u>	<u>144,709,945</u>	<u>110,470,257</u>	<u>105,550,911</u>
Less deferred revenue	<u>(5,416,120)</u>	<u>(5,380,267)</u>	<u>(33,355)</u>	<u>(151,464)</u>
Total loans to customers, net of deferred revenue	<u>146,054,492</u>	<u>139,329,678</u>	<u>110,436,902</u>	<u>105,399,447</u>
Add accrued interest receivables	<u>285,218</u>	<u>246,485</u>	<u>287,615</u>	<u>248,564</u>
Total loans to customers, net of deferred revenue and accrued interest receivables	<u>146,339,710</u>	<u>139,576,163</u>	<u>110,724,517</u>	<u>105,648,011</u>
Less allowance for doubtful accounts				
- allowance established per BoT regulations	(2,786,034)	(2,912,332)	(832,783)	(969,608)
- allowance established in excess of BoT regulations	(5,274,670)	(4,465,417)	(3,293,548)	(3,330,826)
Less revaluation allowance for debt restructuring	<u>(24,526)</u>	<u>(23,505)</u>	<u>(4,165)</u>	<u>(11,185)</u>
Loans to customers and accrued interest receivables, net	<u>138,254,480</u>	<u>132,174,909</u>	<u>106,594,021</u>	<u>101,336,392</u>

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13.2 Classified by currency and residential status of customers

	Consolidated					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	113,361,703	17,994	113,379,697	104,914,646	13,331	104,927,977
US Dollar	10,580,766	13,336,812	23,917,578	11,563,957	16,715,911	28,279,868
Renminbi	777	2,339,925	2,340,702	496	1,056,117	1,056,613
Euro	16,819	6,399,696	6,416,515	7,096	5,055,525	5,062,621
Yen	-	-	-	2,370	-	2,370
Others	-	-	-	229	-	229
Total ⁽¹⁾	123,960,065	22,094,427	146,054,492	116,488,794	22,840,884	139,329,678

⁽¹⁾ Total loans to customers net of deferred revenue

	Bank only					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	77,600,255	17,994	77,618,249	70,945,009	13,331	70,958,340
US Dollar	6,792,723	17,268,713	24,061,436	7,313,467	21,005,807	28,319,274
Renminbi	777	2,339,925	2,340,702	496	1,056,117	1,056,613
Euro	16,819	6,399,696	6,416,515	7,096	5,055,525	5,062,621
Yen	-	-	-	2,370	-	2,370
Others	-	-	-	229	-	229
Total ⁽¹⁾	84,410,574	26,026,328	110,436,902	78,268,667	27,130,780	105,399,447

⁽¹⁾ Total loans to customers net of deferred revenue.

13.3 Classified by business types and loan classification

	Consolidated					
	2018					
	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
	<i>(in thousand Baht)</i>					
Agriculture and mining	2,718,191	1,406	-	-	-	2,719,597
Manufacturing and commerce	56,503,162	245,182	54,081	172,103	5,000	56,979,528
Property development and construction	18,990,929	699,149	10,800	55,185	216,615	19,972,678
Infrastructure and services	29,756,535	22,399	22,314	332,014	-	30,133,262
Housing loans	5,909	2,812	-	-	-	8,721
Others ⁽¹⁾	30,799,690	4,477,003	855,790	108,223	-	36,240,706
Total ⁽²⁾	138,774,416	5,447,951	942,985	667,525	221,615	146,054,492

⁽¹⁾ Others predominantly consist of hire purchase and finance lease of subsidiaries.

⁽²⁾ Total loans to customers net of deferred revenue.

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	Consolidated 2017					Total
	Pass	Special Mention	Substandard (in thousand Baht)	Doubtful	Doubtful of Loss	
Agriculture and mining	2,330,429	1,499	-	-	-	2,331,928
Manufacturing and commerce	55,135,423	308,033	-	78,894	419,918	55,942,268
Property development and construction	18,879,810	116,963	13,000	14,775	348,373	19,372,921
Infrastructure and services	26,207,342	628,220	235,857	337,847	-	27,409,266
Housing loans	7,765	3,361	-	-	-	11,126
Others ⁽¹⁾	28,894,870	4,876,269	344,662	134,018	12,350	34,262,169
Total ⁽²⁾	131,455,639	5,934,345	593,519	565,534	780,641	139,329,678

⁽¹⁾ Others predominantly consist of hire purchase and finance lease of subsidiaries.

⁽²⁾ Total loans to customers net of deferred revenue.

	Bank only 2018					Total
	Pass	Special Mention	Substandard (in thousand Baht)	Doubtful	Doubtful of Loss	
Agriculture and mining	2,718,191	1,406	-	-	-	2,719,597
Manufacturing and commerce	60,329,712	245,182	54,081	172,103	5,000	60,806,078
Property development and construction	18,990,929	699,149	10,800	55,185	216,615	19,972,678
Infrastructure and services	25,968,492	22,399	22,314	332,014	-	26,345,219
Housing loans	5,909	2,812	-	-	-	8,721
Others	582,352	1,188	1,069	-	-	584,609
Total ⁽¹⁾	108,595,585	972,136	88,264	559,302	221,615	110,436,902

⁽¹⁾ Total loans to customers net of deferred revenue.

	Bank only 2017					Total
	Pass	Special Mention	Substandard (in thousand Baht)	Doubtful	Doubtful of Loss	
Agriculture and mining	2,330,429	1,499	-	-	-	2,331,928
Manufacturing and commerce	59,369,037	292,212	-	78,894	419,918	60,160,061
Property development and construction	18,879,810	116,963	13,000	14,775	348,373	19,372,921
Infrastructure and services	21,956,852	628,220	235,857	337,847	-	23,158,776
Housing loans	7,765	3,361	-	-	-	11,126
Others	349,206	2,361	716	2	12,350	364,635
Total ⁽¹⁾	102,893,099	1,044,616	249,573	431,518	780,641	105,399,447

⁽¹⁾ Total loans to customers net of deferred revenue.

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13.4 Loans classified by type of classification

	Consolidated 2018						Total
	Loans to customers and accrued interest receivables less deferred revenue (in thousand Baht)	The Bank Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (%)	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts	Subsidiaries Net amount used to set the allowance for doubtful accounts (in thousand Baht)	Allowance for doubtful accounts	
Minimum allowance as per BoT's Regulations							
Pass	139,056,154	66,426,254	1	664,263	35,418,419	398,920	1,063,183
Special Mention	5,451,233	141,664	2	2,833	4,341,336	1,094,308	1,097,141
Substandard	943,183	17,648	100	17,648	827,327	421,928	439,576
Doubtful	667,525	148,039	100	148,039	108,223	38,095	186,134
Doubtful of Loss	221,615	-	100	-	-	-	-
							2,786,034
Excess allowance							5,274,670
Total	146,339,710	66,733,605		832,783	40,695,305	1,953,251	8,060,704

(1) Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivables) and net of collateral in case of loans classified as "Pass" and "Special Mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "Substandard", "Doubtful" and "Doubtful of Loss".

	Consolidated 2017						Total
	Loans to customers and accrued interest receivables less deferred revenue (in thousand Baht)	The Bank Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (%)	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts	Subsidiaries Net amount used to set the allowance for doubtful accounts (in thousand Baht)	Allowance for doubtful accounts	
Minimum allowance as per BoT's Regulations							
Pass	131,695,147	56,544,236	1	565,442	33,852,727	437,190	1,002,632
Special Mention	5,941,188	695,840	2	13,917	4,727,864	1,333,359	1,347,276
Substandard	593,653	5,351	100	5,351	343,946	123,030	128,381
Doubtful	565,534	69,999	100	69,999	134,016	49,145	119,144
Doubtful of Loss	780,641	314,899	100	314,899	-	-	314,899
							2,912,332
Excess allowance ⁽²⁾							4,465,417
Total	139,576,163	57,630,325		969,608	39,058,553	1,942,724	7,377,749

(1) Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivables) and net of collateral in case of loans classified as "Pass" and "Special Mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "Substandard", "Doubtful" and "Doubtful of Loss".

(2) This includes additional provision of Baht 138 million recorded at the Bank's level to account for expected losses arising in the hire purchase and finance lease receivables portfolio.

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Bank only				
2018				
	Loans to customers and accrued interest receivables less deferred revenue (in thousand Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (in thousand Baht)	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts (in thousand Baht)
Minimum allowance as per BoT's Regulations				
Pass	108,879,720	66,426,254	1	664,263
Special Mention	975,418	141,664	2	2,833
Substandard	88,462	17,648	100	17,648
Doubtful	559,302	148,039	100	148,039
Doubtful of Loss	221,615	-	100	-
				832,783
Excess allowance				3,293,548
Total	110,724,517	66,733,605		4,126,331

(1) Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivables) and net of collateral in case of loans classified as "Pass" and "Special Mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "Substandard", "Doubtful" and "Doubtful of Loss".

Bank only				
2017				
	Loans to customers and accrued interest receivables less deferred revenue (in thousand Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (in thousand Baht)	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts (in thousand Baht)
Minimum allowance as per BoT's Regulations				
Pass	103,134,694	56,544,236	1	565,442
Special Mention	1,051,451	695,840	2	13,917
Substandard	249,707	5,351	100	5,351
Doubtful	431,518	69,999	100	69,999
Doubtful of Loss	780,641	314,899	100	314,899
				969,608
Excess allowance ⁽²⁾				3,330,826
Total	105,648,011	57,630,325		4,300,434

(1) Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivables) and net of collateral in case of loans classified as "Pass" and "Special Mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "Substandard", "Doubtful" and "Doubtful of Loss".

(2) This includes additional provision of Baht 138 million recorded at the Bank's level to account for expected losses arising in the hire purchase and finance lease receivables portfolio.

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13.5 Non-performing loans

As at 31 December 2018 and 2017, the Bank used the guidelines specified in the BoT's Notification Number Sor Nor Sor 5/2559, directive dated 10 June 2016 in determining Non-Performing Loans which consist of loans classified as substandard, doubtful, doubtful of loss and loss under the BoT's guideline. The amounts are as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	859,673	1,261,846	366,290	962,178
% of Non-Performing Loans to total loans (net) ⁽¹⁾	0.56	0.87	0.31	0.87
Non-Performing Loans (gross)	1,832,126	1,939,694	869,181	1,461,732
% of Non-Performing Loans to total loans (gross) ⁽¹⁾	1.18	1.34	0.73	1.31

⁽¹⁾ The denominator includes interbank and money market items.

During 2018, the Bank has reached an agreement to sell and transfer a number of Non-performing Loans to two Asset Management Companies. The process was completed in June 2018, with a total amount of Baht 475 million. The Bank recognised a gain of Baht 118 million in gains on disposals of non-performing loans.

13.6 Non-accrual loans

Non-accrual loans, gross, (including loans to financial institutions) as at 31 December 2018 and 2017 are as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Loans where recognition of income has been suspended (principal only)	1,814,398	1,926,690	851,454	1,448,728
% of loans where recognition of income has been suspended ⁽¹⁾	1.17	1.32	0.71	1.30

⁽¹⁾ The denominator includes interbank and money market items.

13.7 Loans to subsidiaries

Company's name	Types of loans	Maturity	Interest rate as at		Amounts principal outstanding	
			2018	2017	2018	2017
			<i>(% per annum)</i>		<i>(in million Baht)</i>	
ICBC (Thai) Leasing Company Limited	Revolving loan	At call	2.07	1.85	1,225	1,031
Sky High LI Leasing Designated Activity Company Limited	Term Loan	2027	3-month LIBOR + 1.70	3-month LIBOR + 1.70	3,932	4,290
Total					5,157	5,321
Less allowance for doubtful accounts					(52)	(191)
Net					5,105	5,130

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As at 31 December 2017, the Bank had booked minimum allowance as per BoT regulations for loans ICBC (Thai) Leasing Company Limited (“Direct subsidiary”) and held impairment provisions amounting to Baht 138 million in the Bank’s financial statements to account for expected losses in the hire purchase and finance lease receivables portfolio of its direct subsidiary. The provision was recorded against the loan from the Bank to its direct subsidiaries. Such amount has been booked to loans to customers in the Bank’s financial statements under excess allowance over minimum BoT requirements (*Note 13.4*).

14 Troubled debt restructuring

During the year ended 31 December 2018 and 2017, details of restructured debts (only the account where debtor has present value loss/ losses on the debt restructuring is presented), classified by the restructuring method were as follows:

Consolidated 2018					
	Number of debtors	Outstanding balances before restructuring <i>(in million Baht)</i>	after restructuring	Average period of the remaining term of debt restructuring	Loss on debt restructuring ⁽¹⁾ <i>(in million Baht)</i>
Changes of repayment conditions	4	1,797	1,787	1.5-4 years	14.93

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

Consolidated 2017					
	Number of debtors	Outstanding balances before restructuring <i>(in million Baht)</i>	Outstanding balances after restructuring	Average period of the remaining term of debt restructuring	Loss on debt restructuring ⁽¹⁾ <i>(in million Baht)</i>
Changes of repayment conditions	4	1,996	1,993	1-5 years	26

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

Bank only					
2018					
	Number of debtors	Outstanding balances before restructuring (in million Baht)	Outstanding balances after restructuring	Average period of the remaining term of debt restructuring	Loss on debt restructuring ⁽¹⁾ (in million Baht)
Changes of repayment conditions	1	35	35	2 years	4.33

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

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	Bank only 2017			Average period of the remaining term of debt restructuring years	Loss on debt restructuring ⁽¹⁾ (in million Baht)
	Number of debtors	Outstanding balances before restructuring (in million Baht)	after restructuring		
Changes of repayment conditions	<u>1</u>	<u>2</u>	<u>2</u>		<u>0.054</u>

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

Additional information relating to restructuring debtors for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	(in million Baht)			
Interest income recognised in profit or loss	82	83	7	16
Cash collection from debtors				
- Principal	7	42	1	9
- Interest	11	15	4	15

As at 31 December 2018, the Bank and its subsidiaries have outstanding balances relating to restructured loans for the consolidated and the Bank only financial statements amounting to Baht 1,800 million and 36 million, respectively. (31 December 2017: Baht 2,267 million and 238 million)

As at 31 December 2018 and 2017, the Bank has no commitment to additionally lend to its debtors after debt restructuring.

15 Hire purchase and finance lease receivables

As at 31 December 2018 and 2017, the subsidiaries had net hire purchase and financial lease receivables, which are hire purchase or finance lease contracts for motor vehicles, airplanes, machineries and equipment for businesses. The average contract periods are 1 to 12 years (31 December 2017: 1 to 12 years) and the interest is charged at floating or fixed rates as specified in the contracts.

	Consolidated			
	2018			
	Periods due for payments			
	Less than		Over	
	1 year	1 - 5 years	5 years	Total
	(in million Baht)			
Total of gross investments in the lease	11,534	28,905	4,250	44,689
Less deferred revenue ⁽¹⁾	(1,869)	(3,062)	(314)	(5,245)
Present value of the lease payments	9,665	25,843	3,936	39,444
Less allowance for doubtful accounts				(3,906)
Hire purchase and finance lease receivables, net				35,538

⁽¹⁾ Net of commission and initial direct expense incurred at the inception of contracts.

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Consolidated			
2017			
	Periods due for payments		
	Less than 1 year	1 - 5 years	Over 5 years
	<i>(in million Baht)</i>		
Total of gross investments in the lease	12,307	26,238	4,709
Less deferred revenue ⁽¹⁾	(1,825)	(2,905)	(377)
Present value of the lease payments	10,482	23,333	4,332
Less allowance for doubtful accounts			(3,185)
Hire purchase and finance lease receivables, net			34,962

⁽¹⁾ Net of commission and initial direct expense incurred at the inception of contracts.

The allowance for doubtful accounts represents the minimum allowance required under BoT guidelines and during the current year of 31 December 2018 there was no booking of additional allowance (31 December 2017: Baht 138 million) recorded at the Bank's level to account for expected losses arising in the hire purchase and finance lease receivables portfolio.

16 Allowance for doubtful accounts

Consolidated						
2018						
	Pass	Special Mention	Sub- standard	Doubtful	Doubtful of loss	Allowance established in excess of BoT's minimum regulations
	<i>(in thousand Baht)</i>					Total
Beginning balance	1,002,632	1,347,276	128,381	119,144	314,899	4,465,417
Bad debt and doubtful accounts	60,855	(250,135)	311,195	66,990	309,457	809,253
Bad debt written off	-	-	-	-	(199,800)	-
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(424,556)	-
Others	(304)	-	-	-	-	-
Ending balance	1,063,183	1,097,141	439,576	186,134	-	5,274,670

Consolidated						
2017						
	Pass	Special Mention	Sub- standard	Doubtful	Doubtful of Loss	Allowance established in excess of BoT's minimum regulations
	<i>(in thousand Baht)</i>					Total
Beginning balance	990,616	1,233,643	186,565	60,815	324,368	3,145,886
Bad debt and doubtful accounts	12,016	113,633	(58,184)	58,329	268,893	1,319,531
Bad debt written off	-	-	-	-	(236,534)	-
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(41,828)	-
Ending balance	1,002,632	1,347,276	128,381	119,144	314,899	4,465,417

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Bank only						
2018						
	Pass	Special Mention	Sub- standard	Doubtful	Doubtful of Loss	Allowance established in excess of BoT's minimum regulations
	<i>(in thousand Baht)</i>					
						Total
Beginning balance	565,442	13,917	5,351	69,999	314,899	4,300,434
Bad debt and doubtful accounts	98,821	(11,084)	12,297	78,040	152,969	293,765
Bad debt written off	-	-	-	-	(43,312)	(43,312)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(424,556)	(424,556)
Ending balance	664,263	2,833	17,648	148,039	-	4,126,331

Bank only						
2017						
	Pass	Special Mention	Sub- standard	Doubtful	Doubtful of Loss	Allowance established in excess of BoT's minimum regulations
	<i>(in thousand Baht)</i>					
						Total
Beginning balance	551,395	473	274	432	324,368	3,767,430
Bad debt and doubtful accounts	14,047	13,444	5,077	69,567	99,084	641,557
Bad debt written off	-	-	-	-	(66,725)	(66,725)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(41,828)	(41,828)
Ending balance	565,442	13,917	5,351	69,999	314,899	4,300,434

17 Revaluation of allowance for debt restructuring

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Beginning balance	23,505	13,769	11,185	13,769
Increase (decrease)	4,285	24,776	(6,312)	(1,159)
Amortisation to interest income	(3,264)	(15,040)	(708)	(1,425)
Ending balance	24,526	23,505	4,165	11,185

18 Properties foreclosed, net

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

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

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The details of properties foreclosed are as follows:

Consolidated					
2018					
Type of properties foreclosed	Beginning balance	Additions	Disposals (in thousand Baht)	Ending balance	Portion subject to disposal restrictions, buy-back rights or first refusal rights
Assets transferred in settlement of debts					
- Immovable properties	715,347	6,616	(12,290)	709,673 ⁽¹⁾	29,146
- Movable assets	26,684	209,379	(216,535)	19,528	-
Total	742,031	215,995	(228,825)	729,201	29,146
Assets from auction bidding					
- Immovable properties	144,970	-	(3,550)	141,420	-
- Movable assets	-	8,540	-	8,540	-
Total	144,970	8,540	(3,550)	149,960	-
Total properties foreclosed	887,001	224,535	(232,375)	879,161	29,146
<i>Less allowance for impairment</i>	<i>(192,371)</i>	<i>(63,805)</i>	<i>58,825</i>	<i>(197,351)</i>	<i>(16,619)</i>
Total properties foreclosed, net	694,630	160,730	(173,550)	681,810	12,527
Consolidated					
2017					
Type of properties foreclosed	Beginning balance	Additions	Disposals (in thousand Baht)	Ending balance	Portion subject to disposal restrictions, buy-back rights or first refusal rights
Assets transferred in settlement of debts					
- Immovable properties	844,434	-	(129,087)	715,347 ⁽¹⁾	29,146
- Movable assets	53,049	345,057	(371,422)	26,684	-
Total	897,483	345,057	(500,509)	742,031	29,146
Assets from auction bidding					
- Immovable properties	96,277	76,863	(28,170)	144,970	-
- Movable assets	-	6	(6)	-	-
Total	96,277	76,869	(28,176)	144,970	-
Total properties foreclosed	993,760	421,926	(528,685)	887,001	29,146
<i>Less allowance for impairment</i>	<i>(218,241)</i>	<i>(92,404)</i>	<i>118,274</i>	<i>(192,371)</i>	<i>(16,619)</i>
Total properties foreclosed, net	775,519	329,522	(410,411)	694,630	12,527

⁽¹⁾ As at 31 December 2018, the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 514 million and Baht 195 million, respectively (31 December 2017: Baht 514 million and Baht 201 million, respectively).

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Bank only					
2018					
Type of properties foreclosed	Beginning balance	Additions	Disposals (in thousand Baht)	Ending balance	Portion subject to disposal restrictions, buy-back rights or first refusal rights
Assets transferred in settlement of debts					
- Immovable properties	715,347	6,616	(12,290)	709,673 ⁽¹⁾	29,146
Total	715,347	6,616	(12,290)	709,673	29,146
Assets from auction bidding					
- Immovable properties	144,970	-	(3,550)	141,420	-
- Movable assets	-	8,540	-	8,540	-
Total	144,970	8,540	(3,550)	149,960	-
Total properties foreclosed	860,317	15,156	(15,840)	859,633	29,146
Less allowance for impairment	(184,576)	(10,769)	4,760	(190,585)	(16,619)
Total properties foreclosed, net	675,741	4,387	(11,080)	669,048	12,527

Bank only					
2017					
Type of properties foreclosed	Beginning balance	Additions	Disposals (in thousand Baht)	Ending balance	Portion subject to disposal restrictions, buy-back rights or first refusal rights
Assets transferred in settlement of debts					
- Immovable properties	844,434	-	(129,087)	715,347 ⁽¹⁾	29,146
Total	844,434	-	(129,087)	715,347	29,146
Assets from auction bidding					
- Immovable properties	96,277	76,863	(28,170)	144,970	-
- Movable assets	-	6	(6)	-	-
Total	96,277	76,869	(28,176)	144,970	-
Total properties foreclosed	940,711	76,869	(157,263)	860,317	29,146
Less allowance for impairment	(196,946)	(21,326)	33,696	(184,576)	(16,619)
Total properties foreclosed, net	743,765	55,543	(123,567)	675,741	12,527

⁽¹⁾ As of 31 December 2018, the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 514 million and Baht 195 million, respectively (31 December 2017: Baht 514 million and Baht 201 million, respectively).

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19 Premises and equipment, net

	Land	Buildings	Consolidated Furniture, fixtures and office equipment (in thousand Baht)	Motor vehicles	Total
Cost					
At 1 January 2017	8,500	6,892	545,561	112,042	672,995
Additions	-	-	27,340	17,120	44,460
Disposals/ written-off	-	-	(100)	(24,278)	(24,378)
At 31 December 2017 and 1 January 2018	8,500	6,892	572,801	104,884	693,077
Additions	-	-	34,711	13,878	48,589
Disposals/ written-off	-	-	(7,138)	(26,330)	(33,468)
At 31 December 2018	8,500	6,892	600,374	92,432	708,198
Accumulated depreciation					
At 1 January 2017	-	(1,498)	(423,223)	(104,734)	(529,455)
Depreciation charge for the year	-	(203)	(36,870)	(3,249)	(40,322)
Disposals/ written-off	-	-	92	24,278	24,370
At 31 December 2017 and 1 January 2018	-	(1,701)	(460,001)	(83,705)	(545,407)
Depreciation charge for the year	-	(203)	(34,494)	(4,974)	(39,671)
Disposals/ written-off	-	-	1,783	25,854	27,637
At 31 December 2018	-	(1,904)	(492,712)	(62,825)	(557,441)
Net book value					
At 1 January 2017	8,500	5,394	122,338	7,308	143,540
At 31 December 2017 and 1 January 2018	8,500	5,191	112,800	21,179	147,670
At 31 December 2018	8,500	4,988	107,662	29,607	150,757

As at 31 December 2018, the Bank's subsidiaries have motor vehicles acquired under financial leases with net book values amounting to Baht 5 million (31 December 2017: Baht 6 million).

The gross amount of the Bank and its subsidiaries fully depreciated equipment that was still in use as at 31 December 2018 amounting to Baht 446 million (31 December 2017: Baht 402 million).

	Land	Buildings	Bank only Furniture, fixtures and office equipment (in thousand Baht)	Motor vehicles	Total
Cost					
At 1 January 2017	8,500	6,892	442,901	87,003	545,296
Additions	-	-	24,373	17,120	41,493
Disposals/ written-off	-	-	-	(24,278)	(24,278)
At 31 December 2017 and 1 January 2018	8,500	6,892	467,274	79,845	562,511
Additions	-	-	31,896	13,878	45,774
Disposal/ written-off	-	-	(7,138)	(23,858)	(30,996)
At 31 December 2018	8,500	6,892	492,032	69,865	577,289

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	Land	Buildings	Bank only Furniture, fixtures and office equipment (in thousand Baht)	Motor vehicles	Total
Accumulated depreciation					
At 1 January 2017	-	(1,498)	(331,265)	(86,137)	(418,900)
Depreciation charge for the year	-	(203)	(30,524)	(2,667)	(33,394)
Disposals/ written-off	-	-	-	24,278	24,278
At 31 December 2017 and					
1 January 2018	-	(1,701)	(361,789)	(64,526)	(428,016)
Depreciation charge for the year	-	(203)	(30,640)	(4,861)	(35,704)
Disposal/written-off	-	-	1,784	23,858	25,642
At 31 December 2018	-	(1,904)	(390,645)	(45,529)	(438,078)
Net book value					
At 1 January 2017	8,500	5,394	111,636	866	126,396
At 31 December 2017 and					
1 January 2018	8,500	5,191	105,485	15,319	134,495
At 31 December 2018	8,500	4,988	101,387	24,336	139,211

As at 31 December 2018 and 31 December 2017, the Bank has no motor vehicles acquired under financial leases.

The gross amount of the Bank's fully depreciated equipment that was still in use as at 31 December 2018 amounting to Baht 350 million (31 December 2017: Baht 324 million).

20 Intangible assets, net

	Computer softwares	Consolidated Computer softwares under development (in thousand Baht)	Deferred license fee	Total
Cost				
At 1 January 2017	384,286	1,640	26,750	412,676
Additions	9,273	410	-	9,683
Transfers in (out)	2,050	(2,050)	-	-
At 31 December 2017 and 1 January 2018	395,609	-	26,750	422,359
Additions	3,555	840	-	4,395
At 31 December 2018	399,164	840	26,750	426,754
Accumulated amortisation				
At 1 January 2017	(366,088)	-	(10,621)	(376,709)
Amortisation for the year	(4,019)	-	(2,673)	(6,692)
At 31 December 2017 and 1 January 2018	(370,107)	-	(13,294)	(383,401)
Amortisation for the year	(4,419)	-	(2,673)	(7,092)
At 31 December 2018	(374,526)	-	(15,967)	(390,493)
Net book value				
At 1 January 2017	18,198	1,640	16,129	35,967
At 31 December 2017 and 1 January 2018	25,502	-	13,456	38,958
At 31 December 2018	24,638	840	10,783	36,261

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		Bank only		
	Computer softwares	Computer softwares under development (in thousand Baht)	Deferred license fee	Total
Cost				
At 1 January 2017	351,101	-	26,750	377,851
Additions	5,481	-	-	5,481
At 31 December 2017 and 1 January 2018	356,582	-	26,750	383,332
Additions	130	-	-	130
At 31 December 2018	356,712	-	26,750	383,462
Accumulated amortisation				
At 1 January 2017	(335,649)	-	(10,621)	(346,270)
Amortisation for the year	(2,722)	-	(2,673)	(5,395)
At 31 December 2017 and 1 January 2018	(338,371)	-	(13,294)	(351,665)
Amortisation for the year	(2,422)	-	(2,673)	(5,095)
At 31 December 2018	(340,793)	-	(15,967)	(356,760)
Net book value				
At 1 January 2017	15,452	-	16,129	31,581
At 31 December 2017 and 1 January 2018	18,211	-	13,456	31,667
At 31 December 2018	15,919	-	10,783	26,702

21 Deferred tax assets, net

Deferred tax assets and liabilities were as follows:

	Consolidated	
	2018	2017
	(in thousand Baht)	
Deferred tax assets	1,787,832	1,591,170
Deferred tax liabilities	(710,468)	(662,065)
Net	1,077,364	929,105

	Bank only	
	2018	2017
	(in thousand Baht)	
Deferred tax assets	539,826	538,626
Deferred tax liabilities	(47,298)	(94,102)
Net	492,528	444,524

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Movements in total deferred tax assets and liabilities during the years ended 31 December 2018 and 2017 were as follows:

		Consolidated		
		(Charged) / Credited to:		
	At 1 January 2018	Profit or loss (Note 44)	Other comprehensive income	At 31 December 2018
		(in thousand Baht)		
Deferred tax assets				
Investments	-	-	18,066	18,066
Loans to customers and accrued interest receivables	482,997	40,045	-	523,042
Allowance for doubtful accounts	600,830	112,498	-	713,328
Properties foreclosed	38,474	996	-	39,470
Other assets	399,205	13,993	-	413,198
Provisions	45,795	3,313	-	49,108
Other liabilities	23,869	7,751	-	31,620
Total	1,591,170	178,596	18,066	1,787,832
Deferred tax liabilities				
Investments	(92,694)	-	48,234	(44,460)
Investments in an associate	(27,448)	942	138	(26,368)
Loans to customers and accrued interest receivables	(534,978)	(96,750)	-	(631,728)
Deferred direct costs of debentures	(3,210)	73	-	(3,137)
Provisions	(3,735)	-	(1,040)	(4,775)
Total	(662,065)	(95,735)	47,332	(710,468)
Net	929,105	82,861	65,398	1,077,364

		Consolidated		
		(Charged) / Credited to:		
	At 1 January 2017	Profit or loss (Note 44)	Other comprehensive income	At 31 December 2017
		(in thousand Baht)		
Deferred tax assets				
Investments	11,802	-	(11,802)	-
Loans to customers and accrued interest receivables	363,387	119,610	-	482,997
Allowance for doubtful accounts	475,200	125,630	-	600,830
Properties foreclosed	43,648	(5,174)	-	38,474
Other assets	387,541	11,664	-	399,205
Provisions	39,110	6,685	-	45,795
Other liabilities	17,360	6,509	-	23,869
Total	1,338,048	264,924	(11,802)	1,591,170
Deferred tax liabilities				
Investments	(107,716)	-	15,022	(92,694)
Investments in an associate	(25,576)	(2,037)	165	(27,448)
Loans to customers and accrued interest receivables	(390,520)	(144,458)	-	(534,978)
Deferred direct costs of debentures	(4,341)	1,131	-	(3,210)
Provisions	(3,595)	-	(140)	(3,735)
Total	(531,748)	(145,364)	15,047	(662,065)
Net	806,300	119,560	3,245	929,105

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		Bank only		
	At	(Charged) / Credited to:		At
	1 January	Profit or loss	Other	31 December
	2018	(Note 44)	comprehensive	2018
			income	
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Investments	-	-	18,066	18,066
Loans to customers and accrued interest receivables	16,866	(518)	-	16,348
Allowance for doubtful accounts	446,200	(20,000)	-	426,200
Properties foreclosed	36,915	1,202	-	38,117
Other assets	607	(119)	-	488
Provisions	37,194	2,217	-	39,411
Other liabilities	844	352	-	1,196
Total	538,626	(16,866)	18,066	539,826
<i>Deferred tax liabilities</i>				
Investments	(92,694)	-	48,234	(44,460)
Provisions	(1,408)	-	(1,430)	(2,838)
Total	(94,102)	-	46,804	(47,298)
Net	444,524	(16,866)	64,870	492,528

		Bank only		
	At	(Charged) / Credited to:		At
	1 January	Profit or loss	Other	31 December
	2017	(Note 44)	comprehensive income	2017
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Investments	11,802	-	(11,802)	-
Loans to customers and accrued interest receivables	19,324	(2,458)	-	16,866
Allowance for doubtful accounts	381,200	65,000	-	446,200
Properties foreclosed	39,389	(2,474)	-	36,915
Other assets	692	(85)	-	607
Provisions	31,513	5,681	-	37,194
Other liabilities	484	360	-	844
Total	484,404	66,024	(11,802)	538,626
<i>Deferred tax liabilities</i>				
Investments	(107,716)	-	15,022	(92,694)
Provisions	(1,408)	-	-	(1,408)
Total	(109,124)	-	15,022	(94,102)
Net	375,280	66,024	3,220	444,524

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22 Other assets, net

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Prepaid expenses	17,141	20,088	13,372	16,986
Deposit	18,722	18,764	11,498	11,735
Advance payment	2,647	4,709	2,633	4,696
Others	3,990	3,643	3,143	3,026
Total	42,500	47,204	30,646	36,443

23 Classified assets

		Consolidated			
		2018			
	Loans to customers and accrued interest receivables ⁽²⁾	Investments	Properties foreclosed	Other assets	Total
(in million Baht)					
Pass	148,429 ⁽¹⁾	-	-	-	148,429
Special Mention	5,451	-	-	-	5,451
Substandard	943	-	-	-	943
Doubtful	668	-	-	-	668
Doubtful of Loss	222	9	197	486	914
Total	155,713	9	197	486	156,405

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

⁽²⁾ Net of deferred revenue

Consolidated					
2017					
	Loans to customers and accrued interest receivables ⁽²⁾	Investments	Properties foreclosed	Other assets	Total
		(in million Baht)			
Pass	137,637 ⁽¹⁾	-	-	-	137,637
Special Mention	5,941	-	-	-	5,941
Substandard	594	-	-	-	594
Doubtful	565	-	-	-	565
Doubtful of Loss	781	9	192	469	1,451
Total	145,518	9	192	469	146,188

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

⁽²⁾ Net of deferred revenue

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Bank only					
2018					
	Loans to customers and accrued interest receivables ⁽²⁾	Investments	Properties foreclosed	Other assets	Total
	<i>(in million Baht)</i>				
Pass	118,254 ⁽¹⁾	-	-	-	118,254
Special Mention	975	-	-	-	975
Substandard	88	-	-	-	88
Doubtful	559	-	-	-	559
Doubtful of Loss	222	9	191	2	424
Total	120,098	9	191	2	120,300

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

⁽²⁾ Net of deferred revenue

Bank only					
2017					
	Loans to customers and accrued interest receivables ⁽²⁾	Investments	Properties foreclosed	Other assets	Total
	<i>(in million Baht)</i>				
Pass	109,077 ⁽¹⁾	-	-	-	109,077
Special Mention	1,051	-	-	-	1,051
Substandard	250	-	-	-	250
Doubtful	431	-	-	-	431
Doubtful of Loss	781	9	185	3	978
Total	111,590	9	185	3	111,787

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

⁽²⁾ Net of deferred revenue

24 Deposits

24.1 Classified by product

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demand	8,582,612	9,017,460	8,582,761	9,017,538
Savings	9,545,975	8,232,480	9,548,458	8,232,878
Fixed				
- Less than 6 months	37,096,697	37,032,913	37,096,697	37,032,912
- 6 months and less than 1 year	22,964,665	27,066,147	22,964,665	27,066,148
- Over 1 year	23,949,550	19,000,041	23,949,550	19,000,041
Total	102,139,499	100,349,041	102,142,131	100,349,517

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24.2 Classified by currency and residence of customer

	Consolidated					
	Domestic	2018 Foreign	Total	Domestic	2017 Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	95,818,396	2,951,060	98,769,456	94,784,010	2,694,119	97,478,129
US Dollar	1,056,335	734,195	1,790,530	746,576	692,304	1,438,880
Renminbi	1,022,771	505,970	1,528,741	862,422	499,195	1,361,617
Other currencies	49,018	1,754	50,772	66,404	4,011	70,415
Total	97,946,520	4,192,979	102,139,499	96,459,412	3,889,629	100,349,041

	Bank only					
	Domestic	2018 Foreign	Total	Domestic	2017 Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	95,821,029	2,951,060	98,772,089	94,784,486	2,694,119	97,478,605
US Dollar	1,056,335	734,195	1,790,530	746,576	692,304	1,438,880
Renminbi	1,022,771	505,970	1,528,741	862,422	499,195	1,361,617
Other currencies	49,017	1,754	50,771	66,404	4,011	70,415
Total	97,949,152	4,192,979	102,142,131	96,459,888	3,889,629	100,349,517

25 Interbank and money market items (Liabilities)

	Consolidated and Bank only					
	Demand	2018 Time	Total	Demand	2017 Time	Total
	<i>(in thousand Baht)</i>					
Domestic items						
Bank of Thailand	-	-	-	-	159,816	159,816
Commercial banks	213,953	8,300,000	8,513,953	256,426	3,350,000	3,606,426
Specialised financial institutions	38	759,470	759,508	5	4,125,228	4,125,233
Other financial institutions	117,620	1,802,650	1,920,270	68,592	6,631,281	6,699,873
Total domestic items	331,611	10,862,120	11,193,731	325,023	14,266,325	14,591,348
Foreign items						
US Dollar	-	30,143,445	30,143,445	-	33,040,390	33,040,390
Renminbi	4,417	2,470,495	2,474,912	3,352	1,002,900	1,006,252
Euro	-	12,310,716	12,310,716	-	1,092,764	1,092,764
Yen	-	5,076,302	5,076,302	-	-	-
Baht	342,963	-	342,963	207,367	-	207,367
Total foreign items	347,380	50,000,958	50,348,338	210,719	35,136,054	35,346,773
Total domestic and foreign items	678,991	60,863,078	61,542,069	535,742	49,402,379	49,938,121

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26 Debt issued and borrowings

As at 31 December 2018 and 2017, debt issued and borrowings, which were denominated entirely in Thai Baht, consist of the following:

Consolidated						
	2018			2017		
	Maturity	Interest rate (%)	Amount (in thousand Baht)	Maturity	Interest rate (%)	Amount (in thousand Baht)
Bills of exchange	-	-	-	2018	1.4	116,000
Secured debentures ⁽¹⁾	2019	3.94	4,872,480	2018 - 2019	3.64 - 3.94	6,661,096
Unsecured debentures	2019 - 2028	1.60 - 2.74	22,178,617	2018 - 2026	1.33 - 4.50	19,543,106
Subordinated debentures ⁽²⁾	2028	3.50	4,985,815	-	-	-
Total			32,036,912			26,320,202

⁽¹⁾ Secured debentures issued in 2014 by the subsidiary are guaranteed by the Bank.

⁽²⁾ Counted as of Tier 2 capital under Bank of Thailand's criteria for inclusion of financial instruments in Tier 2 Capital. (Note 7)

Bank only						
	2018			2017		
	Maturity	Interest rate (%)	Amount (in thousand Baht)	Maturity	Interest rate (%)	Amount (in thousand Baht)
Bills of exchange	-	-	-	2018	1.40	116,000
Subordinated debentures ⁽¹⁾	2028	3.50	4,985,815	-	-	-
Total			4,985,815			116,000

⁽¹⁾ Counted as of Tier 2 capital under Bank of Thailand's criteria for inclusion of financial instruments in Tier 2 Capital. (Note 7)

Subordinated debentures

On 23 March 2018, the Bank issued the Subordinated Debenture No.1/2561 to be counted as Tier 2 capital under Based III requirement, amounting to Baht 5,000 million, with a 10 years and 6 months maturity period and carrying a fixed interest rate of 3.50% per annum, payable quarterly. The Bank can early redeem the Subordinated Debenture No.1/2561 after 5 years from the issue date or according to certain specified conditions. The Bank has the right for early redemption and the ability to write-off (fully or partially) when the authorities decide to give financial assistance to the Bank. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

27 Employee benefit obligations

	Consolidated		Bank only	
	2018	2017	2018	2017
	(in million Baht)			
Statement of financial position obligations for:				
<i>Post-employment benefits</i>				
Defined benefit plan	236	215	197	184
Year ended 31 December				
	Consolidated	Bank only		
	2018	2017	2018	2017
	(in million Baht)			
Statement of profit or loss and other comprehensive income:				
Recognised in profit or loss:				
<i>Post-employment benefits</i>				
Defined benefit plan	41	40	35	32
Recognised in other comprehensive income:				
Actuarial gains recognised during the year	(5)	(1)	(7)	-
Cumulative actuarial gains recognised	(5)	(1)	(7)	-

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Defined benefit plan

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

The statement of financial position obligation has determined as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Present value of unfunded obligations	236	215	197	184
Statement of financial position obligations	236	215	197	184

Movement in the present value of the defined benefit obligations:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
At 1 January	215	180	184	156
Include in profit or loss:				
Current service costs and interest	41	40	35	32
Include in other comprehensive income:				
Actuarial gains	(5)	(1)	(7)	-
Other				
Benefit paid	(15)	(4)	(15)	(4)
At 31 December	236	215	197	184

Actuarial gains recognised in other comprehensive income are as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Demographic assumptions	2	-	2	-
Financial assumptions	3	-	1	-
Experience adjustment	(10)	(1)	(10)	-
Total	(5)	(1)	(7)	-

Actuarial assumptions

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

	Consolidated and Bank only	
	2018	2017
	<i>(%)</i>	
Discount rate	2.00 - 2.26	2.13 - 2.24
Future salary growth	6	6
Employee turnover	0 - 19	0 - 20

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

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Consolidated		Bank only	
	Increase	Decrease	Increase	Decrease
	<i>(in million Baht)</i>			
At 31 December 2018				
Discount rate (0.5 - 1% movement)	(12.48)	13.84	(10.29)	11.37
Future salary growth (0.5 - 1% movement)	15.14	(13.92)	12.79	(11.78)
Employee turnover (1% movement)	(13.43)	6.48	(11.02)	5.10
Future mortality (1 year)	0.51	(0.51)	0.41	(0.41)
At 31 December 2017				
Discount rate (0.5 - 1% movement)	(11.29)	8.28	(9.42)	10.37
Future salary growth (0.5 - 1% movement)	13.72	(12.64)	11.72	(10.82)
Employee turnover (1% movement)	(12.16)	5.79	(10.10)	4.64
Future mortality (1 year)	0.68	(0.67)	0.55	(0.55)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

28 Other liabilities

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other payables	462,805	409,940	187,643	74,448
Advance received from finance lease	217,368	218,606	-	-
Suspense creditors	168,424	162,552	168,424	162,552
Accrued expenses	560,006	551,590	484,996	478,489
Withholding tax payable	33,384	34,744	28,873	30,137
Special business tax payable	22,516	18,272	22,516	18,272
Corporate income tax payable	143,981	176,528	141,848	176,528
Others	174,289	163,746	104,298	89,963
Total	1,782,773	1,735,978	1,138,598	1,030,389

29 Share capital

	Par Value (in Baht)	Number	Consolidated and Bank only		2017 Amount
			2018 Amount	2018 Number	
			<i>(thousand shares/ thousand Baht)</i>		
Authorised					
At 1 January					
- preference shares	8.92	451	4,024	451	4,024
- ordinary shares	8.92	2,256,510	20,128,070	2,256,510	20,128,070
At 31 December					
- preference shares	8.92	451	4,024	451	4,024
- ordinary shares	8.92	2,256,510	20,128,070	2,256,510	20,128,070

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	Consolidated and Bank only				
	Par Value (in Baht)	Number	2018 Amount (thousand shares/ thousand Baht)	2017 Number Amount	
Issued and paid-up					
At 1 January					
- preference shares	8.92	451	4,024	451	4,024
- ordinary shares	8.92	<u>2,256,510</u>	<u>20,128,070</u>	<u>2,256,510</u>	<u>20,128,070</u>
At 31 December					
- preference shares	8.92	451	4,024	451	4,024
- ordinary shares	8.92	<u>2,256,510</u>	<u>20,128,070</u>	<u>2,256,510</u>	<u>20,128,070</u>

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

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

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

30 Reserves

Reserves comprises of:

Appropriations of profit and/or retained earnings

Legal reserve

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

On 22 March 2019, the Board of Director meeting No.1/2019 resolved to approve the appropriation of Baht 500 million to a legal reserve from profit for the year 2018. Total legal reserve of the Bank is Baht 1,100 million.

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Other components of equity

Fair value changes in available-for-sale investments

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

31 Other components of equity

	Consolidated	
	2018	2017
	<i>(in thousand Baht)</i>	
Beginning balance	369,458	383,659
Net change in fair value recognised in equity, net of tax	(265,200)	(12,879)
Exchange differences on translating foreign operations	294	(23)
Share of other comprehensive income of investment in an associate, net of tax	(54)	(1,299)
Ending balance	104,498	369,458

	Bank only	
	2018	2017
	<i>(in thousand Baht)</i>	
Beginning balance	370,780	383,659
Net change in fair value recognised in equity, net of tax	(265,200)	(12,879)
Ending balance	105,580	370,780

32 Contingent liabilities and Commitments

32.1 Commitments

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Avals to bills and Guarantees of loans	1,024	818	5,897	7,481
Letter of credit	112	319	112	319
Other contingencies				
- Overdraft undrawn committed line	1,280	1,379	1,310	1,409
- Other guarantees	36,153	37,511	36,153	37,511
- Others	1,810	1,715	1,810	1,715
Total	40,379	41,742	45,282	48,435

32.2 Contingent liabilities from litigations

The Bank and its subsidiaries have recognised contingent liabilities in connection with court cases which the Bank and its subsidiaries have been sued as a defendant in the Court. The lawsuits were mainly lodged to claim compensation under normal business operations of the Bank and its subsidiaries.

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As of 31 December 2018, there were 5 cases wherein the Court of First Instance has already decided in favour of the plaintiffs. The Bank and its subsidiaries have made the provisions amounting to Baht 0.1 million for 1 case which the Appeal Court has not rendered the judgment. Management expected that the provision is sufficient for the claim compensation. For the rest, the Appeal Court has decided to release and discharge 3 cases, and has confirmed the judgement of the Court of First Instance for 1 case.

As of 31 December 2017, there were 7 cases wherein the Court of First Instance has already decided in favour of the plaintiffs. The Bank and its subsidiaries have made the provisions amounting to Baht 1.8 million for 2 cases, which is sufficient for the claim compensation. Out of the remaining 5 cases, the Appeal Court has decided to release and discharge 2 cases and has not been finalised 3 cases.

As at 31 December 2018 and 2017, management believes that the Bank and its subsidiaries will not have to pay the claim amount after these cases are finalised and any liabilities resulting from this litigation will not be material to the Bank and its subsidiaries' financial positions or the results of its operations.

33 Related parties

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

Relationship with key management and related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Industrial and Commercial Bank of China Limited	China	The ultimate parent company of the Bank and its subsidiaries
ICBC (Thai) Leasing Company Limited	Thailand	A direct subsidiary of the Bank
Sky High LI Leasing Designated Activity Company Limited	Ireland	An indirect subsidiary of the Bank
Finansia Syrus Securities Public Company Limited	Thailand	An associate of the Bank
Industrial and Commercial Bank of China (Asia) Limited	Hong Kong	The Company that is related with the ultimate parent company
Industrial and Commercial Bank of China (Macau) Limited	Macau	The Company that is related with the ultimate parent company
Industrial and Commercial Bank of China Limited - Guangdong	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Shanghai (FTU)	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Hebei	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Hubei	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Sydney	Australia	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Hong Kong	Hong Kong	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Tokyo	Japan	The Branch of the ultimate parent company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Industrial and Commercial Bank of China Limited - Kuwait	Kuwait	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Vientiane	Laos	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Luxembourg	Luxembourg	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Singapore	Singapore	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Dubai (DIFC)	UAE	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - London	United Kingdom	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - New York	United States	The Branch of the ultimate parent company
Key management personnel	Thai/ Chinese	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries

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

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

Significant transaction for the years ended 31 December 2018 and 2017 with related parties were as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Parent				
Interest income	24	83	24	83
Interest expense	1,188	1,005	1,188	1,005
Fee income	3	2	3	2
Fee expense	9	75	9	75
Related parties				
Interest income	24	16	24	16
Interest expense	39	129	39	4
Associate				
Interest expense	-	5	-	5
Dividend income	-	-	8	17

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	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Subsidiaries				
Interest income	-	-	186	38
Fee income	-	-	10	20
Other income	-	-	-	1
Related persons				
Interest expense	1	-	1	-
Key management personnel				
Key management personnel compensation				
- Short-term employee benefits	200	153	148	130
- Post-employment benefits	17	5	14	4

Directors and management's remuneration

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

Significant balances with related parties were as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Interbank and money market items (assets)				
Industrial and Commercial Bank of China Limited	422	282	422	282
Industrial and Commercial Bank of China Limited - Singapore	72	91	72	91
Industrial and Commercial Bank of China Limited - London	209	89	-	-
Industrial and Commercial Bank of China (Asia) Limited	547	660	547	660
Others	37	39	37	39
Derivative asset (fair value)				
Industrial and Commercial Bank of China Limited	8	-	8	-
Industrial and Commercial Bank of China (Asia) Limited	21	17	21	17
Others	-	1	-	1
Investments in subsidiaries and an associate				
ICBC (Thai) Leasing Company Limited	-	-	4,250	4,250
Finansia Syrus Securities Public Company Limited	569	579	305	305
Loans to customers and accrued interest receivables, net				
ICBC (Thai) Leasing Company Limited	-	-	1,213	883
Sky High LI Leasing Designated Activity Company Limited	-	-	3,895	4,249
Others	1	1	1	1
Other assets				
Others	-	9	-	9

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	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Deposits</i>				
ICBC (Thai) Leasing Company Limited	-	-	3	1
Related persons	149	141	149	141
<i>Interbank and money market items (liabilities)</i>				
Industrial and Commercial Bank of China Limited	6,618	9,432	6,618	9,432
Industrial and Commercial Bank of China Limited - Tokyo	6,893	1,093	6,893	1,093
Industrial and Commercial Bank of China Limited - New York	-	1,961	-	1,961
Industrial and Commercial Bank of China Limited - Vientiane	214	92	214	92
Industrial and Commercial Bank of China Limited - Singapore	1,775	5,415	1,775	5,415
Industrial and Commercial Bank of China Limited - Hong Kong	14,602	8,628	14,602	8,628
Industrial and Commercial Bank of China Limited - Guangdong	-	4,902	-	4,902
Industrial and Commercial Bank of China Limited - Dubai (DIFC)	1,720	1,863	1,720	1,863
Industrial and Commercial Bank of China Limited - Kuwait	1,702	-	1,702	-
Industrial and Commercial Bank of China Limited - Luxembourg	12,311	-	12,311	-
Industrial and Commercial Bank of China Limited - Shanghai (FTU)	2,920	-	2,920	-
Industrial and Commercial Bank of China Limited - Sydney	227	-	227	-
Industrial and Commercial Bank of China (Asia) Limited	-	1,961	-	1,961
Finansia Syrus Securities Public Company Limited	2	972	2	972
Others	4	-	4	-
<i>Derivative liabilities (fair value)</i>				
Industrial and Commercial Bank of China Limited	154	215	154	215
Industrial and Commercial Bank of China (Asia) Limited	3	47	3	47
Industrial and Commercial Bank of China (Macau) Limited	102	-	102	-
Finansia Syrus Securities Public Company Limited	-	1	-	1
<i>Accrued interest payables</i>				
Industrial and Commercial Bank of China Limited	125	82	125	82
Industrial and Commercial Bank of China Limited - Hong Kong	192	37	192	37
Industrial and Commercial Bank of China Limited - Guangdong	-	26	-	26
Industrial and Commercial Bank of China Limited - Dubai (DIFC)	51	61	51	61
Industrial and Commercial Bank of China Limited - Tokyo	27	4	27	4
Others	41	16	41	16
<i>Other liabilities</i>				
Others	-	-	2	3
<i>Off-financial reporting items</i>				
<i>Other guarantees</i>				
Industrial and Commercial Bank of China Limited	1,493	1,153	1,493	1,153
Industrial and Commercial Bank of China Limited - Hubei	-	99	-	99
Industrial and Commercial Bank of China Limited - Hebei	32	-	32	-
ICBC (Thai) Leasing Company Limited	-	-	30	30
Others	3	3	3	3
<i>Guarantee on loans</i>				
ICBC (Thai) Leasing Company Limited	-	-	4,873	6,663
<i>Forward exchange contracts-bought (notional amounts)</i>				
Industrial and Commercial Bank of China Limited	6,909	802	6,909	802
Industrial and Commercial Bank of China (Asia) Limited	4,130	3,854	4,130	3,854
Finansia Syrus Securities Public Company Limited	-	537	-	537
Others	9	8	9	8

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	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Forward exchange contracts-sold (notional amounts)</i>				
Finansia Syrus Securities Public Company Limited	-	131	-	131
<i>Forward exchange and interest rate contracts (notional amounts)</i>				
Industrial and Commercial Bank of China Limited	8,099	4,081	8,099	4,081
Industrial and Commercial Bank of China (Macau) Limited	2,185	-	2,185	-
<i>Interest rate swap contracts (notional amounts)</i>				
Industrial and Commercial Bank of China Limited	7,029	719	7,029	719
Industrial and Commercial Bank of China (Asia) Limited	3,665	-	3,665	-

As at 31 December 2018, Industrial and Commercial Bank of China - Hong Kong had a Standby L/C and a US Dollar fixed cash deposit, amounting to US Dollar 550 million (equivalent to Baht 17,847 million) and US Dollar 450 million (equivalent to Baht 14,602 million), respectively. (31 December 2017: Standby L/C amounting to US Dollar 1,000 million (equivalent to 32,680 million)). Both transactions are used as a collateral against the issuance of Letter of Guarantee for a Telecommunication Company. As a result, the Bank has to pay a fee for the Standby L/C on an annual basis and the interest for the US Dollar fixed cash deposit on a semi-annual basis until the end of the contract in 2020.

34 Long-term lease agreements

The Bank and its subsidiaries have entered into several lease agreements in respect of the equipment. Long-term lease agreements classified by the remaining rental expenses to be paid are as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Within one year	92	138	81	108
After one year but within five years	62	130	60	124
Over five years	40	48	40	48
Total	194	316	181	280

35 Segment information

Information about reportable segments was as follows:

The Bank and its subsidiaries' business operations involve 2 principal segments: (1) Banking business which includes factoring business and (2) Hire purchase, finance lease, factoring business that form the basis of how information is presented to the Chief Operating Decision Maker. Respective business segments serve both corporate and retail customers; however, retail represents an insignificant portion of the total at the bank level. These operations are carried mainly in Thailand. The Bank has determined that the Chief Operating Decision Maker is the Executive Committee.

Industrial and Commercial Bank of China (Thai) Public Company Limited and its Subsidiaries
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Below is the financial information by segment of the Bank and its subsidiaries:

	Consolidated				
	Banking business	Hire purchase, finance lease and factoring business	Total (in million Baht)	Elimination entries	Total
For the year ended 31 December 2018					
Net interest income	2,926	1,314	4,240	6	4,246
Net fees and service income and other income, net	540	316	856	(9)	847
Share of loss of investments in an associate	(2)	-	(2)	-	(2)
Other operating income	339	387	726	(7)	719
Other operating expenses	(1,554)	(639)	(2,193)	3	(2,190)
Profit before bad debt, doubtful accounts and impairment losses	2,249	1,378	3,627	(7)	3,620
Bad debt, doubtful accounts and impairment losses	(325)	(1,025)	(1,350)	-	(1,350)
Profit from operation before income tax	1,924	353	2,277	(7)	2,270
Income tax	(407)	49	(358)	-	(358)
Profit for the year	1,517	402	1,919	(7)	1,912

Financial position as at 31 December 2018

Investments in an associate	569	-	569	-	569
Total assets	199,702	38,301	238,003	(9,177)	228,826
Total liabilities	171,340	32,977	204,317	(5,164)	199,153

	Consolidated				
	Banking business	Hire purchase, finance lease and factoring business	Total (in million Baht)	Elimination entries	Total
For the year ended 31 December 2017					
Net interest income	3,035	1,415	4,450	14	4,464
Net fees and service income and other income, net	690	218	908	(14)	894
Share of profit from associates	37	-	37	-	37
Other operating income	139	410	549	(18)	531
Other operating expenses	(1,443)	(673)	(2,116)	7	(2,109)
Profit before bad debt, doubtful accounts and impairment losses	2,458	1,370	3,828	(11)	3,817
Bad debt, doubtful accounts and impairment losses	(661)	(1,099)	(1,760)	-	(1,760)
Profit from operation before income tax	1,797	271	2,068	(11)	2,057
Income tax	(367)	123	(244)	(2)	(246)
Profit for the year	1,430	394	1,824	(13)	1,811

Financial position as at 31 December 2017

Investments in an associate	579	-	579	-	579
Total assets	179,892	37,282	217,174	(9,329)	207,845
Total liabilities	152,787	32,362	185,149	(5,327)	179,822

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36 The financial position and results of operations classified by domestic and foreign business

As at 31 December 2018 and 2017, the consolidated financial position classified by domestic and foreign business were as follows:

	Consolidated							
	2018				2017			
	Domestic business	Foreign business	Elimination entries	Total	Domestic business	Foreign business	Elimination entries	Total
	(in million Baht)							
Total assets	228,806	3,952	(3,932)	228,826	207,847	4,288	(4,290)	207,845
Interbank and money market items, net (Assets)	11,504	209	-	11,713	8,317	89	-	8,406
Investments, net ⁽¹⁾	74,747	-	-	74,747	63,304	-	-	63,304
Loans to customers and accrued interest receivables, net	138,444	3,743	(3,932)	138,255	132,266	4,199	(4,290)	132,175
Deposits	102,139	-	-	102,139	100,349	-	-	100,349
Interbank and money market items (Liabilities)	61,542	-	-	61,542	49,938	-	-	49,938
Debt issued and borrowings	32,037	3,932	(3,932)	32,037	26,320	4,290	(4,290)	26,320

⁽¹⁾ The amount includes investments in subsidiaries and an associate, net

The results of the consolidated operations classified by domestic and foreign business for the years ended 31 December 2018 and 2017 were as follows:

<i>Year ended 31 December</i>	Consolidated							
	2018				2017			
	Domestic business	Foreign business	Elimination entries	Total	Domestic business	Foreign business	Elimination entries	Total
	<i>(in million Baht)</i>							
Interest income	8,387	188	(170)	8,405	7,997	171	(2)	8,166
Interest expenses	(4,159)	(170)	170	(4,159)	(3,579)	(126)	2	(3,703)
Net interest income	4,228	18	-	4,246	4,418	45	-	4,463
Net fees and service income	729	-	-	729	703	2	-	705
Other operating income	835	-	-	835	740	17	-	757
Other operating expenses	(2,191)	-	-	(2,191)	(2,107)	(2)	-	(2,109)
Bad debt, doubtful accounts and impairment losses	(1,355)	5	-	(1,350)	(1,770)	10	-	(1,760)
Profit from operations before income tax	2,246	23	-	2,269	1,984	72	-	2,056

The Bank does not present the Bank only financial position and results of operations classified by domestic and foreign business since the Bank is engaged only domestic business in Thailand.

37 Interest income

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Interbank and money market items	203,014	171,741	202,884	171,623
Investments in debt securities	1,794,801	1,687,290	1,794,801	1,687,290
Loans to customers and factoring	4,294,510	4,008,709	4,404,196	3,965,750
Hire purchase and finance leases	2,112,315	2,298,289	-	31
Others	511	8	511	8
Total	8,405,151	8,166,037	6,402,392	5,824,702

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38 Interest expenses

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Deposits	1,435,872	1,464,192	1,435,881	1,464,195
Interbank and money market items	1,393,776	775,545	1,391,252	771,709
Contributions to Deposit Protection Agency and Bank of Thailand	510,936	501,247	510,936	501,247
Debt issued - debentures	806,532	823,451	136,164	49,251
Borrowings	159	125,721	160	921
Borrowings fee expense	10,990	11,309	1,378	805
Other	889	1,057	888	1,056
Total	4,159,154	3,702,522	3,476,659	2,789,184

39 Net fees and service income

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Fees and service income				
Acceptances, avals and guarantees	399,468	414,536	406,434	427,860
Letter of credit fee income	6,814	6,592	6,814	6,592
Hire purchase and finance leases	116,968	129,381	-	-
Extension fee	-	2,499	-	2,499
Assurance and insurance	201,974	175,473	1,056	1,613
Others	123,824	98,862	123,971	101,862
Total fees and service income	849,048	827,343	538,275	540,426
Fees and service expense	(120,108)	(121,883)	(115,753)	(120,208)
Net fees and service income	728,940	705,460	422,522	420,218

40 Net trading income

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Gain on trading and foreign exchange transactions				
Foreign currencies and foreign currency related derivatives	118,116	154,717	117,407	235,824
Total	118,116	154,717	117,407	235,824

41 Net gains on investments

	Consolidated and Bank only	
	2018	2017
	<i>(in thousand Baht)</i>	
Gains (Losses) on Investment		
- Available-for-sale	(5,282)	-
- General investment	170,020	-
Gains on early redemption - Held-to-maturity securities	-	34,150
Losses on impairment - General investment	(44)	(142)
Net gains on investments	164,694	34,008

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42 Directors' remuneration

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

43 Bad debt, doubtful accounts and impairment losses

	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Bad debts and doubtful accounts				
- Interbank and money market items	30,461	20,596	30,461	20,596
- Loans to customers	1,307,615	1,714,218	293,765	641,557
Loss on debt restructuring	11,612	24,776	1,015	(1,159)
Total	1,349,688	1,759,590	325,241	660,994

44 Income tax

Income tax recognised in profit or loss

		Consolidated		Bank only	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		442,295	438,385	392,719	438,385
Adjustment for prior years		(1,689)	(72,713)	(1,689)	(5,464)
		440,606	365,672	391,030	432,921
Deferred tax expense					
Movements in temporary differences	21	(82,861)	(119,560)	16,866	(66,024)
		(82,861)	(119,560)	16,866	(66,024)
Total income tax expense		357,745	246,112	407,896	366,897

Income tax recognised in other comprehensive income

		Consolidated					
		2018		2017			
		Before tax	Tax income	Before tax	Tax expense	Net of tax	
		<i>(in thousand Baht)</i>					
Other comprehensive income							
- Available-for-sale securities	(331,500)	66,300	(265,200)	(16,099)	3,220	(12,879)	
- Actuarial gain on defined benefit plan	5,200	(1,040)	4,160	701	(140)	561	
- Share of other comprehensive income of investments in an associate	(1,380)	138	(1,242)	(1,660)	165	(1,495)	
- Translating difference	294	-	294	(4,313)	-	(4,313)	
Total	(327,386)	65,398	(261,988)	(21,371)	3,245	(18,126)	

		Bank only					
		2018		2017			
		Before tax	Tax income	Before tax	Tax expense	Net of tax	
		<i>(in thousand Baht)</i>					
Other comprehensive income							
- Available-for-sale securities	(331,500)	66,300	(265,200)	(16,099)	3,220	(12,879)	
- Actuarial gain on defined benefit plan	7,150	(1,430)	5,720	-	-	-	
Total	(324,350)	64,870	(259,480)	(16,099)	3,220	(12,879)	

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Reconciliation of effective tax rate

	Consolidated		Consolidated	
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax		2,269,844		2,056,691
Income tax using the Thai corporation tax rate	20	453,969	20	411,338
Expense not deductible for tax purpose		357		27,448
Additional deductible expense for tax purposes ⁽²⁾		(93,563)		(95,301)
Over provided in prior years		(1,689)		(72,713)
Income tax of the indirect subsidiary that is not taxable		(1,329)		(24,660)
Total	16 ⁽¹⁾	357,745	12 ⁽¹⁾	246,112

⁽¹⁾ Effective tax rate

⁽²⁾ Additional deductible expense for tax purposes of ICBC (Thai) Leasing Company Limited are complied with Royal Decree No.604 B.E. 2559

	Bank only		Bank only	
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax		1,924,440		1,759,719
Income tax using the Thai corporation tax rate	20	384,888	20	351,944
Expense not deductible for tax purpose		24,697		20,417
Income not subject to tax		(1,689)		(5,464)
Total	21 ⁽¹⁾	407,896	21 ⁽¹⁾	366,897

⁽¹⁾ Effective tax rate

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

45 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to shareholders of the Bank and the number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the years as follows:

	Consolidated		Bank only	
	2018	2017	2018	2017
Profit attributable to (in million Baht)				
Shareholders of the Bank	1,912	1,739	1,517	1,393
Former shareholder before business combination under common control	-	72	-	-
Non-controlling interests	-	-	-	-
Profit for the year	1,912	1,811	1,517	1,393
Number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding (million shares)	2,257	2,257	2,257	2,257
Earnings per share (basic) (in Baht)				
Shareholders of the Bank	0.85	0.77	0.67	0.62
Former shareholder before business combination under common control	-	0.03	-	-
Non-controlling interests	-	-	-	-
Earnings per share (basic)	0.85	0.80	0.67	0.62

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46 Event after the reporting period

During January 2019 to 22 March 2019, ICBC (Thai) Leasing Company Limited, the Bank's direct subsidiary, issued 11 short-term debentures with total face value of Baht 5,300 million offered to financial institution investors carrying interest rate ranging from 1.78% to 1.92% per annum with the maturity dates being the range of 86 days to 93 days from the date of issue. Moreover, short-term debentures with face value of Baht 4,500 million had already been settled on their maturity dates in the period.

Auditors

Statutory auditor names and their engaged office

There are 3 auditors which have been nominated as the list below:

- | | |
|------------------------------|--------------------------------------|
| - Ms. Aorapin Sinthawornkul | Certified Public Accountant No. 9441 |
| - Ms. Wilai Buranakittisopon | Certified Public Accountant No. 3920 |
| - Mr. Chanchai Sakulkoedsin | Certified Public Accountant No. 6827 |

Engaged Office

KPMG Phoomchai Audit Ltd.

50th-51st Floor, Empire Tower, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand

Tel 0 2677 2000

The auditor of the subsidiary of the bank

The auditors of ICBC (Thai) Leasing Co., Ltd. (the Bank' subsidiary) are the auditors who are under the same office of the Bank's. The proposed auditors have no relationship with or interests in the Bank/Subsidies/executives/major shareholder or related parties thereof.

Remuneration of auditors

The audit fee of Bank and Bank's subsidiary for the year 2018 was Baht 4,976,594 the audit fee of the Bank was Baht 3,207,600 and ICBC (Thai) Leasing Co., Ltd. (Bank's subsidiary) was Baht 1,768,994.

Management Structure

1. Board of Directors

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

Dr. Zhigang Li	Chairman
Mr. Shiqiang Lin	Director
Dr. Prasit Damrongchai	Independent Director
Ms. Ladda Siri Wattanakosol	Independent Director
Dr. Supot Tiarawut	Independent Director*
Mr. Zhisheng Xu	Director
Mr. Yang Liu	Director
Mr. Jianfeng Zheng	Director
Mr. Yong Hu	Director**
Pol.Gen. Werapong Chuenpagdee	Independent Director
Dr. Verapong Chaiperm	Independent Director***

Resigned Directors

Ms. Minmin Wu	Director****
TDVC.Col. Plengsakdi Prakaspesat	Independent Director*****

* Appointed as Director on 29 January 2019

** Appointed as Director on 8 September 2018

*** Appointed as Director on 7 February 2019

**** Resigned from Director on 8 June 2018

***** Resigned from Director on 1 December 2018

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

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

Attendance in 2018

Name of Director	Attendance
Dr. Zhigang Li	4/4
Mr. Shiqiang Lin	4/4
Dr. Prasit Damrongchai	4/4
Ms. Ladda Siri Wattanakosol	4/4
Mr. Zhisheng Xu	4/4
Mr. Yang Liu	4/4
Mr. Jianfeng Zheng	4/4
Mr. Yong Hu*	2/2
Ms. Minmin Wu**	1/1
TDVC.Col. Plengsakdi Prakaspesat***	3/3
Pol.Gen. Werapong Chuenpagdee	4/4

* Appointed as Director on 8 September 2018

** Resigned from Director on 8 June 2018

*** Resigned from Director on 1 December 2018

2. Independent Directors

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

3. Committees under the Board of Directors' Direct Supervision

The Board of Directors has appointed four committees to oversee and ensure an efficient management system which is in compliance with the Bank's policies. Each committee's responsibilities have been clearly specified. In addition, in accordance with the Handbook for the Directors of Financial Institutions of the Bank of Thailand, the Board of Directors is responsible for overseeing the performance of the committees under the direct supervision of the Board of Directors and requires that these committees report their performance to the Board of Directors on a regular basis. The four committees which are under the direct supervision of the Board of Directors are the Executive Committee; Audit Committee; Nomination, Compensation and Corporate Governance Committee; and Group Risk Supervision and Internal Control Committee. Details are as follows:

3.1 The Executive Committee

Comprises 8 Directors and Senior Executives as follows:

Dr. Zhigang Li	Chairman
Mr. Shiqiang Lin	Member
Mr. Zhisheng Xu	Member
Mr. Yang Liu	Member
Mr. Yongmin Tang	Member
Ms. Suree Wipatakanok	Member
Mr. Chaiwat Tanchewawong	Member
Mr. Som Pisarnsopon	Member*

* Appointed as member on 22 June 2018

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

3.2 The Audit Committee

Comprises 3 Independent Directors as follows:

Ms. Ladda Siri Wattanakosol	Chairperson
Pol.Gen. Werapong Chuenpagdee	Member
Dr. Verapong Chaiperm	Member*

* Appointed as member on 28 January 2019

The Audit Committee has responsibilities to review and ensure that the Bank and the companies in its financial business group have accurate and adequate financial reports as well as suitable and efficient internal control and internal audit systems. It must ensure that the operations of the Bank and the companies in its financial business group are in compliance with the relevant laws and regulations in relation to the business of the Bank and its financial business group. It also has the responsibilities

to consider, select and nominate an independent person to be the Bank's statutory auditor and to propose such person's remuneration; and meet the independent auditor at least once a year without the presence of the management. Moreover, the Audit Committee has a duty to review transactions which may lead to conflicts of interest to ensure that they are conducted in compliance with relevant laws and regulations which are proceeded in a reasonable manner for the utmost benefits to the Bank.

Attendance in 2018

Name of Director	Attendance
Ms. Ladda Siri Wattanakosol	6/6
TDVC.Col. Plengsakdi Prakaspesat*	5/5
Pol.Gen. Werapong Chuenpagdee	6/6

* Resigned on 1 December 2018

3.3 The Nomination, Compensation and Corporate Governance Committee

Comprises 3 Non-executive Members with the Chairman being an Independent Director.

Dr. Prasit Damrongchai	Chairman
Mr. Jianfeng Zheng	Member
Mr. Yong Hu	Member*

* Appointed as member on 8 September 2018

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

(1) Nomination

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

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

Moreover, the Committee is to ensure that the policies, conditions and methods for the nomination of the Directors and Managing Director or equivalent position of the company(ies) in the Bank's financial business group are clearly stated, transparent and appropriate to the significant risks of the company(ies) in the Bank's financial business group.

In the case of election of the Directors to replace those who are scheduled to retire by rotation, the Committee will consider the qualifications and past performance of the Directors to ensure that such Directors have proper qualifications to be the Bank's Director before proposing to the Board of Directors' and shareholders' meetings for re-appointment.

(2) Compensation

The Nomination, Compensation and Corporate Governance Committee has the responsibility to establish policies regarding compensation and benefits granted to the Directors, Members of Committees and Senior Executives for the Board of Directors' approval as well as overseeing that the Directors and Managing Director or equivalent position of the company(ies) in the Bank's financial business group are appropriately compensated backed by appropriate policies, conditions and methods for such compensation. The policies shall be based on clear and transparent criteria.

The Committee shall ensure that compensation is reasonable, comparable to the rates of other comparable financial institutions,

compatible with the Bank's performance and commensurate with the Directors' Members of Committees' or senior executives' duties, responsibilities and experience. Directors assigned with additional duties and responsibilities as members of Committees should receive additional compensations that commensurate such additional assignments. It is also responsible for overseeing that there is a mechanism or tool to support the nomination of Directors by discussing with the Group Risk Supervision and Internal Control Committee on the nomination and remuneration policy can reflect the significant risks of the Bank.

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

(3) Corporate Governance

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

In addition, the Nomination, Compensation and Corporate Governance Committee is responsible for overseeing the CG Policy of the and practice of the company(ies) in the financial business group of the Bank and consider the nomination and compensation of the directors and Managing Director of company(ies) in the Bank's financial business group.

Attendance in 2018

Name of Director	Attendance
Dr. Prasit Damrongchai	6/6
Mr. Jianfeng Zheng	6/6
Ms. Minmin Wu*	2/3
Mr. Yong Hu**	2/2

* Resigned on 8 June 2018

** Appointed on 8 September 2018

3.4 The Group Risk Supervision and Internal Control Committee

Comprises 4 Members as follows:

Dr. Supot Tiarawut	Chairman
Ms. Ladda Siri wattanakosol	Vice Chairperson
Mr. Shiqiang Lin	Member
Mr. Zhisheng Xu	Member

* This committee was established on 18 January 2019 replacing the Group Risk Management and Internal Control Committee

The Group Risk Supervision and Internal Control Committee has 2 main responsibilities risk oversight and internal control of the Bank and company(ies) in its financial business group as follows:

1) Risk Oversight

The Group Risk Supervision and Internal Control Committee is responsible for providing recommendations to the Board of Directors regarding the risk management framework as well as ensuring that the Chief Risk Officer (CRO) complies with the risk management policies, strategies and risk appetite of the Bank and evaluate the performance of the CRO. It shall oversee that the strategies on capital and liquidity management are in line with the approved risk appetite as well as monitoring and controlling of the risk management policies by the financial group to ensure that such policies are implemented as defined and are in compliance with the Bank of Thailand's regulations. The Committee shall also report significant risk related issues to the Bank's Board of Directors.

2) Internal Control

The Group Risk Supervision and Internal Control Committee is responsible for defining internal control policy and objective of the financial group and organize the formulation of the internal control programs to ensure the efficiency and sufficiency of monitoring system. The Committee shall ensure that there is an effective three lines of defense structure and clear segregation of duties. It shall also promote the financial group to perform internal control, analyze material control deficiencies and review the assessment reports and results.

In addition to the four abovementioned committees, the Bank also has other important committees reporting directly to the Executive Committee such as the Management Committee, the Credit Committee, the Asset Management Committee and the Technology Committee.

Remuneration for Directors and Executives in 2018

1. Remuneration of Directors

Remuneration of Directors		
No.	Name	Amount
1	Dr. Zhigang Li	3,531,625.44
2	Dr. Prasit Damrongchai	360,000.00
3	Ms. Ladda Siri Wattanakosol	360,000.00
4	TDVC.Col. Plengsakdi Prakaspesat	320,000.00
5	Pol.Gen Werapong Chuenpagdee	360,000.00
Total		4,931,625.44

Remuneration of the Chairman of the Executive Committee		
1	Dr. Zhigang Li	11,434,300.80
Total		11,434,300.80

Remuneration of Members of the Audit Committee		
1	Ms. Ladda Siri Wattanakosol	600,000.00
2	TDVC.Col. Plengsakdi Prakaspesat	330,000.00
3	Pol.Gen Werapong Chuenpagdee	360,000.00
Total		1,290,000.00

Remuneration of Members of the Nomination, Compensation and Corporate Governance Committee		
1	Dr. Prasit Damrongchai	600,000.00
Total		600,000.00
Grand Total		18,255,926.24

2. Remuneration to Executives in 2018

Executives		2018
	No. of Person	Total Amount (Baht)
Total	18	129,517,073.43

Directors' and Senior Executives' holding of positions in other companies as of 31 December 2018

Name	ICBC (Thai)	Position			
		The Bank's Financial Business Group		Other Companies	
Dr. Zhigang Li	Chairman of the Board of Directors/Executive Director	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-
Mr. Shiqiang Lin	Chief Executive Officer/Executive Director	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-
Dr. Prasit Damrongchai	Independent Director	-	-	Independent Director/Vice Chairman/Chairman of the Audit Committee	Dhipaya Insurance PLC.
Ms. Ladda Siriwanakosol	Independent Director	-	-	Independent Director/Chairman of the Audit Committee	Pace Development Corporation PLC.
Mr. Zhisheng Xu	Senior Executive Vice President, Supporting, Finance & Risk Management Group/Executive Director	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-
Mr. Yang Liu	Senior Executive Vice President, Branch Banking and Information Technology Group/Executive Director	-	-	Director	Finansia Syrus Securities Public Company Limited
Mr. Jianfeng Zheng	Non-Executive Director	-	-	Director	ICBC Turkey
		-	-	Director	ICBC Mexico
		-	-	Non - Executive Director	ICBC Credit Suisse Asset Management

Name	ICBC (Thai)	Position			
		The Bank's Financial Business Group		Other Companies	
Mr. Yong Hu	Non-Executive Director	-	-	Director	ICBC Moscow
Pol.Gen. Werapong Chuenpagdee	Independent Director	-	-	Independent Director/Audit Committee/Member of Compensation and Nomination Committee	Country Group Development PLC.
				Independent Director/Audit Committee/Chairman of Good Corporate Governance Committee	Country Group Holding PLC.
				Independent Director/Member of Compensation and Nomination Committee/Audit Committee	Thai Hua Rubber PLC.
				Independent Director/Chairman of the Audit Committee	Sinsianyerpao Co., Ltd.
				Director	Fusin Mining Industry (Thailand) Co., Ltd.
				Director	Boonyachinda Foundation for Thai Royal Police and Family
				Chairman/Independent Director	Arinsiri Land Co., Ltd.
				Advisor	Thai Industrial Association
				Director	Richland Property Development Co., Ltd.
				Advisor	Royal Thai Police
				Independent Director	Triton Holding PLC.
				Independent Director	Tribeca Enterprise Co., Ltd.
Mr. Yong Chen	Senior Executive Vice President	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-
Ms. Kanchana Vongratanakulthorn	Executive Vice President, Recovery Management Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.	Authorized Director	Chonburi Motor Express Co., Ltd.
Mr. Som Pisarnsophon	Executive Vice President, Finance & Strategy Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-

Corporate Governance

Corporate governance is an important practice and mechanism to ensure accountability, fairness and transparency to all shareholders and stakeholders of a company as well as the society at large. The Board of Directors of the Bank realizes the importance of the principles of good corporate governance in setting its strategies and its daily operation, thus, has prescribed a written Corporate Governance Policy which is consistent with the new Bank of Thailand's Notification on Corporate Governance for Financial Institutions. In addition to the Corporate Governance Policy, the Bank also complies with other corporate governance-related policies such as business ethics, CSR policy and anti-corruption policy. In setting up the organization structure, operational guidelines and duties based on corporate governance, the Bank places high priority to accountability, equitable treatment and transparency to ensure that the Bank's business operations are in accordance with the relevant laws and regulations.

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

The Board of Directors recognizes the importance of sound management and control systems based on the principle of checks and balances, therefore, has delegated the management to establish adequate and appropriate internal control systems to help mitigate risks as well as to lessen any adverse impact that could occur. One of the main additional requirements as a result of the new Corporate Governance for Financial Institutions of the Bank of Thailand is for the Bank to oversee the corporate governance as well as the risk and policy on the nomination and remuneration of directors and persons with managerial power of the company(ies) in its financial business group. Therefore, in 2018 the Bank had amended various corporate governance related policies to be in line with these requirements.

The Bank's Board of Directors has determined control activities to be an important part of operational processes for every working section of the Bank, therefore, has assigned several committees to oversee the control system. These committees are the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Group Risk Management and Internal Control Committee. However, to comply with the new Corporate Governance of the Bank of Thailand, the Bank has established the Group Risk Supervision and Internal

Control Committee to replace the Group Risk Management Committee since the concept of the role of this committee is to oversee the overall risks of its group as well as overseeing the control system of the group. More directly, the Nomination, Compensation and Corporate Governance Committee, under the direct supervision of the Board of Directors, which in addition to selecting qualified persons for positions in the Bank and determining their compensations, is responsible for ensuring that a proper corporate governance system is in place and in compliance with the Corporate Governance Policy.

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

Moreover, in accordance with the Bank's Corporate Governance Policy, every year the Board of Directors is required to conduct its self-assessment for the performance of the Board of Directors as a whole. This self-assessment is based on 2 new assessment forms (Board as a whole and individual evaluations) approved by the Board of Directors in 2017 and is conducted by each Director every year to assess and review the performance of the Board of Directors and the performance of each Director during the past year. The assessment comprises 5 categories as follows:

- 1) Board Policy
- 2) Board Composition
- 3) Board Practice
- 4) Board Meeting
- 5) Supervision

The Board of Directors' Assessment for the Board as a whole resulted in an overall average of 99.50% higher than the 2017's performance of 99.25% while the result of the overall average for individual performance which is an additional assessment required by the Bank of Thailand this year was 99.25%.

Furthermore, the Bank realizes the importance of operating its business with transparency and fairness, therefore, it is against any form of corruption and has joined Thailand's Private Sector Collective Sector Action Against Corruption (CAC) to be accredited for the Certified Companies of Thailand's Private Sector Collective Action Coalition Against Corruption and was granted membership in the CAC on 18 August 2017 for a period of 3 years.

Capital Structure

Registered Capital

As at 31 December 2018 the Bank had a registered capital of Baht 20,132,093,886.16 divided into 2,256,510,117 ordinary shares at par value of Baht 8.92 and 451,081 Class B preferred shares at par value of Baht 8.92 with paid-up capital of Baht 20,132,093,886.16 divided into 20,132,093,886.16 ordinary shares at par value of Baht 8.92 and 451,081 Class B preferred shares at par value of Baht 8.92.

Preferred Shares

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

General Information

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

Type of business	Commercial bank
Address of Head Office	L, 11 th -13 th Floors, Emporium Tower, 622 Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110 Thailand
Registration No.	0107536000251
Website	www.icbcthai.com
Telephone	+66 2663 9999
Facsimile	+66 2663 9888
Call Center	+66 2629 5588
Registered capital	Baht 20,132,093,886.16 (as of 31 December 2018)
Paid-up capital	Baht 20,132,093,886.16 (as of 31 December 2018)
Par value	Baht 8.92

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

- ICBC (Thai) Leasing Company Limited

Address	1122 KPI Tower 15 th Floor, New Petchburi Road, Makasan, Ratchathewi Bangkok 10400 Thailand
Type of business	Leasing Business
Telephone	+66 2876 7200
Facsimile	+66 2876 7210-12
Registered capital	Baht 8,000,000,000.00 (as of 31 December 2018)
Paid-up capital	Baht 4,250,000,000.00 (as of 31 December 2018)
Par value	Baht 10
Percentage of shareholding	99.99%

- Finansia Syrus Securities Public Company Limited

Address	999/9 The Offices at Central World 18 th Floor, Rama I Road, Pathumwan, Bangkok 10500 Thailand
Type of business	Securities Business
Telephone	+66 2658 9000
Facsimile	+66 2658 9110
Registered capital	Baht 930,244,840.00 (as of 31 December 2018)
Paid-up capital	Baht 930,244,840.00 (as of 31 December 2018)
Par value	Baht 1.60
Percentage of shareholding	22.29%

- Bangkok BTMU Company Limited

Address	54 Harindhorn Tower 4 th Floor, Unit A, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand
Type of business	Investment and Lending Business
Telephone	+66 2266 3075
Facsimile	+66 2266 3076
Registered capital	Baht 200,000,000 (as of 31 December 2018)
Paid-up capital	Baht 200,000,000 (as of 31 December 2018)
Par value	Baht 100
Percentage of shareholding	10%

Reference Information

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

- **Auditors** KPMG Phoomchai Audit Limited
50th Floor, Empire Tower, 195 South Sathorn Road
Bangkok, 10120 Thailand
Tel +66 2677 2000
Fax +66 2677 2222

622 Emporium Tower L, 11th-13th Fl.,
Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110
Tel 0 2663 9999 Fax 0 2663 9888

www.icbcthai.com