



“/”
Joanne Pang

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“/”

by Joanne Pang
Mixed media on cotton
140 x 150 cm

Ms Pang's painting, “/”, is the design inspiration for this year's Annual Report. The artist is a lecturer at LASALLE College of the Arts in Singapore and her painting received the Gold award in the Established Artist Category in the 2018 UOB Painting of the Year (Singapore) competition.

The painting title is also meant to be read as “either... or” and represents a strike in motion. It reflects the artist's movements between action and inaction during the painting process as well as captures the concept of time passing and stopping. Through technique and medium, her painting strokes express the impact of force, dynamism and transformation.

The essence of the painting captures UOB's approach to banking where due consideration is given before timely decisions are made for optimal impact.

UOB's support of art is a natural extension of our commitment to our stakeholders in the communities in which we operate. The UOB Painting of the Year competition, in its 37th year in 2018, is the Bank's flagship art programme held across four Southeast Asian countries.

Company Profile

United Overseas Bank (Thai) Public Company Limited (UOB (Thai)) is a fully-licensed commercial bank. With its network of 154 branches and 393 ATMs (as of 31 December 2018), UOB (Thai) offers consumer and corporate customers a comprehensive suite of quality products and services to meet their financial objectives and needs. To complement its commercial banking business, UOB (Thai) has a subsidiary providing debt collection services.

UOB (Thai) is rated among the top banks in Thailand by Moody's Investors Service and Fitch Ratings.

Moody's Investors Service:

International Ratings	
Long-Term	Baa1
Short-Term	P-2

Fitch Ratings:

International Ratings	
Long-Term	A-
Short-Term	F2
Viability	bbb-
Support	1
National Ratings	
Long-term	AAA(tha)
Short-term	F1+(tha)

UOB (Thai) is 99.66 per cent owned by Singapore-based United Overseas Bank Limited (UOB), which has a global network of more than 500 offices in Asia Pacific, Europe and North America.

A regional bank rooted in Thailand, UOB (Thai) provides customers with financial expertise and connectivity across Asia. It offers innovative financial solutions, quality products and excellent service through understanding and identifying the needs of its customers.

Our Commitment to Fair Dealing

Regulatory compliance is a top priority at UOB. We are committed to upholding the highest standards of ethics, integrity and fairness to our customers and actively promote such awareness in our organization.

With customers as our focal point, we ensure that fair dealing is entrenched in all aspects of our relationship with the customers.

- Fair Dealing is central to our corporate culture
- Our offering products and services are suitable for our customers.
- We ensure the competency of our sales staff in providing quality advices and appropriate recommendations.
- We provide the customers with clear, relevant and timely information, which would enable the customers to make informed financial decisions.
- We take customer complaints seriously and have robust process in place to ensure that the customer complaints are managed in a transparent, independent, and efficient manner.
- Personal data protection and customer privacy are crucial to maintaining customers' trust. We exercise robust controls over access to customer data and monitoring process to ensure customer's privacy and confidentiality of customers' data are effectively managed and fully protected.

Financial Highlights

	Consolidated Financial Statements	
	2018	2017
Financial Position (Million Baht)		
Assets	525,104	516,928
Loans	382,949	350,593
Allowance for doubtful accounts	10,190	9,997
Deposits	405,178	370,168
Liabilities	468,894	464,982
Shareholders' equity	56,209	51,946
Capital funds	60,371	61,446
Earnings Performance (Million Baht)		
Net interest income	14,370	13,595
Non-interest income	4,935	4,639
Net profit before tax	5,347	4,402
Net profit after tax	4,326	3,526
Ratios (%)		
Net interest income to average assets	2.76	2.81
Return on average assets	0.83	0.73
Return on average equity	8.00	7.03
Earnings per share - basic (Baht)	1.74	1.42
NPLs (gross) to total loans	2.49	2.48
Book value per share (Baht)	22.61	20.90
Common equity tier 1	16.80	16.05
Capital adequacy	19.23	20.14

Chairman's Statement

We are committed to enhancing the banking experience for our customers and to developing financial solutions essential to the lifestyles of Thai consumers.



Our Operating Environment in 2018

Thailand's economy weathered the headwinds caused by market uncertainty and global trade tensions in 2018 and grew by 4.1 per cent. This growth was buoyed by domestic demand, driven largely by private consumption expenditure which expanded at its fastest pace in nearly two years amid improving wage growth and subdued inflation. Private investment also grew to almost a six-year high, supported by increased construction-related investments, particularly in machinery.

Our 2018 Performance

UOB (Thai) continued to deliver strong performance in 2018. We achieved 22.7 per cent growth in net profit after tax to reach Baht 4.3 billion. Total income was Baht 19.3 billion, driven largely by overall loan growth. Total loans were at Baht 382.9 billion, a year-on-year increase of 9.2 per cent (Baht 32.4 billion), led by the increase in both wholesale and retail loans, while the total deposits base was at Baht 405.2 billion, an increase of Baht 35.0 billion from Baht 370.2 billion in 2017. The non-performing loan ratio was maintained at 2.5 per cent, which continued to be lower than the industry average. We remained disciplined in maintaining a strong balance sheet which helped drive the quality of our performance for the year.

Corporate Developments

In 2018, we continued to forge ahead, seizing opportunities to deepen our presence in service of our customers. We cemented our commitment to Thailand as we laid the foundation stone for our new headquarters in Sukhumvit. The new building, which is scheduled for completion in 2021, will be the main office and centre for the Bank's operations in Thailand and will house more than 3,000 employees. It reinforces UOB's unwavering support of the country's industry, enterprise, consumers and community.

During the year, we continued to transform our branch network as consumer banking experiences continue to change. As part of our omni-channel approach, we piloted three new branch concepts. These were designed to meet the lifestyles and needs of different customer segments: families; young professionals and entrepreneurs; and business owners and the upper affluent. For each segment, UOB took a design thinking approach to enhance their banking experience, drawing on our insights and understanding of them, what they expect and how they use the branches.

Keeping our customers at the heart of all we do, we continued to harness the benefits of digitalisation to make banking simpler, safer and smarter for them. For SMEs, we rolled out a cloud-based, integrated business solution, UOB BizSmart, to help them manage administrative tasks digitally, thereby improving their business efficiency.

Our commitment to enhancing the banking experience for our customers and to developing financial solutions essential to the lifestyles of Thai consumers was recognised again by the industry. For the fourth consecutive year, UOB (Thai) was named Best Foreign Retail Bank in Thailand by The Asian Banker and also received the Best Digital Sales Initiative award and the Excellence in Customer Centricity (Highly Commended) Award.

2019 Outlook

In 2019, we expect global economic growth to slow, albeit at a moderate pace. China's economic growth is expected to ease further to 6.3 per cent, which will likely weigh on the outlook for the rest of Asia, while Europe's growth is likely to ease to 1.6 per cent. Japan could also experience a challenging year with less than one per cent growth given the global trade tensions and a domestic consumption tax increase expected in October.

In light of the political stability and the restoration of foreign investors' confidence, we expect Thailand's economy to maintain its growth momentum in 2019. Investments in transport infrastructure and developments for the Eastern Economic Corridor will continue at an accelerated pace. These will in turn boost private investment and attract inbound as well as outbound foreign direct investments.

Acknowledgement

On behalf of the Board of Directors, I would like to welcome on board Dr Chim Tantiyaswasdikul, our new Independent Director, and thank our former Director, Khun Chinnawat Bulsuk who retired on 1 August 2018 after 14 years of dedicated service, for his wise counsel and guidance.

I wish to extend my appreciation to our customers and shareholders for their steadfast support and our people for their loyal service and hard work, and in doing what is right for our customers and stakeholders.

Wee Cho Yaw

Chairman

February 2019

Board of Directors

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Suebrakul Soonthornthum	Independent Director
Chanitr Charnchainarong	Independent Director
Tithiphan Chuerboonchai	Independent Director
Chim Tantiyaswasdikul	Independent Director
Lee Chin Yong	Director
Tan Choon Hin	Director
Sanchai Apisaksirikul	Director

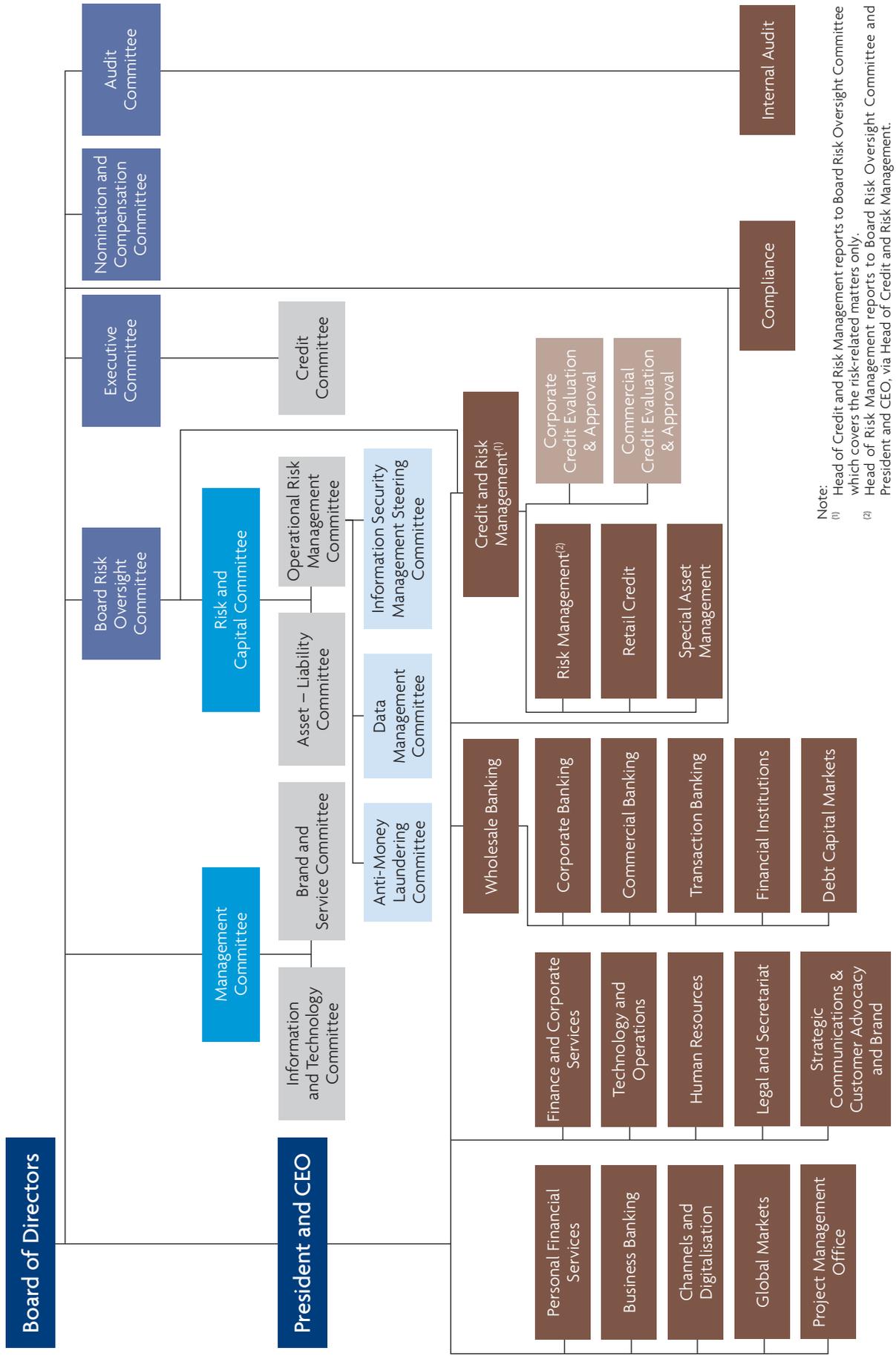
Senior Management Team (as at December 2018)

Tan Choon Hin	President and Chief Executive Officer
Sanchai Apisaksirikul	Managing Director, Country Head of Finance & Corporate Services
Yuttachai Teyarachakul	Managing Director, Country Head of Personal Financial Services
Ngeo Swee Guan Steven	Managing Director, Country Head of Credit & Risk Management
Chintana Kittiviboolmas	Executive Director, Country Head of Global Markets
Cheah Shu Kheem	Executive Director, Country Head of Wholesale Banking
Panittra Vejjajiva	Executive Director, Country Head of Financial Institutions
Pailin Ngsriwongse	Executive Director, Country Head of Corporate Banking
Piyaporn Ratanaprasartporn	Executive Director, Country Head of Commercial Banking
Patchanee Vongsilpawattana	Executive Director, Country Head of Transaction Banking
Pisal Kattiyothaivong	Executive Director, Country Head of Debt Capital Markets
Sayumrat Maranate	Executive Director, Country Head of Business Banking
James Rama Phataminviphas	Executive Director, Country Head of Channels & Digitalisation
Roongthip Angkasirisan	Executive Director, Country Head of Risk Management
Choi Yau Chi	Executive Director, Country Head of Retail Credit
Pojanee Rungsang	Executive Director, Country Head of Special Asset Management
Sirima Taecharungnirun	Executive Director, Country Head of Technology & Operations
Sasiwimol Arayawattanapong	Executive Director, Country Head of Human Resources
Busba Virochpoka	Executive Director, Country Head of Strategic Communications & Customer Advocacy
Veerachai Chuenchompoonut	Executive Director, Country Head of Legal & Secretariat
Ngamjitt Sirijindalert	Executive Director, Country Head of Project Management Office
Pornchai Wiwatpattarakul	Executive Director, Country Head of Compliance
Manit Panichakul	Executive Director, Country Head of Internal Audit
Poomchai Chusakultanachai	Executive Director Deputy Head of Corporate Banking
Kanlika Buspavanich	Executive Director Head of Industry Group 1
Taravadee Manuschinapisit	Executive Director Head of Industry Group 2

Senior Management Team (as at December 2018) (Continued)

Sasitorn Rattanakul	Executive Director Head of Enterprise Banking 1
Vajee Pramualrat	Executive Director Head of Enterprise Banking 2
Sooppawit Sooppapipatt	Executive Director Head of Up Country 1
Sakchai Sathainsoontorn	Executive Director Head of Up Country 2
Sakoolrut Amyongka	Executive Director Head of Trade Finance and FSCM Sales
Wipaporn Techamaitrechit	Executive Director Head of Retail Business Compliance
Bruce Gordon Ogden	Executive Director Head of Portfolio and Regulatory Management
Suwassa Anantasa	Executive Director Head of Sales & Distribution
Tearavath Trirutdilokkul	Executive Director Head of Card Payment & Unsecured Products
Danupob Apichitsakul	Executive Director Head of Mortgage Loans
Nareerut Ariyaprayoon	Executive Director Head of Wealth Products
Chantana Vichaikul	Executive Director Senior Client Partner
Pansak Ratanapasagorn	Executive Director Area Manager (Area 10 East Region)
Numchoke Siamhan	Executive Director Head of Channels Strategy & Network Management
Apasara Lipipan	Executive Director Head of Credit Management
Komsun Yuvajita	Executive Director Head of Corporate Credit Evaluation & Approval
Viyada Valyasevi	Executive Director Head of Commercial Credit Evaluation & Approval
Wasinee Sivakua	Executive Director Head of Finance
Montira Utarapichat	Executive Director Head of Central Treasury Unit
Lee Kum Hong	Executive Director Head of PMOAPEX & Digital Partnership Lead

Organisation Structure



Note:
 (1) Head of Credit and Risk Management reports to Board Risk Oversight Committee which covers the risk-related matters only.
 (2) Head of Risk Management reports to Board Risk Oversight Committee and President and CEO, via Head of Credit and Risk Management.

United Overseas Bank (Thai) Public Company Limited

31 December 2018

Management Discussion and Analysis 2018

Management Discussion and Analysis 2018

Statutory Financial Results

The Bank and its subsidiaries reported net profit after tax for the year 2018 of Baht 4,326 million, 800 million or 22.7% higher than 2017.

Total operating income increased by 5.9% to Baht 19,305 million. This was driven primarily by higher net interest income and non-interest income. Net interest income increased by 5.7% to Baht 14,370 million contributing to loan growth and lower cost of deposits. Non-interest income rose by 6.4% to Baht 4,935 million from higher gains on trading and foreign exchange transactions along with higher fee and service income.

Total operating expenses were at Baht 11,149 million, an increase of Baht 717 million or 6.9% from the previous year. This was attributed to higher employee expenses and revenue-related expenses. Meanwhile, premise and equipment expenses went down by Baht 221 million from expenses relating to office building in last year.

The impairment losses on loans in 2018 stood at Baht 2,809 million, decreased from last year at Baht 3,400 million.

Summarised Statutory Financial Results For the Years Ended 31 December 2018 and 2017

Statements of income	Million Baht		
	Consolidated financial statements		% change
	2018	2017	
Interest income	22,394	20,874	7.3
Interest expenses	8,024	7,279	10.2
Net Interest income	14,370	13,595	5.7
Non-interest income	4,935	4,639	6.4
Total operating income	19,305	18,234	5.9
Total operating expenses	11,149	10,432	6.9
Operating profit before Bad debts, doubtful accounts and impairment losses	8,156	7,802	4.5
Bad debts, doubtful accounts and impairment losses	2,809	3,400	(17.4)
Net profit before income tax expenses	5,347	4,402	21.5
Income tax expenses	1,021	873	17.0
Non-controlling interests of subsidiaries	-	(1)	100.0
Losses from discontinued operations	-	4	(100.0)
Net profit	4,326	3,526	22.7

Key Financial Position Items

	Million Baht		
	Consolidated financial statements		% change
	2018	2017	
Total assets	525,104	516,928	1.6
Gross loans to customers	382,949	350,593	9.2
Net loans to customers	373,401	341,149	9.5
Total deposits	405,178	370,168	9.5
Total liabilities	468,894	464,982	0.8
Total shareholders' equity	56,209	51,946	8.2
Non-performing loans (NPLs)	10,852	10,710	1.3

Management Discussion and Analysis 2018

Key Financial Ratios (%)

	Consolidated financial statements		change
	2018	2017	
Net interest income to average assets	2.8	2.8	-
Gross loans to deposits	94.5	94.7	(0.2)
Net loans to deposits	92.2	92.2	-
NPLs to total loans*	2.5	2.5	-
Capital adequacy	19.2	20.1	(0.9)

* Including interbank and money market loans

Net Interest Income

Net interest income for 2018 was Baht 14,370 million, 5.7% or Baht 775 million higher than last year, after payment to the Deposit Protection Agency and Financial Institutions Development Fund. The higher NII was mainly due to an increase in interest income from loans and interest income from interbank and money market.

Non-Interest Income

Non-interest income for 2018 was Baht 4,935 million, an increase of Baht 296 million or 6.4% compared with the previous year. This was mainly due to increase in net gains on trading and foreign exchange transactions and higher fee and service income from card-related and bancassurance income.

Operating Expenses

The Bank and its subsidiaries' operating expenses for 2018 was at Baht 11,149 million, an increase of Baht 717 million or 6.9% compared with last year.

The employee expenses in 2018 increased by Baht 643 million or 12.6%. Headcount as of 31 December 2018 was 4,810 compared to 4,602 in last year.

Other non-staff expenses were higher than previous year by Baht 74 million, mainly resulting from advertising expenses, sales promotion expenses and debt collection expenses.

Impairment Loss on Loans

The Bank set aside loan loss provisions for 2018 in a total of Baht 2,809 million, which was Baht 591 million or 17.4% lower than previous year. The decrease was from lower provision for non-performing loans.

Capital Expenditure

The Bank's capital expenditure for 2018 totaled Baht 701 million, compared with Baht 1,241 million in 2017, a decrease of Baht 540 million primarily relating to renovation of Operation and Data Centre.

Dividend Payment Policy

The Bank's dividend payment policy is governed by Bank of Thailand and The Public Limited Companies Act. The dividend payment is subject to approval by shareholders at the Annual General Meeting.

Assets

Total assets as at 31 December 2018 was Baht 525,104 million, an increase of Baht 8,176 million or 1.6% from the previous year, largely due to loans expansion and higher net investments.

In 2018, total gross loans of the Bank increased by 9.2% or Baht 32,356 million to Baht 382,949 million, largely contributed by retail housing loans and corporate banking loans.

Management Discussion and Analysis 2018

Liabilities

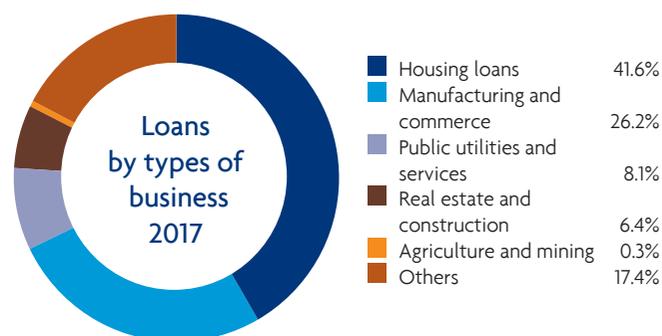
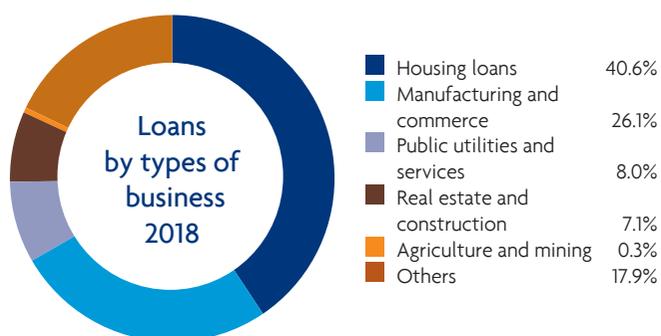
Total liabilities as at 31 December 2018 was Baht 468,894 million, an increase of Baht 3,912 million or 0.8%, largely attributable to higher deposits. In 2018, total deposits grew by 9.5% or Baht 35,010 million to Baht 405,178 million, driven by retail and wholesale deposits.

Shareholders' Equity

As of 31 December 2018, shareholders' equity was at Baht 56,209 million, an increase of Baht 4,263 million, or 8.2% from last year. This was from the profitable operating result for the year of 2018 of Baht 4,326 million.

Loans classified by type of business

	% of total loans	
	2018	2017
Housing loans	40.6	41.6
Manufacturing and commerce	26.1	26.2
Public utilities and services	8.0	8.1
Real estate and construction	7.1	6.4
Agriculture and mining	0.3	0.3
Others	17.9	17.4
Total loans	100.0	100.0



The proportion of housing loans to total loans slightly decreased from 41.6% in 2017 to 40.6% in 2018. Loans to manufacturing and commerce went down slightly from 26.2% to 26.1%. Meanwhile, loans to real estate and construction increased from 6.4% to 7.1%.

Loans to Top 20 Customer Groups

	% of total loans	
	2018	2017
Loans to top 20 customer groups	6.8	6.4
Others	93.2	93.6
Total loans	100.0	100.0

The loan concentration in 2018 increased from the previous year. Loans to top 20 largest customer groups accounted for 6.8% of total loans, up from 6.4% in 2017.

Management Discussion and Analysis 2018

Classification of Loans*

	2018		2017	
	Million Baht	%	Million Baht	%
Pass	417,766	95.7	413,032	95.8
Special mention	7,803	1.8	7,523	1.7
Total Performing loans	425,569	97.5	420,555	97.5
Substandard	1,839	0.4	1,510	0.4
Doubtful	1,337	0.3	314	0.1
Doubtful of loss	7,676	1.8	8,886	2.0
Total NPLs	10,852	2.5	10,710	2.5
Grand total	436,421	100.0	431,265	100.0

* Including interbank and money market loans

Asset Quality Ratios

	%	
	2018	2017
NPLs / Total loans*	2.5	2.5
Actual provision / Required provision	213.3	206.8
Allowance for doubtful accounts* / Total loans*	2.3	2.3

* Including interbank and money market loans

Non-Performing Loan (NPL) Management

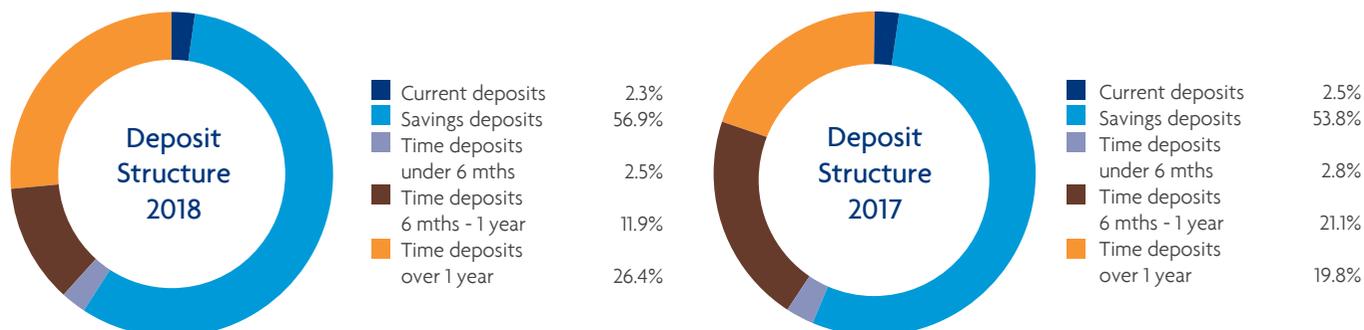
NPLs in 2018 stood at Baht 10,852 million, an increase of Baht 142 million, compared with Baht 10,710 million in 2017. The classified loans went up from Baht 431,265 million in 2017 to Baht 436,421 million in 2018. NPLs to total loans ratio in 2018 remained unchanged at 2.5%.

In 2018, the Bank sold NPLs to Bangkok Commercial Asset Management Public Company Limited, reducing outstanding NPLs by Baht 2,528 million, compared to Baht 1,203 million in 2017.

Deposit Structure

	% of total deposits	
	2018	2017
Current deposits	2.3	2.5
Savings deposits	56.9	53.8
Time deposits	40.8	43.7
under 6 months	2.5	2.8
6 months - 1 year	11.9	21.1
over 1 year	26.4	19.8
Total	100.0	100.0

Management Discussion and Analysis 2018



As at 31 December 2018, the Bank had total deposits of Baht 405,178 million, an increase of Baht 35,010 million from end of 2017, which was largely driven by savings deposits. Total current and savings deposits accounted for 59.2% of total deposit base, while fixed deposits accounted for 40.8%. Net loans-to-deposits ratio was 92.2% as at end of 2018 same as end of 2017.

Capital Funds

	2018		2017	
	Million Baht	% CAR	Million Baht	% CAR
Total capital funds	60,371	19.2	61,446	20.1
Common equity tier 1 (CET1) capital & Tier 1 capital	52,721	16.8	48,982	16.0
Tier 2 capital	7,650	2.4	12,464	4.1

The Bank has adopted the Foundation Internal Ratings-Based Approach (FIRB) under Basel III capital framework. As at 31 December 2018, the Bank's Total Capital Adequacy Ratio remained strong at 19.2% while Tier 1 capital adequacy ratio and CET1 capital adequacy ratio were at 16.8%, which were above the sum of Bank of Thailand (BOT)'s minimum requirement and conservation buffer at 10.375%, 7.875% and 6.375%, respectively.

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of United Overseas Bank (Thai) Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of United Overseas Bank (Thai) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiary and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

Independent Auditor's Report

(Continued)

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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.

I am responsible for the audit resulting in this independent auditor's report.



Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 8 March 2019

United Overseas Bank (Thai) Public Company Limited

31 December 2018

**Financial Statements
and Notes to Financial Statements**

Statements of Financial Position

As at 31 December 2018 and 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Cash		4,597,830	4,681,785	4,597,830	4,681,785
Interbank and money market items - net	7	57,773,984	87,437,986	57,773,984	87,437,986
Derivatives assets	8	4,770,781	7,657,332	4,770,781	7,657,332
Investments - net	9	70,202,967	60,538,315	70,202,967	60,538,315
Investments in subsidiaries - net	10	1,750	-	61,750	61,750
Loans to customers and accrued interest receivables	11				
Loans to customers		382,949,340	350,592,536	382,949,340	350,592,536
Accrued interest receivables		1,222,707	1,125,923	1,222,707	1,125,923
Total loans to customers and accrued interest receivables		384,172,047	351,718,459	384,172,047	351,718,459
Less: Deferred revenue		(580,798)	(572,963)	(580,798)	(572,963)
Allowance for doubtful accounts	12	(10,190,151)	(9,996,591)	(10,190,151)	(9,996,591)
Loans to customers and accrued interest receivables - net		373,401,098	341,148,905	373,401,098	341,148,905
Properties foreclosed - net	13	229,564	284,159	229,564	284,159
Premises and equipment - net	14	9,870,624	9,793,819	9,860,460	9,782,354
Other intangible assets - net	15	1,079,897	1,085,144	1,078,305	1,082,017
Deferred tax assets - net	16.1	112,645	72,466	110,628	70,715
Deposits		1,099,183	1,856,857	1,099,173	1,856,837
Other assets - net	18	1,963,200	2,370,787	1,955,485	2,361,622
Total assets		525,103,523	516,927,555	525,142,025	516,963,777

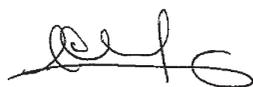
The accompanying notes are an integral part of the financial statements.

Statements of Financial Position

(continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity					
Liabilities					
Deposits	20	405,178,163	370,168,248	405,299,282	370,279,085
Interbank and money market items	21	29,690,284	52,124,270	29,690,284	52,124,270
Liabilities payable on demand		3,448,649	3,319,514	3,448,649	3,319,514
Derivatives liabilities	8	4,979,706	7,568,776	4,979,706	7,568,776
Debts issued and borrowings	22	16,000,000	21,555,753	16,000,000	21,555,753
Provisions for long-term employee benefits	23	1,620,174	1,610,513	1,610,490	1,602,131
Provisions for other liabilities	24	234,229	278,089	234,229	278,089
Accrued expenses		3,514,764	2,922,666	3,504,109	2,910,094
Guarantee deposits		991,984	1,875,694	993,695	1,877,404
Other liabilities	25	3,236,372	3,558,340	3,246,683	3,572,821
Total liabilities		468,894,325	464,981,863	469,007,127	465,087,937
Shareholders' equity					
Share capital					
Registered, issued and paid-up share capital 2,485,661,305 ordinary shares at par value of Baht 10 each		24,856,613	24,856,613	24,856,613	24,856,613
Other components of equity	26	3,694,294	3,773,324	3,694,294	3,773,324
Retained earnings					
Appropriated					
Statutory reserve	27	1,365,000	1,135,000	1,365,000	1,135,000
Unappropriated		26,293,291	22,179,945	26,218,991	22,110,903
Equity attributable to equity holders of the Bank		56,209,198	51,944,882	56,134,898	51,875,840
Non-controlling interests of the subsidiaries		-	810	-	-
Total shareholders' equity		56,209,198	51,945,692	56,134,898	51,875,840
Total liabilities and shareholders' equity		525,103,523	516,927,555	525,142,025	516,963,777



Tan Choon Hin
President and Chief Executive Officer




Sanchai Apisaksirikul
Director and Managing Director

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

Statements of Comprehensive Income

For the years ended 31 December 2018 and 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Continuing operations					
Interest income	38	22,394,108	20,873,667	22,394,108	20,873,667
Interest expenses	39	8,024,323	7,278,716	8,024,998	7,280,530
Net interest income		14,369,785	13,594,951	14,369,110	13,593,137
Fees and service income		4,209,336	3,915,462	4,209,336	3,915,462
Fees and service expenses		715,579	638,344	887,840	803,577
Net fees and service income	40	3,493,757	3,277,118	3,321,496	3,111,885
Net gains on trading and foreign exchange transactions	41	918,330	572,186	918,330	572,186
Net gains on investments	42	39,379	314,779	39,379	309,779
Dividend income		5,488	10,262	50,488	30,262
Gain on disposals of non-performing loans		-	118,350	-	118,350
Other operating income		477,704	346,362	491,460	361,522
Total operating income		19,304,443	18,234,008	19,190,263	18,097,121
Operating expenses					
Employee's expenses		5,761,885	5,119,051	5,688,522	5,045,880
Directors' remunerations		10,329	9,288	10,329	9,288
Premises and equipment expenses		1,362,569	1,583,896	1,357,173	1,576,793
Taxes and duties		778,693	739,382	778,517	739,222
Data processing charges		723,810	671,693	723,810	671,693
Other operating expenses		2,511,599	2,308,217	2,495,372	2,291,503
Total operating expenses		11,148,885	10,431,527	11,053,723	10,334,379
Bad debts, doubtful accounts and impairment losses	43	2,808,719	3,399,971	2,808,719	3,399,971
Profits from operation before income tax expenses		5,346,839	4,402,510	5,327,821	4,362,771
Income tax expenses	16.2	1,020,955	872,599	1,008,481	862,372
Profits for the years from continuing operations		4,325,884	3,529,911	4,319,340	3,500,399
Discontinued operations					
Loss for the years from discontinued operations - net of income tax expenses	17	-	(4,571)	-	-
Profits for the years		4,325,884	3,525,340	4,319,340	3,500,399

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

Statements of Comprehensive Income

(continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Other comprehensive income (loss)	44				
Continuing operations					
Items to be recognised subsequently in profit or loss:					
Gains (losses) on revaluation of available-for-sale investments		(68,181)	27,602	(68,181)	27,602
Income tax revenue (expenses)		13,636	(5,521)	13,636	(5,521)
Items to be recognised subsequently in profit or loss					
- net of income taxes		(54,545)	22,081	(54,545)	22,081
Items not to be recognised subsequently in profit or loss:					
Actuarial losses on the defined benefit plans		(7,927)	(1,181)	(7,172)	(2,581)
Income tax revenue		1,586	236	1,435	516
Items not to be recognised subsequently in profit or loss					
- net of income taxes		(6,341)	(945)	(5,737)	(2,065)
Total other comprehensive income (loss) for the years from continuing operations	16.3	(60,886)	21,136	(60,282)	20,016
Discontinued operations					
Other comprehensive income for the years from discontinued operations	17	-	-	-	-
Total other comprehensive income for the years from discontinued operations		-	-	-	-
Total other comprehensive income (loss) for the years		(60,886)	21,136	(60,282)	20,016
Total comprehensive income					
Total comprehensive income for the years from continuing operations		4,264,998	3,551,047	4,259,058	3,520,415
Total comprehensive loss for the years from discontinued operations		-	(4,571)	-	-
Total comprehensive income for the years		4,264,998	3,546,476	4,259,058	3,520,415

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

Statements of Comprehensive Income

(continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profits for the years attributable to:					
Equity holders of the Bank					
Profits from continuing operations		4,325,884	3,529,911	4,319,340	3,500,399
Losses from discontinued operations		-	(3,580)	-	-
Profits attributable to the Bank		4,325,884	3,526,331	4,319,340	3,500,399
Non-controlling interests of the subsidiaries					
Profits from continuing operations		-	-	-	-
Losses from discontinued operations		-	(991)	-	-
Losses attributable to non-controlling interests of the subsidiaries		-	(991)	-	-
		4,325,884	3,525,340		
Total comprehensive income for the years attributable to:					
Equity holders of the Bank					
Total comprehensive income from continuing operations		4,264,998	3,551,047	4,259,058	3,520,415
Total comprehensive loss from discontinued operations		-	(3,580)	-	-
Total comprehensive income attributable to the Bank		4,264,998	3,547,467	4,259,058	3,520,415
Non-controlling interests of the subsidiaries					
Total comprehensive income from continuing operations		-	-	-	-
Total comprehensive loss from discontinued operations		-	(991)	-	-
Total comprehensive loss attributable to non-controlling interests of the subsidiaries		-	(991)	-	-
		4,264,998	3,546,476		
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)					
From continuing operations	35	1.74	1.42	1.74	1.41
From discontinued operations		-	-	-	-
		1.74	1.42	1.74	1.41



Tan Choon Hin
President and Chief Executive Officer




Sanchai Apisaksirikul
Director and Managing Director

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

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2018 and 2017

(Unit: Thousand Baht)

	Consolidated financial statements							
	Equity attributable to equity holders of the Bank				Total equity			
	Issued and paid-up share capital	Revaluation surplus on assets	Revaluation surplus on investments	Appropriated - Statutory reserve	Retained earnings	Unappropriated	Non-controlling interests of the subsidiaries	
Beginning balance as of 1 January 2017	24,856,613	3,748,149	98,317	955,000	18,738,916	48,396,995	38,301	48,435,296
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(95,223)	-	-	95,643	420	-	420
Profit (loss) for the year	-	-	-	-	3,526,331	3,526,331	(991)	3,525,340
Other comprehensive income (loss) for the year	-	-	22,081	-	(945)	21,136	-	21,136
Total comprehensive income (loss) for the year	-	-	22,081	-	3,525,386	3,547,467	(991)	3,546,476
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	(36,500)	(36,500)
Appropriated retained earnings to be statutory reserve	-	-	-	180,000	(180,000)	-	-	-
Ending balance as of 31 December 2017	24,856,613	3,652,926	120,398	1,135,000	22,179,945	51,944,882	810	51,945,692
Beginning balance as of 1 January 2018	24,856,613	3,652,926	120,398	1,135,000	22,179,945	51,944,882	810	51,945,692
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(24,485)	-	-	24,485	-	-	-
Profit for the year	-	-	-	-	4,325,884	4,325,884	-	4,325,884
Other comprehensive loss for the year	-	-	(54,545)	-	(6,341)	(60,886)	-	(60,886)
Total comprehensive income (loss) for the year	-	-	(54,545)	-	4,319,543	4,264,998	-	4,264,998
Decrease in non-controlling interests of the subsidiary	-	-	-	-	(682)	(682)	(810)	(1,492)
Appropriated retained earnings to be statutory reserve	-	-	-	230,000	(230,000)	-	-	-
Ending balance as of 31 December 2018	24,856,613	3,628,441	65,853	1,365,000	26,293,291	56,209,198	-	56,209,198

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

Statements of Changes in Shareholders' Equity

(continued)

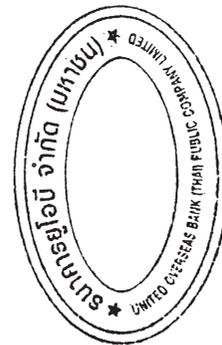
(Unit: Thousand Baht)

	Separate financial statements						Total
	Other components of equity			Retained earnings			
	Issued and paid-up share capital	Revaluation surplus on assets	Revaluation surplus on investments	Appropriated - Statutory reserve	Unappropriated		
Beginning balance as of 1 January 2017	24,856,613	3,748,149	98,317	955,000	18,696,926	48,355,005	
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(95,223)	-	-	-	420	
Profit for the year	-	-	-	-	3,500,399	3,500,399	
Other comprehensive income (loss) for the year	-	-	22,081	-	(2,065)	20,016	
Total comprehensive income for the year	-	-	22,081	-	3,498,334	3,520,415	
Appropriated retained earnings to be statutory reserve	-	-	-	180,000	(180,000)	-	
Ending balance as of 31 December 2017	24,856,613	3,652,926	120,398	1,135,000	22,110,903	51,875,840	
Beginning balance as of 1 January 2018	24,856,613	3,652,926	120,398	1,135,000	22,110,903	51,875,840	
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(24,485)	-	-	-	24,485	
Profit for the year	-	-	-	-	4,319,340	4,319,340	
Other comprehensive loss for the year	-	-	(54,545)	-	(5,737)	(60,282)	
Total comprehensive income (loss) for the year	-	-	(54,545)	-	4,313,603	4,259,058	
Appropriated retained earnings to be statutory reserve	-	-	-	230,000	(230,000)	-	
Ending balance as of 31 December 2018	24,856,613	3,628,441	65,853	1,365,000	26,218,991	56,134,898	



Tan Choon Hin

President and Chief Executive Officer




Sanchai Apisaksirikul

Director and Managing Director

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

Statements of Cash Flows

For the years ended 31 December 2018 and 2017

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profits before income tax expenses from continuing operations	5,346,839	4,402,510	5,327,821	4,362,771
Losses before income tax expenses from discontinued operations	-	(4,317)	-	-
Profits before income tax expenses	5,346,839	4,398,193	5,327,821	4,362,771
Adjustments to reconcile profits from operation before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	423,536	671,233	421,465	667,356
Amortisation and losses on assets written off	213,645	248,429	212,110	246,816
Unrealised gains on revaluation of trading investments	(383)	(3,216)	(383)	(3,216)
Reversal on impairment losses on investments	-	(7,091)	-	(2,091)
Bad debts, doubtful accounts and impairment losses	2,510,952	2,678,872	2,510,952	2,678,872
Reversal on impairment losses on properties foreclosed and other assets	(4,570)	(3,240)	(4,570)	(3,240)
Gains on disposals of investments	(39,379)	(307,687)	(39,379)	(307,687)
Gains on disposals of premises and equipment	(2,518)	(18,792)	(2,518)	(17,718)
(Gains) losses on exchange	1,475,277	(153,384)	1,475,277	(153,384)
(Increase) decrease in accrued other income	(27,869)	18,660	(27,869)	18,706
Increase in provisions for long-term employee benefits	158,847	155,081	158,049	155,533
Decrease in provisions for other liabilities	(43,860)	(33,345)	(43,860)	(33,345)
Increase in accrued other expenses	449,248	307,371	451,052	309,645
Net interest income	(14,369,785)	(13,594,951)	(14,369,110)	(13,593,137)
Dividend income	(5,488)	(10,262)	(50,488)	(30,262)
Cash received on interest income	22,189,964	20,753,696	22,189,964	20,753,696
Cash received on dividend income	5,488	10,262	5,488	10,262
Cash paid on interest expenses	(8,134,152)	(7,257,285)	(8,134,827)	(7,259,433)
Cash paid on income taxes	(901,326)	(873,243)	(888,825)	(867,173)
Income from operating activities before changes in operating assets and liabilities	9,244,466	6,979,301	9,190,349	6,932,971

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

Statements of Cash Flows

(continued)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
(Increase) decrease in operating assets				
Interbank and money market items	29,675,869	(50,027,441)	29,675,869	(50,027,478)
Trading investments	10,493,886	(8,555,064)	10,493,886	(8,555,064)
Investments in subsidiary	(1,750)	-	-	-
Derivatives assets	6,167,571	7,704,308	6,167,571	7,704,308
Loans to customers	(34,845,086)	(33,969,178)	(34,845,086)	(33,969,178)
Properties foreclosed	115,314	198,038	115,314	198,038
Other assets	1,215,255	2,213,026	1,214,249	2,193,085
Increase (decrease) in operating liabilities				
Deposits	35,013,894	46,503,419	35,024,177	46,392,834
Interbank and money market items	(23,941,618)	15,282,056	(23,941,618)	15,282,056
Liabilities payable on demand	129,298	246,653	129,298	246,653
Derivatives liabilities	(5,989,570)	(7,827,679)	(5,989,570)	(7,827,679)
Provisions for long-term employee benefits	(156,862)	(117,840)	(156,862)	(117,840)
Other liabilities	(1,096,522)	(972,871)	(1,100,693)	(970,016)
Net cash provided by (used in) operating activities	26,024,145	(22,343,272)	25,976,884	(22,517,310)
Cash flows from investing activities				
Proceeds from sales of investments	117,243,976	148,964,187	117,243,976	148,964,187
Cash paid for investments	(137,352,660)	(129,368,471)	(137,352,660)	(129,368,471)
Dividend received from subsidiary	-	-	45,000	20,000
Cash received from liquidation of a subsidiary	-	-	-	109,500
Non-controlling interests of the subsidiary	(1,491)	(36,500)	-	-
Proceeds from sales of premises and equipment	2,518	18,840	2,518	17,724
Purchases of premises and equipment	(506,845)	(980,624)	(506,075)	(971,470)
Purchases of other intangible assets	(194,698)	(261,093)	(194,698)	(261,093)
Net cash provided by (used in) investing activities	(20,809,200)	18,336,339	(20,761,939)	18,510,377

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

Statements of Cash Flows

(continued)

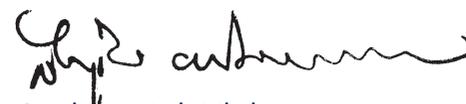
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Cash received on long-term debts issued and borrowings	-	6,000,000	-	6,000,000
Cash paid on long-term debts issued and borrowings	(5,298,900)	(2,500,000)	(5,298,900)	(2,500,000)
Net cash provided by (used in) financing activities	(5,298,900)	3,500,000	(5,298,900)	3,500,000
Net decrease in cash and cash equivalents	(83,955)	(506,933)	(83,955)	(506,933)
Cash and cash equivalents as at 1 January	4,681,785	5,188,718	4,681,785	5,188,718
Cash and cash equivalents as at 31 December	4,597,830	4,681,785	4,597,830	4,681,785
Supplemental disclosures of cash flows information				
Non-cash items:				
Properties foreclosed in settlement of loans to customers	60,719	59,634	60,719	59,634



Tan Choon Hin

President and Chief Executive Officer

Sanchai Apisaksirikul

Director and Managing Director

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

Notes to Financial Statements

For the years ended 31 December 2018 and 2017

1. Corporate information

United Overseas Bank (Thai) Public Company Limited (“the Bank”) was public company incorporated under Thai law and domiciled in Thailand. The Bank has been operated mainly commercial banking business and its registered office is located at No. 191 South Sathon Road, Sathon District, Bangkok. As at 31 December 2018, the Bank conducts its business through a network of 154 branches throughout all regions in Thailand (31 December 2017: 154 branches). Its major shareholder is United Overseas Bank Limited, a company registered in Singapore.

Subsidiary was incorporated as limited company under Thai law and have been operating its business in Thailand. Its principal business is debt collection services.

2. Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

The financial statements for the year ended 31 December 2018 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and with reference to the principles stipulated by the Bank of Thailand (“BOT”) and the presentation of the financial statements has been made in compliance with BOT’s Notification regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 4 December 2015.

The financial statements have been prepared on a historical cost basis except otherwise disclosed in Note 4 to the financial statements regarding a summary of significant accounting policies.

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

2.2 Basis of consolidation

(a) These consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company name	Business type	Country of registration	Percentage of shares held by the Bank as at		Percentage of total assets included in consolidated assets as at		Percentage of profits included in consolidated profits for the years ended	
			31 December 2018	2017	31 December 2018	2017	31 December 2018	2017
UOB Bullion and Futures (Thai) Co., Ltd.	Liquidation	Thailand	75.00	75.00	-*	-	-*	-
UOB Services Co., Ltd.	Debt Collection Services	Thailand	99.99	99.99	-	-	-	-

* The consolidated financial statements for the year ended 31 December 2018 excluded the financial statements of a subsidiary company, UOB Bullion and Futures (Thai) Co., Ltd.

UOB Bullion and Futures (Thai) Co., Ltd., (a subsidiary) registered the dissolution of the business with the Ministry of Commerce on 20 November 2017. The consolidated financial statements for the year ended 31 December 2017 included the operating results of UOB Bullion and Futures (Thai) Co., Ltd. for the year then ended. The Bank separately presented the operating results of the subsidiary under the line item of “Loss for the year from discontinued operation - net of income taxes” in the consolidate statements of comprehensive income for the year ended 31 December 2017. Details were as disclosed in Note 17 to the financial statements.

The consolidated financial statements for the year ended 31 December 2018 excluded the financial statements of UOB Bullion and Futures (Thai) Co., Ltd., which registered its dissolution with the Ministry of Commerce in the year 2017, as described in the above paragraph, and is in the process of being liquidated. The Management believes that the financial statements as prepared by the management of that subsidiary for the year ended 31 December 2018 are immaterial, with the subsidiary presenting total assets as at 31 December 2018 of Baht 3 million, shareholders’ equity of Baht 3 million and loss from operations for the year ended 31 December 2018 of Baht 0.01 million.

Notes to Financial Statements

(Continued)

- (b) The Bank is deemed to have control over investee companies or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are entities in which the Bank has control over the financial and operating policies of those entities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases. The effects to the consolidated financial statements of all significant transactions between the Bank and its subsidiaries are eliminated in the consolidated financial statements, including investments in subsidiaries and share capital of subsidiaries.
- (d) The financial statements of the subsidiaries are prepared having the same reporting period and using the same significant accounting policies as those of the Bank.
- (e) The Bank's financial statements include the accounts of all branches after elimination of significant inter-branch transactions and balances.
- (f) Non-controlling interests represent the portion of net profit or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position.

2.3 Separate financial statements

The Bank prepares its separate financial statements, which present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Bank and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Bank's and its subsidiaries' financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Bank and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Notes to Financial Statements

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Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Bank and its subsidiaries is already assessed that this standard will not have any significant impact on the financial statements in the year when it is initially applied.

3.3 Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Bank business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Bank and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Summary of significant accounting policies

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

4.1 Revenue recognition

(a) Interest and discount on loans

The Bank recognises interest on loans as revenue on an accrual basis and will stop accrual of interest when the debtor has defaulted for more than three months regardless of whether the loans are fully collateralised and recognises interest on such loans on a cash basis, which is in accordance with the BOT's guidelines. In addition, interest accrued in arrears for three months is reversed against interest income.

If loans are restructured, the Bank recognises interest income on a cash basis, and will resume to recognise interest as revenue on an accrual basis only when the criteria per the BOT's guideline are met.

Interest income on loans under litigation process and receivables purchased is recognised as revenue on a cash basis.

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Discounts received in advance in respect of bills purchased and other unearned interest income are recognised as revenue on an accrual basis over the terms of the bills.

(b) Hire purchase and financial lease income recognition

Interest on hire-purchase and financial lease receivables is recognised as revenue over the installment periods, using the effective interest rate method. It is recognised when the installments fall due irrespective of actual collection is made. When receivables are longer than three months past due, the Bank stops recognition of interest and the then-interest accrued in arrears will be reversed against interest income.

Rental fees under operating lease agreements and car rental are recognised as revenue over the terms of lease agreements, except for interest on receivables, which are overdue longer than three months, are recognised as revenue on a cash basis.

(c) Revenues from factoring are recognised on an accrual basis except for receivables, which are overdue longer than three months, interest is recognised as revenue on a cash basis.

(d) Brokerage fees and service fees on derivatives trading are recognised as revenue on the transaction dates.

(e) Gains (losses) on securities and derivatives trading are recognised as revenues or expenses on transaction dates.

(f) Interest and dividends on investments

Interest on investments is recognised as revenue on an accrual basis based on the effective interest rate. Dividends are recognised as revenue when the right to receive the dividend is established.

(g) Fees and other service fees are recognised as revenues on an accrual basis.

4.2 Expenses recognition

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

4.3 Cash

Cash is the amount included in the statements of financial position under the caption of cash, which consists of cash on hand and cheques in transit.

4.4 Securities purchased under resale agreements/ securities sold under repurchase agreements

The Bank enters into agreements with private entities to purchase/sell securities whereby there is an agreement to resell/repurchase the securities at certain dates in the future and at fixed prices. Amounts paid for the securities purchased under resale agreement 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 such receivables, while securities sold under repurchase agreement are presented as liabilities under the caption of "Interbank and money market items" in the statement of financial position at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

4.5 Investments

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

Trading investments are stated at fair value. Change in the fair value of these investments are recorded as revenue or expense in profit or loss.

Available-for-sale investments are stated at fair value. Change in the fair value of these investments are recorded in other comprehensive income or loss and will then be recognised in profit or loss when the investments are sold.

Notes to Financial Statements

(Continued)

Held-to-maturity investments are stated at amortised cost net of allowance for impairment. Any impairment loss is charged to profit or loss.

General investments are stated at cost net of allowance for impairment (if any). Impairment loss is charged to profit or loss.

Purchases and sales of investments in debt securities are recorded on settlement dates.

Realised gains or losses on disposals of investments are recognised in profit or loss when they are disposed of, using the weighted average method in determining costs of the disposed investments.

Interest on investments in debt securities is recognised as revenue on an accrual basis. Premiums and discounts arising on the acquisition of investments are amortised or accreted against interest income in profit or loss based on the effective yield rate over the term of the investments.

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

Fair values of investments are calculated on the following basis:

- (i) For government and state enterprises bonds, fair value is, calculated based on the average latest bidding price posted on the Thai Bond Market Association.
- (ii) For marketable domestic equity securities, fair value is the last bid price quoted on The Stock Exchange of Thailand on the last business day of the period. For marketable foreign equity securities, fair value is the last bid price quoted in the stock market in the country in which such securities are traded.
- (iii) For investment units, the fair value is determined using the Net Assets Value (NAV) per unit announced on the reporting period-end dates.
- (iv) For private enterprises debt securities, the average latest bid price posted on the Thai Bond Market Association is used as the fair value adjusted with an appropriate risk premium.

In the event that the Bank reclassifies investments from one type to another, such investments are readjusted to their fair value on the date of reclassification. The difference between the carrying value and the fair value on the date of reclassification is recorded as gain or loss in profit or loss or recorded as other comprehensive income (loss), depending on the type of investment which is reclassified.

4.6 Investments in subsidiaries

Investments in subsidiaries as presented in the separate financial statements are stated at cost net of allowance for impairment (if any). Losses on impairment are recognised as expenses in profit or loss.

4.7 Loans to customers

Loans to customers include overdrafts, termed loans, trade bills, hire purchase and financial lease receivables and other loans. All items categorised under loans to customers (except for hire purchase and financial lease receivables and overdrafts) are presented at the principal amount outstanding, net of unearned discounts received in advance. Accrued interest receivables on all items categorised under loans to customers are presented separately as a single line item in the statements of financial position.

Hire purchase and financial lease receivables are stated at the outstanding balances per contract values net of outstanding balances of deferred revenue, which are presented after netting deferred commission expenses and initial direct cost on the inception of the hire-purchase agreements and advances received from debtors under financial lease agreements.

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

Loans purchased by or transferred to the Bank are stated at acquisition costs, after netting allowance for impairment loss.

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(Continued)

4.8 Allowance for doubtful accounts

The Bank provides allowance for doubtful accounts on loans to customers in accordance with the Notifications of the BOT and adjusts the allowance by any additional amounts that are expected to be uncollectible, based on an analysis and evaluation of the current status of the debtors, the credit risk of the debtors, collateral, historical loss and management's experience. Additional allowances (reversals of allowances) are recognised to increase (decrease) expenses during the years.

For loans to customers classified as pass (including restructured receivables) and special mention, the Bank records provision at rates of not less than 1% and 2% respectively, of the loan balances (excluding accrued interest receivables) net of collateral values, in accordance with the BOT's guideline, and adjusts the allowance taking into consideration the probability of default and the loss given default whereby parameters and assumptions have been reviewed and monitored on an ongoing basis to ensure they remain applicable.

For non-performing loans, the Bank records allowance for doubtful accounts at 100% of the loan balances remaining after deducting the present value of expected future cash inflows from debt collection or from collateral disposal, with the discount rate and the expected period of collateral disposal being set with reference to the BOT's guidelines.

For unsecured consumer loans, the collective approach is applied based on historical loss experience of each customer group.

Allowance for doubtful accounts on other receivables is provided for the estimated losses that may be incurred in the collection of receivables based on the review of current status of receivables outstanding at the end of reporting periods.

Bad debts are written off during the periods in which the Bank considers that they are uncollectible as approved by the Special Asset Management Credit Committee and are accounted for by deducting from the allowance for doubtful accounts. All bad debt recovered are recognised as revenue on a cash basis and is presented as an offset transaction to bad debts and doubtful accounts in profit or loss.

The Bank has a policy to write off unsecured consumer loans that are overdue longer than 180 days. Those unsecured consumer loans comprise of credit card receivables and other unsecured personal loans.

4.9 Troubled debt restructuring

The Bank restructures loans by means of receiving the transfer of assets, or equity in settlement of loans to customers and modifying terms of loan repayments.

Loans restructured through a modification of terms of loan repayments are stated at the present value of cash expected to be received after modification of terms of loan repayments using discount rates equivalent to the market interest rates applicable at the time of the restructuring. The lower of the fair value of the loan as at the restructuring date and its respective book value is accounted for as revaluation allowance for debt restructuring, which is then amortised to profit or loss as interest income based on the amount received over the remaining periods of the restructuring agreement.

In cases where the troubled debt restructuring involves the transfer of assets or equity, the Bank records the assets or equity interest received as a result of debt restructuring at their fair value (based on the value appraised by internal appraisers or independent external appraisers) providing that the value recorded shall not exceed the amount of principal legally claimable from the debtor (including interest of which recognition has ceased until the restructuring date). Any excess of the fair value of the assets over the book value of outstanding loan is recognised as interest income in profit or loss.

Losses arising from debt restructuring through waivers of part of principal or recorded accrued interest receivable are recognised in profit or loss when incurred.

Notes to Financial Statements

(Continued)

4.10 Properties foreclosed

Properties foreclosed of the Bank are stated at the lower of cost and net realisable value. Net realisable value is determined by using the latest appraisal value, taking into consideration selling expenses, and in accordance with the BOT's guidelines. Properties foreclosed, which have been received as a result of a debt/asset swap are recorded at the lower of the legally claimable value of the loan or the net realisable value of the foreclosed properties.

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

4.11 Premises and equipment and depreciation

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

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

Buildings	-	50 years
Building improvement	-	10 years
Equipment	-	3 years 5 years 10 years and 25 years

No depreciation is determined for land and assets under construction/installation.

Premises are initially recorded at cost and then subsequently revalued by the independent appraisers to their fair value in accordance with the guidelines announced by the BOT. The Bank's policy is to revalue these assets every 3 - 5 years in order that their carrying value at the end of reporting period does not differ materially from their fair value.

Differences arising from revaluation are dealt with as follows:

- When the carrying value of asset is increased as a result of a revaluation, the increase is credited directly to other comprehensive income (loss) and the cumulative increase is recognised in shareholders' equity as "Revaluation surplus on assets", presented as a part of other components of shareholders' equity in statements of financial position. However, if the asset was previously devalued and the Bank used to recognise such a revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as a revenue to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When the carrying value of asset is decreased as a result of a revaluation, the decrease is recognised as an expense in profit or loss. However, if the asset was previously revalued and still has the outstanding revaluation surplus left in "Revaluation surplus on assets", the revaluation decrease is then charged to the other comprehensive income (loss) to the extent that it does not exceed on amount already held in "Revaluation surplus on assets" in respect of the same assets.

Amortisation of the revaluation surplus on assets is charged directly against retained earnings.

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

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.12 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation under the heading of "Other assets" in statements of financial position. Leasehold rights are amortised on a straight-line basis over the lease periods and the amortisation amounts are recognised as expenses in profit or loss.

Notes to Financial Statements

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4.13 Other intangible assets and amortisation

Other intangible assets are carried at cost less accumulated amortisation and allowance for impairment loss (if any).

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

Other intangible assets with finite useful lives are application softwares, which have estimated useful lives of 10 years.

Application softwares and application development purchased since 1 January 2018 onwards have estimated useful lives of 8 years.

4.14 Provisions for other liabilities

Provisions for other liabilities are recognised when the Bank and its subsidiaries have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that the amount cannot be clearly identifiable, then an estimate of such obligation is made.

4.15 Impairment of assets

At each reporting date, the Bank and its subsidiaries perform impairment reviews in respect of an asset whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Bank and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where premises were previously revalued and the revaluation surplus was taken to equity, a part of such impairment loss is recognised in equity up to the amount of the revaluation surplus previously recognised.

In the assessment of asset impairment, if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Bank and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying value of the asset attributable to a reversal of an impairment loss shall not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying value that would have been determined, is treated as a revaluation increase.

4.16 Employee benefits

(a) Short-term benefits

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

Leave entitlements are recognised when they accrue to employees. Provision for leave entitlements is made based on contractual terms, with adjustment for expected attrition.

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(b) Post-employment benefits

Defined contribution plans

The Bank, its subsidiaries and their employees established the provident funds under the Provident Fund Act B.E. 2530. According to the funds' regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the fund at the rate of 2%, 5%, 6%, 10% or 15% of their basic salary and the Bank and its subsidiaries contribute to the funds at the rate of 5% - 6% of their basic salary. The employees are entitled to the benefits upon termination of employment in accordance with the rules of the funds, except when termination of employment is due to violations of the rules and regulations of the Bank and its subsidiaries.

The funds set up by the Bank and its subsidiaries are managed independently by UOB Asset Management (Thailand) Co., Ltd. Therefore, these funds do not appear in the consolidated and separate statements of financial position.

The Bank's and its subsidiaries's contributions are recognised as expenses when incurred.

Defined benefit plan and other defined benefit plan

The Bank and its subsidiaries have severance payment obligations to employees upon retirement under labor law. The Bank and its subsidiaries treat these severance payments as the defined benefit plan. In addition, the Bank and its subsidiaries also has other long-term employment benefit scheme for employees of the Bank under the previous name of "Bank of Asia Public Co., Ltd.," who joined the Bank prior to 16 May 2005 and have been employed for at least 15 years, the benefits of which are based on the latest month's salary and the number of years of service. Employees will receive half of this other long-term employment benefits when they resign or will receive it in full when they retire. The Bank and its subsidiaries treats these benefits to be other long-term defined benefit plan.

The defined benefit plan obligations are determined by a professionally qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising from the defined benefit plan and other long-term benefit plan are recognised in other comprehensive income or loss.

4.17 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease terms.

4.18 Share-based payments

The cost of the share-based payment plan of United Overseas Bank Limited ("major shareholder") will be invoiced by the major shareholder, and the Bank will record the invoiced amounts as a liability in statements of financial position, and recognise them as an expense in profit or loss over the vesting period as defined in the plan.

4.19 Income taxes

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

(a) Current income taxes

Current income taxes are provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

(b) Deferred income taxes

Deferred income taxes are provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting periods.

The Bank and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences and recognise deferred tax assets for all deductible temporary differences including tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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At each reporting date, the Bank and its subsidiaries review and reduce the carrying value of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the deferred tax assets to be utilised.

The Bank and its subsidiaries record deferred tax directly to shareholders' equity if the taxes relate to items that are recorded directly to shareholders' equity.

4.20 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Bank's and its subsidiaries' functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies and commitments, which are limited to forward exchange contracts and currency swap contracts, outstanding at the end of reporting periods are translated into Baht at the exchange rates ruling by the BOT at the end of reporting periods.

Gains and losses on exchange are recognised in profit or loss.

4.21 Financial derivatives

Financial derivative contracts are recorded as commitments. At the end of the reporting periods, outstanding financial derivative contracts are valued at fair value with the changes in their fair value are recognised in profit or loss. The unrealised gains or losses on outstanding financial derivative contracts are presented as derivative assets or liabilities in the statements of financial position.

4.22 Interbank and money market items (Assets/Liabilities)

The Bank recognises and derecognises such items in the financial statements on the settlement dates.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Bank and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except when there is no active market of an identical asset or liability or when a quoted market price is not available, the Bank and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Bank and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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5.1 Allowance for doubtful accounts on loans to customers and accrued interest receivables

Allowance for doubtful accounts on loans to customers and accrued interest receivables is intended to adjust the value of loans and receivables for probable credit losses. The management uses judgement to establish allowance for doubtful accounts that may be incurred on outstanding loans to customers when there is any doubt about the debtor's capacity to repay the principal and/or the interest. The allowance for doubtful accounts is determined through a combination of specific debtor reviews, probability of default and estimation based on historical experiences, taking into accounts change in the value of collateral and current economic conditions, in accordance with the BOT's guidelines.

5.2 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercised judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (the Bank and its counterparties), liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosure of fair value hierarchy.

5.3 Allowance for impairment on investments

The Bank and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires management's judgement.

5.4 Recognition and derecognition of assets and liabilities

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

5.5 Obligations under the defined benefit plan and other long-term benefit plan

Obligations under the defined benefit plan and other long-term benefit plan are determined based on actuarial techniques which involve, various assumptions, including discount rate, future salary incremental rate, staff turnover rate, mortality rate and inflation rates. Management exercises judgement to determine the appropriateness of these assumptions, based on their best knowledge of current events and arrangements.

5.6 Other intangible assets

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

5.7 Litigation

The Bank has contingent liabilities as a result of litigation. The Bank's management has used judgement to assess of the results of the litigation and records the estimated loss that may incur under contingent liabilities as at the end of reporting periods.

5.8 Leases

In determining whether a lease is to be classified as an operating lease or financial lease, management is required to use judgement, taking into consideration terms and conditions of the arrangement to consider whether significant risk and rewards of ownership of the leased asset belong to the lessee or lessor.

5.9 Premises and equipment and depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of premises and equipment and to review estimate useful lives and residual values when circumstance changes.

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The Bank measures land and buildings at revalued amounts. Fair value from revaluation is determined by independent appraisers using market approach for land and depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates as described in Note 14 to the financial statements.

In addition, the management is required to consider premises and equipment for impairment at the end of reporting period and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.10 Allowance for impairment on properties foreclosed

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

5.11 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Regulatory rule related to capital fund and Liquidity Coverage Ratio (LCR) Disclosure Standards

6.1 Regulatory rule related to capital fund

According to the BOT's Notification Sor Nor Sor 4/2556 and Sor Nor Sor 5/2556, commercial banks are required to disclose certain additional capital information for their position. The Bank will disclose such information as at 31 December 2018 in its website (www.uob.co.th) by the end of April 2019. The Bank disclosed such information as at 31 December 2017 on 30 April 2018.

6.2 Regulatory rule related to Liquidity Coverage Ratio (LCR) Disclosure Standards

According to the BOT's Notification Sor Nor Sor 2/2561, commercial banks are required to disclose certain information for Liquidity Coverage Ratio (LCR). The Bank will disclose such information for the second half of the year 2018 in its website (www.uob.co.th) by the end of April 2019.

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7. Interbank and money market items (Assets)

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December					
	2018			2017		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial Institutions Development Fund	2,734	-	2,734	1,852	2,700	4,552
Commercial banks	120	24,735	24,855	60	38,109	38,169
Specific financial institutions	-	27,000	27,000	-	41,000	41,000
Other financial institutions	50	1,815	1,865	1,000	910	1,910
Total	2,904	53,550	56,454	2,912	82,719	85,631
Add: Accrued interest receivables	-	24	24	1	21	22
Less: Deferred revenue	-	(6)	(6)	-	(5)	(5)
Allowance for doubtful accounts	(1)	(10)	(11)	(10)	(14)	(24)
Total domestic items	2,903	53,558	56,461	2,903	82,721	85,624
Foreign items						
US Dollar	123	426	549	615	232	847
Yen	60	-	60	51	-	51
EURO	95	34	129	267	-	267
Other currencies	302	279	581	277	375	652
Total	580	739	1,319	1,210	607	1,817
Less: Deferred revenue	-	(1)	(1)	-	(1)	(1)
Allowance for doubtful accounts	-	(5)	(5)	-	(2)	(2)
Total foreign items	580	733	1,313	1,210	604	1,814
Total domestic and foreign items	3,483	54,291	57,774	4,113	83,325	87,438

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8. Derivatives assets/liabilities

As at 31 December 2018 and 2017, the Bank has notional amounts and fair value of derivatives held for trading classified by type of risk as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements									
	As at 31 December									
	2018					2017				
	Fair Value		Notional amounts classified by remaining maturity			Fair Value		Notional amounts classified by remaining maturity		
Assets	Liabilities	Up to 1 year*	Over 1 year	Total	Assets	Liabilities	Up to 1 year*	Over 1 year	Total	
Foreign exchange	3,780	3,919	581,127	5,922	587,049	6,092	5,917	635,778	5,517	641,295
Interest rate	958	1,025	142,166	217,092	359,258	1,513	1,598	121,927	257,745	379,672
Commodity derivatives	46	44	997	-	997	66	65	474	-	474
Credit value adjustments (CVA)	(13)	(8)	-	-	-	(14)	(11)	-	-	-
Total	4,771	4,980	724,290	223,014	947,304	7,657	7,569	758,179	263,262	1,021,441

* Including derivatives have maturity at call.

As at 31 December 2018 and 2017, the proportions, determined based on the notional amounts, of derivatives transactions classified by types of counterparties are as follows:

(Unit: Percentage)

Counterparty	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Financial institutions	75.06	70.63
Companies in the group*	14.90	11.01
Others	10.04	18.36
Total	100.00	100.00

* Companies in the group mean United Overseas Bank Limited and companies in the United Overseas Bank Group of Companies.

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(Continued)

9. Investments

9.1 Classified by types of investment

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
	Fair value/cost*	Fair value/cost*
Trading investments		
Government and state enterprises securities	616	11,110
Total trading investments	616	11,110
Available-for-sale investments		
Government and state enterprises securities	69,546	49,387
Marketable domestic equity securities	1	2
Total available-for-sale investments	69,547	49,389
General investments		
Non-marketable domestic equity securities	120	119
Non-marketable foreign equity securities	1	1
Total	121	120
Less: Allowance for impairment loss	(81)	(81)
General investments - net	40	39
Investments - net	70,203	60,538

* Trading investments and available-for-sale investments are stated at fair value and general investments are stated at cost.

As at 31 December 2018, the Bank has commitments to purchase debt securities of Baht 119 million (31 December 2017: Baht 1 million) and commitments to sell debt securities of Baht 433 million (31 December 2017: Nil).

Notes to Financial Statements

(Continued)

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

Investments in debt instruments, excluding those held for trading, are classified by remaining periods to maturity as follows:

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2018			
	Due within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	11,657	57,804	-	69,461
Add: Allowance for revaluation	(2)	87	-	85
Total	11,655	57,891	-	69,546

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2017			
	Due within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	3,149	46,087	-	49,236
Add: Allowance for revaluation	1	150	-	151
Total	3,150	46,237	-	49,387

Notes to Financial Statements

(Continued)

10. Investments in subsidiaries

Company's name	Nature of business	Type of security	Paid-up share capital				Percentage of shareholding		Investments stated under cost method				Dividend income recognised during the years ended	
			As at 31 December		As at 31 December		As at 31 December	2017	As at 31 December		31 December			
			(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)		
Subsidiary - not included in consolidated financial statement														
UOB Bullion and Futures (Thai) Co., Ltd.	Liquidation	Ordinary shares	29	29	75.00	75.00		22	-	-	-	-	-	-
Less: Allowance for impairment of securities								(20)						
Investments in subsidiary - net								2						

*The consolidated financial statements for the year ended 31 December 2018 excluded the financial statements of UOB Bullion and Futures (Thai) Co., Ltd. which was deregistered under liquidation. Such investment then stated at cost.

Company's name	Nature of business	Type of security	Paid-up share capital		Percentage of shareholding		Investments stated under cost method		Dividend income recognised during the years ended	
			As at 31 December		As at 31 December		As at 31 December		31 December	
			(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Subsidiaries										
UOB Bullion and Futures (Thai) Co., Ltd.	Liquidation	Ordinary shares	29	29	75.00	75.00	22	22	-	-
UOB Services Co., Ltd.	Debt collection business	Ordinary shares	60	60	99.99	99.99	60	60	45	20
Total investments in subsidiaries							82	82	45	20
Less: Allowance for impairment loss							(20)	(20)		
Investments in subsidiaries - net							62	62		

Notes to Financial Statements

(Continued)

11. Loans to customers and accrued interest receivables

11.1 Classified by loan type

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Overdrafts	17,664	17,301
Loans	282,556	259,437
Trade bills	75,627	67,477
Hire-purchase receivables	1,255	1,271
Financial lease receivables	2,308	2,455
Others	3,539	2,652
Less: Deferred revenue	(581)	(573)
Loans to customers, net of deferred revenue	382,368	350,020
Add: Accrued interest receivables	1,223	1,126
Loans to customers, net of deferred revenue, and accrued interest receivables	383,591	351,146
Less: Allowance for doubtful accounts		
1. The BOT's minimum required provision		
- Individual approach	(4,117)	(4,299)
- Collective approach	(648)	(513)
2. Provision in excess of the BOT's minimum required rates	(5,425)*	(5,185)*
Loans to customers and accrued interest receivables - net	373,401	341,149

* Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

11.2 Classified by currencies and debtors' residency

	(Unit: Million Baht)					
	Consolidated and separate financial statements					
	As at 31 December					
	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	369,137	302	369,439	338,943	230	339,173
US Dollar	11,707	582	12,289	9,070	859	9,929
Other currencies	640	-	640	918	-	918
Loans to customers, net of deferred revenue	381,484	884	382,368	348,931	1,089	350,020

Notes to Financial Statements

(Continued)

11.3 Classified by types of business and loan classification

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2018					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,273	34	-	1	20	1,328
Manufacturing and commerce	94,658	2,122	399	-	2,593	99,772
Real estate and construction	25,639	504	143	-	680	26,966
Public utilities and services	29,250	612	231	142	499	30,734
Housing loans	147,621	3,280	696	778	2,974	155,349
Others	65,272	1,251	369	417	910	68,219
loans to customers, net of deferred revenue	363,713	7,803	1,838	1,338	7,676	382,368

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2017					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,154	33	16	-	6	1,209
Manufacturing and commerce	86,855	2,163	494	16	2,252	91,780
Real estate and construction	20,754	443	64	8	970	22,239
Public utilities and services	26,622	1,057	170	2	435	28,286
Housing loans	138,150	2,652	398	4	4,484	145,688
Others	58,252	1,175	368	284	739	60,818
loans to customers, net of deferred revenue	331,787	7,523	1,510	314	8,886	350,020

Notes to Financial Statements

(Continued)

11.4 Classified by loan classification in accordance with the Notification of the BOT

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2018					
	Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculation of allowance for doubtful accounts*	Loan loss provisioning rates	Allowance for doubtful accounts
					(%)	
The BOT's minimum required provision						
Pass	364,861	59	364,920	109,038	1	1,090
Special mention	7,878	2	7,880	2,024	2	41
Sub-standard	1,838	1	1,839	590	100	590
Doubtful	1,338	-	1,338	494	100	494
Doubtful of loss	7,676	16	7,692	2,568	100	2,568
Provision in excess of the BOT's minimum required rates **	-	-	-	-		5,425
Total	383,591	78	383,669	114,714		10,208

* Net balance used in calculation of allowance for doubtful accounts for pass and special mention loans is loan balance excluding accrued interest receivable but net of collateral. For sub-standard, doubtful and doubtful of loss loans, it is the debt balance (outstanding loan balance, net of deferred revenue but includes accrued interest receivables) after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

** Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December 2017					
	Loans to customers and accrued interest receivables	Other claims	Total	Net balance used in calculation of allowance for doubtful accounts*	Loan loss provisioning rates	Allowance for doubtful accounts
					(%)	
The BOT's minimum required provision						
Pass	332,825	53	332,878	95,473	1	955
Special mention	7,611	2	7,613	2,241	2	45
Sub-standard	1,510	6	1,516	685	100	685
Doubtful	314	-	314	206	100	206
Doubtful of loss	8,886	11	8,897	2,938	100	2,938
Provision in excess of the BOT's minimum required rates **	-	-	-	-		5,185
Total	351,146	72	351,218	101,543		10,014

* Net balance used in calculation of allowance for doubtful accounts for pass and special mention loans is loan balance excluding accrued interest receivable but net of collateral. For sub-standard, doubtful and doubtful of loss loans, it is the debt balance (outstanding loan balance, net of deferred revenue but includes accrued interest receivables) after deducting the present value of expected future cash flows from debt collection or from collateral disposals.

** Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

Notes to Financial Statements

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As at 31 December 2018, allowance for doubtful accounts as shown in the tables above includes allowance for impairment on other claims, amounting to Baht 18 million (31 December 2017: Baht 17 million).

As at 31 December 2018 and 2017, the Bank classified unsecured consumer loans in accordance with the Notification of the BOT for non-performing loans (excluding receivables classified as pass and special mention), the allowance for doubtful accounts of which is determined using a collective approach, as follows:

(Unit: Million Baht)			
Consolidated and separate financial statements			
As at 31 December 2018			
Overdue (Days)	Unsecured consumer loans	Loan loss provisioning rates (%)	Allowance for doubtful accounts
0 - 119	569	70 - 89	410
120 - 180	326	70 - 74	238
Total	895		648

(Unit: Million Baht)			
Consolidated and separate financial statements			
As at 31 December 2017			
Overdue (Days)	Unsecured consumer loans	Loan loss provisioning rates (%)	Allowance for doubtful accounts
0 - 119	379	70 - 89	273
120 - 180	331	70 - 74	240
Total	710		513

11.5 Hire-purchase/financial lease receivables

As at 31 December 2018, the Bank has receivables under hire-purchase and financial lease agreements net of deferred revenue amounting to Baht 3,295 million (31 December 2017: Baht 3,423 million), which are mostly for vehicles and machines. The terms of the agreements are generally between 1 - 8 years and a majority of them charged fixed rates of interest.

(Unit: Million Baht)					
As at 31 December 2018					
Amounts due under hire-purchase/financial lease agreements					
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investments under hire-purchase/ financial lease agreements	1,236	2,109	60	158	3,563
Less: Deferred revenue*					(268)
Present value of minimum payments required under hire-purchase/financial lease agreements					3,295
Less: Allowance for doubtful accounts					(181)
Hire-purchase/financial lease receivables - net					3,114

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

Notes to Financial Statements

(Continued)

(Unit: Million Baht)					
As at 31 December 2017					
Amounts due under hire-purchase/financial lease agreements					
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investments under hire-purchase/ financial lease agreements	1,242	2,219	198	67	3,726
Less: Deferred revenue*					(303)
Present value of minimum payments required under hire-purchase/financial lease agreements					3,423
Less: Allowance for doubtful accounts					(99)
Hire-purchase/financial lease receivables - net					3,324

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

11.6 Non-accrual loans

The Bank had non-accrual loans, according to the BOT's criteria (NPLs and restructured NPLs under restructuring in process) as follows:

(Unit: Million Baht)			
Consolidated and separate financial statements			
As at 31 December			
	2018	2017	
Non-accrual loans*	10,852	10,710	
Percentage of total loans**	2.49	2.48	

* Principal only

** Including interbank and money market loans

11.7 Troubled debt restructuring

During the years ended 31 December 2018 and 2017 the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances before restructuring can be summarised below.

(Unit: Million Baht)			
Consolidated and separate financial statements			
For the years ended 31 December			
	2018	2017	
Debt balances before restructuring*	4,756	5,985	
Total number of restructured debtors	2,602	4,124	

* Principal only

Notes to Financial Statements

(Continued)

The debtors restructured during the years ended 31 December 2018 and 2017 as referred to above can be classified by method of troubled debt restructuring as follows:

(Unit: Million Baht)

Consolidated and separate financial statements						
For the year ended 31 December 2018						
Type of restructuring	Number of restructured debtors	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring	Debt hair-cut loss per agreements
Modification of repayment terms	2,602	4,756	-	-	4,755	1
Total	2,602	4,756		-	4,755	1

(Unit: Million Baht)

Consolidated and separate financial statements						
For the year ended 31 December 2017						
Type of restructuring	Number of restructured debtors	Debt balances before restructuring	Type of assets	Fair value of assets	Debt balances after restructuring	Debt hair-cut loss per agreements
Modification of repayment terms	4,124	5,985	-	-	5,982	3
Total	4,124	5,985		-	5,982	3

The Bank recorded hair-cut losses on restructuring agreement for the years in relation to certain particular debtors against allowance for doubtful accounts rather than charged them to profit or loss since the Bank had already provided for allowance for doubtful accounts on those loans in full.

The debts restructured by means of modification of repayment term as referred to above during the years ended 31 December 2018 and 2017 can be classified by the repayment terms under the new restructuring agreements as follows:

Consolidated and separate financial statements			
For the year ended 31 December 2018			
	Number of restructured debtors	Debt balances (Million Baht)	
		Before restructuring	After restructuring
Repayment terms according to the new restructuring agreements:			
Not more than 5 years	2,112	2,719	2,718
5 - 10 years	126	815	815
10 - 15 years	65	291	291
More than 15 years	299	931	931
Total	2,602	4,756	4,755

Notes to Financial Statements

(Continued)

	Consolidated and separate financial statements		
	For the year ended 31 December 2017		
	Number of restructured debtors	Debt balances (Million Baht)	
Before restructuring		After restructuring	
Repayment terms according to the new restructuring agreements:			
Not more than 5 years	3,402	2,598	2,595
5 - 10 years	188	1,890	1,890
10 - 15 years	149	469	469
More than 15 years	385	1,028	1,028
Total	4,124	5,985	5,982

As at 31 December 2018 and 2017, the Bank had outstanding balances on the restructured debtors as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Number of debtors	Debt balances after restructuring
Balances of restructured debtors as at 31 December 2018	12,557	19,966
Balances of restructured debtors as at 31 December 2017	14,693	18,227

As at 31 December 2018, the Bank had outstanding commitments to provide additional loans to restructured debtors amounting to Baht 418 million (31 December 2017: Baht 436 million).

12. Allowance for doubtful accounts

	(Unit: Million Baht)						
	Consolidated and separate financial statements						
	For the year ended 31 December 2018						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum required rates*	Total
Beginning balance	955	45	679	206	2,927	5,185	9,997
Doubtful accounts	135	(4)	(95)	288	1,957	240	2,521
Bad debts written off	-	-	-	-	(2,327)	-	(2,327)
Others	-	-	5	-	(6)	-	(1)
Ending balance	1,090	41	589	494	2,551	5,425	10,190

* Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

** Allowance for doubtful accounts excludes allowance for impairment on other claims, amounting to Baht 18 million.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

Consolidated and separate financial statements							
For the year ended 31 December 2017							
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	Provision in excess of the BOT's minimum required rates*	Total
Beginning balance	823	34	976	452	1,877	5,280	9,442
Doubtful accounts	132	11	(296)	(246)	3,167	(95)	2,673
Bad debts written off	-	-	-	-	(2,111)	-	(2,111)
Others	-	-	(1)	-	(6)	-	(7)
Ending balance	955	45	679	206	2,927	5,185	9,997

* Allowance for doubtful accounts includes a reserve for cyclical business factors, including economic factors, and other risk that may affect the quality of assets.

** Allowance for doubtful accounts excludes allowance for impairment on other claims, amounting to Baht 17 million.

13. Properties foreclosed

Properties foreclosed represent properties obtained from debtors as a result of debt restructuring or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction and including the owned premises of the closed branches awaiting for sale.

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

As at 31 December 2018 and 2017, properties foreclosed are summarised as follows:

(Unit: Million Baht)				
Consolidated and separate financial statements				
For the year ended 31 December 2018				
Type of properties foreclosed	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from successful bids				
Immovable	2,138	60	(115)	2,083
Movable	-	-	-	-
Total properties foreclosed	2,138	60	(115)	2,083
Less: Allowance for impairment	(1,854)	-	-	(1,854)
Properties foreclosed - net	284	60	(115)	229

Notes to Financial Statements

(Continued)

Type of properties foreclosed	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2017			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from successful bids				
Immovable	2,278	60	(200)	2,138
Movable	-	-	-	-
Total properties foreclosed	2,278	60	(200)	2,138
Less: Allowance for impairment	(1,866)	-	12	(1,854)
Properties foreclosed - net	412	60	(188)	284

As at 31 December 2018 and 2017, costs of immovable properties foreclosed were classified by external and internal appraisers as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Properties foreclosed - immovable		
Appraised by external appraisers	2,053	2,108
Appraised by internal appraisers	30	30
Total	2,083	2,138

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(Continued)

14. Premises and equipment

14.1 Movements

(Unit: Million Baht)

	Consolidated financial statements				Total
	Revaluation basis		Cost basis		
	Land	Buildings	Building improvement and equipment	Assets under construction/ installation	
Cost/Revaluation					
As at 1 January 2017	5,894	1,137	4,937	936	12,904
Acquisitions	-	-	173	807	980
Transfer in (out)	-	950	681	(1,631)	-
Disposal and written off	-	(244)	(744)	-	(988)
As at 31 December 2017	5,894	1,843	5,047	112	12,896
Acquisitions	-	-	150	357	507
Transfer in (out)	-	-	73	(73)	-
Disposal and written off	-	-	(210)	-	(210)
As at 31 December 2018	5,894	1,843	5,060	396	13,193
Accumulated depreciation					
As at 1 January 2017	-	(60)	(3,337)	-	(3,397)
Depreciation charged for the year	-	(279)	(392)	-	(671)
Disposal and written off	-	244	722	-	966
As at 31 December 2017	-	(95)	(3,007)	-	(3,102)
Depreciation charged for the year	-	(61)	(363)	-	(424)
Disposal and written off	-	-	204	-	204
As at 31 December 2018	-	(156)	(3,166)	-	(3,322)
Net book value					
As at 31 December 2017	5,894	1,748	2,040	112	9,794
As at 31 December 2018	5,894	1,687	1,894	396	9,871
Depreciation included in profit or loss for the years ended 31 December					
2017					671
2018					424

Notes to Financial Statements

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(Unit: Million Baht)

	Separate financial statements				Total
	Revaluation basis		Cost basis		
	Land	Buildings	Building improvement and equipment	Assets under construction/installation	
Cost/Revaluation					
As at 1 January 2017	5,894	1,137	4,916	936	12,883
Acquisitions	-	-	164	807	971
Transfer in (out)	-	950	681	(1,631)	-
Disposal and written off	-	(244)	(733)	-	(977)
As at 31 December 2017	5,894	1,843	5,028	112	12,877
Acquisitions	-	-	149	357	506
Transfer in (out)	-	-	73	(73)	-
Disposal and written off	-	-	(210)	-	(210)
As at 31 December 2018	5,894	1,843	5,040	396	13,173
Accumulated depreciation					
As at 1 January 2017	-	(60)	(3,322)	-	(3,382)
Depreciation charged for the year	-	(279)	(388)	-	(667)
Disposal and written off	-	244	710	-	954
As at 31 December 2017	-	(95)	(3,000)	-	(3,095)
Depreciation charged for the year	-	(61)	(361)	-	(422)
Disposal and written off	-	-	204	-	204
As at 31 December 2018	-	(156)	(3,157)	-	(3,313)
Net book value					
As at 31 December 2017	5,894	1,748	2,028	112	9,782
As at 31 December 2018	5,894	1,687	1,883	396	9,860
Depreciation included in profit or loss for the years ended 31 December					
2017					667
2018					422

Had the land and buildings been carried based on a historical cost basis, their net book value as at 31 December 2018 and 2017 would have been as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Land		
Cost	1,888	1,888
Buildings		
Cost	1,823	1,823
Accumulated depreciation	(629)	(600)
Net book value	1,194	1,223

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(Continued)

As at 31 December 2018, certain buildings and equipment items of the Bank and its subsidiaries were fully depreciated but are still in use. The historical costs or the reappraised values, before deducting accumulated depreciation, of those assets totalled Baht 2,065 million (31 December 2017: Baht 2,028 million) and The Bank only: Baht 2,060 million (31 December 2017: Baht 2,024 million).

14.2 Revaluation surplus on assets

Revaluation surplus on assets are surplus from revaluation of land and buildings. Their movements during the years are as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2018	2017
Beginning balances	4,566	4,685
Amortisation for the years	(30)	(119)
Ending balances	4,536	4,566

Revaluation surplus on assets can neither be used to offset against deficit nor for dividend distribution.

Differences arising from revaluation on assets are recognised in accordance with the accounting policy as described in Note 4.11 to the financial statements.

During the year 2015, The Bank arranged for independent professional valuers to appraise the value of land and buildings on an asset-by-asset basis. The basis of the revaluation was as follows:

- Appraisal of land: Market comparison approach is used whereby the buying and selling prices for assets with similar characteristics are obtained.
- Appraisal of buildings: The depreciated replacement cost approach is used for buildings specifically used for the Bank's operation. The market comparison approach is used for general buildings whereby the buying and selling prices for assets with similar characteristics are obtained. The income approach is used for assets that generate income.

Key assumptions in the valuation, which are unobservable inputs generally, are summarised below:

	Assumptions used in revaluation	Result to fair value where as an increase in assumption value
Land price per square wah (Baht)	40,000 - 2,296,754	Increase in fair value (Market comparison Approach)
Building construction cost per square metre (Baht)	9,558 - 30,511	Increase in fair value (Depreciated replacement cost Approach)
Yield rate (%)	8	Decrease in fair value (Income Approach)

Notes to Financial Statements

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15. Other intangible assets

	(Unit: Million Baht)			
	Consolidated financial statements			
	Application softwares	Assets in progress	Others	Total
Cost				
As at 1 January 2017	2,730	56	2	2,788
Acquisitions	169	92	-	261
Transfer in (out)	79	(79)	-	-
Written off	(44)	-	-	(44)
As at 31 December 2017	2,934	69	2	3,005
Acquisitions	98	96	-	194
Transfer in (out)	102	(102)	-	-
Written off	(5)	-	-	(5)
As at 31 December 2018	3,129	63	2	3,194
Accumulated amortisation				
As at 1 January 2017	(1,745)	-	-	(1,745)
Amortisation for the year	(219)	-	-	(219)
Written off	44	-	-	44
As at 31 December 2017	(1,920)	-	-	(1,920)
Amortisation for the year	(197)	-	-	(197)
Written off	3	-	-	3
As at 31 December 2018	(2,114)	-	-	(2,114)
Net book value				
As at 31 December 2017	1,014	69	2	1,085
As at 31 December 2018	1,015	63	2	1,080
Remaining useful lives (years)	0 - 9	-	-	
Amortisation included in profit or loss for the years ended 31 December				
2017				219
2018				197

Notes to Financial Statements

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(Unit: Million Baht)

	Separate financial statements			Total
	Application softwares	Assets in progress	Others	
Cost				
As at 1 January 2017	2,714	56	2	2,772
Acquisitions	169	92	-	261
Transfer in (out)	79	(79)	-	-
Written off	(44)	-	-	(44)
As at 31 December 2017	2,918	69	2	2,989
Acquisitions	98	96	-	194
Transfer in (out)	102	(102)	-	-
Written off	(5)	-	-	(5)
As at 31 December 2018	3,113	63	2	3,178
Accumulated amortisation				
As at 1 January 2017	(1,734)	-	-	(1,734)
Amortisation for the year	(217)	-	-	(217)
Written off	44	-	-	44
As at 31 December 2017	(1,907)	-	-	(1,907)
Amortisation for the year	(196)	-	-	(196)
Written off	3	-	-	3
As at 31 December 2018	(2,100)	-	-	(2,100)
Net book value				
As at 31 December 2017	1,011	69	2	1,082
As at 31 December 2018	1,013	63	2	1,078
Remaining useful lives (years)	0 - 9	-	-	
Amortisation included in profit or loss for the years ended 31 December				
2017				217
2018				196

As at 31 December 2018, certain items of other intangible assets of the Bank and its subsidiaries were fully amortised but are still in use. The historical costs, before deducting accumulated amortisation, of those assets totalled Baht 1,201 million (31 December 2017: Baht 1,045 million) and The Bank only: Baht 1,201 million (31 December 2017: Baht 1,045 million).

Notes to Financial Statements

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16. Deferred tax assets/liabilities and income tax expenses

16.1 Deferred tax assets/liabilities

The following table shows major components of deferred tax assets/liabilities as at 31 December 2018 and 2017.

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Statements of financial position as at 31 December		Changes in deferred income taxes for the years ended 31 December		Statements of financial position as at 31 December		Changes in deferred income taxes for the years ended 31 December	
	2018	2017	2018	2017	2018	2017	2018	2017
Deferred tax assets on:								
Allowance for impairment on properties foreclosed	371	371	-	(2)	371	371	-	(2)
Allowance for impairment and revaluation on assets	6	34	(28)	29	6	34	(28)	29
Allowance for impairment and revaluation on investments	24	25	(1)	(1)	24	25	(1)	(1)
Provisions for long-term employee benefits	324	321	3	7	322	320	2	8
Provisions for other liabilities	47	56	(9)	(7)	47	56	(9)	(7)
Unrealised losses on financial derivatives	1	1	-	(2)	1	1	-	(2)
Bad debts	3	-	3	-	3	-	3	-
Other receivables	9	10	(1)	1	9	10	(1)	1
Accrued expenses	174	123	51	-	174	123	51	-
Others	200	177	23	35	200	177	23	35
Total	1,159	1,118	41	60	1,157	1,117	40	61
Deferred tax liabilities on:								
Revaluation surplus on assets	907	913	6	24	907	913	6	24
Revaluation surplus on investments	17	30	13	(5)	17	30	13	(5)
Others	122	103	(19)	(25)	122	103	(19)	(25)
Total	1,046	1,046	-	(6)	1,046	1,046	-	(6)
Deferred tax assets - net	113	72			111	71		
Changes in deferred income taxes			41	54			40	55

Notes to Financial Statements

(Continued)

Movements in the deferred tax assets (liabilities) during the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Beginning balances	72	18	71	16
Changes in deferred income taxes				
Recognised in profit or loss	25	59	25	59
Recognised in retained earnings	-	1	-	1
Recognised in other comprehensive income or loss	16	(6)	15	(5)
Total changes in deferred income taxes for the years	41	54	40	55
Ending balances	113	72	111	71

16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Current income taxes:				
Current income tax charge for the years	1,031	892	1,018	881
Adjustments in respect of corporate income taxes of previous year	15	40	15	40
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(25)	(59)	(25)	(59)
Income tax expenses reported in profit or loss	1,021	873	1,008	862

Notes to Financial Statements

(Continued)

Reconciliation between income tax expenses and the product of accounting profits for the years ended 31 December 2018 and 2017 multiplied by the applicable tax rate are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Accounting profits before income tax expenses from continuing operations	5,347	4,403	5,328	4,363
Accounting losses before income tax expenses from discontinued operations	-	(4)	-	-
Accounting profits before income tax expenses	5,347	4,399	5,328	4,363
Applicable tax rate	20%	20%	20%	20%
Accounting profits before income tax expenses multiplied by applicable tax rate	1,069	880	1,065	873
Tax effects from:				
Adjustments in respect of corporate income taxes of previous year	15	40	15	40
Additional tax-deductible expenses	(63)	(64)	(63)	(64)
Tax effect on tax-exempted revenues	(1)	(5)	(10)	(5)
Tax effect on non-tax deductible expenses	9	21	9	21
Adjustment	(8)	1	(8)	(3)
Income tax expenses reported in profit or loss	1,021	873	1,008	862
Income tax expenses reported in profit or loss from continued operations	1,021	873	1,008	862
Income tax expenses reported in profit or loss from discontinued operations	-	-	-	-
	1,021	873	1,008	862

Notes to Financial Statements

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16.3 Components of other comprehensive income (losses) and related income taxes

(Unit: Million Baht)

	Consolidated financial statements					
	For the years ended 31 December					
	2018			2017		
	Before tax amount	Tax benefit (expense)	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Items to be recognised subsequently in profit or loss:						
Gains (losses) on revaluation of available-for-sale investments	(68)	14	(54)	28	(6)	22
Total items to be recognised subsequently in profit or loss	(68)	14	(54)	28	(6)	22
Items not to be recognised subsequently in profit or loss:						
Actuarial losses on defined benefit plans	(8)	2	(6)	(1)	-	(1)
Total items not to be recognised subsequently in profit or loss	(8)	2	(6)	(1)	-	(1)
	(76)	16	(60)	27	(6)	21

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2018			2017		
	Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax benefit (expense)	Net of tax amount
Items to be recognised subsequently in profit or loss:						
Gains (losses) on revaluation of available-for-sale investments	(68)	14	(54)	28	(6)	22
Total items to be recognised subsequently in profit or loss	(68)	14	(54)	28	(6)	22
Items not to be recognised subsequently in profit or loss:						
Actuarial losses on defined benefit plans	(7)	1	(6)	(3)	1	(2)
Total items not to be recognised subsequently in profit or loss	(7)	1	(6)	(3)	1	(2)
	(75)	15	(60)	25	(5)	20

Notes to Financial Statements

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17. Discontinued operations

On 18 September 2017, an Extraordinary General Meeting of the Shareholders of UOB Bullion and Futures (Thai) Co., Ltd. (“a subsidiary” or “UOBFT”) passed a resolution approving the dissolution of this company.

The Office of Securities and Exchange Commission have approved the cessation of the business operations of UOBFT and accepted the return of its derivatives brokerage license, in which effective on 2 November 2017.

On 2 November 2017, BOT acknowledged the removal of UOBFT from UOB’s Financial Group and allowed UOB to continually hold 75% of issued and paid-up share capital in UOBFT until the liquidation process is completed.

On 20 November 2017, UOBFT registered its dissolution with the Ministry of Commerce and appointed the liquidator.

UOBFT partially returned its capital, totaling Baht 146 million, to shareholders including the Bank, proportionately to their shareholding. The Bank received the return of the capital totaling Baht 110 million on 27 November 2017.

In order to comply with Thai Financial Reporting Standards, the operating result of UOBFT for the year ended 31 December 2017 was separately presented under “Loss for the years from discontinued operations - net of income tax expenses” in the consolidated statements of comprehensive income for the year ended 31 December 2017. Hence, the transactions were summarised as follows:

	(Unit: Million Baht)
	For the years ended 31 December 2017
Statement of comprehensive income	
Interest income	-
Interest expenses	-
Net interest income	-
Fees and service income	-
Fees and service expenses	-
Net fees and service income	-
Other operating income	-
Total operating income	-
Operating expenses	
Employee’s expenses	4
Total operating expenses	4
Loss before income tax expenses	(4)
Income tax expenses	-
Loss from discontinued operations	(4)
Other comprehensive income	
Other comprehensive income from discontinued operations	-
Total comprehensive loss from discontinued operations	(4)

Notes to Financial Statements

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Changes of operating assets and operating liabilities of UOB Bullion and Futures (Thai) Co., Ltd. which included in consolidated cash flows statements for the year ended 31 December 2017 is as follows:

	(Unit: Million Baht)
	2017
Operating assets decrease	
- Other assets	20
	20
Operating liabilities decrease	
- Accrued expense	(2)
	(2)

Cash flow information of UOB Bullion and Futures (Thai) Co., Ltd. for the year ended 31 December 2017 are as follows:

	(Unit: Million Baht)
	2017
Net cash provided by operating activities	13
Net cash used in investing activities	(37)

18. Other assets

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
Accrued income	451	396	452	396
Suspense debtors	387	232	387	232
Prepaid and deferred expenses	404	416	395	407
Leasehold rights - net	38	46	38	46
Other receivables from sold non-performing loans - net	385	708	385	708
Others	441	715	441	715
Total	2,106	2,513	2,098	2,504
Less: Allowance for impairment	(143)	(142)	(143)	(142)
Other assets - net	1,963	2,371	1,955	2,362

Notes to Financial Statements

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19. Classified assets

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2018				
	Investments	Loans*	Properties foreclosed	Other assets	Total
Classification					
Pass	-	417,766	-	59	417,825
Special mention	-	7,803	-	2	7,805
Sub-standard	-	1,838	-	1	1,839
Doubtful	-	1,338	-	-	1,338
Doubtful of loss	153	7,676	1,828	139	9,796
Total	153	436,421	1,828	201	438,603

* Including interbank and money market loans.

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2017				
	Investments	Loans*	Properties foreclosed	Other assets	Total
Classification					
Pass	-	413,032	-	53	413,085
Special mention	-	7,523	-	2	7,525
Sub-standard	-	1,510	-	6	1,516
Doubtful	-	314	-	-	314
Doubtful of loss	102	8,886	1,828	135	10,951
Total	102	431,265	1,828	196	433,391

* Including interbank and money market loans.

20. Deposits

20.1 Classified by types of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
Current accounts	9,385	9,302	9,385	9,302
Savings accounts	230,477	199,334	230,553	199,400
Fixed deposits	165,316	161,532	165,361	161,577
Total	405,178	370,168	405,299	370,279

Notes to Financial Statements

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20.2 Classified by currencies and depositors' residency

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December					
	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	388,767	10,365	399,132	354,382	9,234	363,616
US Dollar	4,601	486	5,087	5,117	602	5,719
Others	494	465	959	326	507	833
Total	393,862	11,316	405,178	359,825	10,343	370,168

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	388,888	10,365	399,253	354,493	9,234	363,727
US Dollar	4,601	486	5,087	5,117	602	5,719
Others	494	465	959	326	507	833
Total	393,983	11,316	405,299	359,936	10,343	370,279

21. Interbank and money market items (Liabilities)

(Unit: Million Baht)

	Consolidated and separate financial statements					
	As at 31 December					
	2018			2017		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial Institutions Development Fund	-	1,156	1,156	-	1,308	1,308
Commercial banks	58	380	438	29	-	29
Specific financial institutions	294	2,272	2,566	-	2,547	2,547
Other financial institutions	8,634	1,255	9,889	10,364	1,046	11,410
Total domestic items	8,986	5,063	14,049	10,393	4,901	15,294
Foreign items						
US Dollar	15	14,894	14,909	9	34,789	34,798
Yen	-	469	469	-	72	72
Euro	2	-	2	-	898	898
Other currencies	261	-	261	1,062	-	1,062
Total foreign items	278	15,363	15,641	1,071	35,759	36,830
Total domestic and foreign items	9,264	20,426	29,690	11,464	40,660	52,124

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22. Debts issued and borrowings

As at 31 December 2018 and 2017, debts issued and borrowings comprised subordinated debentures and senior debentures. They are classified by type of securities, maturity and interest rate as follows:

(Unit: Million Baht)				
Consolidated and separate financial statements				
As at 31 December 2018				
Type	Maturity	Interest rate per annum	Currency	Amount
				Domestic
Subordinated Debentures	20 Sep 2027	(%) 3.56	THB	6,000
Senior Debentures	15 Mar 2019 and 15 Mar 2021	1.85 - 2.16	THB	10,000
Total				16,000

(Unit: Million Baht)						
Consolidated and separate financial statements						
As at 31 December 2017						
Type	Maturity	Interest rate per annum	Currency	Amount		
				Domestic	Foreign	Total
Subordinated Debentures	25 Mar 2023	(%) Floating rate of 3-month LIBOR + 1.76	USD	-	5,556	5,556
Subordinated Debentures	20 Sep 2027	3.56	THB	6,000	-	6,000
Senior Debentures	15 Mar 2019 and 15 Mar 2021	1.85 - 2.16	THB	10,000	-	10,000
Total				16,000	5,556	21,556

Subordinated debentures

Subordinated Debenture No. 1/2013

On 25 March 2013, the Bank issued Subordinated Debenture No.1/2013, amounting to USD 170 million, to United Overseas Bank Limited. The debentures have a tenor of 10 years and bear interest at a floating rate equal to 3-month LIBOR + 1.76% per annum, and the Bank has the right to make early redemption, as approved by the BOT. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BOT guidelines laid down with reference to Basel III framework.

On 2 May 2013, the BOT granted an approval for the Bank to count proceeds received from the issue of the above subordinated debentures for an amount of Baht 4,973 million as a part of its Tier 2 capital, in accordance with the conditions specified in the BOT's notifications regarding the Basel III framework.

On 16 January 2018, the BOT granted an approval for the Bank to early redeem the above subordinated debenture after the fifth year of the issuance date. In this regard, The Bank has complied with all conditions specified in the BOT's notifications and has completely redeemed USD 170 million subordinated debentures on 26 March 2018.

Subordinated Debenture No. 1/2017

On 20 September 2017, the Bank issued Subordinated Debenture No.1/2017 amounting to Baht 6,000 million, via private placement to institutional and high net worth investors. The debentures have a tenor of 10 years and bear interest at 3.56% per annum, and the Bank has the right to make early redemption, as approved by the BOT. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BOT guidelines laid down with reference to Basel III framework.

Notes to Financial Statements

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On 2 November 2017, the BOT granted an approval for the Bank to count proceeds received from the issue of the above subordinated debentures for an amount of Baht 6,000 million as a part of its Tier 2 capital effective 20 September 2017 onwards, in accordance with the conditions specified in the BOT's notifications regarding the Basel III framework.

Senior debentures

On 15 March 2016, the Bank issued the unsecured senior debentures without debenture holder representatives amounting to Baht 10,000 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 3-5 years and interest is payable semi-annually. Of those debentures, Baht 5,000 million bear interest at a fixed rate of 1.85% per annum and mature in 2019, and another Baht 5,000 million bear interest at a fixed rate of 2.16% per annum and mature in 2021.

23. Provisions for long-term employee benefits

Changes in provisions for long-term employee benefits for the years ended 31 December 2018 and 2017 can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Provisions for long-term employee benefits at beginning of the year	1,611	1,572	1,602	1,562
Recognised in profit or loss:				
Current service cost	126	113	125	111
Interest cost	33	43	32	43
Total benefits recognised in profit or loss	159	156	157	154
Recognised in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumption changes	-	(43)	-	(42)
Financial assumption changes	(16)	69	(16)	69
Experience adjustments	23	(24)	23	(24)
Total benefits recognised in other comprehensive income or loss	7	2	7	3
Employee benefits paid during the year	(157)	(118)	(157)	(118)
Decrease from liquidation of subsidiary company	-	(1)	-	-
Employee transferal in	-	-	1	1
Provisions for long-term employee benefits at end of the year	1,620	1,611	1,610	1,602

The Bank and its subsidiaries expect to pay long-term employee benefits during the next year amounting to Baht 117 million (31 December 2017: Baht 99 million) and The Bank only: Baht 116 million (31 December 2017: Baht 99 million).

As at 31 December 2018, the weighted average duration of the Bank's and its subsidiaries' long-term employee benefit obligation is 11.2 years (31 December 2017: 9.6 years) and The Bank only: 11.2 years (31 December 2017: 9.6 years).

Notes to Financial Statements

(Continued)

The principal assumptions used in determining employee benefits under retirement plans can be summarised as follows:

	(Unit: Percentage per year)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Future salary incremental rates (depending on age)	4 - 7.5	4 - 7.5
Turnover rates (depending on age)	1 - 30	1 - 30
Average discount rate	2.6918	2.5485
Mortality development rate	3	3

Sensitivity analysis for principal assumptions that affect provisions for long-term employee benefits as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)							
	Consolidated financial statements							
	As at 31 December 2018							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%	
Increase (decrease) in provisions for long-term employee benefits	112	(102)	(40)	46	(102)	115	1	(1)

	(Unit: Million Baht)							
	Consolidated financial statements							
	As at 31 December 2017							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%	
Increase (decrease) in provisions for long-term employee benefits	113	(103)	(41)	47	(104)	117	1	(1)

	(Unit: Million Baht)							
	Separate financial statements							
	As at 31 December 2018							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%	
Increase (decrease) in provisions for long-term employee benefits	111	(100)	(39)	45	(101)	114	1	(1)

Notes to Financial Statements

(Continued)

(Unit: Million Baht)									
Separate financial statements									
As at 31 December 2017									
Salary incremental rate		Turnover rate		Discount rate		Mortality development rate			
Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%
Increase (decrease) in provisions for long-term employee benefits		112	(102)	(40)	46	(103)	116	1	(1)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Bank and its subsidiaries have additional liabilities for long-term employee benefits approximately Baht 100 million, mostly effecting the separate financial statements. The Bank and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

24. Provisions for other liabilities

(Unit: Million Baht)			
Consolidated and separate financial statements			
For the year ended 31 December 2018			
	Contingencies	Obligation for litigation cases	Total
Beginning balances	192	86	278
Increase (decrease) in estimation during the year	(44)	7	(37)
Paid during the year	-	(7)	(7)
Ending balances	148	86	234

(Unit: Million Baht)			
Consolidated and separate financial statements			
For the year ended 31 December 2017			
	Contingencies	Obligation for litigation cases	Total
Beginning balances	225	86	311
Increase (decrease) in estimation during the year	(33)	25	(8)
Paid during the year	-	(25)	(25)
Ending balances	192	86	278

Notes to Financial Statements

(Continued)

25. Other liabilities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
Suspense creditors and accounts payable - others	1,824	1,718	1,835	1,733
Deferred revenues	650	731	650	731
Accrued interest expenses	561	670	561	671
Others	201	439	201	438
Total	3,236	3,558	3,247	3,573

26. Other components of equity

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Revaluation surplus on assets	4,536	4,566
Revaluation surplus (deficit) on available-for-sale investments		
Revaluation surplus on available-for-sale investments		
Debt instruments	134	151
Total	134	151
Revaluation deficit on available-for-sale investments		
Debt instruments	(49)	-
Equity instruments	(3)	(1)
Total	(52)	(1)
Total revaluation surplus on available-for-sale investments	82	150
Total other components of equity	4,618	4,716
Less: income taxes	(924)	(943)
Other components of equity - net of income taxes	3,694	3,773

27. Statutory reserve

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

28. Capital funds

The primary objective of the Bank's capital management is to maintain an optimal level of capital. Policies, which are approved by the Bank's Board of Directors and overseen by the Bank's senior management, are set to ensure that the capital maintenance is in accordance with the BOT's requirements and at an appropriate and adequate level to support the business growth within the acceptable level of risk and to maintain the good credit rating.

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(Continued)

The Capital Funds and Capital Adequacy Ratio of the Bank as at 31 December 2018 and 2017 in accordance with the BOT's requirements with reference to Basel III framework consist of the followings:

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2018	2017
Tier 1 Capital		
Common Equity Tier 1 (CET1)		
Paid-up share capital	24,857	24,857
Statutory reserve	1,365	1,135
Retained earnings after appropriation	24,011	20,197
Other components of equity	3,685	3,740
Less: Deduction items from Common Equity Tier 1	(1,197)	(947)
Total Tier 1 Capital	52,721	48,982
Tier 2 Capital		
Subordinated debentures	6,000	10,973
Provision for assets classified as normal and surplus of provision	1,650	1,491
Total Tier 2 Capital	7,650	12,464
Total Capital Funds	60,371	61,446

	(Unit: Percentage)			
	Separate financial statements			
	As at 31 December			
	2018		2017	
	BOT Minimum Requirement and Conservation Buffer*	The Bank	BOT Minimum Requirement and Conservation Buffer*	The Bank
Capital Adequacy Ratio				
Common Equity Tier 1 to risk-weighted assets	6.375	16.80	5.75	16.05
Tier 1 Capital Funds to risk-weighted assets	7.875	16.80	7.25	16.05
Total Capital Funds to risk-weighted assets	10.375	19.23	9.75	20.14

* According to BOT's Basel III framework, the Bank is required to maintain Common Equity Tier 1 of at least 2.5% of total risk-weighted assets, as a capital buffer, in addition to minimum capital ratio. This capital buffer ("Conservation buffer") will gradually increase at least 0.625% a year starting from 1 January 2016 until the ratio of at least 2.5% is reached on 1 January 2019.

29. Share-based payment plan for the Bank's senior management

The Bank's Board of Directors Meeting No. 573 approved a resolution to join the share-based payment plan ("the Plan") under Long Term Incentives Plan (LTI) with compensation in the form of restricted shares (RS) and share appreciation rights (SAR) of United Overseas Bank Limited ("major shareholder") is awarded to selected senior managements. The selection criteria indicated by the Nomination and Compensation Committee (NCC) of the Bank, considering from several factors such as individual performance, potential, leadership skills, job level and market competitive.

Notes to Financial Statements

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Details of the plan are below:

- (a) Restricted Shares (RS), represent ordinary shares of United Overseas Bank Limited that participants will be entitled to receive upon fulfilment of certain time and performance conditions. Upon vesting, participants will receive United Overseas Bank Limited's shares represented by the restricted shares as per the plan's rules.
- (b) Share Appreciation Rights (SAR) are the rights to receive a number of United Overseas Bank's Limited shares equivalent in value to the difference between the prevailing market value and the grant value of the shares of the major shareholder multiplied by number of SAR as per the Plan's rules and divided by the prevailing market value of the shares of the major shareholder. Upon vesting of the SAR, participants have up to six years from the grant date to exercise their rights.

Since 2014, Long Term Incentives Plan has been replaced by Executive Equity Plan (EEP) whereby under the EEP there remains remunerations in the form of RS as mentioned in (a) whilst remunerations in the form of SAR as mentioned in (b) were ceased from 2014 onwards. However, any SAR previously granted under LTI would still remain enforced until SAR expired in 2014 or their exercise rights expire in 2019.

For the year ended 31 December 2018, the Bank recorded Baht 68 million (2017: Baht 64 million) for the above plan as expenses and also recorded such obligations by the same amount as liabilities. As at 31 December 2018, the Bank has obligations of Baht 109 Million (2017: Baht 96 million) which were presented as a part of other liabilities.

30. Commitments and contingent liabilities

30.1 Commitments

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 31 December	
	2018	2017
Aval to bills	2,227	2,984
Guarantees of loans	3,334	3,204
Liabilities under unmatured import bills	1,230	1,318
Letters of credit	2,671	4,037
Other commitments		
- Undrawn overdraft amount	24,391	24,711
- Spot foreign exchange contracts	3,477	9,516
- Other guarantees	32,865	26,476
- Others	20,085	12,767
Total	90,280	85,013

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(Continued)

30.2 Operating lease commitments

As at 31 December 2018 and 2017, the Bank and its subsidiaries had land and building lease agreements for branch offices and vehicles lease agreements, for which the lease terms range from 1 - 30 years and are renewable. The Bank and its subsidiaries also have committed to pay future rental payments which can be summarised as follows:

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	As at 31 December 2018		
	Land and building rental agreements	Vehicle lease agreements	Total
Payment terms			
Within 1 year	304	28	332
1 - 5 years	321	62	383
More than 5 years	25	-	25
Total	650	90	740

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	As at 31 December 2017		
	Land and building rental agreements	Vehicle lease agreements	Total
Payment terms			
Within 1 year	245	37	282
1 - 5 years	291	37	328
More than 5 years	37	-	37
Total	573	74	647

30.3 Commitments under a bancassurance agreement

On 31 January 2010, the UOB Group and the Bank signed a business partner agreement (Bancassurance Agreement) with life insurance group. Under the agreement, the Bank received a sum of the fees in advance with the commitment to the agreement for 12 years from the date of the agreement, the Bank therefore amortises such fees as revenue over the term of the agreement and presents the fees received in advance under "Other liabilities - deferred revenue", as disclosed in Note 25 to the financial statements.

On 30 January 2019, the UOB Group and the Bank signed a Territory Distribution agreement with a life insurance group for a period of 15 years, from 1 January 2020 to 31 December 2034. The existing contract will be canceled before the termination date and will be effective until 31 December 2019.

30.4 Other commitments

As at 31 December 2018, the Bank has contractual commitments in respect to construction of office buildings and the purchase of information technology systems as well as other agreements under the Bank's projects. The outstanding balances of such contractual commitments were approximately Baht 3,295 million (31 December 2017: Baht 232 million) and the Bank also has commitments to pay the service fees in relation to service contracts amounting to Baht 168 million (31 December 2017: Baht 166 million).

As at 31 December 2018, the Bank has commitments in relation to various "to-sell and to-purchase" agreements for its foreclosed properties, the carrying value of which was Baht 12 million (31 December 2017: Baht 3 million). As at 31 December 2018, the Bank has commitments to purchase the foreclosed properties amounting to Baht 80 million (31 December 2017: Baht 83 million).

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(Continued)

31. Assets placed as collateral

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	Carrying value	
	As at 31 December	
	2018	2017
Government bonds		
Placed as collateral for Intraday Liquidity Facilities with the BOT	11,060	13,829
Placed as collateral against borrowing from the BOT	-	1,800
Placed as collateral for hedging of settlement risk	3,354	3,911
Placed as collateral for government departments	73	73

32. Litigation

In the course of normal business operation of the Bank, the Bank has been sued under various labor and civil lawsuits, including torture cases. Under these lawsuits, claims against the Bank as at 31 December 2018 totaled Baht 826 million (31 December 2017: Baht 800 million). The Bank's management has exercised their judgement to the possible losses to the Bank and recorded the amount under "Provisions for other liabilities" as described in Note 24 to the financial statements and believe that should the outcome of the lawsuits be finalised, there will not be a material impact to the Bank's financial position or operating performance.

33. Related party transactions

33.1 Significant of related party transactions

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

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

During the years, the Bank had significant business transactions with its subsidiaries, related companies (related by ways of shareholding and/or common shareholders and/or common directors) and related persons (Directors and Senior Management who are in the level of Executive Director upwards, and their close family members). These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Bank, and those parties. Interest rates on loans to employees are calculated based on the Bank's employee welfare rule.

As at 31 December 2018, the Bank has outstanding staff welfare loans to executives from level of Executive Director upwards of Baht 31 million (31 December 2017: Baht 24 million) and also has general loans to Senior Management and their close family members with the outstanding balance of Baht 36 million (31 December 2017: Baht 28 million) and the average outstanding balance of Baht 27 million (31 December 2017: Baht 28 million).

In addition, as at 31 December 2018, the Bank also has deposits of Baht 202 million (31 December 2017: Baht 82 million) taken from related persons, including their close family members.

Significant transactions, income and expenses incurred with related parties (apart from those disclosed in the other notes to financial statements) for the years ended 31 December 2018 and 2017 are summarised below.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Consolidated financial statements					
	For the years ended 31 December					
	2018			2017		
Related companies	Group of major shareholder (UOB)	Total	Related companies	Group of major shareholder (UOB)	Total	
Interest income	27	24	51	24	8	32
Interest expenses	4	464	468	7	456	463
Fees and service income	2	648	650	3	677	680
Fees and service expenses	-	4	4	-	-	-
Net gains (losses) on trading and foreign exchange transactions	-	(848)	(848)	-	6,783	6,783
Other operating income	-	1	1	-	1	1
Employee's expenses	-	-	-	1	-	1
Premises and equipment expenses	15	-	15	17	-	17
Data processing charges (tax included)	-	724	724	-	672	672
Other expenses	14	92	106	16	85	101

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	2018				2017			
Subsidiaries	Related companies	Group of major shareholder (UOB)	Total	Subsidiaries	Related companies	Group of major shareholder (UOB)	Total	
Interest income	-	27	24	51	-	24	8	32
Interest expenses	1	4	464	469	2	7	456	465
Fees and service income	7	2	648	657	8	3	677	688
Fees and service expenses	172	-	4	176	165	-	-	165
Net gains (losses) on trading and foreign exchange transactions	-	-	(848)	(848)	-	-	6,783	6,783
Dividend income	45	-	-	45	20	-	-	20
Other operating income	7	-	1	8	7	-	1	8
Employee's expenses	-	-	-	-	-	1	-	1
Premises and equipment expenses	(2)	15	-	13	(2)	-	-	(2)
Data processing charges (tax included)	-	-	724	724	-	-	672	672
Other expenses	-	14	92	106	-	16	85	101

During the year ended 31 December 2018, the Bank incurred software development charges payable to United Overseas Bank Limited, its major shareholder, amounting to Baht 127 million (2017: Baht 153 million).

In addition, the Bank purchased equipment from related companies amounting to Baht 8 million (2017: Baht 5 million).

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(Continued)

33.2 Remunerations to directors and senior management

For the years ended 31 December 2018 and 2017, remunerations payable to the Bank's and its subsidiaries' directors and senior management, who are key management personnel with authority and responsibility, whether direct or indirect, for planning, direction and controlling the operations of the Bank and its subsidiaries, are consisted of monthly remunerations, salaries, provident fund contributions and long-term benefits as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Short-term employee benefits	545	405	545	401
Post-employment benefits	28	23	28	23
Share-based payments	68	64	68	64
Total	641	492	641	488

33.3 Outstanding balances

The outstanding balances of significant related party transactions as at 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2018				
	Non-consolidated subsidiary company	Major shareholders (UOB)			Total
	UOB Bullion and Futures (Thai) Co., Ltd.	Related Companies	United Overseas Bank Limited	United Overseas Bank Group of Companies	
Average outstanding loans to customers	-	507	-	-	507
Outstanding loans to customers	-	570	-	-	570
Interbank and money market items (assets)	-	-	387	9	396
Derivatives assets	-	-	1,536	1	1,537
Deposits and other assets	-	-	2	61	63
Commitments	-	461	143,458	25	143,944
Deposits	3	547	-	-	550
Interbank and money market items (liabilities)	-	196	15,460	1,802	17,458
Derivatives liabilities	-	-	316	-	316
Other liabilities	-	-	1,140	4	1,144

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2017				
Major shareholders (UOB)				
	Related Companies	United Overseas Bank Limited	United Overseas Bank Group of Companies	Total
Average outstanding loans to customers	472	-	-	472
Outstanding loans to customers	392	-	-	392
Interbank and money market items (assets)	-	447	3	450
Derivatives assets	-	1,394	-	1,394
Deposits and other assets	-	1	81	82
Commitments	452	117,267	67	117,786
Deposits	333	-	-	333
Interbank and money market items (liabilities)	633	36,125	1,177	37,935
Derivatives liabilities	-	653	-	653
Debt issued and borrowings	-	5,556	-	5,556
Other liabilities	-	1,201	1	1,202

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2018						
	Subsidiary companies		Major shareholders (UOB)			Total
	UOB Bullion and Futures (Thai) Co., Ltd.	UOB Services Co., Ltd.	Related Companies	United Overseas Bank Limited	United Overseas Bank Group of Companies	
Average outstanding loans to customers	-	-	507	-	-	507
Outstanding loans to customers	-	-	570	-	-	570
Interbank and money market items (assets)	-	-	-	388	8	396
Derivatives assets	-	-	-	1,536	1	1,537
Deposits and other assets	-	1	-	2	61	64
Commitments	-	-	461	143,458	25	143,944
Deposits	3	121	547	-	-	671
Interbank and money market items (liabilities)	-	-	196	15,460	1,802	17,458
Derivatives liabilities	-	-	-	316	-	316
Other liabilities	-	13	-	1,140	4	1,157

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements					Total
	As at 31 December 2017					
	Subsidiary companies		Major shareholders (UOB)			
	UOB Bullion and Futures (Thai) Co., Ltd.	UOB Services Co., Ltd.	Related Companies	United Overseas Bank Limited	United Overseas Bank Group of Companies	
Average outstanding loans to customers	-	-	472	-	-	472
Outstanding loans to customers	-	-	392	-	-	392
Interbank and money market items (assets)	-	-	-	447	3	450
Derivatives assets	-	-	-	1,394	-	1,394
Deposits and other assets	-	1	-	1	81	83
Commitments	-	-	452	117,267	67	117,786
Deposits	3	108	333	-	-	444
Interbank and money market items (liabilities)	-	-	633	36,125	1,177	37,935
Derivatives liabilities	-	-	-	653	-	653
Debt issued and borrowings	-	-	-	5,556	-	5,556
Other liabilities	-	17	-	1,201	1	1,219

34. Other benefits paid to the directors and management

For the years ended 31 December 2018 and 2017, the Bank and its subsidiaries had no benefits payable to their directors and management other than those they normally receive whereby directors receive monthly directors' remuneration and management receive salary, bonus and other benefits as discussed in Note 29 and Note 33.2 to the financial statements.

35. Earnings per share

Basic earnings per share is calculated by dividing profit for the years attributable to equity holders of the Bank (exclude other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the years.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Profits for the year from continuing operations (Million Baht)	4,326	3,530	4,319	3,500
Earnings per share from continuing operations (Baht/share)	1.74	1.42	1.74	1.41
Losses for the year from discontinued operations (Million Baht)	-	5	-	-
Earnings per share from discontinued operations (Baht/share)	-	-	-	-
Weighted average number of shares (shares)	2,485,661,305	2,485,661,305	2,485,661,305	2,485,661,305

Notes to Financial Statements

(Continued)

36. Segment information

36.1 Operating segments

The following segment information are in accordance with internal management report of the Bank submit to Management Committee who form as Chief Operating Decision Maker (CODM) to decide resources allocation and evaluate performance of business segment.

The Bank segregate business unit into 3 segments; retail, wholesale banking and other, for driving business and decision-making which base on key customer segments and product groups which are used in business decision and internal management reporting as follows:

Retail

The Retail segment covers personal financial services (PFS) and business banking (BB) with products of deposits, credit and debit cards, insurance, wealth management, investments estate planning, consumer loan, secured and unsecured loan with focus on mortgages and wide range of products through a variety of distribution channels, automated teller machines (ATMs), internet, mobile banking and digital Bank platforms.

Wholesale Banking

Wholesale Banking segment covers corporate banking, commercial banking and financial institution group. The corporate banking provides integrated banking solution to large corporations. The products and services are sophisticated and customised to specific customers. The commercial banking focuses on medium-sized companies with a broad range of products and services that include current accounts, deposits, lending, syndicate loans, cash management, letter of guarantee, trade finance & cross-border payments, underwriting and corporate advisory services while financial institution group maintains correspondence with and provide financial services to Bank and non-bank financial institutions.

Other group

Other group includes Global Markets (GM) group, risk management, property management, including income and expenses not attributable to the above-mentioned operating segments. The GM group provides treasury products and advisory services such as foreign exchange, derivatives and fixed income instruments to customers.

36.2 Accounting policies for transactions presented in operating segment information

The accounting policies for any transactions presented in operating segment information were summarised in Note 4 to the financial statements regarding a summary of significant accounting policies. The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Total operating income included net interest income after deducted internal fund transfer pricing cost in accordance with the Bank's performance measurement criteria, net fees and service income and other income. The total operating expenses included allocated expenses allocated to between operating segments. The management relies on total operating profit and uses as a part of performance measurement.

Transfer prices between operating segments are on arm's length basis and in a manner similar to transaction with third parties.

No operating income from transactions with a single external customer in an amount equal to 10% or more of the consolidated operating income.

Capital expenditure and related depreciation together with income tax expense will not be allocated to each operating segment, which is in accordance with management reporting policy.

Notes to Financial Statements

(Continued)

Operating segment information of the Bank and its subsidiaries is summarised as follow:

	(Unit: Million Baht)				
	Consolidated financial statements				
	For the year ended 31 December 2018				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Net interest income	10,667	3,118	585	-	14,370
Non-interest income	3,410	1,141	443	(59)	4,935
Operating income	14,077	4,259	1,028	(59)	19,305
Operating expenses	7,596	1,717	1,850	(14)	11,149
Bad debt, doubtful accounts and impairment loss	2,000	741	68	-	2,809
Profit (loss) before income tax expenses	4,481	1,801	(890)	(45)	5,347
Income tax expenses					1,021
Profit from continuing operations before non-controlling interests					4,326
Loss from discontinued operations					-
Net profits for the year before non-controlling interests					4,326
Total operating income included of:					
Operating income from third party*	14,218	3,469	1,677	(59)	19,305
Inter-segment operating income (expenses)	(141)	790	(649)	-	-
Depreciation					424
Capital expenditure					507

* Including income from a major shareholder and United Overseas Bank Group of Companies.

Notes to Financial Statements

(Continued)

	(Unit: Million Baht)				
	Consolidated financial statements				
	For the year ended 31 December 2017				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Net interest income	10,126	2,732	736	1	13,595
Non-interest income	3,174	981	514	(30)	4,639
Operating income	13,300	3,713	1,250	(29)	18,234
Operating expenses	6,941	1,566	1,940	(15)	10,432
Bad debt, doubtful accounts and impairment loss	2,623	675	102	-	3,400
Profit (loss) before income tax expenses	3,736	1,472	(792)	(14)	4,402
Income tax expenses					873
Profit from continuing operations before non-controlling interests					3,529
Loss from discontinued operations					(4)
Net profits before non-controlling interests					3,525
Total operating income included of:					
Operating income from third party*	13,623	3,010	1,630	(29)	18,234
Inter-segment operating income (expenses)	(323)	703	(380)	-	-
Depreciation					671
Capital expenditure					980

* Including income from a major shareholder and United Overseas Bank Group of Companies.

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2018				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Total Assets	259,323	123,970	142,006	(195)	525,104
Total Liabilities	266,486	154,264	48,279	(135)	468,894

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2017				
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Total Assets	241,586	108,184	167,348	(190)	516,928
Total Liabilities	250,834	136,338	77,938	(128)	464,982

36.3 Geographic information

The Bank and its subsidiaries operate in Thailand only. Therefore, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical report.

Notes to Financial Statements

(Continued)

37. Statements of financial position and results of operations classified by geographic locations and type of businesses

As at 31 December 2018 and 2017, statements of financial position are classified by type of business as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2018				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Total assets	525,142	156	525,298	(194)	525,104
Interbank and money market items - net (assets)	57,774	121	57,895	(121)	57,774
Investments - net	70,265	-	70,265	(60)	70,205
Loans to customers and accrued interest receivables - net	373,401	-	373,401	-	373,401
Deposits	405,299	-	405,299	(121)	405,178
Interbank and money market items (liabilities)	29,690	-	29,690	-	29,690
Debts issued and borrowings	16,000	-	16,000	-	16,000

* Debt collection services are operated under the subsidiary.

** Eliminated transactions are transactions between the Bank and its subsidiary and are eliminated upon consolidation in accordance with accounting standards.

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2017				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Total assets	516,964	154	517,118	(190)	516,928
Interbank and money market items - net (assets)	87,438	111	87,549	(111)	87,438
Investments - net	60,600	-	60,600	(62)	60,538
Loans to customers and accrued interest receivables - net	341,149	-	341,149	-	341,149
Deposits	370,279	-	370,279	(111)	370,168
Interbank and money market items (liabilities)	52,124	-	52,124	-	52,124
Debts issued and borrowings	21,556	-	21,556	-	21,556

* Derivatives brokerage and debt collection services are operated under the subsidiaries.

** Eliminated transactions are transactions between the Bank and its subsidiaries and are eliminated upon consolidation in accordance with accounting standards.

Notes to Financial Statements

(Continued)

As at 31 December 2018 and 2017, statements of financial position are classified by geographic locations of the Bank as follows:

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December					
	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Total assets	525,142	-	525,142	516,964	-	516,964
Interbank and money market items						
- net (assets)	57,774	-	57,774	87,438	-	87,438
Investments - net	70,265	-	70,265	60,600	-	60,600
Loans to customers and accrued interest receivables - net	373,401	-	373,401	341,149	-	341,149
Deposits	405,299	-	405,299	370,279	-	370,279
Interbank and money market items (liabilities)	29,690	-	29,690	52,124	-	52,124
Debts issued and borrowings	16,000	-	16,000	21,556	-	21,556

Results of the Bank's operations for the years ended 31 December 2018 and 2017 are classified by type of business as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2018				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Interest income	22,394	1	22,395	(1)	22,394
Less: Interest expenses	8,025	-	8,025	(1)	8,024
Net interest income	14,369	1	14,370	-	14,370
Net fees and service income	3,322	172	3,494	-	3,494
Other operating income	1,500	-	1,500	(59)	1,441
Less: Other operating expenses	11,054	109	11,163	(14)	11,149
Less: Bad debt, doubtful accounts and impairment loss	2,809	-	2,809	-	2,809
Profit from operation before income tax expenses	5,328	64	5,392	(45)	5,347

* Debt collection services are operated under the subsidiary.

** Eliminated transactions are transactions between the Bank and its subsidiary and are eliminated upon consolidation in accordance with accounting standards.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Consolidated financial statements				
	For the year ended 31 December 2017				
	Commercial Bank	Others*	Total	Eliminated transactions**	Consolidated total
Interest income	20,874	1	20,875	(1)	20,874
Less: Interest expenses	7,281	-	7,281	(2)	7,279
Net interest income	13,593	1	13,594	1	13,595
Net fees and service income	3,112	165	3,277	-	3,277
Other operating income	1,392	-	1,392	(30)	1,362
Less: Other operating expenses	10,334	112	10,446	(14)	10,432
Less: Bad debt, doubtful accounts and impairment loss	3,400	-	3,400	-	3,400
Profit from operation before income tax expenses	4,363	54	4,417	(15)	4,402

* Debt collection services are operated under the subsidiaries.

** Eliminated transactions are transactions between the Bank and its subsidiaries and are eliminated upon consolidation in accordance with accounting standards.

Results of the Bank's operations for the years ended 31 December 2018 and 2017 are classified by geographic locations as follows:

(Unit: Million Baht)

	Separate financial statements					
	For the years ended 31 December					
	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Interest income	22,394	-	22,394	20,874	-	20,874
Less: Interest expenses	8,025	-	8,025	7,281	-	7,281
Net interest income	14,369	-	14,369	13,593	-	13,593
Net fees and service income	3,322	-	3,322	3,112	-	3,112
Other operating income	1,500	-	1,500	1,392	-	1,392
Less: Other operating expenses	11,054	-	11,054	10,334	-	10,334
Less: Bad debt, doubtful accounts and impairment loss	2,809	-	2,809	3,400	-	3,400
Profit from operation before income tax expenses	5,328	-	5,328	4,363	-	4,363

Notes to Financial Statements

(Continued)

38. Interest income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Interbank and money market items	1,401	1,069	1,401	1,069
Investments and trading transactions	30	57	30	57
Investments in debt securities	926	937	926	937
Loans	19,839	18,619	19,839	18,619
Hire purchase and financial lease	166	174	166	174
Others	32	18	32	18
Total interest income	22,394	20,874	22,394	20,874

39. Interest expenses

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Deposits	5,084	4,708	5,085	4,710
Interbank and money market items	472	303	472	303
Contributions to Deposit Protection Agency and Financial Institutions Development Fund	1,969	1,756	1,969	1,756
Debt issued and borrowings				
- Subordinated debentures	261	252	261	252
- Senior debentures	201	232	201	232
Others	37	28	37	28
Total interest expenses	8,024	7,279	8,025	7,281

Notes to Financial Statements

(Continued)

40. Fees and service income

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Fees and service income				
- Acceptances, aval and guarantees	362	359	362	359
- Credit cards	1,131	983	1,131	983
- Insurance fees	1,002	917	1,002	917
- Mutual Fund management and underwriting fees	707	757	707	757
- Others	1,007	899	1,007	899
Total fees and service income	4,209	3,915	4,209	3,915
Fees and service expenses				
- Agency referral fees	216	203	216	203
- Service expenses	29	15	202	180
- Others	470	420	470	420
Total fees and service expenses	715	638	888	803
Net fees and service income	3,494	3,277	3,321	3,112

41. Net gains on trading and foreign exchange transactions

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2018	2017
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	717	487
- Foreign currencies (Swap Cost)	172	40
- Derivatives on interest rates	7	8
- Debt securities	20	23
- Others	2	14
Net gains on trading and foreign exchange transactions	918	572

Notes to Financial Statements

(Continued)

42. Net gains on investments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Gains on disposal of securities				
- Available-for-sale investments	39	308	39	308
Total	39	308	39	308
Impairment loss of investments				
- General investments	-	7	-	7
- Investments in subsidiary	-	-	-	(5)
Total	-	7	-	2
Net gains on investments	39	315	39	310

43. Bad debts, doubtful accounts and impairment losses

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2018	2017
Bad debts and doubtful accounts:		
Interbank and money market items	(10)	2
Loans to customers	2,819	3,398*
Total bad debts, doubtful accounts and impairment losses	2,809	3,400

* The selling price in excess of carrying values of non-performing loans were presented net from bad debts and doubtful accounts.

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(Continued)

44. Components of other comprehensive income (loss)

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
Items to be recognised subsequently in profit or loss:				
Gains on revaluation of available-for-sale investments				
Unrealised gains (losses) during the years	(16)	241	(16)	241
Less: Reclassification of the recognised gains from sale of available-for-sale investments during the years transferred to be recognised in profit or loss	(52)	(213)	(52)	(213)
Total items to be recognised subsequently in profit or loss	(68)	28	(68)	28
Add (less): Income taxes	14	(6)	14	(6)
Items to be recognised subsequently in profit or loss - net of income taxes	(54)	22	(54)	22
Items not to be recognised subsequently in profit or loss:				
Actuarial gains (losses) on defined benefit plans	(8)	(1)	(7)	(3)
Total items not to be recognised subsequently in profit or loss	(8)	(1)	(7)	(3)
Add (less): Income taxes	1	-	1	1
Total items not to be recognised subsequently in profit or loss - net of income tax	(7)	(1)	(6)	(2)
Other comprehensive income (losses) for the years	(61)	21	(60)	20

45. Fair values of assets and liabilities

45.1 Fair value estimation process

The Bank and its subsidiaries estimate fair values of assets and liabilities under the following policies, controls, methods and assumptions.

The Bank's fair value estimation process is monitored under the policies, which cover methods of calculation, market data, counterparty credit risk and reserve provisioning. Such policies determine the methods and controls in estimating fair values of assets and liabilities where mark-to-market or mark-to-model is required.

The rates and parameters used in estimating fair values are reviewed independently by Product Control and Governance (PCG) Unit and other relevant units whereby in case of products or financial instruments that are traded in the liquid market or the exchange, the fair values will be cross-checked with other service providers in the market or other market sources. If the market prices obtained have no liquidity, the Bank will use other additional techniques, i.e. valuation using historical information or using market rates and parameters available to test the level of reasonableness of such fair values.

In case that the fair values are determined using data that is not available in an observable market, the Bank will use other available financial information, e.g. cash flows, profit or loss, or net asset value to determine the fair values. The Bank sets aside additional valuation reserves to compensate for the uncertainties in such valuations.

Notes to Financial Statements

(Continued)

Fair value measurement hierarchy is as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable, whether directly or indirectly, inputs for such assets or liabilities

Level 3 - Use of unobservable inputs such as estimates of future cash flows, etc.

45.2 Fair values of assets and liabilities

Fair values of each item of assets and liabilities are estimated using the following methods and assumptions.

(a) Cash and interbank and money market items

The fair values of cash and interbank and money market items, which have a remaining maturity period of less than 1 year as from the financial reporting dates or bear floating interest rates, are estimated at their carrying values.

In addition, the carrying amount of interbank and money market items reliably reflected the fair value, as most of the items were short term in nature.

(b) Investments

The fair values for investments are based on quoted market prices, where available. If quoted market prices are not available, the fair values are based on the quoted market prices of comparable instruments after adjusting for risk premium (if any) or the net asset values of such investments.

(c) Loans to customers

The fair values of the floating rate loans that are scheduled to be re-priced regularly and have no significant change in credit risk or of the fixed rate loans that are re-priced within 1 year as from the financial reporting dates are estimated at their carrying values.

In addition, the carrying amount of loans to customers reliably reflected the fair value, as most of the items were short term or used floating interest rate or used fixed interest rate that are scheduled to be re-priced less than 1 year.

(d) Accrued interest receivables

The fair values of accrued interest receivables are estimated at their carrying values.

(e) Land and buildings

- Appraisal of land: Market comparison approach is used whereby the buying and selling prices for assets with similar characteristics are obtained.

- Appraisal of buildings: The depreciated replacement cost approach is used for buildings specifically used for the Bank's operation. The market comparison approach is used for general buildings whereby the buying and selling prices for assets with similar characteristics are obtained. The income approach is used for assets that generate revenues.

(f) Deposits

The fair values of demand deposits, floating rate deposits and deposits that are re-priced within 1 year as from the financial reporting dates are estimated to approximate their carrying values.

In addition, deposits are reasonable approximation of fair value because they are mostly short term in nature, referent to floating interest rates index.

Notes to Financial Statements

(Continued)

(g) Interbank and money market items (liabilities)

The fair values of interbank and money market items that have a remaining maturity period of less than 1 year as from the financial reporting dates or bear floating rates of interest are estimated to approximate their carrying values.

In addition, interbank and money market items are reasonable approximation of fair value because they are mostly short term in nature.

(h) Debts issued and borrowings

The fair values of borrowings with a remaining maturity period of less than 1 year as from the financial reporting dates are estimated at their carrying values. The fair values of borrowings with a remaining maturity period of longer than 1 year as from the financial reporting dates are estimated using the discounted cash flow techniques and applying an average rate of interest currently charged on borrowings with similar arrangements.

The fair values of debt issuances are calculated using the prices quoted in the market.

(i) Off-balance sheet commitments

Other commitments

The fair values of future contracts are prices quoted in the exchange.

The fair values of foreign exchange contracts are obtained from observable market rates of similar foreign exchange contracts.

The fair values of interest rate contracts are estimated using discounted cash flow techniques and discounting by observable market rates.

The valuation process for these financial instruments is supplemented by valuation reserves to adjust for valuation uncertainties. Market Risk and Product Control Unit proposes the valuation reserve methodologies and adjustments to Asset and Liability Committee (ALCO). Such adjustments or reserves will take into accounts the use of bid/offer for short or long positions, long term market conditions, and market parameters.

Notes to Financial Statements

(Continued)

As at 31 December 2018 and 2017, the Bank and its subsidiaries had the assets and liabilities that were measured at fair value or disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2018				
	Carrying	Fair value			
	Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives assets	4,771	-	4,771	-	4,771
Trading investments					
Debt instruments	616	-	616	-	616
Available-for-sale-investments					
Equity instruments	1	1	-	-	1
Debt instruments	69,546	-	69,546	-	69,546
Other assets	4	-	4	-	4
Financial liabilities measured at fair value					
Derivatives liabilities	4,980	-	4,980	-	4,980
Other liabilities	7	-	7	-	7
Non-financial asset measured at fair value					
Land and building	7,581	-	-	7,581	7,581
Financial assets for which fair value are disclosed					
Cash	4,598	4,598	-	-	4,598
Interbank and money market items - net	57,774	-	57,774	-	57,774
General investments	41	-	-	77	77
Loan to customers and accrued interest receivables	373,401	-	373,401	-	373,401
Other receivables from sold non-performing loans - net	385	-	385	-	385
Financial liabilities for which fair value are disclosed					
Deposits	405,178	239,862	165,316	-	405,178
Interbank and money market items	29,690	-	29,690	-	29,690
Liabilities payable on demand	3,449	3,449	-	-	3,449
Debt issued and borrowings	16,000	-	16,003	-	16,003

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2017				
	Carrying Value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Derivatives assets	7,657	-	7,657	-	7,657
Trading investments					
Debt instruments	11,110	-	11,110	-	11,110
Available-for-sale-investments					
Equity instruments	2	2	-	-	2
Debt instruments	49,387	-	49,387	-	49,387
Other assets	7	-	7	-	7
Financial liabilities measured at fair value					
Derivatives liabilities	7,569	-	7,569	-	7,569
Other liabilities	6	-	6	-	6
Non-financial asset measured at fair value					
Land and building	7,642	-	-	7,642	7,642
Financial assets for which fair value are disclosed					
Cash	4,682	4,682	-	-	4,682
Interbank and money market items - net	87,438	-	87,438	-	87,438
General investments	39	-	-	72	72
Loan to customers and accrued interest receivables	341,149	-	341,149	-	341,149
Other receivables from sold non-performing loans - net	708	-	708	-	708
Financial liabilities for which fair value are disclosed					
Deposits	370,168	208,636	161,532	-	370,168
Interbank and money market items	52,124	-	52,124	-	52,124
Liabilities payable on demand	3,320	3,320	-	-	3,320
Debts issued and borrowings	21,556	-	21,686	-	21,686

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2018				
	Carrying Value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Derivatives assets	4,771	-	4,771	-	4,771
Trading investments					
Debt instruments	616	-	616	-	616
Available-for-sale-investments					
Equity instruments	1	1	-	-	1
Debt instruments	69,546	-	69,546	-	69,546
Other assets	4	-	4	-	4
Financial liabilities measured at fair value					
Derivatives liabilities	4,980	-	4,980	-	4,980
Other liabilities	7	-	7	-	7
Non-financial asset measured at fair value					
Land and building	7,581	-	-	7,581	7,581
Financial assets for which fair value are disclosed					
Cash	4,598	4,598	-	-	4,598
Interbank and money market items - net	57,774	-	57,774	-	57,774
General investments	41	-	-	77	77
Loan to customers and accrued interest receivables	373,401	-	373,401	-	373,401
Other receivables from sold non-performing loans - net	385	-	385	-	385
Financial liabilities for which fair value are disclosed					
Deposits	405,299	239,938	165,361	-	405,299
Interbank and money market items	29,690	-	29,690	-	29,690
Liabilities payable on demand	3,449	3,449	-	-	3,449
Debts issued and borrowings	16,000	-	16,003	-	16,003

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2017				
	Carrying Value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Derivatives assets	7,657	-	7,657	-	7,657
Trading investments					
Debt instruments	11,110	-	11,110	-	11,110
Available-for-sale-investments					
Equity instruments	2	2	-	-	2
Debt instruments	49,387	-	49,387	-	49,387
Other assets	7	-	7	-	7
Financial liabilities measured at fair value					
Derivatives liabilities	7,569	-	7,569	-	7,569
Other liabilities	6	-	6	-	6
Non-financial asset measured at fair value					
Land and building	7,642	-	-	7,642	7,642
Financial assets for which fair value are disclosed					
Cash	4,682	4,682	-	-	4,682
Interbank and money market items - net	87,438	-	87,438	-	87,438
General investments	39	-	-	72	72
Loan to customers and accrued interest receivables	341,149	-	341,149	-	341,149
Other receivables from sold non-performing loans - net	708	-	708	-	708
Financial liabilities for which fair value are disclosed					
Deposits	370,279	208,702	161,577	-	370,279
Interbank and money market items	52,124	-	52,124	-	52,124
Liabilities payable on demand	3,320	3,320	-	-	3,320
Debts issued and borrowings	21,556	-	21,686	-	21,686

During the current year, there were no transfers within the fair value hierarchy.

46. Disclosure of financial instruments

The Bank's business activities involve the use of financial instruments, including derivatives. These activities may expose the Bank to a variety of financial risks, credit risk, foreign exchange risk, interest rate risk and liquidity risk. In entering into those committed financial transactions, the Bank is governed by policies and parameters approved by a designated committee from the Board of Directors as appropriated. The Risk Management Sector assumes the independent oversight of risks undertaken by the Bank, and takes the lead in the formulation and approval of risk policies, controls and processes whereby the Market Risk and Product Control (MRPC) Unit under the Risk Management Sector monitors Global Markets' operation to be in compliance with prescribed trading policies and risk limits. This is further enhanced by the audit of internal control in relation to risk management as carried out by the Internal Audit.

Notes to Financial Statements

(Continued)

46.1 Relevant accounting policies

Details of significant accounting policies and methods adopted, including criteria for revenue and expense recognition in respect of each class of financial assets and financial liabilities, are already disclosed in Note 4 to the financial statements.

46.2 Credit risk

Credit risk is the risk of loss arising from any failure by a borrower or a counterparty to fulfil its financial obligations when such obligations fall due. The Risk and Capital Committee and Credit Committee are the committees delegated by the Board of Directors to oversee all credit risk and credit related matters. These committees maintain oversight of the effectiveness of the Bank's credit risk management structure and framework including people, processes, information, infrastructure, methodologies and systems.

Credit risk exposures are managed through a robust credit underwriting, structuring and monitoring process. The process includes monthly review of all non-performing and special mention loans, ensuring credit quality and the timely recognition of asset impairment. In addition, credit review are performed regularly to proactively manage any delinquency, minimise undesirable concentrations, maximise recoveries, and ensure compliance with credit policies and procedures. Past dues and credit limit excesses are also tracked and analysed regularly.

In case of financial assets, the carrying amounts net of allowance for doubtful accounts as stated in the financial statements represented the expected maximum exposure credit risk of the Bank and its subsidiaries.

In case of off-balance commitments, the Bank considered credit risk which has off-balance commitments for guarantees of loans, other guarantees included letters of credit and aval to bills by applying with the same criteria of loans to customers and provisions were presented as a part of provisions for other liabilities in the statements of financial position.

46.3 Commodity price risk

Commodity price risk is the risk arising from the price change of commodities, which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings and cost of funds.

All commodity derivatives are managed on a back-to-back basis. The risk is independently monitored by Market Risk and Product Control (MRPC) Unit. Because the Bank records commodity derivatives at fair value, the Bank's commodity price risk is considered according to their carrying value.

46.4 Interest rate risk

Interest rate risk is the risk or potential loss to earnings and economic value of the Bank due to the change in interest rates. This interest rate risk arises from differences in the maturity and pricing dates of assets and liabilities.

These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Bank's risk management policies.

Notes to Financial Statements

(Continued)

However, financial assets and liabilities represented their carrying values in statements of financial position, which are classified by types of interest rates and repricing periods as follows.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2018						
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	4,598	4,598	-
Interbank and money market items - net	53,749	567	-	-	3,458	57,774	1.68
Derivatives assets	-	-	-	-	4,771	4,771	-
Investments - net	873	11,837	57,452	-	43	70,205	1.98
Loans to customers*	305,618	31,922	33,876	99	11,434	382,949	6.20
Other receivables from sold non-performing loans - net	291	-	-	-	94	385	2.30
Financial liabilities							
Deposits	278,551	105,628	12,972	-	8,027	405,178	1.19
Interbank and money market items	26,678	2,163	121	181	547	29,690	2.48
Liabilities payable on demand	-	-	-	-	3,449	3,449	-
Derivatives liabilities	-	-	-	-	4,980	4,980	-
Debt issued and borrowings	5,000	-	11,000	-	-	16,000	2.59

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2017							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	4,682	4,682	-
Interbank and money market items - net	83,996	298	-	-	3,144	87,438	1.46
Derivatives assets	-	-	-	-	7,657	7,657	-
Investments - net	11,479	3,219	45,798	-	42	60,538	1.45
Loans to customers*	272,562	32,674	33,666	290	11,401	350,593	6.52
Other receivables from sold non-performing loans - net	679	-	-	-	29	708	2.30
Financial liabilities							
Deposits	246,726	104,705	10,967	-	7,770	370,168	1.26
Interbank and money market items	46,123	4,229	28	387	1,357	52,124	1.23
Liabilities payable on demand	-	-	-	-	3,320	3,320	-
Derivatives liabilities	-	-	-	-	7,569	7,569	-
Debt issued and borrowings	5,556	-	10,000	6,000	-	21,556	2.81

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2018							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	4,598	4,598	-
Interbank and money market items - net	53,749	567	-	-	3,458	57,774	1.68
Derivatives assets	-	-	-	-	4,771	4,771	-
Investments - net	873	11,837	57,452	-	103	70,265	1.98
Loans to customers*	305,618	31,922	33,876	99	11,434	382,949	6.20
Other receivables from sold non-performing loans - net	291	-	-	-	94	385	2.30
Financial liabilities							
Deposits	278,627	105,673	12,972	-	8,027	405,299	1.19
Interbank and money market items	26,678	2,163	121	181	547	29,690	2.48
Liabilities payable on demand	-	-	-	-	3,449	3,449	-
Derivatives liabilities	-	-	-	-	4,980	4,980	-
Debt issued and borrowings	5,000	-	11,000	-	-	16,000	2.59

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements							Average return rate (% per annum)
	As at 31 December 2017							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total		
Financial assets								
Cash	-	-	-	-	4,682	4,682	-	-
Interbank and money market items - net	83,996	298	-	-	3,144	87,438	1.46	-
Derivatives assets	-	-	-	-	7,657	7,657	-	-
Investments - net	11,479	3,219	45,798	-	104	60,600	1.45	-
Loans to customers*	272,562	32,674	33,666	290	11,401	350,593	6.52	-
Other receivables from sold non-performing loans - net	679	-	-	-	29	708	2.30	-
Financial liabilities								
Deposits	246,791	104,750	10,968	-	7,770	370,279	1.26	-
Interbank and money market items	46,123	4,229	28	387	1,357	52,124	1.23	-
Liabilities payable on demand	-	-	-	-	3,320	3,320	-	-
Derivatives liabilities	-	-	-	-	7,569	7,569	-	-
Debt issued and borrowings	5,556	-	10,000	6,000	-	21,556	2.81	-

* Under the Bank's interest rate risk management policy, non-accrual loans and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

46.5 Exchange rate risk

Foreign exchange risk is the risk to revenues and economic value of foreign currency assets, liabilities, and financial derivatives caused by fluctuations in foreign exchange rates.

The Bank's foreign exchange exposures comprise of trading and non-trading. Non-trading foreign exchange exposures are principally derived from investment and customer businesses. The Bank utilises mainly spot foreign exchange, foreign currency forwards, and swaps to reduce its foreign exchange risk.

Foreign exchange risk is independently managed through policies and risk limits and monitored by Market Risk and Product Control (MRPC) Unit.

46.6 Liquidity risk

Liquidity risk is the risk that the Bank and its subsidiaries may not be able to meet their obligations as they fall due as a result of inability to liquidate their assets or to cover funding requirements at an appropriate price, resulting in losses to the Bank and its subsidiaries.

The Bank and its subsidiaries manage liquidity risk in accordance with the liquidity framework, which comprises policies, controls and limits. These controls and policies include setting of net cumulative cash flow mismatch limits, monitoring of liquidity early warning indicators, stress test analysis of cash flows in liquidity crisis scenarios and establishment of a comprehensive contingency funding plan. The Bank is also required by the regulators to maintain sufficient high liquid assets to support potential cash outflows under severe liquidity stressed scenario. The main objectives are honouring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

Notes to Financial Statements

(Continued)

The maturity analysis of financial assets and liabilities representing their carrying values in statements of financial position is as follows:

(Unit: Million Baht)

	Consolidated financial statements						Total
	As at 31 December 2018						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	4,598	-	-	-	-	-	4,598
Interbank and money market items - net	3,483	53,723	568	-	-	-	57,774
Derivatives assets	-	-	-	-	-	4,771	4,771
Investments - net	-	434	11,837	57,891	-	43	70,205
Loans to customers*	1,884	82,390	45,453	81,699	171,523	-	382,949
Other receivables from sold non-performing loans - net	-	96	194	85	10	-	385
Financial liabilities							
Deposits	239,862	46,716	105,628	12,972	-	-	405,178
Interbank and money market items	9,263	17,959	2,163	132	173	-	29,690
Liabilities payable on demand	3,449	-	-	-	-	-	3,449
Derivatives liabilities	-	-	-	-	-	4,980	4,980
Debt issued and borrowings	-	5,000	-	11,000	-	-	16,000

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2017							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	4,682	-	-	-	-	-	4,682
Interbank and money market items - net	4,113	83,025	300	-	-	-	87,438
Derivatives assets	-	-	-	-	-	7,657	7,657
Investments - net	-	11,040	3,219	46,237	-	42	60,538
Loans to customers*	2,012	74,861	38,451	74,307	160,962	-	350,593
Other receivables from sold non-performing loans - net	-	97	291	317	3	-	708
Financial liabilities							
Deposits	208,637	45,600	103,771	12,159	1	-	370,168
Interbank and money market items	10,864	36,611	4,234	28	387	-	52,124
Liabilities payable on demand	3,320	-	-	-	-	-	3,320
Derivatives liabilities	-	-	-	-	-	7,569	7,569
Debt issued and borrowings	-	5,556	-	10,000	6,000	-	21,556

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2018							
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	4,598	-	-	-	-	-	4,598
Interbank and money market items - net	3,483	53,723	568	-	-	-	57,774
Derivatives assets	-	-	-	-	-	4,771	4,771
Investments - net	-	434	11,837	57,891	-	103	70,265
Loans to customers*	1,884	82,390	45,453	81,699	171,523	-	382,949
Other receivables from sold non-performing loans - net	-	96	194	85	10	-	385
Financial liabilities							
Deposits	239,938	46,716	105,673	12,972	-	-	405,299
Interbank and money market items	9,263	17,959	2,163	132	173	-	29,690
Liabilities payable on demand	3,449	-	-	-	-	-	3,449
Derivatives liabilities	-	-	-	-	-	4,980	4,980
Debt issued and borrowings	-	5,000	-	11,000	-	-	16,000

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

Notes to Financial Statements

(Continued)

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2017						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	4,682	-	-	-	-	-	4,682
Interbank and money market items - net	4,113	83,025	300	-	-	-	87,438
Derivatives assets	-	-	-	-	-	7,657	7,657
Investments - net	-	11,040	3,219	46,237	-	104	60,600
Loans to customers*	2,012	74,861	38,451	74,307	160,962	-	350,593
Other receivables from sold non-performing loans - net	-	97	291	317	3	-	708
Financial liabilities							
Deposits	208,703	45,600	103,816	12,159	1	-	370,279
Interbank and money market items	10,864	36,611	4,234	28	387	-	52,124
Liabilities payable on demand	3,320	-	-	-	-	-	3,320
Derivatives liabilities	-	-	-	-	-	7,569	7,569
Debt issued and borrowings	-	5,556	-	10,000	6,000	-	21,556

* Under the Bank's liquidity risk management policy, non-accrual loans such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

47. Events after the reporting period

On 8 March 2019, the Board of Directors Meeting of the Bank passed a resolution to propose to the Annual General Meeting of the shareholders for approval of the 2018 dividend payments in cash of Baht 0.45 per share, a total of Baht 1,119 million from its operating results for the year ended 31 December 2018, which will be paid on 22 May 2019.

48. Reclassification

Certain amounts in the financial statements have been reclassified to conform to the current year's classification as follow:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2017		As at 31 December 2017	
	As reclassified	As previously reported	As reclassified	As previously reported
Fees and service income	3,915	4,048	3,915	4,048
Fees and service expenses	638	660	803	825
Other operating income	347	214	362	229
Employee's expenses	5,119	5,033	5,046	4,960
Other operating expenses	2,309	2,373	2,292	2,356

This reclassification does not have any impact on profits or shareholders' equity as reported.

49. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 8 March 2019.

Other Information

1. Subsidiaries companies of UOB (Thai)

1. UOB Services Company Limited

Business	Collection services
Location	559, 13 th - 14 th Floor, Phetkasem Road, Bangwa, Pasijaroen, Bangkok 10160
Telephone	0 2093 5649
Facsimile	0 2093 5525-7
Paid-up capital	Baht 60,000,000 (registered capital Baht 100,000,000) (10,000,000 ordinary shares)
UOB (Thai)'s holding	99.99%

2. UOB Bullion and Futures (Thai) Company Limited

Business	The company registered the closure on 20 November 2017 and under liquidation process
Location	191, 14 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok 10120
Telephone	0 2343 4546
Facsimile	0 2285 1633
Paid-up capital	Baht 29,000,000 (registered capital Baht 175,000,000) (1,750,000 ordinary shares)
UOB (Thai)'s holding	75.00%

2. Details of Directors as at 31 December 2018

Name	Period	Work Experience
1. Wee Cho Yaw	Jul 2004 - Present	<ul style="list-style-type: none"> Chairman of the Board of Directors (Authorised Signatory), UOB (Thai)
	Present	<ul style="list-style-type: none"> Chairman, United Overseas Insurance Ltd.
	Present	<ul style="list-style-type: none"> Chairman Emeritus & Adviser, United Overseas Bank (Malaysia) Bhd.
	Present	<ul style="list-style-type: none"> Chairman, UOB Australia Ltd.
	Present	<ul style="list-style-type: none"> President Commissioner, PT Bank UOB Indonesia
	Present	<ul style="list-style-type: none"> Supervisor, United Overseas Bank (China) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, C.Y.We & Company (Pte) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Kheng Leong Company (Pte) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Wee Investments (Pte) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, UOL Group Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Pan Pacific Hotels Group Limited
	Present	<ul style="list-style-type: none"> Chairman, Haw Par Corporation Ltd.
	Present	<ul style="list-style-type: none"> Chairman, United Industrial Corporation Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Marina Centre Holdings (Pte) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Aquamarina Hotel (Pte) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Hotel Marina City (Pte) Ltd.
	Present	<ul style="list-style-type: none"> Chairman, Marina Bay Hotel (Pte) Ltd.
Present	<ul style="list-style-type: none"> Chairman, Wee Property (UK) (Pte) Ltd. 	
May 2013 - April 2018	<ul style="list-style-type: none"> Chairman Emeritus & Adviser, United Overseas Bank Limited, Singapore 	
May 2007 - Apr 2013	<ul style="list-style-type: none"> Chairman, United Overseas Bank Limited, Singapore 	

Other Information

Name	Period	Work Experience
2. Wee Ee Cheong	Jul 2004 - Present	<ul style="list-style-type: none"> Deputy Chairman of the Board of Directors (Authorised Signatory), UOB (Thai)
	May 2007 - Present	<ul style="list-style-type: none"> Deputy Chairman and CEO, United Overseas Bank Limited, Singapore
	2007 - Present	<ul style="list-style-type: none"> Deputy President Commissioner, PT Bank UOB Indonesia
	1990 - Present	<ul style="list-style-type: none"> Director, United Overseas Bank Ltd.
	2007 - Present	<ul style="list-style-type: none"> Chairman, United Overseas Bank (China) Ltd.
	1994 - Present	<ul style="list-style-type: none"> Director, United Overseas Bank (Malaysia) Bhd.
	1991 - Present	<ul style="list-style-type: none"> Director, United Overseas Insurance Ltd.
	1998 - Present	<ul style="list-style-type: none"> Chairman, UOB Global Capital LLC
	2002 - Present	<ul style="list-style-type: none"> Chairman, UOB Global Capital (Pte) Ltd.
	1990 - Present	<ul style="list-style-type: none"> Director, UOB Travel Planners (Pte) Ltd.
	1995 - Present	<ul style="list-style-type: none"> Director, Walden AB Ayala Ventures Co Inc.
	1987 - Present	<ul style="list-style-type: none"> Director, C Y Wee & Company (Pte) Ltd
	1981 - Present	<ul style="list-style-type: none"> Director, E C Wee (Pte) Ltd.
	1985 - Present	<ul style="list-style-type: none"> Director, Kheng Leong Co (HK) Ltd.
	1978 - Present	<ul style="list-style-type: none"> Director, Kheng Leong Company (Pte) Ltd.
	1994 - Present	<ul style="list-style-type: none"> Director, K.I.P. Industrial Holdings Ltd.
	2010 - Present	<ul style="list-style-type: none"> Director, KLC Holdings Ltd.
	2011 - Present	<ul style="list-style-type: none"> Director, KLC Holdings (Hong Kong) Ltd.
	1999 - Present	<ul style="list-style-type: none"> Director, Phoebus Singapore Holdings (Pte) Ltd.
	1996 - Present	<ul style="list-style-type: none"> Director, Portfolio Nominees Ltd.
1976 - Present	<ul style="list-style-type: none"> Director, Wee Investments (Pte) Ltd. 	
2003 - Present	<ul style="list-style-type: none"> Director, Wee Venture (Overseas) Ltd. 	
1994 - Present	<ul style="list-style-type: none"> Director, Pilkon Development Co., Ltd. 	
1995 - Present	<ul style="list-style-type: none"> Director, Plaza Hotel Co., Ltd. 	
2012 - Present	<ul style="list-style-type: none"> Director, Wee Property (UK) (Pte) Ltd. 	
3. Suebtrakul Soonthornthum	Jan 2017 - Present	<ul style="list-style-type: none"> Vice Chairman and Vice Chairman of the Executive Board, Loxley PCL
	Aug 2016 - Present	<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2012 - Present	<ul style="list-style-type: none"> Member of the Nomination and Compensation Committee, UOB (Thai)
	Aug 2004 - Present	<ul style="list-style-type: none"> Independent Director and Member of the Audit Committee, UOB (Thai)
	1997 - Present	<ul style="list-style-type: none"> Director, Loxley Trading Co., Ltd.
	1989 - Present	<ul style="list-style-type: none"> Director, Loxley Property Development Co., Ltd.
	1991 - Present	<ul style="list-style-type: none"> Chairman, Foseco (Thailand) Co., Ltd.
	1987 - Present	<ul style="list-style-type: none"> Director, NS BlueScope (Thailand) Co., Ltd
	1987 - Present	<ul style="list-style-type: none"> Director, NS BlueScope Services (Thailand) Co., Ltd.
	1987 - Present	<ul style="list-style-type: none"> Director, NS BlueScope Lysaght (Thailand) Co., Ltd.
	1999 - Present	<ul style="list-style-type: none"> Director, BP - Castrol (Thailand) Co., Ltd.
	1990 - Present	<ul style="list-style-type: none"> Director, Ekpavee Co., Ltd.
	1972 - Present	<ul style="list-style-type: none"> Director, Zin Suapah Co., Ltd.
	1990 - Present	<ul style="list-style-type: none"> Director, Loxley Joint and Hold Co., Ltd.
	2013 - Present	<ul style="list-style-type: none"> Director, BlueScope Building (Thailand) Co., Ltd.
	1987 - Present	<ul style="list-style-type: none"> Independent Director, Muang Thai Life Assurance Public Co., Ltd.
	2000 - Present	<ul style="list-style-type: none"> Chairman, Muang Thai Real Estate Public Co., Ltd.
1996 - Present	<ul style="list-style-type: none"> Independent Director, Vanachai Group Public Co., Ltd. 	
2016 - Present	<ul style="list-style-type: none"> Independent Director, Phatra Leasing Public Co., Ltd. 	
1992 - 2016	<ul style="list-style-type: none"> Director and Senior Executive Vice President, Loxley PCL 	

Other Information

Name	Period	Work Experience
4. Chanitr Charnchainarong	Aug 2018 - Present	<ul style="list-style-type: none"> Independent Director and Chairman of the Board Risk Oversight Committee, UOB (Thai)
	May 2018 - Present	<ul style="list-style-type: none"> Chairman, NorthEast Rubber PCL
	May 2017 - Present	<ul style="list-style-type: none"> Non- executive Director, The Ton Poh Fund (Cayman Islands)
	2016 - Present	<ul style="list-style-type: none"> Senior Executive Vice President, Harg Central Department Store Ltd.
	2016 - Present	<ul style="list-style-type: none"> Independent Director, Startegic Property Investors Co., Ltd.
	May 2015 - July 2018	<ul style="list-style-type: none"> Independent Director and Chairman of the Audit Committee, UOB (Thai)
5. Tithiphan Chuerboonchai	Oct 2015 - 2018	<ul style="list-style-type: none"> Chairman, Comanche International Co., Ltd.
	Nov 2015 - Present	<ul style="list-style-type: none"> Independent Director and Audit Committee, GMM Grammy PCL
	Sept 2018 - Present	<ul style="list-style-type: none"> Independent Director, Asset World Corp PCL
	Aug 2018 - Present	<ul style="list-style-type: none"> Member of the Nomination and Compensation Committee, UOB (Thai)
	Apr 2017 - Present	<ul style="list-style-type: none"> Independent Director, TICON Industrial Connection PCL
6. Chim Tantiyaswasdikul	Nov 2016 - Present	<ul style="list-style-type: none"> Independent Director and Member of the Audit Committee, UOB (Thai)
	2016 - Present	<ul style="list-style-type: none"> Independent Director, Univentures PCL
	2010 - Present	<ul style="list-style-type: none"> Director, C & C International Venture Co., Ltd.
	2009 - Present	<ul style="list-style-type: none"> Independent Director and Member of the Audit Committee, TSFC Securities PCL
	1995 - Sept 2018	<ul style="list-style-type: none"> Director of the Law and Development Research Center of the Faculty of Law, Chulalongkorn University
	2010 - 2013	<ul style="list-style-type: none"> Independent Director and Member of Audit Committee, Siam City Bank PCL
	1978 - 2013	<ul style="list-style-type: none"> Lecturer in the Faculty of Law, Chulalongkorn University
	Aug 2018 - Present	<ul style="list-style-type: none"> Independent Director , Member of the Audit Committee and Member of the Board Risk Oversight Committee , UOB (Thai)
	2015 - Present	<ul style="list-style-type: none"> Independent Director and Chairman of the Audit Committee, Comanche International PCL
	2015 - 2017	<ul style="list-style-type: none"> Member, Technology Information Sub-Committee, Office of Insurance Commission (OIC)
2014 - 2018	<ul style="list-style-type: none"> Member, Data Center Sub-Committee, National Broadcasting and Telecommunications Commission (NBTC) 	
2017 - Present	<ul style="list-style-type: none"> Advisor, National Broadcasting and Telecommunications Commission (NBTC) 	
2014 - 2017	<ul style="list-style-type: none"> Member, Technology Information Sub-Committee, Ministry of Digital Economy and Society 	
2014 - Present	<ul style="list-style-type: none"> Independent Member and Risk Management Committee Member, National ITMX Co., Ltd 	
2013 - Present	<ul style="list-style-type: none"> Member, Sub-Committee for Driving Digital Organization Strategies, Sub-Committee for Overseeing Technology Information System Development, Deposit Protection Agency (DPA) 	
2015 - 2017	<ul style="list-style-type: none"> Chairman / Independent Director, Bangkok Commercial Asset Management PCL 	

Other Information

Name	Period	Work Experience
7. Lee Chin Yong	Aug 2004 - Present 2003 - Present 2003 - Present 2003 - Present 2007 - Present 2014 - Present 2015 - Present 2015 - Present 2011 - Present 2015 - Present	<ul style="list-style-type: none"> • Director (Authorised Signatory), UOB (Thai) • Managing Director, United Overseas Bank Limited, Singapore • Director, Uni.Asia Capital Sdn. Bhd. • Director, PT Bank UOB Indonesia • Director, United Overseas Bank (China) Ltd. • Director, Kemaris Development Sdn. Bhd. • Director, Kemaris Residence Sdn. Bhd. • Director, Kemaris Industrial Sdn. Bhd. • Director, Kemaris Holdings Sdn. Bhd. • Director, Kemaris Construction Sdn. Bhd.
8. Tan Choon Hin	Apr 2018 - Present Dec 2018 - Present Oct 2017 - Present Nov 2016 - Present 2016 - Oct 2016 2012 - 2016	<ul style="list-style-type: none"> • Director, United Asia Diversifier Program • Director, United Private Equity Investments (Cayman) Limited • Director, The Association of International Banks (AIB) • Director (Authorised Signatory) and President & CEO, UOB (Thai) • Head of Group Business Banking, United Overseas Bank Limited, Singapore • Head of Group Retail Credit, United Overseas Bank Limited, Singapore
9. Sanchai Apisaksirikul	Aug 2018 - Present Mar 2017 - Present May 2015 - Present Mar 2012 - Present Apr 2015 - Present 2007 - Mar 2015	<ul style="list-style-type: none"> • Member of the Board Risk Oversight Committee, UOB (Thai) • Director, Asia Alpha Fund • Director, UOB Asset Management (Thailand) Co., Ltd. • Director (Authorised Signatory), UOB (Thai) • Managing Director, UOB (Thai) • Executive Director, UOB(Thai)

3. Directors' Remuneration

as of 31 December 2018

	Baht				
	Board of Directors	Audit Committee	Nomination & Compensation Committee	Board Risk Oversight Committee	Total
1. Wee Cho Yaw	1,920,000	-	-	-	1,920,000
2. Chinnawat Bulsuk (Resigned 1 Aug 2018)	576,000	335,000	256,000	-	1,167,000
3. Suebtrakul Soonthornthum	996,000	585,000	669,000	-	2,250,000
4. Chanitr Charnchainarong	996,000	545,000	200,000	400,000	2,141,000
5. Tithiphan Chuerboonchai	996,000	735,000	200,000	-	1,931,000
6. Chim Tantiyaswasdikul (Appointed on 1 August 2018)	420,000	250,000	-	250,000	920,000
Total	5,904,000	2,450,000	1,325,000	650,000	10,329,000

Other Information

4. Senior Management's Remuneration

In Y2018, the Bank and its subsidiaries paid remuneration including salary, bonus, and other benefits to senior management of the Bank and its subsidiaries at the amount of Baht 630,959,850 (Y2017 paid Baht 482,303,230).

5. Directorships of Directors and Senior Management as at year-end 2018

Directors

1. Wee Cho Yaw

Company	Position
UOB Business Group	
1. United Overseas Insurance Ltd.	Chairman
2. United Overseas Bank (Malaysia) Bhd.	Chairman Emeritus & Adviser
3. UOB Australia Ltd.	Chairman
4. PT Bank UOB Indonesia	President Commissioner
5. United Overseas Bank (China) Ltd.	Supervisor
Wee Family Business Group	
1. C.Y.Wee & Company (Pte) Ltd.	Chairman
2. Kheng Leong Company (Pte) Ltd.	Chairman
3. Wee Investments (Pte) Ltd.	Chairman
4. UOL Group Ltd.	Chairman
5. Pan Pacific Hotels Group Limited	Chairman
6. Haw Par Corporation Ltd.	Chairman
7. United Industrial Corporation Ltd.	Chairman
8. Marina Centre Holdings (Pte) Ltd.	Chairman
9. Aquamarina Hotel (Pte) Ltd.	Chairman
10. Hotel Marina City (Pte) Ltd.	Chairman
11. Marina Bay Hotel (Pte) Ltd.	Chairman
12. Wee Property (UK) (Pte) Ltd.	Chairman
Non-Profit/Community Service Business Group	
1. Kim Mui Hoey Kuan	Chairman
2. Singapore Chinese Chamber of Commerce & Industry	Honorary President
3. Singapore Federation of Chinese Clan Associations	Honorary President
4. Singapore Hokkien Huay Kuan	Honorary President
5. Wee Foundation	Chairman
6. Chung Cheng High School Ltd.	Chairman
7. Mee Toh Foundation Ltd.	Director

Other Information

2. Wee Ee Cheong

Company	Position
UOB Business Group	
1. PT Bank UOB Indonesia	Deputy President Commissioner
2. United Overseas Bank Ltd.	Director
3. United Overseas Bank (China) Ltd.	Chairman
4. United Overseas Bank (Malaysia) Bhd.	Director
5. United Overseas Insurance Ltd.	Director
6. UOB Global Capital LLC	Chairman
7. UOB Global Capital (Pte) Ltd.	Chairman
8. UOB Travel Planners (Pte) Ltd.	Director
9. Walden AB Ayala Ventures Co Inc.	Director
Wee Family Business Group	
1. C Y Wee & Company (Pte) Ltd.	Director
2. E C Wee (Pte) Ltd.	Director
3. Kheng Leong Co (HK) Ltd.	Director
4. Kheng Leong Company (Pte) Ltd.	Director
5. K.I.P. Industrial Holdings Ltd.	Director
6. KLC Holdings Ltd.	Director
7. KLC Holdings (Hong Kong) Ltd.	Director
8. Phoebus Singapore Holdings (Pte) Ltd.	Director
9. Portfolio Nominees Ltd.	Director
10. Wee Investments (Pte) Ltd.	Director
11. Wee Venture (Overseas) Ltd.	Director
12. Pilkon Development Co., Ltd.	Director
13. Plaza Hotel Co., Ltd.	Director
14. Wee Property (UK) (Pte) Ltd.	Director
Non-Profit/Community Service/Relationship (Networking) Business Group	
1. Singapore-China Foundation	Member, Board of Governors
2. Singapore Chinese Chamber of Commerce & Industry	Honorary Council Member
3. The Association of Banks in Singapore	Council Member
4. The Institute of Banking & Finance	Council Member
5. Visa APCEMEA Senior Client Council	Member
6. Wee Foundation	Director

Other Information

3. Suebtrakul Soonthornthum

Company	Position
Loxley Business Group	
1. Loxley Public Co., Ltd.	Vice Chairman and Vice Chairman of the Executive Board
2. Loxley Trading Co., Ltd.	Director
3. Loxley Property Development Co., Ltd.	Director
4. Foseco (Thailand) Co., Ltd.	Chairman
5. NS BlueScope (Thailand) Co., Ltd.	Director
6. NS BlueScope Services (Thailand) Co., Ltd.	Director
7. NS BlueScope Lysaght (Thailand) Co., Ltd.	Director
8. BP - Castrol (Thailand) Co., Ltd.	Director
9. Ekpavee Co., Ltd.	Director
10. Zin Suapah Co., Ltd.	Director
11. Loxley Joint and Hold Co., Ltd.	Director
12. BlueScope Building (Thailand) Co., Ltd.	Director
Muang Thai Life Assurance Public Co., Ltd. Group	
1. Muang Thai Life Assurance Public Co., Ltd.	Independent Director
2. Muang Thai Real Estate Public Co., Ltd.	Chairman
Other Business Group	
1. Vanachai Group Public Co., Ltd.	Independent Director
2. Phatra Leasing Public Co., Ltd.	Independent Director

4. Chanitr Charnchainarong

Company	Position
1. GMM Grammy Public Co., Ltd	Independent Director
2. Startegic Property Investors Co., Ltd.	Independent Director
3. The Ton Poh Fund	Non- executive Director
4. Nort East Rubber Public Co., Ltd.	Chairman

5. Chim Tantiyaswasdikul

Company	Position
Comanche International Public Co., Ltd.	Chairman

Other Information

6. Tithiphan Chuerboonchai

Company	Position
1. Univentures Public Co., Ltd	Independent Director
2. TSFC Securities Public Co., Ltd.	Independent Director
3. C&C International Venture Co., Ltd.	Director
4. TICON Industrial Connection Public Co., Ltd.	Independent Director
5. Asset World Corp Public Co., Ltd.	Independent Director

7. Lee Chin Yong

Company	Position
UOB Group of Companies	
1. Uni.Asia Capital Sdn. Bhd.	Director
2. PT Bank UOB Indonesia	Director
3. United Overseas Bank (China) Ltd.	Director
Other Business Group	
1. Kemaris Development Sdn. Bhd.	Director
2. Kemaris Residence Sdn. Bhd.	Director
3. Kemaris Industrial Sdn. Bhd.	Director
4. Kemaris Holdings Sdn. Bhd.	Director
5. Kemaris Construction Sdn. Bhd.	Director

8. Tan Choon Hin

Company	Position
UOB Business Group	
1. UOB Venture Management (Shanghai) Ltd	Director
2. United Asia Diversifier Program	Director
3. United Private Equity Investments (Cayman) Limited	Director
Other Business Group	
The Association of International Banks (AIB)	Director

9. Sanchai Apisaksirikul

Company	Position
UOB Business Group	
1. UOB Asset Management (Thailand) Co., Ltd.	Director
2. Asia Alpha Fund	Director

Other Information

Senior Management as at December 31, 2018

Name	Company	Position
1. Yuttachai Teyarachakul	AXA Insurance Public Co.,Ltd.	Director
	National Credit Bureau Co.,Ltd.	Director
2. Ngeo Swee Guan Steven	-	-
3. Chintana Kittiviboolmas	-	-
4. Cheah Shu Kheem	UOB Nominees (UK) Limited	Director
5. Panittra Vejajiva	-	-
6. Pailin Ngsriwongse	-	-
7. Piyaporn Ratanaprasartporn	UOB Asset Management (Thailand) Co.,Ltd.	Director
8. Patchanee Vongsilpawattana	-	-
9. Pisal Kattiyothavong	The Thai Bond Market Association	Director
10. Sayumrat Maranate	-	-
11. James Rama Phataminviphas	-	-
12. Roongthip Angkasirisan	-	-
13. Choi Yau Chi	Thai - Hong Kong Trade Association	Director
14. Pojanee Rungsang	Suthep Boonnak Co., Ltd.	Director
15. Sirima Taecharungnirun	-	-
16. Sasiwimol Arayawattanapong	-	-
17. Busba Virochpoka	-	-
18. Veerachai Chuenchompoonut	-	-
19. Ngamjitt Sirijindalert	-	-
20. Pornchai Wiwatpattarakul	-	-
21. Manit Panichakul	The Bank and Financial Institution Internal Auditors (BFIIA) Club	Chairman of the Board of Directors
	The "Dome Friends" Foundation	Director
22. Poomchai Chusakultanachai	-	-
23. Kanlika Buspavanich	-	-
24. Taravadee Manuschinapisit	-	-
25. Sasitorn Rattanakul	-	-
26. Vajee Pramualrat	-	-
27. Sooppawit Sooppapipatt	Vinyl Creation and Trading co.,Ltd	Director
28. Sakchai Sathainsoontorn	-	-
29. Sakoolrut Amyongka	-	-
30. Wipaporn Techamaitrechit	-	-
31. Bruce Gordon Ogden	-	-
32. Suwassa Anantasa	-	-
33. Tearavath Trirutdilokkul	-	-
34. Danupob Apichitsakul	-	-
35. Nareerut Ariyaprayoon	PWP Enterprise	Director
36. Chantana Vichaikul	-	-
37. Pansak Ratanapasagorn	-	-
38. Numchoke Siamhan	-	-
39. Apasara Lipipan	UOB Services	Director
40. Komsun Yuvajita	-	-
41. Viyada Valyasevi	-	-
42. Wasinee Sivakua	-	-
43. Montira Utarapichat	-	-
44. Lee Kum Hong	-	-

Other Information

6. Shares of UOB (Thai), Subsidiaries and Associated Companies

Directors of UOB (Thai) do not own any shares in UOB (Thai) or any of its subsidiaries and associated companies.

7. Auditor's Remuneration

In 2018, the Bank and its subsidiaries paid for audit fee to EY Office Limited amounting to Baht 8,500,000.

8. 10 Major Shareholders

As of 31 December 2018

No	Name	No. of Shares	% of Issued and fully paid-up shares
1	UNITED OVERSEAS BANK LIMITED	2,477,143,763	99.66
2	Univest Property Co.,Ltd.	1,012,000	0.04
3	Univest Holding Co.,Ltd.	1,012,000	0.04
4	Mr. Pramote Thitayangura	982,266	0.04
5	Mr. CHNE-WENG CHOW	907,500	0.04
6	Mr. CHOW CHNE WENG	877,250	0.04
7	Ms. Sumalee Atiphanampai	165,000	0.01
8	Mr. Paichit Rojanawanich	162,443	0.01
9	Ms. Sirirath Thitayangura	120,939	<0.01
10	Mr. Somsak Nittayarumpong	117,975	<0.01

Remark: Number of issued and fully paid-up shares is 2,485,661,305 shares.

9. Information on Regulatory Fine Imposed by Regulators in 2018

In Q4'2018, UOB (Thai) paid the regulatory fine of THB 5,460,000 due to the violation of Financial Institutions Business Act B.E. 2551, Section 60 and 71 on loan classification and reporting submission to BOT.

Other Information

10. Related Party Transactions

The Bank's transactions with the companies related to the Bank's directors during the year 2018 are as follows:

Statements of financial position

	Average outstanding loans to customers	Outstanding loans to customers	Interbank and money market items (assets)	Derivatives assets	Other assets	Commitments	Deposits	Interbank and money market items (liabilities)	Derivatives liabilities	Other liabilities	Related with UOB Director
Related companies											
Underwater World Pattaya Co., Ltd.							/			/	Wee Cho Yaw
PPHR (Thailand) Co., Ltd.							/				Wee Cho Yaw
Haw Par Tiger Balm (Thailand) Limited							/			/	Wee Cho Yaw, Wee Ee Cheong
Loxley Pcl.							/				Suebtrakul Soonthornthum
The Muangthai Life Assurance Pcl.								/			Suebtrakul Soonthornthum
Loxley Wireless Co., Ltd.							/				Suebtrakul Soonthornthum
Loxbit Pcl.							/			/	Suebtrakul Soonthornthum
Professional Computer Co., Ltd.	/						/				Suebtrakul Soonthornthum
Netone Network Solution Co., Ltd.							/				Suebtrakul Soonthornthum
L Hardware and Services Co., Ltd.							/				Suebtrakul Soonthornthum
Loxley Trading Co., Ltd.							/				Suebtrakul Soonthornthum
Phatra Leasing Pcl.	/						/				Suebtrakul Soonthornthum
S.L.A Asia Co., Ltd.							/				Suebtrakul Soonthornthum
Tris Corporation Ltd.							/				Sanchai Apisaksirikul
Thailand Futures Exchange Pcl.							/				Sanchai Apisaksirikul
Thailand Clearing House Co., Ltd.							/				Sanchai Apisaksirikul
The Stock Exchange of Thailand						/	/			/	Sanchai Apisaksirikul
Tisco Securities Co., Ltd.								/			Sanchai Apisaksirikul
Tisco Asset Management Co., Ltd.								/		/	Sanchai Apisaksirikul
GMM CJ O Shopping Co., Ltd.							/				Chanitr Charnchainarong
North East Rubber Pcl.	/	/					/				Chanitr Charnchainarong
Wannacharoenkij Co., Ltd.							/				Tithiphan Chuerboonchai
Golden Land Property Development Pcl.						/	/				Tithiphan Chuerboonchai
Sathorn Supsin Co., Ltd.	/	/				/	/			/	Tithiphan Chuerboonchai
TSFC Securities Pcl.								/			Tithiphan Chuerboonchai
Grand Unity Development Co., Ltd.							/				Tithiphan Chuerboonchai
Value Hotels Co., Ltd.							/				Tithiphan Chuerboonchai
Suraseth Co., Ltd.							/				Tithiphan Chuerboonchai
Tor Yod Market AEC Co., Ltd.							/				Tithiphan Chuerboonchai
Numsub Pattana 2 Co., Ltd.							/				Tithiphan Chuerboonchai
Asiatique Entertainment Co., Ltd.							/				Tithiphan Chuerboonchai
TCC Hotel Asset Management Co., Ltd.							/				Tithiphan Chuerboonchai
TCCCL Andaman Resort Co., Ltd.							/				Tithiphan Chuerboonchai
Synature Technology Co., Ltd.							/				Dr. Chim Tantiyaswasdikul
Major shareholders											
United Overseas Bank Limited			/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
- UOB Hong Kong Branch			/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
- UOB Tokyo Branch			/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
- UOB Mumbai Branch			/	/	/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
- UOB Ho Chi Minh City Branch								/			Wee Cho Yaw, Wee Ee Cheong
United Overseas Bank Group of Companies											
- United Overseas Bank (Malaysia) Bhd.			/					/			Wee Cho Yaw, Wee Ee Cheong
- United Overseas Bank (China) Limited								/			Wee Cho Yaw, Wee Ee Cheong
- UOB Bullion and Futures Limited					/						Wee Cho Yaw, Wee Ee Cheong
- PT Bank UOB Indonesia			/								Wee Cho Yaw, Wee Ee Cheong
- Avatec. ai (S) Pte. Ltd.										/	Wee Cho Yaw, Wee Ee Cheong
- UOB Asset Management (Thailand) Co., Ltd.					/	/	/	/	/	/	Wee Cho Yaw, Wee Ee Cheong
- UOB Kay Hian Securities (Thailand) Co., Ltd.				/	/	/	/	/	/	/	Wee Cho Yaw

Details of all related party transactions are disclosed in Note 33 to the financial statements.

Other Information

10. Related Party Transactions (Continued)

Statements of comprehensive income

	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Net gain (loss) on foreign currency trading and exchange transaction	Other operating income	Employee's Expenses	Premises and equipment expenses	Data processing charges	Other expenses	Related with UOBT Director
Related companies											
Underwater World Pattaya Co., Ltd.		/	/					/			Wee Cho Yaw
Haw Par Tiger Balm (Thailand) Limited		/	/								Wee Cho Yaw, Wee Ee Cheong
Loxley Pcl.		/	/								Suebtrakul Soonthornthum
The Muangthai Life Assurance Pcl.		/	/								Suebtrakul Soonthornthum
Loxley Wireless Co., Ltd.		/	/								Suebtrakul Soonthornthum
Loxbit Pcl.		/	/						/		Suebtrakul Soonthornthum
Professional Computer Co., Ltd.		/	/								Suebtrakul Soonthornthum
L Hardware and Services Co., Ltd.		/	/								Suebtrakul Soonthornthum
Loxley Trading Co., Ltd.		/	/								Suebtrakul Soonthornthum
Phatra Leasing Pcl.	/		/					/			Suebtrakul Soonthornthum
S.L.A Asia Co., Ltd.		/	/								Suebtrakul Soonthornthum
Tris Corporation Ltd.		/	/								Sanchai Apisaksirikul
Thailand Futures Exchange Pcl.		/	/								Sanchai Apisaksirikul
Thailand Securities Depository Co., Ltd.		/	/	/							Sanchai Apisaksirikul
Thailand Clearing House Co., Ltd.		/	/								Sanchai Apisaksirikul
The Stock Exchange of Thailand		/	/						/		Sanchai Apisaksirikul
Family know-how Co., Ltd.		/	/								Sanchai Apisaksirikul
Tisco Securities Co., Ltd.	/	/	/								Sanchai Apisaksirikul
Tisco Asset Management Co., Ltd.		/	/								Sanchai Apisaksirikul
GMM CJ O Shopping Co., Ltd.		/	/								Chanitr Charnchainarong
North East Rubber Pcl.	/	/	/								Chanitr Charnchainarong
GMM Grammy PCL		/	/						/		Chanitr Charnchainarong
Harg Central Department Store Ltd.		/	/						/		Chanitr Charnchainarong
Wannacharoenkij Co., Ltd.		/	/								Tithiphan Chuerboonchai
Golden Land Property Development Pcl.		/	/								Tithiphan Chuerboonchai
Sathorn Supsin Co., Ltd.	/	/	/				/		/		Tithiphan Chuerboonchai
TSFC Securities Pcl.		/	/								Tithiphan Chuerboonchai
Sidewalk Land Co., Ltd.		/	/								Tithiphan Chuerboonchai
Suraseth Co., Ltd.		/	/								Tithiphan Chuerboonchai
Tor Yod Market AEC Co., Ltd.		/	/								Tithiphan Chuerboonchai
Numsub Pattana 2 Co., Ltd.		/	/								Tithiphan Chuerboonchai
Asiatique Entertainment Co., Ltd.		/	/								Tithiphan Chuerboonchai
Synature Technology Co., Ltd.		/	/								Chim Tantiyaswasdikul
Major shareholders											
United Overseas Bank Limited	/	/	/	/	/	/			/	/	Wee Cho Yaw, Wee Ee Cheong
- UOB Hong Kong Branch		/	/		/						Wee Cho Yaw, Wee Ee Cheong
- UOB Tokyo Branch		/	/								Wee Cho Yaw, Wee Ee Cheong
- UOB Mumbai Branch		/	/		/						Wee Cho Yaw, Wee Ee Cheong
- UOB Sydney Branch		/	/								Wee Cho Yaw, Wee Ee Cheong
- UOB London Branch		/	/								Wee Cho Yaw, Wee Ee Cheong
- UOB Taipei Branch		/	/	/							Wee Cho Yaw, Wee Ee Cheong
United Overseas Bank Group of Companies											
- United Overseas Bank (Malaysia) Bhd.		/	/		/						Wee Cho Yaw, Wee Ee Cheong
- United Overseas Bank (China) Limited		/	/		/						Wee Cho Yaw, Wee Ee Cheong
- UOB Bullion and Futures Limited	/	/	/		/				/		Wee Cho Yaw, Wee Ee Cheong
- PT Bank UOB Indonesia		/	/		/						Wee Cho Yaw, Wee Ee Cheong
- Avatec. ai (S) Pte. Ltd.		/	/		/				/		Wee Cho Yaw, Wee Ee Cheong
- UOB Asset Management (Thailand) Co., Ltd.		/	/		/						Wee Cho Yaw, Wee Ee Cheong
- UOB Kay Hian Securities (Thailand) Co., Ltd.	/	/	/		/						Wee Cho Yaw

Details of all related party transactions are disclosed in Note 33 to the financial statements.

Risk Management

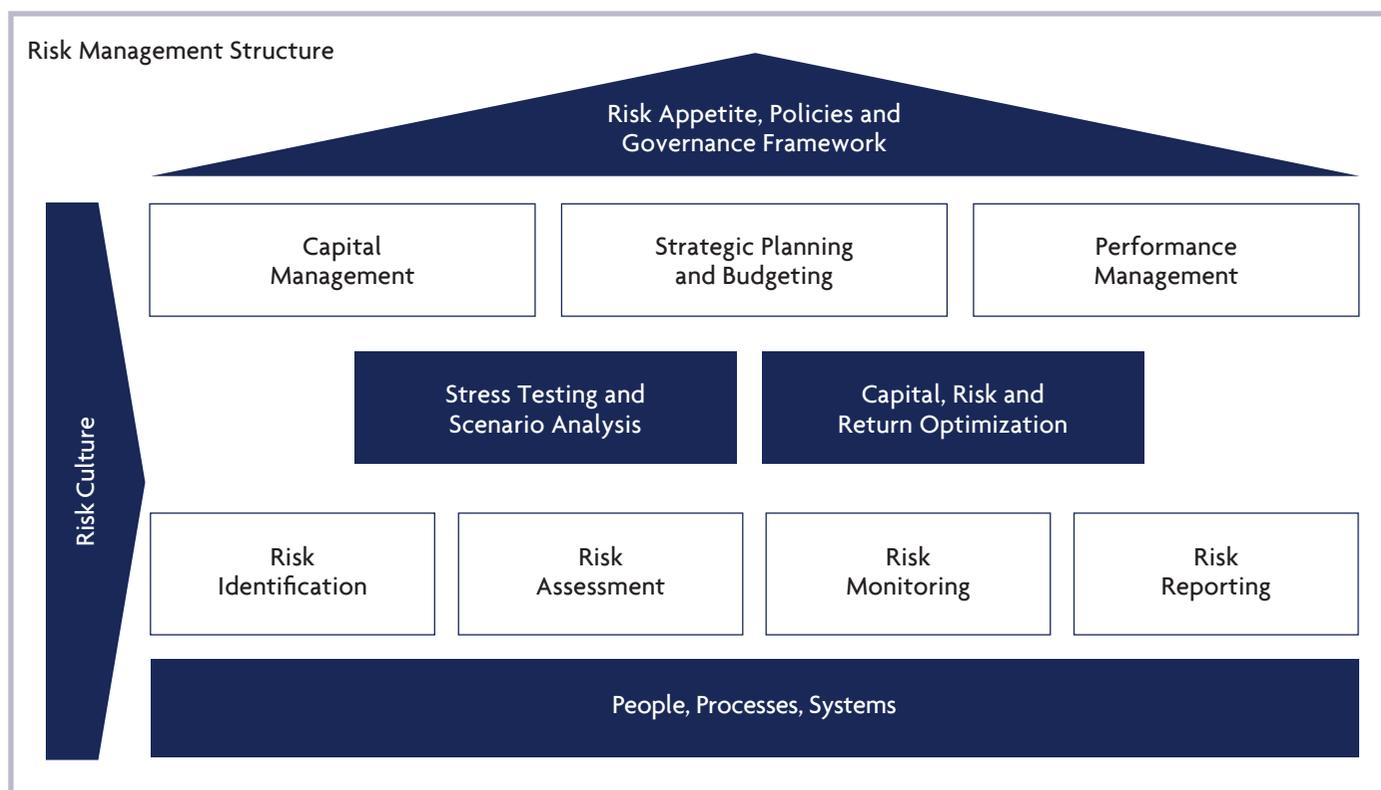
Managing risk is an integral part of UOB (Thai) Group’s business strategy. UOB (Thai) Group’s risk management approach focuses on ensuring continued financial soundness and safeguarding the interests of our stakeholders, while remaining nimble to seize value-creating business opportunities in a fast-changing environment. UOB (Thai) Group is committed to uphold high standards of corporate governance, sound risk management principles and business practices to achieve sustainable long-term growth. UOB (Thai) Group continuously strives towards best risk management practices to support the strategic objectives.

UOB (Thai) Group’s Approach

UOB (Thai) Group’s risk management structure, as shown in the following diagram, aims to promote a risk aware culture throughout UOB (Thai) Group. This requires the various risks and control oversight functions to work together with business and support units to identify their risks and to facilitate their risks and control their self-assessments.

identify, measure, monitor and manage material risks faced by UOB (Thai) Group. This enables us to concentrate our efforts on the fundamentals of banking and to create long-term value for all UOB (Thai) Group stakeholders.

UOB (Thai) Group’s risk appetite, policies and governance frameworks provide the overarching principles and guidance for UOB (Thai) Group’s risk management activities. They help to shape the key decisions for capital management, strategic planning and budgeting, and performance management to ensure that the risk dimension is appropriately and sufficiently considered. In particular, UOB (Thai) Group Risk Appetite is part of UOB (Thai) Group’s Internal Capital Adequacy Assessment Process (ICAAP), which incorporates stress testing to ensure that UOB (Thai) Group’s capital, risk and return are within acceptable levels under stress scenarios. UOB (Thai) Group also takes into consideration the risk appetite in development of risk-related Key Performance Indicators (KPIs) for performance measurement. This serves to embed a risk management mindset



UOB (Thai) Group’s risk management strategy is targeted at ensuring proper risk governance so as to facilitate ongoing effective discovery, management, and mitigation of risks arising from external factors and our business activities and to set aside adequate capital efficiently to address these risks. Risks are managed within levels established by the senior management committees and approved by the Board and/or its committees. UOB (Thai) Group has put in place a framework of policies, methodologies, tools and processes that will help us

and culture throughout the organization.

UOB (Thai) Group’s risk appetite, policies and governance frameworks are implemented through identification, assessment, monitoring and reporting processes. Risk reports are regularly submitted to management, senior management committees and the Board to keep them apprised of UOB (Thai) Group’s risk profile.

Risk Management

Risk Governance

UOB (Thai) Group's responsibility for risk management starts with the Board overseeing a governance structure that is designed to ensure that UOB (Thai) Group's business activities are:

- conducted in a safe and sound manner and in line with the highest standards of professionalism;
- consistent with UOB (Thai) Group's overall business strategy and risk appetite; and
- subject to adequate risk management and internal controls.

In this regard, the Board is primarily assisted by the Board Committees including Audit Committee (AC), Nomination and Compensation Committee (NCC), Executive Committee (EXCO), and Board Risk Oversight Committee (BROC). BROC assists the Board in the oversight of risks and provide recommendations to the Board regarding risk governance framework.

The day-to-day management of UOB (Thai) Group is delegated to senior management including Chief Executive Officer (CEO) and Senior Executives of UOB (Thai) and a subsidiary. CEO has established senior management committees to assist him and senior management in making business decisions involved in specific risk areas with due consideration to risks and returns.

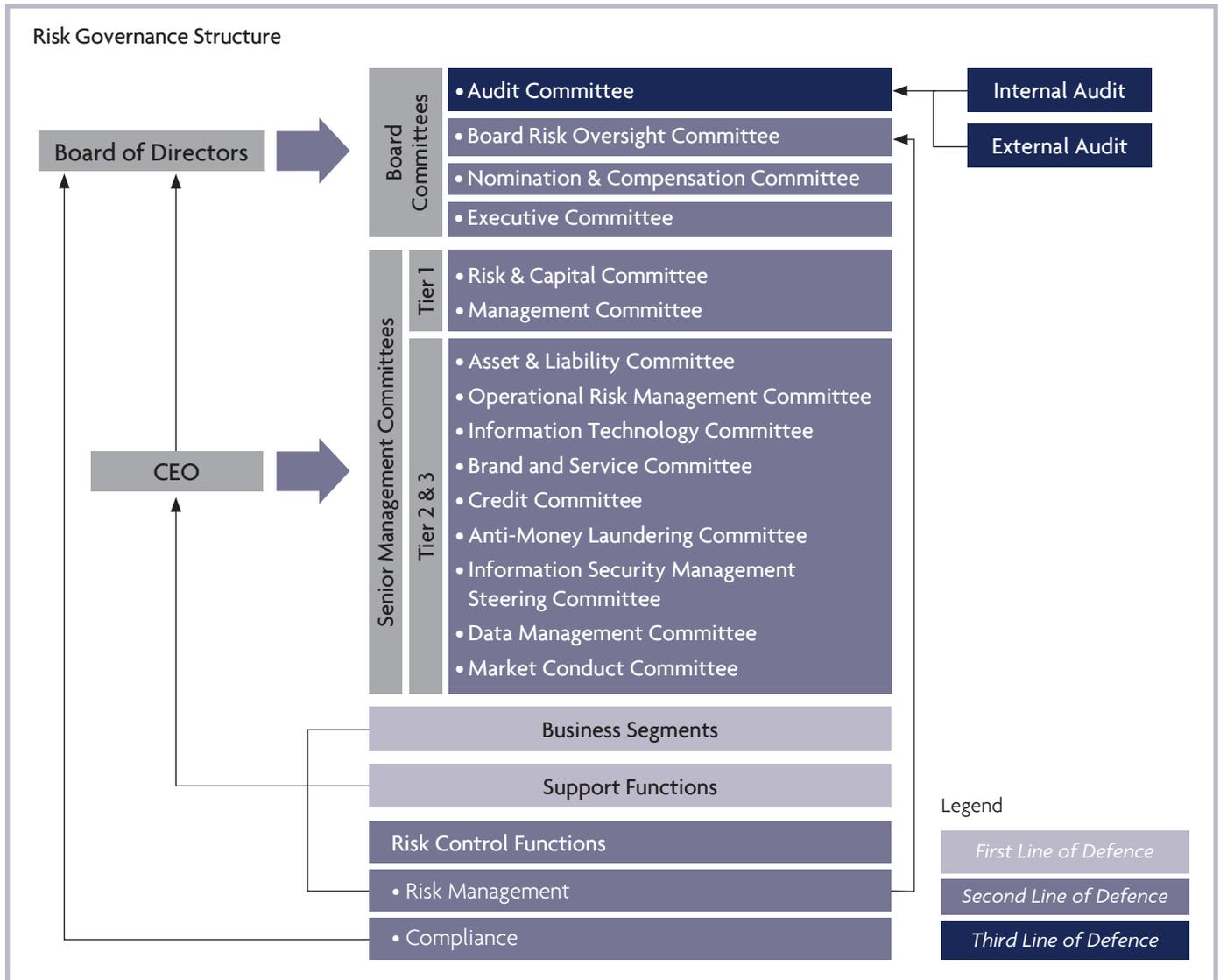
The senior management committees include Tier 1, Tier 2 and Tier 3 committees. Tier 1 senior management committees comprise Risk and Capital Committee (RCC) and Management Committee (MC) which are mandated to assist the Board in the oversight of risk and reviewing strategic roadmap, financial plan and budget as well as monitoring performance against strategy and budget of UOB (Thai) Group. The Tier 2 and Tier 3 senior management committees which assist the Board Committees in specific risk areas include:

- Asset & Liability Committee (ALCO)
- Operational Risk Management Committee (ORMC)
- Information Technology Committee (ITC)
- Brand and Service Committee (BSC)
- Credit Committee (CC)
- Anti-Money Laundering Committee (AMLC)
- Information Security Management Steering Committee (ISMS)
- Data Management Committee (DMC)
- Market Conduct Committee (MCC)

Senior management and senior management committees are responsible for delegating risk appetite limits by business lines, and/or broad product lines.

Risk management is also the responsibility of every employee within UOB (Thai) Group. Risk awareness and accountability are embedded in UOB (Thai) Group's culture through an established framework that ensures appropriate oversight and accountability for the effective management of risk throughout UOB (Thai) Group and across risk types. This is executed through an organization control structure that provides three Lines-of-Defence as follows:

Risk Management



First Line of Defence - The Risk Owner:

The business and business support functions have primary responsibility for implementing and executing effective controls for the management of risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with approved risk policies, appetite, limits and controls and to highlight control breakdowns, inadequacy of processes and unexpected risk events.

Second Line of Defence - Risk Oversight:

The risk and control oversight functions (such as Risk Management and Compliance), Head of Risk Management and Head of Compliance provide the second line of defence.

The risk and control oversight functions support UOB (Thai) Group's strategy of balancing growth with stability by establishing risk frameworks, policies, appetite and limits within which the business functions must operate. The risk and control functions are also responsible for the independent review and monitoring of UOB (Thai) Group's risk profile and highlight any significant vulnerabilities and risk issues to the respective management committees.

The independence of risk and control oversight functions from business functions ensures the necessary checks and balances are in place.

Risk Management

Third Line of Defence - Independent Audit:

UOB (Thai) Group's internal and external auditors conduct risk-based audits covering all aspects of the first and second lines of defence to provide independent assurance to the CEO, Audit Committee and the Board, on the effectiveness of the risk management and control structure, policies, frameworks, systems and processes.

Risk Appetite

UOB (Thai) Group has established a risk appetite framework to define the amount of risk we are able and willing to take in pursuit of our business objectives. The objective of establishing a risk appetite framework is not to limit risk-taking but to ensure that UOB (Thai) Group's risk profile remains within well-defined and tolerable boundaries. The framework was formulated based on the following key criteria:

- relevance to respective stakeholders, with appropriate levels of granularity;
- practical, consistent and easy to understand metrics for communication and implementation;
- alignment to key elements of UOB (Thai) Group's business strategy; and
- analytically substantiated and measurable metrics.

The risk appetite defines suitable thresholds and limits across key areas including but not limited to credit risk, country risk, market risk, liquidity risk, operational risk and reputation risk. UOB (Thai) Group's risk taking approach is focused on businesses which we understand and are well-equipped to manage the risk involved. Through this approach, UOB (Thai) Group aims to minimize earnings volatility and concentration risk and to ensure that UOB (Thai) Group's high credit rating, strong capital and funding base remain intact. This allows UOB (Thai) Group to be a steadfast partner of the customers through changing economic conditions and cycles.

UOB (Thai) Group's risk appetite framework and risk appetite are reviewed and approved annually by the Board. Management monitors and reports the risk profiles and compliance with the risk appetite to the senior management committees and the Board.

Material Risks

UOB (Thai) Group's business strategies, products, customer profiles and operating environment expose us to a number of financial and non-financial risks. Identifying and monitoring of key risks are integral to UOB (Thai) Group's approach to risk management. It enables us to make proper assessment and proactively mitigate these risks across UOB (Thai) Group. The key risks which could impact the success of achieving UOB (Thai) Group's strategic objectives are as follows;



Risk Management

UOB (Thai) Group has adopted the Basel Framework and is in compliant with regulatory requirements on Risk Based Capital Adequacy Requirements. UOB (Thai) Group continues to adopt a prudent and proactive approach in navigating the evolving regulatory landscape, with emphasis on sound risk management principles in delivering sustainable returns.

UOB (Thai) Group has adopted the Foundation Internal Ratings-Based (FIRB) approach for non-retail exposures and the Advanced Internal Ratings-Based (AIRB) approach for retail exposures. For Market and Operational risks, UOB (Thai) Group has adopted the Standardised Approach (SA).

UOB (Thai) Group has also adopted ICAAP to assess on an ongoing basis the amount of capital necessary to support our activities. UOB (Thai) Group reviews the ICAAP periodically to ensure that UOB (Thai) Group remains well-capitalised after considering all material risks. Stress testing is conducted to determine capital adequacy under stress conditions.

UOB (Thai) Group's Pillar 3 and Liquidity Coverage Ratio (LCR) Disclosure Policy addresses the disclosure requirements specified by regulators.

Credit Risk

Credit risk is the risk of loss arising from any failure by a borrower or counterparty to meet their financial obligations when such obligations are due. Credit risk is the single largest risk that UOB (Thai) Group faces in our core business as a commercial bank, arising primarily from loans and other lending related commitments to retail, corporate and institutional borrowers. Treasury and capital market operations and investments also expose UOB (Thai) Group to counterparty and issuer credit risks.

Integral to the management of credit risk is a framework that clearly defines policies and processes relating to the measurement and management of credit risk. We review and stress test our portfolio regularly, and we continually monitor the operating environment to identify emerging risks and to formulate mitigation action.

Credit Risk Governance and Organization

The CC is the key oversight committee for credit risk. They support the CEO, EXCO and the Board in managing the UOB (Thai) Group's overall credit risk exposures. The RCC and CC serves as an executive forum for discussions on all credit-related issues including the credit risk management framework, policies, processes, infrastructure, methodologies and systems. The CC reviews and assesses UOB (Thai) Group's credit portfolios, processes and credit risk profiles.

Credit Risk Management Division is responsible for the reporting, analysis and management of all elements of credit risk. It develops credit policies and guidelines, and focuses on facilitating business development within a prudent, consistent and efficient credit risk management framework.

Credit Risk Policies and Processes

UOB (Thai) Group has established credit policies and processes to manage credit risk in the following key areas:

Credit Approval Process

To maintain the independence and integrity of the credit approval process, the credit origination and approval functions are clearly segregated. Credit approval authority is delegated to officers based on their experience, seniority and track record, and is based on a risk-adjusted scale according to a borrower's credit rating. All credit approval officers are guided by credit policies that are periodically reviewed to ensure their continued relevance to the UOB (Thai) Group's business strategy and the business environment.

Credit Concentration Risk

Credit concentration risk may arise from a single large exposure or from multiple exposures that are closely correlated. This is managed by setting exposure limits on borrowers, obligors, industries, portfolios, and countries, generally expressed as a percentage of the capital base.

We manage our credit risk exposures through a robust credit underwriting, structuring and monitoring process. Credit exposures are well-diversified across industries. We perform regular assessments of emerging risks and reviews on industry trends and country outlooks to provide a forward-looking view on developments that could impact UOB (Thai) Group's portfolio. We also conduct stress testing periodically to assess the resilience of the portfolio in the event of a marked deterioration in operating conditions.

Credit Stress Test

Credit stress testing is a core component of UOB (Thai) Group's credit portfolio management process. The three objectives of stress-testing are (i) to assess the profit and loss and balance sheet impact of business strategies, (ii) to quantify the sensitivity of performance drivers under various macroeconomic and business planning scenarios, and (iii) to evaluate the impact of management decisions on capital, funding and leverage. Supervisory and / or internal stress tests may be conducted periodically under the change in economic conditions to identify if any risk mitigation actions should be taken. Under stress scenarios such as a severe recession, significant losses from the credit portfolio may occur. Stress tests are used to assess if UOB (Thai) Group capital can withstand such losses and their impact on profitability and balance sheet quality. Stress tests also help us, identify the vulnerability of various business units under such scenario and formulate appropriate mitigating actions.

Our stress test scenarios consider potential and plausible macroeconomic and geopolitical events in varying degrees of likelihood and severity. We also consider varying strategic planning scenarios where the impact of different business scenarios and proposed managerial actions are assessed. These

Risk Management

are developed through consultation with relevant business units, and are approved by senior management prior to submission to relevant committees for approval.

Intra-group Transaction

Any intra-group transactions shall be executed on an arms-length basis at market commercial terms. Risk exposure as well as impact on capital adequacy incurred from intra-group transactions shall be monitored and controlled as a normal business practice. UOB (Thai) Group has stipulated the approval process for intra-group transactions e.g. normal intra-group transactions such as granting credit, which is subject to approval by UOB (Thai) EXCO with ratification by the Board.

Credit Risk Mitigation

Potential credit losses are mitigated through a variety of instruments such as collateral, guarantees and netting arrangements. As a fundamental credit principle, UOB (Thai) Group generally does not extend credit facilities solely on the basis of the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability.

Collateral is taken whenever possible to mitigate the credit risk assumed and the value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value as well as in accordance with BOT's requirements. The main types of collateral taken by UOB (Thai) Group are cash, qualified marketable securities, and real estate. Appropriate haircuts are applied to the market value of collateral, reflecting the underlying nature of the collateral, quality, volatility and liquidity. In addition, collateral taken by UOB (Thai) Group has to fulfill certain eligibility criteria (such as legal certainty across relevant jurisdictions) in order to be eligible for IRB purposes.

In extending credit facilities to small- and medium-sized enterprises (SMEs), we also often take personal guarantees as a form of moral support to ensure moral commitment from the principal shareholders and directors. For IRB purposes, we do not recognise personal guarantees as an eligible credit risk protection. Corporate guarantees are often obtained when the borrower's creditworthiness is not sufficient to justify an extension of credit. To recognise the effects of guarantees under the FIRB approach, we adopt the Probability of Default (PD) substitution approach whereby the PD of an eligible guarantor of an exposure will be used for calculating the capital requirement.

Exposures arising from foreign exchange and derivatives are typically mitigated through agreements such as the International Swaps and Derivatives Association (ISDA) Master Agreements and the Credit Support Annex (CSA). Such agreements help to minimise credit exposure by allowing UOB (Thai) Group to offset what it owes to counterparty against what is due from that counterparty in the event of a default.

Credit Monitoring and Remedial Management

We regularly monitor credit exposures, portfolio performance and emerging risks that may impact our credit risk profile. Internal risk reports are presented to relevant committees to update senior management on credit trends and to provide alerts on key economic, political and environment developments across major portfolios.

Delinquency Monitoring

UOB (Thai) Group monitors closely the delinquency of borrowing accounts as it is a key indicator of credit quality. An account is considered as delinquent when payment is not received on the due date. Any delinquent account, including a revolving credit facility (such as an overdraft) with limit excesses, is closely monitored and managed through a disciplined process by officers from business units and risk management functions. Where appropriate, such accounts are also subject to more frequent credit reviews.

Classification and Loan Loss Impairment

UOB (Thai) Group classifies its loan portfolios according to the borrower's ability to repay the credit facility from their normal source of income. There is an independent credit review process to ensure the appropriateness of loan grading and classification in accordance with internal policy and regulatory guidelines. All borrowing accounts are classified into 'Pass', 'Special Mention' or 'Non-Performing' categories. Non-Performing loans (NPLs) are further classified as 'Substandard', 'Doubtful' or 'Doubtful of Loss' in accordance with Bank of Thailand (BOT) guidelines. Any account which is delinquent (or in excess for a revolving credit facility such as an overdraft) for more than 90 days will be categorised automatically as 'Non-Performing'. In addition, any account that exhibits weaknesses that may jeopardise repayment on existing terms will be categorised as 'non-performing'.

Upgrading and declassification of a NPL account to 'Pass' or 'Special Mention' status must be supported by a credit assessment of the repayment capability, cash flows and financial position of the borrower. UOB (Thai) Group must also be satisfied that once the account is declassified, the account is unlikely to be classified again in the near future.

A restructured account is categorised as "Non-Performing" and placed on the appropriate classified grade depending on UOB (Thai) Group's assessment of the financial conditions of the borrower and the ability of the borrower to repay based on the restructured terms. A restructured account must comply fully with the restructured terms in accordance with internal policy and regulatory requirements before it can be declassified.

Special Asset Management

Special Asset Management (SAM) / Credit Management are the independent division in which SAM manages the non-performing portfolios of UOB (Thai) Group's non-retail portfolio whereas Credit Management manages the retail non-performing

Risk Management

portfolios. SAM/Credit Management proactively manages a portfolio of NPL accounts, with the primary intention of nursing these accounts back to health and transferring them back to the respective business units if it meets the guidelines. In addition, SAM also manages accounts that UOB (Thai) Group intends to exit in order to maximise debt recovery.

Write-off Policy

A classified account that is not secured by any realisable collateral or account with collateral that are worthless will be written off either when the prospect of recovery is considered poor or when all feasible avenues of recovery have been exhausted. This is in compliance with regulatory guidelines.

Internal Credit Rating System

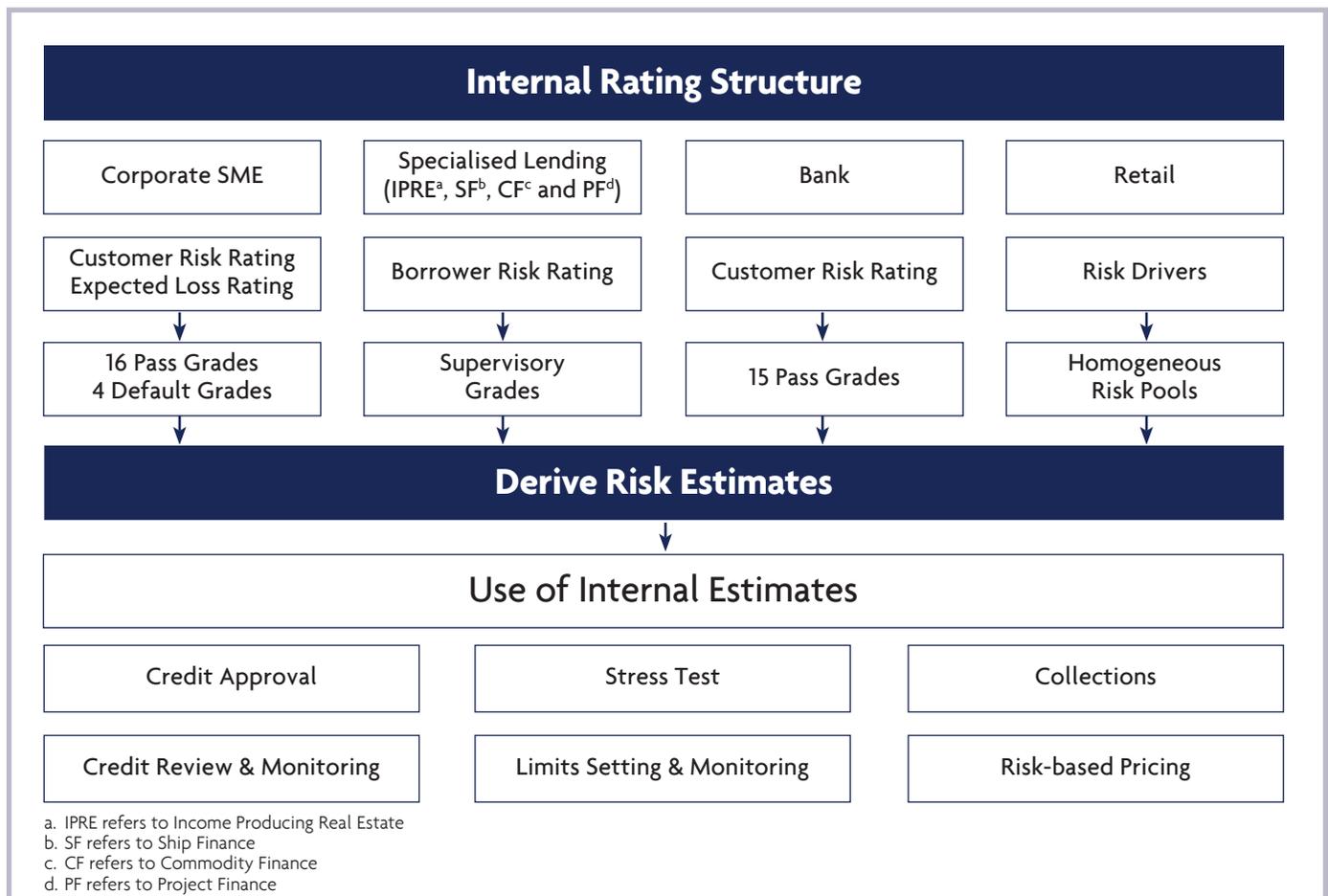
UOB (Thai) Group employs internal rating models to support the assessment of credit risk and the assignment of exposures to rating grades or pools. Internal ratings are used pervasively by UOB (Thai) Group in the areas of credit approval, credit review and monitoring, credit stress testing, limits setting, pricing and account management.

UOB (Thai) Group has established a credit rating governance framework to ensure the reliable and consistent performance of its rating systems. The framework defines the roles and responsibilities of the various parties in the credit rating process, including independent model performance monitoring, annual model validation and independent reviews by Internal Audit.

Credit risk models are independently validated before they are implemented to ensure they are fit for purpose. To monitor the robustness of these rating models on an ongoing basis, all models are subject to annual review conducted by model owners to ascertain that the chosen risk factors and assumptions continue to remain relevant for the respective portfolios. All new models, model changes and annual reviews are approved by RCC or the BROCC, depending on the materiality of the portfolio.

Rating Structure

UOB (Thai) Group's internal rating structure is illustrated below.



Risk Management

Non-retail Exposures

UOB (Thai) Group has adopted the Foundation Internal Ratings-Based (FIRB) approach for its non-retail exposures with an exception for Sovereign asset class where Standardised Approach is applied. Under FIRB approach, the probability of default (PD) for each borrower is estimated using internal models. These PD models employ qualitative and quantitative factors to provide an assessment of the borrower's ability to meet their financial obligations, and are calibrated to provide an estimate of the likelihood of default over a one-year time horizon. A default is considered to have occurred if:

- the obligor is unlikely to pay its credit obligations in full to UOB (Thai) Group, without recourse by UOB (Thai) Group to actions such as realising the security; or
- the obligor is past due for more than 90 days on any credit obligation to UOB (Thai) Group.

Supervisory loss given default (LGD) and exposure at default (EAD) parameters prescribed by BOT are used together with the internal credit ratings to calculate risk weights and regulatory capital requirements.

While UOB (Thai) Group's internal risk rating grades may show some correlation with the rating grades of External Credit Assessment Institutions (ECAIs), they are not directly comparable or equivalent to the ECAI ratings.

Corporate Asset Class

UOB (Thai) Group has developed the Corporate SME model (CSME) to rate exposures in the Claims on Corporate Asset Class. Credit risk factors used to derive a borrower's risk rating include its' financial strength, quality of management, business risks, and the industry in which it operates. The borrower risk rating process is augmented by facility risk ratings, which take into account the type and structure of the facility, availability and type of collateral, and seniority of the exposure.

The internal rating grade structure for the corporate asset class consists of 16 pass grades and 4 default grades. The CSME model is mapped to the rating scale by calibration that takes into account UOB (Thai) Group's long-term average portfolio default rate.

Specialised Lending Asset Sub-Class

Within the corporate asset class, UOB (Thai) Group has four sub-classes for Specialised Lending: Income Producing Real Estate (IPRE), Commodity Finance (CF), Project Finance (PF) and Ship Finance (SF). The internal risk grades are derived based on a comprehensive assessment of financial and non-financial risk factors using internal scorecards. The internal risk grades are mapped to the five supervisory slotting categories, which determine the risk weights to be applied to the exposures.

Bank Asset Class

Our internal Bank scorecard takes into account asset quality, capital adequacy, liquidity, management, regulatory environment and robustness of the overall banking system. The scorecard has an internal rating grade structure consisting of 15 pass grades.

Retail Exposures

We have adopted the AIRB approach for our retail exposures, which comprises residential mortgages, qualifying revolving retail exposures and other retail exposures.

Exposures within each of these asset classes are not managed individually, but as part of a pool of similar exposures based on borrower and transaction characteristics. Internal risk models are used to estimate PD, LGD and EAD parameters for each of these exposure pools based on historical internal loss data. Where internal loss data is insufficient to provide robust risk estimates, the risk models may incorporate internal and/or external proxies, and where necessary, may be augmented with appropriate margins of conservatism.

Residential Mortgage Asset Class

This includes Housing Loans secured against a mortgage of a residential property or properties which meet criteria stipulated by the regulatory guidelines. We assess and manage our residential mortgage exposures using UOB (Thai) Group's framework of credit policies, procedures and risk models.

Qualifying Revolving Retail Exposures (QRRE) Asset Class

This includes credit card exposures and other unsecured revolving credit lines which meet the criteria stipulated by the regulatory guidelines. We assess and manage QRRE using internal credit policies and procedures in combination with the application and behaviour scorecards and risk models.

Other Retail Asset Class

This includes exposures to individuals in the forms of personal term loan or revolving credit and lines of credit, which is not qualified as QRRE. UOB (Thai) Group's products such as Mortgage Link, I-Cash, Provident Fund, and Staff Term Loan (not for residential purpose) are classified as other retail; exposures to individuals for businesses or to small businesses, i.e. retail SME. We assess and manage these exposures using UOB (Thai) Group's framework of credit policies, procedures in combination with application and behaviour scorecards and risk models.

Credit Exposures Subject To Supervisory Prescribed Risk Weight

Equity Asset Class

According to BOT's guidelines, UOB (Thai) Group is eligible to apply 100% risk weight to equity exposures which have been exempted from IRB capital computation.

Risk Management

Credit Exposures Subject To Standardised Approach

UOB (Thai) Group applies the SA for portfolios which are immaterial in terms of both size and risk profile and for transitioning portfolios. We will progressively migrate our transitioning portfolio ie. exposures to non-bank financial institutions, to the IRB approach, subject to regulatory approval. For exposures subject to the SA, prescribed risk weights based on asset class are used in the computation of regulatory capital except for Claims on Corporate where 100% risk weight is applied.

Responsible Financing

UOB (Thai) Group are committed to responsible financing to support sustainable development and to mitigate environmental, social and governance (ESG) risks in our lending. UOB (Thai) Group's Credit Policy includes a Responsible Financing Policy and guidelines with clear roles and responsibilities for due diligence. Credit Approval is responsible for ensuring that all ESG-related risks are adequately addressed.

The Responsible Financing Policy is embedded within UOB (Thai) Group's Credit Policy which is reviewed periodically. This ensures that ESG considerations are integrated as part of the credit evaluation and approval processes.

The Responsible Financing Policy applies to all of UOB (Thai) Group's direct borrowers within Wholesale Banking. Under the policy, Relationship Managers are required to conduct due diligence on all new and existing borrowers during the onboarding process and annual credit review. We have implemented sector-specific Credit Acceptance Guidelines and have ESG checklists in place to help our relationship managers in identifying, assessing and reviewing ESG risks. Companies subject to enhanced due diligence with sector specific guidance are within the following eight defined high-risk industries.

- Agriculture
- Metals and Mining
- Chemical
- Infrastructure
- Forestry
- Defence
- Energy
- Waste Management

The Responsible Financing Policy, supported by a comprehensive set of guidelines, requires the borrowers to comply with local ESG regulations. We notify our borrowers of their need to adhere to our Responsible Financing Policy and request for their representation and warranties to ensure compliance. The borrowers are also recommended to follow established industry standards and to obtain relevant certifications. In addition, we monitor our borrowers on an ongoing basis for any adverse ESG related news. For example, borrowers with any known ESG related incidents will trigger an immediate review with the ESG risks to be addressed and managed appropriately. We allow our borrowers to rectify any breaches of our policy within a

reasonable timeframe with Relationship Managers responsible for monitoring their progress.

The policy also prohibits financing to the following companies:

- with operations in UNESCO World Heritage Sites, RAMSAR Wetlands, forests of high conservation value or sites with critical natural habitat;
- without measures in place to manage or to mitigate the risk of air, soil and water pollution
- involved in the exploitation of labour, including forced labour and child labour that violates the rights of local communities;
- involved in land clearance by open burning; and
- involved in animal cruelty and the trade of endangered species as defined by the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Market Risk

Market risk is the risk of losses arising from the volatility of the price or value of assets, liabilities and financial obligations held by UOB (Thai) Group. Market factors which may affect such prices or values are changes on interest rates, foreign exchange, equity prices and commodity prices.

Market risk is governed by the Asset and Liability Committee (ALCO), which meets monthly to review and provide directions on market risk matters. The Market Risk Management Unit (MRM) supports the BROCC, RCC and ALCO with independent assessment of the market risk profile of UOB (Thai) Group.

UOB (Thai) Group's market risk framework comprises market risk policies, practices, control, and risk limits structure with appropriate delegation of authority. In addition, we have a stringent Product/Service Programme due diligence process in place to ensure that market risk issues are adequately addressed prior to product launches.

Market risk capital is provided for all trading exposures within UOB (Thai) Group, as well as Banking Book FX and commodity exposures. UOB (Thai) Group currently adopts the Standardised Approach for the calculation of regulatory market risk capital but uses daily Value-at-Risk (VaR) to measure and control trading market risks. To complement the VaR measure, stress and scenario tests are performed to identify UOB (Thai) Group's vulnerability to event risk. These tests serve to provide early warnings of plausible extreme losses to facilitate proactive management of market risks.

In addition, VaR estimates are backtested against profit and loss of the trading book to validate the robustness of the methodology. The backtesting process analyses whether exceptions are due to model deficiencies or market volatility.

Risk Management

Interest Rate Risk in Banking Book

The ALCO maintains oversight of the effectiveness of the interest rate risk management structure. Balance Sheet Risk Management Division (BSRM) supports the ALCO in monitoring the interest rate risk profile of the banking book.

The primary objective of interest rate risk management is to protect and enhance capital or economic net worth through adequate, stable and reliable growth in net interest earnings under a broad range of possible economic conditions. This is achieved by ensuring that interest rate risk in banking book is identified, measured, monitored and managed over a range of potential and realistic interest rate scenarios, including under stress situations.

Interest rate risk in banking book exposure is quantified using static and simulation analysis tools. Static analysis tools include re-pricing mismatch analysis, whereas the simulation analysis is performed based on the different interest rate scenarios. From the analysis, we are able to assess the impact on both net interest income (NII) and economic value of equity (EVE) due to the interest rate changes. Mismatches in the longer tenor will experience greater change in the EVE than similar positions in the shorter tenor while mismatches in the shorter tenor will have a greater impact on NII.

In addition, stress test is also performed regularly to assess the adequacy of capital in meeting the impact of extreme interest rate movements on the balance sheet. Such tests are performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

The risks arising from the trading book, such as interest rates, foreign exchange rates and equity prices are managed and controlled under the market risk framework that is discussed under the Market Risk section.

Liquidity Risk

Liquidity risk is the risk that UOB (Thai) Group may not be able to meet their obligations as they fall due as a result of inability to liquidate their assets or to cover funding requirements at an appropriate price, resulting in losses to UOB (Thai) Group.

UOB (Thai) Group maintains sufficient liquidity to fund its day-to-day operations, meet deposit withdrawals and loan disbursements, and repay borrowings. Hence, liquidity is managed in a manner to address known as well as unanticipated cash funding needs.

Liquidity risk is managed in accordance with a framework of policies, controls and limits established by the ALCO. These policies, controls and limits enable the Bank to monitor and manage liquidity risk to ensure that sufficient sources of funds are available over a range of market conditions. These include

minimising excessive funding concentrations by diversifying the sources and terms of funding as well as maintaining a portfolio of high quality and marketable debt securities.

UOB (Thai) Group takes a conservative stance in its liquidity management by continuing to gather core deposits, ensuring that liquidity limits are strictly adhered to and that there are adequate liquid assets to meet cash shortfall.

The distribution of deposits is managed actively to ensure a balance between cost effectiveness, continued accessibility to funds, and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of UOB (Thai) Group's core deposits and the maintenance of customer confidence.

Liquidity risk is aligned with the regulatory liquidity risk management framework, and is measured and managed on a projected cash flow basis. UOB (Thai) Group is monitored under business as usual, and stress scenarios. Cash flow mismatch limits are established to limit the Bank's liquidity exposure. The Bank also employs liquidity early warning indicators and trigger points to signal possible contingency situations.

With regard to the regulatory requirements on Liquidity Coverage Ratio (LCR) which are effective from 1 January 2016, our LCR were above 100% for the position as of December 2018.

Contingency funding plans are in place to identify potential liquidity crises using a series of warning indicators. Crisis escalation processes and various strategies including funding and communication have been developed to minimise the impact of any liquidity crunch.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes banking operations risk, fraud risk, legal risk, regulatory compliance risk, technology risk and reputational risk but excludes strategic risk.

Our objective is to manage operational risk at appropriate levels relative to the markets in which the businesses operate.

Operational Risk Governance, Framework and Programmes

Operational risk is managed through a framework of policies, and procedures by which business and support units properly identify, assess, monitor, mitigate and report their risks. The Operational Risk Management Committee (ORMC) meets monthly to provide oversight of operational risk matters across the UOB (Thai) Group.

The Operational Risk Governance structure adopts the Three Lines of Defence Model. The business and support unit functions as the First Line of Defence are responsible for establishing a robust control environment as part of their day-to-day

Risk Management

operations. Each business and support unit is responsible for implementing the operational risk framework and policies, embedding appropriate internal controls into processes and maintaining business resilience for key activities.

The Operational Risk Management Division as the Second Line of Defence oversees the management of operational risk. It exercises governance over operational risk through providing relevant frameworks, policies, programmes and systems, quality assurance of internal controls as well as operational risk measurement. It also monitors and reports operational risks and events to Management, the relevant Management committees and the Board.

Internal Audit acts as the Third Line of Defence by providing an independent and objective assessment on the overall effectiveness of the risk governance framework, and internal control through periodic audit reviews.

A key component of the operational risk management framework is risk identification and control self-assessments. This is achieved through the implementation of a set of operational risk programmes. Several risk mitigation policies and programmes are in place to maintain a sound operating environment.

We have business continuity and crisis management programme in place to ensure prompt recovery of critical business and support units should there be unforeseen events. Management provides an annual attestation to the Board on the state of business continuity readiness of the UOB (Thai) Group.

We have also established a technology risk management framework to enable the UOB (Thai) Group to manage technology risks in a systematic and consistent manner.

Regulatory risk refers to the risk of non-compliance with laws, regulations, rules, standards and codes of conduct. We identify, monitor and manage the risk through a structured governance framework of compliance policies, procedures and guidelines maintained by the UOB (Thai) Group. The framework also manages the risk of regulatory breaches and sanctions relating to anti-money laundering and countering the financing of terrorism.

Legal Risk arises from unenforceable, unfavourable, defective or unintended contracts lawsuits or claims, developments in laws and regulations, or non-compliance with applicable laws and regulations. Business and support units work with the Bank's legal counsel and external legal counsel to ensure that legal risks are effectively managed.

Reputation risk is the risk of adverse impact on earnings, liquidity or capital arising from negative stakeholder perception or opinion on the UOB (Thai) Group's business practices, activities and financial condition. The UOB (Thai) Group recognizes the impact of reputation risk and has developed a policy to identify and to manage the risk across the UOB (Thai) Group.

Our insurance programme which covers crime, fraud, civil liability, property damage, public liability, as well as directors' and officers' liability enables us to mitigate operational losses resulting from significant risk events.

Fraud Risk

The Risk Management actively manages fraud and bribery risks. The Fraud Risk Management Policy was established to institutionalise our approach to fraud risk management. They articulate the strategy and governance structures and espouse a strong anti-fraud awareness and mindset. A fraud hotline, an independent investigations function and a fraud risk awareness training programme were established to manage such risks. All employees are guided by a Code of Conduct, which includes anti-bribery and anti-corruption provisions.

The Integrated Fraud Management Division under Risk Management drives strategy and governance for fraud risk management as well as conducts independent fraud investigation across the Bank. The division works closely with business and support units to strengthen their current practices across the five pillars of prevention, detection, response, remediation and reporting.

The corporate governance of fraud risk is concurred by Risk & Capital Committee at Management level prior to approval by Audit Committee at Board level.

Report of the Audit Committee

The Audit Committee (“the AC”) of United Overseas Bank (Thai) Pcl. comprises three independent¹ directors: Mr. Tithiphan Chuerboonchai, the AC Chairman, Mr. Suebtrakul Soonthornthum and Dr. Chim Tantiyasawasdikul as Committee members. All the Committee members are non-executive directors and non-employees of the Bank.

In 2018, the Committee held four (4) meetings to review the Bank’s internal control system and discuss financial and operational business issues with the Bank’s External and Internal Auditors. Relevant Management members were invited to attend the meetings to provide additional information and clarification of the internal control systems.

Major matters in the meetings were as follows:

- Approved the Annual Planned Schedules for the Audit Committee Meetings
- Approved and monitored the Internal Audit Year Plan, the 2-Year Strategic Plan, and resources of the Internal Audit, including approval for the revision of the 2018 IA Year Plan
- Evaluated the Performance Evaluation of the Head of Internal Audit
- Reviewed and approved the revised AC Charter. The revision made to the Audit Committee (AC) Charter in accordance with the BOT Notification No. SorNorSor.10/2561 Re: Corporate Governance of Financial Institutions dated 22 May 2018, certain functions under the AC’s roles and responsibilities are to be re-assigned to the Board Risk Oversight Committee (BROC), a new Committee set up by the Board.
- Reviewed and approved Internal Audit Charter, Policy on Fraud and Whistle-Blowing Policy
- Reviewed the Scope and Results of the Audit and Key Accounting and Auditing Areas, including the meetings (non-executive session) held with the External Auditor (EY)
- Reviewed and discussed the adequacy and effectiveness of the Bank’s Internal Control System with the Senior Management, Internal and External Auditors as well as the Management’s Responses to the control deficiencies and timely remedial actions taken
- Reviewed the major items of the financial reports and the reliability of those reports, and the reasonableness of the Connected and Related Parties’ transactions
- Reviewed and proposed the re-appointment of the External Auditor and the Audit Fee to the Board of Directors for approval
- Reviewed and noted the Internal Audit quarterly reports, major findings and status updates including the compliance with internal and external regulations and Whistle-Blowing reports
- Reviewed and noted the independence of the external auditors as well as the independence and objectivity of Internal Audit on an annual basis
- Noted the Group Audit report including key initiatives and progress
- Noted the Group AC Chairman visit schedule of UOB (Thai)
- Noted the progress of the Governance, Risk and Compliance (GRC) system, and the Management Governance and Oversight Rating (MGOR) to drive cultural change, accorded with the IA Plan
- Noted the Compliance and Risk Management quarterly reports
- Noted the implementation issues, progress, and audit result of Basel II - Internal Ratings Based Approach (IRBA), the Internal Capital Adequacy Assessment Process (ICAAP), Basel III and the readiness of IFRS 9 implementation

Report of the Audit Committee

- Noted the regulators' examination results, regulatory breaches and implementation progress, e.g., the BOT, MAS and etc.
- Noted Fraud Investigation Report(s) by Integrated Fraud Management
- Performed and reported the annual self-assessment of the AC to the Board of Directors.

The Committee has continuously reviewed and assessed the Bank's key risks, controls, governance and monitoring system through the Bank's Internal Audit and upon the discussions with the External Auditor and Senior Management. From the evaluation of the Bank's Internal Control System, it was concluded that the Bank's Internal Control in the areas of financial reporting and risk management is adequate and reliable, and that reinforces the Bank to continue to improve the overall internal control system.



Mr. Tithiphan Chuerboonchai
Chairman of the Audit Committee
4 March 2019

Note: ¹ Mr. Tithiphan Chuerboonchai has been appointed as the AC Chairman in replacement of Mr. Chanitr Charnchainarong (effective from 1 August 2018)
Mr. Chanitr Charnchainarong has been appointed as the BROCC Chairman effective from 17 August 2018 after the 2nd AC meeting held on 10 May 2018.
Dr. Chim Tantiyasawasdikul has been appointed as AC member (effective from 1 August 2018).
Mr. Chinnawat Bulsuk resigned effective on 1 August 2018.

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

The Board of Directors has reviewed the Audit Committee report and the opinion on the adequacy of Internal Control System prepared by the Audit Committee during the Board of Directors' Meeting No. 608 held on 8 March 2019. Participants of the meeting included the Audit Committee members comprising the 3 independent directors who are non-executive directors and non-employees of the Bank.

The Audit Committee's opinion on the Internal Control System of the Bank and its subsidiaries was summarised after the meetings with the Senior Management and External Auditor, and upon the reports of external auditor, the Risk Management Dashboard and Key Risk and Control Self-Assessment (KRCSA) implemented by Operational Risk Management (ORM), and the Quarterly Reports by Risk Management, Compliance and Internal Audit.

The evaluation of the Bank's Internal Control System was divided into five sections as follows:

- Organisation Control and Environment Measures
- Risk Management Measures
- Management Control Activities
- Information and Communication Measures
- Monitoring and Evaluation

The Audit Committee is of the opinion that the Bank has in place an adequate internal control system. The Audit Committee has been regularly notified of the issues arisen and remedial actions taken.

The External Auditor of the Bank is EY Office Limited (EY) of which Ms. Rachada Yongsawadvanich, a Certified Public Accountant (CPA), as Designated External Auditor, has examined and given her opinion that the Bank and its subsidiaries' Financial Statements present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 31 December 2018, and the results of their operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.



Mr. Tithiphan Chuerboonchai
Chairman of the Audit Committee
4 March 2019

Report of the Nomination and Compensation Committee

The Nomination and Compensation Committee (“NCC”) has been appointed by the Board of Directors, and consists of three independent directors as follows:

- | | |
|---|----------|
| 1) Suebtrakul Soonthornthum | Chairman |
| 2) Chanitr Charnchainarong ¹ | Member |
| 3) Tithiphan Chuerboonchai ¹ | Member |

Note:

¹ Chanitr Charnchainarong and Tithiphan Chuerboonchai were appointed the NCC members with effect from 1 August 2018.

The NCC held 6 meetings in 2018.

The NCC is responsible for the nomination of, and the remuneration for, the Bank’s Board members and the Bank’s Senior Management. The NCC’s duties include:

- Determining the policy and criteria for the selection of candidates, reviewing suitability of candidates for appointment to the Board, as Chief Executive Officer (“CEO”), and/or to Senior Management positions of Executive Director (ED) level and above, and reviewing any internal promotion to the rank of Executive Director (ED) and above; and
- Setting approaches to remuneration, recommending remuneration for the Board members, and reviewing remuneration for the Senior Management team.

In selecting a member of the Board of Directors, CEO and Senior Management, the factors to be taken into consideration, in addition to all applicable regulatory requirements, include the candidate’s academic qualifications, personal character, technical and leadership competence, employment and career experience, and his or her management philosophy and management vision. A successful candidate must share the Board’s and Management’s philosophy and vision in managing the financial institution in order to ensure that the institution’s goals are met. Furthermore, a candidate must share the same beliefs that will help establish mutual trust and close working relationships with the Board and with the Senior Management team.

The NCC will review a successful candidate for suitability before the Bank proceeds to obtain approval from the Bank of Thailand and from the Board of Directors.

In setting compensation for 2018 as disclosed in this Annual Report, the scale and component of remuneration for the independent directors and non-executive directors are based on the fee structure, roles of each director and relevant policies/ practices while the remuneration for the Senior Management are comparable to general practice in the financial industry with regard to work experience and the Bank’s overall performance results and in accordance with the principles and policies which have been approved by the Board and shareholders.

The Bank believes in the remuneration policy and principle of meritocracy – which is to ensure that each employee including that of Senior Management is rewarded and recognized based on his or her level of performance and contribution to the Bank while at the same time promoting long-term success of the Bank by taking into account the risk policies of the Bank.

The Bank does not reward based solely on percentage of income brought in by an employee. The factors used in considering the overall performance evaluation consist of Key Performance Indicators (KPIs) achieved at fifty percent, and the balance for demonstrating key competencies, having good behavior and upholding of the UOB values.

Remuneration given for KPIs achievement e.g. on income will be clawed-back if evidence of misconduct, mis-selling and other misdeeds surface subsequently.

The Bank also revised the Total Compensation Model especially on Variable Pay by introducing the deferral approach. The Deferred Cash or Shares will vest in accordance with the vesting schedule. The vesting of the Deferred Shares will be subjected to performance conditions.

For Control Functions, their respective remuneration are determined based on overall performance of the Bank, the achievement of operational KPIs for such Control Functions, competency and the performance of an individual employee, and competitiveness of the total compensation against the market.

Report of the Nomination and Compensation Committee

The NCC will review performance rating of all Senior Management including the Senior Management in the relevant Control Functions, and the Human Resources (HR) Function will ensure that remuneration of all Control Functions' employees are properly benchmarked and their pay levels are fair.

The combination of independent reporting lines of Control Functions into the Board e.g. Compliance to the Board of Directors and President and CEO, Internal Audit to the Audit Committee, Risk Management to Board Risk Oversight Committee and President and CEO, the segregation of duties for Control Functions, and a compensation structure that prevents conflicts of interest provide necessary checks and balance against compromising the independence and integrity of the Control Functions.

The NCC will, based on the Bank's financial performance, market and industry reward trends, as well as, on GDP and inflation rate projections, propose annual increment and variable pay for employees to the Board of Directors for consideration and approval in the first quarter of each year.

The NCC also takes part in setting out annual performance assessment criteria for overall Board of Directors and each individual director to assess the Board of Directors' performance and efficiency by taking into account their roles and responsibilities as well as Corporate Governance Principles. The assessment was conducted in form of self-assessment and cross assessment. The result was then summarized and reported to the NCC and the Board of Directors for notation.



Suebtrakul Soonthornthum
Chairman, Nomination & Compensation Committee
1 March 2019

Corporate Governance

United Overseas Bank (Thai) Public Company Limited (the Bank or UOB (Thai)), a subsidiary of United Overseas Bank Limited (UOB), is committed to maintaining good standards of corporate governance. The Bank believes that good corporate governance is fundamental to sustaining business growth, as well as, safeguarding the interests of all stakeholders, including shareholders, employees, business partners, customers, government entities with supervisory authority and auditors. The Bank has established the Code of Conduct (the Code), which sets out good practices that all directors and employees should observe to uphold the Bank's values of Honourable, Enterprising, United and Committed.

The Board of Directors of the Bank (the Board) has set up various board committees to assist the Board in overseeing the Bank's affairs. The Bank has in place a comprehensive system of internal controls to safeguard its business and the interests of its stakeholders, including shareholders and depositors.

Control Systems, Risk Management, Compliance and Internal Audit

The Board and the Management recognise the importance of robust internal controls and effective risk management, compliance and internal audit functions. The Bank has set up various committees to assist the President and Chief Executive Officer in overseeing the day-to-day operations of the Bank. All business and support units within the Bank are expected to comply with the guidelines on internal controls and ethics. Internal control activities form an integral part of operational processes. To this end, the Bank has established appropriate dual controls, with segregation of the operational functions and the control and monitoring functions, to ensure that there are appropriate checks and balances.

Risk Management is an independent function which is responsible for putting in place the strategies, policies and processes for identifying, measuring, controlling and reporting risks of the UOB (Thai) Group. The function works with business and support units and the relevant committees to develop and implement appropriate risk management strategies, frameworks, policies and processes. More information on the Bank's risk management approach can be found in the "Risk Management" section of this Annual Report and the Pillar III disclosure on the Bank's website.

Compliance, an independent function, manages compliance risks and reports directly to the Board. It is responsible for communicating, educating and advising all units in the Bank on applicable regulatory developments and their impact on business practices, conducting compliance reviews and tests with a view to ensure that the Bank conducts its business in compliance with all applicable laws, regulations and measures against money laundering, terrorist-financing and financial crime, and administering training on measures against bribery, money laundering and terrorist-financing.

Internal Audit is an independent unit that reports directly to the Audit Committee. The Internal Audit team comprises qualified staff and is responsible for assessing the adequacy and effectiveness of the Bank's system of internal controls, risk management and governance processes. The operations of Internal Audit are assessed by an external assessor every five years. Based on the results of the latest external assessment conducted by Protiviti (Singapore) in 2015, Internal Audit generally conforms to the International Professional Practices Framework of Internal Auditing, and complies with UOB Group Audit's methodologies.

Directors' Reporting

The Board is responsible for the consolidated financial statements of the Bank and its subsidiaries and for the financial information presented in this Annual Report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 (A.D. 2004), and in compliance with governing policies, careful judgment and best estimates. Important information is adequately disclosed in the notes to the financial statements. The independent certified public accountants, having reviewed the consolidated financial statements of the Banks and its subsidiaries and their respective notes, have issued an unqualified audit opinion of the financial statements, and were of the opinion that the consolidated financial statements give a true and fair view of the UOB (Thai) Group's financial status and performance.

The Board has prescribed and maintained oversight of an effective system of internal controls, compliance and internal audit in order to ensure that accounting records are accurate, complete and adequate to protect the Bank's assets and its depositors' interests, and uncover weaknesses to prevent operational risks or materially irregular operations.

Board of Directors

The Board comprises the members with directorship qualifications for financial institutions as required by law and the relevant regulations. The Board comprises members whose overall knowledge or skills are various and suitable for the Bank's size, complexity, business nature and risks, including its strategies and long-term operation. Besides, at least one director possesses IT knowledge and experience.

The Board consists of nine qualified directors, with at least half of the total number of directors resident in Thailand, in compliance with the Public Limited Companies Act B.E. 2535 (A.D. 1992). The Board meets at least 4 times a year and the quorum for each Board meeting is constituted by not less than half of the total number of directors being present at the meeting.

Corporate Governance

The Board's main roles, duties and responsibilities are in compliance with law and regulatory requirements, the Bank's Memorandum and Articles of Association, and the resolutions of the shareholders. The Board may also appoint one or several directors or any other person to perform any function or act on its behalf. Its main responsibilities include:

- a) formulating strategies and policies;
 - i) define directions and strategic targets, including approving the strategies and key policies of the Bank;
 - ii) determine or approve risk governance framework and oversee the Bank to have efficient risk management systems and procedures, including implanting risk culture; and
 - iii) determine or approve good corporate governance policy;
- b) ensuring control, oversight and audit (Three Lines of Defense); and
- c) monitoring the Bank's performance;

The Board members are:

Wee Cho Yaw	Chairman
Wee Ee Cheong	Deputy Chairman
Suebtrakul Soonthornthum	Independent Director
Chanitr Charnchainarong	Independent Director
Tithiphan Chuerboonchai	Independent Director
Chim Tantiyaswasdikul*	Independent Director
Lee Chin Yong	Director
Tan Choon Hin	Director
Sanchai Apisaksirikul	Director

Note:

* Chim Tantiyaswasdikul was appointed an independent director with effect from 1 August 2018.

Executive Committee

The Executive Committee (the EXCO) is established by the Board. Its main responsibilities include:

- a) reviewing and approving business policies and strategies, as well as, other policy matters in line with local practices, regulations and legislation;
- b) monitoring the progress of the Bank's business plan;
- c) reviewing and approving lending programmes, the loan/lending governance framework and any other changes in credit parameter section that may have an impact on the business and reputation of the Bank, as may be delegated by the Board;

- d) approving Maximum Credit Discretionary Limit Structures (approval limits) for authorised individuals and/or management committees) for the approval of credit facilities and debt restructuring cases;
- e) approving/ratifying credit applications, debt restructuring cases and/or any resolution on non-performing loans which fall above the Credit Discretionary Limits designated to individuals and/or management committees;
- f) empowering the Bank's President and Chief Executive Officer to set up any necessary management committee (other than the committees, which are required by the regulatory authorities and set up by the Board), and determining composition and scope of responsibilities of such management committee;
- g) acting on urgent and important business matters requiring immediate decision, which would normally require the attention and decision of the Board; and
- h) approving other businesses which may be delegated by the Board from time to time.

The EXCO members are:

Tan Choon Hin	Chairman
Wee Ee Cheong	Alternate Chairman I
Lee Chin Yong	Alternate Chairman II
Sanchai Apisaksirikul	Member

Audit Committee

The Audit Committee (the AC) consists of three independent directors who have adequate knowledge and experiences to review the reliability of financial statements. Its main responsibilities are to provide oversight of the:

- a) appropriateness and efficiency of the internal control systems;
- b) quality of the financial reports;
- c) internal audit functions;
- d) selection, nomination and remuneration of the external auditors; and
- e) disclosure of related-party transactions or transactions where conflict of interest may occur.

The AC members are:

Tithiphan Chuerboonchai*	Chairman
Suebtrakul Soonthornthum	Member
Chim Tantiyaswasdikul**	Member

Note:

* Tithiphan Chuerboonchai was appointed the AC Chairman with effect from 1 August 2018.

** Chim Tantiyaswasdikul was appointed the AC member with effect from 1 August 2018.

Corporate Governance

Nomination and Compensation Committee

The Nomination and Compensation Committee (the NCC) consists of three independent directors. The NCC is responsible for nomination of, and remuneration for, the Board members and Senior Management. Its main responsibilities include:

- a) review and propose to the Board the selection and nomination of qualified candidates for Directors, CEO, member of the Board Committees and Management from Executive Directors (ED) level and above, including any internal promotions to the rank of ED and above; and
- b) setting the approach to remuneration, recommending the remuneration for the Board members and reviewing the remuneration for the Senior Management team.

The NCC members are:

Suetrakul Soonthornthum	Chairman
Chanitr Charnchainarong*	Member
Tithiphan Chuerboonchai*	Member

Note:

* Chanitr Charnchainarong and Tithiphan Chuerboonchai were appointed as NCC members with effect from 1 August 2018.

Board Risk Oversight Committee

The Board Risk Oversight Committee (the BROC), was set up on 17 August 2018 according to the BOT Notification No. SorNorSor 10/2561 Re:Corporate Governance of Financial Institutions to assist the Board to overseeing the management of risk arising from the business of the Bank. It comprises three directors, two of whom are independent directors (including the BROC Chairman). Its main responsibilities include:

- a) providing recommendations to the Board on matters relating to the risk governance of the Bank;
- b) overseeing compliance to risk management policies, strategies, and risk appetite by Senior Management;
- c) overseeing capital management and liquidity management strategies in accordance with the risk appetite;
- d) reviewing the adequacy and effectiveness of the risk management policies and overall risk management strategies, including risk appetite, at least annually or more frequently when there are any material changes; and
- e) reporting to the Board on the management, control and monitoring of risk and assessment of the effectiveness of risk management and risk culture.

The BROC members are:

Chanitr Charnchainarong	Chairman
Chim Tantiyaswasdikul	Member
Sanchai Apisaksirikul	Member

Corporate Governance

The attendance of the Directors in 2018

(1 January 2018-31 December 2018)

Directors	Number of Meetings Attended / Total Number of Meetings Held					
	The Meeting of the Board of Directors	The Meeting of The Audit Committee	The Meeting of The Nomination & Compensation Committee	The Meeting of The Board Risk Oversight Committee	The Meeting of Non-Executive Directors	Annual General Meeting of the Shareholders
Non-Executive Director						
1. Mr. Wee Cho Yaw	3/4 (Participated 3 meetings via video conference)				0/2	0/1
Independent Directors						
2. Mr. Suebtrakul Soonthornthum	4/4	4/4	6/6		2/2	1/1
3. Mr. Chanitr Charnchainarong ¹	4/4	2/2	3/3	1/1	2/2	1/1
4. Mr. Tithiphan Chuerboonchai ²	4/4	4/4	3/3		2/2	1/1
5. Mr. Chim Tantiyaswasdikul ³	2/2	2/2		1/1	2/2	
6. Mr. Chinnawat Bulsuk ⁴	2/2	2/2	3/3			1/1
Executive Directors						
7. Mr. Wee Ee Cheong	3/4 (Participated 1 meeting via video conference)		3/3			0/1
8. Mr. Lee Chin Yong	4/4 (Participated 1 meeting via video conference)		3/3			1/1
9. Mr. Tan Choon Hin	4/4					1/1
10. Mr. Sanchai Apisaksirikul	4/4			0/1		1/1

Notes:

¹ Mr. Chanitr Charnchainarong was appointed the Chairman of the Board Risk Oversight Committee with effect from 17 August 2018. He was also appointed a member of the Nomination and Compensation Committee with effect from 1 August 2018 in replacement of Mr. Wee Ee Cheong.

² Mr. Tithiphan Chuerboonchai was appointed the Chairman of the Audit Committee with effect from 1 August 2018 in replacement of Mr. Chanitr Charnchainarong. He was also appointed the member of the Nomination and Compensation Committee with effect from 1 August 2018 in replacement of Mr. Lee Chin Yong.

³ Mr. Chim Tantiyaswasdikul was appointed an independent director and a member of the Audit Committee with effect from 1 August 2018 in replacement of Mr. Chinnawat Bulsuk.

⁴ Mr. Chinnawat Bulsuk resigned from the Bank's directorship with effect on 1 August 2018.

Branch Network

31 December 2018

Head Office

Sathon

(Privilege Banking Centre)

(Mon - Fri from 8.30am - 3.30pm)

191 South Sathon Rd.,

Sathon, Bangkok 10120

Tel : 0 2343 2047, 0 2343 2561,

0 2343 2610, 0 2343 2612,

0 2343 2685-9, 0 2343 2693-5

Fax : 0 2287 2972

Bangkok Metropolitan, Nonthaburi and Pathum Thani

101 The Third Place

(Daily from 10.30am - 7.30pm)

101 3rd Fl., Sukhumvit Rd., Bang Chak,

Phra Kanong, Bangkok 10260

Tel : 0 2093 2201-7

Fax : 0 2006 0147

Anusavaree Chaisamorphoom

(Mon - Fri from 8.30am - 3.30pm)

911/1-3 Phaholyothin Rd., Samsen Nai,

Phaya Thai, Bangkok 10400

Tel : 0 2271 0089, 0 2271 2662,

0 2271 3447

Fax : 0 2271 0088

Asok Montri

(Mon - Fri from 8.30am - 3.30pm)

Ratchapak Building, 1st Fl.,

163 Sukhumvit 21 Rd., Wattana,

Bangkok 10110

Tel : 0 2258 3259, 0 2258 3261,

0 2258 3265, 0 2258 3268

Fax : 0 2258 9552

Bang Bon

(Mon - Fri from 8.30am - 3.30pm)

289, 291, 293, 295 Eakachai Rd.,

Bang Bon, Bangkok 10150

Tel : 0 2898 0423-5

Fax : 0 2898 0426

Bangbuathong

(Mon - Fri from 8.30am - 3.30pm)

28/33-35 Moo 4, Bangkruay-Sainoi Rd.,

Sahno-loi, Bangbuathong,

Nonthaburi 11110

Tel : 0 2920 2451-5

Fax : 0 2920 2450

Bangmod

(Mon - Fri from 8.30am - 3.30pm)

630, Rama II Rd., Chomthong,

Bangkok 10150

Tel : 0 2867 0203-5, 0 2867 0913

Fax : 0 2867 0914

Bangna KM.2

(Mon - Fri from 8.30am - 3.30pm)

21/235-236 Moo 12, Bangna-Trad Rd.,

Bangna, Bangkok 10260

Tel : 0 2399 0178-80

Fax : 0 2393 6147

Bangplee

(Daily from 10.00am - 7.00pm)

BIG C Center Bangplee, 2nd Fl.,

89 Moo 9, Taeparak KM. 13 Rd.,

Bangplee, Samut Prakan 10540

Tel : 0 2752 4505-9, 0 2752 4509

Fax : 0 2752 4504

Bangrak

(Mon - Fri from 8.30am - 3.30pm)

Gems Tower Building,

1249/19, 1249/50, 1249/59

Charoen Krung Rd., Suriyawong,

Bangrak, Bangkok 10500

Tel : 0 2234 5265-6, 0 2237 5050-1,

0 2237 8577-8, 0 2266 9896-7

Fax : 0 2266 9667

Big C Omyai

(Daily from 10.00am - 7.00pm)

Big C Super Center Omyai,

17/17 Moo 8, Omyai, Sampran,

Nakhon Pathom 73160

Tel : 0 2431 1534-7

Fax : 0 2431 1542

Bobae

(Daily from 8.30am - 5.30pm)

1086/18, 1st Fl. and 4th Fl., 1086/19, 4th Fl.,

Krungkasem Rd., Klong Mahanak,

Pomprabsattruphai, Bangkok 10100

Tel : 0 2282 3665, 0 2282 3694-5,

0 2282 3796, 0 2282 4557

Fax : 0 2282 1914

BTS On Nut

(Daily from 10.00am - 7.00pm)

BTS On Nut, Sukhumvit Rd.,

Khlong Toei, Bangkok 10110

Tel : 0 2741 4206-7, 0 2741 4210

Fax : 0 2741 4208

Buntudthong

(Mon - Fri from 8.30am - 3.30pm)

56/20, 56/59-62 Rama I Rd., Rong Mueang,

Pathum Wan, Bangkok 10330

Tel : 0 2214 1733, 0 2214 2067,

0 2214 2252, 0 2214 1292

Fax : 0 2215 4836

Central Bangna

(Wealth Banking Centre)

(Daily from 10.30am - 7.30pm)

Central Plaza Bangna, 4th Fl.,

Unit 415, 587 Theprattana Rd.,

Bangna, Bangkok 10260

Tel : 0 2361 7851-3

Fax : 0 2361 7854

Central Festival EastVille

(Daily from 10.30am - 7.30pm)

Central Festival EastVille

69, 69/1, 69/2, 69/4, 3rd Fl.,

Unit No.304-305, Pradist Manudharm Rd.,

Lat Phrao, Bangkok 10230

Tel : 0 2093 5888-99

Fax : 0 2553 6241

Central Grand Rama 9

(Daily from 10.30am - 7.30pm)

Central Plaza Grand Rama 9

Department Store, 5th Fl.,

Unit 508-2, 9/8, 9/9 Rama 9 Rd.,

Huai Kwang, Bangkok 10310

Tel : 0 2160 3851-4

Fax : 0 2160 3855

Central Pinklao

(Wealth Banking Centre)

(Daily from 10.30am - 7.30pm)

4th Fl., Unit 407, 7/222

Central Plaza Pinklao,

Boromratchachonnane Rd.,

Arun Amarin, Bangkoknoi,

Bangkok 10700

Tel : 0 2884 8030-2

Fax : 0 2884 8033

Central Plaza Ramindra

(Daily from 10.30am - 19.30pm)

Central Plaza Ramindra, 3rd Fl.,

Unit 314, 109/10, Ramindra Rd.,

Anusavaree, Bangkok, Bangkok 10220

Tel : 0 2522 6646-8, 0 2522 6650

Fax : 0 2522 6649

Branch Network

31 December 2018

Central Plaza WestGate

(Daily from 10.30am - 7.30pm)
Central Plaza WestGate, 3rd Fl.,
199, 199/1-2 Moo 6, Saothonghin,
Bangyai, Nonthaburi 11140
Tel : 0 2009 1140, 0 21940 2880-2
Fax : 0 2009 1141

Central Rama 2

(Daily from 10.30am - 7.30pm)
Central Plaza Rama 2 Department Store,
G Fl., Unit G28, 160 Rama 2 Rd.,
Bang Khun Thian, Bangkok 10150
Tel : 0 2415 1648, 0 2415 1867,
0 2415 1650
Fax : 0 2415 1868

Central Rama 3

(Wealth Banking Centre)
(Daily from 10.30am - 7.30pm)
Central Plaza Rama 3 Department Store,
4th Fl., Unit 434, 79 Sathupradit Rd.,
Chong Nonsri, Yannawa, Bangkok 10120
Tel : 0 2164 0085-6, 0 2673 7027-8
Fax : 0 2164 0087

Central Rattanathibet

(Daily from 10.30am - 7.30pm)
Central Plaza Rattanathibet, 2nd Fl.,
Zone E-Centre Department Store,
562, 566 Moo 8, Rattanathibet Rd.,
Mueang, Nonthaburi 11000
Tel : 0 2527 8619-20, 0 2527 8631,
0 2527 8633
Fax : 0 2527 8636

Central World

(Privilege Banking Centre)
(Daily from 10.30am - 7.30pm)
Central World, 4, 4/1-4/2, 4/4,
4th Fl., Unit A409, Ratchadamri Rd.,
Pathumwan, Bangkok, 10330
Tel : 0 2252 9681-3
Fax : 0 2259 9684

Chaengwatana

(Mon - Fri from 8.30am - 3.30pm)
Na Nakorn Building, 99/349 Moo 2,
Chaengwatana Rd., Thung Song Hong,
Don Mueang, Bangkok 10210
Tel : 0 2576 1057-9
Fax : 0 2576 1533

City Complex

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

Fashion Island

(Wealth Banking Centre)
(Daily from 10.30am - 7.30pm)
Fashion Island Department Store,
587, 589 Ramintra Rd., Kan Na Yao,
Bangkok 10230
Tel : 0 2947 5307-9, 0 2947 5311
Fax : 0 2947 5310

Gateway Ekamai

(Daily from 10.30am - 7.30pm)
Gateway Ekamai Department Store,
3rd Fl., Unit 3129, 982/22,
Sukhumvit Rd., Phra Khanong,
Khlong Toei, Bangkok 10110
Tel : 0 2108 2856-9
Fax : 0 2108 2849

Huamark

(Mon - Fri from 8.30am - 3.30pm)
5, 7, 9 Soi Ramkhamhaeng 19/1,
Ramkhamhaeng Rd., Bangkok,
Bangkok 10240
Tel : 0 2318 8561-4
Fax : 0 2318 0139

ICONSIAM

(Privilege Banking Centre)
(Daily from 10.30am - 7.30pm)
ICONSIAM Shopping Center, 5th Fl.,
Unit 509-510, 299, Charoen Nakorn Rd.,
Klongtongsai, Klongsan, Bangkok 10600
Tel : 0 2093 5910-6
Fax : 0 2006 4801

Khlong Toey

(Mon - Fri from 8.30am - 3.30pm)
Rama IV Department Store,
1472, 1474 Rama IV Rd., Khlong Toey
Bangkok 10110
Tel : 0 2249 0886-90
Fax : 0 2249 4075

Ladphrao

(Mon - Fri from 8.30am - 3.30pm)
1558 Ladphrao Rd.,
Wang Thong Lang, Bangkok 10310
Tel : 0 2514 2709, 0 2514 2964,
0 2530 1120, 0 2539 5800
Fax : 0 2539 2003

Manorom

(Mon - Fri from 8.30am - 3.30pm)
Manorom Building, 3354/1 Rama 4 Rd.,
Khlongton, Khlong Toei, Bangkok 10110
Tel : 0 2249 7480-1
Fax : 0 2249 7479

Market Village Suvarnabhumi

(Daily from 10.30am - 7.30pm)
99/29 Moo 1 Market Village Suvarnabhumi,
Room S302, 3rd Fl., Bangna-Trad Rd.,
Rachatawa, Bangplee, Samutprakan 10540
Tel : 0 2030 5841, 0 2316 5326-7
Fax : 0 2030 5842

Megabangna

(Daily from 10.30am - 7.30pm)
39 Moo 6, Bangna-Trad Rd., KM. 8,
Bangkaew, Bangplee, Samut Prakan 10540
Tel : 0 2186 8702-5
Fax : 0 2186 8706

Mercury Ville Chidlom

(Daily from 9.00am - 6.00pm)
Mercury Tower, 3rd Fl., Unit 302,
540 Ploenchit Road, Lumpini, Pathum Wan,
Bangkok 10330
Tel : 0 2030 5758, 0 2252 6292-3
Fax : 0 2252 7871

Minburi

(Mon - Fri from 8.30am - 3.30pm)
Navamin Plaza, G Fl., 599/1 Moo 13,
Sihaburanukit Rd., Minburi,
Bangkok 10510
Tel : 0 2518 0815-7
Fax : 0 2518 0799

Mueang Thong Thani

(Mon - Fri from 8.30am - 3.30pm)
339 Mueangthongthani, Bondstreet Rd.,
Pakkred, Nonthaburi 11120
Tel : 0 2503 4940-3
Fax : 0 2503 4914

Nong Khaem

(Mon - Fri from 8.30am - 3.30pm)
77/207 Moo 2, Phetkasem Rd.,
Nong Khang Phlu, Nong Khaem,
Bangkok 10160
Tel : 0 2420 7941-4
Fax : 0 2420 7940

Branch Network

31 December 2018

Nonthaburi

(Mon - Fri from 8.30am - 3.30pm)
32/16-19 Pracha Rat Rd.,
Talad Kwan, Mueang, Nonthaburi 11000
Tel : 0 2525 1771-2, 0 2968 4592-4
Fax : 0 2526 2993

On Nut

(Mon - Fri from 8.30am - 3.30pm)
1468, 1470 On Nut Rd., Suan Luang,
Bangkok 10250
Tel : 0 2332 3134-6
Fax : 0 2331 8519

Paradise Park

(Daily from 10.30am - 7.30pm)
Paradise Park, 2nd Fl., Unit 2C004,
61 Srinakarin Rd., Nongbon,
Prawet, Bangkok 10250
Tel : 0 2047 0816-8
Fax : 0 2047 0819

Pattanakarn

(Mon - Fri from 8.30am - 3.30pm)
309/1-4 Patanakarn Rd.,
Prawet, Bangkok 10250
Tel : 0 2322 0439, 0 2322 0441-3
Fax : 0 2322 0438

Phaholyothin KM.26

(Mon - Fri from 8.30am - 3.30pm)
1/737 Moo 17, Soi Amporn,
Phaholyothin KM. 26, Khukhot,
Lam Luk Ka, Pathum Thani 12130
Tel : 0 2532 3646-9
Fax : 0 2532 3641

Phaholyothin Soi 19

(Mon - Fri from 8.30am - 3.30pm)
Rasa Tower Building,
555 Phaholyothin Rd., Chatuchak,
Bangkok 10900
Tel : 0 2937 0300-4, 0 2513 3165
Fax : 0 2937 0305

Phahurad

(Privilege Banking Centre)
(Mon - Fri from 8.30am - 5.00pm,
Sat from 10.00am - 5.00pm)
The Old Siam Plaza, 2/30-33,
4/11-14 Burapa Rd., Phra Nakhon,
Bangkok 10200
Tel : 0 2222 0176-9
Fax : 0 2223 0708

Phra Pinklao

(Mon - Fri from 8.30am - 3.30pm)
30 Charan Sanit Wong Rd., Bang Yi Khan,
Bangphlat, Bangkok 10700
Tel : 0 2434 7110-3
Fax : 0 2434 7114

Rajchaprarop

(Mon - Fri from 8.30am - 5.00pm)
120/3-6 Rajchaprarop Rd.,
Ratchathewi, Bangkok 10400
Tel : 0 2656 3068, 0 2656 3071-2
Fax : 0 2251 0404

Rangsit

(Wealth Banking Centre)
(Daily from 10.30am - 7.30pm)
Future Park Rangsit Building, 94 Moo 2,
Phaholyothin Rd., Prachatipat,
Thanyaburi, Pathum Thani 12130
Tel : 0 2958 0562-7
Fax : 0 2958 0568

Ratchada-Huay Khwang

(Mon - Fri from 8.30am - 3.30pm)
167/8 Ratchadaphisek Rd.,
Din Daeng, Bangkok 10400
Tel : 0 2276 9408-12
Fax : 0 2276 9413

Ratchada-Sathupradit

(Mon - Fri from 8.30am - 3.30pm)
127/1 Nonsee Rd., Yannawa,
Bangkok 10120
Tel : 0 2681 1111-5, 0 2681 1738
Fax : 0 2681 1110

Ratchada-Thaphra

(Mon - Fri from 8.30am - 3.30pm)
Decha Building, 299 Ratchadaphisek 6 Rd.,
Thonburi, Bangkok 10600
Tel : 0 2476 9945-7
Fax : 0 2476 9944

Ratchawong

(Mon - Fri from 8.30am - 3.30pm)
219/2 Ratchawong Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2221 7515, 0 2622 7388-90
Fax : 0 2622 7392

Robinson Samutprakan

(Daily from 10.30am - 7.30pm)
Robinson Samutprakan, 3rd Fl., 789 Moo 2,
Taibanmai, Mueang, Samut Prakan, 10280
Tel : 0 2093 5160-5
Fax : 0 2093 5166

Sam Yaek

(Privilege Banking Centre)
(Mon - Fri from 8.30am - 3.30pm)
601 Charoen Krung Rd., Talad Noi,
Samphanthawong, Bangkok 10100
Tel : 0 2222 5111-6
Fax : 0 2222 1354

Samrong

(Mon - Fri from 8.30am - 3.30pm)
999/99 Moo 1, Sukhumvit Rd.,
Samrong Nua, Mueang,
Samut Prakan 10270
Tel : 0 2384 4510, 0 2384 7656,
0 2394 0422, 0 2394 0428
Fax : 0 2384 4352

Sathon 2

(Mon - Fri from 8.30am - 3.30pm)
Bangkok City Tower Building,
179/3 South Sathon Rd., Tung Mahamek,
Sathon, Bangkok 10120
Tel : 0 2679 5700-2, 0 2679 5704
Fax : 0 2679 5703

Seacon Bangkhae

(Daily from 10.30am - 7.30pm)
Seacon Bangkhae Department Store,
607 Phetkasem Rd., Bangwa,
Phasi Charoen, Bangkok 10160
Tel : 0 2454 8792-5
Fax : 0 2454 8696

Seacon Square

(Daily from 10.30am - 7.30pm)
Seacon Square Department Store,
3rd Fl., Unit 3057F, 55 Srinakharin Rd.,
Nongbon, Prawet, Bangkok 10250
Tel : 0 2138 5744-5, 0 2721 9103-4
Fax : 0 2138 5746

Senanikom

(Mon - Fri from 8.30am - 3.30pm)
126/19 Phaholyothin 32 Rd.
(Soi Senanikom 1), Chatuchak,
Bangkok 10900
Tel : 0 2561 3100-1
Fax : 0 2579 9088

Si Phraya

(Mon - Fri from 8.30am - 3.30pm)
295 Si Phraya Rd., Bangrak,
Bangkok 10500
Tel : 0 2235 2886, 0 2631 5440-1
Fax : 0 2235 2882

Branch Network

31 December 2018

Si Yaek Sriwara

(Mon - Fri from 8.30am - 3.30pm)
573/139 Soi Ramkhamhaeng 39,
Prachauthit Rd., Wangthonglang,
Bangkok 10310
Tel : 0 2934 7941-4
Fax : 0 2934 7945

Siam Square

(Daily from 10.00am - 7.00pm)
410-410/1 Siam Square Soi 6, Rama I Rd.,
Pathum Wan, Bangkok 10500
Tel : 0 2251 2145, 0 2251 2278,
0 2251 3343,
Fax : 0 2251 2280

Silom 2

(Mon - Fri from 8.30am - 3.30pm)
14 Silom Rd., Bangrak, Bangkok 10500
Tel : 0 2632 8801-3, 0 2632 8805
Fax : 0 2632 8804

Silom Complex

(Daily from 10.30am - 7.30pm)
Silom Complex Building, 4th Fl.,
191 Silom Rd., Silom, Bangrak,
Bangkok 10500
Tel : 0 2231 3100-1, 0 2231 3139-40
Fax : 0 2231 3137

Sindhorn Tower

(Mon - Fri from 9.00am - 6.00pm)
Sindhorn Tower Building, G Fl.,
Unit 13, 130-132 Witthayu Rd.,
Pathun Wan, Bangkok 10330
Tel : 0 2041 1261, 0 2263 3530-2
Fax : 0 2041 2157

Soi Yoo Dee

(Mon - Fri from 8.30am - 3.30pm)
597/113-114 Trok Watchannai,
Chan Rd., Bangkhlo, Bang Kho Laem,
Bangkok 10120
Tel : 0 2291 4904-5, 0 2291 4907,
0 2292 1627
Fax : 0 2291 4906

Songwad

(Mon - Fri from 8.30am - 3.30pm)
1252-1254 Songwad Rd., Jakrawat,
Samphanthawong, Bangkok 10100
Tel : 0 2225 3596-7, 0 2225 6254-5,
0 2226 3606-7
Fax : 0 2225 6256

Srinakarin

(Mon - Fri from 8.30am - 3.30pm)
395/5 Srinakarin Rd., Mueang,
Samut Prakan 10270
Tel : 0 2385 7312-5
Fax : 0 2385 7316

St. Louis 3

(Mon - Fri from 8.30am - 3.30pm)
31, Soi Chan 18/7 (St. Louis 3)
Thung Wat Don, Sathon, Bangkok 10120
Tel : 0 2211 1407, 0 2212 7024
Fax : 0 2211 0815

Sukhumvit 4

(Mon - Fri from 8.30am - 3.30pm)
Two Pacific Tower Building, 1st FL.,
142 Sukhumvit Rd., Khlong Toei,
Bangkok 10110
Tel : 0 2253 5137, 0 2653 2178-9,
0 2653 2218
Fax : 0 2653 2181

Sukhumvit 25

(Mon - Fri from 8.30am - 3.30pm)
Glass House Sukhumvit Building,
1 Soi Sukhumvit 25, Khlong Toei Nua,
Wattana, Bangkok 10110
Tel : 0 2258 9330-2
Fax : 0 2258 4582

Sukhumvit 26

(Mon - Fri from 8.30am - 3.30pm)
720/1 Sukhumvit, Klongtan,
Klongtoey, Bangkok 10110
Tel : 0 2010 4511, 0 2258 4052-4
Fax : 0 2010 4513

Suksawat

(Mon - Fri from 8.30am - 3.30pm)
393, 395, 397 Suksawat Rd., Bangpakok,
Rat Burana, Bangkok 10140
Tel : 0 2477 2409-11
Fax : 0 2468 6028

Suntowers

(Mon - Fri from 8.30am - 3.30pm)
Suntowers Building, A building, 123, Unit A102,
1st Fl., Wiphawadi-Rangsit Rd.,
Chom Phon, Chatuchak, Bangkok 10900
Tel : 0 2273 8120-1, 0 2273 8939-40
Fax : 0 2273 8122

Surawong

(Mon - Fri from 8.30am - 3.30pm)
134 Surawong Rd., Bangrak,
Bangkok 10500
Tel : 0 2233 9730-3
Fax : 0 2235 5208

Talad Si Mummuang

(Mon - Fri from 8.30am - 3.30pm)
355/33-35 Moo 8, Phaholyothin Rd.,
Khukhot, Lam Luk Ka, Pathum Thani 12130
Tel : 0 2536 7850, 0 2536 7854-6
Fax : 0 2536 7853

Talad Thai

(Daily from 9.30am - 6.30pm)
32/1044 Moo 9, Khlongnueng,
Khlongluang, Pathum Thani 12120
Tel : 0 2908 4784-7
Fax : 0 2908 4847

Thaiwa Tower

(Mon - Fri from 8.30am - 3.30pm)
Thai Wah Tower 1 Building,
21/63-66 South Sathon Rd.,
Sathon, Bangkok 10120
Tel : 0 2285 0092-4
Fax : 0 2285 0095

Thanon Asoke-Dindaeng

(Mon - Fri from 8.30am - 3.30pm)
729 Asoke-Dindaeng Rd.,
Din Daeng, Bangkok 10400
Tel : 0 2248 6935-7
Fax : 0 2248 6933

Thanon Krungthonburi

(Mon - Fri from 8.30am - 3.30pm)
Sinn Sathon Tower, 77/2 Krungthonburi Rd.,
Khlongsan, Bangkok 10600
Tel : 0 2440 0345-9
Fax : 0 2440 0350

Thanon Phaholyothin 8

(Mon - Fri from 8.30am - 3.30pm)
Intouch Tower, G Fl.,
414 Phaholyothin Rd., Samsen Nai,
Phaya Thai, Bangkok 10400
Tel : 0 2357 1690, 0 2616 9760-2
Fax : 0 2357 1490

Branch Network

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Thanon Phraram 6

(Mon - Fri from 8.30am - 3.30pm)
Tipco Tower Building, G Fl.,
118/1 Rama VI Rd., Samsen Nai,
Phaya Thai, Bangkok 10400
Tel : 0 2357 3460-3
Fax : 0 2357 3464

Thanon Phraram 9

(Mon - Fri from 8.30am - 3.30pm)
Worrasombat Building, G Fl.,
100/1 Rama IX Rd., Huai Khwang,
Bangkok 10310
Tel : 0 2645 0683-5
Fax : 0 2645 0440

Thanon Pracha-U-Thit

(Mon - Fri from 8.30am - 3.30pm)
147/1-4 Moo 8, Pracha-U-Thit Rd.,
Rat Burana, Bangkok 10140
Tel : 0 2873 1457-9
Fax : 0 2873 1460

Thanon Sri Wara

(Mon - Fri from 8.30am - 3.30pm)
314 Soi Ladphrao 94 (Panjamit),
Sri Wara Rd., Wang Thonglang,
Bangkok 10310
Tel : 0 2559 3600-5
Fax : 0 2559 3606

Thanon Sukhaphiban 3

(Mon - Fri from 8.30am - 3.30pm)
902 Ramkamhaeng Rd., Bangkok,
Bangkok 10240
Tel : 0 2375 8725, 0 2375 8794,
0 2375 8799, 0 2377 9183,
0 2377 5285, 0 2735 4018
Fax : 0 2375 8795

Thanon Vorachak

(Mon - Fri from 8.30am - 3.30pm)
94-96 Vorachak Rd., Ban Bat,
Pom Prap Sattru Phai, Bangkok 10100
Tel : 0 2225 9085-6, 0 2225 9088,
0 2621 1247
Fax : 0 2225 9087

Thanon Witthayu

(Mon - Fri from 8.30am - 5.00pm)
CRC Tower Building, G Fl., Unit 121, 87/2
Wireless Rd., Lumpini, Pathum Wan,
Bangkok 10330
Tel : 0 2255 5392-4
Fax : 0 2255 5395

Thanon Yaowarat

(Mon - Fri from 8.30am - 5.00pm)
Hua Seng Heng Building,
1st Fl., 422, 424 Yaowarat Rd.,
Samphanthawong, Bangkok 10100
Tel : 0 2226 2930-1, 0 2226 5855
Fax : 0 2226 2933

The Circle Ratchapruk

(Daily from 10.00am - 7.00pm)
The Circle Ratchapruk, Room R6,
39 Ratchapruk Rd., Bangramad,
Taling Chan, Bangkok 10170
Tel : 0 2863 8624-6
Fax : 0 2863 8627

The Mall Bangkae

(Daily from 10.30am - 7.30pm)
The Mall Bangkhae, 3rd Fl., 275 Moo 1,
Phetkasem Rd., North Bangkhae,
Bangkhae, Bangkok 10160
Tel : 0 2482 9582-5
Fax : 0 2482 9586

The Mall Bangkok

(Daily from 10.30am - 7.30pm)
The Mall Bangkok, 3rd Fl., Unit 3S-C9A,
3522 Ladphrao Rd., Khlong-jun,
Bangkapi, Bangkok 10240
Tel : 0 2363 3570-3
Fax : 0 2363 3574

The Mall Ngam Wong Wan

(Daily from 10.30am - 7.30pm)
The Mall Ngamwongwan, 3rd Fl.,
Unit 3S-C4A, C5A, 30/39-50 Moo 2,
Ngam Wong Wan Rd., Bangkokhen,
Mueang, Nonthaburi 11000
Tel : 02 550 1134-7
Fax : 02 550 0355

The Phyll Sukhumvit 54

(Mon - Fri 10.00am - 7.00pm)
The Phyll, G Fl., Unit G05,
1770 Sukhumvit Rd., Bang Chak,
Phra Khanong, Bangkok 10260
Tel : 0 2331 3582-4, 0 2331 3587
Fax : 0 2331 3588

Thonglor

(Mon - Fri from 8.30am - 3.30pm)
283/15-17, Soi Thonglor 13,
Sukhumvit 55 Rd., Wattana,
Bangkok 10110
Tel : 0 2712 7150-5
Fax : 0 2712 7156

United Center

(Mon - Fri from 10.30am - 6.30pm)
United Center Building, 2nd Fl.,
Unit 209A, 323 Silom Rd., Silom,
Bangrak, Bangkok 10500
Tel : 0 2237 4890-3
Fax : 0 2237 4894

UOB Express The Mall Thapra

(Daily from 10.30am - 7.30pm)
99 The Mall Thapra Department Store, B Fl.,
Ratchadapisek (Taksin-Thapra) Rd.,
Bukkalo, Thonburi, Bangkok 10600
Tel : 0 2093 2218-9
Fax : 0 2477 9948

UOB Home Loan Centre - Pearl Bangkok

(Mon - Fri from 9.00am - 6.00pm)
Pearl Bangkok Building, 3rd Fl.,
1177, Phaholyothin Rd., Samsennai,
Phayathai, Bangkok 10400
Tel : 0 2093 3570-1
Fax : 0 2042 4575

UOB Wealth Banking Centre-Siam Paragon

(Daily from 10.30am - 7.30pm)
Siam Paragon Shopping Center,
3rd Fl., Unit 3-01A, 991 Rama 1 Rd.,
Pathum Wan, Bangkok 10330
Tel : 0 2129 4841-3, 0 2610 9602-3
Fax : 0 2610 9604

Wongwian Odean

(Mon - Fri from 8.30am - 3.30pm)
772, 774 Charoen Krung Rd.,
Samphanthawong,
Bangkok 10100
Tel : 0 2234 3399, 0 2238 2540-1
Fax : 0 2238 2543

Yaowarat Mahajak

(Mon - Fri from 8.30am - 3.30pm)
236, 238, 240 Yaowarat Rd.,
Chakkrawat, Samphanthawong,
Bangkok 10110
Tel : 0 2225 5241-4
Fax : 0 2225 5245

Central Area

Kanchanaburi

(Mon - Fri from 8.30am - 3.30pm)
160/39-40 Sangchutoe Rd.,
Ban Nuea, Mueang, Kanchanaburi 71000
Tel : 0 3452 1621-3
Fax : 0 3452 1624

Branch Network

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Nakhon Pathom

(Mon - Fri from 8.30am - 3.30pm)
63, 65 Rajvithi Rd., Phrapathomjedi,
Mueang, Nakhon Pathom 73000
Tel : 0 3425 1184-5
Fax : 0 3425 1186

Phra Nakhon Si Ayutthaya

(Mon - Fri from 9.00am - 4.00pm)
255 Moo 5, Rojana Rd.,
Phra Nakhon Si Ayutthaya,
Phra Nakhon Si Ayutthaya 13000
Tel : 0 3524 6030, 0 3524 6118
Fax : 0 3524 1546

Ratchaburi

(Mon - Fri from 8.30am - 3.30pm)
11 Kathatorn Rd., Na Mueang,
Mueang Ratchaburi, Ratchaburi 70000
Tel : 0 3231 0321-3
Fax : 0 3231 0324

Samut Sakhon

(Mon - Fri from 8.30am - 3.30pm)
927/403 Sethakit 1 Rd., Mahachai,
Mueang, Samut Sakhon 74000
Tel : 0 3481 0514-5, 0 3442 7510,
0 3442 7582
Fax : 0 3481 0513

Samut Songkhram

(Mon - Fri from 8.30am - 3.30pm)
125/28 Tang Kao Mueang Rd., Mueang,
Samut Songkhram 75000
Tel : 0 3471 8111, 0 3471 8222,
0 3471 8628-9
Fax : 0 3471 8627

Saraburi

(Mon - Fri from 8.30am - 3.30pm)
427 Phaholyothin Rd.,
Mueang, Saraburi 18000
Tel : 0 3621 2137-8, 0 3622 1630,
0 3631 2055-6
Fax : 0 3622 1636

Eastern Area

Amata Nakhon

(Mon - Fri from 10.00am - 6.00pm)
700/17 Moo 1, Khlong Tamru, Mueang,
Chon Buri 20000
Tel : 0 3845 7564-7
Fax : 0 3845 7568

Ban Bung

(Mon - Fri from 8.30am - 3.30pm)
403 Chon Buri-Ban Bung Rd.,
Ban Bung, Chon Buri 20170
Tel : 0 3844 3626-7, 0 3875 0979-80,
Fax : 0 3844 3039

Ban Chang

(Mon - Fri from 8.30am - 5.00pm)
51/12 Moo 5, Sukhumvit Rd.,
Ban Chang, Rayong 21130
Tel : 0 3860 3121-4
Fax : 0 3860 3119

Bang Lamung

(Mon - Fri from 10.00am - 6.00pm)
90/27 Moo 5, Pattaya-Naglua Rd.,
Naglua, Bang Lamung, Chon Buri 20150
Tel : 0 3842 7748-9, 0 3842 8418,
0 3842 9333,
Fax : 0 3842 3332

Central Chonburi

(Daily from 11.00am - 8.00pm)
Central Plaza Chonburi, 2nd Fl.,
55/88-9, 55/91 Sukhumvit Rd., Samet,
Mueang, Chon Buri 20000
Tel : 0 3805 3920-3
Fax : 0 3805 3924

Chachoengsao

(Mon - Fri from 8.30am - 3.30pm)
94/3 Chumphon Rd., Mueang,
Chachoengsao 24000
Tel : 0 3851 1621-2, 0 3851 4627,
0 3853 5083, 0 3881 8149
Fax : 0 3851 1623

Chanthaburi

(Mon - Fri from 8.30am - 3.30pm)
82/9 Thachalab Rd., Wat Mai,
Mueang, Chanthaburi 22000
Tel : 0 3934 6434-5, 0 3934 6616
Fax : 0 3932 1201

Chon Buri

(Privilege Banking Centre)
(Mon - Fri from 8.30am - 3.30pm)
804 Kor Chetchamnong Rd., Bangplasoi,
Mueang, Chon Buri 20000
Tel : 0 3827 3601-6
Fax : 0 3827 3607

Chon Buri 2

(Mon - Fri from 8.30am - 3.30pm)
116/110 Moo 3, Sukhumvit Rd.,
Ban Suan, Mueang, Chon Buri 20000
Tel : 0 3879 7457-9, 0 3879 7462
Fax : 0 3879 7461

Eastern Seaboard

(Mon - Fri from 8.30am - 3.30pm)
Thanon Hemaraj Avenue, 24/1 Moo 4,
Pluak Daeng, Rayong 21140
Tel : 0 3895 5284-8, 0 3895 5290
Fax : 0 3895 5289

Map Ta Phut

(Mon - Fri from 8.30am - 5.00pm)
267/11-13 Sukhumvit Rd., Map Ta Phut,
Mueang, Rayong 21150
Tel : 0 3860 7945, 0 3860 7947,
0 3860 7949
Fax : 0 3860 8718

Passione Shopping Destination

(Daily from 10.30am - 7.30pm)
Passione Shopping Destination,
2nd Fl., 554/4 Sukhumvit Rd.,
Noen Phra, Mueang, Rayong 21000
Tel : 0 3802 3400-3
Fax : 0 3802 3404

Pattaya

(Mon - Fri from 10.00am - 6.00pm)
325/115-116 Moo 10, Pattaya Sai 2 Rd.,
Nong Prue, Bang Lamung,
Chon Buri 20150
Tel : 0 3841 0027, 0 3842 9464
Fax : 0 3842 9400

Rayong

(Mon - Fri from 8.30am - 3.30pm)
144/39-41 Sukhumvit Rd., Mueang,
Rayong 21000
Tel : 0 3861 4255-6, 0 3861 4730-2
Fax : 0 3861 4734

Robinson Sriracha

(Daily from 11.00am - 8.00pm)
Robinson Si Racha Department Store,
G Fl., Unit 1F-B-13, 90/1 Sukhumvit Rd.,
Si Racha, Chon Buri 20110
Tel : 0 3832 8458-60
Fax : 0 3832 8461

Branch Network

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Sri Racha

(Mon - Fri from 8.30am - 3.30pm)
135/19 Sukhumvit Rd., Si Racha,
Chon Buri 20110
Tel : 0 3832 4500-2, 0 3832 4504
Fax : 0 3832 4503

Northeastern Area

Ban Huay Udon Thani

(Mon - Fri from 8.30am - 5.00pm,
Sat - Sun 9.00am - 6.00pm)
214/27-29 Udon Dutsadi Rd.,
Mak Khaeng, Mueang, Udon Thani 41000
Tel : 0 4224 3639-41
Fax : 0 4224 3643

Khon Kaen

(Mon - Fri from 8.30am - 3.30pm)
34, 34/1-2 Namueang Rd., Nai Mueang,
Mueang, Khon Kaen 40000
Tel : 0 4323 7620-1, 0 4333 4577
Fax : 0 4323 7435

Khon Kaen-Thanon Mittraparb (Privilege Banking Centre)

(Mon - Fri from 8.30am - 5.00pm,
Sat - Sun from 9.30am - 6.30pm)
81/1 Mitraparb Rd., Mueang,
Khon Kaen 40000
Tel : 0 4324 1686
Fax : 0 4323 8435

Nakhon Ratchasima

(Mon - Fri from 8.30am - 3.30pm)
2-4 Choompol Rd., Nai Mueang,
Mueang, Nakhon Ratchasima 30000
Tel : 0 4426 8873-7
Fax : 0 4425 5476

Nakhon Ratchasima 2

(Mon - Fri from 8.30am - 5.00pm,
Sat - Sun 9.00am - 6.00pm)
545 Mittraparb Rd., Nai Mueang,
Mueang, Nakhon Ratchasima 30000
Tel : 0 4426 3487-91
Fax : 0 4426 3493

Roiet

(Mon - Fri from 8.30am - 3.30pm)
226/2 Ronnachaichanyut Rd.,
Nai Mueang, Mueang, Roiet 45000
Tel : 0 4351 5850-2
Fax : 0 4351 5854

Sakhon Nakhon

(Mon - Fri from 8.30am - 3.30pm)
1551/12 Sukkasem Rd.,
That Choeng Chum, Mueang,
Sakon Nakhon 47000
Tel : 0 4271 6230, 0 4271 6303,
0 4271 6350, 0 4271 6765,
0 4271 6895
Fax : 0 4271 6728

Surin

(Mon - Fri from 8.30am - 3.30pm)
79, 81, 83 Chitbunrung Rd.,
Nai Mueang, Mueang, Surin 32000
Tel : 0 4451 1848, 0 4451 8997-8,
0 4453 8384
Fax : 0 4451 1081

Ubon Ratchathani

(Mon - Fri from 8.30am - 3.30pm)
177 Ubparat Rd., Nai Mueang, Mueang,
Ubon Ratchathani 34000
Tel : 0 4524 3830-1, 0 4524 4270-1,
0 4524 4717-8, 0 4526 2904
Fax : 0 4524 3832

Udon Thani

(Mon - Fri from 8.30am - 3.30pm)
359 Phosri Rd., Mueang,
Udon Thani 41000
Tel : 0 4222 1333, 0 4234 3023,
0 4234 3425
Fax : 0 4224 4062

Northern Area

Central Airport Chiang Mai

(Daily from 11.00am - 8.00pm)
2 Mahidol Rd., 252-252/1 Wualai Rd.,
Haiya, Mueang, Chiang Mai 50100
Tel : 0 5390 4143-6
Fax : 0 5390 4147

Chiang Mai-Huaikaw

(Privilege Banking Centre)
(Mon - Fri from 8.30am - 3.30pm)
137 Huay Kaew Rd., Mueang,
Chiang Mai 50200
Tel : 0 5321 1091-4
Fax : 0 5321 1095

Chiang Rai

(Mon - Fri from 8.30am - 3.30pm)
643/5 Moo 3, Uttrakrit Rd., Vieng,
Mueang, Chiang Rai 57000
Tel : 0 5371 1414, 0 5371 6557, 0 5371 6786
Fax : 0 5371 5429

Lampang

(Mon - Fri from 8.30am - 3.30pm)
255 Boonwat Rd., Mueang,
Lampang 52000
Tel : 0 5421 8373, 0 5421 8383,
0 5421 8454, 0 5422 7383
Fax : 0 5422 7637

Nakhon Sawan

(Mon - Fri from 8.30am - 3.30pm)
532-534 Kosi Rd., Pak Nam Pho,
Mueang, Nakhon Sawan 60000
Tel : 0 5621 4690, 0 5621 4709,
0 5631 4234, 0 5631 4299
Fax : 0 5621 3224

Phitsanulok

(Mon - Fri from 9.00am - 4.00pm)
112/39-41 Akartodsrod Rd., Nai Mueang,
Mueang, Phitsanulok 65000
Tel : 0 5522 5153-5
Fax : 0 5522 5156

Thanon Highway-Chiang Mai

(Mon - Fri from 8.30am - 3.30pm)
1/99 Chiang Mai-Lampang Rd.,
Nong Pa Khrang, Mueang,
Chiang Mai 50000
Tel : 0 5330 4701-4, 0 5330 4706
Fax : 0 5330 4705

Thanon Sridonchai Chiang Mai

(Mon - Fri from 9.00am - 4.00pm)
54/1 Suriwong Book Center,
Sridonchai Rd., Haiya, Mueang,
Chiang Mai 50100
Tel : 0 5327 0029-30, 0 5328 2903,
0 5382 1080-1
Fax : 0 5328 2015

Thanon Thapae Chiang Mai

(Mon - Fri from 8.30am - 3.30pm)
2-4, Wichayanon Rd., Chang Moi,
Mueang, Chiang Mai 50300
Tel : 0 5323 3860-2, 0 5387 4028
Fax : 0 5387 4029

Branch Network

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Southern Area

Central Festival Phuket

(Daily from 10.30am - 7.30pm)
Central Festival Phuket, 2nd Fl.,
74-75 Moo 5, Wishit, Mueang,
Phuket 83000
Tel : 0 7621 0526, 0 7621 0534,
0 7621 0575, 0 7621 0151
Fax : 0 7621 0596

Ha Yaek Chalongs Phuket

(Mon - Fri from 8.30am - 3.30pm)
9/108 Moo 9, Chaofa (East) Rd.,
Chalongs, Mueang, Phuket 83130
Tel : 0 7638 3801-4
Fax : 0 7638 3805

Hat Pa Tong

(Mon - Fri from 9.30am - 4.30pm)
9/33 Phangmuang Sai Kor,
Patong, Krathu, Phuket 83150
Tel : 0 7651 0735-6, 0 7651 0750,
0 7651 0850
Fax : 0 7651 0794

Hat Yai

(Mon - Fri from 8.30am - 3.30pm)
164 Nipat-utit 1 Rd., Hat Yai,
Songkhla 90110
Tel : 0 7423 5605, 0 7424 3032,
0 7424 3810, 0 7424 5033
Fax : 0 7423 5606

Nakhon Sri Thammarat

(Mon - Fri from 8.30am - 3.30pm)
1719-1721 Rajdamnern Rd., Tha Wang,
Mueang, Nakhon Sri Thammarat 80000
Tel : 0 7535 6112, 0 7535 6860-1
Fax : 0 7534 2352

Phuket

(Privilege Banking Centre)

(Mon - Fri from 8.30am - 3.30pm)
206 Phuket Rd., Talad Yai,
Mueang, Phuket 83000
Tel : 0 7621 0970-1, 0 7621 1566,
0 7621 1577, 0 7621 4901-2
Fax : 0 7621 4903

Surat Thani

(Mon - Fri from 8.30am - 3.30pm)
208/2-3 Chonkasem Rd., Talad,
Mueang, Surat Thani 84000
Tel : 0 7728 6292-4
Fax : 0 7728 6298

Thanon Phetchakasem Hat Yai

(Mon - Fri from 8.30am - 3.30pm)
452/8 Phetkasem Rd.,
Hat Yai, Songkhla 90110
Tel : 0 7422 0262-3, 0 7422 0274-5
Fax : 0 7422 0281

Trang

(Mon - Fri from 8.30am - 3.30pm)
1/5-6 Rama VI Rd., Thap Thiang,
Mueang, Trang 92000
Tel : 0 7521 7781-4
Fax : 0 7521 7785

Yala

(Mon - Fri from 9.00am - 3.00pm)
8-12 Pipitpakdi Rd., Sateng,
Mueang, Yala 95000
Tel : 0 7321 2218, 0 7321 2414,
0 7324 0872-3
Fax : 0 7321 3764

Company Information

Name : United Overseas Bank (Thai) Public Company Limited
Public company registration number : 0107535000176
Nature of business : Commercial Bank
Registration address : 191 South Sathon Road, Sathon, Bangkok 10120
Tel : 0 2343 3000
Fax : 0 2287 2973-4
SWIFT : UOVBTBKK
Website : www.UOB.co.th

Auditor

Ms. Somjai Khunapasut : Certified Public Accountant (Thailand) No. 4499 and/or
Ms. Ratana Jala : Certified Public Accountant (Thailand) No. 3734 and/or
Ms. Rachada Yongsawadvanich : Certified Public Accountant (Thailand) No. 4951

EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel : 0 2264 0777
Fax : 0 2264 0789
Website : www.ey.com



Company Information

Credit Ratings

Moody's Investors Service		Rating	as at 22 June 2018
Bank Deposits	- Long-Term	Baa1	
Bank Deposits	- Short-Term	P-2	
Outlook	- Long-Term	Stable	
Outlook	- Short-Term	Stable	
Baseline Credit Assessment		ba1	
Adjusted Baseline Credit Assessment		baa1	
Counterparty Risk Assessment	- Long-Term	A3(cr)	
Counterparty Risk Assessment	- Short-Term	P-2(cr)	

Fitch Ratings		Rating	as at 10 September 2018
Foreign Currency	- Long-Term	A-	
Foreign Currency	- Short-Term	F2	
Outlook	- Long-Term	Stable	
Viability		bbb-	
Support		1	
National Rating	- Long-Term	AAA(thai)	
National Rating	- Short-Term	F1+(thai)	
National Rating Outlook		Stable	





United Overseas Bank (Thai) Public Company Limited

Head Office

191 South Sathon Road,
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